

West of England Local Housing Needs Assessment

Final Report

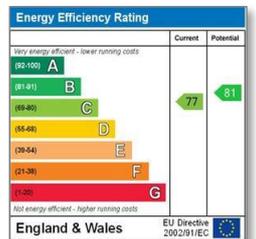
West of England
Spatial Development Strategy
September 2021





West of England Local Housing Needs Assessment

Report of Findings
September 2021





Opinion Research Services | The Strand, Swansea SA1 1AF
Jonathan Lee | Belinda Herbert | Scott Lawrence
Nigel Moore | Trevor Baker | Hugo Marchant
enquiries: 01792 535300 · info@ors.org.uk · www.ors.org.uk

© Copyright September 2021

The below copyrights acknowledge the open-source data that is provided by the respective bodies,
and is used throughout this document

Contains Ordnance Survey data © Crown copyright and database right 2021

Contains Royal Mail data © Royal Mail copyright and database right 2021

Contains National Statistics data © Crown copyright and database right 2021

Contains public sector information licensed under the Open Government Licence v3.0

Contents

Executive Summary.....	7
Summary of key findings and conclusions	
Introduction.....	7
Projected Household Types.....	8
Establishing Current Unmet Need for Affordable Housing.....	12
BANES.....	12
Bristol.....	12
South Gloucestershire.....	13
North Somerset.....	13
Future Need for Affordable Housing.....	14
Needs of Households Aspiring to Homeownership.....	15
Identifying the Overall Affordable Housing Need.....	16
Affordable Rent.....	20
Local Housing Need.....	22
Disaggregating the Minimum Local Housing Need figure for Bath and North East Somerset 2020-35 ...	23
Disaggregating the Minimum Local Housing Need figure for Bristol 2020-35.....	25
Disaggregating the Minimum Local Housing Need figure for South Gloucestershire 2020-35.....	27
Disaggregating the Minimum Local Housing Need figure for WECA 2020-35.....	29
Disaggregating the Minimum Local Housing Need figure for North Somerset 2023-38.....	30
Housing for Older People.....	32
Housing for People with Disabilities.....	34
1. Introducing the Study.....	37
Background to the project	
Introduction.....	37
2. Government Policy.....	39
An overview of the National Policy Planning Framework	
Introduction.....	39
The Standard Method for Local Housing Need Assessment.....	41
Changes to the Standard Method.....	42
Assessing Housing Needs.....	45
Duty to Co-operate.....	46

3. Local Housing Market	48
Housing trends and cost of housing in the West of England	
Introduction.....	48
Housing Tenure Trends	48
Cost of Renting	53
Income Needed to Rent Housing	
Cost of Home Ownership	60
Income Needed for Home Ownership	
Identifying the Gap for Affordable Home Ownership	64
Shared Ownership	
Build to Rent	
Rent vs Ownership: Income Multipliers	
Summary of Low-Cost Home Ownership Options.....	74
4. Demographic Projections	75
The baseline for establishing housing need	
Introduction.....	75
Official Household Projections	76
Projected Household Size.....	79
Underlying Trends	81
ONS Projected Population Age Profile	84
15 Yr Household Projections by Age	89
Projected Household Types.....	92
5. Affordable Housing Need	96
Identifying households who cannot afford market housing	
Introduction.....	96
Assessing Affordable Housing Needs	97
Current Unmet Needs of Households Unable to Afford	99
Projected Future Need of Households Unable to Afford.....	105
Needs of Households Aspiring to Homeownership	112
Home Ownership Trends	
Establishing the number of households aspiring to home ownership	
Additional Need for Affordable Homeownership	
Identifying the Overall Affordable Housing Need	117
Affordable Rent	122
Future Policy on Housing Benefit in the Private Rented Sector.....	124
Establishing the Affordable Housing Policy Target	125

6. Overall Housing Need127

Local Housing Need based on the Standard Method

Introduction.....	127
Establishing the Housing Target.....	128
Disaggregating the Minimum Local Housing Need figure for Bath and North East Somerset 2020-35 .	129
Disaggregating the Minimum Local Housing Need figure for Bristol 2020-35.....	133
Disaggregating the Minimum Local Housing Need figure for South Gloucestershire 2020-35	137
Disaggregating the Minimum Local Housing Need figure for WECA 2020-35	141
Disaggregating the Minimum Local Housing Need figure for North Somerset 2023-38	142

7. Needs of Different Groups.....146

An exploration of need for target groups

Introduction.....	146
Housing for Older People	146
Housing for People with Disabilities.....	154
Assessing need for M4(2) Category 2: Accessible and adaptable dwellings.....	156
Housing for Wheelchair Users.....	161
Student Housing.....	166
Bath	166
Bristol	169
South Gloucestershire.....	169
North Somerset.....	169
Students in Summary	170
Service Families	170
People Wishing to Build their Own Homes	171
Essential Local Workers.....	173

Appendix A.....174

Calculations Based on 20-year projections

Chapter 6.....	174
BANES.....	177
BRISTOL	178
S GLOS	179
WECA.....	180
Chapter 7.....	181

Appendix B.....	185
Defining the Housing Market Area	
An evidence base to identify functional housing markets.....	185
Functional Housing Market Areas.....	185
Planning Practice Guidance.....	185
Geography of Housing Market Areas (NHPAU/CURDS).....	186
Identifying Travel to Work Areas.....	187
Commuting Flow Analysis Based on 2011 Census Data.....	188
Analysis Outcomes based on 2011 Census Data.....	191
Proposed Commuting Zones.....	192
Migration.....	193
House Prices.....	195
Administrative Boundaries and Housing Market Areas.....	196
Conclusions.....	197
Appendix C.....	199
Glossary of Terms	
Acronyms and Initials.....	203
Table of Figures.....	204

Executive Summary

Summary of key findings and conclusions

Introduction

1. Opinion Research Services (ORS) was commissioned by the West of England Combined Authority (WECA) and its constituent councils (Bath and North East Somerset, City of Bristol, South Gloucestershire) and North Somerset to prepare a Local Housing Needs Assessment to understand and investigate the nature and make-up of current and future housing needs across the area, providing robust evidence to support future plan making. At the time of writing, the plan period for the WECA Spatial Development Strategy (SDS) and the Local Plans for all of the individual WECA local authorities have not yet been finally decided, however North Somerset and South Gloucestershire¹ have selected 2023-38.
2. This work adheres to the requirements of the most recent National Planning Policy Framework (NPPF) published in February 2019 and the associated Planning Practice Guidance (PPG), in particular the section on housing and economic needs assessment. The LHN element of this assessment is calculated based on the standard method, as outlined in the PPG in December 2020. The update to the standard method in December 2020 resulted in the previous iteration of this document being fully redrafted to reflect the new guidance.
3. In light of the guidance underpinning the revised standard method, where a plan period has not been decided upon, it is ORS' recommendation that the most recent year for which real-world data is available should form the base year of the period projected. As such, this report covers the 15-year period 2020-35 (Bristol, Bath and North East Somerset, South Gloucestershire – the Local Authorities making up WECA), and 2023-38 (North Somerset only).
4. To increase the utility of the report, given WECA's uncertainty over plan period, key tables in this report have been recalculated over the 20-year period 2020-40 (see Appendix A).
5. The intent is for this report to be revised closer to the ultimate submission dates of the SDS and North Somerset Local Plan. At this time all calculations will be refreshed to cover the yet to be decided upon plan periods and to take account of more up-to-date data at that time. Until that decision is made, and the refresh carried out, the contents of this report can be considered robustly derived and based upon the best data available at the time of writing.

¹ South Gloucestershire LP Issues and Approaches consultation plan, Nov 2020. Note that South Gloucestershire is part of the WECA SDS, hence the dates for SGC in this report are consistent with the rest of the WECA authorities.

Projected Household Types

6. When considering future need for different types of housing, it is important to understand that households of different ages are likely to have different needs. Similarly, households of different types (singles, couples and families) within each age group will also have different housing requirements.
7. Figure 1 to Figure 4 shows the household numbers and net change for the Local Authorities of the West of England from 2020 to 2035 (N. Somerset 2023-38), separated out by the age of the household representative person (HRP). These are calculated using the trend-based projections by household type and age.

Figure 1: From Figure 67 - Total projected households for 2020 and 2035 and change by household type and age of household representative for Bath and North East Somerset (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding)

BANES									
Household Type	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Households 2020									
Single person	320	2,220	2,940	3,080	4,020	3,360	5,550	2,970	24,500
Couple without children	500	2,920	1,280	3,900	7,860	6,920	2,820	910	27,100
Families with child(ren)	390	3,980	6,800	7,000	1,370	110	80	10	19,700
Other households	3,520	1,660	230	440	450	760	410	150	7,600
TOTAL	4,700	10,800	11,300	14,400	13,700	11,100	8,900	4,000	79,000
Households 2035									
Single person	0	1,620	3,750	2,920	3,990	3,420	6,530	4,580	26,800
Couple without children	340	2,430	1,060	2,460	6,770	8,440	4,040	1,500	27,000
Families with child(ren)	270	3,770	8,110	8,340	1,920	170	160	30	22,800
Other households	4,830	1,920	140	140	230	1,080	370	100	8,800
TOTAL	5,400	9,700	13,100	13,900	12,900	13,100	11,100	6,200	85,400
Change 2020-2035									
Single person	-320	-600	+810	-160	-30	+60	+970	+1,610	+2,300
Couple without children	-170	-490	-210	-1,450	-1,090	+1,520	+1,220	+590	-100
Families with child(ren)	-120	-220	+1,310	+1,330	+560	+60	+80	+20	+3,000
Other households	+1,300	+260	-90	-300	-210	+320	-40	-50	+1,200
TOTAL CHANGE	+700	-1,100	+1,800	-600	-800	+2,000	+2,200	+2,200	+6,500

8. In summary, over the 15-year period 2020-35 for Bath and North East Somerset, the projections show (Figure 1):
- » An overall growth of 6,500 households;
 - » Single person households are just over a third of the overall household growth (2,300) with the majority (2,580, offset against a reduction of 240 in younger age groups) being single people aged over 75;
 - » Couples without dependent children are projected to reduce (-100) and are primarily over 65 (an increase of 3,330 offset against a decrease of 3,410 in younger age groups);
 - » Families with dependent children make up almost half of the overall household growth (3,000);
 - » Other types of household contribute a further 1,200.²

² Other Households incorporates other multi-person households, such as unrelated adults sharing, student households, multi-family households and households of one family and other unrelated adults.

9. Overall, 92% of the household growth (5,970 out of 6,500, again offset by reductions in other groups) is for households of single people and couples aged over 65 suggesting homes meeting older persons requirements are a priority.

Figure 2: From Figure 68 - Total projected households for 2020 and 2035 and change by household type and age of household representative for Bristol (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding)

BRISTOL									
Household Type	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Households 2020									
Single person	1,980	12,520	10,250	9,980	10,290	7,590	8,750	5,120	66,500
Couple without children	1,560	12,200	4,530	7,690	13,070	10,600	3,770	1,400	54,800
Families with child(ren)	1,390	10,560	21,470	13,360	2,240	250	90	60	49,400
Other households	8,220	7,660	1,230	1,310	1,480	1,380	1,840	480	23,600
TOTAL	13,100	43,000	37,500	32,300	27,100	19,800	14,400	7,000	194,300
Households 2035									
Single person	1,000	12,590	13,690	12,990	11,700	8,330	9,780	6,800	76,900
Couple without children	1,370	12,810	4,820	6,040	12,210	12,530	5,120	1,920	56,800
Families with child(ren)	710	8,020	26,320	17,980	2,820	340	130	100	56,400
Other households	11,800	9,830	840	670	1,130	1,590	2,800	520	29,200
TOTAL	14,900	43,200	45,700	37,700	27,900	22,800	17,800	9,300	219,300
Change 2020-2035									
Single person	-980	+70	+3,440	+3,010	+1,400	+740	+1,030	+1,680	+10,400
Couple without children	-190	+610	+290	-1,650	-860	+1,940	+1,360	+520	+2,000
Families with child(ren)	-680	-2,550	+4,850	+4,620	+580	+90	+50	+40	+7,000
Other households	+3,580	+2,160	-380	-640	-340	+210	+950	+50	+5,600
TOTAL CHANGE	+1,700	+300	+8,200	+5,300	+800	+3,000	+3,400	+2,300	+25,000

10. In summary, over the 15-year period 2020-35 for Bristol, the projections show (Figure 2):
- » An overall growth of 25,000 households;
 - » Single person households are just over two fifths of the overall household growth (10,400) with the majority (6,450) being single people aged between 35 and 54;
 - » Couples without dependent children represent less than a tenth of the growth (2,000) and are primarily over 65 (3,820, offset against a reduction of 1,800 in younger age groups);
 - » Families with dependent children make up over a quarter of the overall household growth (7,000);
 - » Other types of household contribute a further 5,600 households.
11. Overall, 72% of the household growth is for households of single person households and couples with children, aged between 35 and 54 (17,900 out of 25,000, offset by other groups).

Figure 3: From Figure 69 -Total projected households for 2020 and 2035 and change by household type and age of household representative (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding)

S GLOS									
Household Type	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Households 2020									
Single person	660	3,700	4,550	4,440	4,430	4,440	7,630	3,400	33,300
Couple without children	410	3,470	2,360	7,260	14,450	10,380	4,100	1,660	44,100
Families with child(ren)	1,140	6,750	13,050	11,280	1,310	220	80	80	33,900
Other households	990	1,230	300	860	750	760	1,780	520	7,200
TOTAL	3,200	15,100	20,300	23,800	20,900	15,800	13,600	5,700	118,400
Households 2035									
Single person	550	3,820	6,230	5,080	4,520	5,200	8,080	4,710	38,200
Couple without children	200	2,520	2,150	4,870	13,840	13,320	5,200	3,260	45,400
Families with child(ren)	1,470	7,040	15,250	14,800	1,610	400	150	210	40,900
Other households	1,480	1,720	180	590	600	890	2,900	930	9,300
TOTAL	3,700	15,100	23,800	25,300	20,600	19,800	16,300	9,100	133,800
Change 2020-2035									
Single person	-110	+120	+1,680	+640	+90	+760	+450	+1,310	+4,900
Couple without children	-210	-950	-210	-2,390	-610	+2,940	+1,100	+1,600	+1,300
Families with child(ren)	+330	+290	+2,190	+3,520	+300	+180	+70	+130	+7,000
Other households	+490	+490	-110	-270	-160	+130	+1,120	+410	+2,100
TOTAL CHANGE	+500	-100	+3,600	+1,500	-400	+4,000	+2,700	+3,400	+15,300

12. In summary, over the 15-year period 2020-35 for South Gloucestershire, the projections show (Figure 3):
- » An overall growth of 15,300 households
 - » Single person households are just under a third of the overall household growth (4,900) with the over a third of these (1,760) being single people aged over 75;
 - » Couples without dependent children represent approximately 8% of the growth (1,300) however this figure is comprised of 5,640 households over 65, offset by a reduction of 4,370 in younger age groups;
 - » Families with dependent children make up almost half of the overall household growth (7,000), the majority of whom (5,710) are aged between 35 and 54;
 - » Other types of household contribute a further 2,100 households.
13. Overall, 104% (15,900 out of 15,300, offset by reduction in other groups) of the household growth is for households aged over 65, and couples with children aged 35-54. This suggests homes meeting older persons requirements along with family housing should be priorities.

Figure 4: From Figure 70 - Total projected households for 2023 and 2038 and change by household type and age of household representative for North Somerset (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding)

N SOMERSET									
Household Type	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Households 2023									
Single person	550	2,540	3,510	3,780	5,580	4,160	8,520	3,340	32,000
Couple without children	420	1,980	1,750	5,420	10,500	9,460	4,370	1,220	35,100
Families with child(ren)	910	4,850	9,940	8,260	1,820	150	50	30	26,000
Other households	310	340	130	540	420	920	1,920	860	5,500
TOTAL	2,200	9,700	15,300	18,000	18,300	14,700	14,900	5,500	98,600
Households 2038									
Single person	430	2,770	4,080	4,200	5,820	4,520	9,020	4,980	35,800
Couple without children	390	1,670	1,320	4,250	8,990	12,390	5,230	1,950	36,200
Families with child(ren)	1,230	5,480	10,540	10,790	2,480	220	90	80	30,900
Other households	400	360	10	330	170	1,410	2,990	1,980	7,700
TOTAL	2,400	10,300	16,000	19,600	17,500	18,500	17,300	9,000	110,600
Change 2023-2038									
Single person	-120	+230	+570	+430	+230	+350	+500	+1,640	+3,800
Couple without children	-30	-310	-430	-1,180	-1,500	+2,920	+860	+730	+1,100
Families with child(ren)	+330	+630	+610	+2,530	+660	+70	+40	+50	+4,900
Other households	+80	+20	-120	-210	-250	+490	+1,070	+1,120	+2,200
TOTAL CHANGE	+300	+600	+600	+1,600	-900	+3,800	+2,500	+3,500	+12,000

14. In summary, over the 15-year period 2023-38 for North Somerset, the projections show (Figure 4):
- » An overall growth of 12,000 households
 - » Single person households are just over a third of the overall household growth (3,800) with the majority (2,140) being single people aged over 75;
 - » Couples without dependent children represent almost a tenth of the growth (1,100) and are comprised of 4,510 households over 65, offset against a reduction of 3,450 in younger age groups;
 - » Families with dependent children comprise two fifths of the overall household growth (4,900);
 - » Other types of household contribute a further 2,200 households.
15. Overall, 82% of the household growth is for households aged over 65, suggesting homes meeting older persons requirements are a priority.

Establishing Current Unmet Need for Affordable Housing

BANES

16. Based on a detailed review of both the past trends and current estimates our analysis has concluded that 1,701 households in Bath and North East Somerset are currently living in unsuitable housing and are unable to afford their own housing (Figure 73). This assessment is based on the criteria set out in the PPG and avoids double counting as far as possible.
17. Of these households, 762 currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.
18. There is, therefore, a net current affordable housing need of 939 households (1,701 less 762 = 939). However, depending on property types and size of households in need, a higher number of new homes *may* be needed to ensure there is no overcrowding.
19. Providing the net current affordable housing need for 939 households will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 813 households (939 less the 126 households which are homeless or concealed and thus do not release dwellings). Overall, 126 households are currently either homeless or concealed, constituting the unmet housing need in Bath and North East Somerset. Together with the 813 in market dwellings who should be in affordable, this 939 represents the total net affordable housing need for Bath and North East Somerset.

Bristol

20. Based on a detailed review of both the past trends and current estimates our analysis has concluded that 8,358 households in Bristol are currently living in unsuitable housing and are unable to afford their own housing (Figure 74). This assessment is based on the criteria set out in the PPG and avoids double counting as far as possible.
21. Of these households, 3,379 currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.
22. There is, therefore, a net current affordable housing need of 4,979 households (8,358 less 3,379 = 4,979). However, depending on property types and size of households in need, a higher number of new homes *may* be needed to ensure there is no overcrowding.
23. Providing the net current affordable housing need for 4,979 households will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 4,392 households (4,979 less the 687 households which are homeless or concealed and thus do not release dwellings). Overall, 687 households are currently either homeless or concealed, constituting the unmet housing need in Bristol. Together with the 4,392 in market dwellings who should be in affordable, this 4,979 represents the total net affordable housing need for Bristol.

South Gloucestershire

24. Based on a detailed review of both the past trends and current estimates our analysis has concluded that 1,886 households in South Gloucestershire are currently living in unsuitable housing and are unable to afford their own housing (Figure 75). This assessment is based on the criteria set out in the PPG and avoids double counting as far as possible.
25. Of these households, 786 currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.
26. There is, therefore, a net current affordable housing need of 1,100 households (1,886 less 786 = 1,100). However, depending on property types and size of households in need, a higher number of new homes *may* be needed to ensure there is no overcrowding.
27. Providing the net current affordable housing need for 1,100 households will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 777 households (1,100 less the 323 households which are homeless or concealed and thus do not release dwellings). Overall, 323 households are currently either homeless or concealed, constituting the unmet housing need in South Gloucestershire. Together with the 777 in market dwellings who should be in affordable, this 1,100 represents the total net affordable housing need for South Gloucestershire.

North Somerset

28. Based on a detailed review of both the past trends and current estimates our analysis has concluded that 1,611 households in North Somerset are currently living in unsuitable housing and are unable to afford their own housing (Figure 76). This assessment is based on the criteria set out in the PPG and avoids double counting as far as possible.
29. Of these households, 460 currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.
30. There is, therefore, a net current affordable housing need of 1,151 households (1,611 less 460 = 1,151). However, depending on property types and size of households in need, a higher number of new homes *may* be needed to ensure there is no overcrowding.
31. Providing the net current affordable housing need for 1,151 households will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 896 households (1,151 less the 255 households which are homeless or concealed and thus do not release dwellings). Overall, 255 households are currently either homeless or concealed, constituting the unmet housing need in North Somerset. Together with the 896 in market dwellings who should be in affordable, this 1,151 represents the total net affordable housing need for North Somerset.

Future Need for Affordable Housing

32. In addition to those who cannot currently afford market housing, it is also necessary to consider those households who will arise in the future; and households that can afford market rents but aspire to home ownership.
33. The following table (Figure 5) summarises the overall impact of:
- » new households adding to housing need,
 - » the households no longer present reducing housing need and
 - » the changes in circumstances impacting existing households.

Figure 5: From Figure 84 - Annual components of Household Growth WECA 2020-35 and North Somerset 2023-38 (Source: ORS Housing Model)

BANES 2020-35		All households	Households able to afford housing costs	Households unable to afford housing costs
All new households		7,039	6,019	+1,020
All households no longer present		6,607	5,546	-1,062
Change in existing households		-	-138	+138
Future affordable housing need 2020-35	Annual average	+432	+335	+96
	15-year Total	+6,475	+5,029	+1,446
BRISTOL 2020-35		All households	Households able to afford housing costs	Households unable to afford housing costs
All new households		18,216	14,746	+3,470
All households no longer present		16,548	12,990	-3,558
Change in existing households		-	-523	+523
Future affordable housing need 2020-35	Annual average	+1,667	+1,233	+435
	15-year Total	+25,012	+18,493	+6,519
S GLOS 2020-35		All households	Households able to afford housing costs	Households unable to afford housing costs
All new households		8,238	6,932	+1,305
All households no longer present		7,217	6,121	-1,096
Change in existing households		-	-9	+9
Future affordable housing need 2020-35	Annual average	1,021	+802	+218
	15-year Total	15,309	+12,036	+3,272
N SOMERSET 2023-38		All households	Households able to afford housing costs	Households unable to afford housing costs
All new households		6,410	5,454	+956
All households no longer present		5,609	4,788	-821
Change in existing households		-	-12	+12
Future affordable housing need 2023-38	Annual average	+801	+654	+147
	15-year Total	+12,018	+9,815	+2,203

34. Overall reviewing the contribution of each element amounts to a projected additional 11,237 households (1,446 + 6,519 + 3,272) needing affordable housing in WECA over the 15-year period 2020-35, and 2,203 in North Somerset 2023-38.

Needs of Households Aspiring to Homeownership

35. The new emphasis on households that cannot afford to own their home reflects Government concerns that the proportion of owner occupiers has reduced nationally over the last ten to fifteen years. Estimates from the English Housing Survey suggest that the proportion of owner occupiers reduced from around 69% in 2006 to 65% in 2011 and to 63% by 2016. Over the same period the proportion of households renting from a social landlord also reduced from 19% to 17% whilst the proportion renting privately increased from 12% to 20%.
36. Based on an analysis of English Housing Survey and West of England local authority level household data, we can estimate the total households currently resident in the West of England who cannot afford to own their own home but would aspire to do so. In every authority the substantial majority of these households are aged under 45 (Figure 89).
37. In addition to the current need, it is also important to consider new households that are projected to form over the 15-year periods. Through combining this data with the aspiration data from the EHS, we can derive the further households that will form over the 15-year period who will be able to afford to pay market rent without support from housing benefit, but will be unable to afford to own, despite that being their aspiration.
38. Overall, the projections suggest (summarised in Figure 6):
 - » In BANES, there are likely to be 4,866 of these households over the period 2020-35, a net annual need of 324 per year
 - » In Bristol, there are likely to be 23,729 of these households over the period 2020-35, a net annual need of 1,582 per year
 - » In South Gloucestershire, there are likely to be 5,803 of these households over the period 2020-35, a net annual need of 387 per year
 - » This is a total of 34,398 households who can afford to rent and aspire to homeownership, but who cannot afford to buy their own home over the period 2020-35 in WECA, a net annual need of 2,293 per year.
 - » In North Somerset, there are likely to be 4,310 of these households over the period 2023-38, a net annual need of 287 per year

Identifying the Overall Affordable Housing Need

39. Figure 6 brings together the information on assessing the unmet need for affordable housing in 2020 together with the future need for affordable housing and those aspiring to home ownership arising over the 15-year period 2020-35 (North Somerset 2023-38). It can be noted that this assessment has no regard for whether those aspiring can access affordable home ownership options.

Figure 6: From Figure 90 - Assessing total need for affordable housing in WECA 2020-2035, and North Somerset 2023-38 (Source: ORS Housing Model)

BANES 2020-35	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford	Households aspiring to home ownership	
Current housing need in 2020	939	7,178	8,117
Future housing need 2020-35	1,447	4,866	6,313
TOTAL HOUSING NEED	2,386	12,044	14,430

BRISTOL 2020-35	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford	Households aspiring to home ownership	
Current housing need in 2020	4,979	25,580	30,559
Future housing need 2020-35	6,519	23,729	30,248
TOTAL HOUSING NEED	11,498	49,310	60,808

S GLOS 2020-35	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford	Households aspiring to home ownership	
Current housing need in 2020	1,100	8,279	9,379
Future housing need 2020-35	3,272	5,803	9,076
TOTAL HOUSING NEED	4,372	14,082	18,455

WECA (SUM TOTALS OF ABOVE) 2020-35	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford	Households aspiring to home ownership	
Current housing need in 2020	7,018	41,037	48,055
Future housing need 2020-35	11,239	34,398	45,637
TOTAL HOUSING NEED	18,257	75,436	93,693

N SOMERSET 2023-38	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford	Households aspiring to home ownership	
Current housing need in 2023	1,151	6,860	8,011
Future housing need 2023-38	2,203	4,310	6,513
TOTAL HOUSING NEED	3,354	11,170	14,524

40. On this basis, we can conclude that the overall need for affordable housing for WECA would comprise a total of 93,693 households over the 15-year period 2020-2035, equivalent to an average of 6,246 per annum; and 14,524 in North Somerset 2023-38, equivalent to 968 per annum.
41. Neither the NPPF nor PPG identify that any affordability criteria should be applied to those households who aspire to homeownership but cannot afford to buy their own home. However, it is appropriate to consider the extent to which these households could plausibly afford affordable homeownership products if they were provided.
42. Given this context, Figure 7 identifies those households with income that would be insufficient to afford 60% of newbuild prices at the lower quartile for the local area, and those households with savings of less than £5,000³. This is based on further analysis of the EHS data which considers the income distribution and savings data for households that rent privately but aspire to homeownership. This data has been updated to reflect current income levels and scaled for each local area using indices from the ONS gross disposable household income (GDHI) tables.
43. The columns in Figure 7 progress as follows:
 - » All households aspiring MINUS those able to afford at market values = aspiring households that cannot afford to buy at market values;
 - » Aspiring households that cannot afford to buy at market values MINUS those unable to afford 60% of newbuild LQ = aspiring households that cannot afford to buy at market values but could afford the monthly cost of a 60% LQ property;
 - » Aspiring households unable to afford market, but that could afford the cost of 60% LQ property MINUS households that have savings below £5,000 = Aspiring households unable to afford market, but able to afford a 60% LQ property with sufficient savings to undertake property purchase.

³ This is the amount assumed necessary to cover stamp duty, legal fees, moving costs, surveys etc.

Figure 7: From Figure 91 - Affordable homeownership housing mix by household affordability in WECA LAs 2020-2035 and North Somerset 2023-38 (Source: ORS Housing Model)

BANES 2020-35	All households aspiring to home ownership	MINUS Households able to afford market home ownership	Households aspire to home ownership but cannot afford to buy	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	2,716	517	2,199	868	1,331	767	564
2 bedrooms	4,566	541	4,026	2,016	2,009	1,449	560
3 bedrooms	3,887	282	3,605	1,871	1,734	1,312	423
4+ bedrooms	874	16	858	546	312	211	101
TOTAL	12,044	1,356	10,688	5,301	5,387	3,739	1,648
BRISTOL 2020-35	All households aspiring to home ownership	MINUS Households able to afford market home ownership	Households aspire to home ownership but cannot afford to buy	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	15,145	2,220	12,925	6,769	6,156	3,597	2,558
2 bedrooms	20,884	2,339	18,545	9,757	8,788	6,228	2,560
3 bedrooms	11,662	720	10,942	6,432	4,510	3,355	1,155
4+ bedrooms	1,619	5	1,614	1,131	483	299	184
TOTAL	49,310	5,283	44,027	24,089	19,937	13,479	6,458
S GLOS 2020-35	All households aspiring to home ownership	MINUS Households able to afford market home ownership	Households aspire to home ownership but cannot afford to buy	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	1,850	261	1,588	793	795	459	336
2 bedrooms	6,183	703	5,480	2,860	2,620	1,879	742
3 bedrooms	4,971	280	4,691	2,867	1,824	1,380	444
4+ bedrooms	1,078	0	1,078	734	344	218	126
TOTAL	14,082	1,245	12,837	7,254	5,583	3,935	1,648
N SOMERSET 2023-38	All households aspiring to home ownership	MINUS Households able to afford market home ownership	Households aspire to home ownership but cannot afford to buy	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	2,404	477	1,927	751	1,176	756	420
2 bedrooms	4,932	725	4,207	1,840	2,367	1,819	548
3 bedrooms	3,176	328	2,848	1,224	1,624	1,225	399
4+ bedrooms	658	7	651	417	234	153	81
TOTAL	11,170	1,536	9,634	4,233	5,401	3,953	1,448

44. On this basis, in WECA, dwellings are needed for only 9,754 households (650 per annum) that aspire to homeownership who have at least £5,000 in savings and incomes above the relevant threshold (1648 + 6458 + 1648). In North Somerset, dwellings are needed for the identified 1,448 households (97 per annum). These figures are approximately a tenth of the totals that were originally identified (see paragraph 5.67).
45. Figure 8 provides a breakdown of affordable housing on this basis:

Figure 8: From Figure 92 - Overall need for Affordable Housing 2020-35 in WECA and 2023-38 in North Somerset, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

WECA 2020-35 TOTAL	Affordable Housing Need		Total Affordable Housing (Households)
	Households unable to afford	Households aspiring to home ownership	
1 bedroom	2,408	3,458	5,867
2 bedrooms	5,668	3,862	9,530
3 bedrooms	7,301	2,022	9,323
4+ bedrooms	2,878	412	3,289
TOTAL HOUSING NEED	18,255	9,754	28,009

N SOMERSET 2023-38 TOTAL	Affordable Housing Need		Total Affordable Housing (Households)
	Households unable to afford	Households aspiring to home ownership	
1 bedroom	466	420	886
2 bedrooms	1,291	548	1,839
3 bedrooms	1,201	399	1,601
4+ bedrooms	396	81	476
TOTAL HOUSING NEED	3,354	1,448	4,802

46. The LHNA identifies an overall affordable housing need from 28,009 households in WECA over the 15-year period 2020-35 (1,867 per annum) and a further 4,802 in North Somerset over the period 2023-38 (320 per annum). This includes the needs from all households unable to afford to rent or own market housing, and also provides for those households who aspire to homeownership but who cannot afford to buy, where there is a realistic prospect of those households being able to purchase an affordable homeownership product.

Affordable Rent

47. Within the overall need of affordable homes identified, it is possible to further consider the mix of affordable housing products that would be appropriate based on the mix of households needing affordable housing⁴. In order to profile affordability, income data from the English Housing Survey (2012-14) and ONS Survey of Personal Incomes (2014 and 2018) has been combined and modelled to establish the income distribution by household type and age. This excludes any income from housing benefit, as the analysis seeks to determine to what extent housing benefit would be needed by households in each group.
48. As discussed in Chapter 3, the types of affordable housing that households can afford is influenced by the percentage of income that is assumed to be available to pay rent or mortgage costs. Figure 35 identifies the minimum annual income in the West of England needed to afford Affordable Rents⁵ by property size (based on spending up to 35% of total income). This allows for disaggregation of the cohort that are unable to afford market rents to be disaggregated into those who can, and those that cannot afford Affordable Rents. Figure 9 presents the same data as Figure 8, but with those unable to afford disaggregated in this manner.

Figure 9: From Figure 93 - Overall need for Affordable Housing in LAs of WECA 2020-35 and North Somerset 2023-38 disaggregated based on ability to access affordable rents, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

BATH AND NORTH EAST SOMERSET 2020-35	Affordable Housing Need			Total Affordable Housing (Households)
	Unable to Afford Market Rent		Households aspiring to home ownership	
	Unable to afford affordable rent	Able to afford affordable rent		
1 bedroom	235	36	564	835
2 bedrooms	673	162	560	1,396
3 bedrooms	632	251	423	1,305
4+ bedrooms	304	92	101	497
TOTAL HOUSING NEED	1,844	541	1,648	4,033
Overall Percentage	46%	13%	41%	100%

BRISTOL 2020-35	Affordable Housing Need			Total Affordable Housing (Households)
	Unable to Afford Market Rent		Households aspiring to home ownership	
	Unable to afford affordable rent	Able to afford affordable rent		
1 bedroom	1,573	182	2,558	4,313
2 bedrooms	2,511	564	2,560	5,636
3 bedrooms	3,536	1,169	1,155	5,861
4+ bedrooms	1,538	424	184	2,146
TOTAL HOUSING NEED	9,158	2,340	6,458	17,956
Overall Percentage	51%	13%	36%	100%

⁴ This section is about need and not supply, nor whether it is feasible to supply sufficient homes to meet the need in any particular LPA. The supply to deliver against the need may be affected by such factors as thresholds for affordable housing on individual sites where, for example, a smaller proportion of affordable housing or none may be required on smaller sites.

⁵ The rent for affordable rent housing (inclusive of service charges) must not exceed 80% of gross market rent.

SOUTH GLOUCESTERSHIRE 2020-35	Affordable Housing Need			Total Affordable Housing (Households)
	Unable to Afford Market Rent		Households aspiring to home ownership	
	Unable to afford affordable rent	Able to afford affordable rent		
1 bedroom	318	65	336	719
2 bedrooms	1,273	484	742	2,498
3 bedrooms	1,245	468	444	2,157
4+ bedrooms	383	137	126	646
TOTAL HOUSING NEED	3,219	1,153	1,648	6,020
Overall Percentage	53%	19%	27%	100%

WECA 2020-35 TOTAL	Affordable Housing Need			Total Affordable Housing (Households)
	Unable to Afford Market Rent		Households aspiring to home ownership	
	Unable to afford affordable rent	Able to afford affordable rent		
1 bedroom	2,126	282	3,458	5,867
2 bedrooms	4,457	1,211	3,862	9,530
3 bedrooms	5,413	1,888	2,022	9,323
4+ bedrooms	2,225	653	412	3,289
TOTAL HOUSING NEED	14,222	4,033	9,754	28,009
Overall Percentage	51%	14%	35%	100%

N SOMERSET 2023-38	Affordable Housing Need			Total Affordable Housing (Households)
	Unable to Afford Market Rent		Households aspiring to home ownership	
	Unable to afford affordable rent	Able to afford affordable rent		
1 bedroom	377	89	420	886
2 bedrooms	941	350	548	1,839
3 bedrooms	839	362	399	1,601
4+ bedrooms	275	120	81	476
TOTAL HOUSING NEED	2,433	921	1,448	4,802
Overall Percentage	51%	19%	30%	100%

Local Housing Need

49. The NPPF confirms that planning authorities should normally use the standard methodology to establish a minimum Local Housing Need (LHN) figure. Using the process set out in Planning Practice Guidance for Housing Need Assessment [ID2a-004-20201216] the minimum annual Local Housing Need figure for 2020 can be established as follows:

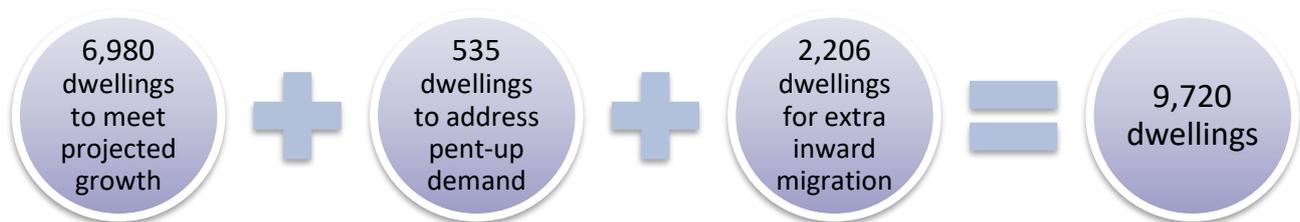
Figure 10: From Figure 94 - Establishing the minimum LHN figure for the West of England (Source: CLG, ORS; Note: Annual housing figures are rounded to the nearest whole number)

Local Authority	Step 1: Setting the Baseline	Step 2: Affordability Adjustment + Step 3: Cap				Step 4: Cities and Urban Centres Uplift		15 yr LHN (LHN x 15)	20 yr LHN (LHN x 20)
	CLG 2014-based Avg Annual HH Increase 2020-30	Afford Ratio 2019	SM Uplift	40% Cap applies?	Annual HH Increase x Uplift	35% uplift applies?	Final Annual LHN (inc 35% uplift where applicable)		
BANES	468	10.16	1.39	No	648	No	648	9,720	12,960
Bristol	1,824	8.77	1.30	No	2,368	Yes	3,196	47,940	63,920
S Glos	1,088	8.77	1.30	No	1,412	No	1,412	21,180	28,240
WECA Total	3,380	-	-	-	4,428	-	5,256	78,840	105,120
N Somerset	1,004	9.76	1.36	No	1,365	No	1,365	20,475	27,300
WoE Total	4,383	-	-	-	5,793	-	6,621	99,315	N/A

50. Based on these calculations, the minimum Local Housing Need figure across the whole of the West of England is 6,621 dwellings per annum. This translates to 99,315 dwellings (6,621 x 15) across the fifteen-year period.

Disaggregating the Minimum Local Housing Need figure for Bath and North East Somerset 2020-35

51. The local housing need has already been identified as 648 dwellings per annum, which translates to 9,720 dwellings (648 x 15) across the fifteen-year period. This leaves a difference between the housing need figure of 9,720 dwellings and the population projected need of 6,980 dwellings.
52. This additional need is made up from two elements
- » Enabling more households to form⁶ (from the pent-up housing demand) = 535 dwellings
 - » Enabling more net inward migration⁷ = 2,206 dwellings



53. These 9,720 overall dwellings can be separated into market and affordable housing. A component of affordable housing as outlined in Chapter 5 is affordable home ownership for those that aspire to own. Some of the 2,741 (535 + 2,206) extra dwellings to meet the LHN beyond projected growth will inevitably be occupied by residents that aspire to home ownership, and the impact of this group on the affordable housing numbers calculated in Chapter 5 is calculated below.

Figure 11: From Figure 96 - Extra households beyond projected in Bath and North East Somerset (LHN scenario): Affordable homeownership housing mix by household affordability 2020-2035 (Source: ORS Housing Model)

BANES 2020-35	All households aspiring to home ownership	Households able to afford market home ownership	Households aspire to home ownership but cannot afford to buy	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	131	25	106	42	64	37	27
2 bedrooms	220	26	194	97	97	70	27
3 bedrooms	187	14	174	90	84	63	20
4+ bedrooms	42	1	41	26	15	10	5
TOTAL	580	65	515	255	259	180	79

54. Figure 11 applies the same calculation to the extra residents as was presented in Figure 7 for households that formed projected growth. Extra dwellings are needed to accommodate the 79 households that aspire to homeownership that have at least £5,000 in savings and have incomes above the relevant threshold.

⁶ Based on the assumption that household formation rates for all age groups under 45 are currently constrained and allowing them to return to the equivalent rates recorded in 2001

⁷ Once household formation rates reach the 2001 level any additional uplift is assumed to provide housing for an additional population based on increased net migration

55. Figure 12 shows the result of applying the vacancy rate for affordable homes to the summary of households in Figure 9. These affordable homes are subtracted from the overall dwelling need calculated above, disaggregating the number of market homes implied by the LHN. Note that the 258 institutional dwellings are the result of applying the market vacancy rate to the 249 institutional households identified in Figure 95.

Figure 12: From Figure 98 - Overall need for Market and Affordable Dwellings for Bath and North East Somerset 2020-35 (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding. Note that minus figure denotes a reduction in need over the period.)

BANES 2020-35		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable Home Ownership (Figure 97)			
		Social rent	Affordable Rent				
Flat	1 bedroom	238	36	599	874	-425	449
	2+ bedrooms	266	74	180	520	671	1,191
House	1-2 bedrooms	487	117	416	1,020	214	1,234
	3 bedrooms	577	229	449	1,254	3,536	4,790
	4 bedrooms	235	71	88	395	1,095	1,490
	5+ bedrooms	67	20	19	106	201	307
TOTAL HOUSING NEED		1,870	548	1,751	4,169	5,293	9,462
Dwellings for Institutional Pop		-	-	-	-	258	258
LHN		1,870	548	1,751	4,169	5,551	9,720

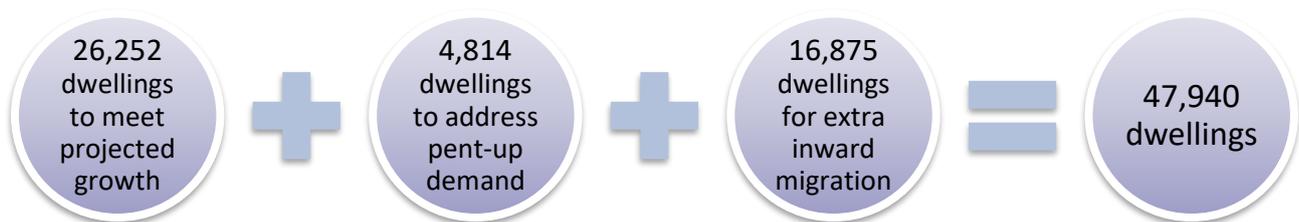
56. Figure 13 shows the components of housing need presented in Figure 12 as percentages of the 9,720 overall dwelling need calculated with the standard method in Figure 10.

Figure 13: From Figure 99 - Overall need for Market and Affordable Dwellings for Bath and North East Somerset 2020-35 as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding. Note that minus figure denotes a reduction in need over the period.)

BANES 2020-35		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable Home Ownership (Figure 97)			
		Social rent	Affordable Rent				
Flat	1 bedroom	2.5%	0.4%	6.2%	9.0%	-4.4%	4.6%
	2+ bedrooms	2.7%	0.8%	1.8%	5.4%	6.9%	12.3%
House	1-2 bedrooms	5.0%	1.2%	4.3%	10.5%	2.2%	12.7%
	3 bedrooms	5.9%	2.4%	4.6%	12.9%	36.4%	49.3%
	4 bedrooms	2.4%	0.7%	0.9%	4.1%	11.3%	15.3%
	5+ bedrooms	0.7%	0.2%	0.2%	1.1%	2.1%	3.2%
TOTAL HOUSING NEED		19.2%	5.6%	18.0%	42.9%	54.5%	97.3%
Dwellings for Institutional Pop		-	-	-	-	2.7%	2.7%
LHN		19.2%	5.6%	18.0%	42.9%	57.1%	100.0%
%age of total affordable		44.9%	13.1%	42.0%	100%	-	-

Disaggregating the Minimum Local Housing Need figure for Bristol 2020-35

57. The local housing need has already been identified as 3,196 dwellings per annum, which translates to 47,940 dwellings (3,196 x 15) across the fifteen-year period. This leaves a difference between the housing need figure of 47,940 dwellings and the population projected need of 26,252 dwellings.
58. This additional need is made up from two elements
- » Enabling more households to form⁸ (from the pent-up housing demand) = 4,814 dwellings
 - » Enabling more net inward migration⁹ = 16,875 dwellings



59. These 47,940 overall dwellings can be separated into market and affordable housing. A component of affordable housing as outlined in Chapter 5 is affordable home ownership for those that aspire to own. Some of the 21,689 (4,814 + 16,875) extra dwellings to meet the LHN beyond projected growth will inevitably be occupied by residents that aspire to home ownership, and the impact of this group on the affordable housing numbers calculated in Chapter 5 is calculated below.

Figure 14: From Figure 101 - Extra households beyond projected in Bristol (LHN scenario): Affordable homeownership housing mix by household affordability 2020-2035 (Source: ORS Housing Model)

BRISTOL 2020-35	All households aspiring to home ownership	Households able to afford market home ownership	Households aspire to home ownership but cannot afford to buy	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	1,824	267	1,557	815	742	433	308
2 bedrooms	2,516	282	2,234	1,175	1,059	750	308
3 bedrooms	1,405	87	1,318	775	543	404	139
4+ bedrooms	195	1	194	136	58	36	22
TOTAL	5,940	636	5,304	2,902	2,402	1,624	778

60. Figure 14 applies the same calculation to the extra residents as was presented in Figure 7 for households that formed projected growth. Extra dwellings are needed to accommodate the 778 households that aspire to homeownership that have at least £5,000 in savings and have incomes above the relevant threshold.

⁸ Based on the assumption that household formation rates for all age groups under 45 are currently constrained and allowing them to return to the equivalent rates recorded in 2001

⁹ Once household formation rates reach the 2001 level any additional uplift is assumed to provide housing for an additional population based on increased net migration

61. Figure 15 shows the result of applying the vacancy rate for affordable homes to the summary of households in Figure 9. These affordable homes are subtracted from the overall dwelling need calculated above, disaggregating the number of market homes implied by the LHN. Note that the 263 institutional dwellings are the result of applying the market vacancy rate to the 253 institutional households identified in Figure 100.

Figure 15: From Figure 103 - Overall need for Market and Affordable Dwellings in Bristol 2020-35 (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

BRISTOL 2020-35		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable home ownership (Figure 102)			
		Social Rent	Affordable Rent				
Flat	1 bedroom	1,584	183	2,888	4,655	3,109	7,764
	2+ bedrooms	1,705	410	1,122	3,237	7,489	10,726
House	1-2 bedrooms	1,108	249	1,768	3,124	2,714	5,838
	3 bedrooms	3,332	1,102	1,304	5,738	13,921	19,659
	4 bedrooms	1,162	321	186	1,669	1,659	3,328
	5+ bedrooms	334	92	22	448	-86	362
TOTAL HOUSING NEED		9,226	2,357	7,290	18,873	28,804	47,677
Dwellings for Institutional Pop		-	-	-	-	263	263
LHN		9,226	2,357	7,290	18,873	29,067	47,940

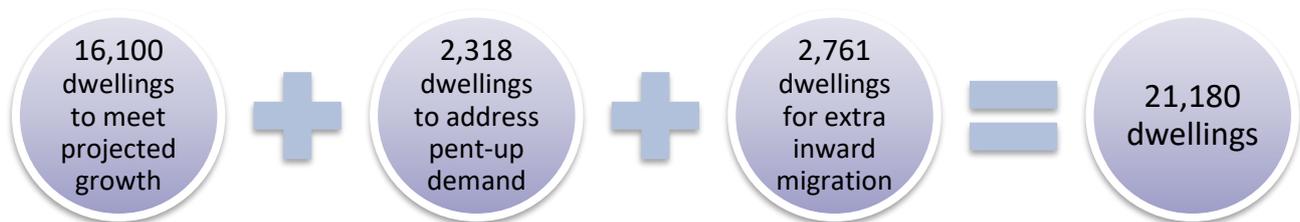
62. Figure 16 shows the components of housing need presented in Figure 15 as percentages of the 47,940 overall dwelling need calculated with the standard method in Figure 10.

Figure 16: From Figure 104 - Overall need for Market and Affordable Dwellings in Bristol 2020-35 as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

BRISTOL 2020-35		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable home ownership (Figure 102)			
		Social Rent	Affordable Rent				
Flat	1 bedroom	3.3%	0.4%	6.0%	9.7%	6.5%	16.2%
	2+ bedrooms	3.6%	0.9%	2.3%	6.8%	15.6%	22.4%
House	1-2 bedrooms	2.3%	0.5%	3.7%	6.5%	5.7%	12.2%
	3 bedrooms	7.0%	2.3%	2.7%	12.0%	29.0%	41.0%
	4 bedrooms	2.4%	0.7%	0.4%	3.5%	3.5%	6.9%
	5+ bedrooms	0.7%	0.2%	0.0%	0.9%	-0.2%	0.8%
TOTAL HOUSING NEED		19.2%	4.9%	15.2%	39.4%	60.1%	99.5%
Dwellings for Institutional Pop		-	-	-	-	0.5%	0.5%
LHN		19.2%	4.9%	15.2%	39.4%	60.6%	100.0%
%age of total affordable		48.9%	12.5%	38.6%	100%	-	-

Disaggregating the Minimum Local Housing Need figure for South Gloucestershire 2020-35

63. The local housing need has already been identified as 1,412 dwellings per annum, which translates to 21,180 dwellings (1,412 x 15) across the fifteen-year period. This leaves a difference between the housing need figure of 21,180 dwellings and the population projected need of 16,100 dwellings.
64. This additional need is made up from two elements:
- » Enabling more households to form¹⁰ (from the pent-up housing demand) = 2,318 dwellings
 - » Enabling more net inward migration¹¹ = 2,761 dwellings



65. These 21,180 overall dwellings can be separated into market and affordable housing. A component of affordable housing as outlined in Chapter 5 is affordable home ownership for those that aspire to own. Some of the 5,079 (2,318 + 2,761) extra dwellings to meet the LHN beyond projected growth will inevitably be occupied by residents that aspire to home ownership, and the impact of this group on the affordable housing numbers calculated in Chapter 5 is calculated below.

Figure 17: From Figure 106 - Extra households beyond projected in South Gloucestershire (LHN scenario): Affordable homeownership housing mix by household affordability 2020-2035 (Source: ORS Housing Model)

S GLOS 2020-35	All households aspiring to home ownership	Households able to afford market home ownership	Households aspire to home ownership but cannot afford to buy	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	109	15	94	47	47	27	20
2 bedrooms	365	42	323	169	155	111	44
3 bedrooms	293	17	277	169	108	81	26
4+ bedrooms	64	0	64	43	20	13	7
TOTAL	831	73	758	428	329	232	97

66. Figure 17 applies the same calculation to the extra residents as was presented in Figure 7 for households that formed projected growth. Extra dwellings are needed to accommodate the 97 households that aspire to homeownership that have at least £5,000 in savings and have incomes above the relevant threshold.

¹⁰ Based on the assumption that household formation rates for all age groups under 45 are currently constrained and allowing them to return to the equivalent rates recorded in 2001

¹¹ Once household formation rates reach the 2001 level any additional uplift is assumed to provide housing for an additional population based on increased net migration

67. Figure 18 shows the result of applying the vacancy rate for affordable homes to the summary of households in Figure 9. These affordable homes are subtracted from the overall dwelling need calculated above, disaggregating the number of market homes implied by the LHN. Note that the 438 institutional dwellings are the result of applying the market vacancy rate to the 428 institutional households identified in Figure 105.

Figure 18: From Figure 108 - Overall need for Market and Affordable Dwellings for South Gloucestershire (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

S GLOS 2020-35		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable Home Ownership			
		Social rent	Affordable Rent				
Flat	1 bedroom	321	65	359	745	453	1,198
	2+ bedrooms	523	198	137	858	854	1,713
House	1-2 bedrooms	821	312	654	1,788	1,803	3,590
	3 bedrooms	1,197	450	474	2,121	8,492	10,613
	4 bedrooms	304	109	118	531	2,661	3,192
	5+ bedrooms	78	28	17	122	314	436
TOTAL HOUSING NEED		3,244	1,162	1,759	6,165	14,578	20,742
Dwellings for Institutional Pop		-	-	-	-	438	438
LHN		3,244	1,162	1,759	6,165	15,016	21,180

68. Figure 19 shows the components of housing need presented in Figure 18 as percentages of the 21,180 overall dwelling need calculated with the standard method in Figure 10.

Figure 19: From Figure 109 - Overall need for Market and Affordable Dwellings for South Gloucestershire as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

S GLOS 2020-35		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable Home Ownership			
		Social rent	Affordable Rent				
Flat	1 bedroom	1.5%	0.3%	1.7%	3.5%	2.1%	5.7%
	2+ bedrooms	2.5%	0.9%	0.6%	4.1%	4.0%	8.1%
House	1-2 bedrooms	3.9%	1.5%	3.1%	8.4%	8.5%	17.0%
	3 bedrooms	5.7%	2.1%	2.2%	10.0%	40.1%	50.1%
	4 bedrooms	1.4%	0.5%	0.6%	2.5%	12.6%	15.1%
	5+ bedrooms	0.4%	0.1%	0.1%	0.6%	1.5%	2.1%
TOTAL HOUSING NEED		15.3%	5.5%	8.3%	29.1%	68.8%	97.9%
Dwellings for Institutional Pop		-	-	-	-	2.1%	2.1%
LHN		15.3%	5.5%	8.3%	29.1%	70.9%	100.0%
%age of total affordable		52.6%	18.8%	28.5%	100%	-	-

Disaggregating the Minimum Local Housing Need figure for WECA 2020-35

69. Figure 20 shows the result summing together the overall needs for each of Bath and North East Somerset, Bristol and South Gloucestershire calculated earlier (Figure 12, Figure 15 and Figure 18). This represents the total need for the WECA area 2020-35.

Figure 20: From Figure 110 - Overall need for Market and Affordable Dwellings for WECA (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

WECA 2020-35		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable Home Ownership			
		Social rent	Affordable Rent				
Flat	1 bedroom	2,143	285	3,846	6,274	3,138	9,411
	2+ bedrooms	2,494	683	1,439	4,615	9,015	13,630
House	1-2 bedrooms	2,416	678	2,838	5,932	4,730	10,662
	3 bedrooms	5,106	1,780	2,227	9,113	25,948	35,061
	4 bedrooms	1,702	500	393	2,595	5,415	8,010
	5+ bedrooms	479	140	57	676	429	1,106
TOTAL HOUSING NEED		14,339	4,067	10,800	29,206	48,675	77,881
Dwellings for Institutional Pop		-	-	-	-	959	959
LHN		14,339	4,067	10,800	29,206	49,634	78,840

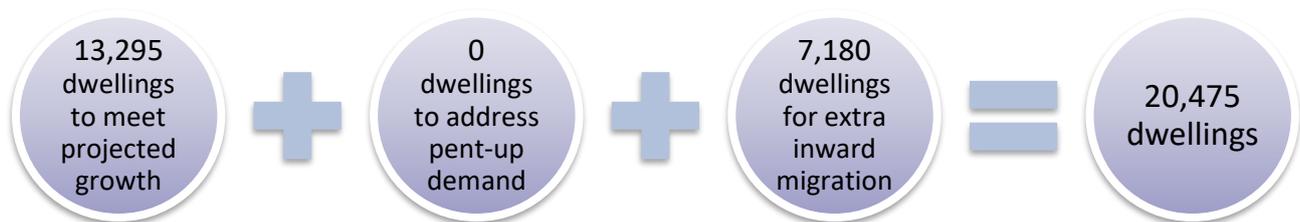
70. Figure 21 shows the components of housing need presented in Figure 20 as percentages of the 78,840 overall dwelling need calculated with the standard method in Figure 10.

Figure 21: From Figure 111 - Overall need for Market and Affordable Dwellings as percentages of the WECA LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

WECA 2020-35		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable Home Ownership			
		Social rent	Affordable Rent				
Flat	1 bedroom	2.7%	0.4%	4.9%	8.0%	4.0%	11.9%
	2+ bedrooms	3.2%	0.9%	1.8%	5.9%	11.4%	17.3%
House	1-2 bedrooms	3.1%	0.9%	3.6%	7.5%	6.0%	13.5%
	3 bedrooms	6.5%	2.3%	2.8%	11.6%	32.9%	44.5%
	4 bedrooms	2.2%	0.6%	0.5%	3.3%	6.9%	10.2%
	5+ bedrooms	0.6%	0.2%	0.1%	0.9%	0.5%	1.4%
TOTAL HOUSING NEED		18.2%	5.2%	13.7%	37.0%	61.7%	98.8%
Dwellings for Institutional Pop		-	-	-	-	1.2%	1.2%
LHN		18.2%	5.2%	13.7%	37.0%	63.0%	100.0%
%age of total affordable		49.1%	13.9%	37.0%	100%	-	-

Disaggregating the Minimum Local Housing Need figure for North Somerset 2023-38

71. The local housing need has already been identified as 1,365 dwellings per annum, which translates to 20,475 dwellings (1,365 x 15) across the fifteen-year period. This leaves a difference between the housing need figure of 20,475 dwellings and the population projected need of 13,295 dwellings.
72. This additional need is made up from two elements
- » Enabling more households to form¹² (from the pent-up housing demand) = 0 dwellings
 - » Enabling more net inward migration¹³ = 7,180 dwellings



73. These 20,475 overall dwellings can be separated into market and affordable housing. A component of affordable housing as outlined in Chapter 5 is affordable home ownership for those that aspire to own. Some of the 7,180 (0 + 7,180) extra dwellings to meet the LHN beyond projected growth will inevitably be occupied by residents that aspire to home ownership, and the impact of this group on the affordable housing numbers calculated in Chapter 5 is calculated below.

Figure 22: From Figure 113 - Extra households beyond projected in North Somerset (LHN scenario): Affordable homeownership housing mix by household affordability 2023-2038 (Source: ORS Housing Model)

N SOMERSET 2023-38	All households aspiring to home ownership	Households able to afford market home ownership	Households aspire to home ownership but cannot afford to buy	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	161	32	129	50	79	51	28
2 bedrooms	330	48	281	123	158	122	37
3 bedrooms	212	22	190	82	109	82	27
4+ bedrooms	44	0	44	28	16	10	5
TOTAL	747	103	644	283	361	264	97

74. Figure 22 applies the same calculation to the extra residents as was presented in Figure 7 for households that formed projected growth. Extra dwellings are needed to accommodate the 97 households that aspire to homeownership that have at least £5,000 in savings and have incomes above the relevant threshold.

¹² Based on the assumption that household formation rates for all age groups under 45 are currently constrained and allowing them to return to the equivalent rates recorded in 2001

¹³ Once household formation rates reach the 2001 level any additional uplift is assumed to provide housing for an additional population based on increased net migration

75. Figure 23 shows the result of applying the vacancy rate for affordable homes to the summary of households in Figure 9. These affordable homes are subtracted from the overall dwelling need calculated above, disaggregating the number of market homes implied by the LHN. Note that the 769 institutional dwellings are the result of applying the market vacancy rate to the 738 institutional households identified in Figure 112.

Figure 23: From Figure 115 - Overall need for Market and Affordable Dwellings in North Somerset (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

N SOMERSET 2023-38		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable Home Ownership			
		Social rent	Affordable Rent				
Flat	1 bedroom	379	89	450	918	613	1,531
	2+ bedrooms	474	180	234	888	1,476	2,363
House	1-2 bedrooms	537	199	354	1,090	1,630	2,721
	3 bedrooms	784	338	428	1,550	7,252	8,802
	4 bedrooms	214	93	73	380	3,193	3,573
	5+ bedrooms	58	25	14	97	618	714
TOTAL HOUSING NEED		2,445	925	1,553	4,923	14,782	19,706
Dwellings for Institutional Pop		-	-	-	-	769	769
LHN		2,445	925	1,553	4,923	15,551	20,475

76. Figure 24 shows the components of housing need presented as percentages of the 20,475 overall dwelling need calculated with the standard method in Figure 10.

Figure 24: From Figure 116 - Overall need for Market and Affordable Dwellings for North Somerset as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

N SOMERSET 2023-38		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable Home Ownership			
		Social rent	Affordable Rent				
Flat	1 bedroom	1.9%	0.4%	2.2%	4.5%	3.0%	7.5%
	2+ bedrooms	2.3%	0.9%	1.1%	4.3%	7.2%	11.5%
House	1-2 bedrooms	2.6%	1.0%	1.7%	5.3%	8.0%	13.3%
	3 bedrooms	3.8%	1.7%	2.1%	7.6%	35.4%	43.0%
	4 bedrooms	1.0%	0.5%	0.4%	1.9%	15.6%	17.5%
	5+ bedrooms	0.3%	0.1%	0.1%	0.5%	3.0%	3.5%
TOTAL HOUSING NEED		11.9%	4.5%	7.6%	24.0%	72.2%	96.2%
Dwellings for Institutional Pop		-	-	-	-	3.8%	3.8%
LHN		11.9%	4.5%	7.6%	24.0%	76.0%	100.0%
%age of total affordable		49.7%	18.8%	31.5%	100%	-	-

Housing for Older People

77. It is important to plan housing which is suitable for this increase in older people within the population with a key requirement being to predict the type of housing which will best meet their needs. Whilst most will remain living in the same area, and many will not move from their current homes; those that do move in their later years are likely to be looking for housing suitable for older people. In this report we have chosen to model the need for dedicated older person housing by using the Housing Learning and Improvement Network (Housing LIN) SHOP resource pack methodology (2012). This forecast applies a benchmark need for particular housing types per thousand people aged 75+.
78. The table below (Figure 25) summarises the potential requirement for new specialist older person housing, taking account of the current stock, unmet demand, and population growth for the period.

Figure 25: From Figure 122 - Modelled Demand for Older Person Housing in the West of England 2020-35 and North Somerset 2023-38 based on Housing LIN Toolkit

BANES		Rate per 1,000 persons aged 75+	Gross need 2020	Existing supply	Unmet need in 2020	Additional need 2020-35	Overall need
Sheltered Housing	Owned	120	2,166	533	+1,633	+751	+2,384
	Rented	60	1,083	1,759	-676	+375	-300
Extra Care	Owned	40	722	0	+722	+250	+972
	Rented	31	560	456	+104	+194	+298
TOTAL		251	4,531	2748	+1,783	+1,570	+3,353
BRISTOL		Rate per 1,000 persons aged 75+	Gross need 2020	Existing supply	Unmet need in 2020	Additional need 2020-35	Overall need
Sheltered Housing	Owned	120	3,441	1,052	+2,389	+1,000	+3,389
	Rented	60	1,720	2,604	-884	+500	-384
Extra Care	Owned	40	1,147	191	+956	+333	+1,289
	Rented	31	889	542	+347	+258	+605
TOTAL		251	7,197	4,389	+2,808	+2,091	+4,900
S GLOS		Rate per 1,000 persons aged 75+	Gross need 2020	Existing supply	Unmet need in 2020	Additional need 2020-35	Overall need
Sheltered Housing	Owned	120	3,215	591	+2,624	+1,044	+3,669
	Rented	60	1,608	1,518	+90	+522	+612
Extra Care	Owned	40	1,072	353	+719	+348	+1,067
	Rented	31	831	329	+502	+270	+771
TOTAL		251	6,725	2,791	+3,934	+2,184	+6,119
WECA TOTAL		Rate per 1,000 persons aged 75+	Gross need 2020	Existing supply	Unmet need in 2020	Additional need 2020-35	Overall need
Sheltered Housing	Owned	120	8,822	2,176	+6,646	+2,795	+9,442
	Rented	60	4,411	5,881	-1,470	+1,397	-72
Extra Care	Owned	40	2,941	544	+2,397	+931	+3,328
	Rented	31	2,280	1,327	+953	+722	+1,674
TOTAL		251	18,454	9,928	+8,526	+5,845	+14,372

N SOMERSET		Rate per 1,000 persons aged 75+	Gross need 2023	Existing supply	Unmet need in 2023	Additional need 2023-38	Overall need
Sheltered Housing	Owned	120	3511	1085	+2,426	+1,211	+3,637
	Rented	60	1756	1415	+341	+606	+946
Extra Care	Owned	40	1170	108	+1,062	+404	+1,466
	Rented	31	907	188	+719	+313	+1,032
TOTAL		251	7,344	2796	+4,548	+2,533	+7,081

79. The model assumes a continuation of current types of housing although it is unclear if Older People will aspire to these types of specialist housing in the future. Some types of housing may experience lower demand than others, and other, newer types of provision may appear to meet changing aspirations. A policy aim of supporting people at home for longer along with assistive technology could also reduce or alter demand.

Housing for People with Disabilities

80. The Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This was reflected in the recent changes to building regulations relating to adaptations and wheelchair accessible homes that were published in the Building Regulations 2010 Approved Document Part M: Access to and use of buildings.
81. Three standards are covered:
- » M4(1) Category 1: Visitable dwellings – Mandatory, broadly about accessibility to ALL properties
 - » M4(2) Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes
 - » M4(3) Category 3: Wheelchair user dwellings – Optional, equivalent to wheelchair accessible standard.
82. Based on household projections and the overall dwelling-led housing need, we can establish the future need for adapted housing (M4[2] and M4[3]) based on the projected household growth and the changing demographics of the area. Figure 125 shows our calculation that, considering the projected household growth and changing demographics (in particular the ageing population), there will be an additional 51,100 (WECA) and 15,800 (N Somerset) households either needing adaptations to their existing housing or suitable new housing to be provided by the end of the period in question.
83. To provide M4(2) housing for all of the identified need would require housing for up to 53,984 (WECA) and 16,647 (N. Somerset) households to be provided. However, not all households will want to move to new housing – some will adapt their current homes and others will move to another dwelling in the existing stock.
84. Although some households would prefer not to move, the EHS identifies that many existing homes are not suitable for adaptation to meet the M4(1) Category 1 standard and others would require major works. Fewer dwellings would be adaptable to the M4(2) Category 2 standard given the additional requirements. Based on the housing mix in the West of England authorities in combination with this EHS data, a robust estimate of the number of dwellings that could be converted to meet the M4(1) standard can be derived.
85. Whilst the proportion that could be converted to meet the M4(2) standard would be lower, this provides a reasonable upper estimate of the number of households likely to be able to adapt existing homes rather than move to new housing. On this basis, we can calculate the need for adapted housing that could not be met by adaptation of existing homes; these households should be added to the households identified as needing to move at the start of the period (Figure 26Figure 126). This figure clearly has a significant overlap with the need for older persons dwellings set out in the preceding section of this report. Therefore, there is a need for a high number of homes which can be used to accommodate people as their health deteriorates.

Figure 26: From Figure 126 - Households with a long-term illness or disability in the West of England by effect on housing need
(Source: ORS Housing Model. Note: Figures may not sum due to rounding)

BANES	TOTAL	% of LHN
Existing need in 2020		
Households where an existing illness or disability affects their housing need and need to move in 2020	566	-
Projected future need 2020-35		
Additional households in 2035 where illness or disability affects their housing need or will develop within 10 years	10,437	-
Maximum need for adapted housing 2020-35 (households)	11,004	113%
Less households living in dwellings adaptable to M4(1) standard	5,864	-
Minimum need for adapted housing 2020-35 (households)	5,140	53%
BRISTOL	TOTAL	% of LHN
Existing need in 2020		
Households where an existing illness or disability affects their housing need and need to move in 2020	1,544	-
Projected future need 2020-35		
Additional households in 2035 where illness or disability affects their housing need or will develop within 10 years	24,977	-
Maximum need for adapted housing 2020-35 (households)	26,521	55%
Less households living in dwellings adaptable to M4(1) standard	12,108	-
Minimum need for adapted housing 2020-35 (households)	14,413	30%
S GLOS	TOTAL	% of LHN
Existing need in 2020		
Households where an existing illness or disability affects their housing need and need to move in 2020	799	-
Projected future need 2020-35		
Additional households in 2035 where illness or disability affects their housing need or will develop within 10 years	15,660	-
Maximum need for adapted housing 2020-35 (households)	16,459	78%
Less households living in dwellings adaptable to M4(1) standard	9,432	-
Minimum need for adapted housing 2020-35 (households)	7,027	33%
WECA TOTAL	TOTAL	% of LHN
Existing need in 2020		
Households where an existing illness or disability affects their housing need and need to move in 2020	2,909	-
Projected future need 2020-35		
Additional households in 2035 where illness or disability affects their housing need or will develop within 10 years	51,074	-
Maximum need for adapted housing 2020-35 (households)	53,984	68%
Less households living in dwellings adaptable to M4(1) standard	27,404	-
Minimum need for adapted housing 2020-35 (households)	26,580	34%
N SOMERSET	TOTAL	% of LHN
Existing need in 2023		
Households where an existing illness or disability affects their housing need and need to move in 2023 ¹⁴	803	-
Projected future need 2023-38		
Additional households in 2038 where illness or disability affects their housing need or will develop within 10 years	15,843	-
Maximum need for adapted housing 2023-38 (households)	16,647	81%
Less households living in dwellings adaptable to M4(1) standard	9,815	-
Minimum need for adapted housing 2023-38 (households)	6,832	33%

¹⁴ Note that this assumes that the unmet need for an adapted home in 2023 will be the at the same level as in 2020.

86. There is inevitably uncertainty about how many households will be able to meet their housing needs without moving and how many will move to existing homes rather than new housing.
87. It is important to recognise that these ranges would represent the combined need for both M4(2) Category 2 and M4(3) Category 3 housing; for households with a wheelchair user would be included within those households counted as having a health problem or disability that affects their housing need.

1. Introducing the Study

Background to the project

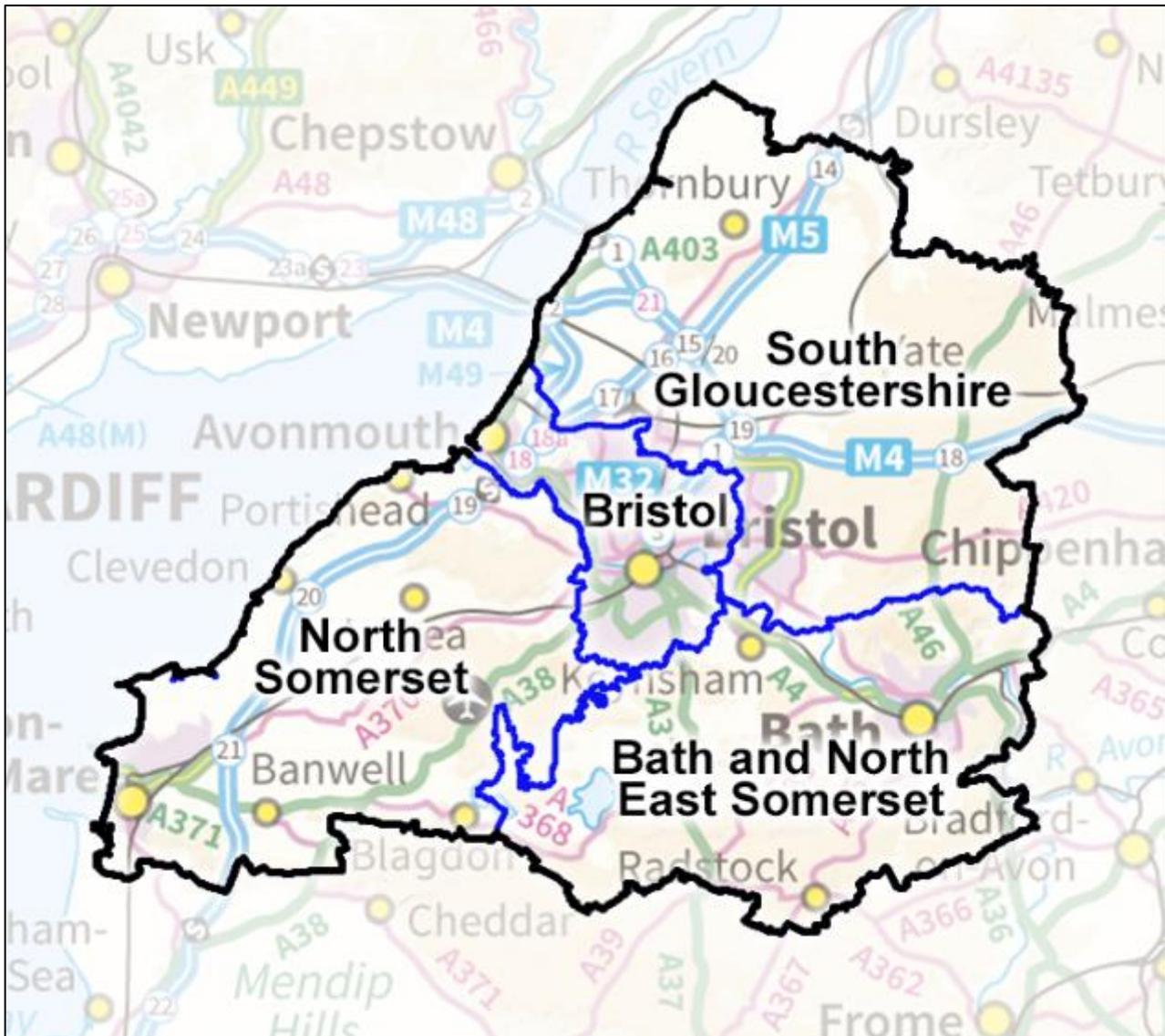
Introduction

- 1.1 Opinion Research Services (ORS) was commissioned by the West of England Combined Authority (WECA) and its constituent councils (Bath and North East Somerset, City of Bristol, South Gloucestershire) and North Somerset to prepare a Local Housing Needs Assessment to understand and investigate the nature and make-up of current and future housing needs across the area, providing robust evidence to support future plan making. At the time of writing, the plan period for the WECA Spatial Development Strategy (SDS) and the Local Plans for all of the individual WECA local authorities have not yet been finally decided, however North Somerset and South Gloucestershire¹⁵ have selected 2023-38.
- 1.2 This work adheres to the requirements of the most recent National Planning Policy Framework (NPPF) published in February 2019 and the associated Planning Practice Guidance (PPG), in particular the section on housing and economic needs assessment. The LHN element of this assessment is calculated based on the standard method, as outlined in the PPG in December 2020. The update to the standard method in December 2020 resulted in the previous iteration of this document being fully redrafted to reflect the new guidance.
- 1.3 In light of the guidance underpinning the revised standard method, where a plan period has not been decided upon, it is ORS' recommendation that the most recent year for which real-world data is available should form the base year of the period projected. As such, this report covers the 15-year period 2020-35 (Bristol, Bath and North East Somerset, South Gloucestershire – the Local Authorities making up WECA), and 2023-38 (North Somerset only).
- 1.4 To increase the utility of the report, given WECA's uncertainty over plan period, key tables in this report have been recalculated over the 20-year period 2020-40 (see Appendix A).
- 1.5 The intent is for this report to be revised closer to the ultimate submission dates of the SDS and North Somerset Local Plan. At this time all calculations will be refreshed to cover the yet to be decided upon plan periods and to take account of more up-to-date data at that time. Until that decision is made, and the refresh carried out, the contents of this report can be considered robustly derived and based upon the best data available at the time of writing.

¹⁵ South Gloucestershire LP Issues and Approaches consultation plan, Nov 2020. Note that South Gloucestershire is part of the WECA SDS, hence the dates for SGC in this report are consistent with the rest of the WECA authorities.

1.6 The areas covered by the study are shown in Figure 27 below:

Figure 27: Map of the LAs comprising the West of England study area



2. Government Policy

An overview of the National Policy Planning Framework

Introduction

- 2.1 The Government published the National Policy Planning Framework (the 2012 NPPF) in 2012. This set out the planning policies for England and how these were expected to be applied.
- 2.2 The 2012 NPPF had a presumption in favour of sustainable development, and paragraph 47 stated that Local Plans should meet *“the full, objectively assessed needs for market and affordable housing in the housing market area”*. The responsibility for establishing housing need rested with the local planning authority and Paragraph 159 of the 2012 NPPF set out that they *“should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries”*.
- 2.3 A revised version of the National Policy Planning Framework was published in July 2018. Whilst the 2018 NPPF maintains the underlying theme of sustainable development, several significant changes have been introduced in relation to identifying and meeting housing needs. The 2018 NPPF was updated in February 2019 (the 2019 NPPF) to incorporate a number of detailed changes following a technical consultation. Whilst most of the changes appear relatively minor, they may have a substantial impact on identifying and meeting housing needs in some areas. The results of the consultation were summarised in the document *“Government response to the technical consultation on updates to national planning policy and guidance”*.
- 2.4 Under the 2019 NPPF, local planning authorities are still responsible for assessing their local housing needs; however, Paragraph 60 identifies that *“strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach”*. This represents a significant change, as the standard method sets out a formulaic approach to determine the minimum Local Housing Need (LHN) figure and prescribes the use of specific data for the calculation. Therefore, whilst the responsibility for establishing housing need continues to rest with the local planning authority, this is now constrained to a minimum figure that is determined centrally by the Government.
- 2.5 Local planning authorities no longer are required to prepare a Strategic Housing Market Assessment (SHMA) for the Housing Market Area (HMA), but they are now expected to produce a Local Housing Need Assessment (LHNA) for their local area in order to assess the size, type and tenure of housing needed for different groups in the community.
- 2.6 This focus on local area has led to a change in the Duty to Cooperate, where neighbouring authorities now have to produce Statements of Common Ground. Whilst HMAs are no longer mentioned explicitly in the 2019 NPPF, Paragraph 60 identifies that *“any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for”*; and PPG identifies that HMAs are still one of the factors which must be considered when determining the relevant cross-boundary areas for plan-making [PPG ID 61-010-20180913]. A full examination of the West of England HMA areas can be found in Appendix B.

- 2.7 The PPG also makes explicit reference to joint planning, such as in the case in the West of England Combined Authority (WECA):

“How should local housing need be calculated where plans cover more than one area?”

Local housing need assessments may cover more than one area, in particular where strategic policies are being produced jointly, or where spatial development strategies are prepared by elected Mayors, or combined authorities with strategic policy-making powers.

In such cases the housing need for the defined area should at least be the sum of the local housing need for each local planning authority within the area. It will be for the relevant strategic policy-making authority to distribute the total housing requirement which is then arrived at across the plan area.

If a cities and urban centres uplift applies to a local authority which is part of a joint plan, this is calculated by separately working out the local housing need for each authority. The urban authority containing the city or urban centre will then have its need identified in Step 3 uplifted in Step 4. The cap would be calculated according to each individual authority’s circumstances and where a joint plan has been not been separate, the joint plan authority should make efforts to decide how much of the housing requirement will remain in each local authority. These figures can then be summed again to provide an overall figure for a joint plan.

It will be for the relevant strategic policy-making authority to distribute the total housing requirement which is then arrived at across the plan area.

Where a spatial development strategy has been published, local planning authorities should use the local housing need figure in the spatial development strategy and should not seek to re-visit their local housing need figure when preparing new strategic or non-strategic policies.”

PPG 2a-013-20201216

- 2.8 As the PPG makes clear in the quote above, the correct approach to joint planning is to calculate the housing need for each authority, including any individual uplift, and then joint planning should proceed on the total of this overall calculated needs. The amount of the housing requirement to be met in each authority is arrived at through the plan making process. To facilitate this, this report quotes key figures for both individual authorities and WECA-wide totals.
- 2.9 The 2019 NPPF has also introduced a new definition for affordable housing. Whilst the original (2012) NPPF identified (in the Glossary at Annex 2) that affordable housing should be provided for households “whose needs are not met by the market”, the Revised NPPF adds that this includes “housing that provides a subsidised route to home ownership and/or is for essential local workers”. This has led to a specific change in the Planning Practice Guidance (PPG) for assessing affordable housing need.
- 2.10 Under the 2012 NPPF, affordable housing need was based on those who could not afford to buy or rent in the market. Households who could afford market rent were not counted as in affordable housing need even if they would have preferred to buy and couldn’t afford to do so. However, the latest PPG supporting the 2019 NPPF states that assessments must now include the needs of “those that cannot afford their own homes, either to rent, or to own, where that is their aspiration” [ID 2a-020-20190220]. On this basis, households able to afford market rent who aspire to buy, but are unable to afford homeownership, must now be counted as being in affordable housing need.

The Standard Method for Local Housing Need Assessment

- 2.11 The 2012 NPPF and associated PPG set out a methodology for establishing an Objectively Assessed Need for housing in a defined HMA. This methodology required that *“Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need”* but allowed for adjustment based on local factors: *“The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends.”* Adjustments could therefore be made if there were concerns around the quality of local data (e.g. inaccurate migration estimates), along with evidence-based judgements on other need elements such as market signals uplift and alignment of jobs and workers based on local circumstances.
- 2.12 On 14 September 2017, the Department of Communities and Local Government (CLG) published a consultation on potential revisions to the NPPF, including a standardised methodology for calculating the Local Housing Needs (LHN). This included a number of key proposals:
- » The starting point for calculating the LHN for any area should be the most up to date household projections published by CLG;
 - » While deviation from this starting point can be considered, the consultation proposals note that; There should be very limited grounds for adopting an alternative method which results in a lower need; and
 - » The household projections published by CLG should be uplifted by a fixed affordability relationship based upon the ratio of house prices to earnings. The maximum uplift for a local authority area will be 40% above its CLG household projections or current Local plan housing target.
- 2.13 CLG produced a spreadsheet of indicative housing needs figures which covered every local authority area in England based on the most up to date data at the time, the 2014-based household projections.
- 2.14 The standard method seeks to identify the minimum number of homes expected to be planned for. It does not produce a housing requirement figure, which will take into account capacity and deliverability. The LHN figure represents a minimum overall housing need, but local authorities can consider a higher figure for plan making if, for example, this reflects growth potential, or unmet need from elsewhere.
- 2.15 PPG also suggests that local planning authorities will need to calculate their local housing need figure at the start of the plan-making process but that this number should be kept under review and revised where appropriate. The housing need figure may change as the inputs are variable, it may therefore be prudent to consider a number that is higher than the minimum LHN to provide a buffer against possible future changes while reviewing local plans.

Changes to the Standard Method

- 2.16 Since the publication of the figures in September 2017 a range of new data has been released which supersedes previous relevant data. This includes:
- » New affordability data released in April 2018, March 2019, March 2020 and March 2021¹⁶;
 - » New 2016-based sub-national population projections (SNPP) released in May 2018;
 - » A new methodology for calculating household projections released by the Office for National Statistics in June 2018;
 - » New 2016-based household projections released in September 2018;
 - » New 2018-based sub-national population projections (SNPP) released in March 2020; and
 - » New 2018-based household projections released in June 2020.
- 2.17 The national housing need produced using these new data is lower than previous estimates, falling short of the Governments stated 300,000 dwelling per year target¹⁷. As a consequence, the Ministry for Housing, Communities and Local Government (MHCLG) consulted on changes to the standard method approach, and on 26 October 2018 published “Technical consultation on updates to national planning policy and guidance October 2018”.
- 2.18 At paragraph 19 of the document, MHCLG set out their planned changes to the standard method, explicitly stating that the lower housing numbers that are derived from application of the standard method to the ONS produced 2016-based household projections should not be used, and that these do not qualify as an exceptional circumstance to warrant deviation from the standard method outputs using the CLG 2014-based projections:
- 19. The Government considers that the best way of responding to the new ONS household projections and delivering on the three principles in paragraph 18 above is to make three changes:*

 - » *1. For the short-term, to specify that the 2014-based data will provide the demographic baseline for assessment of local housing need.*
 - » *2. To make clear in national planning practice guidance that lower numbers through the 2016-based projections do not qualify as an exceptional circumstance that justifies a departure from the standard methodology; and*
 - » *3. In the longer term, to review the formula with a view to establishing a new method that meets the principles in paragraph 18 above by the time the next projections are issued.*
- 2.19 The “Government response to the technical consultation on updates to national planning policy and guidance” was published on 19 February 2019.

¹⁶ Note that the 2021 affordability data was released after the modelling in this report was conducted.

¹⁷ 5 out of 6 local authorities had their household projection to 2039 revised downwards.

2.20 The Government's response states:

Over the next 18 months we will review the formula and the way it is set using National Statistics data with a view to establish a new approach that balances the need for clarity, simplicity and transparency for local communities with the Government's aspirations for the housing market.

A key consideration of the standard method is to provide a degree of continuity between assessments of housing need over time. The changes to underlying assumptions in the population projections and methodological improvements to the household projections had led to significant variations in housing need at a local level, something that needs addressing in the short term.

2.21 The end of the 18-month period that the Government cited (August 2020) was after the release of the 2018-based Sub National Population Projections (published in March 2020), and also the publication of the associated 2018-based Household Projections (June 2020).¹⁸

2.22 The most recent (at the time of writing) 2018-based principal sub-national population principal projection is based on two years of internal migration data, as the methodology for producing this data was substantially revised, and the ONS felt the new methodology was sufficiently incompatible with the old to omit data produced using the older method from informing the principal projection. However, some of the variant projections produced do utilise this data (e.g. the alternative internal migration variant is based on five years of internal migration data, combining three years of the older data with the available two years based on the new methodology).

2.23 On the 1st of August 2020, the Government released a consultation document proposing a new standard method incorporating the 2018-based household projections. The Government, having reviewed the responses to that consultation, decided in December 2020 to introduce a slightly modified version of the original standard method utilising the 2014 projections, instead of the method proposed in the consultation. The only difference between the new and original standard method is the introduction of a 35% uplift applied for those urban local authorities in the ONS-derived top 20 cities and urban centres list¹⁹. This list includes Bristol. As with the original standard method, the housing need figure may change over time as the inputs are variable.

2.24 The appropriate extracts from the PPG that outline the methodology are as follows:

Step 1 - Setting the baseline

Set the baseline using national household growth projections (2014-based household projections in England, table 406 unitary authorities and districts in England) for the area of the local authority. Using these projections, calculate the projected average annual household growth over a 10 year period (this should be 10 consecutive years, with the current year being used as the starting point from which to calculate growth over that period)...

¹⁸ National population projections are published every two years, with the 2018-based projections released in October 2019. Sub National Population Projections usually follow approximately 6 months later, and household projections later that same year. The 2016-based SNPP were released in May 2018, and the 2016-based household projections were released in September 2018.

¹⁹ The cities and urban centres list is devised by ranking the Office for National Statistics list of Major Towns and Cities by population size using the latest mid-year population estimates.

Step 2 - An adjustment to take account of affordability

Then adjust the average annual projected household growth figure (as calculated in step 1) based on the affordability of the area.

The most recent median workplace-based affordability ratios, published by the Office for National Statistics at a local authority level, should be used.

No adjustment is applied where the ratio is 4 or below. For each 1% the ratio is above 4, the average household growth baseline should be increased by a quarter of a percent. An authority with a ratio of 8 will have a 25% increase on its annual average household growth baseline.

Where an adjustment is to be made, the precise formula is as follows:

$$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

Step 3 - Capping the level of any increase

A cap is then applied which limits the increases an individual local authority can face. How this is calculated depends on the current status of relevant strategic policies for housing.

Where these policies were adopted within the last 5 years (at the point of making the calculation), the local housing need figure is capped at 40% above the average annual housing requirement figure set out in the existing policies...

Step 4 - cities and urban centres uplift

A 35% uplift is then applied for those urban local authorities in the top 20 cities and urban centres list....

PPG Reference ID: 2a-004-20201216

2.25 The calculation of Local Housing Need in this document proceeds on the above basis.

Assessing Housing Needs

- 2.26 The 2019 NPPF no longer requires local planning authorities to produce an SHMA to establish housing need for HMAs, but instead requires local planning authorities to inform strategic policy making with a local housing needs assessment:

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

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

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

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

National Planning Policy Framework, February 2019

- 2.27 The 2019 NPPF does not contain any explicit reference to SHMAs and housing needs are to be established at a local authority level. The Local Housing Needs Assessment (LHNA) must now be prepared which will establish a minimum Local Housing Need (LHN) figure. In addition, the LHNA will need to identify the size, type and tenure of housing needed for a range of different groups in the community, which is largely consistent with the scope for SHMAs that the 2012 NPPF identified.
- 2.28 Whilst the Original NPPF expected SHMAs to be undertaken to assess needs across Housing Market Areas (HMAs), the focus of the Revised NPPF is on the needs of individual Local Planning Authorities without any mention of HMAs.
- 2.29 In terms of plan-making, PPG has retained the concept of the HMA [ID 61-010-20180913] within the Duty to Co-operate context, where joint working continues to be required.

Duty to Co-operate

- 2.30 The Duty to Co-operate was introduced in the 2011 Localism Act and is a legal obligation.
- 2.31 The NPPF sets out an expectation that public bodies will co-operate with others on issues with any cross-boundary impact, in particular with relation to strategic priorities such as *“the homes and jobs needed in the area”*.

Maintaining effective cooperation

24. Local planning authorities and county councils (in two-tier areas) are under a duty to cooperate with each other, and with other prescribed bodies, on strategic matters that cross administrative boundaries.

25. Strategic policy-making authorities should collaborate to identify the relevant strategic matters which they need to address in their plans. They should also engage with their local communities and relevant bodies including Local Enterprise Partnerships, Local Nature Partnerships, the Marine Management Organisation, county councils, infrastructure providers, elected Mayors and combined authorities (in cases where Mayors or combined authorities do not have plan-making powers).

26. Effective and on-going joint working between strategic policy-making authorities and relevant bodies is integral to the production of a positively prepared and justified strategy. In particular, joint working should help to determine where additional infrastructure is necessary, and whether development needs that cannot be met wholly within a particular plan area could be met elsewhere.

27. In order to demonstrate effective and on-going joint working, strategic policymaking authorities should prepare and maintain one or more statements of common ground, documenting the cross-boundary matters being addressed and progress in cooperating to address these. These should be produced using the approach set out in national planning guidance and be made publicly available throughout the plan-making process to provide transparency.

National Planning Policy Framework, February 2019

- 2.32 The manner in which councils have complied with their legal requirements under the Duty to Co-operate will be considered when plans are submitted for examination. One key issue is how any unmet development and infrastructure requirements can be provided by co-operating with adjoining authorities (subject to tests of reasonableness and sustainability).
- 2.33 The PPG elaborates further on the requirement for a statement of common ground (in the section on Plan-Making, updated 23 July 2019):

Maintaining effective cooperation

How are plan-making bodies expected to cooperate?

Strategic policy-making authorities are required to cooperate with each other, and other bodies, when preparing, or supporting the preparation of policies which address strategic matters. This includes those policies contained in local plans (including minerals and waste plans), spatial development strategies, and marine plans.

The National Planning Policy Framework sets out that these authorities should produce, maintain, and update one or more statement(s) of common ground, throughout the plan-making process. Local planning authorities are also bound by the statutory duty to cooperate. Neighbourhood Planning bodies are not bound by the duty to cooperate, nor are they required to produce or be involved in a statement of common ground.

PPG Reference ID: 61-009-20190315

- 2.34 In paragraph 61-017 entitled “Which geographical area does a statement of common ground need to cover?”, PPG explicitly discusses the appropriate functional geography to which the Statement of Common ground should apply: “For example, housing market and travel to work areas, river catchments, or landscape areas may be a more appropriate basis on which to plan than individual local planning authority, county, or combined authority areas”. It goes on to define housing market areas:

How can housing market areas be defined?

A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. These can be broadly defined by analysing:

The relationship between housing demand and supply across different locations, using house prices and rates of change in house prices. This should identify areas which have clearly different price levels compared to surrounding areas.

Migration flow and housing search patterns. This can help identify the extent to which people move to a new house within an area, in particular where a relatively high proportion of short household moves are contained, (due to connections to families, jobs, and schools).

Contextual data such as travel to work areas, retail and school catchment areas. These can provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use).

Suggested data sources: Office for National Statistics (internal migration and travel to work areas statistics); Land Registry House Price Index and Price Paid data (including sales); data from estate agents and local newspapers about geographical coverage of houses advertised for sale and rent; Ministry of Housing, Communities and Local Government statistics including live tables on affordability (lower quartile house prices/lower quartile earnings); and neighbourhood data from the Census.

PPG Reference ID: 61-018-20190315

- 2.35 This definition of an HMA is almost identical to that in the original PPG relating to housing need.
- 2.36 It may further be noted that the recent MHCLG white paper “Planning for the Future” (August 2020) proposed the removal of the Duty to Co-operate, however it also stated that it would be replaced with an unspecified alternative, and does not represent guidance in this regard:

“We propose... ..the Duty to Cooperate test would be removed (although further consideration will be given to the way in which strategic cross-boundary issues, such as major infrastructure or strategic sites, can be adequately planned for, including the scale at which plans are best prepared in areas with significant strategic challenges);”

“Planning for the Future” White Paper, MHCLG August 2020 – page 31

3. Local Housing Market

Housing trends and cost of housing in the West of England

Introduction

- 3.1 This chapter explores the cost of housing in the West of England and the incomes needed to rent or buy at market prices.
- 3.2 It highlights the potential income gaps and seeks to identify where and how people may fall into affordable housing need. This includes consideration of social and affordable rent and access to housing benefit for those in the rental sector as well as the potential impact of help-to-buy policies.

Housing Tenure Trends

- 3.3 When considering the local housing market, it is worth noting the historic changes to tenure in the West of England, as recorded by past censuses.
- 3.4 Figure 28 below provides the detailed census data for Bath and North East Somerset:

Figure 28: Number of Households in BANES by Tenure 1981-2011 (Source: UK Census of Population)

BANES	Number of Households				Net Change		
	1981	1991	2001	2011	1981-1991	1991-2001	2001-2011
Owner occupied	36,764	46,104	51,071	49,436	+9,340	+4,967	-1,635
Private rent	6,613	6,021	9,864	13,465	-592	+3,843	+3,601
Social rent	14,888	11,881	10,180	10,614	-3,007	-1,701	+434
TOTAL	58,265	64,006	71,115	73,515	+5,741	+7,109	+2,400
BANES %ages	Number of Households				Net Change		
	1981	1991	2001	2011	1981-1991	1991-2001	2001-2011
Owner occupied	63.1%	72.0%	71.8%	67.2%	+25.4%	+10.8%	-3.2%
Private rent	11.3%	9.4%	13.9%	18.3%	-9.0%	+63.8%	+36.5%
Social rent	25.6%	18.6%	14.3%	14.4%	-20.2%	-14.3%	+4.3%
TOTAL	100.0%	100.0%	100.0%	100.0%	+9.9%	+11.1%	+3.4%

- 3.5 During the 1981-2011 period the total volume of housing in Bath and North East Somerset has risen from 58,265 to 73,515 households. Notably, the volume of households in social rent has fallen from 14,888 to 10,180 households whilst other forms of tenure have increased in volume.
- 3.6 The table also shows that the most notable change has been the decline in the proportion of people in social rent, this has reduced by almost a third during the period 1981 and 2011 (from 26% to 19%). In contrast, private rent has seen a modest growth. Between 1981 and 1991 there was a notable growth (25%) in the proportion of owner occupiers, partly as a consequence of the introduction of right to buy policies. This peaked at 72% of households and has since fallen to levels closer to those in 1981.

3.7 Figure 29 below provides the detailed census data for Bristol:

Figure 29: Number of Households in City of Bristol by Tenure 1981-2011 (Source: UK Census of Population)

BRISTOL	Number of Households				Net Change		
	1981	1991	2001	2011	1981-1991	1991-2001	2001-2011
Owner occupied	80,196	99,475	102,084	100,093	+19,279	+2,609	-1,991
Private rent	16,610	14,174	25,846	45,571	-2,436	+11,672	+19,725
Social rent	50,312	40,405	34,160	37,083	-9,907	-6,245	+2,923
TOTAL	147,118	154,054	162,090	182,747	+6,936	+8,036	+20,657
BRISTOL %ages	Number of Households				Net Change		
	1981	1991	2001	2011	1981-1991	1991-2001	2001-2011
Owner occupied	54.5%	64.6%	63.0%	54.8%	+24.0%	+2.6%	-2.0%
Private rent	11.3%	9.2%	15.9%	24.9%	-14.7%	+82.3%	+76.3%
Social rent	34.2%	26.2%	21.1%	20.3%	-19.7%	-15.5%	+8.6%
TOTAL	100.0%	100.0%	100.0%	100.0%	+4.7%	+5.2%	+12.7%

3.8 During the 1981-2011 period the total volume of housing in Bristol has risen from 147,118 to 162,090 households. Notably, the volume of households in social rent has fallen from 50,312 to 34,160 households whilst other forms of tenure have increased in volume.

3.9 The table also shows that the most notable change has been the decline in the proportion of people in social rent, this has reduced by more than a third during the period 1981 and 2011 (from 34% to 20%). In contrast, private rent has seen a particularly rapid growth since 1991. Between 1981 and 1991 there was a notable growth (24%) in the proportion of owner occupiers, partly as a consequence of the introduction of right to buy policies. This peaked at 65% of households and has since fallen to levels close to those in 1981.

3.10 Figure 30 below provides the detailed census data for South Gloucestershire:

Figure 30: Number of Households in South Gloucestershire by Tenure 1981-2011 (Source: UK Census of Population)

S GLOS	Number of Households				Net Change		
	1981	1991	2001	2011	1981-1991	1991-2001	2001-2011
Owner occupied	50,703	68,962	81,286	81,083	+18,259	+12,324	-203
Private rent	3,821	3,842	8,024	15,822	+21	+4,182	+7,798
Social rent	13,987	10,693	9,728	10,633	-3,294	-965	+905
TOTAL	68,511	83,497	99,038	107,538	+14,986	+15,541	+8,500
S GLOS %ages	Number of Households				Net Change		
	1981	1991	2001	2011	1981-1991	1991-2001	2001-2011
Owner occupied	74.0%	82.6%	82.1%	75.4%	+36.0%	+17.9%	-0.2%
Private rent	5.6%	4.6%	8.1%	14.7%	+0.5%	+108.8%	+97.2%
Social rent	20.4%	12.8%	9.8%	9.9%	-23.6%	-9.0%	+9.3%
TOTAL	100.0%	100.0%	100.0%	100.0%	+21.9%	+18.6%	+8.6%

3.11 During the 1981-2011 period the total volume of housing in South Gloucestershire has risen from 68,511 to 107,538 households. Notably, the volume of households in social rent has fallen from 13,987 to 10,633 households whilst other forms of tenure have increased in volume.

3.12 The table also shows that the most notable change has been the decline in the proportion of people in social rent, this has reduced in half during the period 1981 and 2011 (from 20% to 10%). In contrast, private rent has seen almost tripled in its growth (6% to 15%). Between 1981 and 1991 there was a notable growth (36%) in the proportion of owner occupiers, partly as a consequence of the introduction of right to buy policies. This peaked at 83% of households and has since fallen to levels closer to those in 1981.

3.13 Figure 31 below provides the aggregate census data for WECA:

Figure 31: Number of Households by Tenure 1981-2011 (Source: UK Census of Population)

WECA	Number of Households				Net Change		
	1981	1991	2001	2011	1981-1991	1991-2001	2001-2011
Owner occupied	167,663	214,541	234,441	230,612	+46,878	+19,900	-3,829
Private rent	27,044	24,037	43,734	74,858	-3,007	+19,697	+31,124
Social rent	79,187	62,979	54,068	58,330	-16,208	-8,911	+4,262
TOTAL	273,894	301,557	332,243	363,800	+27,663	+30,686	+31,557
WECA %ages	Number of Households				Net Change		
	1981	1991	2001	2011	1981-1991	1991-2001	2001-2011
Owner occupied	61.2%	71.1%	70.6%	63.4%	+28.0%	+9.3%	-1.6%
Private rent	9.9%	8.0%	13.2%	20.6%	-11.1%	+81.9%	+71.2%
Social rent	28.9%	20.9%	16.3%	16.0%	-20.5%	-14.1%	+7.9%
TOTAL	100.0%	100.0%	100.0%	100.0%	+10.1%	+10.2%	+9.5%

3.14 The growth in the private rented sector (PRS) in WECA is consistent with national trends, with the English Housing Survey (EHS) 2016-17 identifying 20% (4.7 million) households renting from a private landlord, much higher than the 13% recorded 10 years ago in 2006-07. Outside of London, private rented is the third largest tenure and is now larger than social rented; 36% outright ownership, 29% buying with a mortgage, 19% private renting, and 16% social renting.

3.15 Figure 32 below provides the detailed census data for North Somerset:

Figure 32: Number of Households by Tenure 1981-2011 (Source: UK Census of Population)

N SOMERSET	Number of Households				Net Change		
	1981	1991	2001	2011	1981-1991	1991-2001	2001-2011
Owner occupied	41,384	55,313	63,477	64,907	+13,929	+8,164	+1,430
Private rent	5,313	5,232	9,052	15,217	-81	+3,820	+6,165
Social rent	11,580	8,698	7,456	8,103	-2,882	-1,242	+647
TOTAL	58,277	69,243	79,985	88,227	+10,966	+10,742	+8,242
N SOMERSET %ages	Number of Households				Net Change		
	1981	1991	2001	2011	1981-1991	1991-2001	2001-2011
Owner occupied	71.0%	79.9%	79.4%	73.6%	+33.7%	+14.8%	+2.3%
Private rent	9.1%	7.6%	11.3%	17.2%	-1.5%	+73.0%	+68.1%
Social rent	19.9%	12.6%	9.3%	9.2%	-24.9%	-14.3%	+8.7%
TOTAL	100.0%	100.0%	100.0%	100.0%	+18.8%	+15.5%	+10.3%

- 3.16 During the 1981-2011 period the total volume of housing in North Somerset has risen from 58,277 to 88,227 households. Notably, the volume of households in social rent has fallen from 11,580 to 8,103 households whilst other forms of tenure have increased in volume.
- 3.17 The table also shows that the most notable change has been the decline in the proportion of people in social rent, this has reduced by over a half during the period 1981 and 2011 (from 20% to 9%). In contrast, private rent has almost doubled (9% to 17%). Between 1981 and 1991 there was a notable growth (34%) in the proportion of owner occupiers, partly as a consequence of the introduction of right to buy policies. This peaked at 80% of households and has since fallen to levels closer to those in 1981.
- 3.18 The PPG recognises the importance of understanding the likely future role of the private rented sector.

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

Planning Practice Guidance, ID 67-002-20190722

- 3.19 Growth in the sector seems likely to continue, driven by a combination of demand and supply factors:
- » Increasing demand from more households;
 - » Recent reductions in incomes (in real terms);
 - » Reducing affordability of owner occupation;
 - » Changing Bank lending practices;
 - » Pension reform: pension drawdowns invested in Buy-to-Let (BTL) property.
- 3.20 The growth of the Sector has been acknowledged as both a growing and long-term option for meeting the nation’s housing need. CLG (with the Intermediary Mortgage Lenders Association) forecast that the private rented sector will increase in size to 35% nationally by 2032.²⁰ On this basis, the number of households renting privately could double again over the next twenty years.
- 3.21 As the PRS expands and other sectors contract, it is clear that many households who would traditionally meet their housing needs in other sectors are now renting privately. This includes many households currently unable to afford their housing costs, which can be seen from the expansion of families receiving Housing Benefit in the sector, in particular since the start of the 2008 recession.
- 3.22 The Office for Budget Responsibility analysis of the UK’s public finances for Government explicitly recognises a likely growth in the share of housing benefit claimants in the private rented sector in its Economic and Fiscal Outlook (March 2014)²¹:

²⁰ <http://news.rla.org.uk/rpi-rent-revolution/>

²¹ <http://cdn.budgetresponsibility.org.uk/37839-OBR-Cm-8820-accessible-web-v2.pdf>

“The share of [housing benefit] spending accounted for by the private rented sector is forecast to rise from 30 per cent in 2007-08 to 40 per cent by 2018-19... We expect the share of claimants in the private rented sector to continue rising over the forecast period, but for average awards to rise more slowly than nominal GDP per capita due to policy, including on uprating.” (paragraphs 4.152-154)

- 3.23 The Government sees the PRS having an important and long-term role in meeting the housing need of the nation; and although the NPPF and PPG do not mention the current or future role of housing benefit, the policy to support low-income households in the private rented sector with housing benefit is long-standing and housing benefit is explicitly factored into the long-term forecasts for public spending.
- 3.24 Policy by both Government and Local Authorities is focused on improving Management and Maintenance in the sector (via licensing or self-regulation schemes) and expanding supply²² (including the Build to Rent investment scheme²³). The Government published *“Improving the Private Rented Sector and Tackling Bad Practice: A guide for local authorities”* in March 2019²⁴, and the Foreword by the Minister stated:

“The private rented sector is an important and growing part of our housing market, housing 4.4 million households in England. The quality of housing in the sector has improved dramatically over the last decade. It is now the second largest tenure and this growth is forecast to continue growing. I am proud of this growth as it shows increasing choice, improving standards whilst helping to keep rents affordable. The Government supports a bigger and better private rented sector and wants to see this growth continue.”

- 3.25 It is important for local authorities to recognise the role of the private rented sector at a local level. Recent changes to letting policies and the reality of pressures on the housing stock make it less likely that single persons aged under 35 years will be allocated to a 1 bedroom social rented or affordable rented property. The private rented sector therefore makes an important contribution towards providing housing options for low-income households, and it is essential for local authorities to understand the full extent of the need for affordable housing in their areas.
- 3.26 The Housing and Planning Act 2016 contained proposals to further the Government’s policy of encouraging home ownership through promoting Starter Homes. Starter Homes were intended to provide affordable housing for first time buyers by selling newbuild properties at a discount of at least 20% below their market prices. The discount was not in perpetuity, so the buyer of the property stood to gain from buying a home at 80% or less than its market price; but owning 100% of the property.
- 3.27 However, Starter Homes regulations that would enable these to be built have not been published. As a result, no Starter Homes have been built, and the Government are now pursuing an alternative policy entitled First Homes²⁵.

²² <https://www.gov.uk/government/publications/private-rented-homes-review-of-the-barriers-to-institutional-investment>

²³ <https://www.gov.uk/government/publications/build-to-rent-round-2-initial-due-diligence>

²⁴ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/412921/Improving_private_rented_sector.pdf

²⁵ <https://www.gov.uk/government/consultations/first-homes>

- 3.28 The consultation for First Homes ran from February to May 2020, with a Government response to the consultation published in April 2021. First Homes will be newbuild properties built as part of wider housing developments which will be sold with a discount of at least 30%, but this could be higher if a local need can be demonstrated. Local authorities will have the ability to prioritise these homes for local people and/or key workers, as required locally. The reduction of at least 30% will remain in perpetuity when the property is sold on the second-hand market, so the buyer will not own more than 70% of the property's open market value at the time of purchase. When the property is to be sold, the home will be independently valued and sold to eligible purchasers with the discount being applied, to ensure the property always remains below local house prices. There will be restrictions on the use of First Homes so that they cannot be used as buy to let or holiday homes.
- 3.29 There are many households residing in the private rented sector in the West of England who aspire to home ownership and if affordable First Homes were to be provided for this group it would, potentially, reduce the size of the private rented sector by giving alternative options to renters that aspire to buy, but cannot afford to purchase on the open market. However, the funding for First Homes is to be drawn from the same Section 106 funds which help to provide affordable rented homes. Developers would be expected to provide a proportion of all properties on larger new developments as First Homes (the consultation response suggests a minimum of 25% of all affordable housing units on eligible sites secured through developer contributions under section 106), and thereby sell these at a discount of at least 30%. By taking part of the funding for affordable rented across into the First Homes scheme, this could potentially reduce the supply of social rented or affordable rented homes in areas with a need for less than 25% affordable home ownership properties. If there were such a shortfall, then households in need for whom First Homes remain out of reach will have few other options than entering the private rented sector.

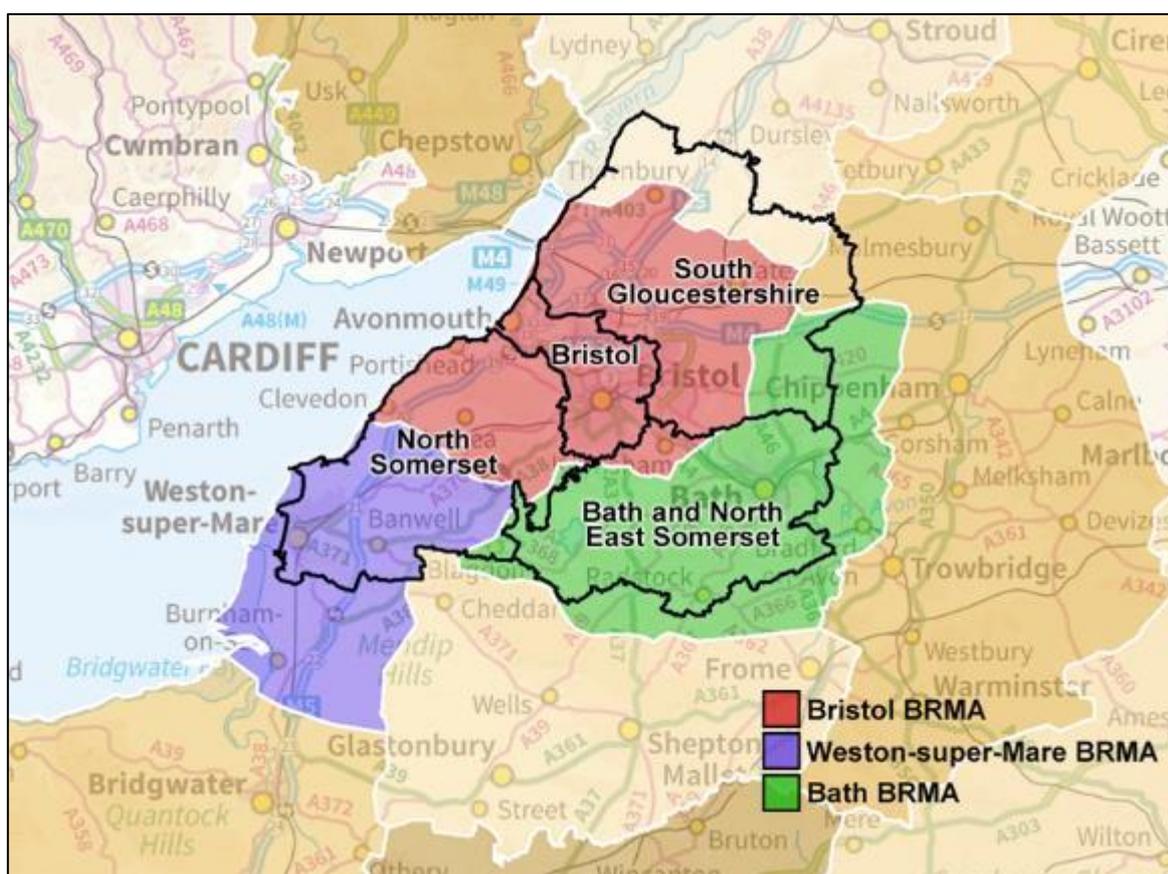
Cost of Renting

- 3.30 When considering renting in the West of England it is important to reflect on the range of rental options available together with the impact of the housing benefit levels in the area. There are a number of rates to consider. There are four key definitions to consider when looking at the cost of renting in the area:
- » Median private rent;
 - » Lower quartile private rent;
 - » Local Housing Allowance (LHA) in the applicable BRMA;
 - » Affordable rent; based on average rents charged for existing dwellings.
- 3.31 The Local Housing Allowance (LHA) is the maximum payment for claimants in receipt of housing benefit. These are based on broad rental market areas (BRMAs). The LHA was previously calculated on the 30th percentile private rent, however more recent increases have been based on CPI and rates were frozen in the July 2015 budget. The rates were increased back to the 30th percentile in April 2020, and the Government have indicated that they will be frozen at their current level (in cash terms) from 2021/22 onwards²⁶.
- 3.32 The BRMAs deemed appropriate to use for the purposes of this study are as follows (see Figure 33):
- » Bath and North East Somerset – The Bristol BRMA encroaches on BANES; however the vast majority of the LA is covered by the Bath BRMA, hence the Bath BRMA is used here;

²⁶ Office of Budgetary Responsibility – Economic and Fiscal Outlook (November 2020) – page 179:
http://cdn.obr.uk/CCS1020397650-001_OBR-November2020-EFO-v2-Web-accessible.pdf

- » Bristol – Bristol is encompassed by a single BRMA, the Bristol BRMA, which is used here;
- » South Gloucestershire – Four BRMAs encroach on South Gloucestershire, however the majority of the area is covered by the Bristol BRMA, including the five largest population centres: Kingswood, Bradley Stoke, Yate, Thronbury and Stone Gifford, hence the Bristol BRMA is used here;
- » North Somerset – Two BRMAs (Bristol and Weston-super-Mare) cover the vast majority of North Somerset, however the Weston-super-Mare BRMA covers a larger area and includes the largest population centre in North Somerset, Weston-super-Mare itself, hence the Weston-super-Mare BRMA is used here.

Figure 33: Broad Rental Market Areas in the West of England (Source: VOA. Note: BRMA = white border, LA = black border)



- 3.33 Figure 34 sets out the median weekly rents for different property sizes in the local authorities together with the local housing allowances and the calculated affordable rent rates. It may be noted that there are local variations in rental costs, and those presented below are representative of each LA as a whole.

Figure 34: Weekly rent thresholds in the LAs of the West of England (Source: Valuation Office Agency 2019-20; SDR 2019²⁷)

BATH AND NORTH EAST SOMERSET	Median Private Rent	Lower Quartile Private Rent	Local Housing Allowance (Bath BRMA)	Affordable Rent
1 bedroom	£183.98	£165.59	£166.85	£118.92
2 bedrooms	£228.83	£195.48	£195.62	£136.07
3 bedrooms	£275.98	£224.23	£228.99	£145.21
4+ bedrooms	£488.71	£436.96	£402.74	£189.01
BRISTOL	Median Private Rent	Lower Quartile Private Rent	Local Housing Allowance (Bristol BRMA)	Affordable Rent
1 bedroom	£189.73	£166.74	£159.95	£110.74
2 bedrooms	£229.98	£205.83	£189.86	£131.11
3 bedrooms	£275.98	£229.98	£218.63	£148.84
4+ bedrooms	£450.76	£367.97	£304.93	£180.44
SOUTH GLOUCESTERSHIRE	Median Private Rent	Lower Quartile Private Rent	Local Housing Allowance (Bristol BRMA)	Affordable Rent
1 bedroom	£157.54	£149.49	£159.95	£111.79
2 bedrooms	£189.73	£182.83	£189.86	£132.45
3 bedrooms	£229.98	£206.98	£218.63	£159.60
4+ bedrooms	£344.97	£287.47	£304.93	£185.08
NORTH SOMERSET	Median Private Rent	Lower Quartile Private Rent	Local Housing Allowance (WSM BRMA)	Affordable Rent
1 bedroom	£126.49	£113.84	£109.32	£99.25
2 bedrooms	£160.99	£143.74	£138.08	£116.36
3 bedrooms	£195.48	£178.23	£172.60	£134.25
4+ bedrooms	£281.26	£228.83	£212.88	£151.08

- 3.34 Across almost all property sizes, the median private rent is higher than the maximum LHA in the West of England (with the exception of 1 and 2-bedroom properties in South Gloucestershire). This means that those on housing benefit cannot afford properties of median rents. Equally, lower quartile rents for properties of all sizes in the West of England mostly affordable to housing benefit claimants in Bath and North East Somerset and South Gloucestershire, but not in the other authorities.
- 3.35 Affordable rent is consistently lower than the maximum LHA rate for the equivalent property. This means that households would currently be able to claim sufficient housing benefit to cover the full cost of affordable rent (where they were entitled to do so).

²⁷ SDR = Statistical Data Return

- 3.36 Households claiming out-of-work benefits are subject to a cap of £384 per week for lone parents and couples or £257 per week for single people (outside of London). This could affect the amount of housing benefit received by some households (especially those with larger families needing larger properties). However, it is important to recognise that the benefit cap does not apply to working households (i.e. those eligible for Working Tax Credit, even if the eligibility amount is £0; and those on Universal Credit with monthly earnings varying from £291 to £542 or more, depending on age) or to households that receive various disability related benefits or armed forces pensions. Given that these households are exempt from the cap, they would be able to claim housing benefit up to the Local Housing Allowance for the size of property that they need in their BRMA.

Income Needed to Rent Housing

- 3.37 The income needed to rent housing will depend on the monthly rent together with the income multiplier allowed for housing costs. The previous CLG Strategic Housing Market Assessments Practice Guidance (Version 2, August 2007)²⁸ stated:

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

- 3.38 However, this previous Guidance was rescinded in March 2014 following the publication of the NPPF and the launch of the new Planning Practice Guidance (PPG). The PPG does not propose a specific multiplier for assessing housing costs; however, it notes that “care should be taken ... to include only those households who cannot afford to access suitable housing in the market” (ID 2a-024).

- 3.39 The English Housing Survey (EHS) 2015-16²⁹ provides information about the percentage of gross household income that households currently spend on their housing costs³⁰:

- » For the total gross income (including housing benefit) of the Household Reference Person and partner, households renting privately spent on average 41% of their income on rent, whilst the average was 31% for households in social rent;
- » For the total gross income (excluding housing benefit) of the Household Reference Person and partner, households renting privately spent on average 48% of their income on rent, whilst the average was 40% for households in social rent;
- » For the total gross income (including housing benefit) from all income earners in the household, irrespective of whether they contribute to the housing cost, households renting privately spent on average 35% of their income on rent, whilst the average was 28% for those in social rent;
- » For the total gross income (excluding housing benefit) from all income earners in the household, irrespective of whether they contribute to the housing cost, households renting privately spent on average 41% of their income on rent, whilst the average was 37% for those in social rent.

²⁸ <https://www.gov.uk/government/publications/strategic-housing-market-assessments-practice-guidance>

²⁹ <https://www.gov.uk/government/statistics/english-housing-survey-2015-to-2016-headline-report>

³⁰ “Annex Table 1.13: Mortgage/rent as a proportion of household income (including and excluding housing benefit) by tenure, 2010-11 to 2015-16”

- 3.40 The EHS thus demonstrates that many households, in both private and social rented properties, currently pay considerably more than 25% of gross household income on their housing costs. On this basis, it would be reasonable to assume that the proportion of household income allocated to housing costs should be at least 25% but no more than 45% of gross income. This leads to our judgement that 35% of income provides a reasonable basis for calculating what households should reasonably expect to pay for their housing costs³¹. Whilst this is notably higher than the 25% proposed by the previous guidance, it is still lower than the 41% average that households renting privately actually pay.
- 3.41 As an example, we can establish the income needed to rent a 1-bedroom property in the North Somerset private rented sector based on a 35% income multiplier:
- » The median weekly rent recorded was £126.49;
 - » Based on a 35% (of gross) income multiplier, a weekly income of £361.40 would be needed which equates to a gross annual income of £18,857 (approximately £1,372 per month after tax).
- 3.42 To rent the same property based on a 25% income multiplier would increase the gross income required to £26,300 per year whereas households with an annual income of £14,600 per year could afford the rent if 45% of their income was allocated to housing costs.
- 3.43 Figure 35 shows the gross household incomes needed to afford median and lower quartile private rent, affordable rent and social rent if 35% is spent on housing.

Figure 35: Annual income required to afford to rent properties at the lower quartile and median price based on 35% income multiplier by property size in the West of England (Source: ORS based on Valuation Office Agency data April 2019 to March 2020; SDR 2019)

BATH AND NORTH EAST SOMERSET	Private Rent		Affordable Rent (SDR 2019)	Social Rent
	Median	Lower Quartile		
1 bedroom	£27,429	£24,686	£17,729	£12,802
2 bedrooms	£34,114	£29,143	£20,286	£14,693
3 bedrooms	£41,143	£33,429	£21,648	£16,105
4+ bedrooms	£72,857	£65,143	£28,177	£17,687

BRISTOL	Private Rent		Affordable Rent (SDR 2019)	Social Rent
	Median	Lower Quartile		
1 bedroom	£28,286	£24,857	£16,509	£12,390
2 bedrooms	£34,286	£30,686	£19,546	£14,467
3 bedrooms	£41,143	£34,286	£22,189	£16,225
4+ bedrooms	£67,200	£54,857	£26,900	£18,257

³¹ This is coincidentally also the figure Shelter deem reasonable - <https://blog.shelter.org.uk/2015/08/what-is-affordable-housing/>

SOUTH GLOUCESTERSHIRE	Private Rent		Affordable Rent (SDR 2019)	Social Rent
	Median	Lower Quartile		
1 bedroom	£23,486	£22,286	£16,666	£12,158
2 bedrooms	£28,286	£27,257	£19,746	£14,160
3 bedrooms	£34,286	£30,857	£23,793	£15,624
4+ bedrooms	£51,429	£42,857	£27,592	£19,187

NORTH SOMERSET	Private Rent		Affordable Rent (SDR 2019)	Social Rent
	Median	Lower Quartile		
1 bedroom	£18,857	£16,971	£14,796	£12,141
2 bedrooms	£24,000	£21,429	£17,347	£13,808
3 bedrooms	£29,143	£26,571	£20,014	£15,664
4+ bedrooms	£41,931	£34,114	£22,523	£17,665

3.44 Although a rental income multiplier is helpful for benchmark purposes, it does not take account of the disposable income available to households after their housing costs have been paid; and it is “*housing that is too expensive compared to disposable income*” that the PPG references in the context of assessing the need for affordable housing (ID 2a-023).

3.45 Considering some examples of disposable income:

- » A single person household with a gross income of £20,000 from employment would have £16,880 (£324 per week) after income tax and national insurance contributions. Housing costs at 35% of gross income would represent 41.4% of their net income and would leave £189 per week as disposable income to cover their other living expenses.
- » A couple with two children with a gross income of £20,000 from employment would have up to £19,559 (£375 per week) after income tax and national insurance contributions (assuming both earned £10,000). Therefore, housing costs at 35% of gross income would represent 35.8% of their net income and would leave £241 per week as disposable income to cover their other living expenses.

3.46 We should also consider the differing potential levels of housing benefit.

- » The maximum amount of weekly income that a single person household can receive before their income starts to affect their housing benefit is currently £73.10 for those aged 25 or over and £57.90 for those aged 16-24.
- » The maximum amount of weekly income that a couple with two children can receive before their income starts to affect their housing benefit is currently £248.65 (if one or both are aged 18 or over).

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

- 3.48 Eligibility for housing benefit will differ based on the type of household and the number of bedrooms needed. Figure 36 sets out the maximum incomes for housing benefit eligibility for different types of households:

Figure 36: Maximum income for households in receipt of housing benefit support by household type
(Source: ORS based on Department for Work and Pensions data; Valuation Office Agency data)

		BATH BRMA
ROOM ONLY	Single person aged 16-24	£11,516
	Single person aged 25-34	£12,309
1 BEDROOM PROPERTIES	Single person aged 35+	£17,208
	Couple (both aged under 18)	£17,959
	Couple (one or both aged 18 or over)	£19,387
2 BEDROOM PROPERTIES	Lone parent (aged 18 or over) with 1 child	£23,008
	Lone parent (aged 18 or over) with 2 children	£26,499
	Couple (aged 18 or over) with 1 child	£25,187
	Couple (aged 18 or over) with 2 children	£28,678

		BRISTOL BRMA
ROOM ONLY	Single person aged 16-24	£10,254
	Single person aged 25-34	£11,047
1 BEDROOM PROPERTIES	Single person aged 35+	£16,654
	Couple (both aged under 18)	£17,406
	Couple (one or both aged 18 or over)	£18,833
2 BEDROOM PROPERTIES	Lone parent (aged 18 or over) with 1 child	£22,546
	Lone parent (aged 18 or over) with 2 children	£26,037
	Couple (aged 18 or over) with 1 child	£24,724
	Couple (aged 18 or over) with 2 children	£28,215

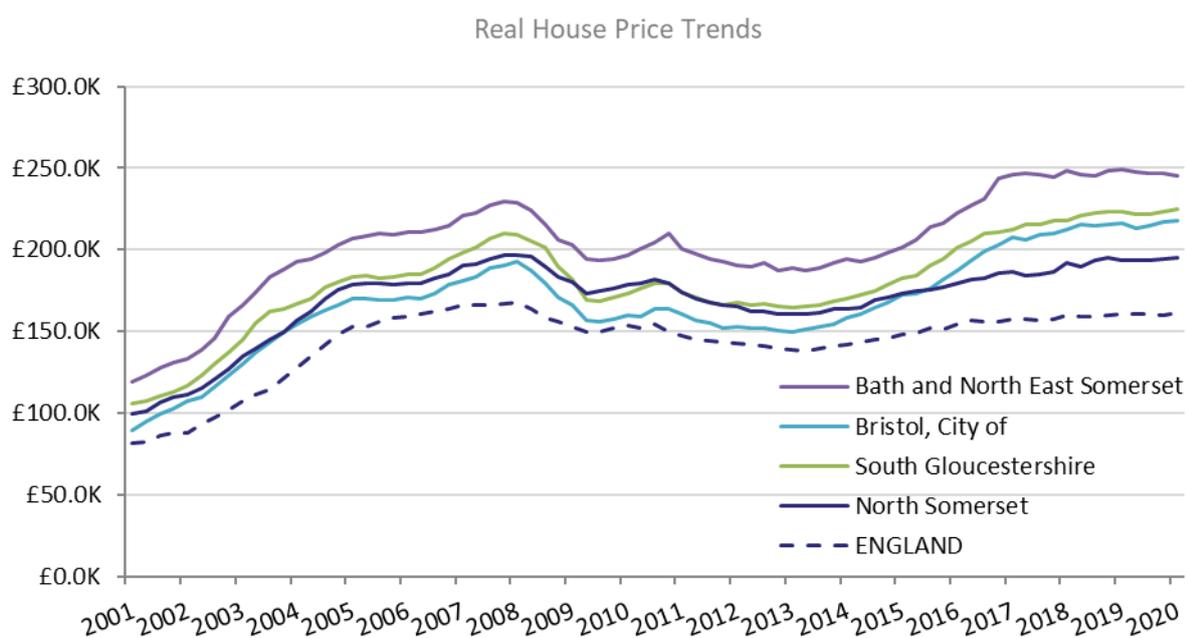
		WESTON-SUPER-MARE BRMA
ROOM ONLY	Single person aged 16-24	£10,973
	Single person aged 25-34	£11,766
1 BEDROOM PROPERTIES	Single person aged 35+	£12,590
	Couple (both aged under 18)	£13,341
	Couple (one or both aged 18 or over)	£14,768
2 BEDROOM PROPERTIES	Lone parent (aged 18 or over) with 1 child	£18,389
	Lone parent (aged 18 or over) with 2 children	£21,880
	Couple (aged 18 or over) with 1 child	£20,568
	Couple (aged 18 or over) with 2 children	£24,059

- 3.49 The maximum income that can be earned before housing benefit is reduced to zero is highest in the BANES BRMA for all household types, followed by Bristol, and finally the Weston-super-Mare BRMA has the lowest upper threshold for receipt of housing benefit. These reflect the differences in LHA rates for each BRMA (see Figure 34).

Cost of Home Ownership

- 3.50 When considering home ownership, it is worth reflecting on house prices during the past twenty years. House price trends (2001-2020) are shown in Figure 37. This is based on lower quartile prices and data is adjusted for inflation so that values reflect real changes in house prices since 2001.
- 3.51 Real house prices in the West of England, whilst somewhat higher, have historically mirrored those in England as a whole. However, a notable upward divergence from the England average can be seen in Bath and North East Somerset, Bristol, and South Gloucestershire beginning in 2013/14. Overall prices increased substantially in the period 2001-2008. Values then reduced from the beginning of 2008 and fell to their low point in late 2013, since when they have grown steadily. As of 2020, prices in the three WECA authorities have exceeded their previous peak prices in 2008, and North Somerset prices are within £2,000 of their highest (£195,000 vs £197,000 in q4 2007). However, it should also be noted that there is considerable local variability in house prices across the authorities.

Figure 37: Real House Price Trends: Lower Quartile Prices adjusted to March 2020 values using CPI (Source: ONS; Bank of England)



- 3.52 House prices clearly vary in accordance with a range of factors. An important component is the size of the property, with the number of bedrooms being key. Figure 38 to Figure 41 show lower quartile house prices in the West of England by bedroom size.
- 3.53 There is also a difference between existing properties and new build dwellings. New build dwellings generally attract a premium – except at the largest end of the property market. This difference is most marked in South Gloucestershire.

Figure 38: BANES - Lower quartile prices (adjusted by CPI) (Apr 2018-Mar 20) by property size (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data)

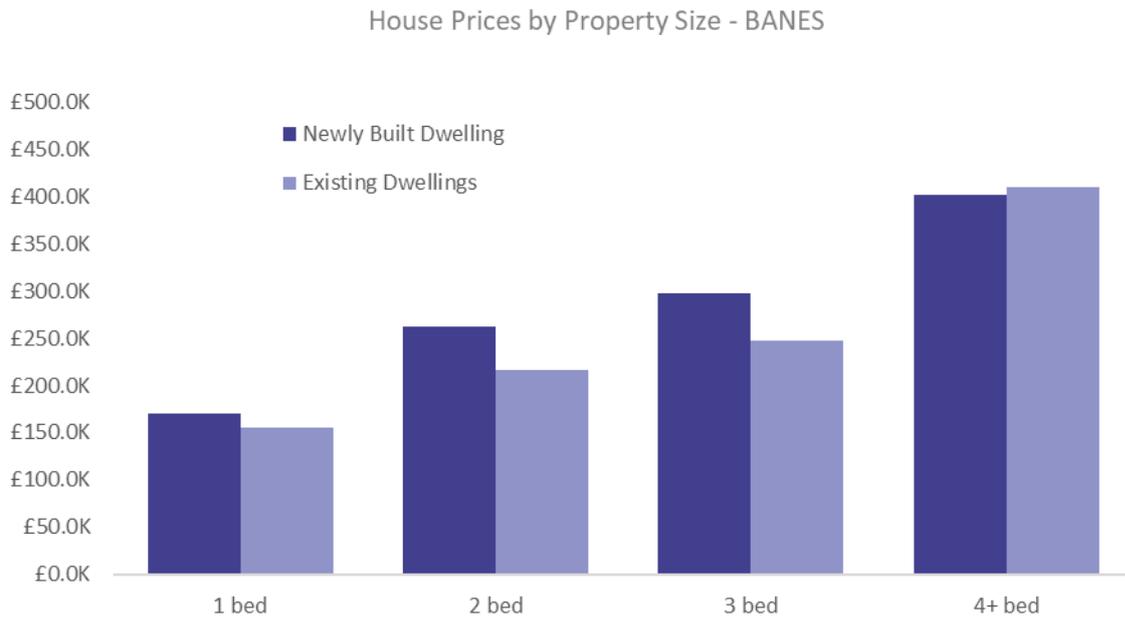


Figure 39: Bristol - Lower quartile prices (adjusted by CPI) (Apr 2018-Mar 20) by property size (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data)

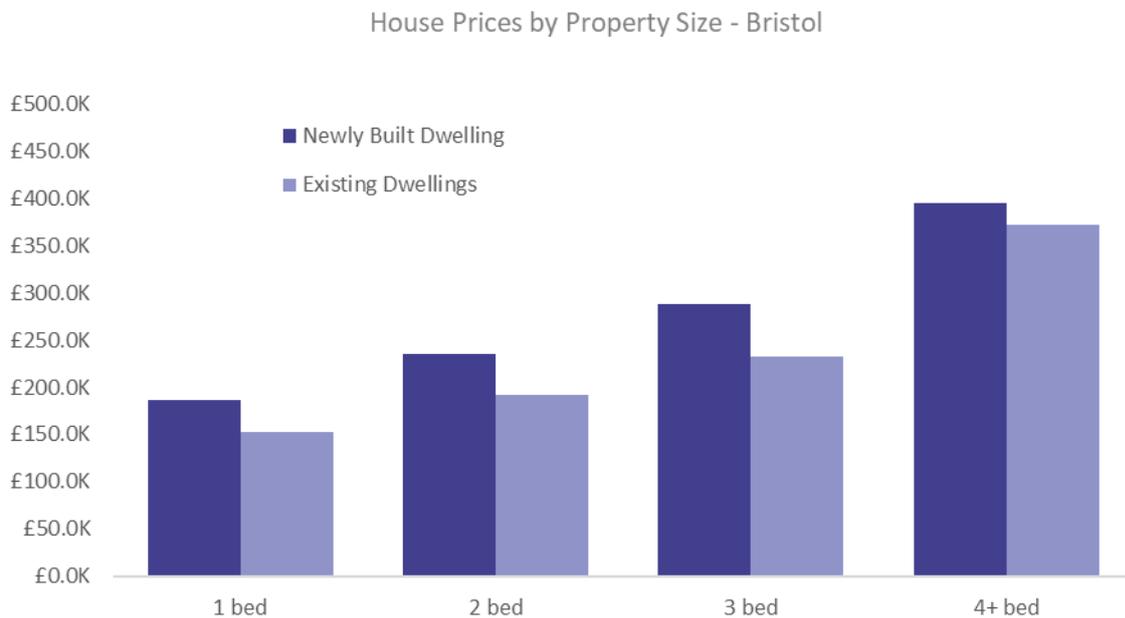
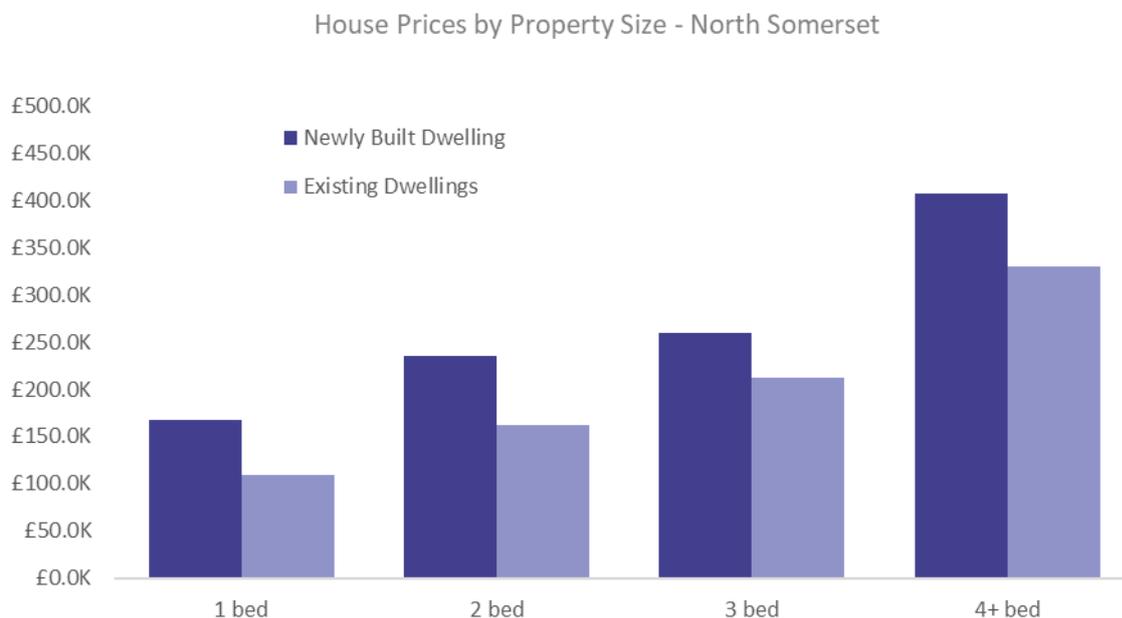


Figure 40: South Gloucestershire - Lower quartile prices (adjusted by CPI) (Apr 2018-Mar 20) by property size (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data)



Figure 41: North Somerset - Lower quartile prices (adjusted by CPI) (Apr 2018-Mar 20) by property size (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data)



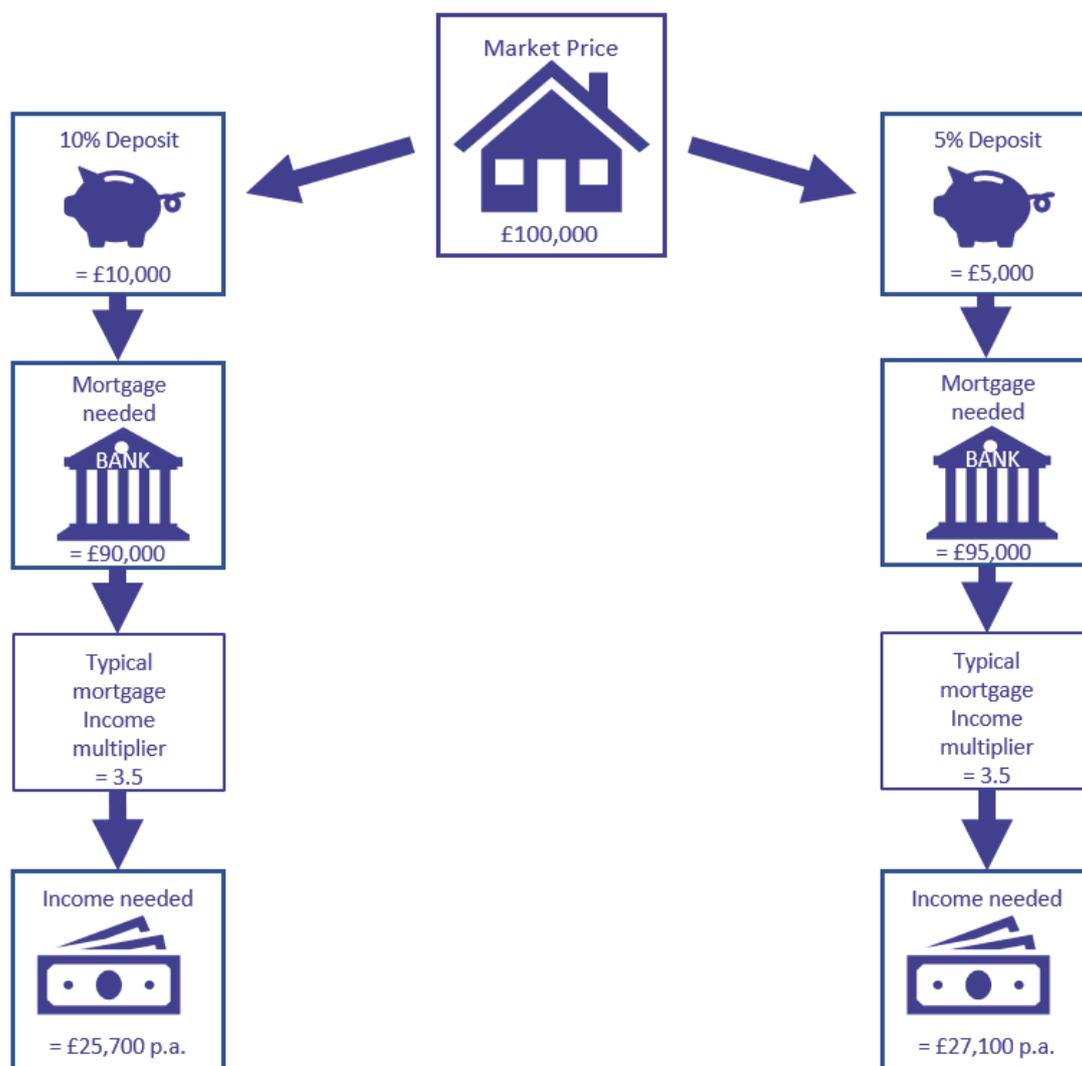
^{3.54} The difference in values between new build and existing properties is likely to be down to a range of factors which include the location of newbuild housing, the relative size of properties, gardens, the availability of parking, comparative quality and condition of existing stock, and other intangible issues such as character.

^{3.55} These differences in value are relevant if we are considering the affordability of the overall housing stock alongside the affordability of new build estates. First time buyers are particularly likely to be newly forming households and seeking one and two bed properties.

Income Needed for Home Ownership

- 3.56 The income needed to purchase market housing will depend on the house price together with the mortgage income multiplier and the available deposit (or percentage loan to value).
- 3.57 For example, if we consider a property costing £100,000, and assume the buyer could afford a deposit of 10%. The outstanding mortgage requirement would be £90,000. Using a typical income multiple of 3.5 we can calculate an income of just over £25,700 would be needed ($25,714 \times 3.5 = £90,000$). If the buyer could only afford a 5% deposit (£5,000) then a larger mortgage and larger income would be needed.
- 3.58 Whilst some households will have higher deposits available and others will seek to extend their borrowing as far as possible, the initial assumptions of a 10% deposit and a 3.5 x mortgage multiplier provides a reasonable indication of the income that first-time buyer households are likely to need in order to buy a home in the area.

Figure 42: Calculating income needed for home ownership



- 3.59 Based on these assumptions, Figure 43 shows the household income levels needed to buy 1 and 2-bedroom properties in terms of both existing and newly built properties. When purchasing larger homes, households will typically have larger deposits available, often include equity from the sale of another property. On this basis, it is relatively artificial to consider incomes in isolation for larger properties.

Identifying the Gap for Affordable Home Ownership

- 3.60 When identifying the need for Affordable Home Ownership (AHO - this includes First Homes), it is necessary to consider the housing costs for both renting and buying market housing in order to understand the relative incomes required and establish the appropriate income range for AHO products and the associated purchase costs.
- 3.61 Figure 43 summarises the income thresholds for the range of different housing options based on the costs for home ownership and rents which emphasises that owner occupation is much less affordable than renting.

Figure 43: Annual income thresholds for different housing options, single bedroom and two-bedroom (Source: ORS based on ONS House Price Statistics, Department for Work and Pensions, Valuation Office Agency and Land Registry Price Paid Data. Note: All figures rounded to nearest £100)

BANES: Annual Income Thresholds		Single Bedroom Properties	Two Bedroom Properties
Minimum income needed to own with 10% deposit and 3.5x mortgage	Newly built dwelling	£43,900	£67,300
	Existing dwelling	£39,900	£55,600
Minimum income needed for rent to be less than 35%	Median private rent	£27,400	£34,100
	Lower quartile private rent	£24,700	£29,100
	Affordable rent	£17,700	£20,300
	Social rent	£12,800	£14,700
Maximum income for Housing Benefit support	Upper end of range	£19,400	£28,700
	Lower end of range	£17,200	£23,000

BRISTOL: Annual Income Thresholds		Single Bedroom Properties	Two Bedroom Properties
Minimum income needed to own with 10% deposit and 3.5x mortgage	Newly built dwelling	£47,900	£60,500
	Existing dwelling	£39,300	£49,500
Minimum income needed for rent to be less than 35%	Median private rent	£28,300	£34,300
	Lower quartile private rent	£24,900	£30,700
	Affordable rent	£16,500	£19,500
	Social rent	£12,400	£14,500
Maximum income for Housing Benefit support	Upper end of range	£18,800	£28,200
	Lower end of range	£16,700	£22,500

SOUTH GLOUCESTERSHIRE: Annual Income Thresholds		Single Bedroom Properties	Two Bedroom Properties
Minimum income needed to own with 10% deposit and 3.5x mortgage	Newly built dwelling	£51,600	£66,400
	Existing dwelling	£34,700	£48,300
Minimum income needed for rent to be less than 35%	Median private rent	£23,500	£28,300
	Lower quartile private rent	£22,300	£27,300
	Affordable rent	£16,700	£19,700
	Social rent	£12,200	£14,200
Maximum income for Housing Benefit support	Upper end of range	£18,800	£28,200
	Lower end of range	£16,700	£22,500

NORTH SOMERSET: Annual Income Thresholds		Single Bedroom Properties	Two Bedroom Properties
Minimum income needed to own with 10% deposit and 3.5x mortgage	Newly built dwelling	£43,200	£60,400
	Existing dwelling	£28,200	£41,600
Minimum income needed for rent to be less than 35%	Median private rent	£18,900	£24,000
	Lower quartile private rent	£17,000	£21,400
	Affordable rent	£14,800	£17,300
	Social rent	£12,100	£13,800
Maximum income for Housing Benefit support	Upper end of range	£14,800	£24,100
	Lower end of range	£12,600	£18,400

3.62 For single-bedroom properties, there is large income gap between being able to afford market rent and being able to afford home ownership. Comparing the income required to afford median private rent (where rent = 35% of income) compared to the income required to afford existing one bed dwellings (based on 10% deposit and 3.5x mortgage), this gap is between £9,300 (N Somerset) and £12,500 (BANES), which, in theory, leaves a large gap for affordable home ownership housing products (AHO's). The gap is even wider for two-bedroom properties (£15,200 [Bristol] - £21,500 [BANES]), and wider still if incomes to afford lower quartile rents are compared to home ownership.

3.63 AHO products need to be aimed at this income gap, recognising that some households who could afford market rent would prefer to own their own home.

Shared Ownership

3.64 A range of shared ownership products have also been developed to assist households into homeownership.

3.65 Figure 44 sets out the weekly costs associated with shared ownership properties of different sizes, taking account of the differential full market prices and based on the following assumptions:

- » 40% equity share purchased by the occupier;
- » 10% of the equity purchased is available as a deposit;
- » Mortgage costs based on a 30-year repayment mortgage at 4% interest (a typical rate for a shared ownership mortgage);
- » Rent based on 1.5% of the retained equity paid each year; and
- » Service charge of £10 per week.

3.66 This calculation demonstrates that the weekly costs for a typical shared ownership product in the West of England are lower than the equivalent median private rent for all property sizes (Figure 44).

Figure 44: Shared ownership costs (Note: Mortgage costs based on a 30-year repayment mortgage at 4.0% interest. Rent based on 1.5% of the retained equity annually. Service charge assumed to be £10 per week)

BANES	Lower Quartile Property Value (New)	40% Equity Share	10% Deposit	Weekly Costs				Median Private Rent
				Mortgage	Rent	Service Charge	TOTAL	
1 bedroom	£170,700	£68,280	£6,828	£68.15	£29.46	£10.00	£107.62	£183.98
2 bedrooms	£261,900	£104,760	£10,476	£104.57	£45.20	£10.00	£159.77	£228.83
3 bedrooms	£296,800	£118,720	£11,872	£118.50	£51.23	£10.00	£179.73	£275.98
4+ bedrooms	£402,500	£161,000	£16,100	£160.70	£69.47	£10.00	£240.18	£488.71

BRISTOL	Lower Quartile Property Value (New)	40% Equity Share	10% Deposit	Weekly Costs				Median Private Rent
				Mortgage	Rent	Service Charge	TOTAL	
1 bedroom	£186,400	£74,560	£7,456	£74.42	£32.17	£10.00	£116.60	£189.73
2 bedrooms	£235,300	£94,120	£9,412	£93.95	£40.61	£10.00	£144.56	£229.98
3 bedrooms	£287,700	£115,080	£11,508	£114.87	£49.66	£10.00	£174.53	£275.98
4+ bedrooms	£395,100	£158,040	£15,804	£157.75	£68.20	£10.00	£235.95	£450.76

S GLOS	Lower Quartile Property Value (New)	40% Equity Share	10% Deposit	Weekly Costs				Median Private Rent
				Mortgage	Rent	Service Charge	TOTAL	
1 bedroom	£200,500	£80,200	£8,020	£80.05	£34.61	£10.00	£124.66	£157.54
2 bedrooms	£258,200	£103,280	£10,328	£103.09	£44.57	£10.00	£157.66	£189.73
3 bedrooms	£324,600	£129,840	£12,984	£129.60	£56.03	£10.00	£195.63	£229.98
4+ bedrooms	£426,400	£170,560	£17,056	£170.25	£73.60	£10.00	£253.84	£344.97

N SOMERSET	Lower Quartile Property Value (New)	40% Equity Share	10% Deposit	Weekly Costs				Median Private Rent
				Mortgage	Rent	Service Charge	TOTAL	
1 bedroom	£167,800	£67,120	£6,712	£67.00	£28.96	£10.00	£105.96	£126.49
2 bedrooms	£234,900	£93,960	£9,396	£93.79	£40.54	£10.00	£144.33	£160.99
3 bedrooms	£259,800	£103,920	£10,392	£103.73	£44.84	£10.00	£158.57	£195.48
4+ bedrooms	£406,800	£162,720	£16,272	£162.42	£70.21	£10.00	£242.64	£281.26

3.67 Figure 45 shows the sensitivity of weekly costs to the equity share purchased and presents this relative to the equivalent local rents. This model uses a 4% interest rate for modelling purposes, if rates are lower in the future, then shared ownership will be more affordable, conversely higher rates will make it less affordable. As can be seen, for all of the examined equity shares across all sizes of property, a shared ownership product on this basis proves to be cheaper than median market rent for the same size property.

Figure 45: Total weekly costs for shared ownership based on different equity shares (Note: Mortgage costs based on a 30-year repayment mortgage at 4% interest. Rent based on 1.5% of the retained equity annually. Service charge assumed to be £10 per week.

BANES	Median Private Rent	New Lower Quartile Property Value	Equity Share (10% deposit, rent = 1.5% of retained)			
			10%	25%	40%	50%
1 bedroom	£183.98	£170,700	£71.23	£89.43	£107.62	£119.75
2 bedrooms	£228.83	£261,900	£103.95	£131.86	£159.77	£178.38
3 bedrooms	£275.98	£296,800	£116.47	£148.10	£179.73	£200.82
4+ bedrooms	£488.71	£402,500	£154.38	£197.28	£240.18	£268.77

BRISTOL	Median Private Rent	New Lower Quartile Property Value	Equity Share (10% deposit, rent = 1.5% of retained)			
			10%	25%	40%	50%
1 bedroom	£189.73	£186,400	£76.87	£96.73	£116.60	£129.84
2 bedrooms	£229.98	£235,300	£94.41	£119.48	£144.56	£161.28
3 bedrooms	£275.98	£287,700	£113.20	£143.87	£174.53	£194.97
4+ bedrooms	£450.76	£395,100	£151.73	£193.84	£235.95	£264.02

S GLOS	Median Private Rent	New Lower Quartile Property Value	Equity Share (10% deposit, rent = 1.5% of retained)			
			10%	25%	40%	50%
1 bedroom	£157.54	£200,500	£81.92	£103.29	£124.66	£138.90
2 bedrooms	£189.73	£258,200	£102.62	£130.14	£157.66	£176.00
3 bedrooms	£229.98	£324,600	£126.44	£161.03	£195.63	£218.69
4+ bedrooms	£344.97	£426,400	£162.96	£208.40	£253.84	£284.14

N SOMERSET	Median Private Rent	New Lower Quartile Property Value	Equity Share (10% deposit, rent = 1.5% of retained)			
			10%	25%	40%	50%
1 bedroom	£126.49	£167,800	£70.19	£88.08	£105.96	£117.88
2 bedrooms	£160.99	£234,900	£94.26	£119.30	£144.33	£161.02
3 bedrooms	£195.48	£259,800	£103.20	£130.88	£158.57	£177.03
4+ bedrooms	£281.26	£406,800	£155.93	£199.28	£242.64	£271.54

^{3.68} Figure 46 shows the impact of rent based on 2.75% of retained equity in contrast to the 1.5% in Figure 45. If rent was charged at this level, clearly weekly costs in each case would be higher when compared directly with the previous 1.5% example. However, it is of note that in South Gloucestershire and North Somerset, rent at this level results in several property sizes having higher weekly costs than median private rent, unlike the 1.5% example.

Figure 46: Total weekly costs for shared ownership based on different equity shares (Note: Mortgage costs based on a 30-year repayment mortgage at 4% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week. Cells highlighted in orange are above the equivalent median private rent.)

BANES	Median Private Rent	New Lower Quartile Property Value	Equity Share (10% deposit, rent = 2.75% of retained)			
			10%	25%	40%	50%
1 bedroom	£183.98	£170,700	£108.06	£120.12	£132.17	£140.21
2 bedrooms	£228.83	£261,900	£160.45	£178.95	£197.44	£209.77
3 bedrooms	£275.98	£296,800	£180.50	£201.46	£222.42	£236.39
4+ bedrooms	£488.71	£402,500	£241.23	£269.65	£298.07	£317.02
BRISTOL	Median Private Rent	New Lower Quartile Property Value	Equity Share (10% deposit, rent = 2.75% of retained)			
			10%	25%	40%	50%
1 bedroom	£189.73	£186,400	£117.08	£130.24	£143.41	£152.18
2 bedrooms	£229.98	£235,300	£145.17	£161.79	£178.41	£189.48
3 bedrooms	£275.98	£287,700	£175.28	£195.59	£215.91	£229.45
4+ bedrooms	£450.76	£395,100	£236.97	£264.87	£292.77	£311.37
S GLOS	Median Private Rent	New Lower Quartile Property Value	Equity Share (10% deposit, rent = 2.75% of retained)			
			10%	25%	40%	50%
1 bedroom	£157.54	£200,500	£125.18	£139.34	£153.50	£162.94
2 bedrooms	£189.73	£258,200	£158.33	£176.56	£194.79	£206.95
3 bedrooms	£229.98	£324,600	£196.47	£219.40	£242.32	£257.60
4+ bedrooms	£344.97	£426,400	£254.96	£285.07	£315.18	£335.25
N SOMERSET	Median Private Rent	New Lower Quartile Property Value	Equity Share (10% deposit, rent = 2.75% of retained)			
			10%	25%	40%	50%
1 bedroom	£126.49	£167,800	£106.40	£118.25	£130.10	£137.99
2 bedrooms	£160.99	£234,900	£144.94	£161.53	£178.12	£189.18
3 bedrooms	£195.48	£259,800	£159.25	£177.59	£195.94	£208.17
4+ bedrooms	£281.26	£406,800	£243.70	£272.42	£301.15	£320.30

Build to Rent

- 3.69 There are a variety of housing options potentially available for the West of England, including Build to Rent options. Build to Rent is defined by the NPPF Glossary as:

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

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

National Planning Policy Framework, February 2019 (Glossary)

- 3.70 The National Planning Policy Framework states that affordable housing on build to rent schemes should be provided in the form of affordable private rent. The PPG offers a “generally suitable” benchmark that 20% of any given build to rent scheme should be provided as affordable rent (maintained in perpetuity). In terms of setting affordable rent levels, national affordable housing policy requires a rent discount of at least 20% for affordable private rent homes relative to local market rents (inclusive of service charges).
- 3.71 However, the affordability of these affordable Build to Rent options is highly dependent on the rent being discounted. Research by JLL³² shows that the average Build to Rent option is 9.3% more expensive than the median rent. If it is assumed that these rent levels were to be the case in West of England, and a discount of 20% were to be applied to these rents (as is suggested by the NPPF/PPG) for the affordable units, then the range of rental costs available would be as Figure 47:

Figure 47: Weekly rent thresholds in the West of England (Source: Valuation Office Agency 2019-20; SDR 2019, JLL. Red indicates Affordable Build to Rent is higher than equivalent lower quartile rent)

BATH AND NORTH EAST SOMERSET	Build to Rent (Median +9.3%)	Median Private Rent	Affordable Build to Rent (B2R - 20%)	Lower Quartile Private Rent	Local Housing Allowance	Affordable Rent
1 bedroom	£201.09	£183.98	£160.87	£165.59	£166.85	£118.92
2 bedrooms	£250.11	£228.83	£200.09	£195.48	£195.62	£136.07
3 bedrooms	£301.65	£275.98	£241.32	£224.23	£228.99	£145.21
4+ bedrooms	£534.16	£488.71	£427.33	£436.96	£402.74	£189.01
BRISTOL	Build to Rent (Median +9.3%)	Median Private Rent	Affordable Build to Rent (B2R - 20%)	Lower Quartile Private Rent	Local Housing Allowance	Affordable Rent
1 bedroom	£207.37	£189.73	£165.90	£166.74	£159.95	£110.74
2 bedrooms	£251.37	£229.98	£201.09	£205.83	£189.86	£131.11
3 bedrooms	£301.65	£275.98	£241.32	£229.98	£218.63	£148.84
4+ bedrooms	£492.68	£450.76	£394.14	£367.97	£304.93	£180.44

³² <https://www.jll.co.uk/content/dam/jll-com/documents/pdf/research/emea/uk/jll-residential-insight-build-to-rent.pdf>

SOUTH GLOUCESTERSHIRE	Build to Rent (Median +9.3%)	Median Private Rent	Affordable Build to Rent (B2R - 20%)	Lower Quartile Private Rent	Local Housing Allowance	Affordable Rent
1 bedroom	£172.19	£157.54	£137.75	£149.49	£159.95	£111.79
2 bedrooms	£207.37	£189.73	£165.90	£182.83	£189.86	£132.45
3 bedrooms	£251.37	£229.98	£201.09	£206.98	£218.63	£159.60
4+ bedrooms	£377.05	£344.97	£301.64	£287.47	£304.93	£185.08
NORTH SOMERSET	Build to Rent (Median +9.3%)	Median Private Rent	Affordable Build to Rent (B2R - 20%)	Lower Quartile Private Rent	Local Housing Allowance	Affordable Rent
1 bedroom	£138.25	£126.49	£110.60	£113.84	£109.32	£99.25
2 bedrooms	£175.96	£160.99	£140.77	£143.74	£138.08	£116.36
3 bedrooms	£213.66	£195.48	£170.93	£178.23	£172.60	£134.25
4+ bedrooms	£307.42	£281.26	£245.93	£228.83	£212.88	£151.08

3.72 In almost half of the illustrative rents in Figure 47 the costs of affordable build to rent are higher than those of lower quartile private rents (shown in red), and in almost every case the rental costs are higher than the maximum weekly housing allowance. Therefore, the number of prospective tenants that could access affordable build to rent options but would not be able to access lower quartile market rents (without subsidy) would be limited. As such, while the promotion of build to rent by local authorities could be a potentially useful mechanism for bringing forward affordable housing options, the level of rent discount suggested by the NPPF renders such options of limited utility in servicing the housing needs of the localities. To mitigate this, larger discounts than the suggested 20% would need to be sought by the authority in question, or the Build to Rent basic rent pre-discount would need to be meaningfully lower.

Rent vs Ownership: Income Multipliers

88. Figure 48 shows the annual income levels required to access lower quartile and median rents (both based on spending 35% of income on housing costs), 40% shared ownership, 30% discounted first homes, and standard owner occupation (all three based on a 3.5x income mortgage). The assumptions underlying the calculations can be seen in Figure 49 following (Note shared ownership mortgages are typically at a higher interest rate due to the retained charge on the property). In almost every case, 40% shared ownership exceeds the income required to access median rents, and in all cases exceeds that required to access lower quartile rents

Figure 48: Income required for a variety of housing options in the West of England assuming 35% of income spent on rent, and a 3.5% income multiplier (Source: VOA 2019-2020, Land Registry, ORS model. Orange indicates an income higher than that required to access lower quartile rent, but lower than that required to access median rent.)

Household Incomes Needed by Size	Incomes necessary to afford private rents based on spending 35% of income		Income necessary to afford new LQ home ownership based on 3.5x multiplier from bank (=19% of income on housing)		
	Access Lower Quartile Rent	Access Median Rent	Shared Ownership	First Homes (30% discount)	Home Ownership
BANES					
1 bedroom	£24,686	£27,429	£29,554	£30,796	£46,740
2 bedrooms	£29,143	£34,114	£43,877	£47,249	£70,244
3 bedrooms	£33,429	£41,143	£49,358	£53,545	£79,239
4+ bedrooms	£65,143	£72,857	£65,958	£72,614	£106,480
BRISTOL					
1 bedroom	£24,857	£28,286	£32,020	£33,628	£50,786
2 bedrooms	£30,686	£34,286	£39,700	£42,450	£63,389
3 bedrooms	£34,286	£41,143	£47,929	£51,903	£76,894
4+ bedrooms	£54,857	£67,200	£64,796	£71,279	£104,573
S GLOS					
1 bedroom	£22,286	£23,486	£34,235	£36,172	£54,420
2 bedrooms	£27,257	£28,286	£43,296	£46,581	£69,291
3 bedrooms	£30,857	£34,286	£53,724	£58,560	£86,404
4+ bedrooms	£42,857	£51,429	£69,712	£76,926	£112,640
N SOMERSET					
1 bedroom	£16,971	£18,857	£29,099	£30,272	£45,992
2 bedrooms	£21,429	£24,000	£39,637	£42,378	£63,286
3 bedrooms	£26,571	£29,143	£43,548	£46,870	£69,703
4+ bedrooms	£34,114	£41,931	£66,634	£73,390	£107,589

Figure 49: Assumptions underlying Figure 48, Figure 50 and Figure 51

Assumptions	First Homes	Shared Ownership	Home Ownership
Equity share	70%	40%	100%
Deposit	10%	10%	10%
Interest rate	3.5%	4%	3.5%
Mortgage term	30	30	30
Rent on retained equity	0%	1.5%	0%
Weekly service charge	£0	£10	£0

- 3.73 The accessibility of affordable home ownership options is partly due to restrictions on the amount a customer can borrow for mortgage purposes. The often-used standard income multiplier of 3.5x translates to an equivalent of approximately 19% of income being used on housing costs, although it should be noted that many lenders offer larger income multipliers. However, a tenant is not subject to these restrictions, and can elect to pay more of their income towards rent, such as 35% in the example above.
- 3.74 If a prospective homeowner were able to secure a mortgage based on a 4.5x multiplier (=25% of income), the income level required would result in shared ownership and First Homes becoming more affordable options in Bath & North East Somerset and Bristol, (Figure 50, based on assumptions in Figure 49).

Figure 50: Income required for a variety of housing options in the West of England assuming 35% of income spent on rent, and a 4.5% income multiplier (Source: VOA 2019-2020, Land Registry, ORS model. Green indicates an income lower than the income required to access lower quartile rent. Orange indicates an income higher than that required to access lower quartile rent, but lower than that required to access median rent.)

Household Incomes Needed by Size	Incomes necessary to afford private rents based on spending 35% of income		Income necessary to afford home ownership based on 4.5x multiplier from bank (=25% of income on housing)		
	Access Lower Quartile Rent	Access Median Rent	Shared Ownership	First Homes (30% discount)	Home Ownership
BANES					
1 bedroom	£24,686	£27,429	£22,461	£23,405	£35,522
2 bedrooms	£29,143	£34,114	£33,347	£35,909	£53,386
3 bedrooms	£33,429	£41,143	£37,512	£40,694	£60,222
4+ bedrooms	£65,143	£72,857	£50,128	£55,187	£80,925
BRISTOL					
1 bedroom	£24,857	£28,286	£24,335	£25,557	£38,597
2 bedrooms	£30,686	£34,286	£30,172	£32,262	£48,176
3 bedrooms	£34,286	£41,143	£36,426	£39,446	£58,439
4+ bedrooms	£54,857	£67,200	£49,245	£54,172	£79,476
S GLOS					
1 bedroom	£22,286	£23,486	£26,018	£27,490	£41,359
2 bedrooms	£27,257	£28,286	£32,905	£35,402	£52,661
3 bedrooms	£30,857	£34,286	£40,830	£44,506	£65,667
4+ bedrooms	£42,857	£51,429	£52,981	£58,464	£85,606

N SOMERSET	Access Lower Quartile Rent	Access Median Rent	Shared Ownership	First Homes (30% discount)	Home Ownership
1 bedroom	£16,971	£18,857	£22,115	£23,007	£34,954
2 bedrooms	£21,429	£24,000	£30,124	£32,207	£48,097
3 bedrooms	£26,571	£29,143	£33,096	£35,621	£52,974
4+ bedrooms	£34,114	£41,931	£50,642	£55,776	£81,767

3.75 In summary, regardless of the home ownership option under discussion (affordable or otherwise), the income levels required to access these products are considerably higher than the equivalent to access rented property, due to the constraint of mortgage income multipliers. It may be noted that the same hierarchy is not reflected in the weekly costs of these options, which may in some cases be lower than rents on properties of equivalent size (see Figure 51).

Summary of Low-Cost Home Ownership Options

3.76 This chapter has considered in some detail the relative cost of low-cost home ownership options depending on tenure type and property size based on standardised products (Figure 49). However, local authorities have the option of introducing products with alternative discounts where viable. To assist in this, Figure 51 summarises the cost for each property size based on a range of potential shared ownership equity shares, first homes discounts and 20% discounted market sales housing (see 2019 NPPF Glossary – affordable housing (c), page 64), as compared to various rent levels.

Figure 51: Comparison of weekly Shared Ownership/First Homes costs by property size and equity share (Source: VOA 2019-2020, Land Registry, ORS model. Assumptions as in Figure 49 excluding equity share.)

	Equity Share				First Homes			Discount LHCO
BANES	10%	25%	40%	50%	50% FH	60% FH	70% FH	80%
1 bed	£71.23	£89.43	£107.62	£119.75	£80.10	£96.12	£112.14	£128.16
2 bed	£103.95	£131.86	£159.77	£178.38	£122.89	£147.47	£172.05	£196.63
3 bed	£116.47	£148.10	£179.73	£200.82	£139.27	£167.12	£194.98	£222.83
4+ bed	£154.38	£197.28	£240.18	£268.77	£188.87	£226.64	£264.41	£302.19
BRISTOL	10%	25%	40%	50%	50% FH	60% FH	70% FH	80%
1 bed	£76.87	£96.73	£116.60	£129.84	£87.46	£104.96	£122.45	£139.94
2 bed	£94.41	£119.48	£144.56	£161.28	£110.41	£132.49	£154.57	£176.66
3 bed	£113.20	£143.87	£174.53	£194.97	£135.00	£162.00	£189.00	£216.00
4+ bed	£151.73	£193.84	£235.95	£264.02	£185.39	£222.47	£259.55	£296.63
S GLOS	10%	25%	40%	50%	50% FH	60% FH	70% FH	80%
1 bed	£81.92	£103.29	£124.66	£138.90	£94.08	£112.90	£131.71	£150.53
2 bed	£102.62	£130.14	£157.66	£176.00	£121.16	£145.39	£169.62	£193.85
3 bed	£126.44	£161.03	£195.63	£218.69	£152.31	£182.78	£213.24	£243.70
4+ bed	£162.96	£208.40	£253.84	£284.14	£200.08	£240.10	£280.11	£320.13
N SOMERSET	10%	25%	40%	50%	50% FH	60% FH	70% FH	80%
1 bed	£70.19	£88.08	£105.96	£117.88	£78.74	£94.48	£110.23	£125.98
2 bed	£94.26	£119.30	£144.33	£161.02	£110.22	£132.27	£154.31	£176.36
3 bed	£103.20	£130.88	£158.57	£177.03	£121.91	£146.29	£170.67	£195.05
4+ bed	£155.93	£199.28	£242.64	£271.54	£190.88	£229.06	£267.24	£305.41

KEY	Below Affordable Rent: X<AR	Above Affordable Rent and below Max LHA: AR<X<LHA	Above max LHA and below Lower Quartile Rent: LHA<X<LQ	Above Lower Quartile Rent and below Median Rent: LQ<X<Median	Above Lower Quartile Rent and below Max LHA: LQ<X<LHA	Above Median Rent: Median<X
-----	-----------------------------	---	---	--	---	-----------------------------

4. Demographic Projections

The baseline for establishing housing need

Introduction

- 4.1 This chapter uses the 10-year variant of the 2018-based population and household projections for the local authorities comprising the West of England (modified to include the 2019 Mid-Year Estimate of population) to explain the projected growth of households during the plan period. This overall growth is broken down by age and household type to support planning.
- 4.2 This demonstrates that for Bath and North East Somerset, over the 15-year period 2020-35 (Figure 67):
- » An overall growth of 6,500 households
 - » Single person households are just over a third of the overall household growth (2,300) with the majority (2,580, offset against a reduction of 240 in younger age groups) being single people aged over 75;
 - » Couples without dependent children are projected to reduce (-100) and are primarily over 65 (an increase of 3,330 offset against a decrease of 3,410 in younger age groups);
 - » Families with dependent children make up almost half of the overall household growth (3,000);
 - » Other types of household contribute a further 1,200 households.
- 4.3 For Bristol, over the 15-year period 2020-35 (Figure 68):
- » An overall growth of 25,000 households
 - » Single person households are just over two-fifths of the overall household growth (10,400) with the majority (6,450) being single people aged between 35 and 54;
 - » Couples without dependent children represent less than a tenth of the growth (2,000) and are primarily over 65 (3,820, offset against a reduction of 1,800 in younger age groups);
 - » Families with dependent children make up over a quarter of the overall household growth (7,000);
 - » Other types of household contribute a further 5,600 households.
- 4.4 For South Gloucestershire, over the 15-year period 2020-35 (Figure 69):
- » An overall growth of 15,300 households
 - » Single person households are just under a third of the overall household growth (4,900) with over a third of these (1,760) being single people aged over 75;
 - » Couples without dependent children represent approximately 8% of the growth (1,300) however this figure is comprised of 5,640 households over 65, offset by a reduction of 4,370 in younger age groups;
 - » Families with dependent children make up almost half of the overall household growth (7,000), the majority of whom (5,710) are aged between 35 and 54;
 - » Other types of household contribute a further 2,100 households.

- 4.5 And for North Somerset, over the 15-year period 2023-38 (Figure 70):
- » An overall growth of 12,000 households
 - » Single person households are just over a third of the overall household growth (3,800) with the majority (2,140) being single people aged over 75;
 - » Couples without dependent children represent almost a tenth of the growth (1,100) and are comprised of 4,510 households over 65, offset against a reduction of 3,450 in younger age groups;
 - » Families with dependent children comprise two fifths of the overall household growth (4,900);
 - » Other types of household contribute a further 2,200 households.

Official Household Projections

- 4.6 The first step in analysing housing needs must therefore be to identify the household projections for the LAs comprising the West of England, which are used as the basis for this report.
- 4.7 Figure 52 to Figure 55 set out a range of the various household projections from both CLG and ONS methodologies, it includes the associated outputs using the sensitivity analysis approach.

Figure 52: Household projections 2020-30 for Bath and North East Somerset (Source: CLG, ONS; Note: All figures presented unrounded for transparency)

BATH AND NORTH EAST SOMERSET	Migration trends	Change in Households 2020-2030	
		10-year change	Annual average
CLG Household Projections			
2014-based projection: 2014-based population and CLG 2014-based HH formation	2009-14	+4,677	+468
ONS 2016-based Projections			
Principal projection: 2016-based population and ONS 2016-based HH formation	2011-16	+5,243	+524
Sensitivity analysis 1: 2014-based population and ONS 2016-based HH formation	2009-14	+4,710	+471
Sensitivity analysis 2: 2016-based population and CLG 2014-based HH formation	2011-16	+4,924	+492
ONS 2018-based Projections			
Principal projection: 2018-based population and ONS 2018-based HH formation	2016-18	+6,494	+649
Alternative Internal (5-year trend): 2018-based population (alternative internal) and ONS 2018-based HH formation	2013-18	+6,134	+613
10-year trend: 2018-based population (10-year trend) and ONS 2018-based HH formation	2008-18	+4,348	+435

- 4.8 In Bath and North East Somerset, there is an increased projected household change based on more recent principal projections, and the sensitivity analysis indicates that more recent vintages of household formation rates have made a contribution to this increase. In the 2018-based projections, it is notable that the 10-year household change is lower in the projections based on a longer migration trend.

Figure 53: Household projections 2020-30 for Bristol (Source: CLG, ONS; Note: All figures presented unrounded for transparency)

BRISTOL	Migration trends	Change in Households 2020-2030	
		10-year change	Annual average
CLG Household Projections			
2014-based projection: 2014-based population and CLG 2014-based HH formation	2009-14	+18,239	+1,824
ONS 2016-based Projections			
Principal projection: 2016-based population and ONS 2016-based HH formation	2011-16	+15,853	+1,585
Sensitivity analysis 1: 2014-based population and ONS 2016-based HH formation	2009-14	+17,488	+1,749
Sensitivity analysis 2: 2016-based population and CLG 2014-based HH formation	2011-16	+16,174	+1,617
ONS 2018-based Projections			
Principal projection: 2018-based population and ONS 2018-based HH formation	2016-18	+12,702	+1,270
Alternative Internal (5-year trend): 2018-based population (alternative internal) and ONS 2018-based HH formation	2013-18	+14,691	+1,469
10-year trend: 2018-based population (10-year trend) and ONS 2018-based HH formation	2008-18	+15,986	+1,599

- 4.9 In Bristol, there is a reduced projected household change based on more recent principal projections, and the sensitivity analysis indicates that more recent vintages of household formation rates have made a contribution to this decrease. In the 2018-based projections, it is notable that the 10-year household change is lower in the projections based on a longer migration trend.

Figure 54: Household projections 2020-30 for South Gloucestershire (Source: CLG, ONS; Note: All figures presented unrounded for transparency)

SOUTH GLOUCESTERSHIRE	Migration trends	Change in Households 2020-2030	
		10-year change	Annual average
CLG Household Projections			
2014-based projection: 2014-based population and CLG 2014-based HH formation	2009-14	+10,879	+1,088
ONS 2016-based Projections			
Principal projection: 2016-based population and ONS 2016-based HH formation	2011-16	+10,940	+1,094
Sensitivity analysis 1: 2014-based population and ONS 2016-based HH formation	2009-14	+11,292	+1,129
Sensitivity analysis 2: 2016-based population and CLG 2014-based HH formation	2011-16	+10,472	+1,047
ONS 2018-based Projections			
Principal projection: 2018-based population and ONS 2018-based HH formation	2016-18	+12,863	+1,286
Alternative Internal (5-year trend): 2018-based population (alternative internal) and ONS 2018-based HH formation	2013-18	+10,940	+1,094
10-year trend: 2018-based population (10-year trend) and ONS 2018-based HH formation	2008-18	+10,390	+1,039

- 4.10 In South Gloucestershire, there is an increased projected household change based on more recent principal projections, and the sensitivity analysis indicates that more recent vintages of the household formation rates have made a contribution to this increase. In the 2018-based projections, it is notable that the 10-year household change is lower in the projections based on a longer migration trend.

Figure 55: Household projections 2020-30 for North Somerset (Source: CLG, ONS; Note: All figures presented unrounded for transparency)

N SOMERSET	Migration trends	Change in Households 2020-2030	
		10-year change	Annual average
CLG Household Projections			
2014-based projection: 2014-based population and CLG 2014-based HH formation	2009-14	+10,038	+1,004
ONS 2016-based Projections			
Principal projection: 2016-based population and ONS 2016-based HH formation	2011-16	+9,319	+932
Sensitivity analysis 1: 2014-based population and ONS 2016-based HH formation	2009-14	+10,002	+1,000
Sensitivity analysis 2: 2016-based population and CLG 2014-based HH formation	2011-16	+9,283	+928
ONS 2018-based Projections			
Principal projection: 2018-based population and ONS 2018-based HH formation	2016-18	+8,259	+826
Alternative Internal (5-year trend): 2018-based population (alternative internal) and ONS 2018-based HH formation	2013-18	+8,739	+874
10-year trend: 2018-based population (10-year trend) and ONS 2018-based HH formation	2008-18	+8,767	+877

- 4.11 In North Somerset, there is a reduced projected household change based on more recent principal projections, and the sensitivity analysis indicates that more recent vintages of the household formation rates have made a negligible contribution to this decrease. In the 2018-based projections, it is notable that the 10-year household change is larger in the projections based on a longer migration trend.

Projected Household Size

4.12 The projected household size is calculated using the population and household projections rather than being a variable used to create them. The data (Figure 56) divides the population in the area by the associated household projection.

Figure 56: Average household size estimates and projections for Bath and North East Somerset for the period 1991-2043
(Source: CLG 2014 based projections; ONS 2018 is 2018-based projections)

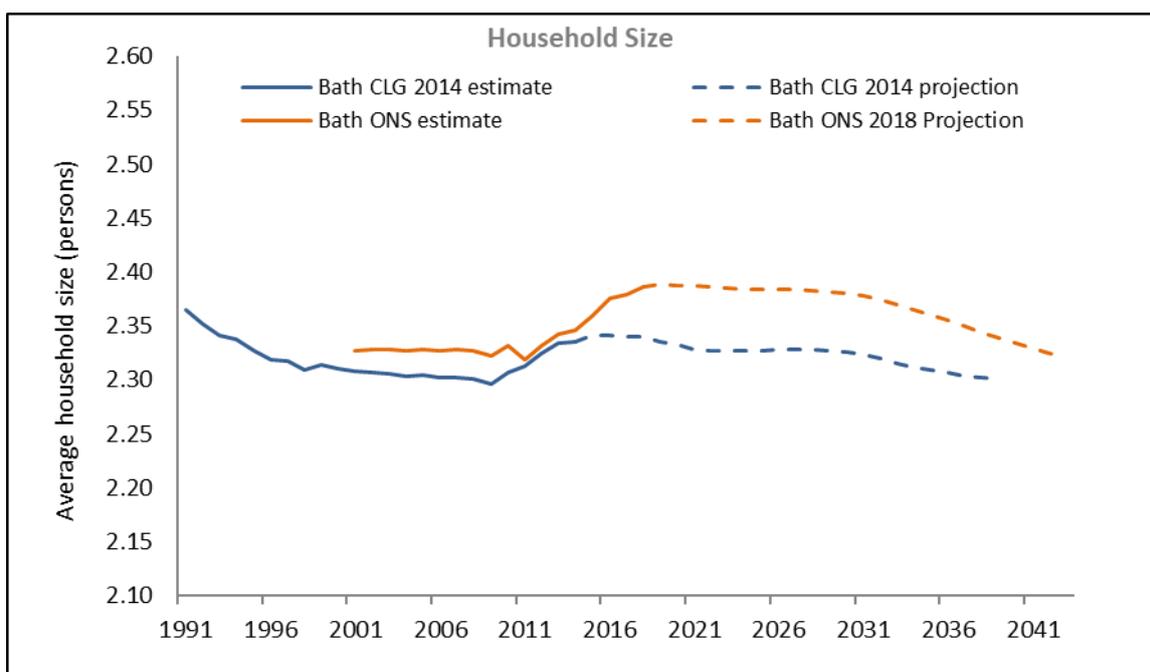


Figure 57: Average household size estimates and projections for Bristol for the period 1991-2043
(Source: CLG 2014 based projections; ONS 2018 is 2018-based projections)

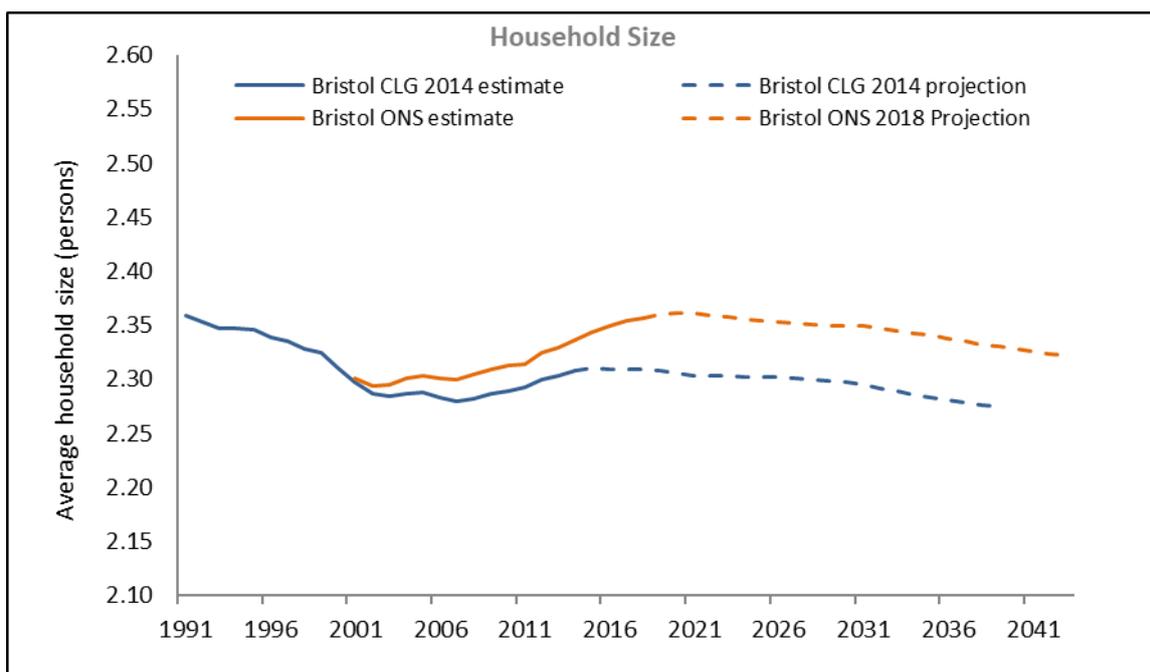


Figure 58: Average household size estimates and projections for South Gloucestershire for the period 1991-2043 (Source: CLG 2014 based projections; ONS 2018 is 2018-based projections)

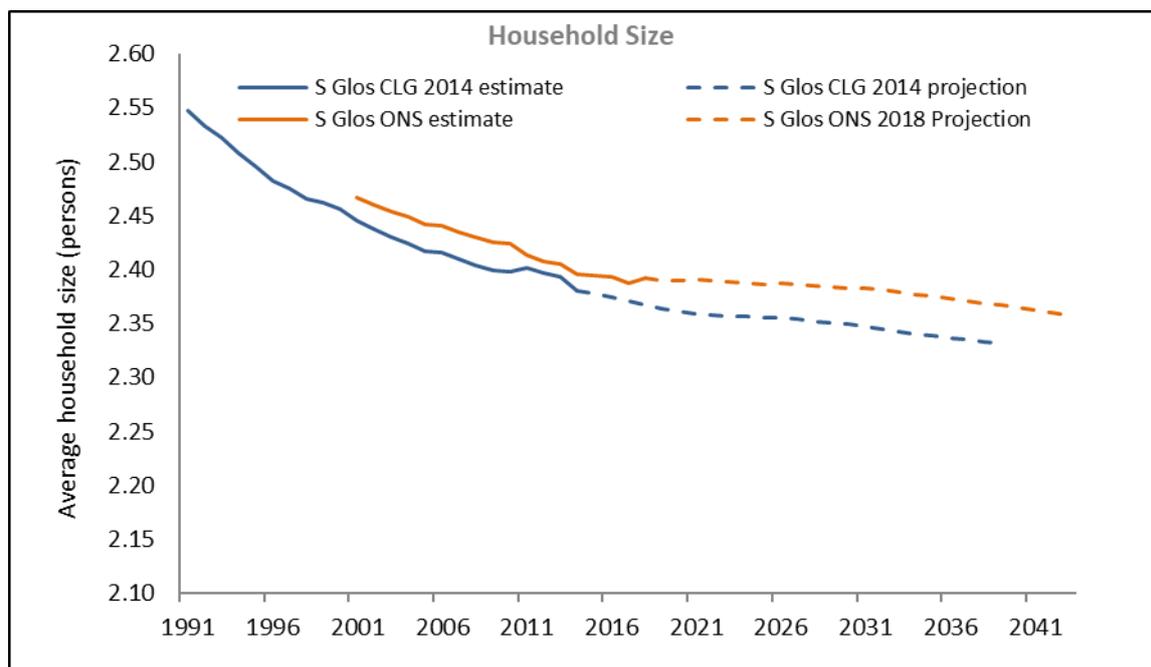
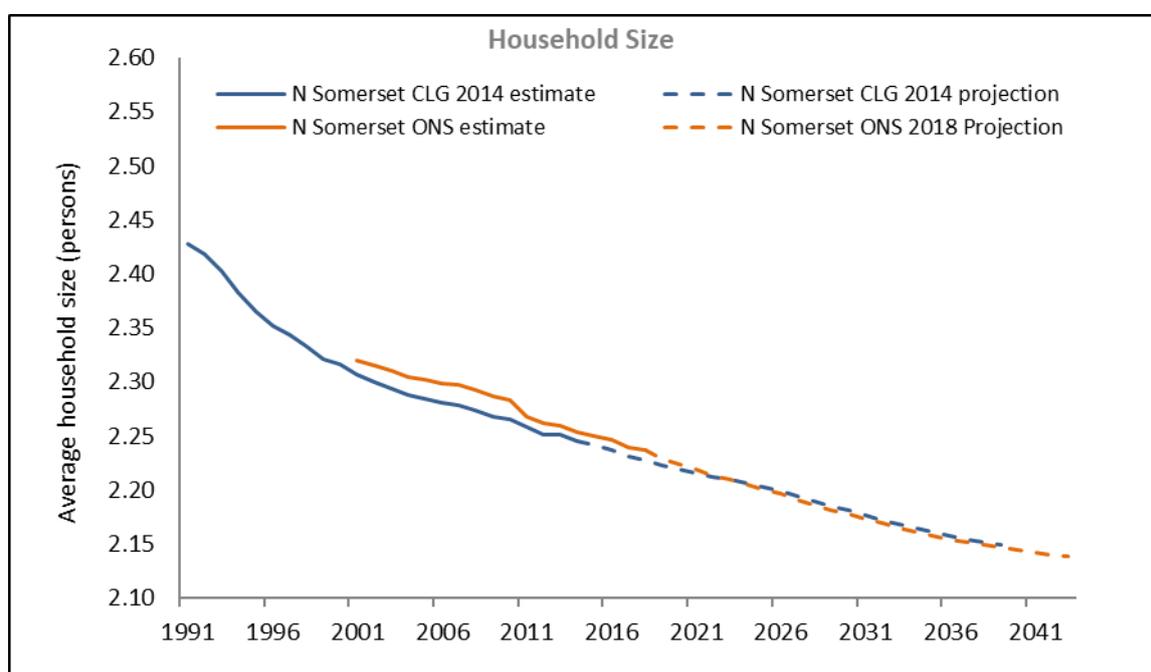


Figure 59: Average household size estimates and projections for North Somerset for the period 1991-2043 (Source: CLG 2014 based projections; ONS 2018 is 2018-based projections)



4.13 As the charts show, average household sizes are projected to steadily decline over the plan periods. This can largely be ascribed to an ageing population, given that older persons tend to live in smaller households (typically single persons or couples without children).

4.14 The ONS projections suggest, in all cases other than North Somerset, that household sizes will remain larger than previously projected by CLG. This difference in household sizes derived from the ONS methodology compared to the CLG is the reason for the differences in projected household growth that the ONS 2016-based projections identify in “Sensitivity analysis 1” above (Figure 52 to Figure 55).

Underlying Trends

- 4.15 Given that the demographic projections are trend-based, one of the most critical factors is the period over which those trends are based. The PAS OAN technical advice note considers this issue in relation to the ONS population projections (first edition, paragraphs 5.12-5.13):

“To predict migration between local authorities within the UK, the ONS population projections carry forward the trends of the previous five years. This choice of base period can be critical to the projection, because for many areas migration has varied greatly over time. ... The results of a demographic projection for (say) 2011-31 will be highly sensitive to the reference period that the projection carries forward.”

- 4.16 This issue has also been reinforced in PAS advice to Local Authorities³³, where it has been emphasised that whilst the CLG household projections provide the starting point, these official projections can be very unstable given that they are based on migration trends covering only five years:

“For migration the base period is only five years:

- *Makes the official projections very unstable*
- *And recent projections lock in the recession”*

- 4.17 The second version of the PAS OAN technical advice note (July 2015)³⁴ has also strengthened the recommendation on the relevant period for assessing migration (second edition, paragraph 6.24):

“In assessing housing need it is generally advisable to test alternative scenarios based on a longer reference period, probably starting with the 2001 Census (further back in history data may be unreliable). Other things being equal, a 10-to-15 year base period should provide more stable and more robust projections than the ONS’s five years. But sometimes other things will not be equal, because the early years of this long period included untypical one-off events as described earlier. If so, a shorter base period despite its disadvantages could be preferable.”

³³ “SHLAA, SHMA and OAN aka ‘Pobody’s Nerfect’”, PAS presentation at Urban Design London (July 2015)

³⁴ <https://www.local.gov.uk/sites/default/files/documents/objectively-assessed-need-9fb.pdf>

- 4.18 The relevant period for assessing migration trends was considered by an article by Ludi Simpson (Professor of Population Studies at the University of Manchester) and Neil MacDonald (previously Chief Executive of the National Housing and Planning Advice Unit) published in *Town and Country Planning* (April 2015)³⁵.

“The argument for using a five-year period rather than a longer one is that the shorter the period, the more quickly changes in trends are picked up. The counter-argument is that a shorter period is more susceptible to cyclical trends, an argument that has particular force when the five-year period in question – 2007-12 – neatly brackets the deepest and longest economic downturn for more than a generation. ... A large number of local authority areas are affected by this issue. For 60% of authorities the net flow of migrants within the UK in 2007-12 was different by more than 50% from the period 2002-07. While this is comparing a boom period with a recession, it serves to indicate the impact of the choice of reference period for trend projections.”

- 4.19 The issue has also been referenced by Inspectors examining numerous Local Plans, for example the following comments provided by the Cornwall Inspector in the letter setting out his preliminary findings (June 2015)³⁶:

“3.6 Migration. The demographic model used in the SHMNA and the more recent ONS projection uses migration flows from the previous 5 years only. Given the significance of migration as a component of change for Cornwall and to even-out the likely effect of the recent recession on migration between 2008-2012 a longer period than 5 years would give a more realistic basis for projecting this component. A period of 10-12 years was suggested at the hearing and I consider that this would be reasonable, rather than the 17 year period used in ID.01.CC.3.3. I also consider that the ONS’ Unattributable Population Change component should be assigned to international migration for the reasons given by Edge Analytics in ID.01.CC3.3. This approach was not disputed at the hearing.”

- 4.20 More recently, in considering the ONS 2016-based projections, the Greater London Authority (GLA) expressed its view that 10-year migration trends are the most appropriate to use in its document “GLA 2016-based population projections: Explanatory note and results for the Wider South East” (July 2017)³⁷:

“Variant Migration Scenarios

The GLA believes that for strategic longer-term planning purposes a projection which uses migration rates based on an average of ten years’ past data is more realistic and robust than one based on a shorter five-year period (as is the case with the ONS SNPP). This view is consistent with the wider expert consensus and is supported by Planning Advisory Service guidance...

... For a long-term projection informing strategic planning, a migration rate which is representative of the character of migration across a full economic cycle is, more robust than one which captures only part of that cycle.”

³⁵ “Making sense of the new English household projections”, *Town and Country Planning* (April 2015)

³⁶ <https://www.cornwall.gov.uk/media/12843214/ID05-Preliminary-Findings-June-2015-2-.pdf>

³⁷ https://www.london.gov.uk/sites/default/files/2016-based_projections_wse_results.pdf

- 4.21 Finally, the Inspector of the Bedford Local Plan Borough Local Plan 2030 considered that 10-year projections were more suitable for use in projecting future household growth (Report on the Examination of the Bedford Borough Local Plan 2030 – December 2019, para 24).

24. Past migration into Bedford has varied significantly from year to year over the past 25 years or so with repeated periods of low/negative in-migration followed by periods of high in-migration. On this basis a ten year migration trend is likely to provide a more reliable basis for projecting future household growth in Bedford than a five year one.

- 4.22 On balance, we consider that:

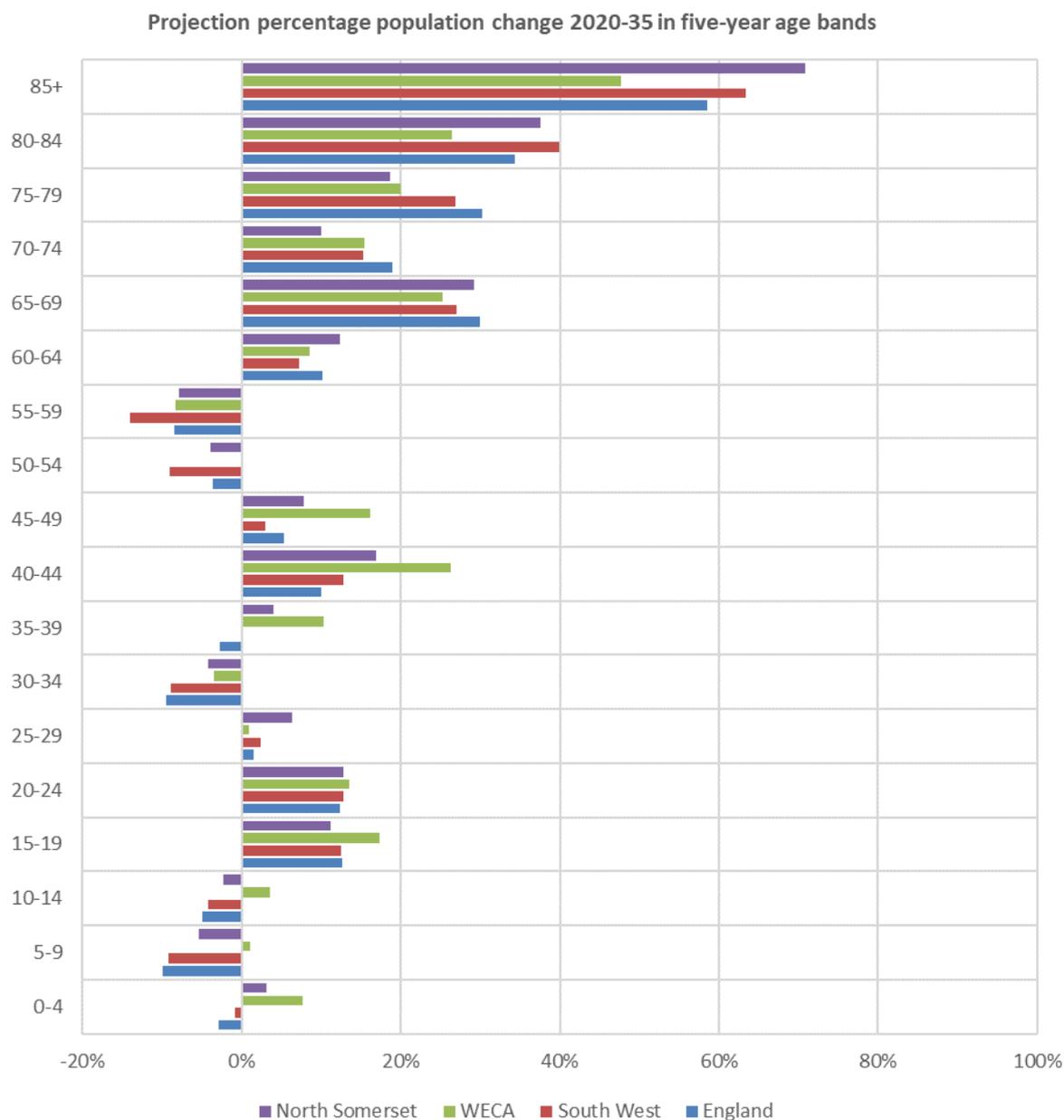
- » The ONS principal 2-year trend migration scenario is exceptionally sensitive to variation in any one year: it takes data over too short a period for robust projection forward without raising concerns about volatility.
- » 5-year trend migration scenarios are also unreliable: they have the potential to roll-forward short-term trends that are unduly high or low and therefore are also unlikely to provide a robust basis for long-term planning.
- » 10-year trend migration scenarios are more likely to capture both highs and lows and are not as dependent on trends that may be unlikely to be repeated. **Therefore, we favour using the 10-year migration trend variant of the 2018 ONS projections as the basis for our analysis.**

- 4.23 Within this report, all demographic reporting is based on a modified 10-year variant of the 2018-based population and household projections unless otherwise stated. The 10-year variant of the 2018-based projection has been updated by ORS to include the data from the 2019 Mid-Year Estimate of Population, ensuring a robust projection including the most up-to-date evidence available.

ONS Projected Population Age Profile

4.24 The ONS 2018-based (10-year variant) population projections show that the overall population of the West of England is projected to grow by 115,000 from 1.17 million people to 1.29 million people between 2020 and 2035. Figure 60 shows this growth as percentage population change by age group³⁸:

Figure 60: 2018-based projected population change 2020-35 for North Somerset, WECA, the South West Region, and England in five-year age bands (Source: ONS)



4.25 Notable is the large projected increases in the older age groups. This is a particularly important consideration when establishing the types of housing required and the need for housing specifically for older people. Also of note is WECA’s comparatively large projected increases in the 35-49 year old age group, and North Somersets comparatively large projected growth in 25-29 and 85+ year olds.

³⁸ Note that North Somerset is shown as 2020-35 for comparison purposes only. The North Somerset projection period used for all modelling in this document is 2023-38

4.26 The ORS population projection on which all modelling in this document is based incorporates data from the 2019 Mid-Year Estimates to update the 10-year based 2018-based population projections. Figure 61 to Figure 64 following show the resultant 15-year population projections used in the report along with change over the period, by 5-year age group:

Figure 61: BANES – Population 2020, 2035 and Change 2020-35 by 5-year cohort (Source: ORS)



Figure 62: Bristol – Population 2020, 2035 and Change 2020-35 by 5-year cohort (Source: ORS)

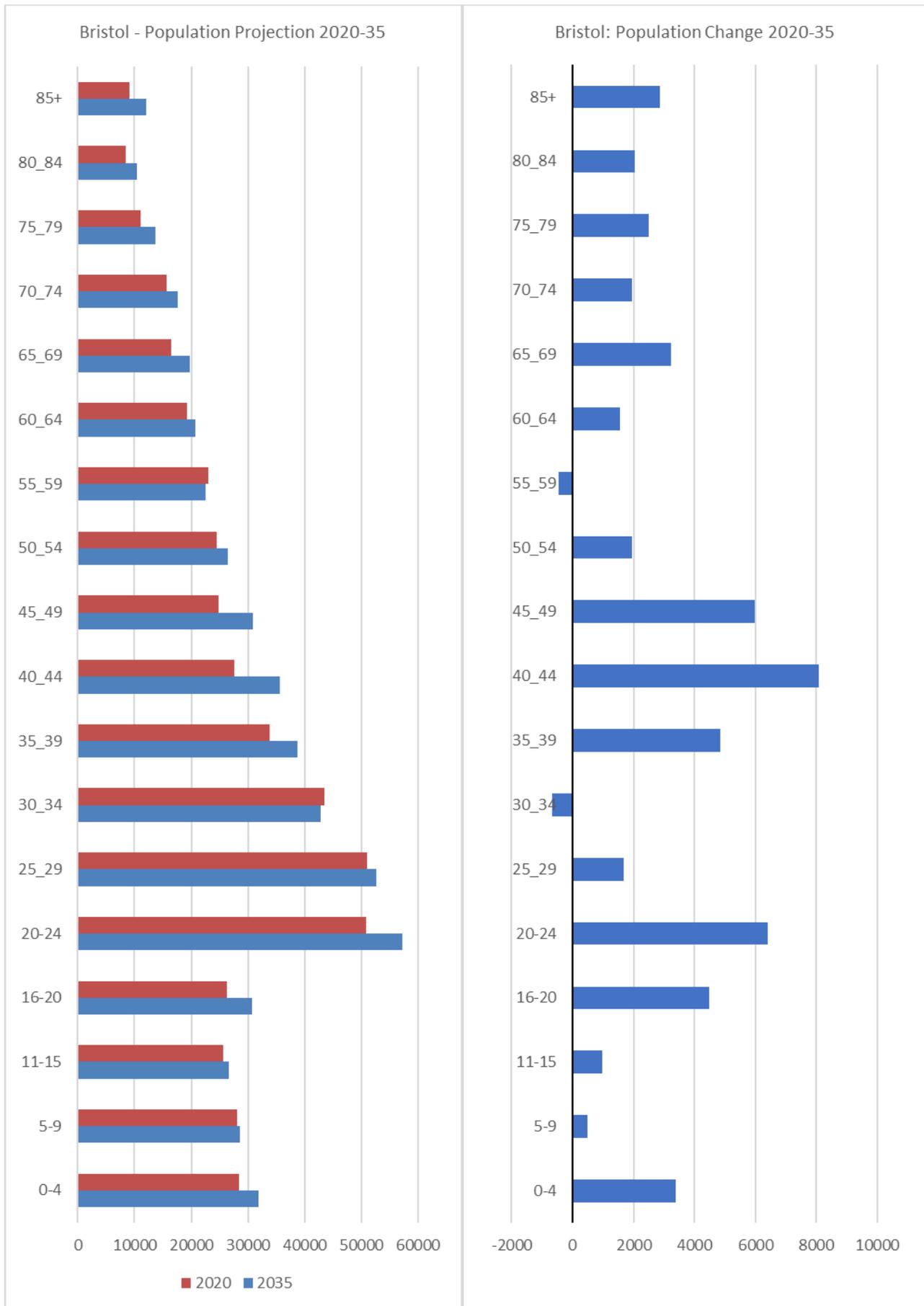


Figure 63: South Gloucestershire – Population 2020, 2035 and Change 2020-35 by 5-year cohort (Source: ORS)

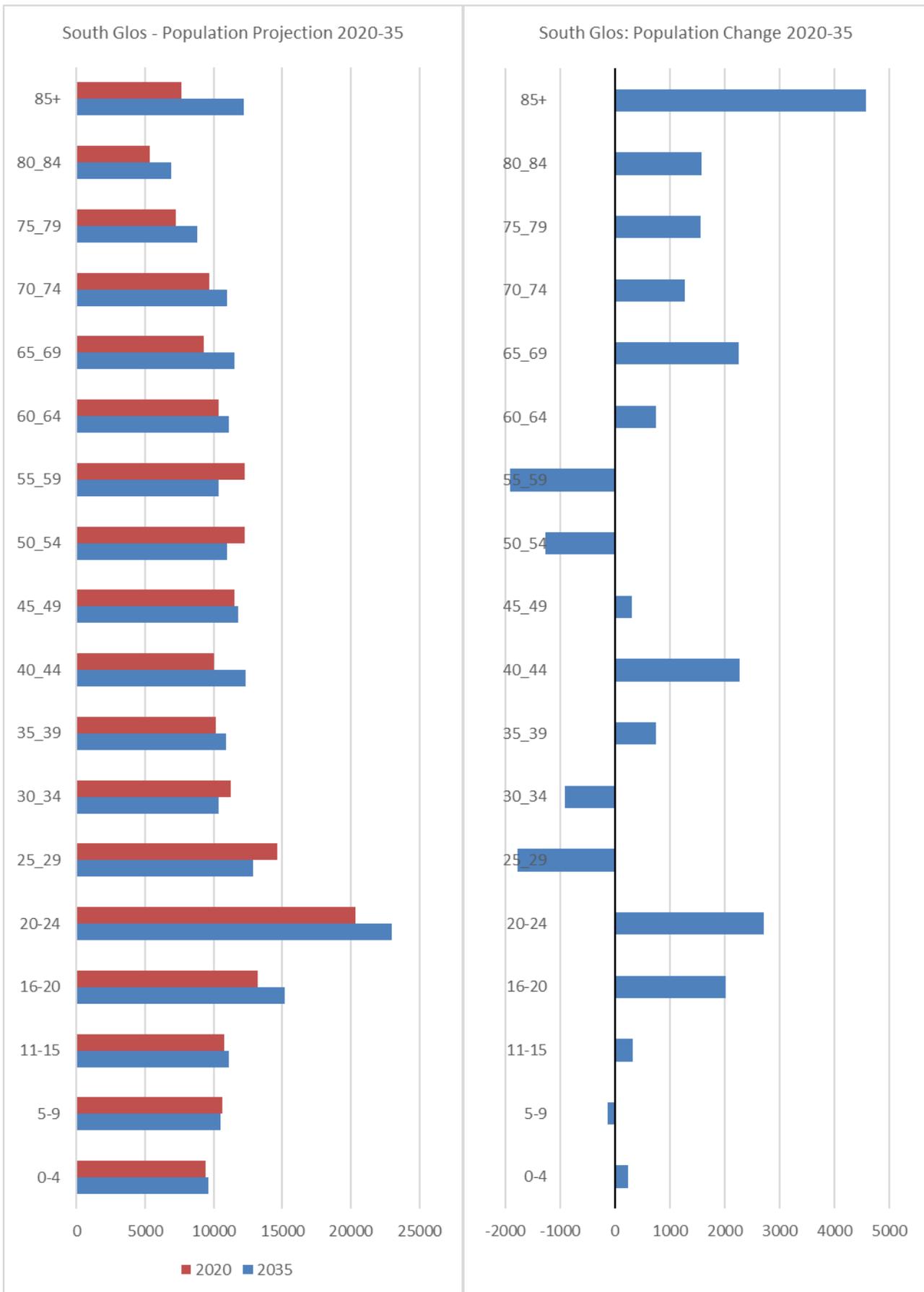
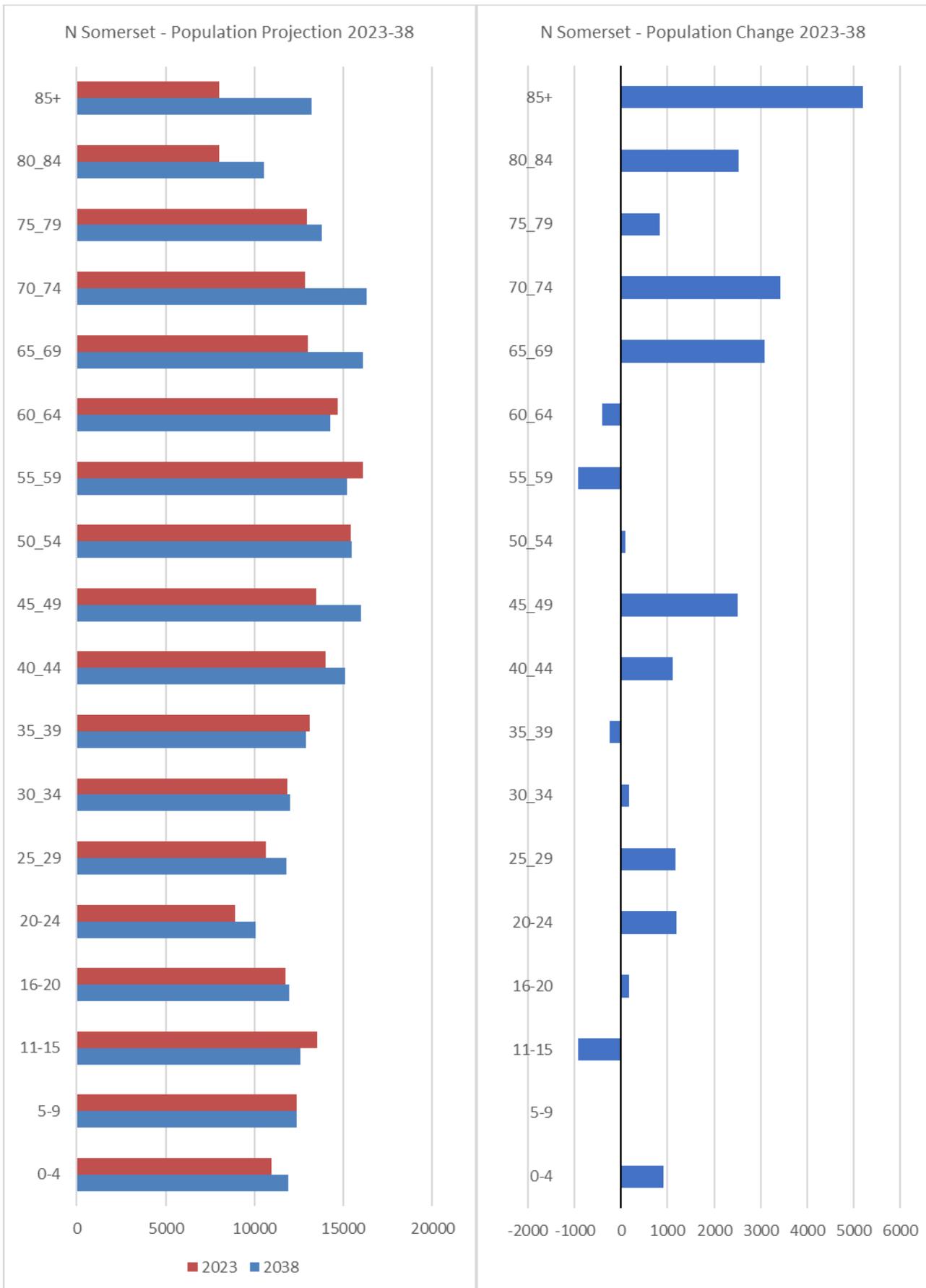


Figure 64: North Somerset – Population 2023, 2038 and Change 2023-38 by 5-year cohort (Source: ORS)



15 Yr Household Projections by Age

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

Figure 65: Total projected households in BANES, Bristol, and S Gloucestershire for 2020 and 2035, and North Somerset 2023-38 (Note: Figures may not sum due to rounding. Source: ORS Model)

BANES	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
2020	4,700	10,800	11,300	14,400	13,700	11,100	8,900	4,000	79,000
2035	5,400	9,700	13,100	13,900	12,900	13,100	11,100	6,200	85,400
TOTAL CHANGE	+700	-1,100	+1,800	-600	-800	+2,000	+2,200	+2,200	+6,500

BRISTOL	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
2020	13,100	43,000	37,500	32,300	27,100	19,800	14,400	7,000	194,300
2035	14,900	43,200	45,700	37,700	27,900	22,800	17,800	9,300	219,300
TOTAL CHANGE	+1,700	+300	+8,200	+5,300	+800	+3,000	+3,400	+2,300	+25,000

S GLOS	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
2020	3,200	15,100	20,300	23,800	20,900	15,800	13,600	5,700	118,400
2035	3,700	15,100	23,800	25,300	20,600	19,800	16,300	9,100	133,800
TOTAL CHANGE	+500	-100	+3,600	+1,500	-400	+4,000	+2,700	+3,400	+15,300

N SOMERSET	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
2023	2,200	9,700	15,300	18,000	18,300	14,700	14,900	5,500	98,600
2038	2,400	10,300	16,000	19,600	17,500	18,500	17,300	9,000	110,600
TOTAL CHANGE	+300	+600	+600	+1,600	-900	+3,800	+2,500	+3,500	+12,000

4.28 The table shows an overall increase of 46,800 households in WECA over the 15-year period 2020-2035, and a further 12,000 in North Somerset (2023-38) with the vast majority of this increase being households headed by somebody over the age of 65. Many of these older households will already be established and living in existing homes, they simply get older during the 15-year period. Bristol is exceptional in this regard, as much of its household change is in the 35-54 age groups.

4.29 It is important to consider household growth in relation to age cohorts. Figure 66 shows the projected number of households in each cohort, showing their age in both the start and the end of the projections. Clearly, no household representatives are aged under 10, but children aged under 10 at the base date of the projection will be aged 15-24 after the fifteen years elapse, and thus will be potentially heads of households.

Figure 66: Total projected households in BANES, Bristol, and S Gloucestershire for 2020 and 2035, and North Somerset 2023-38 by age cohort of household representative (Note: Figures may not sum due to rounding)

BATH	Age of Household Representative								TOTAL	
	Age in 2020	<10	10-19	20-29	30-39	40-49	50-59	60-69		70+
	Age in 2035	15-24	25-34	35-44	45-54	55-64	65-74	75-84		85+
2020	-	2,400	7,800	11,000	12,800	14,100	12,400	18,500	79,000	
2035	5,400	9,700	13,100	13,900	12,900	13,100	11,100	6,200	85,400	
TOTAL CHANGE	+5,400	+7,400	+5,300	+2,800	+100	-900	-1,300	-12,300	+6,500	

BRISTOL	Age of Household Representative								TOTAL	
	Age in 2020	<10	10-19	20-29	30-39	40-49	50-59	60-69		70+
	Age in 2035	15-24	25-34	35-44	45-54	55-64	65-74	75-84		85+
2020	-	6,600	28,000	40,200	34,900	29,700	23,400	31,400	194,300	
2035	14,900	43,200	45,700	37,700	27,900	22,800	17,800	9,300	219,300	
TOTAL CHANGE	+14,900	+36,700	+17,600	-2,500	-7,000	-6,900	-5,600	-22,100	+25,000	

S GLOS	Age of Household Representative								TOTAL	
	Age in 2020	<10	10-19	20-29	30-39	40-49	50-59	60-69		70+
	Age in 2035	15-24	25-34	35-44	45-54	55-64	65-74	75-84		85+
2020	-	1,600	9,200	17,700	22,000	22,400	18,400	27,200	118,400	
2035	3,700	15,100	23,800	25,300	20,600	19,800	16,300	9,100	133,800	
TOTAL CHANGE	+3,700	+13,500	+14,600	+7,600	-1,500	-2,600	-2,000	-18,000	+15,300	

N SOMERSET	Age of Household Representative								TOTAL	
	Age in 2023	<10	10-19	20-29	30-39	40-49	50-59	60-69		70+
	Age in 2038	15-24	25-34	35-44	45-54	55-64	65-74	75-84		85+
2023	-	1,100	5,900	12,500	16,700	18,200	16,500	27,700	98,600	
2038	2,400	10,300	16,000	19,600	17,500	18,500	17,300	9,000	110,600	
TOTAL CHANGE	+2,400	+9,200	+10,000	+7,000	+800	+400	+800	-18,700	+12,000	

4.30 For example, in Bath and North East Somerset there were 12,800 households with a household representative aged 30-39 in 2020 and these same households would be aged 45-54 in 2035. The trend-based projection identified that the total number of households aged 45-54 in 2035 would be 12,900. The projection shows an extra 100 households in this cohort: partly due to new household formations and partly due to net migration.

4.31 In Bath and North East Somerset, based on the cohort analysis, around 20,900 extra households will be formed over the 15-year period 2020-35 by those who will be aged under 65 in 2035. These extra households are offset against a reduction of 14,500 households aged 65 or over by that time.

4.32 In Bristol, based on the cohort analysis, around 59,600 extra households will be formed over the 15-year period 2020-35 by those who will be aged under 65 in 2035. These extra households are offset against a reduction of 34,600 households aged 65 or over by that time.

- 4.33 In South Gloucestershire, based on the cohort analysis, around 37,900 extra households will be formed over the 15-year period 2020-35 by those who will be aged under 65 in 2035. These extra households are offset against a reduction of 22,600 households aged 65 or over by that time.
- 4.34 In North Somerset, based on the cohort analysis, around 29,400 extra households will be formed over the 15-year period 2023-38 by those who will be aged under 65 in 2038. These extra households are offset against a reduction of 17,500 households aged 65 or over by that time.
- 4.35 In each case, most of the anticipated reduction in the older cohorts is due to household dissolution following death (although some may be due to net migration). Whilst the overall volume increase in households is largely due to a growing older population most of the newly forming households looking for housing will be in their twenties and thirties at the time that they form. Many of these households will buy or rent existing housing, perhaps vacated by an older existing household. New housing stock is not necessarily occupied by newly formed households.

Projected Household Types

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

4.37 Figure 67 to Figure 70 shows the household numbers and net change for the Local Authorities of the West of England from 2020 to 2035 (N. Somerset 2023-38) separated out by the age of the household representative person (HRP). These are calculated using the trend-based projections by household type and age.

Figure 67: Total projected households for 2020 and 2035 and change by household type and age of household representative for Bath and North East Somerset (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding)

BANES									
Household Type	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Households 2020									
Single person	320	2,220	2,940	3,080	4,020	3,360	5,550	2,970	24,500
Couple without children	500	2,920	1,280	3,900	7,860	6,920	2,820	910	27,100
Families with child(ren)	390	3,980	6,800	7,000	1,370	110	80	10	19,700
Other households	3,520	1,660	230	440	450	760	410	150	7,600
TOTAL	4,700	10,800	11,300	14,400	13,700	11,100	8,900	4,000	79,000
Households 2035									
Single person	0	1,620	3,750	2,920	3,990	3,420	6,530	4,580	26,800
Couple without children	340	2,430	1,060	2,460	6,770	8,440	4,040	1,500	27,000
Families with child(ren)	270	3,770	8,110	8,340	1,920	170	160	30	22,800
Other households	4,830	1,920	140	140	230	1,080	370	100	8,800
TOTAL	5,400	9,700	13,100	13,900	12,900	13,100	11,100	6,200	85,400
Change 2020-2035									
Single person	-320	-600	+810	-160	-30	+60	+970	+1,610	+2,300
Couple without children	-170	-490	-210	-1,450	-1,090	+1,520	+1,220	+590	-100
Families with child(ren)	-120	-220	+1,310	+1,330	+560	+60	+80	+20	+3,000
Other households	+1,300	+260	-90	-300	-210	+320	-40	-50	+1,200
TOTAL CHANGE	+700	-1,100	+1,800	-600	-800	+2,000	+2,200	+2,200	+6,500

4.38 In summary, over the 15-year period 2020-35 for Bath and North East Somerset, the projections show (Figure 67):

- » An overall growth of 6,500 households;
- » Single person households are just over a third of the overall household growth (2,300) with the majority (2,580, offset against a reduction of 240 in younger age groups) being single people aged over 75;
- » Couples without dependent children are projected to reduce (-100) and are primarily over 65 (an increase of 3,330 offset against a decrease of 3,410 in younger age groups);
- » Families with dependent children make up almost half of the overall household growth (3,000);

» Other types of household contribute a further 1,200.³⁹

4.39 Overall, 92% of the household growth (5,970 out of 6,500, again offset by reductions in other groups) is for households of single people and couples aged over 65 suggesting homes meeting older persons requirements are a priority.

Figure 68: Total projected households for 2020 and 2035 and change by household type and age of household representative for Bristol (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding)

BRISTOL									
Household Type	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Households 2020									
Single person	1,980	12,520	10,250	9,980	10,290	7,590	8,750	5,120	66,500
Couple without children	1,560	12,200	4,530	7,690	13,070	10,600	3,770	1,400	54,800
Families with child(ren)	1,390	10,560	21,470	13,360	2,240	250	90	60	49,400
Other households	8,220	7,660	1,230	1,310	1,480	1,380	1,840	480	23,600
TOTAL	13,100	43,000	37,500	32,300	27,100	19,800	14,400	7,000	194,300
Households 2035									
Single person	1,000	12,590	13,690	12,990	11,700	8,330	9,780	6,800	76,900
Couple without children	1,370	12,810	4,820	6,040	12,210	12,530	5,120	1,920	56,800
Families with child(ren)	710	8,020	26,320	17,980	2,820	340	130	100	56,400
Other households	11,800	9,830	840	670	1,130	1,590	2,800	520	29,200
TOTAL	14,900	43,200	45,700	37,700	27,900	22,800	17,800	9,300	219,300
Change 2020-2035									
Single person	-980	+70	+3,440	+3,010	+1,400	+740	+1,030	+1,680	+10,400
Couple without children	-190	+610	+290	-1,650	-860	+1,940	+1,360	+520	+2,000
Families with child(ren)	-680	-2,550	+4,850	+4,620	+580	+90	+50	+40	+7,000
Other households	+3,580	+2,160	-380	-640	-340	+210	+950	+50	+5,600
TOTAL CHANGE	+1,700	+300	+8,200	+5,300	+800	+3,000	+3,400	+2,300	+25,000

4.40 In summary, over the 15-year period 2020-35 for Bristol, the projections show (Figure 68):

- » An overall growth of 25,000 households;
- » Single person households are just over two fifths of the overall household growth (10,400) with the majority (6,450) being single people aged between 35 and 54;
- » Couples without dependent children represent less than a tenth of the growth (2,000) and are primarily over 65 (3,820, offset against a reduction of 1,800 in younger age groups);
- » Families with dependent children make up over a quarter of the overall household growth (7,000);
- » Other types of household contribute a further 5,600 households.

4.41 Overall, 72% of the household growth is for households of single person households and couples with children, aged between 35 and 54 (17,900 out of 25,000, offset by other groups).

³⁹ Other Households incorporates other multi-person households, such as unrelated adults sharing, student households, multi-family households and households of one family and other unrelated adults.

Figure 69: Total projected households for 2020 and 2035 and change by household type and age of household representative for South Gloucestershire (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding)

S GLOS									
Household Type	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Households 2020									
Single person	660	3,700	4,550	4,440	4,430	4,440	7,630	3,400	33,300
Couple without children	410	3,470	2,360	7,260	14,450	10,380	4,100	1,660	44,100
Families with child(ren)	1,140	6,750	13,050	11,280	1,310	220	80	80	33,900
Other households	990	1,230	300	860	750	760	1,780	520	7,200
TOTAL	3,200	15,100	20,300	23,800	20,900	15,800	13,600	5,700	118,400
Households 2035									
Single person	550	3,820	6,230	5,080	4,520	5,200	8,080	4,710	38,200
Couple without children	200	2,520	2,150	4,870	13,840	13,320	5,200	3,260	45,400
Families with child(ren)	1,470	7,040	15,250	14,800	1,610	400	150	210	40,900
Other households	1,480	1,720	180	590	600	890	2,900	930	9,300
TOTAL	3,700	15,100	23,800	25,300	20,600	19,800	16,300	9,100	133,800
Change 2020-2035									
Single person	-110	+120	+1,680	+640	+90	+760	+450	+1,310	+4,900
Couple without children	-210	-950	-210	-2,390	-610	+2,940	+1,100	+1,600	+1,300
Families with child(ren)	+330	+290	+2,190	+3,520	+300	+180	+70	+130	+7,000
Other households	+490	+490	-110	-270	-160	+130	+1,120	+410	+2,100
TOTAL CHANGE	+500	-100	+3,600	+1,500	-400	+4,000	+2,700	+3,400	+15,300

4.42 In summary, over the 15-year period 2020-35 for South Gloucestershire, the projections show (Figure 32):

- » An overall growth of 15,300 households
- » Single person households are just under a third of the overall household growth (4,900) with the over a third of these (1,760) being single people aged over 75;
- » Couples without dependent children represent approximately 8% of the growth (1,300) however this figure is comprised of 5,640 households over 65, offset by a reduction of 4,370 in younger age groups;
- » Families with dependent children make up almost half of the overall household growth (7,000), the majority of whom (5,710) are aged between 35 and 54;
- » Other types of household contribute a further 2,100 households.

4.43 Overall, 104% (15,900 out of 15,300, offset by reduction in other groups) of the household growth is for households aged over 65, and couples with children aged 35-54. This suggests homes meeting older persons requirements along with family housing should be priorities.

Figure 70: Total projected households for 2023 and 2038 and change by household type and age of household representative for North Somerset (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding)

N SOMERSET									
Household Type	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Households 2023									
Single person	550	2,540	3,510	3,780	5,580	4,160	8,520	3,340	32,000
Couple without children	420	1,980	1,750	5,420	10,500	9,460	4,370	1,220	35,100
Families with child(ren)	910	4,850	9,940	8,260	1,820	150	50	30	26,000
Other households	310	340	130	540	420	920	1,920	860	5,500
TOTAL	2,200	9,700	15,300	18,000	18,300	14,700	14,900	5,500	98,600
Households 2038									
Single person	430	2,770	4,080	4,200	5,820	4,520	9,020	4,980	35,800
Couple without children	390	1,670	1,320	4,250	8,990	12,390	5,230	1,950	36,200
Families with child(ren)	1,230	5,480	10,540	10,790	2,480	220	90	80	30,900
Other households	400	360	10	330	170	1,410	2,990	1,980	7,700
TOTAL	2,400	10,300	16,000	19,600	17,500	18,500	17,300	9,000	110,600
Change 2023-2038									
Single person	-120	+230	+570	+430	+230	+350	+500	+1,640	+3,800
Couple without children	-30	-310	-430	-1,180	-1,500	+2,920	+860	+730	+1,100
Families with child(ren)	+330	+630	+610	+2,530	+660	+70	+40	+50	+4,900
Other households	+80	+20	-120	-210	-250	+490	+1,070	+1,120	+2,200
TOTAL CHANGE	+300	+600	+600	+1,600	-900	+3,800	+2,500	+3,500	+12,000

4.44 In summary, over the 15-year period 2023-38 for North Somerset, the projections show (Figure 70):

- » An overall growth of 12,000 households
- » Single person households are just over a third of the overall household growth (3,800) with the majority (2,140) being single people aged over 75;
- » Couples without dependent children represent almost a tenth of the growth (1,100) and are comprised of 4,510 households over 65, offset against a reduction of 3,450 in younger age groups;
- » Families with dependent children comprise two fifths of the overall household growth (4,900);
- » Other types of household contribute a further 2,200 households.

4.45 Overall, 82% of the household growth is for households aged over 65, suggesting homes meeting older persons requirements are a priority.

5. Affordable Housing Need

Identifying households who cannot afford market housing

Introduction

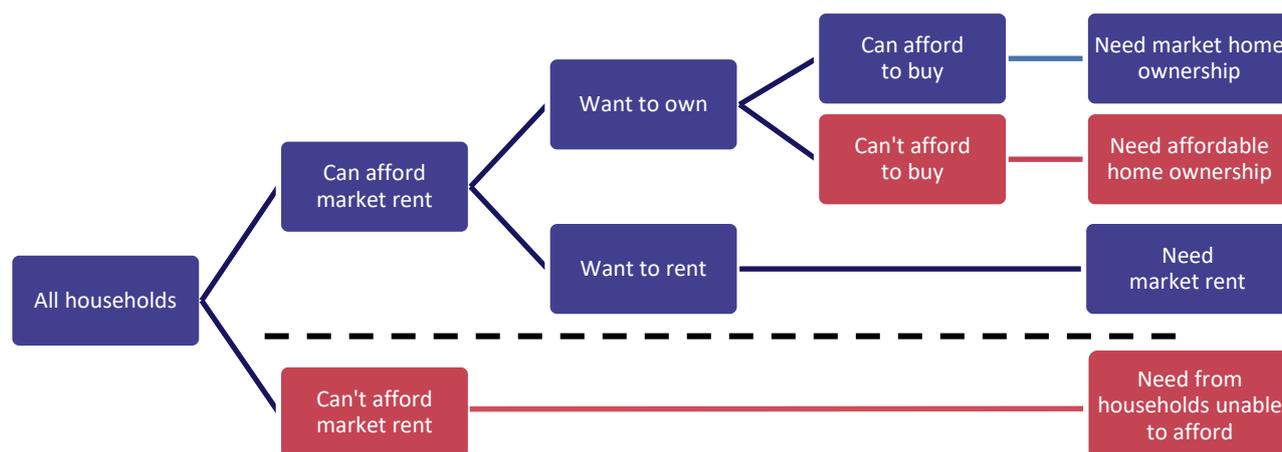
- 5.1 This section represents a technical exercise to comply with the requirements of the NPPF and the PPG. Demographic projections provide the basis for identifying the housing needs for all types of housing, including both market and affordable housing.
- 5.2 The definition of affordable housing was changed by the new National Planning Policy Framework (2019), with a specific emphasis now placed on affordable homeownership. Annex 2 of the Framework now defines affordable housing as being:

Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)

National Planning Policy Framework 2018, Annex 2

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

Figure 71: Establishing the need for market and affordable housing



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

Assessing Affordable Housing Needs

- 5.6 The ORS Housing Mix Model considers the need for market and affordable housing on a long-term basis that is consistent with household projections. The model uses a range of secondary data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population.
- 5.7 The model provides robust and credible evidence about the required mix of housing over the full planning period and recognises how key housing market trends and drivers will impact on the appropriate housing mix.
- 5.8 The PPG identifies that “projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need” (ID 2a-021). **The ORS Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all types of household, and that this will also differ by age.** Therefore, the appropriate proportion is determined separately for each household type and age group.
- 5.9 The affordability percentages in Figure 72 are calculated using detailed information from the 2011 Census alongside data published by DWP about housing benefit claimants. For each type of household in each age group, the table identifies the percentage of households unable to afford their housing costs. This is the proportion of households in each group that either occupy affordable housing or receive housing benefit to enable them to afford market housing.

Figure 72: Assessing affordability by household type and age (Source: Census 2011 and DWP)

BANES: Percentage unable to afford market housing	Under 25	25-34	35-44	45-54	55-64	65+
Single person household	20%	13%	22%	27%	25%	26%
Couple family with no dependent children	7%	4%	7%	9%	6%	9%
Couple family with 1 or more dependent children	39%	20%	9%	6%	8%	32%
Lone parent family with 1 or more dependent children	60%	64%	43%	30%	32%	73%
Other household type	4%	6%	19%	20%	14%	10%

BRISTOL: Percentage unable to afford market housing	Under 25	25-34	35-44	45-54	55-64	65+
Single person household	29%	14%	26%	37%	37%	34%
Couple family with no dependent children	6%	3%	7%	13%	12%	15%
Couple family with 1 or more dependent children	46%	22%	16%	13%	16%	35%
Lone parent family with 1 or more dependent children	63%	64%	56%	49%	45%	68%
Other household type	8%	9%	26%	31%	26%	16%

S GLOS: Percentage unable to afford market housing	Under 25	25-34	35-44	45-54	55-64	65+
Single person household	15%	7%	10%	14%	19%	22%
Couple family with no dependent children	5%	2%	4%	5%	5%	8%
Couple family with 1 or more dependent children	32%	13%	7%	5%	9%	11%
Lone parent family with 1 or more dependent children	46%	54%	41%	28%	37%	72%
Other household type	10%	11%	17%	14%	12%	9%

N SOMERSET: Percentage unable to afford market housing	Under 25	25-34	35-44	45-54	55-64	65+
Single person household	20%	8%	18%	23%	22%	21%
Couple family with no dependent children	7%	2%	4%	5%	4%	7%
Couple family with 1 or more dependent children	30%	10%	6%	5%	7%	17%
Lone parent family with 1 or more dependent children	35%	40%	34%	25%	35%	52%
Other household type	12%	19%	23%	18%	15%	8%

Current Unmet Needs of Households Unable to Afford

- 5.10 Any exploration of housing need in an area must first give consideration to existing unmet needs. The PPG states:

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

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

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

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

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

- 5.11 Households assumed to be unable to afford housing include:
- » All households that are currently **homeless**;
 - » All those currently housed in **temporary accommodation**; and
 - » People in a **reasonable preference category** on the housing register, where their needs have not already been counted.
- 5.12 Given this context, the model includes the needs of all these households when establishing the need for affordable housing at a base date of 2019.
- 5.13 The analysis counts the needs of all households living in overcrowded rented housing when establishing the affordable housing need (which could marginally overstate the requirements) but it does not count the needs of owner occupiers living in overcrowded housing (which can be offset against any previous over-counting). Student households are also excluded, given that their needs are assumed to be transient and do not count towards the need for affordable housing in West of England.
- 5.14 **Concealed families** are an important part of unmet housing need. However, not all concealed families want separate housing. Those with older family representatives will often be living with another family, perhaps for cultural reasons or in order to receive help or support due to poor health. However, those with younger family representatives are more likely to be experiencing affordability difficulties or other constraints (although even here not all will want to live independently).

- 5.15 Any concealed families in a reasonable preference category on the housing register will be counted regardless of age. The analysis also considers the additional growth of concealed families with family representatives aged under 55 (even when not on the housing register) and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home).
- 5.16 The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household and enabling one household to move out would simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by improving the existing housing stock, and the Council have a range of statutory enforcement powers to improve housing conditions.
- 5.17 Figure 73 sets out the assessment of current (as of 2019) affordable housing need for Bath and North East Somerset:

Figure 73: Assessing current unmet gross need for affordable housing (Source: CLG P1E returns, Census, EHS, LAHS)

BANES	Affordable Housing			Current unmet Housing Need
	Gross Need	Supply	Net Need	
Homeless households in priority need [Source: CLG P1E returns 2019]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	22		22	22
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	0		0	
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	4	4	0	
Households accepted as homeless but without temporary accommodation provided	0		0	0
Concealed households [Source: Census 2001 and 2011]				
Growth in concealed families with family representatives aged under 55	104		104	104
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]				
Households living in overcrowded private rented housing	358		358	
Households living in overcrowded social rented housing	699	699	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG Local Authority Housing Statistics 2019]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	514	59	455	
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)	0	0	0	
TOTAL	1,701	762	939	126

- 5.18 Based on a detailed review of both the past trends and current estimates our analysis has concluded that 1,701 households in Bath and North East Somerset are currently living in unsuitable housing and are unable to afford their own housing. This assessment is based on the criteria set out in the PPG and avoids double counting as far as possible.
- 5.19 Of these households, 762 currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.
- 5.20 There is, therefore, a net current affordable housing need of 939 households (1,701 less 762 = 939). However, depending on property types and size of households in need, a higher number of new homes may be needed to ensure there is no overcrowding.
- 5.21 Providing the net current affordable housing need for 939 households will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 813 households (939 less the 126 households which are homeless or concealed and thus do not release dwellings). Overall, 126 households are currently either homeless or concealed, constituting the unmet housing need in Bath and North East Somerset. Together with the 813 in market dwellings who should be in affordable, this 939 represents the total net affordable housing need for Bath and North East Somerset.

5.22 Figure 74 sets out the assessment of current (as of 2019) affordable housing need for Bristol:

Figure 74: Assessing current unmet gross need for affordable housing (Source: CLG P1E returns, Census, EHS, LAHS)

BRISTOL	Affordable Housing			Current unmet Housing Need
	Gross Need	Supply	Net Need	
Homeless households in priority need [Source: CLG P1E returns 2019]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	131		131	131
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	324		324	
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	189	189	0	
Households accepted as homeless but without temporary accommodation provided	0		0	0
Concealed households [Source: Census 2001 and 2011]				
Growth in concealed families with family representatives aged under 55	556		556	556
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]				
Households living in overcrowded private rented housing	2,053		2,053	
Households living in overcrowded social rented housing	3,051	3,051	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG Local Authority Housing Statistics 2019]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	2,036	138	1,898	
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)	18	1	17	
TOTAL	8,358	3,379	4,979	687

5.23 Based on a detailed review of both the past trends and current estimates our analysis has concluded that 8,358 households in Bristol are currently living in unsuitable housing and are unable to afford their own housing. This assessment is based on the criteria set out in the PPG and avoids double counting as far as possible.

5.24 Of these households, 3,379 currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.

5.25 There is, therefore, a net current affordable housing need of 4,979 households (8,358 less 3,379 = 4,979). However, depending on property types and size of households in need, a higher number of new homes *may* be needed to ensure there is no overcrowding.

- 5.26 Providing the net current affordable housing need for 4,979 households will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 4,392 households (4,979 less the 687 households which are homeless or concealed and thus do not release dwellings). Overall, 687 households are currently either homeless or concealed, constituting the unmet housing need in Bristol. Together with the 4,392 in market dwellings who should be in affordable, this 4,979 represents the total net affordable housing need for Bristol.
- 5.27 Figure 75 sets out the assessment of current (as of 2019) affordable housing need for South Gloucestershire:

Figure 75: Assessing current unmet gross need for affordable housing (Source: CLG P1E returns, Census, EHS, LAHS)

S GLOS	Affordable Housing			Current unmet Housing Need
	Gross Need	Supply	Net Need	
Homeless households in priority need [Source: CLG P1E returns 2019]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	14		14	14
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	61		61	
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	4	4	0	
Households accepted as homeless but without temporary accommodation provided	3		3	3
Concealed households [Source: Census 2001 and 2011]				
Growth in concealed families with family representatives aged under 55	306		306	306
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]				
Households living in overcrowded private rented housing	433		433	
Households living in overcrowded social rented housing	757	757	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG Local Authority Housing Statistics 2019]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	295	24	271	
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)	13	1	12	
TOTAL	1,886	786	1,100	323

- 5.28 Based on a detailed review of both the past trends and current estimates our analysis has concluded that 1,886 households in South Gloucestershire are currently living in unsuitable housing and are unable to afford their own housing. This assessment is based on the criteria set out in the PPG and avoids double counting as far as possible.
- 5.29 Of these households, 786 currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.

- 5.30 There is, therefore, a net current affordable housing need of 1,100 households (1,886 less 786 = 1,100). However, depending on property types and size of households in need, a higher number of new homes *may* be needed to ensure there is no overcrowding.
- 5.31 Providing the net current affordable housing need for 1,100 households will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 777 households (1,100 less the 323 households which are homeless or concealed and thus do not release dwellings). Overall, 323 households are currently either homeless or concealed, constituting the unmet housing need in South Gloucestershire. Together with the 777 in market dwellings who should be in affordable, this 1,100 represents the total net affordable housing need for South Gloucestershire.
- 5.32 Figure 76 sets out the assessment of current (as of 2019) affordable housing need for North Somerset:

Figure 76: Assessing current unmet gross need for affordable housing (Source: CLG P1E returns, Census, EHS, LAHS)

N SOMERSET	Affordable Housing			Current unmet Housing Need
	Gross Need	Supply	Net Need	
Homeless households in priority need [Source: CLG P1E returns 2019]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	33		33	33
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	9		9	
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	43	43	0	
Households accepted as homeless but without temporary accommodation provided	0		0	0
Concealed households [Source: Census 2001 and 2011]				
Growth in concealed families with family representatives aged under 55	222		222	222
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]				
Households living in overcrowded private rented housing	469		469	
Households living in overcrowded social rented housing	391	391	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG Local Authority Housing Statistics 2019]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	436	26	410	
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)	8	0	8	
TOTAL	1,611	460	1,151	255

- 5.33 Based on a detailed review of both the past trends and current estimates our analysis has concluded that 1,611 households in North Somerset are currently living in unsuitable housing and are unable to afford their own housing. This assessment is based on the criteria set out in the PPG and avoids double counting as far as possible.

- 5.34 Of these households, 460 currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.
- 5.35 There is, therefore, a net current affordable housing need of 1,151 households (1,611 less 460 = 1,151). However, depending on property types and size of households in need, a higher number of new homes *may* be needed to ensure there is no overcrowding.
- 5.36 Providing the net current affordable housing need for 1,151 households will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 896 households (1,151 less the 255 households which are homeless or concealed and thus do not release dwellings). Overall, 255 households are currently either homeless or concealed, constituting the unmet housing need in North Somerset. Together with the 896 in market dwellings who should be in affordable, this 1,151 represents the total net affordable housing need for North Somerset.

Projected Future Need of Households Unable to Afford

- 5.37 When considering the number of newly arising households likely to be in affordable housing need, the PPG recommends a "gross annual estimate" (ID 2a-021) suggesting that "the total need for affordable housing should be converted into annual flows" (ID 2a-024).
- 5.38 Figure 77 to Figure 80 show the age structure of each of the components of household change. This analysis is based on changes within each age cohort. Comparisons are based on households born in the same year and relate to their age at the end of the period. Therefore, all new households are properly counted, rather than only counting the increase in the number of households in each age group.

Figure 77: Annual change in household numbers in each age cohort by age of Household Representative Person in Bath and North East Somerset (Source: ORS Housing Model)

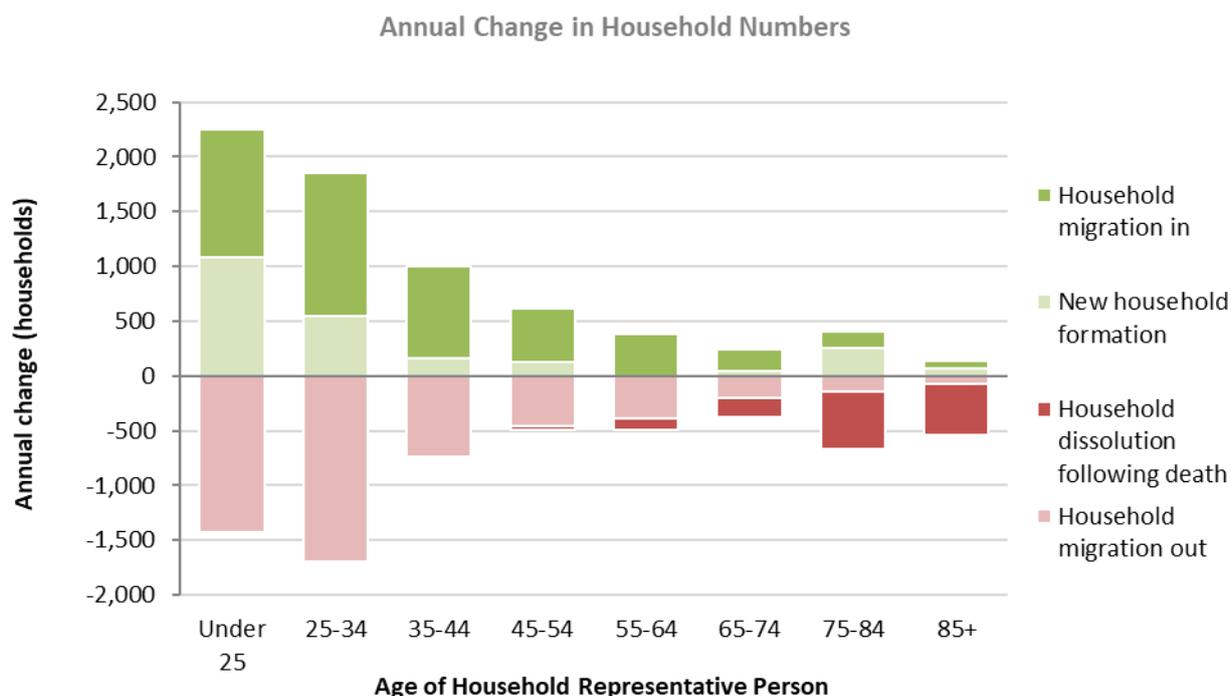


Figure 78: Annual change in household numbers in each age cohort by age of Household Representative Person in Bristol (Source: ORS Housing Model)

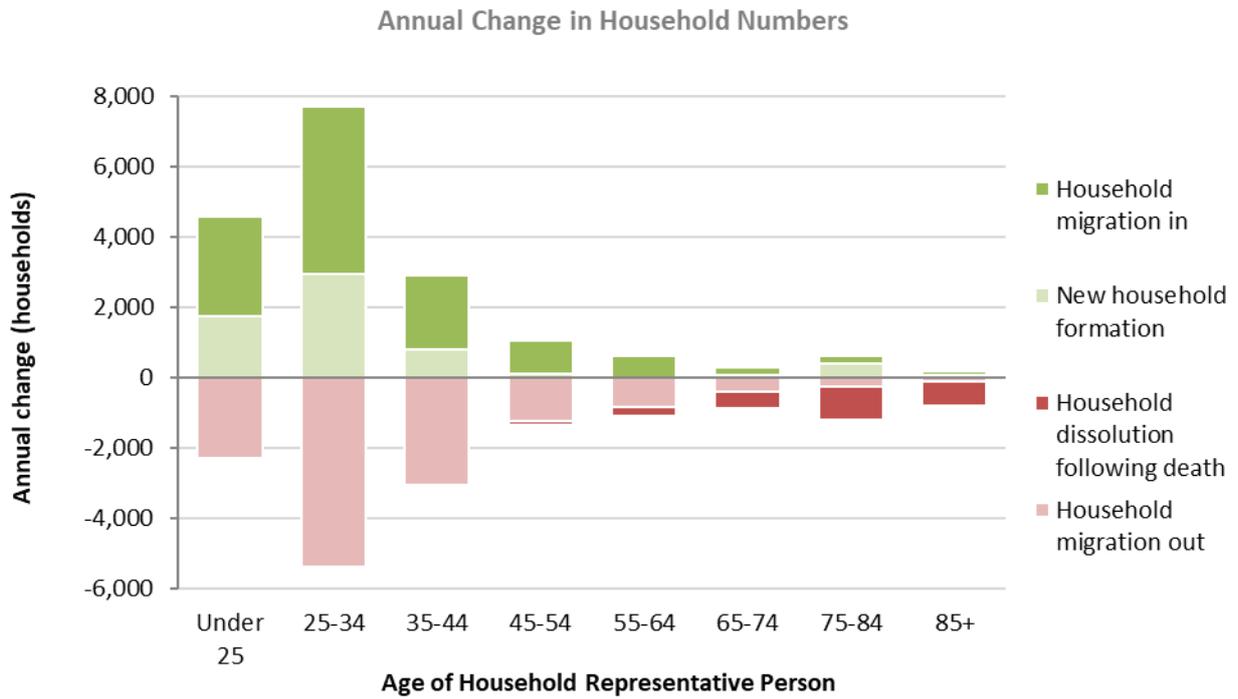


Figure 79: Annual change in household numbers in each age cohort by age of Household Representative Person in South Gloucestershire (Source: ORS Housing Model)

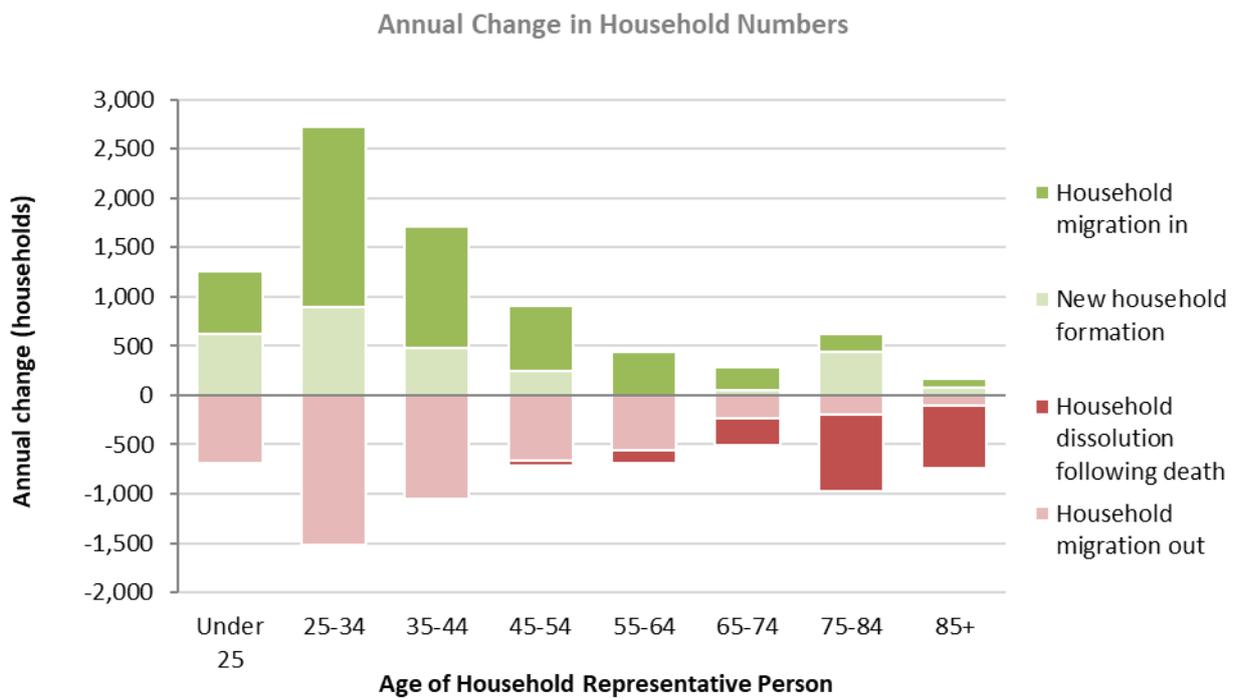
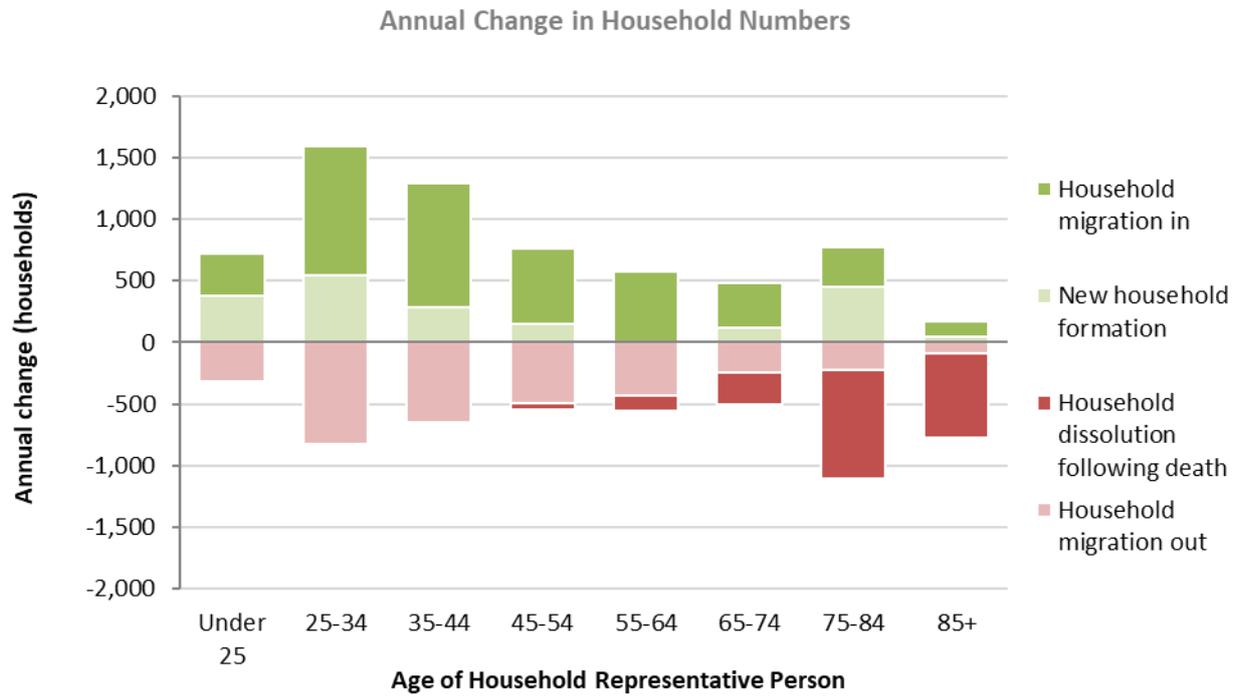


Figure 80: Annual change in household numbers in each age cohort by age of Household Representative Person in North Somerset (Source: ORS Housing Model)



- 5.39 Together with information on household type, this provides a framework for the model to establish the proportion of households who are unable to afford their housing costs. The following tables (Figure 81) looks at the impact of different types of household.

Figure 81: Annual components of Household Growth for WECA 2020-35 and North Somerset 2023-38 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

BANES 2020-35	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	2,333	2,022	310	13%
Households migrating into the area	4,706	3,997	710	15%
All new households	7,039	6,019	1,020	14%
BRISTOL 2020-35	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	6,245	5,112	1,134	18%
Households migrating into the area	11,970	9,634	2,336	20%
All new households	18,216	14,746	3,470	19%
S GLOS 2020-35	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	2,828	2,339	489	17%
Households migrating into the area	5,410	4,593	817	15%
All new households	8,238	6,932	1,305	16%
N SOMERSET 2023-38	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	1,885	1,574	311	16%
Households migrating into the area	4,525	3,880	645	14%
All new households	6,410	5,454	956	15%

- 5.40 The ORS Model identifies new households projected to form in the West of England each year, along with the number that will be unable to afford their housing costs. The model also considers new households migrating to the area which results in the total new households in need of affordable housing in each authority. (Figure 81)
- 5.41 PPG identifies that “there will be a current supply of housing stock that can be used to accommodate households in affordable housing need” and that it is necessary to establish “the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need” (ID 2a-022)
- 5.42 The model also identifies the households are likely to dissolve following the death of all household members. Many of these households will own their homes outright, however, some of these are likely to have been unable to afford market housing and will mostly be living in social rented housing (Figure 82).

- 5.43 In addition, some households that are unable to afford housing will migrate away from the area, so their needs should be discounted to ensure consistency with the household projections. The model identifies the households that will migrate out of the area each year, including those households who are unable to afford their housing costs. A proportion of these will vacate rented affordable housing (which will become available for another household) whereas others that have not yet been allocated an affordable home will reduce the number of households waiting. (It should be noted that some might have chosen to stay if housing costs were cheaper or more affordable housing was available).
- 5.44 Figure 82 shows the annual number of households who will vacate affordable dwellings or will no longer be waiting for a home in each local authority over the period in question:

Figure 82: Annual components of Household Growth WECA 2020-35 and North Somerset 2023-38 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

BANES 2020-35	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Household dissolutions following death	1,416	1,129	288	20%
Households migrating <u>out</u> of the area	5,191	4,417	774	15%
All households no longer present	6,607	5,546	1,062	16%
BRISTOL 2020-35	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Household dissolutions following death	2,630	1,922	708	27%
Households migrating <u>out</u> of the area	13,918	11,068	2,850	20%
All households no longer present	16,548	12,990	3,558	21%
S GLOS 2020-35	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Household dissolutions following death	2,067	1,744	323	16%
Households migrating <u>out</u> of the area	5,150	4,377	773	15%
All households no longer present	7,217	6,121	1,096	15%
N SOMERSET 2023-38	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Household dissolutions following death	2,245	1,910	335	15%
Households migrating <u>out</u> of the area	3,364	2,878	485	14%
All households no longer present	5,609	4,788	821	15%

- 5.45 PPG also identifies that it is important to estimate “the number of existing households falling into need” (ID 2a-021). Whilst established households that continue to live in the West of England will not contribute to household growth, changes in household circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these households are counted by the model, and the estimate of the number of established households that will fall into need in each local authority each year is shown in Figure 83.

5.46 However, established households' circumstances can also improve. For example:

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

5.47 These improved circumstances can therefore reduce the need for affordable housing over time. The model identifies the number of households whose circumstances will improve such that they become able to afford their housing costs having previously being unable do so.

5.48 Therefore, considering the changing needs of existing households overall, **there remains a net increase of existing households needing affordable housing each year** in all four authorities. (Figure 83), however this increase is notably small in South Gloucestershire and North Somerset.

Figure 83: Annual components of Household Growth WECA 2020-35 and North Somerset 2023-38 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

BANES 2020-35	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Existing households falling into need	-	-336	336	100%
Existing households climbing out of need	-	198	-198	0%
Change in existing households	-	-138	138	-
BRISTOL 2020-35	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Existing households falling into need	-	-1,273	1,273	100%
Existing households climbing out of need	-	750	-750	0%
Change in existing households	-	-523	523	-
S GLOS 2020-35	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Existing households falling into need	-	-286	286	100%
Existing households climbing out of need	-	277	-277	0%
Change in existing households	-	-9	9	-
N SOMERSET 2023-38	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Existing households falling into need	-	-215	215	100%
Existing households climbing out of need	-	204	-204	0%
Change in existing households	-	-12	12	-

5.49 The following table (Figure 84) summarises the overall impact of:

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

Figure 84: Annual components of Household Growth WECA 2020-35 and North Somerset 2023-38 (Source: ORS Housing Model)

BANES 2020-35		All households	Households able to afford housing costs	Households unable to afford housing costs
All new households		7,039	6,019	+1,020
All households no longer present		6,607	5,546	-1,062
Change in existing households		-	-138	+138
Future affordable housing need 2020-35	Annual average	+432	+335	+96
	15-year Total	+6,475	+5,029	+1,446
BRISTOL 2020-35		All households	Households able to afford housing costs	Households unable to afford housing costs
All new households		18,216	14,746	+3,470
All households no longer present		16,548	12,990	-3,558
Change in existing households		-	-523	+523
Future affordable housing need 2020-35	Annual average	+1,667	+1,233	+435
	15-year Total	+25,012	+18,493	+6,519
S GLOS 2020-35		All households	Households able to afford housing costs	Households unable to afford housing costs
All new households		8,238	6,932	+1,305
All households no longer present		7,217	6,121	-1,096
Change in existing households		-	-9	+9
Future affordable housing need 2020-35	Annual average	1,021	+802	+218
	15-year Total	15,309	+12,036	+3,272
N SOMERSET 2023-38		All households	Households able to afford housing costs	Households unable to afford housing costs
All new households		6,410	5,454	+956
All households no longer present		5,609	4,788	-821
Change in existing households		-	-12	+12
Future affordable housing need 2023-38	Annual average	+801	+654	+147
	15-year Total	+12,018	+9,815	+2,203

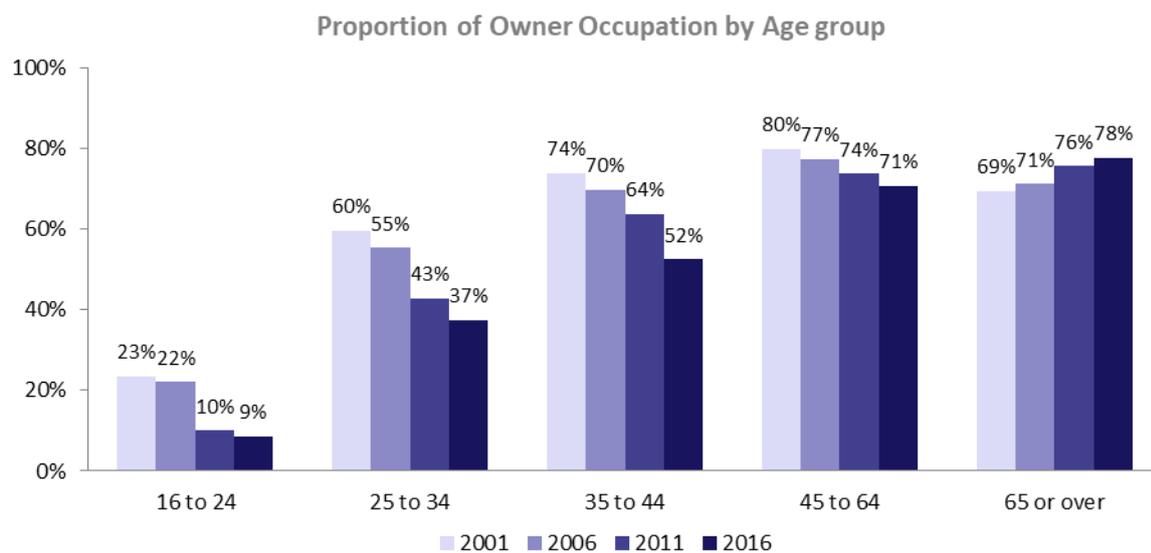
5.50 Overall reviewing the contribution of each element amounts to a projected additional 11,237 households (1,446 + 6,519 + 3,272) needing affordable housing in WECA over the 15-year period 2020-35, and 2,203 in North Somerset 2023-38.

Needs of Households Aspiring to Homeownership

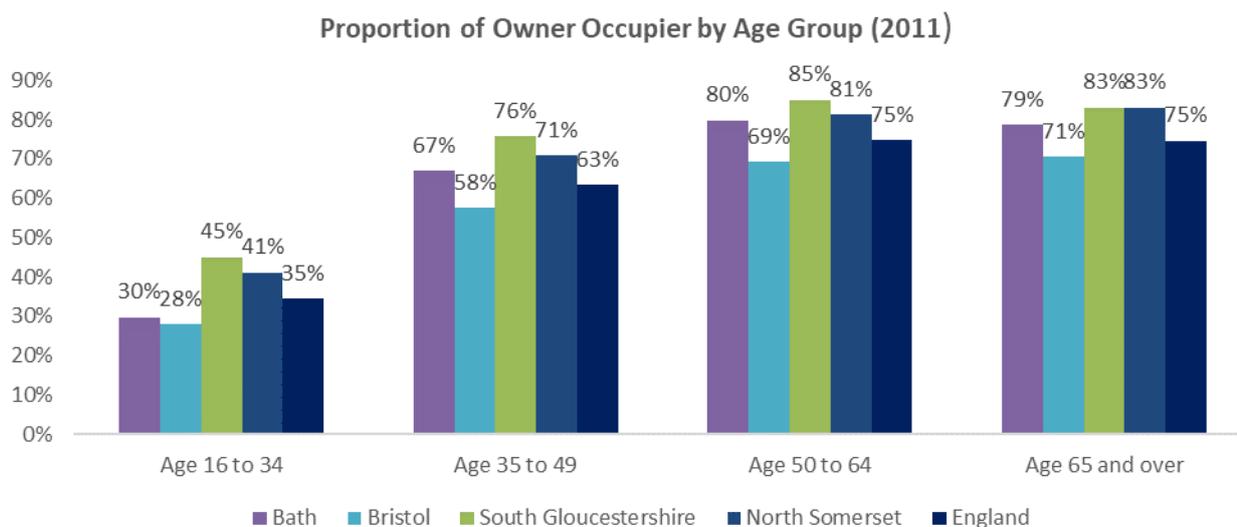
Home Ownership Trends

- 5.51 The new emphasis on households that cannot afford to own their home reflects Government concerns that the proportion of owner occupiers has reduced nationally over the last ten to fifteen years. Estimates from the English Housing Survey suggest that the proportion of owner occupiers reduced from around 69% in 2006 to 65% in 2011 and to 63% by 2016. Over the same period the proportion of households renting from a social landlord also reduced from 19% to 17% whilst the proportion renting privately increased from 12% to 20%.
- 5.52 The proportion of owner occupiers varies by age with younger age groups less likely to own their home than older households. The real change is in the extent to which younger age groups owning their property has fallen over recent years whilst at the upper end of the age scale (aged 65 or over) home ownership has been increasing (Figure 85).

Figure 85: Percentage of Owner Occupiers in England by Age Group 2001-2016 (Source: English Housing Survey)



- 5.53 The English Housing Survey does not contain robust data on owner occupation by age group at the local level, however an indication of the comparison between owner occupation levels by age in the West of England versus the national average can be gathered from the 2011 Census (Figure 86).

Figure 86: Proportion of Owner Occupation by age group 2011 (Source: Census 2011)

- 5.54 It can be seen from Figure 86 that there are higher rates of owner occupation in South Gloucestershire and North Somerset than the national average in all age groups reported on by the census 2011. Bath has higher occupation in all age groups over the age of 35, and Bristol has lower owner occupation rates than the national average across all ages of household reference person.

Establishing the number of households aspiring to home ownership

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

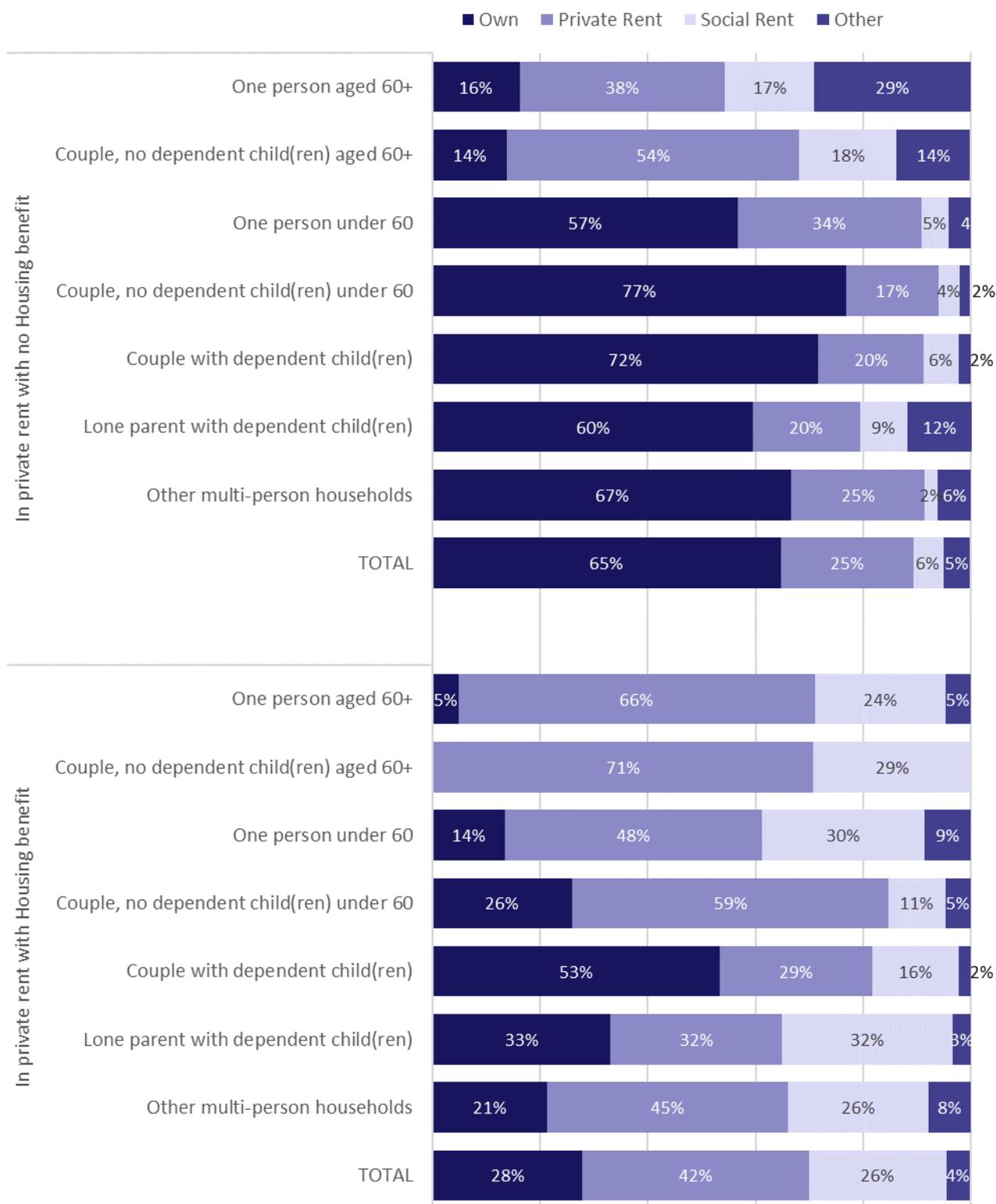
Figure 87: Long-term aspirations (Source: English Housing Survey 2013/14)

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

- 5.56 These figures relate to aspirations only and there is no test within the data as to whether this aspiration is affordable. It is therefore worth considering the responses of those currently in private rent in more detail with a view to understanding the types of household aspiring to buy.
- 5.57 The following chart (Figure 88) shows long-term tenure expectations of those in private rent by household type as well as whether they are currently in receipt of housing benefit.
- 5.58 Almost two in three (65%) of those who are currently renting privately and NOT receiving housing benefit expect to buy their own home in the future. The proportion is much lower for those households with an HRP over 60 (averaging 15%) and slightly higher amongst couples under 60 (77% and 72% depending on whether or not there are dependent children in the household).

5.59 Just under three in ten (28%) of those households in the private rented sector and in receipt of housing benefit expect to buy their own home in the future. This increases to 53% of couples with dependent children.

Figure 88: Long-term Tenure Expectation for those in the Private Rented Sector with and without Housing Benefit support
 (Source: English Housing Survey 2013-14. Note: Own includes shared ownership)



Additional Need for Affordable Homeownership

5.60 Through combining data on the number of households of each type in each age group living in private rented housing and paying their own rent with the previous data presented in Figure 88, Figure 89 establishes the number of existing households likely to aspire to home ownership that have not been counted in the affordable housing need.

Figure 89: Households currently living in the Private Rented Sector and paying their own rent that aspire to home ownership
(Note: Figures may not sum due to rounding)

BANES Household Type	Age of Household Representative						TOTAL
	15-24	25-34	35-44	45-54	55-64	65+	
Single person	112	648	683	203	136	66	1,847
Couple without children	279	1,064	190	140	88	28	1,790
Families with child(ren)	28	605	596	301	0	0	1,529
Other households	1,152	822	21	11	6	0	2,012
Total	1,571	3,138	1,489	655	230	94	7,178
<i>Percentage of households</i>	22%	44%	21%	9%	3%	1%	100%

BRISTOL Household Type	Age of Household Representative						TOTAL
	15-24	25-34	35-44	45-54	55-64	65+	
Single person	642	3,853	2,209	534	256	114	7,607
Couple without children	918	4,929	766	293	139	50	7,096
Families with child(ren)	101	1,766	1,896	337	0	0	4,100
Other households	2,930	3,618	164	37	29	0	6,777
Total	4,592	14,165	5,034	1,202	424	163	25,580
<i>Percentage of households</i>	18%	55%	20%	5%	2%	1%	100%

S GLOS Household Type	Age of Household Representative						TOTAL
	15-24	25-34	35-44	45-54	55-64	65+	
Single person	243	1,090	910	279	118	80	2,721
Couple without children	222	1,151	277	257	142	58	2,107
Families with child(ren)	106	1,265	862	327	0	0	2,560
Other households	399	406	31	37	18	0	891
Total	970	3,913	2,080	900	278	138	8,279
<i>Percentage of households</i>	12%	47%	25%	11%	3%	2%	100%

N SOMERSET Household Type	Age of Household Representative						TOTAL
	15-24	25-34	35-44	45-54	55-64	65+	
Single person	206	852	802	269	223	69	2,421
Couple without children	232	656	238	230	168	75	1,599
Families with child(ren)	53	1,264	985	307	0	0	2,608
Other households	113	81	11	19	8	0	232
Total	603	2,853	2,036	825	399	144	6,860
<i>Percentage of households</i>	10%	41%	29%	13%	6%	2%	100%

5.61 Based on this analysis, we can estimate the total households currently resident in the West of England who cannot afford to own their own home but would aspire to do so. In every authority the substantial majority of these households are aged under 45 (Figure 89).

- 5.62 As previously reported (Figure 28 to Figure 32), Census data identified significant increases in households renting privately over the decade 2001-11. More recent EHS data shows that the private rented sector has continued to grow over the years since the Census. On this basis, the number of households identified as currently renting privately that aspire to homeownership is consistent with growth of the private rented sector over a 16-17 year period.
- 5.63 In addition to the current need, it is also important to consider new households that are projected to form over the 15-year periods. Through combining this data with the aspiration data from the EHS, we can derive the further households that will form over the 15-year period who will be able to afford to pay market rent without support from housing benefit, but will be unable to afford to own, despite that being their aspiration.
- 5.64 Overall, the projections suggest (summarised in Figure 90):
- » In BANES, there are likely to be 4,866 of these households over the period 2020-35, a net annual need of 324 per year
 - » In Bristol, there are likely to be 23,729 of these households over the period 2020-35, a net annual need of 1,582 per year
 - » In South Gloucestershire, there are likely to be 5,803 of these households over the period 2020-35, a net annual need of 387 per year
 - » This is a total of 34,398 households who can afford to rent and aspire to homeownership, but who cannot afford to buy their own home over the period 2020-35 in WECA, a net annual need of 2,293 per year.
 - » In North Somerset, there are likely to be 4,310 of these households over the period 2023-38, a net annual need of 287 per year
- 5.65 As noted earlier in Chapter 3, the government have recently completed a consultation on a new housing product entitled First Homes, which are properties to be sold with at least a 30% discount to first-time buyers. While the numbers of households who aspire to homeownership in the West of England set an upper threshold for the number who could seek to access First Homes, it would still be the case that these households would require a deposit and to be able to afford to service the cost of a mortgage. We explore the importance of this point below.

Identifying the Overall Affordable Housing Need

5.66 Figure 90 brings together the information on assessing the unmet need for affordable housing in 2020 together with the future need for affordable housing and those aspiring to home ownership arising over the 15-year period 2020-35 (North Somerset 2023-38). It can be noted that this assessment has no regard for whether those aspiring can access affordable home ownership options.

Figure 90: Assessing total need for affordable housing in WECA 2020-2035, and North Somerset 2023-38 (Source: ORS Housing Model)

BANES 2020-35	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford	Households aspiring to home ownership	
Current housing need in 2020	939	7,178	8,117
Future housing need 2020-35	1,447	4,866	6,313
TOTAL HOUSING NEED	2,386	12,044	14,430

BRISTOL 2020-35	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford	Households aspiring to home ownership	
Current housing need in 2020	4,979	25,580	30,559
Future housing need 2020-35	6,519	23,729	30,248
TOTAL HOUSING NEED	11,498	49,310	60,808

S GLOS 2020-35	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford	Households aspiring to home ownership	
Current housing need in 2020	1,100	8,279	9,379
Future housing need 2020-35	3,272	5,803	9,076
TOTAL HOUSING NEED	4,372	14,082	18,455

WECA (SUM TOTALS OF ABOVE) 2020-35	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford	Households aspiring to home ownership	
Current housing need in 2020	7,018	41,037	48,055
Future housing need 2020-35	11,239	34,398	45,637
TOTAL HOUSING NEED	18,257	75,436	93,693

N SOMERSET 2023-38	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford	Households aspiring to home ownership	
Current housing need in 2023	1,151	6,860	8,011
Future housing need 2023-38	2,203	4,310	6,513
TOTAL HOUSING NEED	3,354	11,170	14,524

- 5.67 On this basis, we can conclude that the overall need for affordable housing for WECA would comprise a total of 93,693 households over the 15-year period 2020-2035, equivalent to an average of 6,246 per annum; and 14,524 in North Somerset 2023-38, equivalent to 968 per annum.
- 5.68 WECA's 6,246 per annum represents almost double the annual growth of 3,073 households identified by the ONS 2018-based household projections for the LHN period 2020-2030 (3073 = 435 + 1,599 + 1,039, from 10-year variant in Figure 26), and North Somerset's 968 per annum exceeds the equivalent projected 877 annual household growth. This is due to a large proportion of this need being associated with the whole population as opposed to the projected new households, which is recognised by the PPG:

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

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

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

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

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

Planning Practice Guidance, ID 67-001-20190722

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

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

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

Planning Practice Guidance, ID 2a-017-20190220

- 5.70 Given that the need for affordable housing and affordable home ownership in particular is very high, it is necessary to consider how this need can be addressed within the overall need established. It will be important for the local authorities to plan for the needs of **all** households unable to afford to rent or own market housing if they are going to avoid the number of housing benefit claimants living in private rented housing increasing.

- 5.71 It is important to recognise that the figures for those who aspire to home ownership are based upon those households who currently can afford market rent without the support of housing benefit. But these households would not necessarily choose new build Affordable Home Ownership if it was available, as some may prefer to secure full ownership in the less expensive second-hand housing market. Similarly, some households may not ultimately need affordable home ownership if their circumstances change to such a degree that they are eventually able to buy without financial assistance. It is also important to recognise that the identified demand could only be realised if Affordable Home Ownership products can be delivered at prices that are truly affordable in the area, in line with local house prices and incomes.
- 5.72 Neither the NPPF nor PPG identify that any affordability criteria should be applied to those households who aspire to homeownership but cannot afford to buy their own home. However, it is appropriate to consider the extent to which these households could plausibly afford affordable homeownership products if they were provided. Whilst a range of affordable homeownership products are available, each with different costs and eligibility criteria, it is unlikely that housing would be delivered at values below 60% of newbuild prices.⁴⁰ While 70% of market house prices is the maximum price suggested for a First Home in the consultation, a larger discount can be applied. However, if too large a discount is applied then this will significantly affect the viability of many schemes and lead to a reduction in the level of affordable housing which can be provided. Therefore, we have assumed a maximum discount of 40% on open market prices for properties which are compatible with the First Homes scheme.
- 5.73 Given this context, Figure 91 identifies those households with income that would be insufficient to afford 60% of newbuild prices at the lower quartile for the local area, and those households with savings of less than £5,000⁴¹. This is based on further analysis of the EHS data which considers the income distribution and savings data for households that rent privately but aspire to homeownership. This data has been updated to reflect current income levels and scaled for each local area using indices from the ONS gross disposable household income (GDHI) tables.
- 5.74 The columns in Figure 91 progress as follows:
- » All households aspiring MINUS those able to afford at market values = aspiring households that cannot afford to buy at market values;
 - » Aspiring households that cannot afford to buy at market values MINUS those unable to afford 60% of newbuild LQ = aspiring households that cannot afford to buy at market values but could afford the monthly cost of a 60% LQ property;
 - » Aspiring households unable to afford market, but that could afford the cost of 60% LQ property MINUS households that have savings below £5,000 = Aspiring households unable to afford market, but able to afford a 60% LQ property with sufficient savings to undertake property purchase.

⁴⁰ Developers typically receive 50-60% of open market value when delivering Affordable Rented units.

⁴¹ This is the amount assumed necessary to cover stamp duty, legal fees, moving costs, surveys etc.

Figure 91: Affordable homeownership housing mix by household affordability in WECA LAs 2020-2035 and North Somerset 2023-38 (Source: ORS Housing Model)

BANES 2020-35	All households aspiring to home ownership	MINUS Households able to afford market home ownership	Households aspire to home ownership but cannot afford to buy	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	2,716	517	2,199	868	1,331	767	564
2 bedrooms	4,566	541	4,026	2,016	2,009	1,449	560
3 bedrooms	3,887	282	3,605	1,871	1,734	1,312	423
4+ bedrooms	874	16	858	546	312	211	101
TOTAL	12,044	1,356	10,688	5,301	5,387	3,739	1,648
BRISTOL 2020-35	All households aspiring to home ownership	MINUS Households able to afford market home ownership	Households aspire to home ownership but cannot afford to buy	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	15,145	2,220	12,925	6,769	6,156	3,597	2,558
2 bedrooms	20,884	2,339	18,545	9,757	8,788	6,228	2,560
3 bedrooms	11,662	720	10,942	6,432	4,510	3,355	1,155
4+ bedrooms	1,619	5	1,614	1,131	483	299	184
TOTAL	49,310	5,283	44,027	24,089	19,937	13,479	6,458
S GLOS 2020-35	All households aspiring to home ownership	MINUS Households able to afford market home ownership	Households aspire to home ownership but cannot afford to buy	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	1,850	261	1,588	793	795	459	336
2 bedrooms	6,183	703	5,480	2,860	2,620	1,879	742
3 bedrooms	4,971	280	4,691	2,867	1,824	1,380	444
4+ bedrooms	1,078	0	1,078	734	344	218	126
TOTAL	14,082	1,245	12,837	7,254	5,583	3,935	1,648
N SOMERSET 2023-38	All households aspiring to home ownership	MINUS Households able to afford market home ownership	Households aspire to home ownership but cannot afford to buy	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	2,404	477	1,927	751	1,176	756	420
2 bedrooms	4,932	725	4,207	1,840	2,367	1,819	548
3 bedrooms	3,176	328	2,848	1,224	1,624	1,225	399
4+ bedrooms	658	7	651	417	234	153	81
TOTAL	11,170	1,536	9,634	4,233	5,401	3,953	1,448

5.75 On this basis, in WECA, dwellings are needed for only 9,754 households (650 per annum) that aspire to homeownership who have at least £5,000 in savings and incomes above the relevant threshold (1648 + 6458 + 1648). In North Somerset, dwellings are needed for the identified 1,448 households (97 per annum). These figures are approximately a tenth of the totals that were originally identified (see paragraph 5.67).

5.76 Whilst it will be a policy decision as to how much of the additional need for affordable homeownership from households able to afford market rent should be provided, it would seem appropriate to only plan for the needs of those households likely to form an effective demand (i.e. those able to afford the various products that will be available) in addition to the households unable to afford to rent or own market housing. Figure 92 provides a breakdown of affordable housing on this basis:

Figure 92: Overall need for Affordable Housing 2020-35 in WECA and 2023-38 in North Somerset, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

WECA 2020-35 TOTAL	Affordable Housing Need		Total Affordable Housing (Households)
	Households unable to afford	Households aspiring to home ownership	
1 bedroom	2,408	3,458	5,867
2 bedrooms	5,668	3,862	9,530
3 bedrooms	7,301	2,022	9,323
4+ bedrooms	2,878	412	3,289
TOTAL HOUSING NEED	18,255	9,754	28,009

N SOMERSET 2023-38 TOTAL	Affordable Housing Need		Total Affordable Housing (Households)
	Households unable to afford	Households aspiring to home ownership	
1 bedroom	466	420	886
2 bedrooms	1,291	548	1,839
3 bedrooms	1,201	399	1,601
4+ bedrooms	396	81	476
TOTAL HOUSING NEED	3,354	1,448	4,802

5.77 The LHNA identifies an overall affordable housing need from 28,009 households in WECA over the 15-year period 2020-35 (1,867 per annum) and a further 4,802 in North Somerset over the period 2023-38 (320 per annum). This includes the needs from all households unable to afford to rent or own market housing and also provides for those households who aspire to homeownership but who cannot afford to buy, where there is a realistic prospect of those households being able to purchase an affordable homeownership product.

5.78 However, it is important to recognise that there are many more households who aspire to homeownership who either do not have sufficient income or savings that would enable them to realise their aspiration. It is also important to recognise that these figures assume that the number of households in receipt of housing benefit to enable them to afford market housing in the private rented sector does not change. In determining the affordable housing requirement, the West of England authorities may want to consider these households alongside those households living in private rented housing who aspire to home ownership.

Affordable Rent

5.79 Within the overall need of affordable homes identified, it is possible to further consider the mix of affordable housing products that would be appropriate based on the mix of households needing affordable housing⁴². In order to profile affordability, income data from the English Housing Survey (2012-14) and ONS Survey of Personal Incomes (2014 and 2018) has been combined and modelled to establish the income distribution by household type and age. This excludes any income from housing benefit, as the analysis seeks to determine to what extent housing benefit would be needed by households in each group.

5.80 As discussed in Chapter 3, the types of affordable housing that households can afford is influenced by the percentage of income that is assumed to be available to pay rent or mortgage costs. Figure 35 identified the minimum annual income in the West of England needed to afford Affordable Rents⁴³ by property size (based on spending up to 35% of total income). This allows for disaggregation of the cohort that are unable to afford market rents to be disaggregated into those who can, and those that cannot afford Affordable Rents. Figure 93 presents the same data as Figure 92, but with those unable to afford disaggregated in this manner.

Figure 93: Overall need for Affordable Housing in LAs of WECA 2020-35 and North Somerset 2023-38 disaggregated based on ability to access affordable rents, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

BATH AND NORTH EAST SOMERSET 2020-35	Affordable Housing Need			Total Affordable Housing (Households)
	Unable to Afford Market Rent		Households aspiring to home ownership (Figure 91)	
	Unable to afford affordable rent	Able to afford affordable rent		
1 bedroom	235	36	564	835
2 bedrooms	673	162	560	1,396
3 bedrooms	632	251	423	1,305
4+ bedrooms	304	92	101	497
TOTAL HOUSING NEED	1,844	541	1,648	4,033
Overall Percentage	46%	13%	41%	100%

BRISTOL 2020-35	Affordable Housing Need			Total Affordable Housing (Households)
	Unable to Afford Market Rent		Households aspiring to home ownership (Figure 91)	
	Unable to afford affordable rent	Able to afford affordable rent		
1 bedroom	1,573	182	2,558	4,313
2 bedrooms	2,511	564	2,560	5,636
3 bedrooms	3,536	1,169	1,155	5,861
4+ bedrooms	1,538	424	184	2,146
TOTAL HOUSING NEED	9,158	2,340	6,458	17,956
Overall Percentage	51%	13%	36%	100%

⁴² This section is about need and not supply, nor whether it is feasible to supply sufficient homes to meet the need in any particular LPA. The supply to deliver against the need may be affected by such factors as thresholds for affordable housing on individual sites where, for example, a smaller proportion of affordable housing or none may be required on smaller sites.

⁴³ The rent for affordable rent housing (inclusive of service charges) must not exceed 80% of gross market rent.

SOUTH GLOUCESTERSHIRE 2020-35	Affordable Housing Need			Total Affordable Housing (Households)
	Unable to Afford Market Rent		Households aspiring to home ownership (Figure 91)	
	Unable to afford affordable rent	Able to afford affordable rent		
1 bedroom	318	65	336	719
2 bedrooms	1,273	484	742	2,498
3 bedrooms	1,245	468	444	2,157
4+ bedrooms	383	137	126	646
TOTAL HOUSING NEED	3,219	1,153	1,648	6,020
Overall Percentage	53%	19%	27%	100%

WECA 2020-35 TOTAL	Affordable Housing Need			Total Affordable Housing (Households)
	Unable to Afford Market Rent		Households aspiring to home ownership (Figure 92)	
	Unable to afford affordable rent	Able to afford affordable rent		
1 bedroom	2,126	282	3,458	5,867
2 bedrooms	4,457	1,211	3,862	9,530
3 bedrooms	5,413	1,888	2,022	9,323
4+ bedrooms	2,225	653	412	3,289
TOTAL HOUSING NEED	14,222	4,033	9,754	28,009
Overall Percentage	51%	14%	35%	100%

N SOMERSET 2023-38	Affordable Housing Need			Total Affordable Housing (Households)
	Unable to Afford Market Rent		Households aspiring to home ownership (Figure 91)	
	Unable to afford affordable rent	Able to afford affordable rent		
1 bedroom	377	89	420	886
2 bedrooms	941	350	548	1,839
3 bedrooms	839	362	399	1,601
4+ bedrooms	275	120	81	476
TOTAL HOUSING NEED	2,433	921	1,448	4,802
Overall Percentage	51%	19%	30%	100%

Future Policy on Housing Benefit in the Private Rented Sector

- 5.81 The analysis recognises **the importance of housing benefit and the role of the private rented sector**. It is assumed that the number of households in receipt of housing benefit in the private rented sector will remain constant; however, this is a national policy decision which is not within the Council's control.
- 5.82 It is important to note that private rented housing (with or without housing benefit) does not meet the NPPF definition of affordable housing. However, many tenants that rent from a private landlord can only afford their housing costs as they receive housing benefit. These households aren't counted towards the need for affordable housing (as housing benefit enables them to afford their housing costs), but if housing benefit support was no longer provided (or if there wasn't sufficient private rented housing available at a price they could afford) then this would increase the need for affordable housing.
- 5.83 The analysis adopts a neutral position in relation to this housing benefit support, insofar as it assumes that the number of claimants in receipt of housing benefit in the private rented sector will remain constant. **The assessment does not count any dwellings in the private rented sector as affordable housing supply;** however, it does assume that housing benefit will continue to help some households to afford their housing costs, and as a consequence these households will not need affordable housing.
- 5.84 The baseline analysis identified 18,255 households in WECA that would be unable to afford housing costs 2020-35, and 3,354 in North Somerset 2023-38 (Figure 93 – total unable to afford market rent). This assumes no change in the number of households receiving housing benefit to enable them to live in the private rented sector. There are likely to be around 8,629 households renting privately with housing benefit support in WECA at the start of the period in 2020 (BANES: 980, Bristol: 5,339, S Glos: 2,310) and a further 3,259 in North Somerset in 2023. To also provide affordable housing for these households would increase the overall affordable housing need in WECA to around 26,900 households and around 6,600 in North Somerset (these figures exclude those aspiring to home ownership). In this scenario, it is also important to recognise that the private rented housing currently occupied by households in receipt of housing benefit would be released back to the market, which is likely to have significant consequences on the housing market which are difficult to predict.
- 5.85 PPG (both the current version and the previous version) states that *"care should be taken to ... include only those households who cannot afford to access suitable housing in the market"* [ID 2a-020-20190220]. Given that households in receipt of housing benefit receive a specific payment to enable them to afford suitable housing in the market, these households should only be counted as part of the affordable housing need if that payment was withdrawn. That would be a policy decision, albeit at a national level.
- 5.86 It is well-established that housing need should be established leaving aside policy considerations,⁴⁴ so it would be wrong to assume housing benefit was to be withdrawn from households renting privately when assessing the level of affordable housing need. The approach taken by the LHNA is policy neutral, assuming no change in the number of claimants. Evidently, it would be a policy-on position to assume that the position was going to radically change, so that could not form part of the assessment of need. However, when establishing the affordable housing requirement – i.e. a figure which also reflects any policy considerations – a local planning authority could seek to reduce the number of households rented privately in receipt of housing benefit as a policy aspiration. That wouldn't change the need, but it could influence the affordable housing policy target.

⁴⁴ Gallagher Homes v Solihull MBC; [2014] EWHC 1283 (Admin)

Establishing the Affordable Housing Policy Target

- 5.87 Further work will be needed to establish the appropriate policy target which will only become available later in the plan-making process. This will need to take account of the overall housing supply to be included in any future plan and establish which sites would not be subject to the affordable housing policy. It would also be necessary to make allowance for any completions within the plan period and housing on sites with existing permissions, both in terms of the overall number of homes and any affordable housing that this includes.
- 5.88 The figures presented assume that the backlog set out above (Figure 73 to Figure 76) does not grow over time. Therefore, the local authorities would be required to annually deliver the number of homes set out in Figure 84 to prevent the backlog of need rising until their Local Plan commences. Any under-delivery would add to the backlog of need and any over-delivery would reduce the backlog, hence reducing the need required to be delivered during the plan period. Any losses from the current stock (such as demolition or clearance, or sales through Right to Buy) would also increase the number of affordable dwellings needed by an equivalent amount. However, if the local authorities are able to bring vacant stock back in to use, or can increase the rate of turnover in the existing affordable stock, then this would reduce their future need levels.
- 5.89 The information on supply would need to be considered alongside any Duty-to-Cooperate discussions and/or agreements relating to meeting unmet needs. Only then will it be possible to consider how the number of homes identified within the affordable housing need can be delivered on qualifying sites to establish the relevant percentage. The policy target would need to be higher than the identified percentage as some qualifying sites will not deliver at the policy target due to their specific constraints.
- 5.90 The affordable housing policy target in local plans would need to be considered in the context of economic viability. Local viability assessments are likely to determine the actual affordable housing target (as a proportion of market housing sites) and should help in providing a view on the deliverability of such a tenure mix, based upon local market evidence.
- 5.91 If an identified target is higher than the maximum identified by viability work it would have to be reduced, which is likely to result in unmet affordable housing need. Given this position, the council(s) in question would need to consider whether an uplift to the LHN could be justified when establishing the housing requirement. However, as the LHN itself already incorporates a significant uplift beyond the household projection-based housing need, a further uplift to market housing may prove difficult to sustain. On this basis, whilst an uplift might be appropriate, it would be necessary to fully understand the impact of any proposed increase on other aspects of the plan (such as employment growth) to ensure consistency. It would also be important to ensure that there was clearly identified demand for the additional market housing and that this could be sustained over the longer-term plan period; and where there was uncertainty, it may be more appropriate to consider any uplift being identified as additional supply to provide flexibility within the plan rather than increasing the housing requirement and associated affordable housing target.
- 5.92 If an identified target is lower than the maximum identified by viability, there is the prospect to consider if there are any justifications for a higher target. This might include helping to meet unmet affordable housing need from elsewhere in the HMA (or other neighbouring areas) or other strategic decisions, such as reducing the number of households renting privately in receipt of housing benefit.

- ^{5.93} The appropriate balance between rented affordable housing and affordable home ownership will also need to be considered in the context of economic viability; though it will be important to ensure that the identified affordable housing need for those households unable to afford to rent or own market housing is met in full. It will also be necessary to consider the target for affordable home ownership in the context of the Government's target of at least 10% of new housing to be provided in this way, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups.

6. Overall Housing Need

Local Housing Need based on the Standard Method

Introduction

- 6.1 The NPPF confirms that planning authorities should normally use the standard methodology to establish a minimum Local Housing Need (LHN) figure. Using the process set out in Planning Practice Guidance for Housing Need Assessment [ID2a-004-20201216] the minimum annual Local Housing Need figure for 2020 can be established as follows:

Figure 94: Establishing the minimum LHN figure for the West of England (Source: CLG, ORS; Note: Annual housing figures are rounded to the nearest whole number)

Local Authority	Step 1: Setting the Baseline	Step 2: Affordability Adjustment + Step 3: Cap				Step 4: Cities and Urban Centres Uplift		15 yr LHN (LHN x 15)	20 yr LHN (LHN x 20)
	CLG 2014-based Avg Annual HH Increase 2020-30	Afford Ratio 2019	SM Uplift	40% Cap applies?	Annual HH Increase x Uplift	35% uplift applies?	Final Annual LHN (inc 35% uplift where applicable)		
BANES	468	10.16	1.39	No	648	No	648	9,720	12,960
Bristol	1,824	8.77	1.30	No	2,368	Yes	3,196	47,940	63,920
S Glos	1,088	8.77	1.30	No	1,412	No	1,412	21,180	28,240
WECA Total	3,380	-	-	-	4,428	-	5,256	78,840	105,120
N Somerset	1,004	9.76	1.36	No	1,365	No	1,365	20,475	27,300
WoE Total	4,383	-	-	-	5,793	-	6,621	99,315	N/A

- 6.2 Based on these calculations, the minimum Local Housing Need figure across the whole of the West of England is 6,621 dwellings per annum. This translates to 99,315 dwellings (6,621 x 15) across the fifteen-year period.

Establishing the Housing Target

- 6.3 The LHN provides the starting point for establishing the final housing requirement which will be planned for through strategic policies. This is confirmed by PPG at the outset of the section on assessing housing and economic development needs:

Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations.

Planning Practice Guidance, ID 2a-001-20190220

- 6.4 In determining the local plan housing target, it will be necessary for the local authorities to consider whether the LHN could be met within their area, taking account of other relevant factors, such as any constraints on land availability.
- 6.5 In the case of WECA, strategic policies are being produced jointly, therefore according to PPG, the WECA total (i.e. the sum of the local housing need for each local planning authority within the area) is the appropriate number to plan to use for planning purposes (see quote after paragraph 2.7):

In such cases the housing need for the defined area should at least be the sum of the local housing need for each local planning authority within the area. It will be for the relevant strategic policy-making authority to distribute the total housing requirement which is then arrived at across the plan area.

Planning Practice Guidance, ID 2a-013-20201216

- 6.6 Where local authorities are unable to meet their LHN in full, it will be necessary for them to engage with neighbouring authorities through the Duty to Co-operate discussion. This should establish if any of the identified housing need that isn't able to be delivered locally (the "unmet need") could be provided for in other areas.
- 6.7 The PPG also indicates that the housing comprising the 35% housing uplift (which applies to Bristol) is expected to be met within the authority in question:

Where should the cities and urban centres uplift be met?

This increase in the number of homes to be delivered in urban areas is expected to be met by the cities and urban centres themselves, rather than the surrounding areas, unless it would conflict with national policy and legal obligations...

Planning Practice Guidance, ID 2a-035-20201216

- 6.8 In reading the above guidance it may be noted that the Duty to Co-operate itself constitutes a legal obligation.

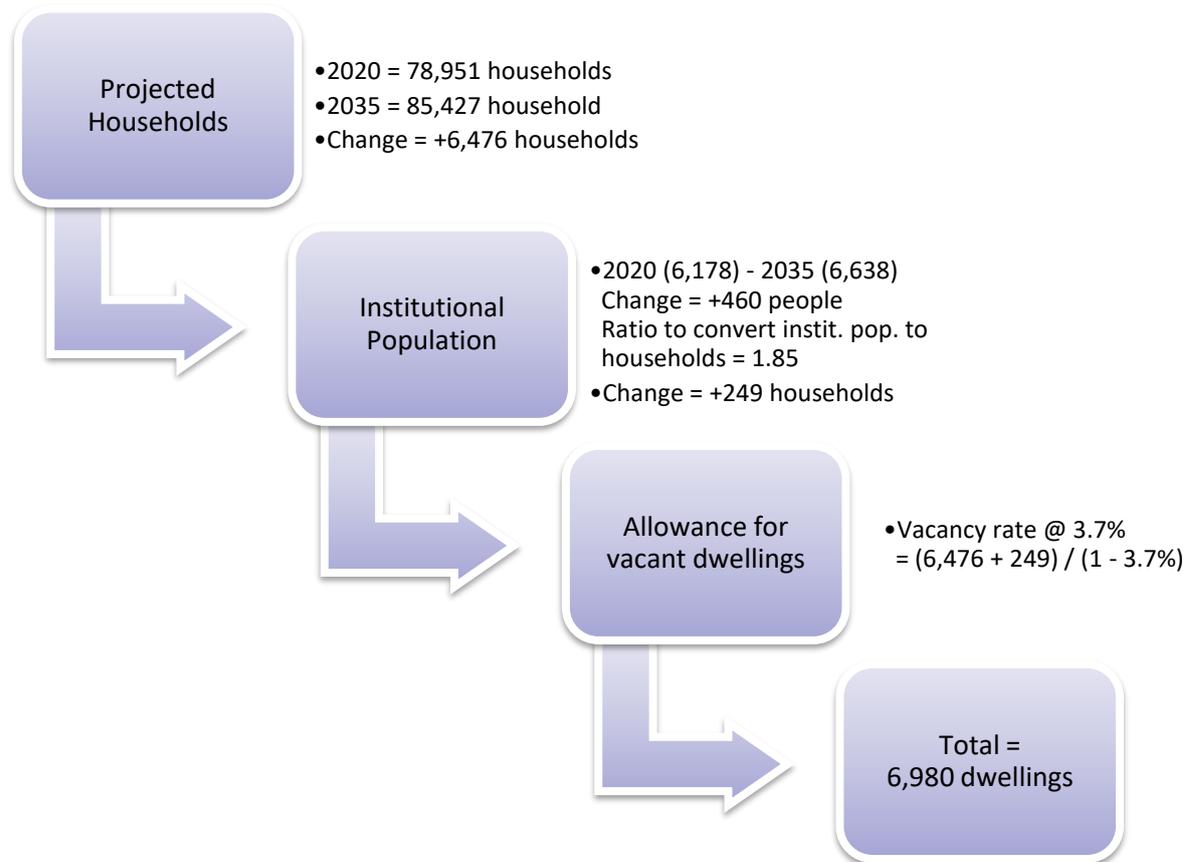
Disaggregating the Minimum Local Housing Need figure for Bath and North East Somerset 2020-35

- 6.9 Although the LHN figures are informed by the trend-based household projections, the affordability adjustment (39%) means that the LHN figure is higher than the household projection-based estimate of housing need. This increase is designed to help respond to housing market pressures which may have suppressed past rates of household formation.
- 6.10 Given this context, delivering the number of homes that the minimum LHN identifies will yield a different population and household growth to that projected using past trends alone. In assessing the appropriate mix of housing, it is necessary to establish demographic projections to align with the number of homes identified by the standard method.
- 6.11 The demographic projections for the LHNA are based on the latest official projections and cover the 15-year period 2020-2035. They are informed by the latest ONS mid-year estimates⁴⁵, and take account of the most up-to-date fertility and mortality rates and the latest migration trends. Whilst recent trends provide the starting point, the model aligns household growth with the LHN target through varying two key assumptions:
- » Household formation rates for younger households are adjusted on the basis that the Government's objective of providing more homes will enable more households to form. The analysis assumes that household formation rates for all age groups under 45 will progressively increase towards the equivalent rate that was recorded in 2001; and
 - » Where household formation rates for all age groups under 45 have returned to the levels recorded in 2001, the rate of net inward migration is increased to align the overall household growth with the number of dwellings identified by the LHN target.
- 6.12 Figure 95 sets out the separate elements that will contribute to the LHN. These include:
- » Household growth over the 15-year period calculated on trend-based projections;
 - » Institutional population growth over the 15-year period needing communal accommodation;
 - » Dwellings without a usually resident household (either vacant homes or second homes);
 - » Additional dwellings to respond to pent-up housing market pressure.
- 6.13 Institutional population growth refers to the increase in the population living in communal establishments, such as care homes, prisons, defence bases and student halls of residence. This group are not counted within the household population (those that live as household in a dwelling); but are within the total population.
- 6.14 The Housing Delivery Test Measurement Rule Book⁴⁶ requires that communal accommodation is included as part of delivery. The calculation used to establish the communal accommodation requirement (i.e. convert the communal population to a household equivalent) is the change in communal/institutional population divided by the average number of adults per household based on Census data. For Bath and North East Somerset, the average number of number of adults per household is 1.85.

⁴⁵ The ONS reissued the official estimates for mid-2012 to mid-2016 in March 2018 following methodological improvements

⁴⁶ <https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book>

Figure 95: Elements of housing need – Bath and North East Somerset (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency)

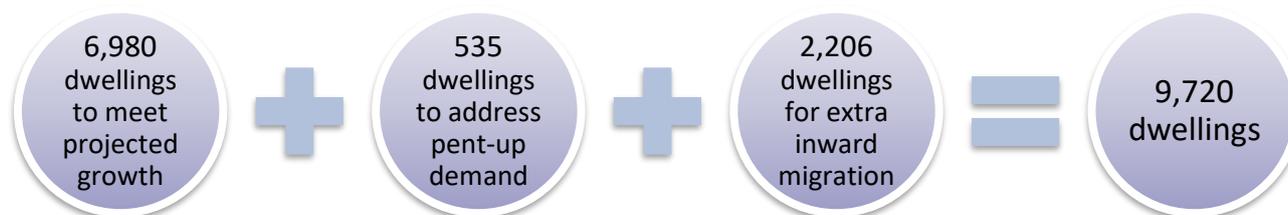


- 6.15 At this point in our reporting, we are referring to dwellings rather than households. A dwelling is usually occupied by a single household although in some cases two households may share a dwelling (see glossary). Importantly, we need to make an allowance for an inevitable base level of vacant properties and the word household becomes misleading.
- 6.16 Thus, the number of dwellings needed to deal with the projected household and institutional population growth is 6,725. However, if we assume that just under 4%⁴⁷ of dwellings will be unoccupied at any one time this means that a total of 6,980 dwellings are required.
- 6.17 The local housing need has already been identified as 648 dwellings per annum, which translates to 9,720 dwellings (648 x 15) across the fifteen-year period. This leaves a difference between the housing need figure of 9,720 dwellings and the population projected need of 6,980 dwellings.
- 6.18 This additional need is made up from two elements
- » Enabling more households to form⁴⁸ (from the pent-up housing demand) = 535 dwellings
 - » Enabling more net inward migration⁴⁹ = 2,206 dwellings

⁴⁷ Based on 2011 Census data at a local authority level

⁴⁸ Based on the assumption that household formation rates for all age groups under 45 are currently constrained and allowing them to return to the equivalent rates recorded in 2001

⁴⁹ Once household formation rates reach the 2001 level any additional uplift is assumed to provide housing for an additional population based on increased net migration



- 6.19 These 9,720 overall dwellings can be separated into market and affordable housing. A component of affordable housing as outlined in Chapter 5 is affordable home ownership for those that aspire to own. Some of the 2,741 (535 + 2,206) extra dwellings to meet the LHN beyond projected growth will inevitably be occupied by residents that aspire to home ownership, and the impact of this group on the affordable housing numbers calculated in Chapter 5 is calculated below.

Figure 96: Extra households beyond projected in Bath and North East Somerset (LHN scenario): Affordable homeownership housing mix by household affordability 2020-2035 (Source: ORS Housing Model)

BANES 2020-35	All households aspiring to home ownership	Households able to afford market home ownership	Households aspire to home ownership but cannot afford to buy	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	131	25	106	42	64	37	27
2 bedrooms	220	26	194	97	97	70	27
3 bedrooms	187	14	174	90	84	63	20
4+ bedrooms	42	1	41	26	15	10	5
TOTAL	580	65	515	255	259	180	79

- 6.20 Figure 96 applies the same calculation to the extra residents as was presented in Figure 91 for households that formed projected growth. Extra dwellings are needed to accommodate the 79 households that aspire to homeownership that have at least £5,000 in savings and have incomes above the relevant threshold.
- 6.21 The previous analysis (Figure 91) identified 1,648 households that could afford an affordable homeownership option and had savings of £5,000 or more. Combining this with the 79 extra households identified, this totals 1,728 households that will aspire to homeownership and have the financial means. Application of the affordable vacancy rate (just over 1%)⁵⁰ yields 1,751 affordable homeownership dwellings (Figure 97).

Figure 97: Summary of households likely to be able to access affordable home ownership in Bath and North East Somerset LHN scenario 2020-35 (Source ORS Housing Model, Census)

BANES 2020-35	Households able to afford and have savings of £5,000 or more (Base Scenario)	Households able to afford and have savings of £5,000 or more (Uplift for LHN)	Total	Dwellings
1 bedroom	564	27	591	599
2 bedrooms	560	27	587	595
3 bedrooms	423	20	443	449
4+ bedrooms	101	5	106	107
TOTAL	1,648	79	1,728	1,751

⁵⁰ Based on 2011 Census data at a local authority level

- 6.22 Figure 98 shows the result of applying the vacancy rate for affordable homes to the summary of households in Figure 93. These affordable homes are subtracted from the overall dwelling need calculated above, disaggregating the number of market homes implied by the LHN. Note that the 258 institutional dwellings are the result of applying the market vacancy rate to the 249 institutional households identified in Figure 95.

Figure 98: Overall need for Market and Affordable Dwellings for Bath and North East Somerset 2020-35 (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding. Note that minus figure denotes a reduction in need over the period.)

BANES 2020-35		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable Home Ownership			
		Social rent	Affordable Rent				
Flat	1 bedroom	238	36	599	874	-425	449
	2+ bedrooms	266	74	180	520	671	1,191
House	1-2 bedrooms	487	117	416	1,020	214	1,234
	3 bedrooms	577	229	449	1,254	3,536	4,790
	4 bedrooms	235	71	88	395	1,095	1,490
	5+ bedrooms	67	20	19	106	201	307
TOTAL HOUSING NEED		1,870	548	1,751	4,169	5,293	9,462
Dwellings for Institutional Pop		-	-	-	-	258	258
LHN		1,870	548	1,751	4,169	5,551	9,720

- 6.23 Figure 99 shows the components of housing need presented in Figure 98 as percentages of the 9,720 overall dwelling need calculated with the standard method in Figure 94.

Figure 99: Overall need for Market and Affordable Dwellings for Bath and North East Somerset 2020-35 as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding. Note that minus figure denotes a reduction in need over the period.)

BANES 2020-35		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable Home Ownership			
		Social rent	Affordable Rent				
Flat	1 bedroom	2.5%	0.4%	6.2%	9.0%	-4.4%	4.6%
	2+ bedrooms	2.7%	0.8%	1.8%	5.4%	6.9%	12.3%
House	1-2 bedrooms	5.0%	1.2%	4.3%	10.5%	2.2%	12.7%
	3 bedrooms	5.9%	2.4%	4.6%	12.9%	36.4%	49.3%
	4 bedrooms	2.4%	0.7%	0.9%	4.1%	11.3%	15.3%
	5+ bedrooms	0.7%	0.2%	0.2%	1.1%	2.1%	3.2%
TOTAL HOUSING NEED		19.2%	5.6%	18.0%	42.9%	54.5%	97.3%
Dwellings for Institutional Pop		-	-	-	-	2.7%	2.7%
LHN		19.2%	5.6%	18.0%	42.9%	57.1%	100.0%
%age of total affordable		44.9%	13.1%	42.0%	100%	-	-

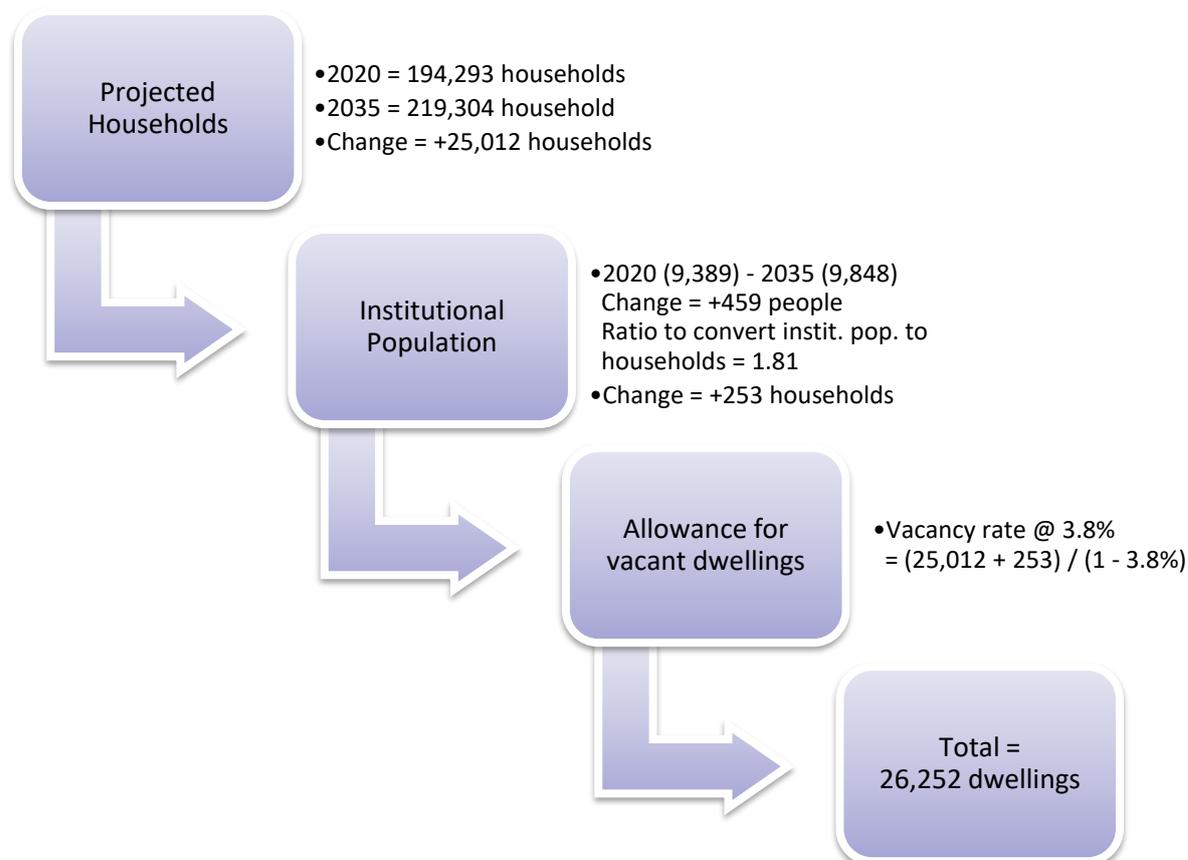
Disaggregating the Minimum Local Housing Need figure for Bristol 2020-35

- 6.24 Although the LHN figures are informed by the trend-based household projections, the uplifts (30% plus a further 35% urban uplift) means that the LHN figure is higher than the household projection-based estimate of housing need. This increase is designed to help respond to housing market pressures which may have suppressed past rates of household formation.
- 6.25 Given this context, delivering the number of homes that the minimum LHN identifies will yield a different population and household growth to that projected using past trends alone. In assessing the appropriate mix of housing, it is necessary to establish demographic projections to align with the number of homes identified by the standard method.
- 6.26 The demographic projections for the LHNA are based on the latest official projections and cover the 15-year period 2020-2035. They are informed by the latest ONS mid-year estimates⁵¹, and take account of the most up-to-date fertility and mortality rates and the latest migration trends. Whilst recent trends provide the starting point, the model aligns household growth with the LHN target through varying two key assumptions:
- » Household formation rates for younger households are adjusted on the basis that the Government's objective of providing more homes will enable more households to form. The analysis assumes that household formation rates for all age groups under 45 will progressively increase towards the equivalent rate that was recorded in 2001; and
 - » Where household formation rates for all age groups under 45 have returned to the levels recorded in 2001, the rate of net inward migration is increased to align the overall household growth with the number of dwellings identified by the LHN target.
- 6.27 Figure 95 sets out the separate elements that will contribute to the LHN. These include:
- » Household growth over the 15-year period calculated on trend-based projections;
 - » Institutional population growth over the 15-year period needing communal accommodation;
 - » Dwellings without a usually resident household (either vacant homes or second homes);
 - » Additional dwellings to respond to pent-up housing market pressure.
- 6.28 Institutional population growth refers to the increase in the population living in communal establishments, such as care homes, prisons, defence bases and student halls of residence. This group are not counted within the household population (those that live as household in a dwelling); but are within the total population.
- 6.29 The Housing Delivery Test Measurement Rule Book⁵² requires that communal accommodation is included as part of delivery. The calculation used to establish the communal accommodation requirement (i.e. convert the communal population to a household equivalent) is the change in communal/institutional population divided by the average number of adults per household based on Census data. For Bristol, the average number of number of adults per household is 1.81.

⁵¹ The ONS reissued the official estimates for mid-2012 to mid-2016 in March 2018 following methodological improvements

⁵² <https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book>

Figure 100: Elements of housing need - Bristol (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency)



6.30 At this point in our reporting, we are referring to dwellings rather than households. A dwelling is usually occupied by a single household although in some cases two households may share a dwelling (see glossary). Importantly, we need to make an allowance for an inevitable base level of vacant properties and the word household becomes misleading.

6.31 Thus, the number of dwellings needed to deal with the projected household and institutional population growth is 25,265. However, if we assume that just under 4%⁵³ of dwellings will be unoccupied at any one time this means that a total of 26,252 dwellings are required.

6.32 The local housing need has already been identified as 3,196 dwellings per annum, which translates to 47,940 dwellings (3,196 x 15) across the fifteen-year period. This leaves a difference between the housing need figure of 47,940 dwellings and the population projected need of 26,252 dwellings.

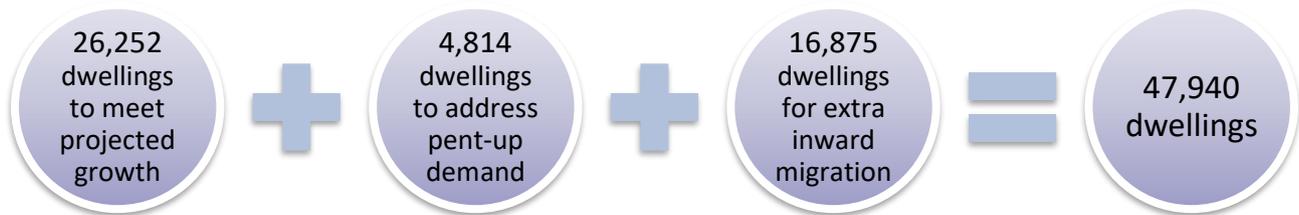
6.33 This additional need is made up from two elements

- » Enabling more households to form⁵⁴ (from the pent-up housing demand) = 4,814 dwellings
- » Enabling more net inward migration⁵⁵ = 16,875 dwellings

⁵³ Based on 2011 Census data at a local authority level

⁵⁴ Based on the assumption that household formation rates for all age groups under 45 are currently constrained and allowing them to return to the equivalent rates recorded in 2001

⁵⁵ Once household formation rates reach the 2001 level any additional uplift is assumed to provide housing for an additional population based on increased net migration



- 6.34 These 47,940 overall dwellings can be separated into market and affordable housing. A component of affordable housing as outlined in Chapter 5 is affordable home ownership for those that aspire to own. Some of the 21,689 (4,814 + 16,875) extra dwellings to meet the LHN beyond projected growth will inevitably be occupied by residents that aspire to home ownership, and the impact of this group on the affordable housing numbers calculated in Chapter 5 is calculated below.

Figure 101: Extra households beyond projected in Bristol (LHN scenario): Affordable homeownership housing mix by household affordability 2020-2035 (Source: ORS Housing Model)

BRISTOL 2020-35	All households aspiring to home ownership	Households able to afford market home ownership	Households aspire to home ownership but cannot afford to buy	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	1,824	267	1,557	815	742	433	308
2 bedrooms	2,516	282	2,234	1,175	1,059	750	308
3 bedrooms	1,405	87	1,318	775	543	404	139
4+ bedrooms	195	1	194	136	58	36	22
TOTAL	5,940	636	5,304	2,902	2,402	1,624	778

- 6.35 Figure 101 applies the same calculation to the extra residents as was presented in Figure 91 for households that formed projected growth. Extra dwellings are needed to accommodate the 778 households that aspire to homeownership that have at least £5,000 in savings and have incomes above the relevant threshold.
- 6.36 The previous analysis (Figure 91) identified 6,458 households that could afford an affordable homeownership option and had savings of £5,000 or more. Combining this with the 778 extra households identified, this totals 7,236 households that will aspire to homeownership and have the financial means. Application of the affordable vacancy rate (just under 1%)⁵⁶ yields 7,290 affordable homeownership dwellings (Figure 102).

Figure 102: Summary of households likely to be able to access affordable home ownership in Bristol LHN scenario (Source ORS Housing Model, Census)

BRISTOL 2020-35	Households able to afford and have savings of £5,000 or more (Base Scenario)	Households able to afford and have savings of £5,000 or more (Uplift for LHN)	Total	Dwellings
1 bedroom	2,558	308	2,867	2,888
2 bedrooms	2,560	308	2,869	2,890
3 bedrooms	1,155	139	1,294	1,304
4+ bedrooms	184	22	206	208
TOTAL	6,458	778	7,236	7,290

⁵⁶ Based on 2011 Census data at a local authority level

6.37 Figure 103 shows the result of applying the vacancy rate for affordable homes to the summary of households in Figure 93. These affordable homes are subtracted from the overall dwelling need calculated above, disaggregating the number of market homes implied by the LHN. Note that the 263 institutional dwellings are the result of applying the market vacancy rate to the 253 institutional households identified in Figure 100.

Figure 103: Overall need for Market and Affordable Dwellings in Bristol 2020-35 (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

BRISTOL 2020-35		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable home ownership			
		Social Rent	Affordable Rent				
Flat	1 bedroom	1,584	183	2,888	4,655	3,109	7,764
	2+ bedrooms	1,705	410	1,122	3,237	7,489	10,726
House	1-2 bedrooms	1,108	249	1,768	3,124	2,714	5,838
	3 bedrooms	3,332	1,102	1,304	5,738	13,921	19,659
	4 bedrooms	1,162	321	186	1,669	1,659	3,328
	5+ bedrooms	334	92	22	448	-86	362
TOTAL HOUSING NEED		9,226	2,357	7,290	18,873	28,804	47,677
Dwellings for Institutional Pop		-	-	-	-	263	263
LHN		9,226	2,357	7,290	18,873	29,067	47,940

6.38 Figure 104 shows the components of housing need presented in Figure 103 as percentages of the 47,940 overall dwelling need calculated with the standard method in Figure 94.

Figure 104: Overall need for Market and Affordable Dwellings in Bristol 2020-35 as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

BRISTOL 2020-35		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable home ownership			
		Social Rent	Affordable Rent				
Flat	1 bedroom	3.3%	0.4%	6.0%	9.7%	6.5%	16.2%
	2+ bedrooms	3.6%	0.9%	2.3%	6.8%	15.6%	22.4%
House	1-2 bedrooms	2.3%	0.5%	3.7%	6.5%	5.7%	12.2%
	3 bedrooms	7.0%	2.3%	2.7%	12.0%	29.0%	41.0%
	4 bedrooms	2.4%	0.7%	0.4%	3.5%	3.5%	6.9%
	5+ bedrooms	0.7%	0.2%	0.0%	0.9%	-0.2%	0.8%
TOTAL HOUSING NEED		19.2%	4.9%	15.2%	39.4%	60.1%	99.5%
Dwellings for Institutional Pop		-	-	-	-	0.5%	0.5%
LHN		19.2%	4.9%	15.2%	39.4%	60.6%	100.0%
%age of total affordable		48.9%	12.5%	38.6%	100%	-	-

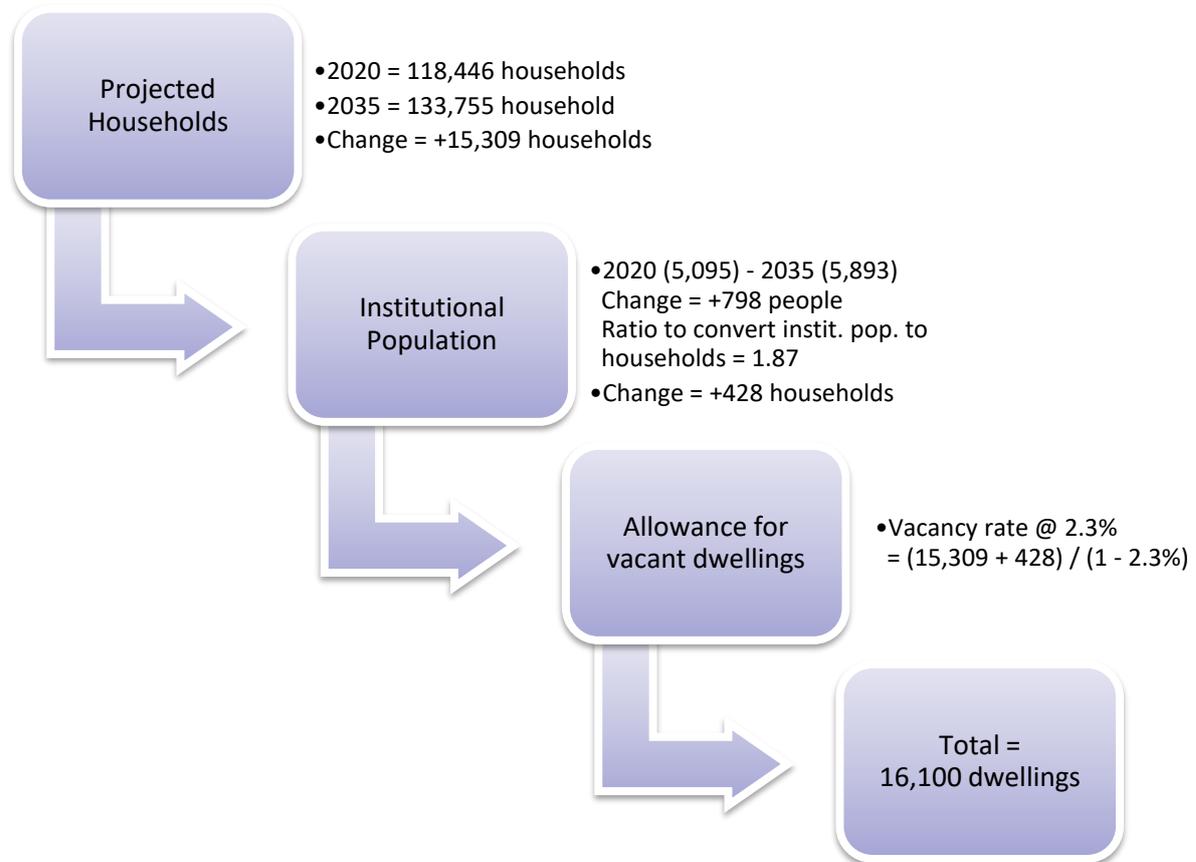
Disaggregating the Minimum Local Housing Need figure for South Gloucestershire 2020-35

- 6.39 Although the LHN figures are informed by the trend-based household projections, the affordability adjustment (30%) means that the LHN figure is higher than the household projection-based estimate of housing need. This increase is designed to help respond to housing market pressures which may have suppressed past rates of household formation.
- 6.40 Given this context, delivering the number of homes that the minimum LHN identifies will yield a different population and household growth to that projected using past trends alone. In assessing the appropriate mix of housing, it is necessary to establish demographic projections to align with the number of homes identified by the standard method.
- 6.41 The demographic projections for the LHNA are based on the latest official projections and cover the 15-year period 2020-2035. They are informed by the latest ONS mid-year estimates⁵⁷, and take account of the most up-to-date fertility and mortality rates and the latest migration trends. Whilst recent trends provide the starting point, the model aligns household growth with the LHN target through varying two key assumptions:
- » Household formation rates for younger households are adjusted on the basis that the Government's objective of providing more homes will enable more households to form. The analysis assumes that household formation rates for all age groups under 45 will progressively increase towards the equivalent rate that was recorded in 2001; and
 - » Where household formation rates for all age groups under 45 have returned to the levels recorded in 2001, the rate of net inward migration is increased to align the overall household growth with the number of dwellings identified by the LHN target.
- 6.42 Figure 95 sets out the separate elements that will contribute to the LHN. These include:
- » Household growth over the 15-year period calculated on trend-based projections;
 - » Institutional population growth over the 15-year period needing communal accommodation;
 - » Dwellings without a usually resident household (either vacant homes or second homes);
 - » Additional dwellings to respond to pent-up housing market pressure.
- 6.43 Institutional population growth refers to the increase in the population living in communal establishments, such as care homes, prisons, defence bases and student halls of residence. This group are not counted within the household population (those that live as household in a dwelling); but are within the total population.
- 6.44 The Housing Delivery Test Measurement Rule Book⁵⁸ requires that communal accommodation is included as part of delivery. The calculation used to establish the communal accommodation requirement (i.e. convert the communal population to a household equivalent) is the change in communal/institutional population divided by the average number of adults per household based on Census data. For South Gloucestershire, the average number of number of adults per household is 1.87.

⁵⁷ The ONS reissued the official estimates for mid-2012 to mid-2016 in March 2018 following methodological improvements

⁵⁸ <https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book>

Figure 105: Elements of housing need – South Gloucestershire (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency)



6.45 At this point in our reporting, we are referring to dwellings rather than households. A dwelling is usually occupied by a single household although in some cases two households may share a dwelling (see glossary). Importantly, we need to make an allowance for an inevitable base level of vacant properties and the word household becomes misleading.

6.46 Thus, the number of dwellings needed to deal with the projected household and institutional population growth is 15,737. However, if we assume that over 2%⁵⁹ of dwellings will be unoccupied at any one time this means that a total of 16,100 dwellings are required.

6.47 The local housing need has already been identified as 1,412 dwellings per annum, which translates to 21,180 dwellings (1,412 x 15) across the fifteen-year period. This leaves a difference between the housing need figure of 21,180 dwellings and the population projected need of 16,100 dwellings.

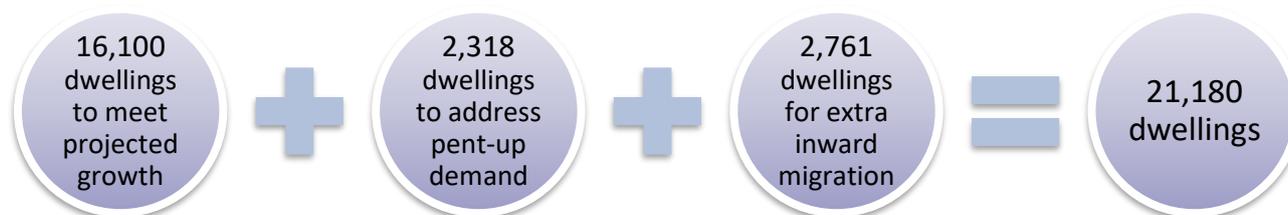
6.48 This additional need is made up from two elements:

- » Enabling more households to form⁶⁰ (from the pent-up housing demand) = 2,318 dwellings
- » Enabling more net inward migration⁶¹ = 2,761 dwellings

⁵⁹ Based on 2011 Census data at a local authority level

⁶⁰ Based on the assumption that household formation rates for all age groups under 45 are currently constrained and allowing them to return to the equivalent rates recorded in 2001

⁶¹ Once household formation rates reach the 2001 level any additional uplift is assumed to provide housing for an additional population based on increased net migration



- 6.49 These 21,180 overall dwellings can be separated into market and affordable housing. A component of affordable housing as outlined in Chapter 5 is affordable home ownership for those that aspire to own. Some of the 5,079 (2,318 + 2,761) extra dwellings to meet the LHN beyond projected growth will inevitably be occupied by residents that aspire to home ownership, and the impact of this group on the affordable housing numbers calculated in Chapter 5 is calculated below.

Figure 106: Extra households beyond projected in South Gloucestershire (LHN scenario): Affordable homeownership housing mix by household affordability 2020-2035 (Source: ORS Housing Model)

S GLOS 2020-35	All households aspiring to home ownership	Households able to afford market home ownership	Households aspire to home ownership but cannot afford to buy	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	109	15	94	47	47	27	20
2 bedrooms	365	42	323	169	155	111	44
3 bedrooms	293	17	277	169	108	81	26
4+ bedrooms	64	0	64	43	20	13	7
TOTAL	831	73	758	428	329	232	97

- 6.50 Figure 106 applies the same calculation to the extra residents as was presented in Figure 91 for households that formed projected growth. Extra dwellings are needed to accommodate the 97 households that aspire to homeownership that have at least £5,000 in savings and have incomes above the relevant threshold.
- 6.51 The previous analysis (Figure 91) identified 1,648 households that could afford an affordable homeownership option and had savings of £5,000 or more. Combining this with the 97 extra households identified, this totals 1,745 households that will aspire to homeownership and have the financial means. Application of the affordable vacancy rate (just under 1%)⁶² yields 1,759 affordable homeownership dwellings (Figure 107).

Figure 107: Summary of households likely to be able to access affordable home ownership in South Gloucestershire LHN scenario (Source ORS Housing Model, Census)

S GLOS 2020-35	Households able to afford and have savings of £5,000 or more (Base Scenario)	Households able to afford and have savings of £5,000 or more (Uplift for LHN)	Total	Dwellings
1 bedroom	336	20	356	359
2 bedrooms	742	44	785	791
3 bedrooms	444	26	470	474
4+ bedrooms	126	7	134	135
TOTAL	1,648	97	1,745	1,759

⁶² Based on 2011 Census data at a local authority level

6.52 Figure 108 shows the result of applying the vacancy rate for affordable homes to the summary of households in Figure 93. These affordable homes are subtracted from the overall dwelling need calculated above, disaggregating the number of market homes implied by the LHN. Note that the 438 institutional dwellings are the result of applying the market vacancy rate to the 428 institutional households identified in Figure 105.

Figure 108: Overall need for Market and Affordable Dwellings for South Gloucestershire (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

S GLOS 2020-35		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable Home Ownership			
		Social rent	Affordable Rent				
Flat	1 bedroom	321	65	359	745	453	1,198
	2+ bedrooms	523	198	137	858	854	1,713
House	1-2 bedrooms	821	312	654	1,788	1,803	3,590
	3 bedrooms	1,197	450	474	2,121	8,492	10,613
	4 bedrooms	304	109	118	531	2,661	3,192
	5+ bedrooms	78	28	17	122	314	436
TOTAL HOUSING NEED		3,244	1,162	1,759	6,165	14,578	20,742
Dwellings for Institutional Pop		-	-	-	-	438	438
LHN		3,244	1,162	1,759	6,165	15,016	21,180

6.53 Figure 109 shows the components of housing need presented in Figure 108 as percentages of the 21,180 overall dwelling need calculated with the standard method in Figure 94.

Figure 109: Overall need for Market and Affordable Dwellings for South Gloucestershire as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

S GLOS 2020-35		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable Home Ownership			
		Social rent	Affordable Rent				
Flat	1 bedroom	1.5%	0.3%	1.7%	3.5%	2.1%	5.7%
	2+ bedrooms	2.5%	0.9%	0.6%	4.1%	4.0%	8.1%
House	1-2 bedrooms	3.9%	1.5%	3.1%	8.4%	8.5%	17.0%
	3 bedrooms	5.7%	2.1%	2.2%	10.0%	40.1%	50.1%
	4 bedrooms	1.4%	0.5%	0.6%	2.5%	12.6%	15.1%
	5+ bedrooms	0.4%	0.1%	0.1%	0.6%	1.5%	2.1%
TOTAL HOUSING NEED		15.3%	5.5%	8.3%	29.1%	68.8%	97.9%
Dwellings for Institutional Pop		-	-	-	-	2.1%	2.1%
LHN		15.3%	5.5%	8.3%	29.1%	70.9%	100.0%
%age of total affordable		52.6%	18.8%	28.5%	100%	-	-

Disaggregating the Minimum Local Housing Need figure for WECA 2020-35

6.54 Figure 110 shows the result summing together the overall needs for each of Bath and North East Somerset, Bristol and South Gloucestershire calculated earlier (Figure 98, Figure 103 and Figure 108). This represents the total need for the WECA area 2020-35.

Figure 110: Overall need for Market and Affordable Dwellings for WECA (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

WECA 2020-35		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable Home Ownership			
		Social rent	Affordable Rent				
Flat	1 bedroom	2,143	285	3,846	6,274	3,138	9,411
	2+ bedrooms	2,494	683	1,439	4,615	9,015	13,630
House	1-2 bedrooms	2,416	678	2,838	5,932	4,730	10,662
	3 bedrooms	5,106	1,780	2,227	9,113	25,948	35,061
	4 bedrooms	1,702	500	393	2,595	5,415	8,010
	5+ bedrooms	479	140	57	676	429	1,106
TOTAL HOUSING NEED		14,339	4,067	10,800	29,206	48,675	77,881
Dwellings for Institutional Pop		-	-	-	-	959	959
LHN		14,339	4,067	10,800	29,206	49,634	78,840

6.55 Figure 111 shows the components of housing need presented in Figure 110 as percentages of the 78,840 overall dwelling need calculated with the standard method in Figure 94.

Figure 111: Overall need for Market and Affordable Dwellings as percentages of the WECA LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

WECA 2020-35		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable Home Ownership			
		Social rent	Affordable Rent				
Flat	1 bedroom	2.7%	0.4%	4.9%	8.0%	4.0%	11.9%
	2+ bedrooms	3.2%	0.9%	1.8%	5.9%	11.4%	17.3%
House	1-2 bedrooms	3.1%	0.9%	3.6%	7.5%	6.0%	13.5%
	3 bedrooms	6.5%	2.3%	2.8%	11.6%	32.9%	44.5%
	4 bedrooms	2.2%	0.6%	0.5%	3.3%	6.9%	10.2%
	5+ bedrooms	0.6%	0.2%	0.1%	0.9%	0.5%	1.4%
TOTAL HOUSING NEED		18.2%	5.2%	13.7%	37.0%	61.7%	98.8%
Dwellings for Institutional Pop		-	-	-	-	1.2%	1.2%
LHN		18.2%	5.2%	13.7%	37.0%	63.0%	100.0%
%age of total affordable		49.1%	13.9%	37.0%	100%	-	-

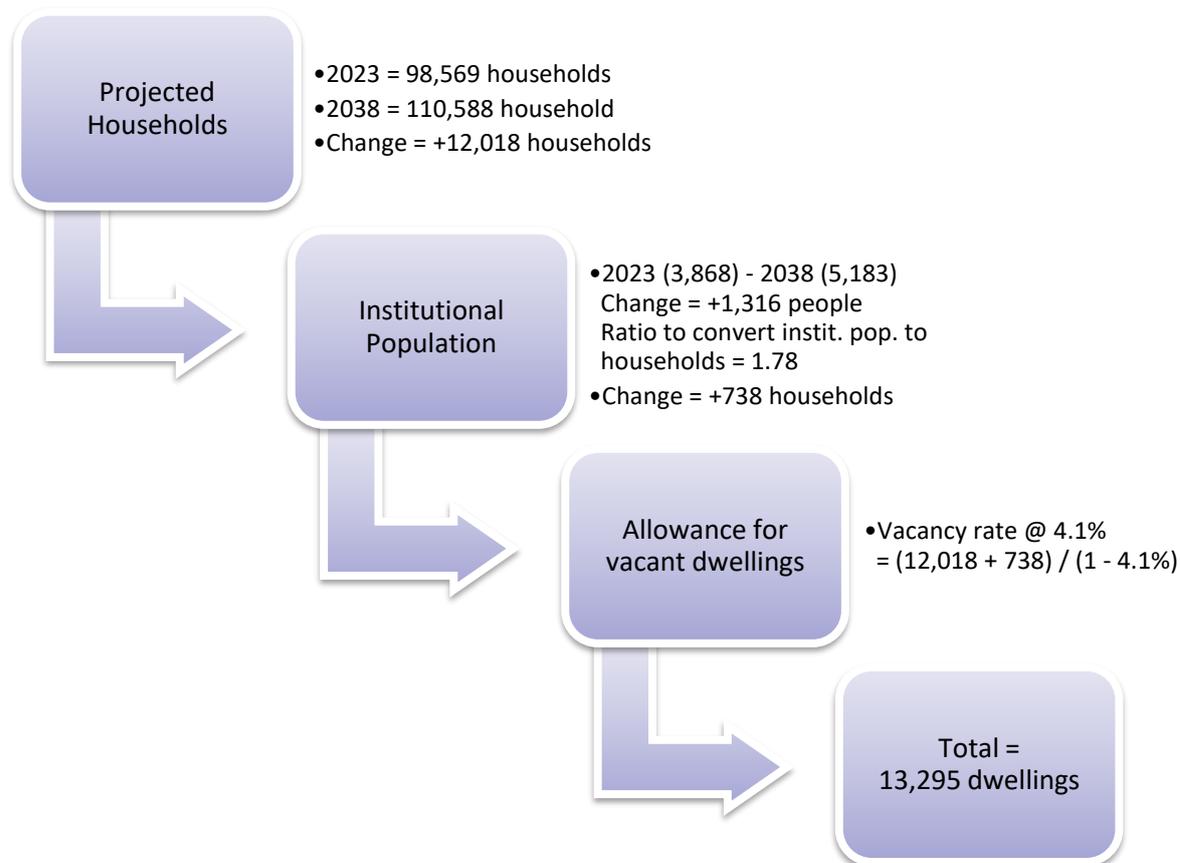
Disaggregating the Minimum Local Housing Need figure for North Somerset 2023-38

- 6.56 Although the LHN figures are informed by the trend-based household projections, the affordability adjustment (36%) means that the LHN figure is higher than the household projection-based estimate of housing need. This increase is designed to help respond to housing market pressures which may have suppressed past rates of household formation.
- 6.57 Given this context, delivering the number of homes that the minimum LHN identifies will yield a different population and household growth to that projected using past trends alone. In assessing the appropriate mix of housing, it is necessary to establish demographic projections to align with the number of homes identified by the standard method.
- 6.58 The demographic projections for the LHNA are based on the latest official projections and cover the 15-year period 2023-2038. They are informed by the latest ONS mid-year estimates⁶³, and take account of the most up-to-date fertility and mortality rates and the latest migration trends. Whilst recent trends provide the starting point, the model aligns household growth with the LHN target through varying two key assumptions:
- » Household formation rates for younger households are adjusted on the basis that the Government's objective of providing more homes will enable more households to form. The analysis assumes that household formation rates for all age groups under 45 will progressively increase towards the equivalent rate that was recorded in 2001; and
 - » Where household formation rates for all age groups under 45 have returned to the levels recorded in 2001, the rate of net inward migration is increased to align the overall household growth with the number of dwellings identified by the LHN target.
- 6.59 Figure 95 sets out the separate elements that will contribute to the LHN. These include:
- » Household growth over the 15-year period calculated on trend-based projections;
 - » Institutional population growth over the 15-year period needing communal accommodation;
 - » Dwellings without a usually resident household (either vacant homes or second homes);
 - » Additional dwellings to respond to pent-up housing market pressure.
- 6.60 Institutional population growth refers to the increase in the population living in communal establishments, such as care homes, prisons, defence bases and student halls of residence. This group are not counted within the household population (those that live as household in a dwelling); but are within the total population.
- 6.61 The Housing Delivery Test Measurement Rule Book⁶⁴ requires that communal accommodation is included as part of delivery. The calculation used to establish the communal accommodation requirement (i.e. convert the communal population to a household equivalent) is the change in communal/institutional population divided by the average number of adults per household based on Census data. For North Somerset, the average number of number of adults per household is 1.78.

⁶³ The ONS reissued the official estimates for mid-2012 to mid-2016 in March 2018 following methodological improvements

⁶⁴ <https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book>

Figure 112: Elements of housing need – North Somerset (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency)



6.62 At this point in our reporting, we are referring to dwellings rather than households. A dwelling is usually occupied by a single household although in some cases two households may share a dwelling (see glossary). Importantly, we need to make an allowance for an inevitable base level of vacant properties and the word household becomes misleading.

6.63 Thus, the number of dwellings needed to deal with the projected household and institutional population growth is 12,756. However, if we assume that just over 4%⁶⁵ of dwellings will be unoccupied at any one time this means that a total of 13,295 dwellings are required.

6.64 The local housing need has already been identified as 1,365 dwellings per annum, which translates to 20,475 dwellings (1,365 x 15) across the fifteen-year period. This leaves a difference between the housing need figure of 20,475 dwellings and the population projected need of 13,295 dwellings.

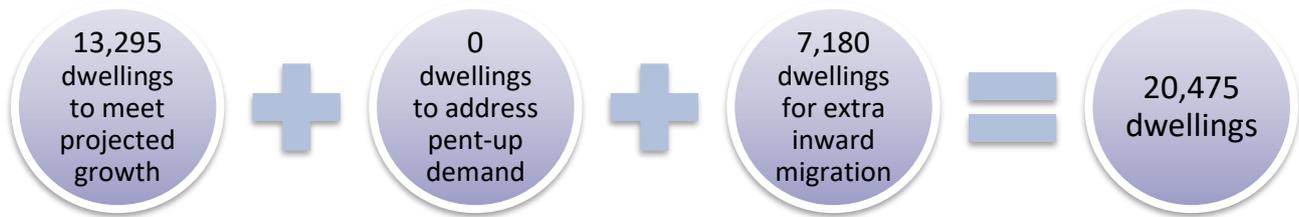
6.65 This additional need is made up from two elements

- » Enabling more households to form⁶⁶ (from the pent-up housing demand) = 0 dwellings
- » Enabling more net inward migration⁶⁷ = 7,180 dwellings

⁶⁵ Based on 2011 Census data at a local authority level

⁶⁶ Based on the assumption that household formation rates for all age groups under 45 are currently constrained and allowing them to return to the equivalent rates recorded in 2001

⁶⁷ Once household formation rates reach the 2001 level any additional uplift is assumed to provide housing for an additional population based on increased net migration



6.66 These 20,475 overall dwellings can be separated into market and affordable housing. A component of affordable housing as outlined in Chapter 5 is affordable home ownership for those that aspire to own. Some of the 7,180 (0 + 7,180) extra dwellings to meet the LHN beyond projected growth will inevitably be occupied by residents that aspire to home ownership, and the impact of this group on the affordable housing numbers calculated in Chapter 5 is calculated below.

Figure 113: Extra households beyond projected in North Somerset (LHN scenario): Affordable homeownership housing mix by household affordability 2023-2038 (Source: ORS Housing Model)

N SOMERSET 2023-38	All households aspiring to home ownership	Households able to afford market home ownership	Households aspire to home ownership but cannot afford to buy	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	161	32	129	50	79	51	28
2 bedrooms	330	48	281	123	158	122	37
3 bedrooms	212	22	190	82	109	82	27
4+ bedrooms	44	0	44	28	16	10	5
TOTAL	747	103	644	283	361	264	97

6.67 Figure 113 applies the same calculation to the extra residents as was presented in Figure 91 for households that formed projected growth. Extra dwellings are needed to accommodate the 97 households that aspire to homeownership that have at least £5,000 in savings and have incomes above the relevant threshold.

6.68 The previous analysis (Figure 91) identified 1,448 households that could afford an affordable homeownership option and had savings of £5,000 or more. Combining this with the 97 extra households identified, this totals 1,545 households that will aspire to homeownership and have the financial means. Application of the affordable vacancy rate (just under 1%)⁶⁸ yields 1,553 affordable homeownership dwellings (Figure 114).

Figure 114: Summary of households likely to be able to access affordable home ownership in North Somerset LHN scenario (Source ORS Housing Model, Census)

N SOMERSET 2023-38	Households able to afford and have savings of £5,000 or more (Base Scenario)	Households able to afford and have savings of £5,000 or more (Uplift for LHN)	Total	Dwellings
1 bedroom	420	28	448	450
2 bedrooms	548	37	585	588
3 bedrooms	399	27	426	428
4+ bedrooms	81	5	86	87
TOTAL	1,448	97	1,545	1,553

⁶⁸ Based on 2011 Census data at a local authority level

6.69 Figure 115 shows the result of applying the vacancy rate for affordable homes to the summary of households in Figure 93. These affordable homes are subtracted from the overall dwelling need calculated above, disaggregating the number of market homes implied by the LHN. Note that the 769 institutional dwellings are the result of applying the market vacancy rate to the 738 institutional households identified in Figure 112.

Figure 115: Overall need for Market and Affordable Dwellings in North Somerset (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

N SOMERSET 2023-38		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable Home Ownership			
		Social rent	Affordable Rent				
Flat	1 bedroom	379	89	450	918	613	1,531
	2+ bedrooms	474	180	234	888	1,476	2,363
House	1-2 bedrooms	537	199	354	1,090	1,630	2,721
	3 bedrooms	784	338	428	1,550	7,252	8,802
	4 bedrooms	214	93	73	380	3,193	3,573
	5+ bedrooms	58	25	14	97	618	714
TOTAL HOUSING NEED		2,445	925	1,553	4,923	14,782	19,706
Dwellings for Institutional Pop		-	-	-	-	769	769
LHN		2,445	925	1,553	4,923	15,551	20,475

6.70 Figure 116 shows the components of housing need presented as percentages of the 20,475 overall dwelling need calculated with the standard method in Figure 94.

Figure 116: Overall need for Market and Affordable Dwellings for North Somerset as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

N SOMERSET 2023-38		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable Home Ownership			
		Social rent	Affordable Rent				
Flat	1 bedroom	1.9%	0.4%	2.2%	4.5%	3.0%	7.5%
	2+ bedrooms	2.3%	0.9%	1.1%	4.3%	7.2%	11.5%
House	1-2 bedrooms	2.6%	1.0%	1.7%	5.3%	8.0%	13.3%
	3 bedrooms	3.8%	1.7%	2.1%	7.6%	35.4%	43.0%
	4 bedrooms	1.0%	0.5%	0.4%	1.9%	15.6%	17.5%
	5+ bedrooms	0.3%	0.1%	0.1%	0.5%	3.0%	3.5%
TOTAL HOUSING NEED		11.9%	4.5%	7.6%	24.0%	72.2%	96.2%
Dwellings for Institutional Pop		-	-	-	-	3.8%	3.8%
LHN		11.9%	4.5%	7.6%	24.0%	76.0%	100.0%
%age of total affordable		49.7%	18.8%	31.5%	100%	-	-

7. Needs of Different Groups

An exploration of need for target groups

Introduction

- 7.1 Paragraph 61 of the 2019 NPPF requires that local planning authorities consider the needs of a range of groups within the population and this chapter considers the specific groups in turn.

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

2019 NPPF, paragraph 61

- 7.2 However, the needs of families with children and those who rent their homes have already been considered in detail within earlier chapters and are therefore not repeated. An assessment of the needs of Gypsies and Travellers is being developed by ORS for the West of England authorities separately. There are no other distinct groups in the West of England with significant housing needs who require consideration beyond those mentioned in the NPPF.

Housing for Older People

- 7.3 The UK population is ageing, and people can expect to live longer healthier lives than previous generations. The older population is forecast to grow by 3.8 million 2020-35 for the over 65s, and from 5.8m (2020) to 8.1m by 2035 for the over 75s.⁶⁹
- 7.4 Based on the dwelling-led Local Housing Need projection discussed in chapter 6, the number of over 75s in WECA is projected to increase by around 23,300 in the period 2020-35; of which approximately 10,900 will be over 85 years old (Figure 118). In North Somerset, over 75s are projected to increase by approximately 10,100, with 5,700 of these projected to be over 85.
- 7.5 Given this context, PPG recognises the importance of providing housing for older people. Additional PPG “Housing for older and disabled people” was published on 26th June 2019, which states:

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

Planning Practice Guidance, ID 63-004-20190626

⁶⁹ ONS 2018-based UK national population projections (principal variant).

- 7.6 It is important to plan housing which is suitable for this increase in older people within the population with a key requirement being to predict the type of housing which will best meet their needs. Whilst most will remain living in the same area, and many will not move from their current homes; those that do move in their later years are likely to be looking for housing suitable for older people.
- 7.7 This housing comes in a number of different forms and the distribution between these different types needs to be explored. The Older People housing options considered in this section follow the definitions in the 2012 “Housing Our Ageing Population” report (HAPPI2).⁷⁰ This defines specialist provision as mainstream (including adapted and wheelchair homes), specialised housing (including Extra Care and sheltered housing) and Care Homes (including both Registered Nursing and Registered Care Homes).
- 7.8 The Housing Learning and Improvement Network (LIN) published “More Choice, Greater Voice: a toolkit for producing a strategy for accommodation with care for older people”⁷¹ in February 2008; and subsequently published the “Strategic Housing for Older People (SHOP)”⁷² resource pack in December 2011. Both the toolkit and the resource pack provide standardised rates for estimating the demand for specialist older person housing products per 1,000 people aged 75 or over. These toolkits these have informed the evidence base for many adopted Local Plans.
- 7.9 These rates provide a useful framework for understanding the potential demand for different forms of older person housing, but neither publication provides any detail about the derivation of the figures. There is no single correct answer when estimating the need for older person housing, however the rates provide a basis for identifying the potential levels of demand.
- 7.10 In this report we have chosen to use the Housing Learning and Improvement Network (Housing LIN) SHOP resource pack methodology (2012), as this is the most recent iteration of the toolkit.⁷³ This forecasts the population and then applies a benchmark need for particular housing types per thousand people aged 75+ (Figure 117).

⁷⁰http://www.housinglin.org.uk/library/Resources/Housing/Support_materials/Other_reports_and_guidance/Housing_our_Ageing_Population_Plan_for_Implementation.pdf

⁷¹http://www.housinglin.org.uk/library/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf

⁷²<http://www.housinglin.org.uk/library/Resources/Housing/SHOP/SHOPResourcePack.pdf>

⁷³www.housinglin.org.uk/housinginlaterlife_planningtool

Figure 117: Strategic Housing for Older People (SHOP) Resource pack – benchmark need per thousand persons aged 75+

Provision Type	Owned (per 1000)	Rented (per 1000)	TOTAL (per 1000)
Leasehold scheme for the Elderly (LSE)	120	0	120
Conventional Sheltered Housing	0	60	60
Sheltered 'plus' or 'Enhanced' sheltered (provision with some care needs)	10	10	20
Extra care	30	15	45
Dementia	0	6	6
TOTAL	160	91	251

7.11 The dwelling-led population projections for West of England show a substantial increase in the older population during the period 2020-2035 (WECA) and 2023-38 (North Somerset). The population aged 75+ is likely to increase by around 23,291 persons across WECA, and a further 10,092 in North Somerset, based on providing the number of homes required to meet the local housing need.

Figure 118: Projected population aged 75+ (Source: LHN dwelling-led population projections)

BANES	75-84	85+	TOTAL
2020	12,589	5,463	18,052
2035	15,887	8,421	24,308
CHANGE	+3,298	+2,959	+6,256
BRISTOL	75-84	85+	TOTAL
2020	19,553	9,121	28,674
2035	24,639	12,368	37,006
CHANGE	+5,085	+3,247	+8,332
S GLOS	75-84	85+	TOTAL
2020	19,150	7,644	26,794
2035	23,170	12,326	35,497
CHANGE	+4,021	+4,682	+8,703
WECA TOTAL	75-84	85+	TOTAL
2020	51,292	22,228	73,520
2035	63,696	33,115	96,811
CHANGE	+12,404	+10,887	+23,291
N SOMERSET	75-84	85+	TOTAL
2023	21,139	8,120	29,259
2038	25,512	13,839	39,351
CHANGE	+4,373	+5,719	+10,092

7.12 The data published by the Elderly Accommodation Counsel (EAC)⁷⁴ identifies that there is currently a total of 9,928 specialist Older Person homes across WECA and a further 2,796 across North Somerset.

Figure 119: Existing Stock of Specialist Older Person Housing for the West of England (Source: EAC 2015 and South Gloucestershire Council)

BANES: Property Type	Owned	Rented	TOTAL
Housing with support	533	1,759	2,292
Housing with care	0	456	456
TOTAL	533	2,215	2,748
BRISTOL: Property Type	Owned	Rented	TOTAL
Housing with support	1,052	2,604	3,656
Housing with care	191	542	733
TOTAL	1,243	3,146	4,389
S GLOS: Property Type	Owned	Rented	TOTAL
Housing with support	591	1,518	2,109
Housing with care	353	329	682
TOTAL	944	1,847	2,791
WECA TOTAL: Property Type	Owned	Rented	TOTAL
Housing with support	2,176	5,881	8,057
Housing with care	544	1,327	1,871
TOTAL	2,720	7,208	9,928
N SOMERSET: Property Type	Owned	Rented	TOTAL
Housing with support	1,085	1,415	2,500
Housing with care	108	188	296
TOTAL	1,193	1,603	2,796

⁷⁴ <http://www.housingcare.org/downloads/eac%20stats%20on%20housing%20for%20older%20people%20March%202015.pdf>

The EAC 'acknowledges both the rented and private sectors contain a wide range of housing types intended for older people. The social sector has traditionally distinguished these as Category 1, 2 etc., but the private sector tends to refer to them all simply as "retirement housing". This report looks only at schemes that fall within the following definition: "a group of dwellings intended for older people and served by a resident or non-resident warden/scheme manager with specific responsibility for the group". It is important to note that a considerable proportion of housing intended for older people falls outside this definition and is therefore excluded. Extra care, assisted living, and other forms of 'housing with care' are included.

- 7.13 The SHOP model can be used to assess that there is already a shortfall in the provision of housing for elderly people. The current population of 73,520 in WECA people aged 75+ requires 18,500 specialist homes whilst data shows that just 9,900 exist, resulting in an unmet need of just over 8,500 homes already in the area. The equivalent calculation in North Somerset indicates a shortfall of just over 4,500.

Figure 120: Modelled Existing Demand for Older Person Housing in the West of England based on the Housing LIN Toolkit
(Source: Housing LIN Toolkit, EAC 2015)

BANES		Rate per 1,000 persons aged 75+	Gross need 2020	Existing supply	Unmet need in 2020
Sheltered Housing	Owned	120	2,166	533	+1,633
	Rented	60	1,083	1,759	-676
Extra Care	Owned	40	722	0	+722
	Rented	31	560	456	+104
TOTAL		251	4,531	2748	+1,783

BRISTOL		Rate per 1,000 persons aged 75+	Gross need 2020	Existing supply	Unmet need in 2020
Sheltered Housing	Owned	120	3,441	1,052	+2,389
	Rented	60	1,720	2,604	-884
Extra Care	Owned	40	1,147	191	+956
	Rented	31	889	542	+347
TOTAL		251	7,197	4,389	+2,808

S GLOS		Rate per 1,000 persons aged 75+	Gross need 2020	Existing supply	Unmet need in 2020
Sheltered Housing	Owned	120	3,215	591	+2,624
	Rented	60	1,608	1,518	+90
Extra Care	Owned	40	1,072	353	+719
	Rented	31	831	329	+502
TOTAL		251	6,725	2,791	+3,934

WECA TOTAL		Rate per 1,000 persons aged 75+	Gross need 2020	Existing supply	Unmet need in 2020
Sheltered Housing	Owned	120	8,822	2,176	+6,646
	Rented	60	4,411	5,881	-1,470
Extra Care	Owned	40	2,941	544	+2,397
	Rented	31	2,280	1,327	+953
TOTAL		251	18,454	9,928	+8,526

N SOMERSET		Rate per 1,000 persons aged 75+	Gross need 2023	Existing supply	Unmet need in 2023
Sheltered Housing	Owned	120	3511	1085	+2,426
	Rented	60	1756	1415	+341
Extra Care	Owned	40	1170	108	+1,062
	Rented	31	907	188	+719
TOTAL		251	7,344	2796	+4,548

7.14 If we then consider the increase in need by 2035 (WECA) and 2038 (North Somerset) by applying the SHOP formula (per 1,000) to the additional people aged 75+ that are projected to exist in the West of England by the end of the projection we can calculate the additional need for elderly housing (Figure 121):

Figure 121: Modelled Demand for Additional Specialist Older Person Housing WECA 2020-35 and North Somerset 2023-38
(Source: Housing LIN Toolkit)

BANES		Owned	Rented	Total
SHELTERED	Leasehold schemes for the Elderly (LSE)	751	-	751
	Conventional Sheltered housing	-	375	375
EXTRA CARE	Sheltered 'Plus' or 'Enhanced'	63	63	125
	Extra care	188	94	282
	Dementia	-	38	38
Total		1,001	569	1,570
BRISTOL		Owned	Rented	Total
SHELTERED	Leasehold schemes for the Elderly (LSE)	1,000	-	1,000
	Conventional Sheltered housing	-	500	500
EXTRA CARE	Sheltered 'Plus' or 'Enhanced'	83	83	167
	Extra care	250	125	375
	Dementia	-	50	50
Total		1,333	758	2,091
S GLOS		Owned	Rented	Total
SHELTERED	Leasehold schemes for the Elderly (LSE)	1,044	-	1,044
	Conventional Sheltered housing	-	522	522
EXTRA CARE	Sheltered 'Plus' or 'Enhanced'	87	87	174
	Extra care	261	131	392
	Dementia	-	52	52
Total		1,392	792	2,184
WECA TOTAL		Owned	Rented	Total
SHELTERED	Leasehold schemes for the Elderly (LSE)	2,795	-	2,795
	Conventional Sheltered housing	-	1,397	1,397
EXTRA CARE	Sheltered 'Plus' or 'Enhanced'	233	233	466
	Extra care	699	350	1,049
	Dementia	-	140	140
Total		3,727	2,120	5,847
N SOMERSET		Owned	Rented	Total
SHELTERED	Leasehold schemes for the Elderly (LSE)	1,211	-	1,211
	Conventional Sheltered housing	-	606	606
EXTRA CARE	Sheltered 'Plus' or 'Enhanced'	101	101	202
	Extra care	303	151	454
	Dementia	-	61	61
Total		1,615	918	2,533

- 7.15 The toolkit identifies future need for 5,847 specialist older person additional housing units over the period 2020-2035 in WECA authorities, and 2,533 in North Somerset 2023-38.
- 7.16 The table below (Figure 122) summarises the potential requirement for new specialist older person housing, taking account of the current stock, unmet demand and population growth for the period.

Figure 122: Modelled Demand for Older Person Housing in the West of England 2020-35 and North Somerset 2023-38 based on Housing LIN Toolkit

BANES		Rate per 1,000 persons aged 75+	Gross need 2020	Existing supply	Unmet need in 2020	Additional need 2020-35	Overall need
Sheltered Housing	Owned	120	2,166	533	+1,633	+751	+2,384
	Rented	60	1,083	1,759	-676	+375	-300
Extra Care	Owned	40	722	0	+722	+250	+972
	Rented	31	560	456	+104	+194	+298
TOTAL		251	4,531	2748	+1,783	+1,570	+3,353
BRISTOL		Rate per 1,000 persons aged 75+	Gross need 2020	Existing supply	Unmet need in 2020	Additional need 2020-35	Overall need
Sheltered Housing	Owned	120	3,441	1,052	+2,389	+1,000	+3,389
	Rented	60	1,720	2,604	-884	+500	-384
Extra Care	Owned	40	1,147	191	+956	+333	+1,289
	Rented	31	889	542	+347	+258	+605
TOTAL		251	7,197	4,389	+2,808	+2,091	+4,900
S GLOS		Rate per 1,000 persons aged 75+	Gross need 2020	Existing supply	Unmet need in 2020	Additional need 2020-35	Overall need
Sheltered Housing	Owned	120	3,215	591	+2,624	+1,044	+3,669
	Rented	60	1,608	1,518	+90	+522	+612
Extra Care	Owned	40	1,072	353	+719	+348	+1,067
	Rented	31	831	329	+502	+270	+771
TOTAL		251	6,725	2,791	+3,934	+2,184	+6,119
WECA TOTAL		Rate per 1,000 persons aged 75+	Gross need 2020	Existing supply	Unmet need in 2020	Additional need 2020-35	Overall need
Sheltered Housing	Owned	120	8,822	2,176	+6,646	+2,795	+9,442
	Rented	60	4,411	5,881	-1,470	+1,397	-72
Extra Care	Owned	40	2,941	544	+2,397	+931	+3,328
	Rented	31	2,280	1,327	+953	+722	+1,674
TOTAL		251	18,454	9,928	+8,526	+5,845	+14,372

N SOMERSET		Rate per 1,000 persons aged 75+	Gross need 2023	Existing supply	Unmet need in 2023	Additional need 2023-38	Overall need
Sheltered Housing	Owned	120	3511	1085	+2,426	+1,211	+3,637
	Rented	60	1756	1415	+341	+606	+946
Extra Care	Owned	40	1170	108	+1,062	+404	+1,466
	Rented	31	907	188	+719	+313	+1,032
TOTAL		251	7,344	2796	+4,548	+2,533	+7,081

- 7.17 The model assumes a continuation of current types of housing although it is unclear if Older People will aspire to these types of specialist housing in the future. Some types of housing may experience lower demand than others, and other, newer types of provision may appear to meet changing aspirations. A policy aim of supporting people at home for longer along with assistive technology could also reduce or alter demand.
- 7.18 In practice, the level of delivery identified as being required is likely to be unachievable given that it represents almost half of the overall local housing need based on the standard method. However, it is important to recognise that the provision of dedicated older person housing schemes will form an important part of the overall housing mix.
- 7.19 The delivery of specific schemes for specialist older person housing need should be considered in partnership with other agencies, in particular those responsible for older person support needs. It will be important to consider other factors and constraints in the market:
- » **Demographics:** the changing health, longevity and aspirations of Older People mean people will live increasingly healthy longer lives and their future housing needs may be different from current needs;
 - » **New supply:** development viability of schemes, and the availability of revenue funding for care and support services, need to be carefully considered before commissioning any new scheme. It will also be important for the Council and its partners to determine the most appropriate types of specialist older person housing to be provided in the area;
 - » **Existing supply:** this may be either inappropriate for future households or may already be approaching the end of its life. Other forms of specialist older person housing may be more appropriate than conventional sheltered housing to rent when considering future needs;
 - » **Other agencies:** any procurement of existing supply needs to be undertaken with other agencies who also plan for the future needs of Older People, particularly local authority Supporting People Teams and the Health Service; and
 - » **National strategy and its implications for Older People:** national strategy emphasises Older People being able to remain in their own homes for as long as possible rather than specialist provision, so future need may, again, be overstated.

Housing for People with Disabilities

- 7.20 The Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This was reflected in the recent changes to building regulations relating to adaptations and wheelchair accessible homes that were published in the Building Regulations 2010 Approved Document Part M: Access to and use of buildings (2015 edition incorporating 2016 amendments – for use in England).⁷⁵
- 7.21 Three standards are covered:
- » M4(1) Category 1: VISIBLE dwellings – Mandatory, broadly about accessibility to ALL properties
 - » M4(2) Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes
 - » M4(3) Category 3: Wheelchair user dwellings – Optional, equivalent to wheelchair accessible standard.
- 7.22 In terms of new developments, Part M states that: *“Where no condition is imposed, dwellings only need to meet requirements M4(1)”* (Paragraph 0.3). Local authorities should identify the proportion of dwellings in new developments that should comply with the requirements for M4(2) Category 2 and M4(3) Category 3 as part of the Local Plan, based on the likely future need for housing for older and disabled people (including wheelchair user dwellings) and taking account of the overall impact on viability.
- 7.23 Planning Practice Guidance for Housing explains that local authorities are expected to plan for households with specific needs and therefore need to be able to quantify the volume of demand. It provides a summary of the data sources which should be used to inform any calculations, and this forms the basis of the approach used in this report:

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

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

Planning Practice Guidance, ID 56-007-20150327

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

⁷⁵ <https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m>

7.25 The PPG states:

Multiple sources of information may need to be considered in relation to disabled people who require adaptations in the home, either now or in the future. The Census provides information on the number of people with a long-term limiting illness and plan-makers can access information from the Department for Work and Pensions on the numbers of Personal Independence Payment⁷⁶ (replacing Disability Living Allowance) / Attendance Allowance⁷⁷ benefit claimants. Whilst these data sources can provide an indication of the number of disabled people, not all of the people included within these counts will require adaptations in the home. Applications for Disabled Facilities Grant⁷⁸ (DFG) will provide an indication of levels of expressed need, although this will underestimate total need, as there may be a large number of people who would want or need an adaptation but would not have applied to the DFG.

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

Planning Practice Guidance, ID 63-005-20190626

- 7.26 For this section we have considered existing propensity rates for people who have their housing needs affected by health problems to consider the need for adapted homes.
- 7.27 Given that the numbers of households with a limiting long-term illness or disability affecting housing (both existing and projected) that are likely to need to move comprises a significant proportion when compared to the total LHN (Figure 126), and furthermore given that the rates of limiting long-term illness or disability affecting housing needs are much higher in the affordable tenures (see Figure 123 following, affordable tenures are more than three times more likely to need an adapted home), the evidence supports consideration of a high proportion of affordable homes being built to at least M4(2) standards where viability allows, perhaps as much as 100%.
- 7.28 An on-going policy consultation from MHCLG: "Raising Accessibility Standards for New Homes" (September 2020)⁷⁹ may see this issue become less contested in the future, as it recommends that all homes are built to M4(2) standard and a fixed proportion to M4(3) standard. It also notes that "Some local authorities already apply the M4(2) standard as a minimum (e.g. the London Plan)" (para 28), and also notes that "In terms of benefits, the mandating [of] M4(2) may potentially reduce the need for social care" (para 46).

⁷⁶ Personal Independence Payments (PIPs) started to replace the Disability Living Allowance from April 2013. They are awarded to people aged under 65 years who incur extra costs due to disability (although there is no upper age limit once awarded, providing that applicants continue to satisfy either the care or mobility conditions).

⁷⁷ Attendance Allowance contributes to the cost of personal care for people who are physically or mentally disabled and who are aged 65 or over.

⁷⁸ Disabled Facilities Grants (DFG) are normally provided by Councils and housing associations to adapt properties for individuals with health and/or mobility needs who are owner occupiers, or renting from a private landlord, housing association or council. Grants cover a range of works, ranging from major building works, major adaptations to the property and minor adaptations. It should be noted that DFGs typically relate to adaptations to the existing housing stock rather than new housing provision.

⁷⁹ <https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes>

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

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

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

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

- 7.31 The English Housing Survey explores the number of households which contain someone with a limiting long-term illness (LLTI) or disability which impacts their housing need. This identifies that most (71%) of households have no limiting long-term illness (LLTI) or disability and a further fifth (20%) where illness or disability does not affect their housing need.
- 7.32 Overall, 8.8% of households (around 1 in every 12) have one or more persons with a health problem which requires adaptations to their home. This proportion is markedly higher in affordable housing than in market housing (19.8% and 6.5% respectively - Figure 123).

Figure 123: Households with a long-term illness or disability that affects their housing needs (Source: English Housing Survey)

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

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

Figure 124: Households with a long-term illness or disability in the West of England in 2020 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

BANES	TOTAL
Households with one or more persons with a limiting long-term illness or disability	21,549
Does not affect their housing need	14,604
Current home suitable for needs	5,816
Current home requires adaptation	563
Need to move to a more suitable home	566
Total households where a limiting long-term illness or disability affects their housing need:	6,945
BRISTOL	TOTAL
Households with one or more persons with a limiting long-term illness or disability	55,703
Does not affect their housing need	38,712
Current home suitable for needs	13,941
Current home requires adaptation	1,506
Need to move to a more suitable home	1,544
Total households where a limiting long-term illness or disability affects their housing need:	16,991
S GLOS	TOTAL
Households with one or more persons with a limiting long-term illness or disability	32,506
Does not affect their housing need	22,420
Current home suitable for needs	8,443
Current home requires adaptation	844
Need to move to a more suitable home	799
Total households where a limiting long-term illness or disability affects their housing need:	10,086
WECA TOTAL	TOTAL
Households with one or more persons with a limiting long-term illness or disability	109,758
Does not affect their housing need	75,736
Current home suitable for needs	28,200
Current home requires adaptation	2,913
Need to move to a more suitable home	2,909
Total households where a limiting long-term illness or disability affects their housing need:	34,022
N SOMERSET	TOTAL
Households with one or more persons with a limiting long-term illness or disability	31,992
Does not affect their housing need	21,777
Current home suitable for needs	8,565
Current home requires adaptation	847
Need to move to a more suitable home	803
Total households where a limiting long-term illness or disability affects their housing need:	10,215

7.35 The model (Figure 124) identifies that there were 109,758 households living in WECA and 31,992 in North Somerset as of 2020 with one or more persons with a limiting long-term illness or disability. In 75,736 (WECA) and 21,777 (N. Somerset) of these households, this does not affect their housing need, but in 34,022 (WECA) and 10,215 (N. Somerset) households an illness or disability does impact on housing need.

- 7.36 Amongst those households where it does affect housing needs 28,200 (WECA) and 8,565 (N. Somerset) households are already living in a suitable home (having moved or made adaptations). This leaves 2,913 (WECA) and 847 (N. Somerset) households needing adaptations to their current home and 2,909 (WECA) and 803 (N. Somerset) households needing to move to a more suitable home. These households needing to move represent an existing **unmet need** for M4(2) housing and some may actually be wheelchair users needing M4(3) housing.
- 7.37 The identified need at the start of the period is based on households' current needs. Even without any growth in the number of households, the proportion with one or more persons with a limiting long-term illness or disability can be expected to increase as the population ages.
- 7.38 Based on household projections and the overall dwelling-led housing need, we can establish the future need for adapted housing (M4[2] and M4[3]) based on the projected household growth and the changing demographics of the area. Figure 125 shows our calculation that, considering the projected household growth and changing demographics (in particular the ageing population), there will be an additional 51,100 (WECA) and 15,800 (N Somerset) households either needing adaptations to their existing housing or suitable new housing to be provided by the end of the period in question.

Figure 125: Households with a long-term illness or disability in WECA 2020-35 and North Somerset 2023-38 affecting their housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

BANES	TOTAL
Existing households in 2020 likely to develop health problems that affect their housing need within 10 years	3,089
Additional households in 2035 projected to experience problems or likely to develop problems within 10 years	7,349
Additional households in 2035 where illness or disability affects their housing need or will develop within 10 years	10,437
Unmet Need in 2020 for an adapted home (from Figure 124)	566
Total need for adapted housing	11,004
BRISTOL	TOTAL
Existing households in 2020 likely to develop health problems that affect their housing need within 10 years	7,630
Additional households in 2035 projected to experience problems or likely to develop problems within 10 years	17,348
Additional households in 2035 where illness or disability affects their housing need or will develop within 10 years	24,977
Unmet Need in 2020 for an adapted home (from Figure 124)	1,544
Total need for adapted housing	26,521
S GLOS	TOTAL
Existing households in 2020 likely to develop health problems that affect their housing need within 10 years	4,665
Additional households in 2035 projected to experience problems or likely to develop problems within 10 years	10,995
Additional households in 2035 where illness or disability affects their housing need or will develop within 10 years	15,660
Unmet Need in 2020 for an adapted home (from Figure 124)	799
Total need for adapted housing	16,459

WECA TOTAL	TOTAL
Existing households in 2020 likely to develop health problems that affect their housing need within 10 years	15,384
Additional households in 2035 projected to experience problems or likely to develop problems within 10 years	35,692
Additional households in 2035 where illness or disability affects their housing need or will develop within 10 years	51,074
Unmet Need in 2020 for an adapted home (from Figure 124)	2,909
Total need for adapted housing	53,984
N SOMERSET	TOTAL
Existing households in 2023 likely to develop health problems that affect their housing need within 10 years	4,319
Additional households in 2038 projected to experience problems or likely to develop problems within 10 years	11,525
Additional households in 2038 where illness or disability affects their housing need or will develop within 10 years	15,843
Unmet Need in 2023 for an adapted home (from Figure 124⁸⁰)	803
Total need for adapted housing	16,647

- 7.39 To provide M4(2) housing for all of the identified need would require housing for up to 53,984 (WECA) and 16,647 (N. Somerset) households to be provided. However, not all households will want to move to new housing – some will adapt their current homes and others will move to another dwelling in the existing stock.
- 7.40 Although some households would prefer not to move, the EHS identifies that many existing homes are not suitable for adaptation to meet the M4(1) Category 1 standard and others would require major works. Fewer dwellings would be adaptable to the M4(2) Category 2 standard given the additional requirements. Based on the housing mix in the West of England authorities in combination with this EHS data, a robust estimate of the number of dwellings that could be converted to meet the M4(1) standard can be derived.
- 7.41 Whilst the proportion that could be converted to meet the M4(2) standard would be lower, this provides a reasonable upper estimate of the number of households likely to be able to adapt existing homes rather than move to new housing. On this basis, we can calculate the need for adapted housing that could not be met by adaptation of existing homes; these households should be added to the households identified as needing to move at the start of the period (Figure 126). This figure clearly has a significant overlap with the need for older persons dwellings set out in the preceding section of this report. Therefore, there is a need for a high number of homes which can be used to accommodate people as their health deteriorates.

⁸⁰ Note that this assumes that the unmet need for an adapted home in 2023 will be the at the same level as in 2020.

Figure 126: Households with a long-term illness or disability in the West of England by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

BANES	TOTAL	% of LHN
Existing need in 2020		
Households where an existing illness or disability affects their housing need and need to move in 2020	566	-
Projected future need 2020-35		
Additional households in 2035 where illness or disability affects their housing need or will develop within 10 years	10,437	-
Maximum need for adapted housing 2020-35 (households)	11,004	113%
Less households living in dwellings adaptable to M4(1) standard	5,864	-
Minimum need for adapted housing 2020-35 (households)	5,140	53%
BRISTOL	TOTAL	% of LHN
Existing need in 2020		
Households where an existing illness or disability affects their housing need and need to move in 2020	1,544	-
Projected future need 2020-35		
Additional households in 2035 where illness or disability affects their housing need or will develop within 10 years	24,977	-
Maximum need for adapted housing 2020-35 (households)	26,521	55%
Less households living in dwellings adaptable to M4(1) standard	12,108	-
Minimum need for adapted housing 2020-35 (households)	14,413	30%
S GLOS	TOTAL	% of LHN
Existing need in 2020		
Households where an existing illness or disability affects their housing need and need to move in 2020	799	-
Projected future need 2020-35		
Additional households in 2035 where illness or disability affects their housing need or will develop within 10 years	15,660	-
Maximum need for adapted housing 2020-35 (households)	16,459	78%
Less households living in dwellings adaptable to M4(1) standard	9,432	-
Minimum need for adapted housing 2020-35 (households)	7,027	33%
WECA TOTAL	TOTAL	% of LHN
Existing need in 2020		
Households where an existing illness or disability affects their housing need and need to move in 2020	2,909	-
Projected future need 2020-35		
Additional households in 2035 where illness or disability affects their housing need or will develop within 10 years	51,074	-
Maximum need for adapted housing 2020-35 (households)	53,984	68%
Less households living in dwellings adaptable to M4(1) standard	27,404	-
Minimum need for adapted housing 2020-35 (households)	26,580	34%
N SOMERSET	TOTAL	% of LHN
Existing need in 2023		
Households where an existing illness or disability affects their housing need and need to move in 2023 ⁸¹	803	-
Projected future need 2023-38		
Additional households in 2038 where illness or disability affects their housing need or will develop within 10 years	15,843	-
Maximum need for adapted housing 2023-38 (households)	16,647	81%
Less households living in dwellings adaptable to M4(1) standard	9,815	-
Minimum need for adapted housing 2023-38 (households)	6,832	33%

⁸¹ Note that this assumes that the unmet need for an adapted home in 2023 will be the at the same level as in 2020.

7.42 There is inevitably uncertainty about how many households will be able to meet their housing needs without moving and how many will move to existing homes rather than new housing.

7.43 It is important to recognise that these ranges would represent the combined need for both M4(2) Category 2 and M4(3) Category 3 housing; for households with a wheelchair user would be included within those households counted as having a health problem or disability that affects their housing need.

Housing for Wheelchair Users

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

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

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

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

7.47 The CLG guide to available disability data⁸² referenced by PPG [ID 56-007-20150327] shows that around one in thirty households in England (3.3%) currently has at least one wheelchair user, although the rate is notably higher for households living in affordable housing (7.1%). The rates are also higher for older households. Figure 127 identifies the proportion of households in England with a wheelchair user currently living in market housing and affordable housing by age of household representative.

Figure 127: Percentage of households with a wheelchair user by type of housing and age of household representative
 (Source: English Housing Survey 2013-14)

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

7.48 To gain a better understanding of the local data, Figure 128 to Figure 131 compares the proportion of disability benefit claimants in receipt of mobility award (the majority of whom will be wheelchair users) for the West of England authorities against the figures for England.

⁸² <https://www.gov.uk/government/publications/building-regulations-guide-to-available-disability-data>

Figure 128: Disability benefit claimants in receipt of mobility award by age in BANES and England (Source: DWP, May 2020)

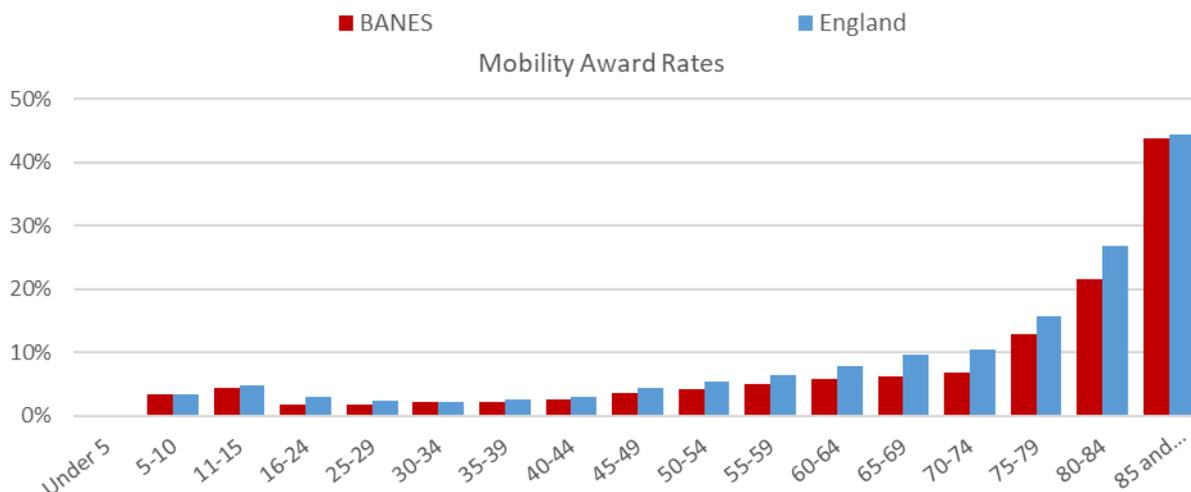


Figure 129: Disability benefit claimants in receipt of mobility award by age in Bristol and England (Source: DWP, May 2020)

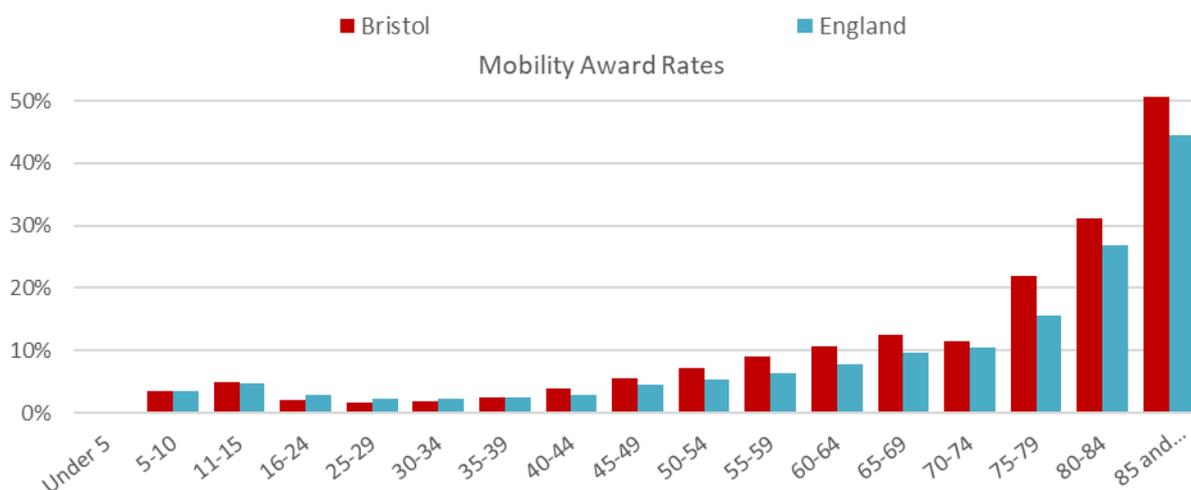


Figure 130: Disability benefit claimants in receipt of mobility award by age in S Gloucestershire and England (Source: DWP, May 2020)

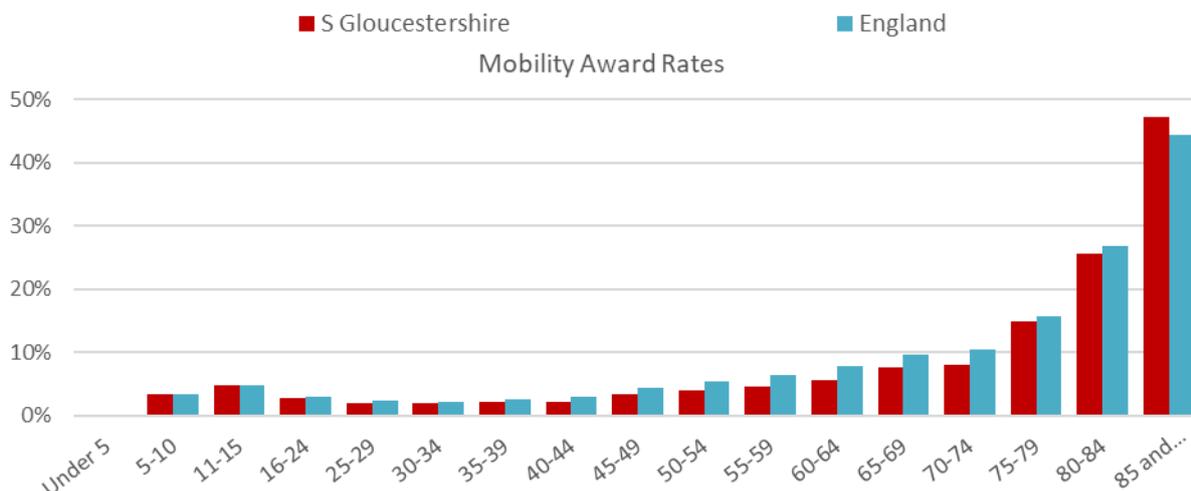
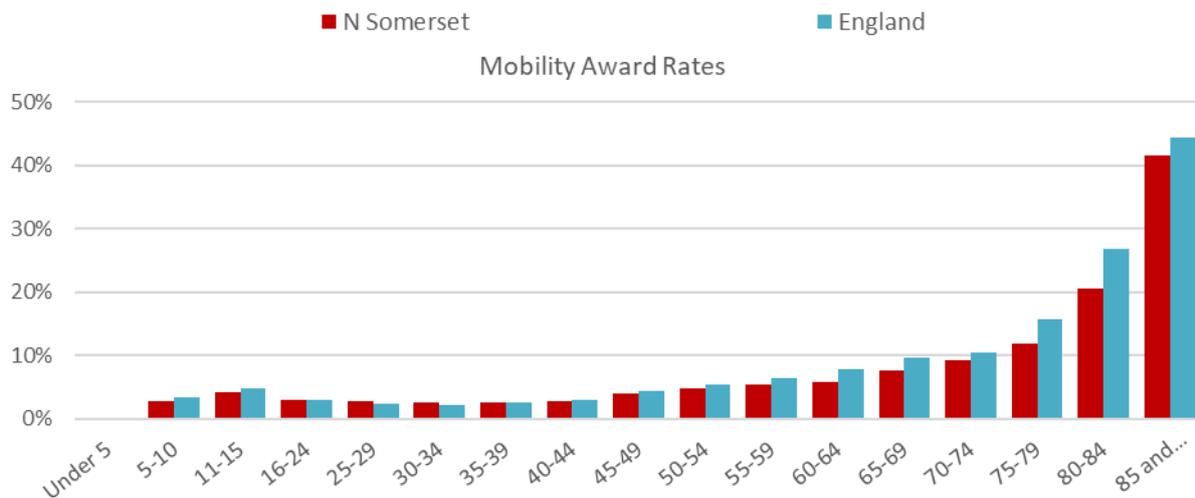


Figure 131: Disability benefit claimants in receipt of mobility award by age in N Somerset and England (Source: DWP, May 2020)

7.49 Through combining the information on local rates with the national data, we can establish the proportion of households in each authority likely to have a wheelchair user by the age of the household representative in market housing and affordable housing (Figure 132):

Figure 132: Percentage of households with a wheelchair user in the LAs of the West of England, by type of housing and age of household representative (Source: EHS, DWP)

BANES	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Market housing	< 0.1%	0.4%	1.0%	1.6%	2.9%	3.8%	5.7%	9.0%
Affordable housing	0.3%	2.0%	2.9%	5.8%	5.9%	9.8%	12.0%	19.5%

BRISTOL	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Market housing	< 0.1%	0.4%	1.0%	1.6%	3.1%	4.2%	6.7%	10.6%
Affordable housing	0.3%	2.0%	2.9%	6.0%	6.2%	10.6%	13.8%	22.3%

S GLOS	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Market housing	< 0.1%	0.4%	1.0%	1.6%	2.9%	3.8%	6.0%	9.8%
Affordable housing	0.3%	2.0%	2.9%	5.9%	5.9%	10.0%	12.5%	21.0%

N SOMERSET	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Market housing	< 0.1%	0.4%	1.0%	1.6%	2.9%	3.9%	5.6%	8.7%
Affordable housing	0.3%	2.0%	2.9%	5.9%	5.9%	10.0%	11.9%	18.8%

7.50 If we apply these proportions to the population and household data for the area, then we can identify the net change in the number of households with a wheelchair user over the period 2020 to 2035. (Figure 133). Using this approach, we can calculate the number of households likely to need wheelchair adapted housing in BANES is likely to increase by 580 over the 15-year period, Bristol by 1,520, South Gloucestershire by 920 (2020-35 in each case), and North Somerset by 960 (2023-38). Note that these are gross figures, and many of the households identified in 2020 are likely to already live in wheelchair adapted housing.

Figure 133: Households needing wheelchair adapted housing in the West of England (Source: ORS Housing Model. Note: Figures may not sum due to rounding. Percentage of tenure in LHN column is calculated by dividing net change for a given tenure by the total identified need for that tenure in the LHN, as indicated by row labels.)

BANES: Gross Modelled Need for Wheelchair Adapted Housing	2020	2035	Net change 2020-35	%age of tenure in LHN
Market housing	1,720	2,040	+320	5.8%
Affordable housing	840	1,100	+250	6.0%
Total	2,560	3,140	+580	6.0%
BRISTOL: Gross Modelled Need for Wheelchair Adapted Housing	2020	2035	Net change 2020-35	%age of tenure in LHN
Market housing	3,350	4,070	+720	2.5%
Affordable housing	2,730	3,540	+810	4.3%
Total	6,090	7,610	+1,520	3.2%
S GLOS: Gross Modelled Need for Wheelchair Adapted Housing	2020	2035	Net change 2020-35	%age of tenure in LHN
Market housing	2,800	3,480	+680	4.5%
Affordable housing	990	1,230	+240	3.9%
Total	3,790	4,710	+920	4.3%
WECA TOTAL: Gross Modelled Need for Wheelchair Adapted Housing	2020	2035	Net change 2020-35	%age of tenure in LHN
Market housing	7,870	9,590	+1,720	3.5%
Affordable housing	4,570	5,870	+1,300	4.5%
Total	12,440	15,460	+3,020	3.8%
N SOMERSET: Gross Modelled Need for Wheelchair Adapted Housing	2023	2038	Net change 2023-38	%age of tenure in LHN
Market housing	2,540	3,260	+720	4.6%
Affordable housing	920	1,150	+240	4.9%
Total	3,460	4,420	+960	4.7%

7.51 Importantly, as the model has included household age, it is possible to identify that a significant proportion of this growth comes from households which are aged over 75. This can be seen in Figure 134.

Figure 134: Households needing Wheelchair Adapted Housing by age (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

BANES: Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+		
	2020	2035	Net change 2020-35	2020	2035	Net change 2020-35
Market housing	1,010	1,060	+50	710	990	+270
Affordable housing	510	610	+100	330	490	+160
Total	1,520	1,660	+150	1,050	1,470	+430

BRISTOL: Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+		
	2020	2035	Net change 2020-35	2020	2035	Net change 2020-35
Market housing	2,070	2,400	+330	1,280	1,670	+390
Affordable housing	1,840	2,340	+500	890	1,200	+310
Total	3,910	4,740	+830	2,180	2,870	+700

S GLOS: Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+		
	2020	2035	Net change 2020-35	2020	2035	Net change 2020-35
Market housing	1,630	1,840	+210	1,170	1,640	+470
Affordable housing	580	680	+110	410	550	+130
Total	2,210	2,520	+320	1,590	2,190	+600

WECA TOTAL: Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+		
	2020	2035	Net change 2020-35	2020	2035	Net change 2020-35
Market housing	4,710	5,300	+590	3,170	4,290	+1,130
Affordable housing	2,930	3,620	+700	1,640	2,240	+600
Total	7,640	8,920	+1,290	4,810	6,540	+1,730

N SOMERSET: Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+		
	2023	2038	Net change 2023-38	2023	2038	Net change 2023-38
Market housing	1,400	1,630	+230	1,140	1,630	+490
Affordable housing	530	640	+110	390	510	+130
Total	1,930	2,270	+340	1,530	2,140	+620

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

- 7.53 Earlier analysis of housing for older people identified a need for 14,372 specialist older person housing units for households aged 75 or over in WECA, and a further 2,533 households in North Somerset (Figure 122). Whilst not all over 75 households needing wheelchair adapted housing will live in specialist older person housing, it is likely that at least a tenth of those moving to specialist older housing will need wheelchair adapted homes. It is also likely that some older households will progress to using a wheelchair whilst living in specialist housing due to a deterioration in their health. Considering that a given older persons residence may house multiple residents in its lifetime, it becomes even more likely that at some stage a resident requires a wheelchair. Furthermore, it may be noted that where it is possible to retrospectively adapt residences, this may be costly or difficult.
- 7.54 On this basis it may be appropriate to adopt a target of 100% wheelchair accessibility (where viable) for specialist accommodation for older people to avoid potential inequality of provision. This could also reduce the proportion of general needs housing that would need to meet the M4(3) Category 3 requirements.

Student Housing

- 7.55 PPG includes specific reference to identifying the needs of students:

Strategic policy-making authorities need to plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus. Encouraging more dedicated student accommodation may provide low cost housing that takes pressure off the private rented sector and increases the overall housing stock. Strategic policy-making authorities are encouraged to consider options which would support both the needs of the student population as well as local residents before imposing caps or restrictions on students living outside university-provided accommodation. Local Planning Authorities will also need to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements in their area.

Planning Practice Guidance, ID 2a-017-20190220

- 7.56 As such it is important to assess the potential for growth in the numbers of students in each authority to ensure that any increase in student accommodation is properly considered in the process of plan-making.

Bath

- 7.57 The two key Higher Education Providers (HEP) in Bath are the University of Bath and Bath Spa University.
- 7.58 As part of the previous BANES plan making process, a topic paper entitled “Topic Paper: Universities’ Growth & Student Accommodation Requirements” (Banes Council, Winter 2018) was produced, which provides detailed evidence of plans for University Growth.
- 7.59 The University of Bath host approximately 18,400 students, a number it intends to keep relatively stable over the next 15 years. Concerning the University of Bath (UoB) the topic paper states:

“3.2 Given the unprecedented levels of uncertainty surrounding the mid to long term future of UK Higher Education funding and recruitment patterns, the UoB is forecasting minus 1.0% to plus 1.0% per annum growth beyond 2022/23. Therefore it is agreed that the Local Plan is based on maintaining numbers at the forecast 2022/23 level through to 2035/36. The forecast will be revisited as part of the 5 year review following the adoption of the Plan.

3.3 Not all students require student accommodation, for example they may be living at family homes, part-time students or distant learning students. It is assumed that 78% of the total student population requires student accommodation. Based on this assumption 14, 336 students studying at the University of Bath require student accommodation by 2020/21. This is a 592 increase in students requiring accommodation from the 2018/19 intake.”

7.60 This is accompanied by table 6, which shows that there is no planned increase in housing need due to students from the University over the period 2020-35 (reproduced below as Figure 135):

Figure 135: University of Bath student accommodation forecast (Source: “Topic Paper: Universities’ Growth & Student Accommodation Requirements” - BANES Council 2018)

**Table 6 University of Bath
Forecasts and total students require accommodation**

Factor	2016/ 17	2017/ 18	2018/ 19	2019/ 20	2020/ 21	2021/ 22	2022/ 23	2023/ 24	2024/ 25	2025/ 26	2035/ 36
Student Forecast	16,880	17,646	17,620	17,950	18,380	18,490	18,500	18,500	18,500	18,500	18,500
Housing Need (approx:78 % of total student no)	13,166	13,764	13,744	14,001	14,336	14,422	14,430	14,430	14,430	14,430	14,430

7.61 Bath Spa University currently hosts approximately 8,200 students which it intends to sustainably grow to c. 9,300 students in 2030, a rate of growth slower than the national demographic.

7.62 Concerning Bath Spa University, the topic paper states:

“3.4 Table 7 shows the Bath Spa University student number forecast up to 2035/36. The University is reviewing future growth and its estate management, potentially consolidating its estate & sites presence within the city. Their growth plan shows a reduction of student numbers in the next few years followed by a steady increase. The university has indicated an estimated increase of 100 students per annum from the forecast 2022/23 level through to 2035/36.

3.5 As Bath Spa University has more students living at their family homes and part time students, a lower multiplier is used to calculate the student population requiring accommodation. Applying the multiplier of 56% (agreed with Bath Spa University), 4,608 students studying at Bath Spa University require student accommodation in 2020/21.”

This is accompanied by table 7, which indicates the levels of growth up to 2035 (reproduced below as Figure 136):

Figure 136: Bath Spa University student accommodation forecast (Source: "Topic Paper: Universities' Growth & Student Accommodation Requirements" - BANES Council 2018)

**Table 7 Bath Spa University
Forecasts and total student require accommodation**

Factor	2016 /17	2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2035 /36
Bath Spa Student Forecast	8,269	8,325	8,247	8,139	8,228	8,352	8,507	8,600	8,700	8,800	9,800
Bath Spa Housing Need All (approx: 56% of total student no)	4,631	4,662	4,618	4,558	4,608	4,677	4,764	4,816	4,872	4,928	5,488

7.63 The topic paper summarises student accommodation requirements based on the universities' growth aspirations in Table 8 on page 10 (reproduced below as Figure 137). It may be noted that this is not endorsed by the Council, but it provides some idea for additional accommodation requirements. However, current policies direct these additional accommodations to be met on campuses rather than new accommodation in the city.

Figure 137: Combined forecast demand for student accommodation in Bath (Source: "Topic Paper: Universities' Growth & Student Accommodation Requirements" - BANES Council 2018)

Table 8 Combined forecast demand for student accommodation based on the Universities' Growth Plans

Factor	2016 /17	2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2035 /36
Uni Bath Student Forecast	16,880	17,646	17,620	17,950	18,380	18,490	18,500	18,500	18,500	18,500	18,500
Bath Spa Student Forecast	8,269	8,325	8,247	8,139	8,228	8,352	8,507	8,600	8,700	8,800	9,800
Total Student Forecast	25,149	25,971	25,867	26,089	26,608	26,842	27,007	27,100	27,200	27,300	28,300
Uni Bath Housing Need (approx: 78% of total student no)	13,166	13,764	13,744	14,001	14,336	14,422	14,430	14,430	14,430	14,430	14,430
Bath Spa Housing Need All (approx: 56%)	4,631	4,662	4,618	4,558	4,608	4,677	4,764	4,816	4,872	4,928	5,488
Total Housing Need	17,797	18,426	18,362	18,559	18,944	19,099	19,194	19,246	19,302	19,358	19,918
Uni Bath on-campus	3,293	3,586	3,586	3,586	3,586	3,586	3,586	3,586	3,586	3,586	3,586
Bath Spa on-campus	872	872	872	872	872	872	872	872	872	872	872
Uni Bath off-campus	1,051	1,288	1,288	1,288	1,492	1,634	1,634	1,634	1,634	1,634	1,634
Bath Spa off-campus	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392
Private	458	458	458	551	614	614	614	614	614	614	614
Beds Total	7,066	7,596	7,596	7,689	7,956	8,098	8,098	8,098	8,098	8,098	8,098
Cumulative residual demand	10,731	10,877	10,766	10,870	10,988	11,001	11,096	11,148	11,204	11,260	11,820
Residual cumulative demand if no further PBSAs are built from 2018/19 (bedspaces)				104	222	235	330	382	438	494	1054
Residual cumulative demand – HMO equivalent if no further PBSAs are built from 2018/19 (1 dwelling = 4 bedspaces)				26	56	59	82	96	110	124	264

7.64 This table shows an increase of 208 HMOs 2020/21 – 2035/36 (equivalent based on 4 bedspaces per HMO assuming no further purpose-built student accommodation from 2018/19) would be necessary to meet the residual demand for student accommodation in Bath. This translates to 14 4-bed dwellings annually.

- 7.65 On this basis, there is an identified a need to provide 208 dwellings in Bath (or an equivalent amount of dedicated student accommodation) as a direct consequence of the projected growth in student numbers over the period 2020-35. This need is included within, and is not additional to, the overall LHN of 9,720 dwellings identified by the LHNA. However, if the universities were to sustain significantly higher (or significantly lower) levels of growth beyond 2020, it will be important for these conclusions to be reviewed.

Bristol

- 7.66 Bristol University is located in Bristol, and a significant number of students from the University of the West of England also reside in the authority. Currently there are approximately 14,150 bedspaces for student accommodation city-wide; and planning permission has been granted for a further 2,698 bedspaces on 26 sites. A further 3,610 bedspaces on 9 sites are pending a planning decision as of January 2020.
- 7.67 Longer term, page 67 of the “Bristol Local Plan Review - Draft Policies and Development Allocations” consultation (2019) indicates the need for an additional 6,400 bedspaces city wide by 2028 to accommodate a major physical expansion of the University of Bristol. To accommodate this, the Local Plan Review has put forward draft policy H7, indicating that this growth will primarily be accommodated through purpose-built student accommodation developments.

South Gloucestershire

- 7.68 The University of the West of England is spread over four main campuses, the largest of which is located in Stoke Gifford, South Gloucestershire (Frenchay Campus), and as a result the authority is the residence for a number of students attending the University, primarily close to the Frenchay Campus.
- 7.69 Council tax records show a total of 799 student households in the district, however if the University of the West of England were to expand 2020-35, it may potentially be the case that more properties would be rented to students in South Gloucestershire.

North Somerset

- 7.70 North Somerset is the location of Weston College, which has been offering degree courses since 1993. It officially earned its university status as Further Higher Education on 25 November 2015. Subsequently its provision expanded significantly: in 2009/2010 there were 450 undergraduate students on degree courses; as of September 2015, the number of students enrolled in the college's higher education provision almost doubled to 862.
- 7.71 Higher Education provision at Weston College has grown rapidly, with around 800 students now on HE courses with partners Bath Spa University and the University of the West of England. Between 2016 – 2019 it has opened four new campuses:
- » The Law and Professional Services Aca Winter Gardens Pavilion
 - » The Health and Active Living Centre;
 - » The Animal Management Education Centre – based at Puxton Park
 - » The Construction Training Centre.

- 7.72 Weston College's existing student accommodations are owned and managed by Skylight Properties and comprise approximately 90 bedspaces. Recently a previously vacant office building has been converted to offer 109 HE student bedspaces including five studio apartments, 15 two-bed studio apartments and cluster accommodation, along with other facilities (e.g. gym, laundry, study rooms etc.).
- 7.73 Longer term, the Council have no information on whether Weston College is planning to expand further. As such it cannot be discerned how much (if any) of the LHN will be student residences.

Students in Summary

- 7.74 It may be noted that any net increase in bedspaces provided in halls of residence (or other university accommodation) across the area would reduce the demand from student households. On this basis, the councils comprising the West of England will need to continue to count the supply of student bedspaces and consider the most appropriate way to do this as part of their overall housing monitoring.

Service Families

- 7.75 Paragraph 61 of the 2019 NPPF identifies that local planning authorities should plan for the needs of different groups in the community, including service families. Local planning authorities should:

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

National Planning Policy Framework February 2019, Paragraph 61

- 7.76 Ministry of Defence (MoD) annual location statistics⁸³ show that there have not been significant changes to MoD personnel stationed in BANES, Bristol, or North Somerset since 2014. Unless any significant changes are planned, the needs of service personnel will not impact the identified LHN.
- 7.77 In South Gloucestershire, there has been an increase in civilian MoD personnel over the last few years, averaging an increase of 580 personnel per annum over the last five years (Figure 138):

Figure 138: MoD personnel in South Gloucestershire 2012-2020 (Source: MoD Annual location statistics 2020)

South Gloucestershire		Apr 2012	Apr 2013	Apr 2014	Apr 2015	Apr 2016	Apr 2017	Apr 2018	Apr 2019	Apr 2020
Military	Officers	1020	1000	970	920	910	900	870	860	910
	Other Ranks	470	440	410	400	410	420	400	400	400
	Total	1,480	1,440	1,380	1,320	1,320	1,330	1,270	1,270	1,300
Civilians	Non Industrial	7010	7250	7730	7980	8150	9120	8980	9160	9780
	Industrial	140	100	100	140	150	0	5	5	5
	Trading Funds	5	10	5	0	0	0	900	1060	1240
	Total	7,150	7,360	7,840	8,120	8,300	9,120	9,890	10,230	11,030
Grand Total		8,630	8,800	9,220	9,430	9,620	10,450	11,160	11,500	12,330

⁸³ <https://www.gov.uk/government/statistics/location-of-uk-regular-service-and-civilian-personnel-annual-statistics-2020>

- 7.78 At the time of writing, South Gloucestershire Council had no information on any future increases in MoD personnel in the future. As part of the plan making process, the council may choose to engage with the MoD to establish what (if any) housing need future personnel may comprise as part of the LHN.

People Wishing to Build their Own Homes

- 7.79 People wishing to build their own homes are required to be considered and PPG states:

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

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

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

Planning Practice Guidance, ID: 67-003-20190722

- 7.80 Over half of the population (53%) say that they would consider building their own home⁸⁴ (either directly or using the services of architects and contractors); but it's likely that this figure conflates aspiration with effective market demand. Self-build currently represents only around 10% of housing completions in the UK, compared with rates of around 40% in France and 70 to 80% elsewhere in Europe.
- 7.81 The attractiveness of self-build is primarily reduced costs; however, the Joseph Rowntree Foundation report "The current state of the self-build housing market" (2001) showed how the sector in the UK had moved away from those unable to afford mainstream housing towards those who want an individual property or a particular location.
- 7.82 "Laying the Foundations – a Housing Strategy for England" (HM Government, 2011)⁸⁵ redefined self-build as 'Custom Build' and aimed to double the size of this market, creating up to 100,000 additional homes over the decade. "Build-it-yourself? Understanding the changing landscape of the UK self-build market" (University of York, 2013) subsequently set out the main challenges to self-build projects and made a number of recommendations for establishing self-build as a significant contributor to housing supply. The previous Government also established a network of 11 Right to Build 'Vanguards' to test how the 'Right to Build' could work in practice in a range of different circumstances.

⁸⁴ Building Societies Association Survey of 2,051 UK consumers 2011

⁸⁵ <https://www.gov.uk/government/publications/laying-the-foundations-a-housing-strategy-for-england--2>

7.83 In the Budget 2014, the Government announced an intention to consult on creating a new 'Right to Build', giving 'Custom Builders' a right to a plot from councils. The Self-Build and Custom Housebuilding Act⁸⁶ 2015 places a duty on local planning authorities to:

- » Keep a register (and publicise this) of eligible prospective 'custom' and self-build individuals, community groups and developers;
- » Plan to bring forward sufficient serviced plots of land, probably with some form of planning permission, to meet the need on the register and offer these plots to those on the register at market value.

7.84 The 2015 Act was amended by the Housing and Planning Act 2016⁸⁷ which placed a duty on local planning authorities to provide serviced sites which have planning permission that allows for self or custom build:

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

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

7.85 Limited Government funding⁸⁸ is currently available via the Homes England Custom Build Homes Fund programme (short-term project finance to help unlock group custom build or self-build schemes). The Government announced further measures in 2014 (Custom Build Serviced Plots Loan Fund) to encourage people to build their own homes, and to help make available 10,000 'shovel ready' sites with planning permission. Given this context, it is important to recognise that self-build could either be market housing or low-cost home ownership affordable housing products. Nevertheless, it is likely that the majority will be market homes.

7.86 In May 2012 a Self-Build Portal⁸⁹ run by the National Custom and Self Build Association (NaCSBA) was launched with the intention of helping and supporting anyone wanting an owner-commissioned homes. The portal ensures that the public has easy access to their local Self-Build and Custom Build Housing Register. Whilst this clearly demonstrates some interest in self-build across the area, this represents only a limited number of people, and a relatively small proportion of the overall housing need identified each year. Given the historic low supply of self-build homes it will take time for self-build to make a significant contribution locally to meeting housing need in its current form; but any self-build properties delivered would be a component of (and not additional to) the overall housing need identified.

7.87 Each of the West of England local authorities have put arrangements in place to comply with the Self-Build and Custom Housebuilding Act, including self-build and custom housing registers:

- » BANES: The Council's Self-Build and Custom Build Housing Register is divided into Part 1 (eligible applicants have a local connection) and Part 2 (applicants meet national eligibility). As of May 2020, 985 individuals (of whom 706 are on Part 1), and 4 associations have been on the register, averaging an increase of 176 per annum. 44 of these applicants have been added to the register since 31st October 2019. Between April 2016 and October 2019, 710 permissions have been granted, an average of 177 per annum.

⁸⁶ <http://services.parliament.uk/bills/2014-15/selfbuildandcustomhousebuilding.html>

⁸⁷ <http://services.parliament.uk/bills/2015-16/housingandplanning.html>

⁸⁸ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/364100/custom_build_homes_fund_prospectus_120712.pdf

⁸⁹ <http://www.selfbuildportal.org.uk/>

- » Bristol: The Council's Self-Build and Custom Build Housing Register contains 1,164 persons, of which 759 were added to the register between 31st October 2017 and 31st October 2020. This is an average of 253 per year. 142 of the applicants are registered with at least one other LA list.
- » South Gloucestershire: The Council have kept a Self-build Register since 1st April 2016. Local connection criteria were introduced as of 1st February 2018, involving the register being split into two parts. Part 1 is for those who meet both the national eligibility and local connection eligibility and part 2 is for those who meet just the national eligibility. The register currently contains 1,041 persons; of whom 824 are on Part 1. In their First Base Period (2016), a total of 433 persons were added to the register. Between 2017 and 2021, a further 608 were added, an average of 152 per year. Permissions were granted for a total of 327 plots between April 2016 and October 2020.
- » North Somerset: As of October 2019, the Council's Self-Build and Custom Build Housing Register contains 190 applicants, of which approximately half (93) were added to the register since 31st October 2018. 142 of these people are registered with at least one other LA list. The list was initiated in June 2017 and has averaged 88 applicants a year over the two full years of its records (Oct 2017 – Oct 2019).

7.88 These registers will help inform the extent to which policy will need to be in place to reflect self and custom build demand; and consideration will need to be given to schemes to determine the extent to which they contribute to affordable housing.

Essential Local Workers

7.89 Annex 2 of the 2019-Revised NPPF also mentions the needs of essential local workers in its definition of affordable housing:

Affordable housing: *housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers);*

Essential local workers: *Public sector employees who provide frontline services in areas including health, education and community safety and can include NHS staff, teachers, police, firefighters and military personnel, social care and childcare workers.*

NPPF 2019 – Annex 2

7.90 It is notable that the definition provided by the 2019 NPPF is similar to the definition of Key Workers which was utilised prior to the adoption of the original 2012 NPPF. Under this definition, being classified as an essential worker in need correlates directly with being unable to afford home ownership.

7.91 Therefore, these households will already be counted in the affordable housing need because they cannot afford market rents, or because they wish to own their own property but cannot afford to do so. Because of this, the needs from this group will not add to the total need for affordable housing, but they are likely to require separate consideration on the housing register and it may be appropriate to consider whether or not some affordable properties should be set aside solely for essential local workers in need.

Appendix A

Calculations Based on 20-year projections

At the time of writing, the local authorities comprising WECA had not finalised their chosen plan period. To facilitate flexibility, this appendix provides key tables from the report based on a 20-year period of 2020-40 rather than the 15-year 2020-35 period presented in the body of the report.

Chapter 4

Figure 139: From Figure 67 - Total projected households for 2020 and 2040 and change by household type and age of household representative for Bath and North East Somerset (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding)

BANES									
Household Type	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Households 2020									
Single person	320	2,220	2,940	3,080	4,020	3,360	5,550	2,970	24,500
Couple without children	500	2,920	1,280	3,900	7,860	6,920	2,820	910	27,100
Families with child(ren)	390	3,980	6,800	7,000	1,370	110	80	10	19,700
Other households	3,520	1,660	230	440	450	760	410	150	7,600
TOTAL	4,700	10,800	11,300	14,400	13,700	11,100	8,900	4,000	79,000
Households 2040									
Single person	0	1,610	3,590	3,110	4,010	3,150	7,250	4,810	27,500
Couple without children	240	2,560	860	2,160	6,490	8,310	4,770	1,610	27,000
Families with child(ren)	200	4,140	7,610	9,480	2,120	180	210	40	24,000
Other households	4,730	2,240	90	50	170	1,110	360	50	8,800
TOTAL	5,200	10,600	12,200	14,800	12,800	12,700	12,600	6,500	87,300
Change 2020-2040									
Single person	-320	-610	+650	+30	-10	-210	+1,690	+1,840	+3,100
Couple without children	-260	-360	-420	-1,740	-1,370	+1,390	+1,960	+700	-100
Families with child(ren)	-190	+160	+810	+2,480	+750	+70	+130	+20	+4,200
Other households	+1,210	+580	-140	-390	-280	+350	-50	-100	+1,200
TOTAL CHANGE	+400	-200	+900	+400	-900	+1,600	+3,700	+2,500	+8,400

Figure 140: From Figure 68 - Total projected households for 2020 and 2040 and change by household type and age of household representative for Bristol (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding)

BRISTOL									
Household Type	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Households 2020									
Single person	1,980	12,520	10,250	9,980	10,290	7,590	8,750	5,120	66,500
Couple without children	1,560	12,200	4,530	7,690	13,070	10,600	3,770	1,400	54,800
Families with child(ren)	1,390	10,560	21,470	13,360	2,240	250	90	60	49,400
Other households	8,220	7,660	1,230	1,310	1,480	1,380	1,840	480	23,600
TOTAL	13,100	43,000	37,500	32,300	27,100	19,800	14,400	7,000	194,300
Households 2040									
Single person	560	13,730	13,470	14,460	12,770	8,110	10,520	7,240	80,800
Couple without children	1,180	14,160	4,380	5,440	12,490	12,520	5,890	2,070	58,100
Families with child(ren)	410	7,750	25,150	20,160	3,160	350	160	110	57,300
Other households	12,070	11,480	600	410	1,060	1,570	3,310	520	31,000
TOTAL	14,200	47,100	43,600	40,500	29,500	22,600	19,900	9,900	227,300
Change 2020-2040									
Single person	-1,420	+1,210	+3,210	+4,480	+2,480	+520	+1,760	+2,130	+14,400
Couple without children	-390	+1,960	-150	-2,250	-580	+1,920	+2,120	+670	+3,300
Families with child(ren)	-980	-2,810	+3,680	+6,800	+930	+110	+70	+60	+7,900
Other households	+3,850	+3,820	-630	-890	-410	+200	+1,470	+40	+7,400
TOTAL CHANGE	+1,100	+4,200	+6,100	+8,100	+2,400	+2,700	+5,400	+2,900	+33,000

Figure 141: From Figure 69 - Total projected households for 2020 and 2040 and change by household type and age of household representative for South Gloucestershire (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding)

S GLOS									
Household Type	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Households 2020									
Single person	660	3,700	4,550	4,440	4,430	4,440	7,630	3,400	33,300
Couple without children	410	3,470	2,360	7,260	14,450	10,380	4,100	1,660	44,100
Families with child(ren)	1,140	6,750	13,050	11,280	1,310	220	80	80	33,900
Other households	990	1,230	300	860	750	760	1,780	520	7,200
TOTAL	3,200	15,100	20,300	23,800	20,900	15,800	13,600	5,700	118,400
Households 2040									
Single person	460	4,230	6,260	5,530	4,780	4,920	8,950	4,630	39,700
Couple without children	100	2,420	1,860	4,160	14,320	13,010	6,140	3,600	45,600
Families with child(ren)	1,460	7,790	14,520	16,680	1,800	430	190	250	43,100
Other households	1,530	2,060	120	510	570	840	3,660	1,000	10,300
TOTAL	3,600	16,500	22,800	26,900	21,500	19,200	18,900	9,500	138,800
Change 2020-2040									
Single person	-200	+530	+1,710	+1,090	+340	+480	+1,320	+1,230	+6,500
Couple without children	-310	-1,060	-500	-3,100	-130	+2,630	+2,040	+1,940	+1,500
Families with child(ren)	+330	+1,040	+1,470	+5,400	+490	+210	+110	+170	+9,200
Other households	+540	+840	-170	-350	-180	+80	+1,880	+480	+3,100
TOTAL CHANGE	+400	+1,300	+2,500	+3,000	+500	+3,400	+5,300	+3,800	+20,300

Chapter 6

Figure 142: Components of LHN for WECA 2020-40 (Source: ORS Housing Model)

Local Authority	Dwellings to meet projected growth	Dwellings to address pent-up demand	Dwellings for extra inward migration	Total 20 yr LHN
BANES	9,047	544	3,368	12,960
Bristol	34,664	5,258	23,998	63,920
S Gloucestershire	21,395	2,351	4,494	28,240
WECA Total	65,106	8,153	31,860	105,120

BANES

Figure 143: From Figure 98 - Overall need for Market and Affordable Dwellings for Bath and North East Somerset 2020-40 (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding. Note that minus figure denotes a reduction in need over the period.)

BANES 2020-40		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable Home Ownership			
		Social rent	Affordable Rent				
Flat	1 bedroom	323	49	677	1,049	-375	674
	2+ bedrooms	363	101	203	668	877	1,545
House	1-2 bedrooms	610	147	470	1,227	463	1,690
	3 bedrooms	660	261	507	1,428	4,794	6,222
	4 bedrooms	245	74	100	419	1,605	2,024
	5+ bedrooms	67	20	22	109	328	437
TOTAL HOUSING NEED		2,268	653	1,979	4,900	7,692	12,592
Dwellings for Institutional Pop		-	-	-	-	368	368
LHN		2,268	653	1,979	4,900	8,060	12,960

Figure 144: From Figure 99 - Overall need for Market and Affordable Dwellings for Bath and North East Somerset 2020-40 as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding. Note that minus figure denotes a reduction in need over the period.)

BANES 2020-40		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable Home Ownership			
		Social rent	Affordable Rent				
Flat	1 bedroom	2.5%	0.4%	5.2%	8.1%	-2.9%	5.2%
	2+ bedrooms	2.8%	0.8%	1.6%	5.2%	6.8%	11.9%
House	1-2 bedrooms	4.7%	1.1%	3.6%	9.5%	3.6%	13.0%
	3 bedrooms	5.1%	2.0%	3.9%	11.0%	37.0%	48.0%
	4 bedrooms	1.9%	0.6%	0.8%	3.2%	12.4%	15.6%
	5+ bedrooms	0.5%	0.2%	0.2%	0.8%	2.5%	3.4%
TOTAL HOUSING NEED		17.5%	5.0%	15.3%	37.8%	59.3%	97.2%
Dwellings for Institutional Pop		-	-	-	-	2.8%	2.8%
LHN		17.5%	5.0%	15.3%	37.8%	62.2%	100.0%

BRISTOL

Figure 145: From Figure 103 - Overall need for Market and Affordable Dwellings in Bristol 2020-40 (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

BRISTOL 2020-40		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable Home Ownership			
		Social rent	Affordable Rent				
Flat	1 bedroom	2,199	255	3,493	5,947	4,690	10,637
	2+ bedrooms	2,074	499	1,357	3,930	10,209	14,139
House	1-2 bedrooms	1,294	291	2,139	3,723	4,050	7,773
	3 bedrooms	3,675	1,215	1,577	6,468	19,498	25,966
	4 bedrooms	1,185	327	225	1,738	2,752	4,490
	5+ bedrooms	336	93	26	455	46	501
TOTAL HOUSING NEED		10,764	2,679	8,818	22,261	41,244	63,505
Dwellings for Institutional Pop		-	-	-	-	415	415
LHN		10,764	2,679	8,818	22,261	41,659	63,920

Figure 146: From Figure 104 - Overall need for Market and Affordable Dwellings in Bristol 2020-40 as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

BRISTOL 2020-40		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable Home Ownership			
		Social rent	Affordable Rent				
Flat	1 bedroom	3.4%	0.4%	5.5%	9.3%	7.3%	16.6%
	2+ bedrooms	3.2%	0.8%	2.1%	6.1%	16.0%	22.1%
House	1-2 bedrooms	2.0%	0.5%	3.3%	5.8%	6.3%	12.2%
	3 bedrooms	5.7%	1.9%	2.5%	10.1%	30.5%	40.6%
	4 bedrooms	1.9%	0.5%	0.4%	2.7%	4.3%	7.0%
	5+ bedrooms	0.5%	0.1%	0.0%	0.7%	0.1%	0.8%
TOTAL HOUSING NEED		16.8%	4.2%	13.8%	34.8%	64.5%	99.4%
Dwellings for Institutional Pop		-	-	-	-	0.6%	0.6%
LHN		16.8%	4.2%	13.8%	34.8%	65.2%	100.0%

S GLOS

Figure 147: From Figure 108 - Overall need for Market and Affordable Dwellings for South Gloucestershire 2020-40 (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

S GLOS 2020-40		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable Home Ownership			
		Social rent	Affordable Rent				
Flat	1 bedroom	445	90	418	954	617	1,571
	2+ bedrooms	686	260	160	1,107	1,175	2,282
House	1-2 bedrooms	1,023	389	763	2,175	2,562	4,737
	3 bedrooms	1,447	544	553	2,544	11,556	14,099
	4 bedrooms	326	116	138	580	3,768	4,348
	5+ bedrooms	79	28	19	127	479	606
TOTAL HOUSING NEED		4,007	1,428	2,050	7,485	20,158	27,643
Dwellings for Institutional Pop		-	-	-	-	597	597
LHN		4,007	1,428	2,050	7,485	20,755	28,240

Figure 148: From Figure 109 - Overall need for Market and Affordable Dwellings for South Gloucestershire 2020-40 as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

S GLOS 2020-40		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable Home Ownership			
		Social rent	Affordable Rent				
Flat	1 bedroom	1.6%	0.3%	1.5%	3.4%	2.2%	5.6%
	2+ bedrooms	2.4%	0.9%	0.6%	3.9%	4.2%	8.1%
House	1-2 bedrooms	3.6%	1.4%	2.7%	7.7%	9.1%	16.8%
	3 bedrooms	5.1%	1.9%	2.0%	9.0%	40.9%	49.9%
	4 bedrooms	1.2%	0.4%	0.5%	2.1%	13.3%	15.4%
	5+ bedrooms	0.3%	0.1%	0.1%	0.4%	1.7%	2.1%
TOTAL HOUSING NEED		14.2%	5.1%	7.3%	26.5%	71.4%	97.9%
Dwellings for Institutional Pop		-	-	-	-	2.1%	2.1%
LHN		14.2%	5.1%	7.3%	26.5%	73.5%	100.0%

WECA

Figure 149: From Figure 110 - Overall need for Market and Affordable Dwellings for WECA 2020-40 (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

WECA 2020-40		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable Home Ownership			
		Social rent	Affordable Rent				
Flat	1 bedroom	2,967	394	4,589	7,950	4,932	12,882
	2+ bedrooms	3,123	860	1,720	5,704	12,261	17,965
House	1-2 bedrooms	2,928	827	3,371	7,126	7,075	14,201
	3 bedrooms	5,782	2,020	2,637	10,440	35,848	46,287
	4 bedrooms	1,756	517	463	2,736	8,125	10,862
	5+ bedrooms	483	141	67	691	853	1,543
TOTAL HOUSING NEED		17,038	4,760	12,848	34,647	69,093	103,740
Dwellings for Institutional Pop		-	-	-	-	1,380	1,380
LHN		17,038	4,760	12,848	34,647	70,473	105,120

Figure 150: From Figure 111 - Overall need for Market and Affordable Dwellings as percentages of the WECA LHN 2020-40 (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

WECA 2020-40		Affordable Housing Need			Total Affordable Housing	Total Market Housing	Total Housing
		Unable to Afford Market Rent		Affordable Home Ownership			
		Social rent	Affordable Rent				
Flat	1 bedroom	2.8%	0.4%	4.4%	7.6%	4.7%	12.3%
	2+ bedrooms	3.0%	0.8%	1.6%	5.4%	11.7%	17.1%
House	1-2 bedrooms	2.8%	0.8%	3.2%	6.8%	6.7%	13.5%
	3 bedrooms	5.5%	1.9%	2.5%	9.9%	34.1%	44.0%
	4 bedrooms	1.7%	0.5%	0.4%	2.6%	7.7%	10.3%
	5+ bedrooms	0.5%	0.1%	0.1%	0.7%	0.8%	1.5%
TOTAL HOUSING NEED		16.2%	4.5%	12.2%	33.0%	65.7%	98.7%
Dwellings for Institutional Pop		-	-	-	-	1.3%	1.3%
LHN		16.2%	4.5%	12.2%	33.0%	67.0%	100.0%

Chapter 7

Figure 151: From Figure 121 - Modelled Demand for Additional Specialist Older Person Housing WECA 2020-40 (Source: Housing LIN Toolkit)

BANES 2020-40		Owned	Rented	Total
SHELTERED	Leasehold schemes for the Elderly (LSE)	1,088	-	1,088
	Conventional Sheltered housing	-	544	544
EXTRA CARE	Sheltered 'Plus' or 'Enhanced'	91	91	181
	Extra care	272	136	408
	Dementia	-	54	54
Total		1,451	825	2,276
BRISTOL 2020-40		Owned	Rented	Total
SHELTERED	Leasehold schemes for the Elderly (LSE)	1,513	-	1,513
	Conventional Sheltered housing	-	756	756
EXTRA CARE	Sheltered 'Plus' or 'Enhanced'	126	126	252
	Extra care	378	189	567
	Dementia	-	76	76
Total		2,017	1,147	3,164
S GLOS 2020-40		Owned	Rented	Total
SHELTERED	Leasehold schemes for the Elderly (LSE)	1,588	-	1,588
	Conventional Sheltered housing	-	794	794
EXTRA CARE	Sheltered 'Plus' or 'Enhanced'	132	132	265
	Extra care	397	199	596
	Dementia	-	79	79
Total		2,117	1,204	3,322
WECA TOTAL 2020-40		Owned	Rented	Total
SHELTERED	Leasehold schemes for the Elderly (LSE)	4,189	-	4,189
	Conventional Sheltered housing	-	2,094	2,094
EXTRA CARE	Sheltered 'Plus' or 'Enhanced'	349	349	698
	Extra care	1,047	524	1,571
	Dementia	-	209	209
Total		5,585	3,176	8,761

Figure 152: From Figure 122 - Modelled Demand for Older Person Housing in the West of England 2020-40 based on Housing LIN Toolkit (Source ORS Housing Model, Housing LIN)

BANES		Rate per 1,000 persons aged 75+	Gross need 2020	Existing supply	Unmet need in 2020	Additional need 2020-40	Overall need
Sheltered Housing	Owned	120	2,166	533	+1,633	+1,088	+2,722
	Rented	60	1,083	1,759	-676	+544	-132
Extra Care	Owned	40	722	0	+722	+363	+1,085
	Rented	31	560	456	+104	+281	+385
TOTAL		251	4,531	2,748	+1,783	+2,276	+4,059
BRISTOL		Rate per 1,000 persons aged 75+	Gross need 2020	Existing supply	Unmet need in 2020	Additional need 2020-40	Overall need
Sheltered Housing	Owned	120	3,441	1,052	+2,389	+1,513	+3,902
	Rented	60	1,720	2,604	-884	+756	-127
Extra Care	Owned	40	1,147	191	+956	+504	+1,460
	Rented	31	889	542	+347	+391	+738
TOTAL		251	7,197	4,389	+2,808	+3,164	+5,972
S GLOS		Rate per 1,000 persons aged 75+	Gross need 2020	Existing supply	Unmet need in 2020	Additional need 2020-40	Overall need
Sheltered Housing	Owned	120	3,215	591	+2,624	+1,588	+4,212
	Rented	60	1,608	1,518	+90	+794	+884
Extra Care	Owned	40	1,072	353	+719	+529	+1,248
	Rented	31	831	329	+502	+410	+912
TOTAL		251	6,725	2,791	+3,934	+3,322	+7,256
WECA TOTAL		Rate per 1,000 persons aged 75+	Gross need 2020	Existing supply	Unmet need in 2020	Additional need 2020-40	Overall need
Sheltered Housing	Owned	120	8,822	2,176	+6,646	+4,189	+10,836
	Rented	60	4,411	5,881	-1,470	+2,094	+625
Extra Care	Owned	40	2,941	544	+2,397	+1,396	+3,793
	Rented	31	2,280	1,327	+953	+1,082	+2,035
TOTAL		251	18,454	9,928	+8,526	+8,761	+17,289

Figure 153: From Figure 126 - Households with a long-term illness or disability in the West of England by effect on housing need
(Source: ORS Housing Model. Note: Figures may not sum due to rounding)

BANES		TOTAL
Existing need in 2020		
Households where an existing illness or disability affects their housing need and need to move in 2020		566
Projected future need 2020-40		
Additional households in 2040 where illness or disability affects their housing need or will develop within 10 years		10,545
Maximum need for adapted housing 2020-40 (households)		11,111
Less households living in dwellings adaptable to M4(1) standard		5,924
Minimum need for adapted housing 2020-40 (households)		5,187
BRISTOL		TOTAL
Existing need in 2020		
Households where an existing illness or disability affects their housing need and need to move in 2020		1,544
Projected future need 2020-40		
Additional households in 2040 where illness or disability affects their housing need or will develop within 10 years		26,404
Maximum need for adapted housing 2020-40 (households)		27,948
Less households living in dwellings adaptable to M4(1) standard		12,800
Minimum need for adapted housing 2020-40 (households)		15,148
S GLOUCESTERSHIRE		TOTAL
Existing need in 2020		
Households where an existing illness or disability affects their housing need and need to move in 2020		799
Projected future need 2020-40		
Additional households in 2040 where illness or disability affects their housing need or will develop within 10 years		16,821
Maximum need for adapted housing 2020-40 (households)		17,631
Less households living in dwellings adaptable to M4(1) standard		10,131
Minimum need for adapted housing 2020-40 (households)		7,488
WECA TOTAL		TOTAL
Existing need in 2020		
Households where an existing illness or disability affects their housing need and need to move in 2020		2,909
Projected future need 2020-40		
Additional households in 2040 where illness or disability affects their housing need or will develop within 10 years		53,770
Maximum need for adapted housing 2020-40 (households)		56,678
Less households living in dwellings adaptable to M4(1) standard		28,855
Minimum need for adapted housing 2020-40 (households)		27,823

Figure 154: From Figure 134 - Households needing Wheelchair Adapted Housing by age (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

BANES: Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+		
	2020	2040	Net change 2020-40	2020	2040	Net change 2020-40
Market housing	1,010	1,110	+100	710	920	+210
Affordable housing	510	580	+70	330	540	+200
Total	1,520	1,690	+170	1,050	1,460	+410

BRISTOL: Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+		
	2020	2040	Net change 2020-40	2020	2040	Net change 2020-40
Market housing	2,070	2,580	+510	1,280	1,860	+580
Affordable housing	1,840	2,320	+480	890	1,330	+430
Total	3,910	4,900	+990	2,180	2,180	+1,010

S GLOS: Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+		
	2020	2040	Net change 2020-40	2020	2040	Net change 2020-40
Market housing	1,630	1,870	+240	1,170	1,790	+620
Affordable housing	580	740	+160	410	670	+260
Total	2,210	2,610	+400	1,590	2,470	+880

WECA TOTAL: Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+		
	2020	2040	Net change 2020-40	2020	2040	Net change 2020-40
Market housing	4,710	5,560	+850	3,170	4,570	+1,400
Affordable housing	2,930	3,630	+710	1,640	2,530	+890
Total	7,640	9,200	+1,560	4,810	7,100	+2,300

Appendix B

Defining the Housing Market Area

An evidence base to identify functional housing markets

The 2019 NPPF/PPG refers to the housing market area (HMA); as discussed in Chapter 2. The relevant West of England HMAs were defined in the document “Wider Bristol HMA Strategic Housing Market Assessment Volume One: Defining the Housing Market Area and establishing Objectively Assessed Need - July 2015”. Given that the underlying data being analysed was 2011 census-based, there is currently no robust, more up-to-date data available to refresh this analysis. As such, to assist in cross-boundary planning, the analysis from the 2015 document is reprinted below. It should be noted that references to the NPPF and PPG in the following refer to the most up-to-date version of those documents as of July 2015, i.e. the 2012 NPPF and 2014 PPG. Nonetheless, as discussed in Chapter 2, the definition of a HMA has not changed in the latest iteration of the NPPF/PPG.

1. The NPPF refers to Local Plans meeting the “full objectively assessed needs for market and affordable housing in the housing market area” (paragraph 47, emphasis added). The identification of the Housing Market Area (HMA) is therefore the first relevant building block in the evidence for identifying objectively assessed needs for the study.

Functional Housing Market Areas

2. The definition of a functional housing market area is well-established as being “...the geographical area in which a substantial majority of the employed population both live and work and where those moving house without changing employment choose to stay” (Maclennan et al, 1998)⁹⁰.

Planning Practice Guidance

3. Planning Practice Guidance (PPG)⁹¹ on the Assessment of Housing and Economic Development Needs (March 2014) reflects this existing concept, confirming that the underlying principles for defining housing markets are concerned with the functional areas in which people both live and work:

What is a housing market area?

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

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

Planning Practice Guidance 2014, paragraph 10

⁹⁰ Local Housing Systems Analysis: Best Practice Guide. Edinburgh: Scottish Homes

⁹¹ <http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/>

4. Therefore, PPG requires an understanding of the housing market area and says this can be defined using three different sources of information:
 - » House prices and rates of change in house prices
 - » Household migration and search patterns
 - » Contextual data (e.g. travel to work area boundaries, retail and school catchment areas)
5. These sources are consistent with those identified in the CLG advice note *'Identifying sub-regional housing market areas'* published in 2007⁹².

Geography of Housing Market Areas (NHPAU/CURDS)

6. CLG also published a report on the *'Geography of Housing Market Areas'* in 2010⁹³ which was commissioned by the former National Housing and Planning Advice Unit (NHPAU) and undertaken by the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University. This study explored a range of potential methods for calculating housing market areas for England and applied these methods to the whole country to show the range of housing markets which would be generated. The report also proposed three overlapping tiers of geography for housing markets:
 - » Tier 1: framework housing market areas defined by long distance commuting flows and the long-term spatial framework with which housing markets operate;
 - » Tier 2: local housing market areas defined by migration patterns that determine the limits of short-term spatial house price arbitrage;
 - » Tier 3: sub-markets defined in terms of neighbourhoods or house type price premiums.
7. The report recognised that migration patterns and commuting flows were the most relevant information sources for identifying the upper tier housing market areas, with house prices only becoming relevant at a more local level and when establishing housing sub-markets. The report also outlined that no one single approach (nor one single data source) will provide a definitive solution to identifying local housing markets; but by using a range of available data, judgements on appropriate geography can be made.
8. Advice recently published in the PAS OAN technical advice note also suggests that the main indicators will be migration and commuting (paragraph 4.4).

"The PG [Planning Practice Guidance] provides a long list of possible indicators, comprising house prices, migration and search patterns and contextual data including travel-to-work areas, retail and school catchments. With regard to migration, it explains that areas that form an HMA will be reasonably self-contained, so that a high proportion of house moves (typically 70%) occur within the areas. In practice, the main indicators used are migration and commuting."

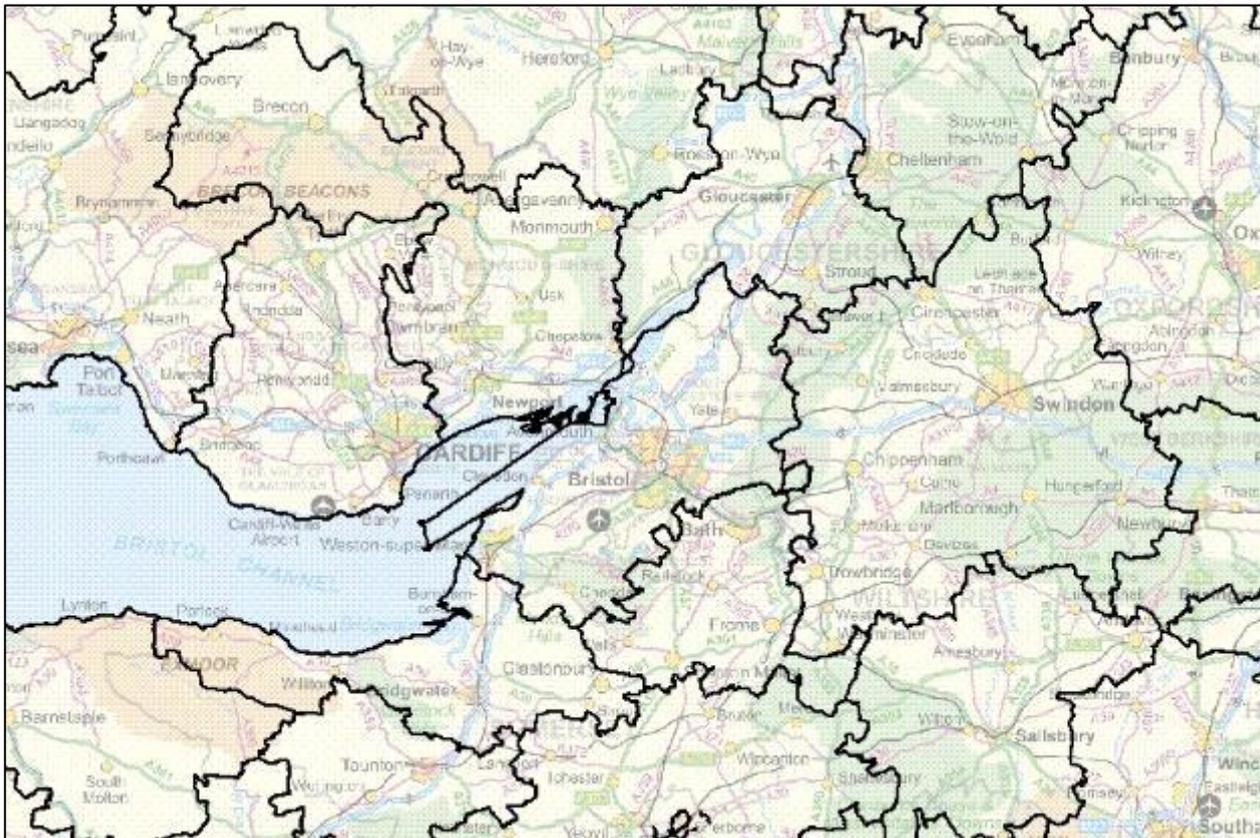
9. The PAS OAN technical advice note also suggests that analysis reported in the CLG report *"Geography of Housing Market Areas"* (CLG, November 2010) should provide a starting point for drawing HMAs (Figure 155). It is apparent that this study identifies two housing markets within the West of England as a 'starting point': one focussed on the Bristol urban area, the other focussed on Bath.

⁹² Identifying sub-regional housing market areas (CLG, March 2007); paragraph 1.6

⁹³ Geography of Housing Market Areas (CLG, November 2010); paragraph 1.6

10. Nevertheless, it is important to note that whilst the 'starting point' CLG study (2010) was commissioned by the former National Housing and Planning Advice Unit (NHPAU) and undertaken by the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University, the analysis of migration and commuting was based on data from the 2001 Census. Given this context, the PAS OAN technical advice note recognises that *"more recent data should always 'trump' this geography"* (paragraph 4.9).

Figure 155: NHPAU Study - PAS OAN technical advice note 'Starting Point



Identifying Travel to Work Areas

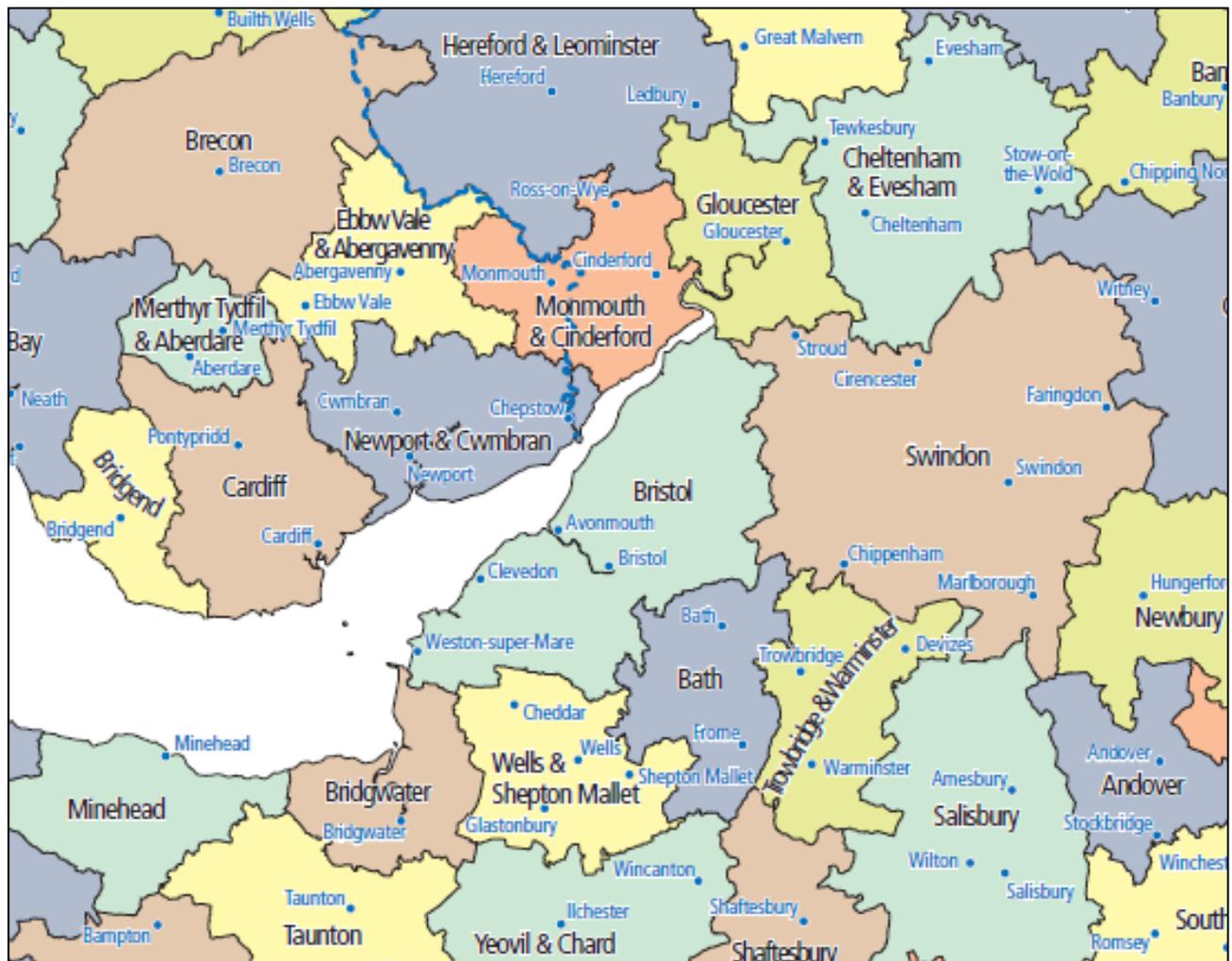
11. Housing market areas reflect *"the key functional linkages between places where people live and work"* and therefore it is important to consider travel to work patterns within the identified area alongside the migration patterns:

Travel to work areas can provide information about commuting flows and the spatial structure of the labour market, which will influence household price and location. They can also provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use).

Planning Practice Guidance 2014, paragraph 11

12. One of the PPG suggested data sources is the Office for National Statistics travel to work areas (TTWAs). Figure 156 shows the latest ONS TTWAs. These were published in 2007 and they are also based on the origin-destination data from the 2001 Census.
13. Once again, it is apparent that two areas are identified within the West of England: one travel to work area focused on Bristol, another travel to work area focussed on Bath.

Figure 156: ONS Travel To Work Areas (Source: ONS 2007)



Commuting Flow Analysis Based on 2011 Census Data

14. When defining housing market areas, it is important that functional housing markets are not constrained to local authority boundaries. Further, there is a need to use evidence to build up the housing market area from a lower level of geography; essentially, to use smaller geographic areas as the basic “building block”.
15. Commuting flow data from the 2011 Census has been published for smaller areas. This data enables us to understand the relationships that exist between where people live and work, which is a key element of the housing market area definition:

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

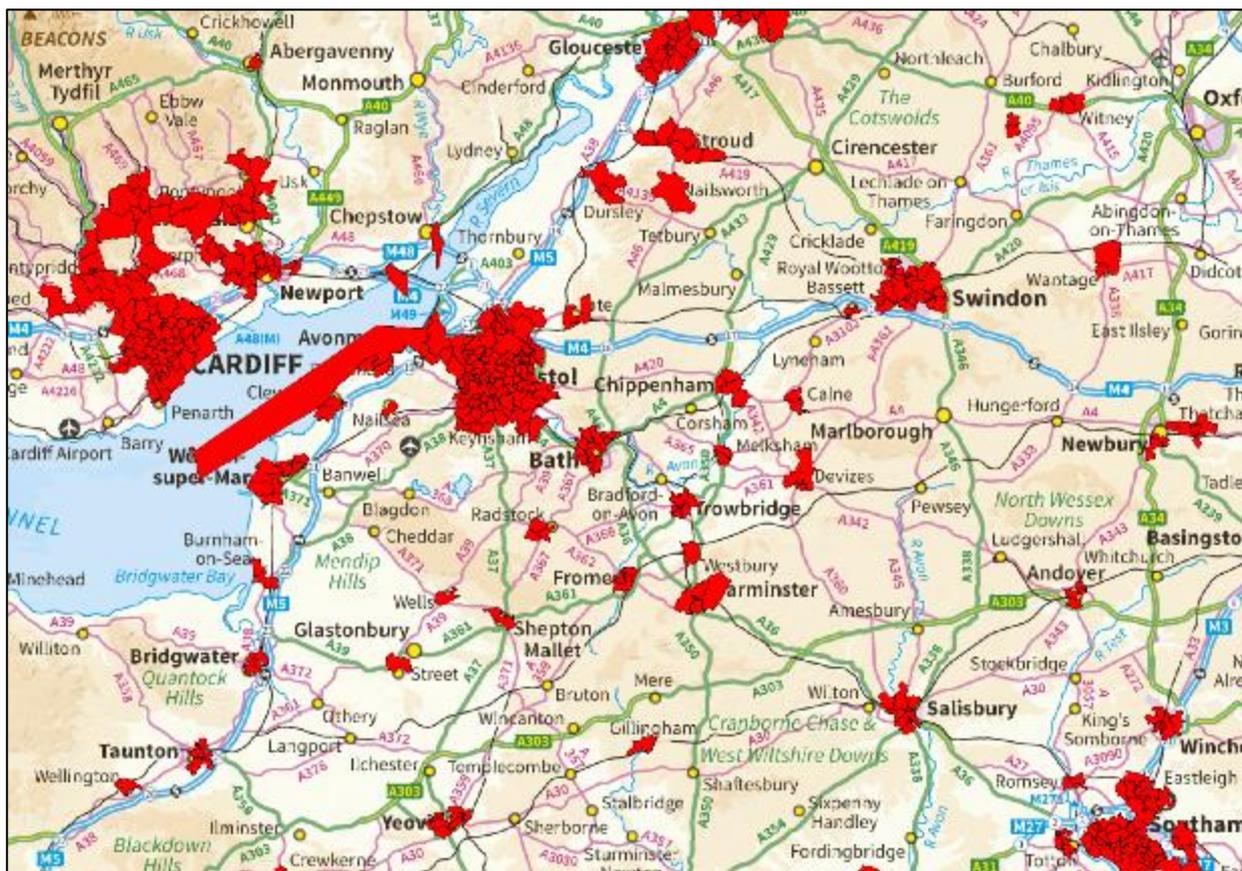
Planning Practice Guidance 2014, paragraph 10

16. Given that our initial analysis focuses on commuting flows, **the areas established will be travel to work areas rather than housing market areas.** Nevertheless, as previously outlined, commuting patterns form an important element of the overall analysis required to establish functional housing market areas.

17. The key stages in this initial analysis are:

- » **Step 1:** Each Middle Layer Super Output Area (MSOA) within the geographic area was identified where all of the constituent Census Output Areas have been classified as being “urban” under the 2011 Rural Urban Classification (DEFRA, September 2011). The 2011 Rural Urban Classification is used to distinguish between rural and urban areas, an area is classified as rural if it falls outside of a settlement with more than 10,000 residents⁹⁴.
- » **Step 2:** We grouped together any contiguous urban MSOAs and each formed a single seed point (Figure 157).
- » **Step 3:** MSOAs within the geographic area were identified where the commuting ratio that was less than 1.0; i.e. those MSOAs where the workplace population is larger than the resident population (Figure 158).
- » **Step 4:** These MSOAs with concentrations of employment are associated with the existing seed point with which they have the strongest relationship. Where these MSOAs are not contiguous with an urban area and have only weak relationships with the existing seed points, employment MSOAs form a new independent seed point (Figure 159).

Figure 157: Urban Areas (DEFRA Classification)



⁹⁴ Department for Environment, Food and Rural Affairs, Rural Urban Classification; www.gov.uk, 2014; paragraph 3.3

Figure 158: Areas with Commuting Ratio less than 1.0 (Source: Census 2011)

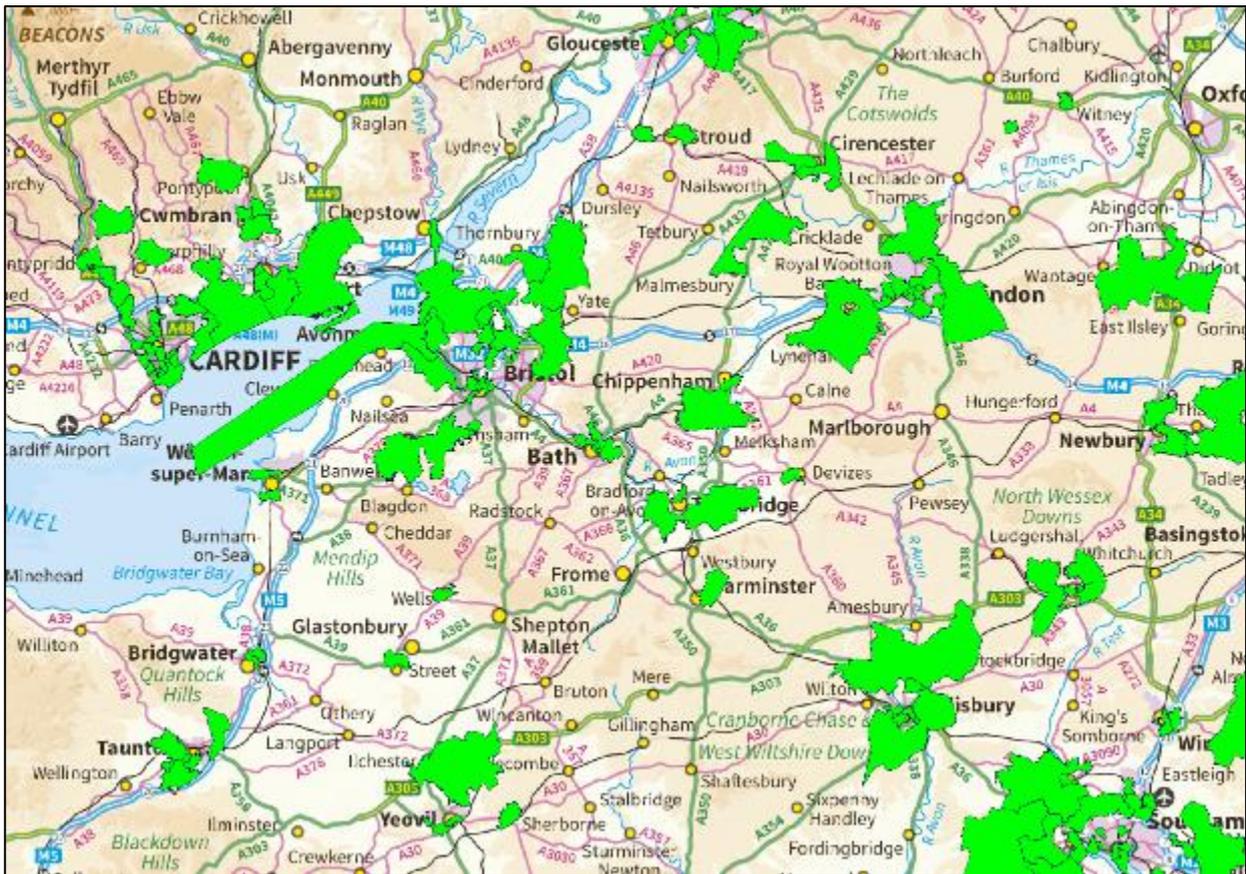
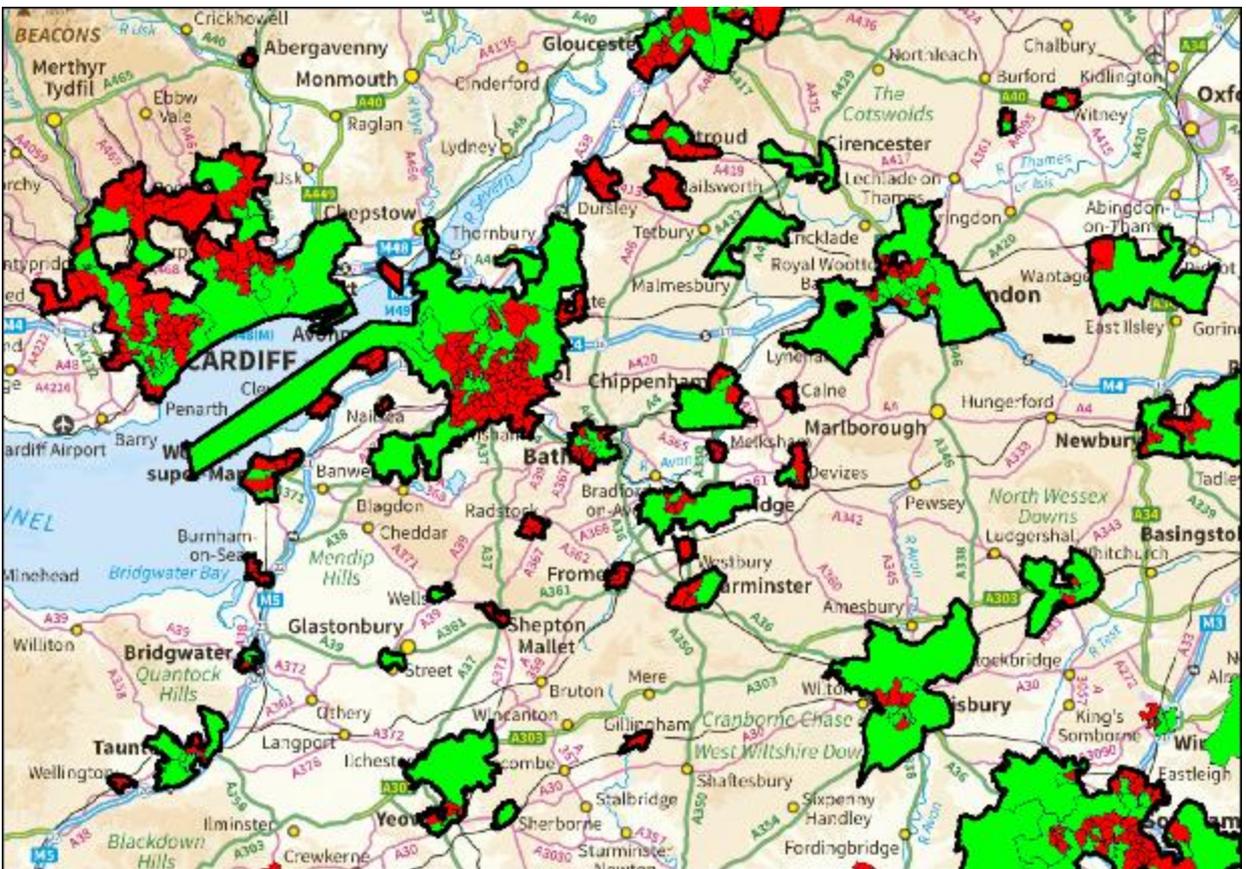


Figure 159: Urban Area and Employment Area ‘Seeds’ for Housing Market Areas



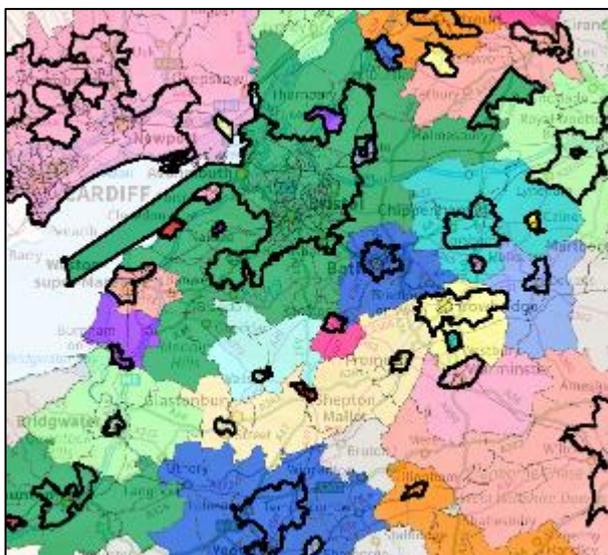
18. Figure 159 shows the final 'seeds' for the subsequent stages of the analysis process:
- » **Step 5:** For every MSOA in the geographic area, we associate it with the seed point (or seed point cluster) that has the largest number of workers resident in that MSOA.
 - » **Step 6:** Based on the MSOAs associated with each seed point (or seed point cluster) at Step 5, we calculate the proportion of the resident population that work in the area and the proportion of the workplace population that live in the area to establish a self-containment ratio.
 - » **Step 7:** If all seed points (or seed point clusters) had an acceptable self-containment ratio, the process stops; otherwise for the seed point with the lowest self-containment ratio, the seed point with which it has the strongest relationship (based on the commuting flows and distance between the two seed points) is identified and the two seed points are clustered together. Where the seed point with the lowest self-containment ratio is already formed of a cluster of seed points, the cluster is separated and the strongest relationship identified for each of the original seed points before new clusters are formed.
19. The process from Step 5 to Step 7 is then repeated to achieve increasing levels of self-containment across all seed points (or seed point clusters).
20. The final distribution of areas depends on the level at which the self-containment ratio is considered to be acceptable. The higher that the self-containment ratio is required to be, the larger (and more strategic) the identified areas will become – as smaller areas will tend to have lower levels of self-containment. The ONS have a **75% target for Travel to Work areas**, but it is worth noting that **their threshold is 66.7%** (for areas that have a working population in excess of 25,000 workers) and this provides a useful framework.

Analysis Outcomes based on 2011 Census Data

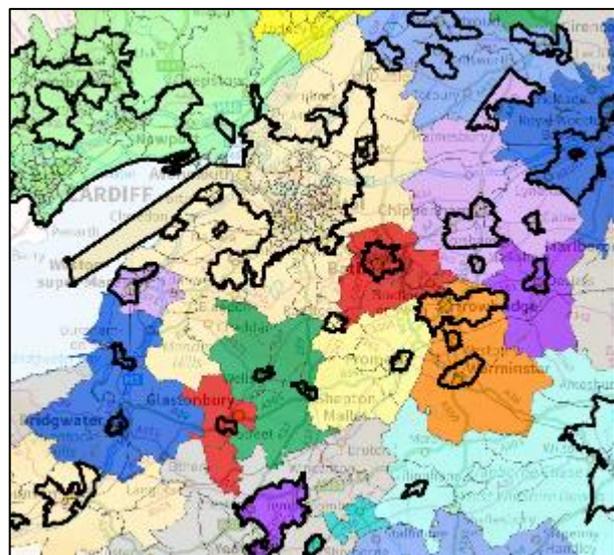
21. Figure 160 shows the development outcome of this process and begins to lift the levels of self-containment. The initial allocation shows a large number of distinct areas; but at a higher 60% self-containment the number of distinct areas is substantially reduced as the Wider Bristol functional housing market area starts to establish.

Figure 160: Model outputs based on initial distribution and at 60% containment threshold (Note: Coloured areas denote the different commuting zones that were identified at each iteration)

Initial distribution



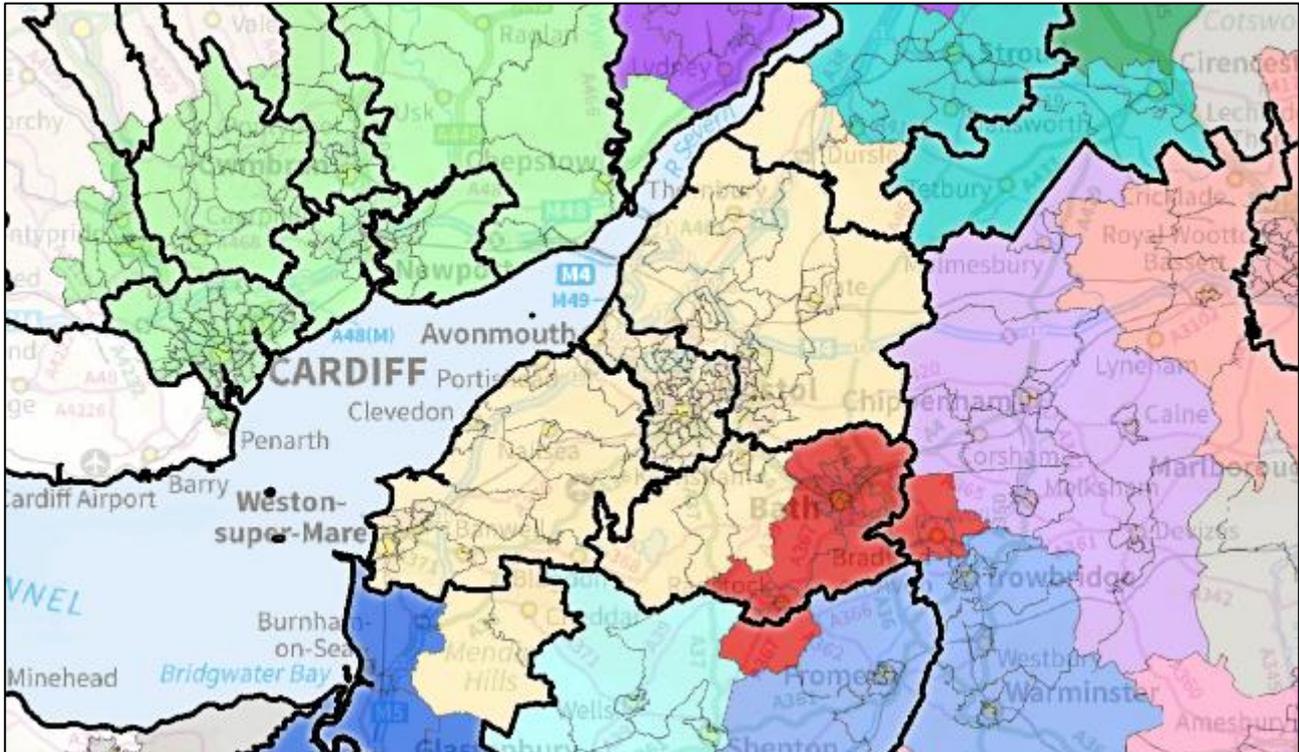
60% Containment



Proposed Commuting Zones

22. Figure 161 illustrates how the commuting zones further develop once the 67% threshold is achieved in all areas, and shows how these coordinate with the local authority boundaries.

Figure 161: Proposed Commuting Zones with Local Authority Boundaries



23. Figure 162 sets out the key statistics for the identified commuting zones, including the overall commuting flows.

Figure 162: Statistics for Proposed Commuting Zones (Source: 2011 Census; Note: Dark green cells exceed the ONS TTWA target of 75%; light green cells exceed the ONS TTWA threshold of 67%)

Commuting Zone	Living and Working in area	Workplace Population		Resident Population		Containment Score
		Total workers	% living in area	Total workers	% working in area	
Bristol	390,546	458,440	85.2%	438,634	89.0%	87.1%
Bridgwater	32,620	41,012	79.5%	47,083	69.3%	74.1%
Trowbridge	44,246	58,321	75.9%	65,759	67.3%	71.3%
Glastonbury	21,506	29,904	71.9%	30,425	70.7%	71.3%
Chippenham	54,778	74,706	73.3%	80,575	68.0%	70.6%
Bath	56,380	84,402	66.8%	77,823	72.4%	69.5%
Stroud	43,745	62,457	70.0%	64,376	68.0%	69.0%

24. It is evident that the Wider Bristol zone exceeds the ONS target of 75% in terms of both workplace and resident population, and this target is also exceeded in terms of the workplace population in both the Bridgwater and Trowbridge areas. All of the remaining flows exceed the ONS threshold of 66.7%. Whilst it would be possible to seek higher levels of containment, this isn't necessary as all of the identified areas satisfy the required criteria.

25. Given this context and based on the full range of analysis that we have considered, it is evident that there are two separate functional areas in the West of England – one focussed on Bristol, the other focused on Bath.
- » **The commuting flows for the area identified as Wider Bristol exceed the ONS target of 75%.** The proportion of workers that live in the area who also work in the area is 89.0% and the proportion of jobs in the area fulfilled by workers that live in the area is 85.2%.
 - » **The commuting flows for the Bath area fall within the acceptable range adopted by ONS.** The proportion of workers that live in the area who also work in the area is 72.4% and the proportion of jobs in the area fulfilled by workers that live in the area is 66.8%.
26. Figure 163 shows the distribution of the resident population across these two areas by local authority area.

Figure 163: Resident Population in 2011 by Local Authority Area and Proposed Commuting Zone (Source: 2011 Census. Note: Population rounded to nearest 100. Figures may not sum due to rounding)

Local Authority Area		Proposed Commuting Zone			
		Wider Bristol		Bath	
		N	%	N	%
West of England	Bath and North East Somerset	37,300	3.9%	138,700	86.1%
	Bristol	428,200	44.5%	-	-
	North Somerset	202,600	21.1%	-	-
	South Gloucestershire	262,800	27.3%	-	-
Elsewhere	Mendip	-	-	7,000	4.3%
	Sedgemoor	15,900	1.7%	-	-
	Stroud	14,700	1.5%	-	-
	Wiltshire	-	-	15,300	9.5%
TOTAL		961,400	100.0%	161,000	100.0%

27. It is evident that the Wider Bristol functional area covers the whole of Bristol, North Somerset and South Gloucestershire, together with parts of Bath and North East Somerset, Sedgemoor and Stroud; whilst the Bath functional area covers the rest of Bath and North East Somerset and parts of Mendip and Wiltshire.

Migration

28. In addition to data about commuting flows that reflects “the key functional linkages between places where people live and work”, PPG also suggests that migration patterns should be considered when defining functional housing market areas:

Migration flows and housing search patterns reflect preferences and the trade-offs made when choosing housing with different characteristics. Analysis of migration flow patterns can help to identify these relationships and the extent to which people move house within an area. The findings can identify the areas within which a relatively high proportion of household moves (typically 70 per cent) are contained. This excludes long distance moves (eg those due to a change of lifestyle or retirement), reflecting the fact that most people move relatively short distances due to connections to families, friends, jobs, and schools.

Planning Practice Guidance 2014, paragraph 11

29. The commuting data identified that the substantial majority of residents in the Wider Bristol area (93%) live in Bristol, North Somerset and South Gloucestershire; whilst most of the Bath area residents (86%) live in Bath and North East Somerset.
30. Figure 164 shows the migration flows for these local authority areas based on the 2011 Census.

Figure 164: Migration by Local Authority Area (Source: 2011 Census)

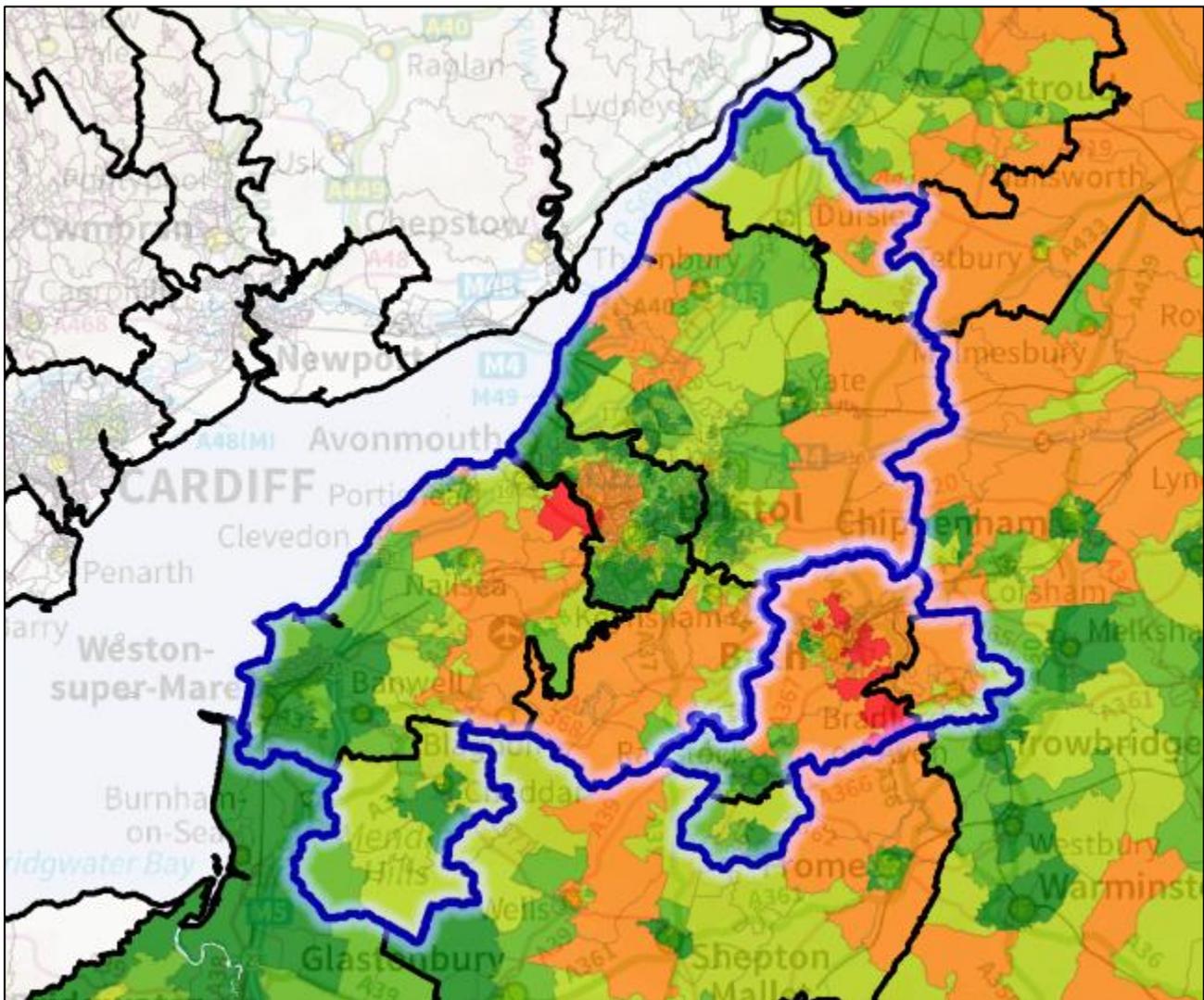
Usual Residence	Address one year ago							
	WIDER BRISTOL				BATH	ELSEWHERE		TOTAL
	Bristol	North Somerset	South Glos	TOTAL	Bath & NE Somerset	LAs within 100km	LAs beyond 100km	
WIDER BRISTOL								
Bristol	45,456	1,368	4,752	51,576	1,077	5,589	12,939	71,181
North Somerset	1,978	12,902	469	15,349	258	1,561	2,659	19,827
South Glos	4,248	426	12,734	17,408	533	2,642	4,028	24,611
TOTAL	51,682	14,696	17,955	84,333	1,868	9,792	19,626	115,619
BATH								
Bath & NE Somerset	951	253	528	1,732	14,618	3,169	6,063	25,582
ELSEWHERE								
LAs within 100km	4,192	1,938	2,382	8,512	3,405	-	-	-
LAs beyond 100km	10,445	3,002	3,563	17,010	5,199	-	-	-
TOTAL	67,270	19,889	24,428	111,587	25,090	-	-	-

31. The migration data shows that 115,619 persons currently living in Wider Bristol had moved to their address during the last year, and 84,333 of these moves were within the three local authorities that include the substantial majority of housing market area's residents. Therefore, **72.9% of all movers in the HMA previously lived in the area**. When considering those living in the area one year ago, 111,578 persons had moved to another address in the UK which includes the 84,333 movers that moved within the three local authorities. Therefore, **75.6% of all movers originating from the HMA stayed in the area**.
32. Both of these proportions exceed the 70% that PPG suggests would be typical of a housing market area; however the PPG also notes that this should exclude "long-distance moves (eg those due to a change of lifestyle or retirement)". **Excluding those local authorities where moves are 100km or more increases the containment proportions for Wider Bristol to 87.6% of movers previously living in the area and 89.2% of movers staying in the area**.
33. Considering moves to and from Bath, the data shows 25,582 persons had moves to their address in the last year, including 6,063 that had moved over 100km; so a total of 19,519 when long-distance moves are excluded. 14,618 of these moves were within Bath and North East Somerset, therefore **74.9% of movers previously lived in the area**. When considering those living in the area one year ago, 25,090 persons had moved to another address in the UK of which 5,199 moves were over 100km; so a total of 19,891 when long-distance moves are excluded. The 14,618 moves within Bath and North East Somerset therefore represents **73.5% of movers staying in the area**. These proportions also exceed the 70% suggested by PPG after taking account of long-distance moves.
34. On this basis, we can conclude that the two areas identified as commuting zones also have high proportions of migrants staying within the areas when choosing housing; which suggests that the commuting zones provide an appropriate basis for defining functional housing market areas.

House Prices

35. As previously noted, CLG research and the PAS OAN advice note have both suggested that house prices are less relevant when defining upper-tier housing market areas but can provide a useful context for identifying housing sub-markets. Figure 165 shows mix-adjusted average house prices relative to the West of England average. Figure 165 shows mix-adjusted average house prices relative to the West of England average.

Figure 165: Mix-adjusted average house prices relative to West of England average by MSOA (Source: HM Land Registry)



36. It would appear that the geographic spread of areas with higher and lower house prices does not provide a clear basis on which to define housing market areas; although it is evident that house prices in the commuting zone around Bath tend to be higher than prices across the Wider Bristol zone. Nevertheless, both areas include a full range of house prices. This provides housing options for all income groups within the area, which is necessary if all workers are to find a suitable place to live without commuting between different zones.
37. The house price distribution therefore supports that the functional housing market areas identified based on the commuting zones analysis provide for “all types of housing” and reflect the “linkages between places where people live and work”.

Administrative Boundaries and Housing Market Areas

38. The NPPF recognises that housing market areas may cross administrative boundaries, and PPG emphasises that housing market areas reflect functional linkages between places where people live and work. The previous 2007 CLG advice note⁹⁵ also established that functional housing market areas should not be constrained by administrative boundaries, nevertheless it suggested the need for a “best fit” approximation to local authority areas for developing evidence and policy (paragraph 9):

“The extent of sub-regional functional housing market areas identified will vary and many will in practice cut across local authority administrative boundaries. For these reasons, regions and local authorities will want to consider, for the purposes of developing evidence bases and policy, using a pragmatic approach that groups local authority administrative areas together as an approximation for functional sub-regional housing market areas.”

39. This “best fit” approximation has also been commended by the PAS OAN technical advice note, which suggests (paragraph 4.11):

“It is best if HMA boundaries do not cut across local authority areas. Dealing with areas smaller than local authorities causes major difficulties in analysing evidence and drafting policy. For such small areas data availability is poor and analysis is complex.”

40. This means there is a need for balance in methodological approach:
- » On the one hand, it is important that the process of **analysis and identification of the functional housing market areas should not be constrained by local authority boundaries**. This allows the full extent of each functional housing market to be properly understood and ensures that all of the constituent local planning authorities can work together under the duty to cooperate, as set out in Guidance (PPG, paragraph 10).
 - » On the other hand, and as suggested by the recent PAS OAN technical advice note (and the previous CLG advice note), **it is also necessary to identify a “best fit” for each functional housing market area that is based on local planning authority boundaries**. This “best fit” area provides an appropriate basis for analysing evidence and drafting policy, and would normally represent the group of authorities that would take responsibility for undertaking a Strategic Housing Market Assessment (SHMA).
41. In summary, therefore, the approach to defining housing market areas needs to balance robust analysis with pragmatic administrative requirements. Therefore, whilst we have established the most up-to-date functional housing markets for the West of England, it is now necessary to consider the most appropriate working arrangements for establishing the evidence base that the NPPF requires.

⁹⁵ Identifying sub-regional housing market areas (CLG, March 2007)

Conclusions

42. It is clear that all of the evidence considered suggests that there are two separate functional housing markets in the West of England – one focussed on Bristol, the other focussed on Bath.
43. The analysis has clearly demonstrated that both areas satisfy the appropriate requirements in terms of travel to work and migration flows:
- » **Wider Bristol:** In terms of workers; 85.2% of the workplace population live in the area, 89.0% of the resident population work in the area: both exceed the ONS target of 75%. In terms of movers; 87.6% of movers previously lived in the area and 89.2% of movers stayed in the area: both exceed the 70% proportion that PPG considers to be typical.
 - » **Bath:** In terms of workers; 66.8% of the workplace population live in the area, 72.4% of the resident population work in the area: both exceed the ONS threshold of 66.7%. In terms of movers; 74.9% of movers previously lived in the area and 73.5% of movers stayed in the area: both exceed the 70% proportion that PPG considers to be typical.
44. Furthermore, the house price distribution supports that both areas are likely to provide for “all types of housing”. Therefore, our analysis concludes that the areas shown in Figure 166 provide the most appropriate and up-to-date housing market geographies for the West of England.

Figure 166: Functional housing market areas in the West of England (Source: Wider Bristol SHMA 2015)



45. The substantial majority of the Wider Bristol functional housing market area residents (93%) live in Bristol, North Somerset and South Gloucestershire. Although the Wider Bristol functional housing market area covers parts of Bath and North East Somerset, Sedgemoor and Stroud, the areas represent only a minority of these local authorities' respective populations; and collectively they represent only 7% of the functional housing market area's population. On this basis, it is appropriate to conclude that Bristol, North Somerset and South Gloucestershire local authorities provide an appropriate "best fit" area for the Wider Bristol HMA.
46. Considering the Bath functional housing market area, a substantial majority of residents (86%) live in Bath and North East Somerset. Although the Bath functional housing market area covers parts of Mendip and Wiltshire, the areas represent only a minority of these local authorities' respective populations; and collectively they represent only 14% of the functional housing market area's population. On this basis, it is appropriate to consider the Bath and North East Somerset local authority independently as a "best fit" area for Bath HMA.
47. Based on a detailed analysis of the evidence, we would therefore recommend to the West of England councils that **Bristol, North Somerset and South Gloucestershire represent the most appropriate "best fit" for the Wider Bristol HMA** and that **Bath and North East Somerset should be considered separately as a "best fit" for the Bath HMA**.
48. These "best fit" groupings do not change the actual geography of the functional housing market areas that have been identified – they simply provide a pragmatic arrangement for the purposes of establishing the evidence required and developing local policies, as suggested by the CLG advice note and reaffirmed by the PAS technical advice note.
49. Whilst we believe that the proposed groupings for Wider Bristol and Bath HMAs provide the overall "best fit" for joint working arrangements on the basis of the available evidence, it will still be important for Bristol, North Somerset and South Gloucestershire to maintain dialogue with those local authorities that are covered partly by the functional housing market area for Wider Bristol – Bath and North East Somerset, Sedgemoor and Stroud. In particular, the Inspector examining the Bath and North East Somerset and Core Strategy noted in his report⁹⁶ that:
- "Even if the new West of England SHMA does not cover B&NES, the Council would still have to respond positively to any request from adjoining authorities to accommodate housing needs that could not otherwise be met within the Bristol sub-region".*
50. Similarly, it will be important for Bath and North East Somerset to maintain dialogue with those local authorities that are covered partly by the functional housing market area for Bath – Mendip and Wiltshire. Furthermore, all four West of England authorities will need to maintain dialogue with each other and their other neighbouring authorities.

⁹⁶ Para 37, Report on the Examination into Bath and North East Somerset Council's Core Strategy (June 2014)

Appendix C

Glossary of Terms

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

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

Affordable housing

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

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

(b) Starter homes: is as specified in sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

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

(d) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to government or the relevant authority specified in the funding agreement.

National Planning Policy Framework Glossary, February 2019

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

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

Concealed families are defined as; "family units or single adults living within other households, who may be regarded as potential separate households which may wish to form given appropriate opportunity"⁹⁷.

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

ECO underpins the Green Deal and places obligations on energy companies to facilitate installation of energy efficiency measures in homes. ECO fits within the Green Deal framework where Green Deal finance alone is not enough.

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

Green Deal is a market led framework that will allow individuals and businesses to make energy efficiency improvements to their buildings at no upfront cost. Finance needed for the improvements is repaid, in instalments, attached to an electricity bill.

Headship rates are defined by CLG as: "*the proportion of people in each age group and household type who are the 'head' of a household*"⁹⁸

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

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

A Housing Association or Registered Provider is an independent body that primarily provides low-cost "social or affordable housing" for people in housing need.

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

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

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

⁹⁷ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf

⁹⁸ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/182417/MethodologyFinalDraft.pdf

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

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

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

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

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

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

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

Institutional Population (also known as Communal Establishment Population) are those living in managed residential accommodation, for example, nursing homes, student halls of residence, military barracks and prisons. The full definition of a Communal Establishment can be found in the 2011 Census glossary: <https://www.ons.gov.uk/census/2011census/2011censusdata/2011censususerguide/glossary>.

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

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

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

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

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

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

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

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

Registered Social Landlord/Registered Provider see Housing Association.

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

Shared ownership see Low-Cost Home Ownership.

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

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

Acronyms and Initials

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

Table of Figures

Figure 1:	From Figure 67 - Total projected households for 2020 and 2035 and change by household type and age of household representative for Bath and North East Somerset (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding).....	8
Figure 2:	From Figure 68 - Total projected households for 2020 and 2035 and change by household type and age of household representative for Bristol (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding)	9
Figure 3:	From Figure 69 -Total projected households for 2020 and 2035 and change by household type and age of household representative (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding)	10
Figure 4:	From Figure 70 - Total projected households for 2023 and 2038 and change by household type and age of household representative for North Somerset (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding).....	11
Figure 5:	From Figure 84 - Annual components of Household Growth WECA 2020-35 and North Somerset 2023-38 (Source: ORS Housing Model)	14
Figure 6:	From Figure 90 - Assessing total need for affordable housing in WECA 2020-2035, and North Somerset 2023-38 (Source: ORS Housing Model)	16
Figure 7:	From Figure 91 - Affordable homeownership housing mix by household affordability in WECA LAs 2020-2035 and North Somerset 2023-38 (Source: ORS Housing Model)	18
Figure 8:	From Figure 92 - Overall need for Affordable Housing 2020-35 in WECA and 2023-38 in North Somerset, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	19
Figure 9:	From Figure 93 - Overall need for Affordable Housing in LAs of WECA 2020-35 and North Somerset 2023-38 disaggregated based on ability to access affordable rents, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	20
Figure 10:	From Figure 94 - Establishing the minimum LHN figure for the West of England (Source: CLG, ORS; Note: Annual housing figures are rounded to the nearest whole number)	22
Figure 11:	From Figure 96 - Extra households beyond projected in Bath and North East Somerset (LHN scenario): Affordable homeownership housing mix by household affordability 2020-2035 (Source: ORS Housing Model)	23
Figure 12:	From Figure 98 - Overall need for Market and Affordable Dwellings for Bath and North East Somerset 2020-35 (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding. Note that minus figure denotes a reduction in need over the period.).....	24
Figure 13:	From Figure 99 - Overall need for Market and Affordable Dwellings for Bath and North East Somerset 2020-35 as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding. Note that minus figure denotes a reduction in need over the period.).....	24
Figure 14:	From Figure 101 - Extra households beyond projected in Bristol (LHN scenario): Affordable homeownership housing mix by household affordability 2020-2035 (Source: ORS Housing Model)	25
Figure 15:	From Figure 103 - Overall need for Market and Affordable Dwellings in Bristol 2020-35 (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	26

Figure 16:	From Figure 104 - Overall need for Market and Affordable Dwellings in Bristol 2020-35 as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	26
Figure 17:	From Figure 106 - Extra households beyond projected in South Gloucestershire (LHN scenario): Affordable homeownership housing mix by household affordability 2020-2035 (Source: ORS Housing Model)	27
Figure 18:	From Figure 108 - Overall need for Market and Affordable Dwellings for South Gloucestershire (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	28
Figure 19:	From Figure 109 - Overall need for Market and Affordable Dwellings for South Gloucestershire as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	28
Figure 20:	From Figure 110 - Overall need for Market and Affordable Dwellings for WECA (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	29
Figure 21:	From Figure 111 - Overall need for Market and Affordable Dwellings as percentages of the WECA LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	29
Figure 22:	From Figure 113 - Extra households beyond projected in North Somerset (LHN scenario): Affordable homeownership housing mix by household affordability 2023-2038 (Source: ORS Housing Model)	30
Figure 23:	From Figure 115 - Overall need for Market and Affordable Dwellings in North Somerset (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	31
Figure 24:	From Figure 116 - Overall need for Market and Affordable Dwellings for North Somerset as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	31
Figure 25:	From Figure 122 - Modelled Demand for Older Person Housing in the West of England 2020-35 and North Somerset 2023-38 based on Housing LIN Toolkit.....	32
Figure 26:	From Figure 126 - Households with a long-term illness or disability in the West of England by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	35
Figure 27:	Map of the LAs comprising the West of England study area.....	38
Figure 28:	Number of Households in BANES by Tenure 1981-2011 (Source: UK Census of Population)	48
Figure 29:	Number of Households in City of Bristol by Tenure 1981-2011 (Source: UK Census of Population).....	49
Figure 30:	Number of Households in South Gloucestershire by Tenure 1981-2011 (Source: UK Census of Population).....	49
Figure 31:	Number of Households by Tenure 1981-2011 (Source: UK Census of Population).....	50
Figure 32:	Number of Households by Tenure 1981-2011 (Source: UK Census of Population).....	50
Figure 33:	Broad Rental Market Areas in the West of England (Source: VOA. Note: BRMA = white border, LA = black border)	54
Figure 34:	Weekly rent thresholds in the LAs of the West of England (Source: Valuation Office Agency 2019-20; SDR 2019)	55
Figure 35:	Annual income required to afford to rent properties at the lower quartile and median price based on 35% income multiplier by property size in the West of England (Source: ORS based on Valuation Office Agency data April 2019 to March 2020; SDR 2019).....	57
Figure 36:	Maximum income for households in receipt of housing benefit support by household type (Source: ORS based on Department for Work and Pensions data; Valuation Office Agency data).....	59
Figure 37:	Real House Price Trends: Lower Quartile Prices adjusted to March 2020 values using CPI (Source: ONS; Bank of England).....	60

Figure 38:	BANES - Lower quartile prices (adjusted by CPI) (Apr 2018-Mar 20) by property size (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data).....	61
Figure 39:	Bristol - Lower quartile prices (adjusted by CPI) (Apr 2018-Mar 20) by property size (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data).....	61
Figure 40:	South Gloucestershire - Lower quartile prices (adjusted by CPI) (Apr 2018-Mar 20) by property size (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data)	62
Figure 41:	North Somerset - Lower quartile prices (adjusted by CPI) (Apr 2018-Mar 20) by property size (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data).....	62
Figure 42:	Calculating income needed for home ownership.....	63
Figure 43:	Annual income thresholds for different housing options, single bedroom and two-bedroom (Source: ORS based on ONS House Price Statistics, Department for Work and Pensions, Valuation Office Agency and Land Registry Price Paid Data. Note: All figures rounded to nearest £100)	64
Figure 44:	Shared ownership costs (Note: Mortgage costs based on a 30-year repayment mortgage at 4.0% interest. Rent based on 1.5% of the retained equity annually. Service charge assumed to be £10 per week)	66
Figure 45:	Total weekly costs for shared ownership based on different equity shares (Note: Mortgage costs based on a 30-year repayment mortgage at 4% interest. Rent based on 1.5% of the retained equity annually. Service charge assumed to be £10 per week.	67
Figure 46:	Total weekly costs for shared ownership based on different equity shares (Note: Mortgage costs based on a 30-year repayment mortgage at 4% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week. Cells highlighted in orange are above the equivalent median private rent.)	68
Figure 47:	Weekly rent thresholds in the West of England (Source: Valuation Office Agency 2019-20; SDR 2019, JLL. Red indicates Affordable Build to Rent is higher than equivalent lower quartile rent).....	69
Figure 48:	Income required for a variety of housing options in the West of England assuming 35% of income spent on rent, and a 3.5% income multiplier (Source: VOA 2019-2020, Land Registry, ORS model. Orange indicates an income higher than that required to access lower quartile rent, but lower than that required to access median rent.)	71
Figure 49:	Assumptions underlying Figure 48, Figure 50 and Figure 51.....	72
Figure 50:	Income required for a variety of housing options in the West of England assuming 35% of income spent on rent, and a 4.5% income multiplier (Source: VOA 2019-2020, Land Registry, ORS model. Green indicates an income lower than the income required to access lower quartile rent. Orange indicates an income higher than that required to access lower quartile rent, but lower than that required to access median rent.).....	72
Figure 51:	Comparison of weekly Shared Ownership/First Homes costs by property size and equity share (Source: VOA 2019-2020, Land Registry, ORS model. Assumptions as in.....	74
Figure 52:	Household projections 2020-30 for Bath and North East Somerset (Source: CLG, ONS; Note: All figures presented unrounded for transparency).....	76
Figure 53:	Household projections 2020-30 for Bristol (Source: CLG, ONS; Note: All figures presented unrounded for transparency)	77
Figure 54:	Household projections 2020-30 for South Gloucestershire (Source: CLG, ONS; Note: All figures presented unrounded for transparency)	77
Figure 55:	Household projections 2020-30 for North Somerset (Source: CLG, ONS; Note: All figures presented unrounded for transparency)	78
Figure 56:	Average household size estimates and projections for Bath and North East Somerset for the period 1991-2043 (Source: CLG 2014 based projections; ONS 2018 is 2018-based projections)	79

Figure 57:	Average household size estimates and projections for Bristol for the period 1991-2043 (Source: CLG 2014 based projections; ONS 2018 is 2018-based projections)	79
Figure 58:	Average household size estimates and projections for South Gloucestershire for the period 1991-2043 (Source: CLG 2014 based projections; ONS 2018 is 2018-based projections)	80
Figure 59:	Average household size estimates and projections for North Somerset for the period 1991-2043 (Source: CLG 2014 based projections; ONS 2018 is 2018-based projections)	80
Figure 60:	2018-based projected population change 2020-35 for North Somerset, WECA, the South West Region, and England in five-year age bands (Source: ONS)	84
Figure 61:	BANES – Population 2020, 2035 and Change 2020-35 by 5-year cohort (Source: ORS)	85
Figure 62:	Bristol – Population 2020, 2035 and Change 2020-35 by 5-year cohort (Source: ORS)	86
Figure 63:	South Gloucestershire – Population 2020, 2035 and Change 2020-35 by 5-year cohort (Source: ORS)	87
Figure 64:	North Somerset – Population 2023, 2038 and Change 2023-38 by 5-year cohort (Source: ORS)	88
Figure 65:	Total projected households in BANES, Bristol, and S Gloucestershire for 2020 and 2035, and North Somerset 2023-38 (Note: Figures may not sum due to rounding. Source: ORS Model)	89
Figure 66:	Total projected households in BANES, Bristol, and S Gloucestershire for 2020 and 2035, and North Somerset 2023-38 by age cohort of household representative (Note: Figures may not sum due to rounding)	90
Figure 67:	Total projected households for 2020 and 2035 and change by household type and age of household representative for Bath and North East Somerset (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding)	92
Figure 68:	Total projected households for 2020 and 2035 and change by household type and age of household representative for Bristol (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding)	93
Figure 69:	Total projected households for 2020 and 2035 and change by household type and age of household representative for South Gloucestershire (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding)	94
Figure 70:	Total projected households for 2023 and 2038 and change by household type and age of household representative for North Somerset (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding)	95
Figure 71:	Establishing the need for market and affordable housing	96
Figure 72:	Assessing affordability by household type and age (Source: Census 2011 and DWP)	97
Figure 73:	Assessing current unmet gross need for affordable housing (Source: CLG P1E returns, Census, EHS, LAHS)	100
Figure 74:	Assessing current unmet gross need for affordable housing (Source: CLG P1E returns, Census, EHS, LAHS)	102
Figure 75:	Assessing current unmet gross need for affordable housing (Source: CLG P1E returns, Census, EHS, LAHS)	103
Figure 76:	Assessing current unmet gross need for affordable housing (Source: CLG P1E returns, Census, EHS, LAHS)	104
Figure 77:	Annual change in household numbers in each age cohort by age of Household Representative Person in Bath and North East Somerset (Source: ORS Housing Model)	105
Figure 78:	Annual change in household numbers in each age cohort by age of Household Representative Person in Bristol (Source: ORS Housing Model)	106
Figure 79:	Annual change in household numbers in each age cohort by age of Household Representative Person in South Gloucestershire (Source: ORS Housing Model)	106
Figure 80:	Annual change in household numbers in each age cohort by age of Household Representative Person in North Somerset (Source: ORS Housing Model)	107
Figure 81:	Annual components of Household Growth for WECA 2020-35 and North Somerset 2023-38 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	108

Figure 82:	Annual components of Household Growth WECA 2020-35 and North Somerset 2023-38 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	109
Figure 83:	Annual components of Household Growth WECA 2020-35 and North Somerset 2023-38 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	110
Figure 84:	Annual components of Household Growth WECA 2020-35 and North Somerset 2023-38 (Source: ORS Housing Model)	111
Figure 85:	Percentage of Owner Occupiers in England by Age Group 2001-2016 (Source: English Housing Survey)	112
Figure 86:	Proportion of Owner Occupation by age group 2011 (Source: Census 2011) 5 BARS PLEASE, ALL AREAS + ENGLAND.....	113
Figure 87:	Long-term aspirations (Source: English Housing Survey 2013/14).....	113
Figure 88:	Long-term Tenure Expectation for those in the Private Rented Sector with and without Housing Benefit support (Source: English Housing Survey 2013-14. Note: Own includes shared ownership)	114
Figure 89:	Households currently living in the Private Rented Sector and paying their own rent that aspire to home ownership (Note: Figures may not sum due to rounding)	115
Figure 90:	Assessing total need for affordable housing in WECA 2020-2035, and North Somerset 2023-38 (Source: ORS Housing Model).....	117
Figure 91:	Affordable homeownership housing mix by household affordability in WECA LAs 2020-2035 and North Somerset 2023-38 (Source: ORS Housing Model)	120
Figure 92:	Overall need for Affordable Housing 2020-35 in WECA and 2023-38 in North Somerset, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	121
Figure 93:	Overall need for Affordable Housing in LAs of WECA 2020-35 and North Somerset 2023-38 disaggregated based on ability to access affordable rents, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	122
Figure 94:	Establishing the minimum LHN figure for the West of England (Source: CLG, ORS; Note: Annual housing figures are rounded to the nearest whole number).....	127
Figure 95:	Elements of housing need – Bath and North East Somerset (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency).....	130
Figure 96:	Extra households beyond projected in Bath and North East Somerset (LHN scenario): Affordable homeownership housing mix by household affordability 2020-2035 (Source: ORS Housing Model)	131
Figure 97:	Summary of households likely to be able to access affordable home ownership in Bath and North East Somerset LHN scenario 2020-35 (Source ORS Housing Model, Census)	131
Figure 98:	Overall need for Market and Affordable Dwellings for Bath and North East Somerset 2020-35 (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding. Note that minus figure denotes a reduction in need over the period.).....	132
Figure 99:	Overall need for Market and Affordable Dwellings for Bath and North East Somerset 2020-35 as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding. Note that minus figure denotes a reduction in need over the period.).....	132
Figure 100:	Elements of housing need - Bristol (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency)	134
Figure 101:	Extra households beyond projected in Bristol (LHN scenario): Affordable homeownership housing mix by household affordability 2020-2035 (Source: ORS Housing Model)	135
Figure 102:	Summary of households likely to be able to access affordable home ownership in Bristol LHN scenario (Source ORS Housing Model, Census)	135
Figure 103:	Overall need for Market and Affordable Dwellings in Bristol 2020-35 (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	136

Figure 104: Overall need for Market and Affordable Dwellings in Bristol 2020-35 as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	136
Figure 105: Elements of housing need – South Gloucestershire (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency)	138
Figure 106: Extra households beyond projected in South Gloucestershire (LHN scenario): Affordable homeownership housing mix by household affordability 2020-2035 (Source: ORS Housing Model)	139
Figure 107: Summary of households likely to be able to access affordable home ownership in South Gloucestershire LHN scenario (Source ORS Housing Model, Census)	139
Figure 108: Overall need for Market and Affordable Dwellings for South Gloucestershire (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	140
Figure 109: Overall need for Market and Affordable Dwellings for South Gloucestershire as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	140
Figure 110: Overall need for Market and Affordable Dwellings for WECA (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	141
Figure 111: Overall need for Market and Affordable Dwellings as percentages of the WECA LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	141
Figure 112: Elements of housing need – North Somerset (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency)	143
Figure 113: Extra households beyond projected in North Somerset (LHN scenario): Affordable homeownership housing mix by household affordability 2023-2038 (Source: ORS Housing Model)	144
Figure 114: Summary of households likely to be able to access affordable home ownership in North Somerset LHN scenario (Source ORS Housing Model, Census)	144
Figure 115: Overall need for Market and Affordable Dwellings in North Somerset (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	145
Figure 116: Overall need for Market and Affordable Dwellings for North Somerset as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	145
Figure 117: Strategic Housing for Older People (SHOP) Resource pack – benchmark need per thousand persons aged 75+.....	148
Figure 118: Projected population aged 75+ (Source: LHN dwelling-led population projections)	148
Figure 119: Existing Stock of Specialist Older Person Housing for the West of England (Source: EAC 2015 and South Gloucestershire Council)	149
Figure 120: Modelled Existing Demand for Older Person Housing in the West of England based on the Housing LIN Toolkit (Source: Housing LIN Toolkit, EAC 2015)	150
Figure 121: Modelled Demand for Additional Specialist Older Person Housing WECA 2020-35 and North Somerset 2023-38 (Source: Housing LIN Toolkit)	151
Figure 122: Modelled Demand for Older Person Housing in the West of England 2020-35 and North Somerset 2023-38 based on Housing LIN Toolkit	152
Figure 123: Households with a long-term illness or disability that affects their housing needs (Source: English Housing Survey).....	156
Figure 124: Households with a long-term illness or disability in the West of England in 2020 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	157

Figure 125: Households with a long-term illness or disability in WECA 2020-35 and North Somerset 2023-38 affecting their housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	158
Figure 126: Households with a long-term illness or disability in the West of England by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	160
Figure 127: Percentage of households with a wheelchair user by type of housing and age of household representative (Source: English Housing Survey 2013-14).....	161
Figure 128: Disability benefit claimants in receipt of mobility award by age in BANES and England (Source: DWP, May 2020).....	162
Figure 129: Disability benefit claimants in receipt of mobility award by age in Bristol and England (Source: DWP, May 2020).....	162
Figure 130: Disability benefit claimants in receipt of mobility award by age in S Gloucestershire and England (Source: DWP, May 2020).....	162
Figure 131: Disability benefit claimants in receipt of mobility award by age in N Somerset and England (Source: DWP, May 2020).....	163
Figure 132: Percentage of households with a wheelchair user in the LAs of the West of England, by type of housing and age of household representative (Source: EHS, DWP).....	163
Figure 133: Households needing wheelchair adapted housing in the West of England (Source: ORS Housing Model. Note: Figures may not sum due to rounding. Percentage of tenure in LHN column is calculated by dividing net change for a given tenure by the total identified need for that tenure in the LHN, as indicated by row labels.).....	164
Figure 134: Households needing Wheelchair Adapted Housing by age (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	165
Figure 135: University of Bath student accommodation forecast (Source: "Topic Paper: Universities' Growth & Student Accommodation Requirements" - BANES Council 2018).....	167
Figure 136: Bath Spa University student accommodation forecast (Source: "Topic Paper: Universities' Growth & Student Accommodation Requirements" - BANES Council 2018).....	168
Figure 137: Combined forecast demand for student accommodation in Bath (Source: "Topic Paper: Universities' Growth & Student Accommodation Requirements" - BANES Council 2018).....	168
Figure 138: MoD personnel in South Gloucestershire 2012-2020 (Source: MoD Annual location statistics 2020).....	170
Figure 139: From Figure 67 - Total projected households for 2020 and 2040 and change by household type and age of household representative for Bath and North East Somerset (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding).....	174
Figure 140: From Figure 68 - Total projected households for 2020 and 2040 and change by household type and age of household representative for Bristol (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding).....	175
Figure 141: From Figure 69 - Total projected households for 2020 and 2040 and change by household type and age of household representative for South Gloucestershire (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding).....	176
Figure 142: Components of LHN for WECA 2020-40 (Source: ORS Housing Model).....	176
Figure 143: From Figure 98 - Overall need for Market and Affordable Dwellings for Bath and North East Somerset 2020-40 (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding. Note that minus figure denotes a reduction in need over the period.).....	177
Figure 144: From Figure 99 - Overall need for Market and Affordable Dwellings for Bath and North East Somerset 2020-40 as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding. Note that minus figure denotes a reduction in need over the period.).....	177

Figure 145: From Figure 103 - Overall need for Market and Affordable Dwellings in Bristol 2020-40 (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	178
Figure 146: From Figure 104 - Overall need for Market and Affordable Dwellings in Bristol 2020-40 as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	178
Figure 147: From Figure 108 - Overall need for Market and Affordable Dwellings for South Gloucestershire 2020-40 (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	179
Figure 148: From Figure 109 - Overall need for Market and Affordable Dwellings for South Gloucestershire 2020-40 as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	179
Figure 149: From Figure 110 - Overall need for Market and Affordable Dwellings for WECA 2020-40 (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	180
Figure 150: From Figure 111 - Overall need for Market and Affordable Dwellings as percentages of the WECA LHN 2020-40 (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	180
Figure 151: From Figure 121 - Modelled Demand for Additional Specialist Older Person Housing WECA 2020-40 (Source: Housing LIN Toolkit)	181
Figure 152: From Figure 122 - Modelled Demand for Older Person Housing in the West of England 2020-40 based on Housing LIN Toolkit (Source ORS Housing Model, Housing LIN).....	182
Figure 153: From Figure 126 - Households with a long-term illness or disability in the West of England by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	183
Figure 154: From Figure 134 - Households needing Wheelchair Adapted Housing by age (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	184
Figure 155: NHPAU Study - PAS OAN technical advice note 'Starting Point'.....	187
Figure 156: ONS Travel To Work Areas (Source: ONS 2007)	188
Figure 157: Urban Areas (DEFRA Classification).....	189
Figure 158: Areas with Commuting Ratio less than 1.0 (Source: Census 2011)	190
Figure 159: Urban Area and Employment Area 'Seeds' for Housing Market Areas	190
Figure 160: Model outputs based on initial distribution and at 60% containment threshold (Note: Coloured areas denote the different commuting zones that were identified at each iteration)	191
Figure 161: Proposed Commuting Zones with Local Authority Boundaries	192
Figure 162: Statistics for Proposed Commuting Zones (Source: 2011 Census; Note: Dark green cells exceed the ONS TTWA target of 75%; light green cells exceed the ONS TTWA threshold of 67%)	192
Figure 163: Resident Population in 2011 by Local Authority Area and Proposed Commuting Zone (Source: 2011 Census. Note: Population rounded to nearest 100. Figures may not sum due to rounding)	193
Figure 164: Migration by Local Authority Area (Source: 2011 Census)	194
Figure 165: Mix-adjusted average house prices relative to West of England average by MSOA (Source: HM Land Registry)	195
Figure 166: Functional housing market areas in the West of England (Source: Wider Bristol SHMA 2015)	197