

# Little Dunmow

## Housing Needs Assessment (HNA)

November 2022

## Quality information

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

DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
HMA	Housing Market Area
HNA	Housing Needs Assessment
HRF	Housing Requirement Figure (the total number of homes the NA is expected to plan for, usually supplied by LPAs)
HLIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LDNPS	Little Dunmow Neighbourhood Plan Steering Group
LDPC	Little Dunmow Parish Council
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LPA	Local Planning Authority
NA	Neighbourhood (Plan) Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHMA	Strategic Housing Market Assessment
UDC	Uttlesford District Council
VOA	Valuation Office Agency

# 1. Executive Summary

## Conclusions- Tenure and Affordability

### Tenure and house prices

1. The recent Little Dunmow Housing Needs Survey returns signalled a local interest in the subject matter of affordable housing and recognised a level of local support for small scale development primarily of affordable housing for local people. 67% of respondents stated they were supportive of small affordable housing development, while 41% were supportive of further market housing development. There was also mixed support for a Community Led Housing scheme.
2. The majority (69%) of households in Little Dunmow own their own home. Social and private renting, both at 15%, are the next most common tenures, while shared ownership is the tenure of 1% of households.
3. Significant housing growth has taken place at Little Dunmow, as can be seen from completions and permissions data since the 2011 Census. 58 completions were recorded by UDC in 2011-2021, and a further 25 units are currently showing as outstanding planning permissions under construction.
4. There were three major and six minor residential permissions granted in the parish since 2011 to date. In total, these permissions are for 96 units (of which 82 are net additional, taking into account demolitions). Net additional permissions since 2011 constitute an increase of 69% to the 119 dwellings recorded in the 2011 Census for Little Dunmow.
5. Of the 82 net additional units permitted, 18 units (22%) are affordable and 64 units (78%) are market dwellings. As 22% is a higher percentage of affordable housing than recorded for the NA in the 2011 Census (15%), the proportion of affordable housing is likely to be marginally increased in the NA since 2011, as the majority of permissions appear to be being built out.
6. House prices have seen considerable but erratic growth over recent years in Little Dunmow, recording large spikes of decreases and increases. Overall, the mean more than doubled from £230,000 to £490,413 over the nine-year period from 2012 to 2021 (a 113% increase), while the median increased by 77%, and lower quartile prices also nearly doubled recording a 99% increase from 195,000 to 388,750. Lower quartile prices are not far below mean and median prices and have grown in a more steady and less erratic fashion.

### Incomes and affordability

7. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. The average total household income before housing costs in Little Dunmow was £51,200 in 2018. Uttlesford's gross individual lower quartile annual earnings were £18,480 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £36,960. There is clearly a large gap between the spending power of average earning

households and those earning the lowest 25% of incomes, particularly where the household in question has only one earner.

8. Thinking about housing for purchase on the open market, it appears that local households on average incomes are clearly unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of an above average income, is likely to remain out of reach to most. The median house price would require an annual income of £104,779, which is more than double the current average income.
9. Average private rents are also unaffordable to average earners, who would only be able to afford lower quartile or entry level rents. The only tenures affordable to a household with two lower quartile earners are social and affordable rents. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.
10. If using entry level rents as a threshold, there is a significant portion of the population in Little Dunmow who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £37,000 per year (at which point entry-level rents become affordable) and £99,964 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes, shared ownership, or rent to buy.
11. Unfortunately, due to the relationship of high house prices with local incomes, in the case of Little Dunmow not even the highest level of 50% discount would make First Homes affordable to an average earning in the NA. The minimum discount required to make the median house price affordable to a local average earner in Little Dunmow would be 51%, and this rises to 62% if using Uttlesford new build median house prices. Shared ownership appears to be largely equally unaffordable compared to First Homes. A 10% share would be the only share affordable to average earners in the NA. Rent to Buy would only be affordable to average earners in the NA at entry level rents (for the cheapest 25% of units), and not average rents.
12. In conclusion, all of these products would provide valuable to different segments of the local population, with shared ownership at 10% equity share potentially allowing average earning households to get a foot on the housing ladder, with rent to buy at entry level rents particularly helpful to those with little or no savings for a deposit, and First Homes (especially at 50% discount) potentially providing a better long-term investment to those on slightly above average incomes who can afford to access it. However, none of these products would significantly extend access to homeownership in the case of Little Dunmow and none of the products would extend the possibility of homeownership to households earning single or double lower quartile incomes.
13. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of

the tenures considered including the smallest socially rented units without recourse to benefits.

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

### **Affordable housing need**

15. This study, based on pro-rating the most recent SHMA update to the 2011 Census population of Little Dunmow, estimates a total need for affordable housing in the NA of 8 homes over the 18 year Neighbourhood Plan period, of which 6 units should be affordable housing for rent and 2 should be affordable housing for sale. A separate AECOM estimate of affordable housing for sale demand shows that the full extent of this demand may be higher, at up to 18 units over the Plan period, with no current stock of affordable housing for sale showing in the 2011 Census. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on different incomes. The total need for affordable housing actually exceeds the current indicative housing requirement of 5 units over 18 years, as provided by the District Council.
16. However, as recent and upcoming housing delivery in Little Dunmow is relatively high, with more than the indicative housing requirement from UDC already covered by existing outstanding commitments, and as most existing permissions on major sites appear to include an average 22% affordable housing requirement, higher rates of delivery are possible.
17. In addition, the Steering Group could explore further avenues for delivering greater quantities of Affordable Housing, including for sale, for the local community. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites, or developing community land trusts are all ways of boosting the supply of affordable housing.
18. Equally, if the group consider enshrining the 40% Local Plan affordable housing target as a specific requirement in the Local Plan, this could be discussed with the local authority. If successfully enforced, this would increase the overall amount of affordable housing delivered, if development volumes continue to be high and exceed the District Council's current indicative housing requirement for the Neighbourhood Plan. It could also potentially allow LDNSG to consider specifying a different mix, with a higher percentage

of affordable housing for sale, to boost opportunities for local residents to get on the housing ladder in the face of the extensive affordability challenge in the NA.

19. It must be noted that a high standard of justification will be required if the requirements of the NP are higher or stricter than those of the Local Plan. The scope of this justification goes beyond the scope of this HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising or more strictly enforcing the percentage of Affordable Housing required could have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance, especially as Little Dunmow's situation may be a little different from that of other small settlements in Uttlesford.

## **Conclusions- Type and Size**

### **The current housing mix**

20. This study provides an indication of the likely need for different types and sizes of homes based on projected demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.
21. It is also important to remember that as a small NA with a substantial amount of development since 2011, data analysis had to be undertaken in a slightly different way from in other neighbourhood level studies, and the potential for making projections into the future is more limited.
22. Detached and semi-detached houses are the most common dwelling types in Little Dunmow. These two accommodation type categories make up a larger proportion of homes in the NA than across Uttlesford or England as a whole. Conversely, the NA contains a significantly lower proportion of flats and terraces. This is true for stock in 2011, as well as for dwellings permitted 2011-2022.
23. In terms of dwelling size, properties in Little Dunmow are largely middle sized with three bedrooms. This size category makes up 31% of all properties in the 2011 Census, and an even more significant proportion (47%) of properties permitted in the NA since then. The next largest category is dwellings with four bedrooms (30% in the Census and 19% of permissions over the past 11 years).
24. Smaller properties of 1-2 bedrooms make up only 10-12% of dwellings in the Census, while very large properties of 5+ bedrooms made up 17% of the total.
25. Compared to Uttlesford and England as a whole, Little Dunmow in 2011 had a comparatively lower proportion of small and medium properties with three bedrooms or less, and a significantly higher proportion of larger properties with 4 or more bedrooms.

This means there were fewer smaller homes suitable for younger first-time buyers and older households looking to downsize.

26. Recent permissions since 2011 have started prioritising more two-bedroom properties in the NA, which constituted 19% of permissions, while units of 5+ bedrooms only made up 7% of new permissions. New homes appear to deliver more medium and smaller units and fewer very large units.

### **Demographics**

27. As regards age structure and household composition, the NA population has a rather similar profile to that of the district and country as a whole in 2011. The two largest age groups, together making up just over half of the NA's population, were the two "middle" age categories aged 25-64 years, followed by young children under the age of 15. Those aged between 65-84 made up the next largest category. Older teenagers and young adults aged 16-24 and those aged over 85 were the smallest age groups. Older age groups aged 65 and over are slightly more represented in Little Dunmow than across the larger geographies, while age groups below 65 make up slightly lower proportions. However, overall the age profile of Little Dunmow is not dissimilar to that of Uttlesford and England.
28. Unfortunately, as mentioned earlier in our report, the 2020 ONS population projections are not realistic for Little Dunmow, due to the large amount of development which has happened since 2011, which is likely to have increased the NA's population by around 52%. However, it is assumed that the age structure of Little Dunmow has not changed significantly, as the majority of new residents are likely to come from surrounding areas. On this basis, and on the basis of post-occupation details of one major development received from the District Council, we assume that the profile of the additional new population, estimated to be around 141 persons, is likely to be largely similar to, but potentially slightly younger, than Little Dunmow's 2011 Census population.
29. The NA's population profile falls somewhere between that of the district and the country. Little Dunmow has a slightly higher proportion of one family households than across the country, but slightly lower than across Uttlesford. Little Dunmow also has a slightly higher proportion of all older households over 65, and of family households without children.
30. More than half of all households in the NA (63%) live in a home with two or more spare bedrooms, and the vast majority (85%) live in a home with at least one spare bedroom, while only 1% of Little Dunmow's households were over-occupying their homes. Families under 65 with no children are the most likely to under-occupy their home, as well as most likely to have two or more spare bedrooms. The second most likely group to live in a house with two spare rooms are older family households over 65. The most likely to over-occupy their home are families with dependent children. This is quite common and suggests that the larger housing isn't necessarily being occupied by households with the most family members, but rather by the people with the most wealth (such as couples without children), or by older households who have not chosen or not been able to move to smaller properties after their children have left home.
31. Looking forward towards the end of the plan period, population growth can be expected to be primarily driven by the oldest households aged 65 and over, projected to more than

double over the plan period to 2040, followed by households aged 55-64. However, some of this aging trend may be counter-acted by the large amount of new development, which appears to be more so populated by younger households.

### **Future dwelling size needs**

32. Our model suggests that what is most likely needed to be built in Little Dunmow over the plan period is 2- and 3-bedroom properties (40% and 49% each); followed by 4-bedroom homes (10%); plus a very small amount of 1 bedroom properties (1.5%). No very large new units appear to be needed. When compared to what property has been permitted in the NA since 2011, projected need largely matches permissions granted. The main discrepancy appears to be a shortfall of 2-bedroom properties being permitted compared to what appears to be needed, while there are more 4+ bedroom properties permitted than appear to be required.
33. The significant development volumes already permitted in Little Dunmow, which far exceed the indicative housing requirement for the plan period, mean that for this development, as it is already permitted, the emerging NP will not be able to influence type and size. However, for any development yet to be permitted, mid-sized and smaller properties of 2-3 bedrooms should be prioritised. This would also help the affordability issues discussed in the previous chapter and provide suitable units for older households to downsize into should they wish. At the same time, a variety of housing should be provided to cater for different needs, incomes, sizes, and life-stages, including smaller homes suitable for first time buyers, those with limited funds, and those looking to downsize.

## **Conclusions- Specialist Housing for Older People**

34. The subject of specialist housing needs of older people is of particular interest to the Little Dunmow's NP Steering Group. Three of the 51 respondents indicated that they had special housing needs (likely related to the need for accessible housing). Some respondents indicated need for affordable and some for market elderly accommodation.
35. The NA itself has no current specialist offer. The nearest provision in the vicinity is at Dunmow/ Great Dunmow and Felsted, approximately 2-3 miles away. Together, the ten schemes in these two locations provide 242 accommodation units for the wider area, largely age restricted housing without care. Two schemes, containing 57 units, or 24% of all units, provide elderly housing with care. The majority of units are available for rent from a social landlord, but 55 units (22%) are available for sale with leasehold or shared ownership. The Housing LIN model recommends a provision of 251 units per 1,000 population.
36. Based on ONS 2020 growth projections of the 2011 Census population and on AECOM estimates of the population in the new developments built in Little Dunmow since 2011, we estimate that the current population in Little Dunmow, which is likely to be aged 75+, is around 32-55 persons. However, the exact number of over 75 year olds in Little Dunmow at present is not entirely certain, as the age profile of residents of the new

developments since 2011 is not known, but is likely to be slightly younger than that of the households recorded in the 2011 Census. It is nevertheless a reasonable estimate, based on the information available.

37. The HLIN model recommendation of a provision of 251 units of elderly accommodation per 1,000 population aged 75+, together with our population estimate, would justify a current provision of 8-14 units of specialist accommodation for the elderly in Little Dunmow. Current local provision is zero. Our more detailed estimates of projected need over the plan period result in a requirement of 10-12 units of specialist accommodation required to meet the needs of Little Dunmow's projected elderly population to 2040. However, it is worth considering that as a rural location with little access to public transport and without local amenities or services, Little Dunmow does not constitute a very sustainable location for elderly accommodation.
38. On the basis of 2011 Census information, 81% of 55-75 year olds in Little Dunmow own their own home, renters making up 17% (about two thirds of these rent from the council or a housing association, one third rent privately, and 1% live rent free). By the end of the plan period in 2040, the population of over 75s is projected to increase by an approximate 41 additional individuals, approximately doubling in total from today's estimated population.
39. The 2015 West Essex and East Hertfordshire SHMA includes similar findings to our study, projecting a significant growth in the elderly population across the HMA, with 73% of all growth projected likely to be related to people aged 65 and over, and more than a third of the total projected increase (36%) made up of people aged 85 and over. It is likely that in Little Dunmow specifically, some of the aging trend of the local population may be offset by the effects of younger households moving into new developments. However, the increase in the elderly population will nevertheless be significant, although possibly not as pronounced as in other locations around the district.
40. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the 55-75 cohort occupies in the NA on the basis of the 2011 Census. This can be sense-checked using a toolkit based on national research and assumptions.
41. These two methods produce a range of 10-12 specialist accommodation units that might be required during the Plan period in the NA. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.
42. Overall, the largest demand is likely to be for sheltered accommodation for market sale, which makes up around a third to half (between 4-5 of the total 10-12 units) of total projected demand.
43. There is also projected to be a significant level of demand for extra-care units (about a quarter to half of the total projected need; 3-6 of the total 10-12 units), with the majority

of these also needed for market sale. About one third of total demand (4 of 10-12 units needed) is for affordable specialist housing. Housing with on-site care makes up about half of this affordable elderly housing demand.

44. It is worth noting that Neighbourhood Plans cannot set the proportion of housing (specialist or otherwise) that should be affordable, as this has to be in line with Local Plan policy. In the case of Uttlesford, the adopted Local Plan contains a 40% affordable housing target overall and no policies relating to specialist older persons accommodation. The evidence provided in our HNA, should be useful in supporting the case for some appropriate elderly accommodation in or near the NA to meet evidenced demand, including some affordable elderly accommodation. However, this is subject to Little Dunmow being deemed an appropriate location for such provision, considering its lack of local amenities.
45. As the majority of unmet need (making up a third to half of the total) is for market sheltered housing, this element might be satisfied by making sure all new housing is accessible and adaptable for people with lower support needs. This is also supported by the SHMA stating that its evidence supports the need for all dwellings to meet Category 2 requirements, providing that this does not compromise viability, as well as a need for 10% of market housing and 15% of affordable housing to meet Category 3 requirements, to recognise changing demographics across the wider HMA.
46. There is no known future supply of specialist housing indicated in commitment data shared by UDC, nor do any of the planning permissions examined for Little Dunmow since 2011 include any specialist provision. Therefore, given that it appears unlikely that there will be a large volume of additional specialist supply during the Plan period in the NA, if any, an avenue open to LDNSG is to discuss the standards of accessibility and adaptability for new development in the emerging new Local Plan with the LPA. The local level evidence supplied in this report could be used to support this discussion. The group may also be able to encourage the adaptation of existing properties through grant schemes and other means, although it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock.
47. Uttlesford's currently adopted Local Plan from 2005 provides no encouragement for development to accommodate specific groups such as older people. It also sets no targets or percentage requirements for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence gathered here would appear to justify the NP Steering Group approaching the LPA to discuss setting requirements on accessibility and adaptability at a Local Plan level. The timing for such discussions appears suitable at the time of writing our HNA, as the emerging new Local Plan is still in its early stages of preparation. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing. Therefore, discussions with the LPA are advised if this is a key priority.
48. It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed

nationwide. The localised evidence gathered here, as well as the wider evidence of the SHMA, would further justify this. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants in the county falling into this category.

49. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable and accessible locations. This is due to a number of reasons, as follows:
  - so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
  - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
  - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
50. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or Neighbourhood Areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
51. As Little Dunmow has no local amenities, it is considered that the NA is, in broad terms, not a suitable location for specialist accommodation, on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, it is most likely that specialist accommodation continues to be either entirely, or largely, provided not within but near the Neighbourhood Area, in more sustainable urban locations near the NA. Note that there is no specific requirement or obligation to meet elderly accommodation need within the NA as part of the NP. The more rural and remote nature of the NA make it less suitable as a location for specialist housing provision. However, where it is considered for any reason desirable to meet some of the specialist need within the Neighbourhood Area boundary, rather than in larger settlements with access to more public transport and local services, the provision should be small and restricted to catering for local need from within the NA. Proximity to local bus services should also be ensured, to promote use of sustainable transport modes as much as possible.
52. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

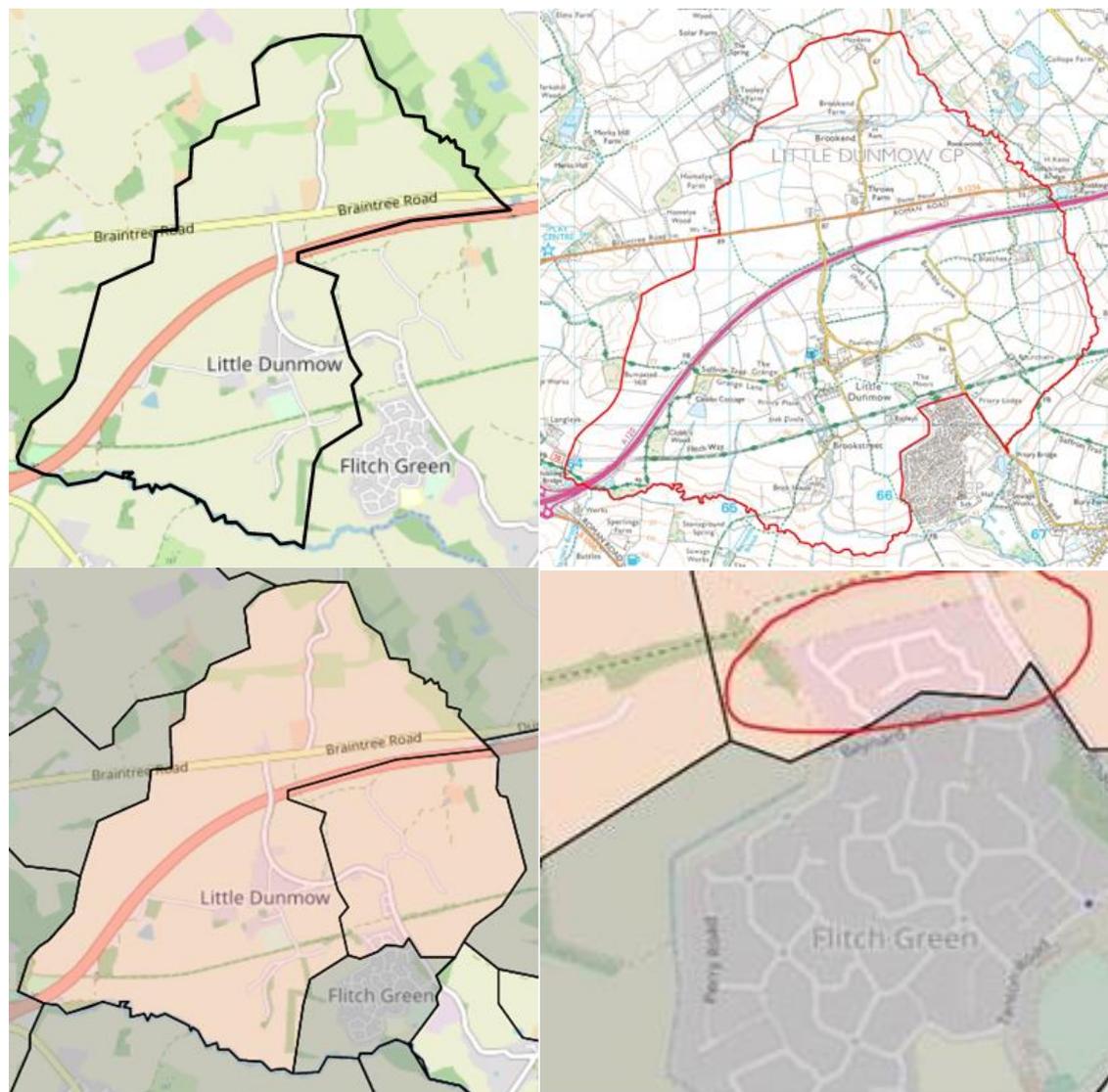


55. The process of preparing the Neighbourhood Plan (NP) is led by the Little Dunmow Neighbourhood Plan Steering Group (LDNPS) and LDPC. The proposed Neighbourhood Plan period starts in 2022 and extends to 2040, comprising a planning period of 18 years. This aligns with the currently proposed end date for the emerging Uttlesford new Local Plan. The evidence supplied in this report will look forward to the Plan end date of 2040, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
56. Little Dunmow is located in a rural area, in the vale of the River Chelmer. The parish is bisected east to west by the A120, which connects to Great Dunmow, Braintree, and Bishop's Stortford. The NA does not have a train station but has access to four bus services, including to Chelmsford, Braintree, Stansted Airport, and Colchester. Services run either once a day for the school buses or every 1-3 hours for other buses. Aside from the main village of Little Dunmow itself, the NA also includes some dispersed dwellings, clusters, and hamlets, such as around Brook Street and Brook End.
57. The parish includes a large number of historic and listed buildings, a local nature reserve, and a travellers' site. The village centre is designated as a conservation area. The NA itself has no local amenities except a restaurant and church. The closest schools include the nearest primary schools in Stebbing and Dunmow (2.5 and 3.4 miles away), the junior school in Flich Green (1.3 miles away), and a secondary school providing education up to sixth form in Dunmow (3.2 miles away). The recent Housing Needs Survey undertaken in the parish accordingly signalled local concerns about the suitability and sustainability of further development in the NA, due to the lack of infrastructure<sup>2</sup>.
58. The Flich Way country park follows the route of the old Braintree to Bishops Stortford railway, to link Little Dunmow with the new settlement of Flich Green. This new settlement, built on the site of a former sugar beet factory, is a self-contained community with a shop and school. Flich Green was formerly part of Little Dunmow parish and has been a separate civil parish since 2009.
59. For Census purposes, Neighbourhood Areas are typically made up, like the rest of England, of statistical units called Output Areas (OAs), or parishes, or combinations thereof. In the case of Little Dunmow NA, the former parish boundary, which was used for the 2011 Census (the top left map of figure 2-1 below) has been recently expanded and now aligns with the designated NP area (top right map of figure 2-1). In order to achieve the best possible fit with the NA for Census 2011 data, the designated NA boundary could be largely recreated in the Census by adding in an additional OA (the bottom left map of figure 2-1).
60. However, this additional OA includes a part of the new neighbouring settlement of Flich Green, which is not part of the current Little Dunmow parish and the designated NA boundary (circled in the zoomed map at the bottom right of Figure 2-1). Adding this small area, which lies outside the NA boundary, would result in including a significant additional population which is not part of the NA. The population of the old parish used in the 2011 Census (and used in 2020 The Office for National Statistics - ONS population

<sup>2</sup> RCCE (Rural Community Council of Essex), Housing Needs Survey, Little Dunmow, March 2022 (data gathered autumn 2021-Feb 2022). This survey received 51 returns from 160 forms distributed (a 32% response rate)

estimates, which still reflect the old boundary) is estimated by the ONS as 290 persons in 2020. The additional OA population would be approximately 300 extra persons, due almost entirely to that part of Flitch Green. Including this OA would therefore double the population considered. AECOM and LDNSG have agreed that this would significantly skew the population picture and is thus an inappropriate approach.

**Figure 2-2: Comparison of different Little Dunmow geographies for statistical purposes**



61. Therefore, the geographical area which has been selected for use throughout our Housing Needs Assessment (HNA) as a statistical proxy for the NA boundary, which can be interrogated for data from both the 2001 and the 2011 Censuses, is the former little Dunmow parish boundary as used for the 2011 Census (the top left map of figure 2-1 above).
62. We have used this former Little Dunmow parish boundary for Census and other ONS data such as population, household, and dwellings characteristics, estimates and projections. Wherever possible we have additionally considered dwelling data from past development completions and permission in the NA since 2011. This additional data was

used wherever possible to supplement the 2011 Census data on subjects including size of population, number of households, and types and sizes of houses, as this information was available through the perusal of planning application documents.

63. However, for data on the characteristics of the population and households living in Little Dunmow, we have been largely reliant on Census data from within the former parish boundary and from the district as a whole, as this is the most recent and complete information on these subjects. There is no comprehensive information available on the characteristics of the households occupying the new dwellings built in the NA since 2011, until the new 2021 Census is published. Some demographic data for one of the new developments has been shared with AECOM by the District Council. This has been included, but has been anonymised to ensure data protection laws are adhered to and that no individuals are identified. Additional information provided by the results of a recent parish Housing Needs Survey has also been used to supplement available data.
64. In agreement with LDNPS, AECOM has recommended that NA and district level population characteristics based on ONS Census data and projections are sufficiently representative for the purposes of the Neighbourhood Plan's housing needs analysis<sup>3</sup>. This is deemed to be an appropriate and proportionate approach for the purposes of analysing the housing needs of a settlement the size of Little Dunmow.
65. The statistics show that in the 2011 Census, the NA had a total of 284 residents, formed into 117 households and occupying 119 dwellings. The average household size is therefore 2.43 persons. Since 2011 an additional 58 net additional dwellings have been completed in the parish<sup>4</sup>. This is a relatively significant rate of development, increasing the number of dwellings in the parish by 49% over ten years.
66. We assume that all of these new dwellings are not vacant or second homes, and that they are occupied at a similar average household size as recorded for the rest of the parish in the 2011 Census.
67. The ONS produces mid-year population estimates for parishes and wards throughout the country. The mid-2020 population estimate for Little Dunmow, based on its Census population and estimated population growth rate, is 290. This is likely to significantly underestimate population growth related to new development, indicating population growth of only 6 individuals since 2011. As this figure is an estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count, we believe that adding our estimation of 141 additional residents (a 50% increase through development) is likely to be realistic.
68. On this basis, we estimate that Little Dunmow is likely to have at the time of writing, approximately: **175 households** (117 Census 2011 households + 58 completions since 2011); **177 dwellings** (119 Census 2011 dwellings + 58 completions since 2011); and a **population of 431 persons** (290 persons from ONS 2020 projection + [58 new

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<sup>3</sup> This was agreed in a phone call between AECOM and the Neighbourhood Steering Group on 23 June 2022

<sup>4</sup> Based on completions data from Uttlesford District Council, for 2011-2021

completions x 2.43 household size in Census 2011]). While this is only a rough estimate, it is the best available estimate we have at the time of writing, until the new 2021 Census data is published.

## The Housing Market Area Context

69. Whilst this HNA focuses on Little Dunmow NA, it is important to keep in mind that neighbourhoods are not self-contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas. In the case of Little Dunmow, the parish sits within the West Essex and East Hertfordshire Housing Market Area (HMA), defined in the 2015 West Essex and East Hertfordshire SHMA<sup>5</sup>. This HMA covers East Hertfordshire, Epping Forest, Harlow and Uttlesford. This means that when households who live in these authorities move home, the vast majority move within this geography. However, the HMA also has links to other neighbouring areas, including with Braintree, Broxbourne, Cambridge, Chelmsford, Greater London, South Cambridgeshire, Welwyn Hatfield, and other Hertfordshire and Essex authorities. The Uttlesford part of the HMA in which Little Dunmow is located particularly has links with Chelmsford, Braintree, South Cambridgeshire, and Cambridge, which are closest.
70. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods like Little Dunmow, are closely linked to other areas. In the case of Little Dunmow, changes in need or demand in settlements nearby is likely to impact on the neighbourhood. Other changes can be caused by economic factors, including in particular, the impact of Stansted Airport, which is only about 9 miles away. London, Essex, Hertfordshire, and the wider South East, are all areas with extensive economic opportunities and high housing growth pressures, which is evident in the high levels of growth even in and around small rural settlements such as Little Dunmow.
71. In summary, Little Dunmow NA functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (Uttlesford District Council), it is therefore useful to think about the *role* of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood play within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

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<sup>5</sup> [SHMA final 2015.pdf \(uttlesford.gov.uk\)](#)

## Planning policy context

72. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies<sup>6</sup>. In relation to the matter of housing in Little Dunmow, the most relevant adopted Local Plan document for Uttlesford is the Adopted Uttlesford Local Plan 2005<sup>7</sup>. Housing policies are contained in Chapter 6 of the Local Plan.

### Policies in the adopted local plan

73. Table 2-1 below summarises adopted Local Plan policies that are relevant to housing need and delivery in Little Dunmow. The Local Plan period is 2001-2011 and has thus expired. UDC made an application in July 2007 to save the policies in the Uttlesford District Local Plan. The Secretary of State's direction in respect of this request was received in December 2007<sup>8</sup>. All the policies except two, which relate to completed development sites in Takeley, were saved. However, this statement is now 15 years old.

74. The most relevant development included in the 2005 Local Plan in relation to our HNA was the Oakwood Park Urban Extension of 810 dwellings, which now forms the separate village of Flitch Green. Little Dunmow and Flitch Green (Oakwood Park) are shown on the Local Plan inset maps<sup>9</sup>, reproduced below, in Figure 2-3.

**Table 2-1: Summary of relevant policies in the Uttlesford adopted Local Plan 2005**

Policy	Provisions
H1 - Housing Development	H1 proposes 5,052 dwellings in Uttlesford 2000-2011, including the following relevant to, in, or near to Little Dunmow: on brownfield land in Great Dunmow (228 dwellings); on settlement extensions in Oakwood Park Little Dunmow (810 dwellings) and Woodlands Park, Great Dunmow (1,253 dwellings); through re-use of existing buildings and previously developed land outside urban areas (450 dwellings); and through other contributions to supply, including development with outstanding planning permission.
H3 - New Houses within Development Limits	H3 permits infilling on land in a list of settlements, subject to conditions, in addition to growth in H1 and windfall. Little Dunmow is not included in said list. Great Dunmow is included.
H9- Affordable Housing	The Council will seek to negotiate an element of affordable housing on a site-by-site basis; the overall affordable housing target is 40% of the total provision of housing, to be delivered on appropriate allocated and windfall sites, having regard to the up to date Housing Needs Survey, market and site considerations.

<sup>6</sup> A description of the Basic Conditions of Neighbourhood Planning is available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

<sup>7</sup> [Local Plan 2005 - Uttlesford District Council](#)

<sup>8</sup> [a.pdf \(uttlesford.gov.uk\)](#)

<sup>9</sup> <https://www.uttlesford.gov.uk/media/1046/Uttlesford-Local-Plan-2005-inset-maps/pdf/local-plan-2005-inset-maps-colour.pdf?m=637570352841730000>

Policy	Provisions
H10 – Housing Mix	All developments on sites of, or larger than 0.1 hectares /delivering 3 or more dwellings will be required to include a significant proportion of market housing comprising small properties (in the supporting text, though not in the policy, 2-3 bed homes are mentioned as constituting small properties).
H11 – Affordable Housing on “Exception Sites”	Development of affordable housing will be permitted outside settlements on a site where housing would not normally be permitted, if it would meet all the following criteria: a) 100% of the dwellings are to be affordable and provided through a Registered Social Landlord; b) The development will meet a particular local need that cannot be met in any other way; c) The development is of a scale appropriate to the size, facilities and character of the settlement; and d) The site adjoins the settlement.

Source: Uttlesford Adopted Plan January 2005

**Figure 2-3: Uttlesford Local Plan Inset Maps relating to Little Dunmow and Flich Green (Oakwood Park)**



## Policies in the emerging local plan

75. UDC had previously started preparing a new Local Plan, as the adopted Local Plan period has long expired. A Draft Local Plan was produced and submitted for Examination in Public, and initial hearing sessions took place in 2019. However, Councillors decided to withdraw the draft Uttlesford Local Plan 2019 and start a new plan, in response to a planning inspector letter and independent peer review in 2020<sup>10</sup>. The key issue related to significant concerns over the soundness of the emerging plan, as regards new Garden Communities proposed at Easton Park, North Uttlesford and West of Braintree for 18,500 new market and affordable homes. The Inspector raised concerns that evidence was insufficient to properly justify these proposals and demonstrate that they are realistically developable.
76. The new Local Plan, which is in preparation at the time of writing our HNA, has a plan period of 2020-2040. UDC are hoping to have this plan in place by 2024. However, plan preparation is still at a very early stage in mid-2022. No new SHMA or Local Housing Needs Assessment (LHNA), or Draft Plan has yet been published. However, UDC have indicated that housing needs evidence was recently completed.
77. The Council's latest Local Development Scheme (LDS), dating from 2020<sup>11</sup>, states that a first Regulation 18 Draft was expected in November 2020. This has not yet been published at our time of writing in July 2022.

## Quantity of housing to provide

78. The NPPF 2021 (paragraphs 66 and 67) requires Local Authorities to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
79. Uttlesford has fulfilled this requirement by providing Little Dunmow with an indicative figure of 5 dwellings to be accommodated within the Neighbourhood Area between 2022 and 2040.<sup>12</sup> This indicative figure was provided upon request and was calculated by UDC in line with the Planning Practice Guidance (Reference ID: 41-097-20190509) for the purposes of satisfying paragraph 14b of the National Planning Policy Framework.
80. In their letter, UDC have set out a further justification for this figure, as being based on the Parish population estimates for mid-2001 to mid-2019. As for AECOM's analysis, one of the issues for UDC appears to have been about fitting output areas to the parish boundary as used by the ONS for population projections, including in 2020. The 5 dwellings indicative housing figure is based on an apportionment of the windfall figures based on the Little Dunmow parish population. UDC have asked AECOM to note that this indicative housing figure only meets the windfall element of Uttlesford's need and emphasised that this does not rule out the additional allocation of new District Council

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<sup>10</sup> [Planning Policy and the Local Plan - Uttlesford District Council](#)

<sup>11</sup> [Local Development Scheme 2020 final.pdf \(uttlesford.gov.uk\)](#)

<sup>12</sup> As confirmed in a letter from UDC dated 11<sup>th</sup> July 2022.

Local Plan sites in the Little Dunmow NA. UDC also pointed out that the Little Dunmow NP can provide more dwellings than the indicative figure but not less.

81. It is intended by UDC that Neighbourhood Plans can influence small-scale development in their NA, while the emerging UDC Local Plan is intended to take a strategic perspective to other allocations across the district and in seeking to allocate the sequentially best sites, which may involve the allocation of additional sites in the NA, over and above this indicative housing requirement figure.

## 3. Approach

### Research Questions

82. The following research questions were formulated at the outset of the research through discussion with the Little Dunmow Neighbourhood Plan Steering Group. They serve to direct the research and provide the structure for the HNA. The research questions are also shaped by the topics raised in the recent Housing Needs Survey undertaken by LDNPS, which indicated a need for affordable housing, housing for young people, and housing suitable for older persons to downsize to.

### Tenure and Affordability

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

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

85. The recent Little Dunmow Housing Needs Survey established local support for small scale development primarily of affordable housing for local people.

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

### Type and Size

86. The Steering Group is seeking to determine what size and type of housing would be best suited to the local community.

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

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

89. Note, however, that the evidence gathered here takes the estimated current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

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

## Specialist Housing for Older People

90. This chapter supplements the demographic evidence relating to Type and Size, including the potential demand for downsizing, to consider the quantity and characteristics of need for housing for older people with some form of additional care. Again, this was flagged as a matter of interest in the recent Housing Needs Survey.

***RQ 3: What provision should be made for specialist housing for older people over the Neighbourhood Plan period?***

## Relevant Data

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

- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
- ONS population and household projections for future years;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from Rightmove.co.uk;
- Local Authority housing waiting list data;
- Local authority data on completions and on outstanding planning permission;
- Past permissions data based on Local Authority planning applications search<sup>13</sup>;
- The West Essex and East Hertfordshire Strategic Housing Market Assessment (SHMA), originally produced in 2015 with elements updated in 2017<sup>14</sup>;
- Housing for New Communities in Uttlesford and Braintree (2020)<sup>15</sup>; and
- The Little Dunmow Housing Needs Survey, results reported in March 2022.

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

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<sup>13</sup> [Planning applications - Uttlesford District Council](#)

<sup>14</sup> [Housing - Uttlesford District Council](#)

<sup>15</sup> [Housing for New Communities in Uttlesford and Braintree June 2020A.pdf](#)

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

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

### Introduction

93. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.
94. Tenure refers to the way a household occupies their home. Broadly speaking there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF. A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
95. The definition of Affordable Housing set out in the NPPF 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. As part of this effort, the Government has recently introduced a new product called First Homes.<sup>16</sup>
96. Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:
- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
  - The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
  - After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;

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<sup>16</sup> The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

- Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers;
- They will be subject to legal restrictions ensuring the discount is retained for future occupants, and renting out or sub-letting will not normally be permitted;
- In addition to setting the discount level, local authorities and neighbourhood planning groups can apply additional criteria, such as a lower income cap, local connection test or prioritisation for key workers through adopted plans, emerging policy or Supplementary Planning Documents.
- 25% of all homes delivered through section 106 developer contributions on sites enabled through the planning process should be sold as First Homes. In simpler terms, 25% of all subsidised Affordable Housing on mainstream housing developments should be First Homes. This is likely to mean that First Homes will take the place of shared ownership housing in many circumstances, and in some cases may also displace social or affordable rented homes.

## Current tenure profile

97. The current tenure profile is a key feature of the Neighbourhood Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.
98. Table 4-1 presents data on tenure in Little Dunmow compared with Uttlesford and England from the 2011 Census, which is the most recent available source of this information.
99. As is the case in most places around the country, the majority of households in Little Dunmow own their own home. This percentage is marginally lower in the NA (69%) than across Uttlesford (72%), and higher than across England as a whole (63%). Social and private renting, both at 15%, are the next most common tenures in Little Dunmow, with slightly lower percentages than nationally (where 18% rent socially and 17% rent privately) but higher than at the local authority level (13% each). Shared ownership houses 1% of the population at the local authority and national level but there are no shared ownership properties recorded for the NA in the 2011 Census (note that the previous 2001 Census showed 3 of these units). All of the changes between the 2001-2011 Census were relatively minor in numbers due to the small number of dwellings in the NA in total. This makes analysis a little more difficult. All tenure categories decreased marginally from 2001-2011 except private renting, which increased from 12 to 17 units (a fairly significant 42% increase).

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

Tenure	Little Dunmow	Uttlesford	England
Owned; total	69.2%	71.6%	63.3%
Shared ownership	0.0%	1.0%	0.8%
Social rented; total	14.5%	12.6%	17.7%
Private rented; total	14.5%	13.1%	16.8%

Sources: Census 2011, AECOM Calculations

100. Looking at completion figures since 2011, as provided by the local authority, the main net increase in housing took place in 2016-18 and 2020-21.

**Table 4-2: Housing Completions for Little Dunmow from Uttlesford District Council**

Years	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total 2011-21
Completions	0	0	0	-2	1	36	6	0	0	17	58

Source: Uttlesford District Council completions data 2011-2021

101. These increases were primarily driven by three major development permissions, granted and built out since 2011, which provided 56 of the 58 net additional completions since 2011:

- Application - UTT/15/1615/DFO - Former Dunmow Skips Site Station Road Felsted Essex CM6 (known as Cromwell Place), providing 40 homes (38 net additional homes, considering that 2 semi-detached homes were demolished);
- Application UTT/18/2600/FUL - The Moors Moors Lane Little Dunmow Essex, providing 16 homes (4 net additional homes, considering that 12 bungalows were demolished); and
- Application UTT/19/1789/FUL - Land At Pound Hill Little Dunmow (known as Pound Villas) providing 14 homes (all net additional).

102. Outstanding planning permissions under construction by parish as provided by the local authority also show a further 25 units due for construction in Little Dunmow (as at April 2021), of which 17 are due to be provided on larger sites of 6 or more dwellings.

103. For the NA specifically, neither completions, nor outstanding permissions data reveals the affordable housing proportion of the development. The Uttlesford Annual Monitoring Report (AMR) 2020-2021 shows that across the local authority area as a whole, 29% of net additional residential completions 201-2021 were affordable, against a target of 40%<sup>17</sup>.

104. Examining planning permissions in Little Dunmow since 2011 can provide additional information regarding tenure, even though not all of these units will have been completed.

105. As mentioned previously, Little Dunmow has been experiencing rather high levels of consents and growth for a small settlement. A planning application search undertaken by AECOM in July 2022<sup>18</sup> found three major and six minor residential permissions granted in Little Dunmow parish since 2011. In total, these permissions are for 96 units

<sup>17</sup> See Table 20 of Uttlesford AMR 2020-2021 - [AMR 2020-21 for publication.pdf \(uttlesford.gov.uk\)](#)

<sup>18</sup> Through [Planning applications - Uttlesford District Council](#)

(of which 82 are net additional, taking into account demolitions). Of the 96 total units permitted, 30 were affordable (31%) and 66 were market units (69%). If only counting the net additional units permitted, 18 units (22%) were affordable and 64 units (78%) were market dwellings.

**Table 4-3: Major and minor applications for Little Dunmow, 2011-July 2022**

<b>Application Number (Year of Consent)</b>	<b>Site</b>	<b>Number of total and net additional homes</b>	<b>Tenure, Type, and Size</b>
<b>Major applications</b>			
UTT/19/1789/FUL (2021)	Land At Pound Hill Little Dunmow (known as Pound Villas)	14 homes (all net additional)	Affordable units: 1 x 3 bed detached and 2 x 2 bed flat Market: 2 x 4 bed detached 1 x 3 bed detached 8 x 3 bed semi-detached
UTT/18/2600/FUL (2019)	The Moors, Moors Lane	16 homes (4 net additional homes, considering that 12 bungalows were demolished)	Demolition of 12 x semi-detached council-owned units Construction of: 100% Affordable Housing scheme consisting of 8 x 1 bed flats for social rent and 8 x 2 bed units for affordable rent (of which 2 x semi-detached and 6 x terraced)
UTT/15/1615/DFO (Details following outline application UTT/13/2340/OP) (2015)	Former Dunmow Skips Site, Station Road (known as Cromwell Place)	40 homes (38 net additional homes, 2 homes were demolished)	Demolition of 2 x semi-detached units (size unspecified) Construction of: Affordable housing 1 x 2 bed bungalow, detached, 6 x semi-detached 2 bed, 4 x semi-detached 3 bed units Market Homes 21 x 3 bed and 8 x 4 bed houses (of which 4 x semi-detached

and 25 detached)

**Minor applications**

UTT/21/3182/FUL (2022)	Land to the East of Station Road	9 dwellings	Construction of Zero affordable units; and 9 x detached market dwellings with 4-5 bedrooms
UTT/21/0775/FUL (Revision to UTT/20/0732/FUL) (2021)	Barley Barn, The Street	3 dwellings	Construction of Zero affordable units; and 3 x 3 bed detached market units
UTT/19/2921/OP (2020)	Land Adjacent to Station House Station Road	4 dwellings	Construction of Zero affordable units; and 2 x 3 bed units; 2 x 3 bed units Design/layout tbc
UTT/19/2661/FUL (2020)	Creedy, The Street	1 dwelling	Construction of Zero affordable units; and 1 x 4+ bed detached market dwelling
UTT/17/3556/OP (2018)	Creedy, The Street	8 dwellings	Construction of Zero affordable units; and 8 x detached market units, mix of 3-5 bed units (tbc)
UTT/16/3465/FUL (2017)	Land To the South Of Creedy	1 dwelling	Construction of Zero affordable units; and 1 x detached 2 bed market dwellings
<b>TOTAL</b>		96 total units consented <b>82 net additional units consented</b>	30 affordable units in total - 31% <b>18 net additional affordable units - 22%</b> 66 market units in total - 69% <b>64 net additional market units - 78%</b>

106. This mix in permissions of 22% net additional affordable units and 78% net additional

market units is not too dissimilar from the 19% affordable units based on net completions across Uttlesford as a whole. As net additional permissions since 2011 (82 units) constitute an increase of 69% to the 119 dwellings recorded in the 2011 Census, it is likely that the percentage of affordable housing in the NA (15% in the Census and 22% of permissions) will increase marginally, as the majority of these permissions appear to be being built out, based on above mentioned completions data.

107. As regards the percentage of private renters, the choice to let out a property does not require planning permission or other changes that would be recorded centrally. Therefore, it is not possible to gather from the above information how the percentage of private renting is likely to change, as planning applications for market dwellings do not reveal how many of these units are likely to be owner occupied and how many privately rented out after completion. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, based on the increase in private renting recorded between the 2001-2011 Census, and national trends<sup>19</sup>, it appears likely that the private rented sector will continue to grow.

## Affordability

### House prices

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

109. Figure 4-1 looks at selected measures of house prices in Little Dunmow. It shows that average house prices have been rising and falling fairly erratically, but increasing overall from a mean of £230,000 to £490,413 over the nine year period. This equates to an average increase of £28,934 or per annum. Median prices increased from £230,000-£407,475 over the nine year period, which is a rise of 77%.

110. The very jagged line is likely to be due to the fact that the overall number of dwellings, and thus the sample of sales prices, is fairly small in the NA. Therefore, the individual sales prices do not average out as much. The lowest point in house prices during this period was in 2013 (£210,000) and the highest peak was in 2014 (£607,250). Mean prices did not return to this peak again until 2020.

111. The relationship between the mean, median, and lower quartile average measures remained largely unchanged throughout the 9-year period. The NA median (which is the middle number when you sort the data from smallest to largest) shows a largely similar but slightly lower and less erratic trajectory than the mean (average). A lower median than mean is quite common and is the characteristic of a housing market which has a slightly larger number of house prices at the relatively lower end and slightly

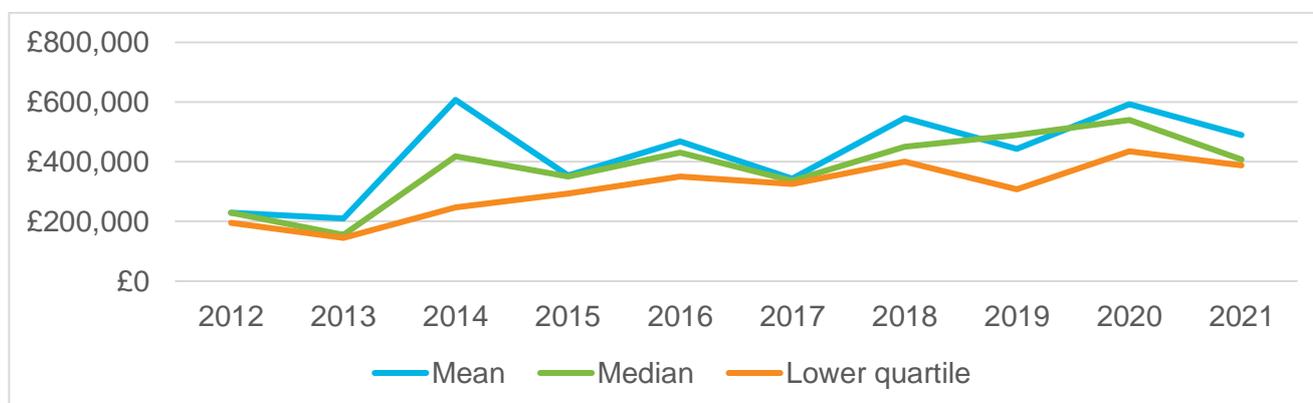
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<sup>19</sup> [UK private rented sector - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

fewer house prices at the higher end. In this case, the median lies in the lower range of values (where more of the house prices are). Because the mean captures the average of all the house prices, both high and low, the few outlying data points on the high end (as in, the slightly smaller number of relatively more expensive homes) cause the mean to increase marginally, making it a little higher than the median. This does not mean that there are many cheap local houses. It just means that there are more houses concentrated at the lower end of the local price range than at the higher end. The outliers at the higher and the lower end also cause the line to be more erratic, especially for a small sample.

112. The lower quartile (lowest 25%) house price average being only marginally lower in turn confirms that there are not a lot more below average price houses in the area than expensive ones. The lower quartile prices also show less variation.

**Figure 4-1: House prices by quartile in Little Dunmow, 2012-2021**



Source: Land Registry PPD

113. Table 4-4 breaks down house prices by type, presenting the median within each type. It shows that sufficient data is only available for detached and semi-detached properties, as there were insufficient sales of terraced properties and no sales of flats recorded 2012-2021 in Little Dunmow. However, for detached houses the data shows a high rate of 147% price growth, and a lower but still significant 52% price growth for semi-detached dwellings. Again, the small and rather homogenous sample of house prices makes analysis more difficult, but a clear overall median price increase of 77% is evident.

**Table 4-4: Median house prices by type in Little Dunmow, 2012-2021**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	£160,000	£237,500	£780,000	£435,000	£440,000	£336,495	£840,000	£307,000	£875,000	£395,000	147%
Semi-Detached	£300,000	£155,000	£238,000	£373,000	£318,500	£323,750	£400,000	£578,500	£435,000	£455,000	52%
Terraced	-	-	£490,000	-	-	£397,500	-	£490,000	-	£409,950	-
Flats	-	-	-	-	-	-	-	-	-	-	-
<b>All Types*</b>	<b>£230,000</b>	<b>£155,000</b>	<b>£417,500</b>	<b>£350,000</b>	<b>£430,000</b>	<b>£336,495</b>	<b>£450,000</b>	<b>£490,000</b>	<b>£540,000</b>	<b>£407,475</b>	<b>77%</b>

Source: Land Registry PPD

## Income

114. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.
115. The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average total household income before housing costs locally was £51,200 in 2018. A map of the area to which this data applies is provided in Appendix A.
116. The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. Uttlesford's gross individual lower quartile annual earnings were £18,480 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £36,960.
117. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

## Affordability Thresholds

118. To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.
119. AECOM has determined thresholds for the income required in Little Dunmow to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix A.
120. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although different approaches are sometimes taken and a case can be made for alternatives. The mortgage multiplier is particularly variable, with multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants. The percentage of income to be spent on rent also varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering

affordability, it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption. While larger mortgages and higher rents may be feasible for individuals, this creates vulnerability to changing economic circumstances and may not be a possibility for many people with the most acute housing needs. Different assumptions would, however, alter the picture of affordability that emerges here. This is another reason interpret the findings with a degree of flexibility.

121. Table 4-5 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.
122. The same information is presented as a graph in **Error! Reference source not found.** on a subsequent page, with selected measures from the table presented for clarity.

**Table 4-5: Affordability thresholds in Little Dunmow (income required, £)***Source: AECOM Calculations*

Tenure	Mortgage Value	Rent	Income required	Affordable on mean incomes? £51,200	Affordable on LQ 1 incomes? £18,480	Affordable on LQ 2 incomes? £36,960
<b>Market Housing</b>						
Median House Price	£366,728	-	<b>£104,779</b>	No	No	No
LA New Build Median House Price	£470,250	-	<b>£134,357</b>	No	No	No
LQ/Entry-level House Price	£349,875	-	<b>£99,964</b>	No	No	No
Average Market Rent	-	£18,600	<b>£62,000</b>	No	No	No
Entry-level Market Rent	-	£11,100	<b>£37,000</b>	Yes	No	Marginal
<b>Affordable Home Ownership</b>						
First Homes (-30%)	£256,709	-	<b>£73,346</b>	No	No	No
First Homes (-40%)	£220,037	-	<b>£62,868</b>	No	No	No
First Homes (-50%)	£183,364	-	<b>£52,390</b>	No	No	No
Shared Ownership (50%)	£183,364	£5,093	<b>£69,368</b>	No	No	No
Shared Ownership (25%)	£91,682	£7,640	<b>£51,662</b>	Marginal	No	No
Shared Ownership (10%)	£36,673	£9,168	<b>£41,039</b>	Yes	No	No
<b>Affordable Rented Housing</b>						
Affordable Rent	-	£8,001	<b>£26,644</b>	Yes	No	Yes
Social Rent	-	£5,841	<b>£19,449</b>	Yes	No	Yes

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

#### **Market housing for purchase and rent**

124. Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit

of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income of £104,779, which is more than double the current average.

125. Average private rents are also unaffordable to average earners, who would only be able to afford lower quartile or entry level rents. Households made up of two lower quartile earners cannot even afford entry level rents. The only tenures affordable to a household with two lower quartile earners are social and affordable rents. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances. Households with only a single lower quartile earner cannot afford any of the tenures in Little Dunmow, even social renting, without recourse to benefits.

### **Affordable home ownership**

126. In most communities, there is a relatively large group of households who may be able to afford to rent privately but cannot afford home ownership. In Little Dunmow, this group is smaller than in many other NAs, as even average private rents are unaffordable to average earners. However, if using entry level rents as a threshold, this group is still significant. They are typically earning between around £37,000 per year (at which point entry-level rents become affordable) and £99,964 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
127. First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.
128. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Unfortunately, due to the relationship of high house prices with local incomes in the case of Little Dunmow not even the highest level of 50% discount would make First Homes affordable to an average earning household in the NA.
129. Table 4-6 shows the discount required for First Homes to be affordable to the three income groups. Because it is not possible to estimate the cost of a typical First Home due to a lack of data on new build entry-level house prices in the NA, it is worth considering the discounts required for some additional price benchmarks. Table 4-5 above uses median house prices in the NA as the best proxy for the cost of a newly built entry-level home in the area, because this reflects the local market and accounts for the price premium usually associated with newly built housing (which would bring the price closer to the price of median existing homes than existing entry-level homes). However, it is also worth thinking about First Homes in relation to the cost of new build prices in the wider area, and to entry-level existing prices locally, to get a more complete picture. The discount levels required for these alternative benchmarks are given below. Note that the minimum discount required to make the median house price affordable to a local

average earner in Little Dunmow would be 51%, and this rises to 62% if using Uttlesford new build median house prices. The smallest discount required would be on an entry level house in the NA, but even this would be a very high 49%.

**Table 4-6: Discount on sale price required for households to afford First Homes**

Tenure/ product:	Mean Income	LQ Income 1	LQ Income 2
NA Median House Price	51%	82%	65%
LA New Build Median House Price	62%	86%	72%
NA Entry-level House Price	49%	82%	63%

Source: Land Registry PPD; ONS MSOA total household income

130. Shared ownership appears to be largely equally unaffordable compared to First Homes. However, government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.<sup>20</sup> If this was delivered in the NA, it would make shared ownership easier to access for more people, as a 10% share would be the only share affordable to average earners in the NA. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
131. The transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised, meaning that monthly costs for occupants will remain relatively high and the build-up of equity will be relatively slow. This product would therefore only be a realistic route to full ownership for households prepared to take a long-term view.
132. The income required to access Rent to Buy, a product designed to allow residents to transition from renting to ownership by allowing a discount on the market rent to be used to save a deposit, is assumed to be the same as that required to afford market rents. On that basis, First Homes, Rent to Buy, and shared ownership are all unaffordable in Little Dunmow, unless entry level rents are considered for Rent to Buy, or a 10% share for Shared Ownership.
133. These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.
- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting. However, our calculations show First Homes to be the least affordable home ownership option.
  - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion. Again, this is not affordable to average earners in Little Dunmow.

<sup>20</sup> The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hws48>.

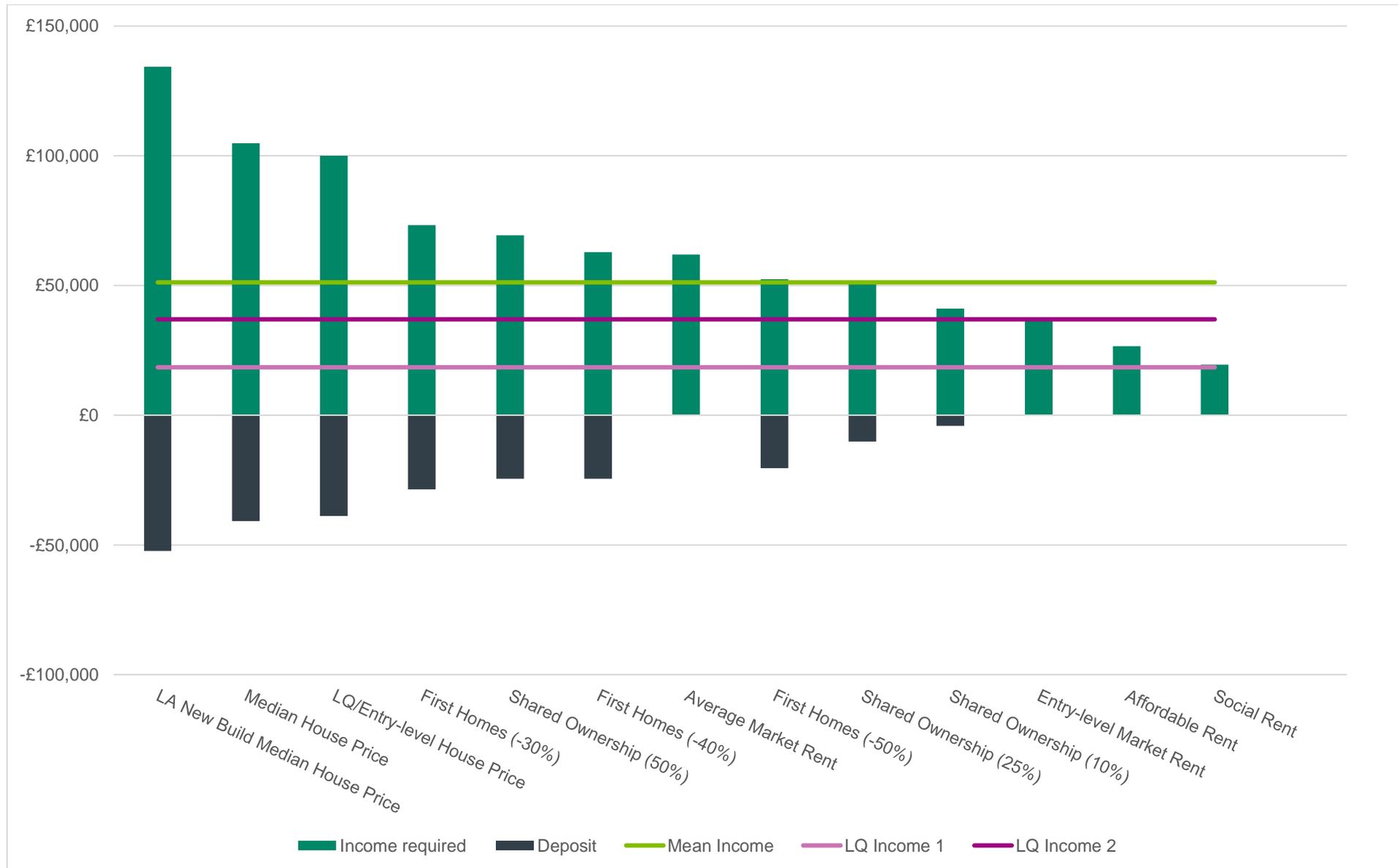
- Shared ownership at low equity shares can usually be accessed by lower earning households and requires a smaller deposit (than First Homes). However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time. Our calculations show Shared Ownership at 10% to be the second most affordable home ownership option in the NA.
- Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above. Our calculations show Rent to Buy to be the most affordable of the home ownership options available in the NA.

134. In conclusion, all of these products could potentially provide value to some segments of the local population, with Rent to Buy, for small entry level properties potentially helpful to average earners with little or no savings for a deposit, while shared ownership at a lower than 25% equity share potential allows average earning households to get a foot on the housing ladder. First Homes at 50% discount and if based on a small, entry-level property, may provide a better long-term investment to average earners who can afford to access it, but is generally unaffordable at average local incomes. None of the products considered above would significantly extend access to homeownership in the case of Little Dunmow, due to the significant gap between local incomes earned and those required to afford the high house prices and rents in the area. None of the products would extend the possibility of homeownership to households on lower quartile incomes.

### **Affordable rented housing**

135. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.
136. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Little Dunmow as the only option for a very large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This means that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

**Figure 4-2: Affordability thresholds in Little Dunmow, income required (additional cost of deposit in black)**



Source: AECOM Calculations

## Affordable housing- quantity needed

137. The starting point for understanding the need for affordable housing in Little Dunmow is the relevant Strategic Housing Market Assessment (SHMA 2015) for West Essex and East Hertfordshire, and the 2017 updates on the Objectively Assessed Need and on Affordable Housing. The 2015 SHMA and its relevant updates were commissioned jointly by the local authorities of West Essex (Epping Forest, Harlow, and Uttlesford) and East Hertfordshire. The 2017 SHMA Affordable Housing Update contains the latest estimate of the need for affordable housing in the District, based on analysis of the Council's waiting list and analysis of other data sets in line with Planning Practice Guidance at the time.
138. The SHMA identifies the overall affordable housing need across the West Essex and East Hertfordshire HMA over the 22-year period 2011-2033 as around 13,600 dwellings. This includes around 2,600 dwellings in Uttlesford (118 homes per annum). Note that this already takes into account affordable housing completions between 2011 and 2016.
139. This estimated need is largely for social/affordable rent as it relates to households who live in unsuitable housing and who cannot afford to access market rents. The SHMA Update states that 81% of those households in need of affordable housing are likely to need rented affordable housing, either for social or for affordable rent. Many would also need housing benefit to pay for their rent. 19% of those in affordable housing need are identified as potentially able to afford intermediate affordable housing products, such as shared equity or other forms of low cost home ownership.
140. When the SHMA figures are pro-rated to Little Dunmow, based on its fair share of the 2011 Census population (0.36% of the LPA's population, based on Census 2011 population figures), this equates to 0.4 affordable homes per annum (predominately for social/affordable rent) or 8 homes over the 18 year Neighbourhood Plan period, of which 6 units should be affordable housing for rent and 2 should be affordable housing for sale.
141. Pro-rating District level estimates of affordable housing need to rural areas, particularly in such a small community such as Little Dunmow, sometimes presents problems in practice which need to be considered here. District level figures are typically more likely to represent higher needs in the urban areas of the District where there is a large social housing stock and larger numbers of households living in the PRS on housing benefit. However, in the case of Little Dunmow, the level of social renting in the NA is actually higher than at the local authority level. This means that there will be need generated from households already living in the sector, as well as those in the private rented sector struggling to afford high rents prevalent in the NA. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing). This means that the level of affordable housing identified for Little Dunmow on the basis of local authority level needs are actually likely to

be accurate or slightly higher in practice. Furthermore, as the Affordable Housing SHMA Update is no more than five years old at the time of writing this HNA, the above calculation is deemed to be an appropriate estimate.

142. It is also worth considering the role of the affordable rented housing sector in Little Dunmow in relation to the wider LPA area, particularly as the community has been growing at a rate far above that occasioned by locally generated population growth. The NA is therefore clearly catering for housing needs, and thus likely also affordable housing needs, of a wider population than its own 2011 Census population. Housing in Little Dunmow overall, as well as affordable housing in specific, is likely to provide for some needs of those outside of the NA. This hypothesis appears reasonable when considering that UDC Housing Register data (provided in May 2022) for little Dunmow Parish shows that there are 87 applicants assessed as being in housing need who have expressed interest in living in Little Dunmow. Note that 87 households is equivalent to 73% of the NA's Census population of 119 households.
143. The recent Little Dunmow Housing Needs Survey also had ten returns, of the total 51, indicating the need to move to alternative accommodation. However, due to lack of information provided as part of these returns, only two respondents have specified that they seek some form of affordable housing. None of the households confirmed that they are on the local authority housing register. The key reasons listed by respondents for seeking alternative accommodation included the desire to find a cheaper home, to set up a first / independent home, to be nearer to work, and that current accommodation was affecting the respondent's health.
144. The evident role of the NA within the wider Council area may be a further reason to continue to ensure delivery of affordable housing within the plan period. Discussions with Uttlesford would be required to determine to what extent Little Dunmow provides this wider role and to what extent an uplift in affordable housing delivery to fulfil this role may be appropriate and/or sustainable during the Neighbourhood Plan period, particularly considering the lack of local amenities. In connection with this, if Little Dunmow continues to grow extensively to address housing need from outside the parish, a proportion of this new population will also be likely to generate further future affordable housing need. Therefore, as development continues, this will likely continue to increase the total need for affordable housing. Therefore, it is important that a percentage of all new development is provided as affordable.
145. Turning now to Affordable Housing providing a route to home ownership, Table 4-7 estimates the potential full extent of demand in Little Dunmow, which may exist over and above the affordable housing for sale demand identified in the 2017 SHMA Update. This model aims to estimate the number of households who might wish to own their own home but cannot afford to – the 'can rent, can't buy' group described in the previous section. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.

146. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This assumption is based on consistent results for surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership.<sup>21</sup> No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.
147. The result of the calculation is 1 household per annum who may be interested in affordable home ownership (equating to 18 households for the entirety of the Plan period). Therefore we consider the total need for affordable housing for sale to be somewhere in the range of 2 (SHMA-derived estimate) to 18 (HNA estimate) over the NP period.
148. This model ordinarily assumes a rate of turnover in the existing stock will satisfy some need. However, in the case of Little Dunmow this is not possible, because of the lack of shared ownership in the NA currently.
149. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

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<sup>21</sup> <http://www.ipsos-mori-generations.com/housing.html>

**Table 4-7: Estimate of the potential demand for affordable housing for sale in Little Dunmow**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current number of renters in parish	20.7	Census 2011 number of renters x national % increase to 2018.
1.2 Percentage renters on housing benefit in LA	10.8%	% of renters in 2018 on housing benefit.
1.3 Number of renters on housing benefits in parish	2.2	Step 1.1 x Step 1.2.
1.4 Current need (households)	13.9	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. <sup>22</sup>
1.5 Per annum	<b>0.8</b>	Step 1.4 divided by plan period.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	27.7	LA household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	9.9%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	2.8	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	<b>0.2</b>	Step 2.3 divided by plan period.
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of affordable housing	0	Number of shared ownership homes in parish (Census 2011 + LA new build to 2018/19 pro rated to NA).
3.2 Supply - intermediate resales	0	Step 3.1 x 5% (assumed rate of re-sale).
<b>NET SHORTFALL PER ANNUM</b>		
Overall shortfall per annum	<b>1</b>	(Step 1.5 + Step 2.4) - Step 3.2.

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

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

<sup>22</sup> The assumption of approximately 25% preferring to rent and 75% preferring to buy is AECOM's judgement, based on national level polls which consistently reveal that most households who prefer home ownership eg <http://www.ipsos-mori-generations.com/housing.html> and informed by our experience across numerous neighbourhood level HNAs. The assumption is based on the fact that some households choose to rent at certain stages in their life (e.g. when young, when needing flexibility in employment market, or when new migrants move into an area). While most households prefer the added security and independence of owning their own home, private renting is nevertheless a tenure of choice at a certain points in many households' journey through the housing market. The actual percentage of preference will differ between areas, being higher in large metropolitan areas with younger households and more new migrants, but lower in other areas. 25% is used as a reasonable proxy and for consistency across HNAs and similar assumptions are used in some larger scale assessments such as LHNA and SHMA. If the neighbourhood planning group feel this is not an appropriate assumption in their particular locality they could use the results of a local residents survey to refine or confirm this calculation.

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

## Additional SHMA findings

152. The 2017 SHMA Update sets out the current unmet need for affordable housing and projected future affordable housing need for the 17-year period 2016-33. Uttlesford actually has the lowest level of affordable housing need at 26%, compared to East Hertfordshire (32%), Epping Forest (35%), and Harlow (61%).

153. The SHMA Update also assesses the affordable housing mix required by local authority. Uttlesford requires a mix of all sizes of affordable housing. However, the most need is for 2-3 bedroom units, both for rent and sale.

**Table 4-8: SHMA Update Affordable Housing Mix by Local Authority**

Affordable Housing Need (dwellings)		Uttlesford
<b>AFFORDABLE RENT</b>		
Flat	1 bedroom	260
	2+ bedrooms	190
House	2 bedrooms	470
	3 bedrooms	510
	4+ bedrooms	150
Sub-Total		1,600
% of affordable housing		71%
<b>INTERMEDIATE AFFORDABLE HOUSING</b>		
Flat	1 bedroom	40
	2+ bedrooms	90
House	2 bedrooms	230
	3 bedrooms	250
	4+ bedrooms	30
Sub-Total		600
% of affordable housing		29%
<b>TOTAL</b>		<b>2,100</b>

*Source: Extract from SHMA Update 2017 Figure 22, ORS Model (Note: Figures may not sum due to rounding)*

154. The SHMA update also takes into account affordable housing completions 2011-2016 by local authority when considering net need over the remaining period 2016-2033, based on Local Authority records. Uttlesford completions were the second highest of the four local authorities and were mainly delivered between 2011-13, after which delivery decreased markedly.

**Table 4-9: SHMA Update affordable housing completions by Local Authority**

Affordable Housing Supply (dwellings)	
	Uttlesford
2011-2012	142
2012-2013	142
2013-2014	64
2014-2015	42
2015-2016	87
<b>Total affordable housing provision 2011-2016</b>	<b>477</b>

Source: SHMA Update 2017, extract from Figure 23

## Affordable Housing policy guidance

155. Uttlesford's adopted policy H9 on the subject of affordable housing, seeks to negotiate an element of affordable housing on a site-by-site basis, towards an overall target of 40%. Given that the Uttlesford AMR 2020-2021 shows that across the local authority area as a whole, only 29% of net additional residential completions 201-2021 were affordable, and given that Affordable Housing made up just 22% of net additional housing units permitted in Little Dunmow over the last decade according to Uttlesford planning permissions data, it is understood that this target is not usually met on sites in the NA.
156. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
157. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures, such as the balance between rented tenures and routes to home ownership, is not currently specified in Uttlesford planning policy. Policy H9 states that affordable housing should be delivered having regard to up to date Housing Needs Survey, market and site considerations. The 2017 SHMA updates suggests a mix of 81% affordable housing for rent and 19% for sale. This HNA can supply more localized evidence, and this section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Little Dunmow specifically.
158. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:
159. When the SHMA figures are pro-rated to Little Dunmow, based on its fair share of the 2011 Census population (0.36% of the LPA's population), this equates to 0.4 affordable homes per annum (predominately for social/affordable rent) or 8 homes over 18 year Neighbourhood Plan period, of which 6 units should be affordable housing for rent and 2 should be affordable housing for sale. The result of our separate AECOM calculation is that potentially up to 1 household

per annum may be interested in affordable home ownership (or 18 for the entirety of the Plan period).

- A. **Evidence of need for Affordable Housing:** This study therefore estimates that Little Dunmow requires roughly 6 units of affordable rented housing and between 2 and 18 units of affordable home ownership over the Plan 18 year period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.

If the 2017 SHMA Update recommended numbers and split are followed, 81% of affordable housing should be for rent and 19% for sale. If the full extent of potential demand for affordable housing for sale were to be delivered, 25% of Affordable Housing should be rented and 75% should offer a route to ownership. However, as noted above, these figures are not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.

If the quantity of new housing overall were unlimited, 25% to 75% may be an appropriate affordable tenure mix. However, this is not likely and also not strictly necessary.

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

If the Local Plan target of 40% were achieved on every site, and if only the current indicative housing requirement of 5 dwellings were delivered in Little Dunmow, only up to around 2 affordable homes might be expected in the NA. As the entirety of Little Dunmow's HRF falls below the threshold for a major development, it is expected that the 5 units will come forward in the form of small infill developments and therefore will not deliver any onsite affordable housing. Yet there is clearly an identified need for affordable housing in Little Dunmow, which actually exceeds the total HRF.

As a result, affordable rented housing should have a higher weighting in the tenure mix to ensure that the most acute needs are met as a priority. But given historic delivery rates and permissions at the time of writing it is reasonable to assume that the housing supply will likely exceed the HRF and that it should therefore be possible to address the identified affordable housing need, with priority to be given to first addressing the more urgent affordable rented accommodation need. The 82% rented 19% ownership guideline mix in the SHMA may offer an appropriate benchmark.

As previously mentioned, if development continues to exceed the HRF, additional affordable housing need will also be generated by the new population, which should be addressed through on-site affordable delivery.

- C. **Government policy (e.g. NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in Uttlesford, where 40% of all housing should be affordable, 25% of Affordable Housing should be for affordable ownership. This is not possible within the guideline tenure split recommended in the 2017 SHMA Update.

There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA, meeting the 10% threshold in Little Dunmow would not prejudice the provision of much needed affordable rented homes, so long as delivery of housing continues to exceed the HRF and totals at least 20 units over the plan period (assuming 40% of housing is affordable, thus equating to a delivery of 8 units). If only 22% of housing is affordable, as per past permissions data, at least 36 units in total would need to be delivered to ensure 8 affordable units are secured. If fewer housing than this is delivered, delivery of 10% or more of homes as affordable home ownership would impact on the ability to deliver the more urgently needed social/affordable rented homes.

- D. **Local Plan policy:** As noted above, the adopted Local Plan does not specify a tenure split, and the SHMA Update suggests a split of 81% affordable for rent and 19% for sale.

- E. **First Homes policy:** the Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.

This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. This would be the case if we follow the tenure split suggested in the SHMA Update.

National policy dictates that after the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the relevant Local Plan, with any remaining units allocated to other tenure products in the relative proportions set out in the Local Plan.

AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. If this was done in Uttlesford and if the SHMA tenure split was followed, the remaining 75% of the affordable housing provision would then be apportioned 81% to affordable rent and 19% to affordable home ownership. If this approach is taken, all other things being equal, it would reduce the provision of rented forms of affordable housing since it would

effectively protect the provision of other forms of affordable home ownership alongside First Homes. Some LPAs are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.

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

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
- G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood planning group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
- H. **Existing tenure mix in Little Dunmow:** Based on the 2011 Census, 15% of Little Dunmow residents live in affordable housing, all of which is for rent, while the large majority of housing (85%) is market housing for sale or rent. Based on past permissions data, 22% of new units permitted will be affordable. No split between rent and sale was specified in most permissions. This suggests that some further provision of Affordable Housing, and particularly affordable housing for sale delivered as smaller entry level units, would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area, and give options to older households potentially looking to downsize.
- I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels.
- J. **Wider policy objectives:** the neighbourhood planning group may wish to take account of broader policy objectives for Little Dunmow and/or the wider district. These could include, but are not restricted to, policies to attract younger households, families, or working age people to the NA, or to enable more older households to downsize. The recent Housing Needs Survey flagged general support for housing to meet the needs of the local community, particularly families and older/retired people. These wider considerations may influence the mix of Affordable Housing provided.

160. On the basis of the considerations above, Table 4-10 proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.
161. This indicative mix is chiefly a response to the expectation that the delivery of Affordable Housing will be in line with past permissions and lower than the 40% target in policy, and that overall housing delivered in Little Dunmow will continue to exceed the HRF, in line with outstanding planning permissions communicated by UDC. In this context, affordable rented tenures should be prioritised. The SHMA guideline mix of 81% rented to 19% ownership offers a reasonable benchmark. However, it does not comply with the various minimum requirements mandated nationally. Therefore, we have adjusted it to 75% rented and 25% ownership, to comply with national policy and guidance, and to recognise the potentially higher extent of demand for affordable housing for sale, as calculated above.
162. First Homes appears to be the least affordable of the affordable home ownership options in Little Dunmow. Therefore, national policy that First Homes should represent 25% of the affordable mix is less advantageous here. Were First Homes not mandated at a minimum of 25% of Affordable Housing, AECOM would recommend a more equal split between First Homes, shared ownership and rent to buy. However, the recommendation below is put forward to comply with the national policy prescription. It is considered that protecting social and affordable rent is in this case more important than delivering a diverse range of affordable home ownership options.
163. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J above, and in particular the views and objectives of the community.
164. Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the Local Plan, either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with UDC to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
165. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

**Table 4-10: Indicative tenure split (Affordable Housing)**

Tenure	Indicative mix	Considerations and uncertainties
<b>Routes to home ownership, of which</b>	<b>25%</b>	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	0%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	0%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
<b>Affordable Housing for rent, of which</b>	<b>75%</b>	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

## Conclusions- Tenure and Affordability

### Tenure and house prices

166. The recent Little Dunmow Housing Needs Survey returns signalled a local interest in the subject matter of affordable housing and recognised a level of local support for small scale development primarily of affordable housing for local people. 67% of respondents stated they were supportive of small affordable housing development, while 41% were supportive of further market housing development. There was also mixed support for a Community Led Housing scheme.
167. The majority (69%) of households in Little Dunmow own their own home. Social and private renting, both at 15%, are the next most common tenures, while shared ownership is the tenure of 1% of households.
168. Significant housing growth has taken place at Little Dunmow, as can be seen from completions and permissions data since the 2011 Census. 58 completions were

recorded by UDC in 2011-2021, and a further 25 units are currently showing as outstanding planning permissions under construction.

169. There were three major and six minor residential permissions granted in the parish since 2011 to date. In total, these permissions are for 96 units (of which 82 are net additional, taking into account demolitions). Net additional permissions since 2011 constitute an increase of 69% to the 119 dwellings recorded in the 2011 Census for Little Dunmow.
170. Of the 82 net additional units permitted, 18 units (22%) are affordable and 64 units (78%) are market dwellings. As 22% is a higher percentage of affordable housing than recorded for the NA in the 2011 Census (15%), the proportion of affordable housing is likely to be marginally increased in the NA since 2011, as the majority of permissions appear to be being built out.
171. House prices have seen considerable but erratic growth over recent years in Little Dunmow, recording large spikes of decreases and increases. Overall, the mean more than doubled from £230,000 to £490,413 over the nine-year period from 2012 to 2021 (a 113% increase), while the median increased by 77%, and lower quartile prices also nearly doubled recording a 99% increase from 195,000 to 388,750. Lower quartile prices are not far below mean and median prices and have grown in a more steady and less erratic fashion.

### **Incomes and affordability**

172. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. The average total household income before housing costs in Little Dunmow was £51,200 in 2018. Uttlesford's gross individual lower quartile annual earnings were £18,480 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £36,960. There is clearly a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has only one earner.
173. Thinking about housing for purchase on the open market, it appears that local households on average incomes are clearly unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of an above average income, is likely to remain out of reach to most. The median house price would require an annual income of £104,779, which is more than double the current average income.
174. Average private rents are also unaffordable to average earners, who would only be able to afford lower quartile or entry level rents. The only tenures affordable to a household with two lower quartile earners are social and affordable rents. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

175. If using entry level rents as a threshold, there is a significant portion of the population in Little Dunmow who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £37,000 per year (at which point entry-level rents become affordable) and £99,964 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes, shared ownership, or rent to buy.
176. Unfortunately, due to the relationship of high house prices with local incomes, in the case of Little Dunmow not even the highest level of 50% discount would make First Homes affordable to an average earning in the NA. The minimum discount required to make the median house price affordable to a local average earner in Little Dunmow would be 51%, and this rises to 62% if using Uttlesford new build median house prices. Shared ownership appears to be largely equally unaffordable compared to First Homes. A 10% share would be the only share affordable to average earners in the NA. Rent to Buy would only be affordable to average earners in the NA at entry level rents (for the cheapest 25% of units), and not average rents.
177. In conclusion, all of these products would provide valuable to different segments of the local population, with shared ownership at 10% equity share potentially allowing average earning households to get a foot on the housing ladder, with rent to buy at entry level rents particularly helpful to those with little or no savings for a deposit, and First Homes (especially at 50% discount) potentially providing a better long-term investment to those on slightly above average incomes who can afford to access it. However, none of these products would significantly extend access to homeownership in the case of Little Dunmow and none of the products would extend the possibility of homeownership to households earning single or double lower quartile incomes.
178. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units without recourse to benefits.
179. The evidence in this chapter suggests that the affordable rented sector performs a very vital function in Little Dunmow as the only option for a large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This means that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

### **Affordable housing need**

180. This study, based on pro-rating the most recent SHMA update to the 2011 Census population of Little Dunmow, estimates a total need for affordable housing in the NA of 8 homes over the 18 year Neighbourhood Plan period, of which 6 units should be affordable housing for rent and 2 should be affordable housing for sale. A separate AECOM estimate of affordable housing for sale demand shows that the full extent of this demand may be higher, at up to 18 units over the Plan period, with no current stock of affordable housing for sale showing in the 2011 Census. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on different incomes. The total need for affordable housing actually exceeds the current indicative housing requirement of 5 units over 18 years, as provided by the District Council.
181. The table below sets out the number of affordable dwellings that would be provided in the Neighbourhood Area based on the 22% of affordable housing consented on past permissions, and based on the fact that UDC have stated that there are 25 outstanding planning permissions under construction by parish currently listed for Little Dunmow. Note that 25 units constitute five times the current minimum housing requirement communicated by the local authority of 5 units.
182. Table 4-11 summarises Little Dunmow's most likely position with regards to the expected delivery of Affordable Housing, based on the information available to AECOM at the time of writing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the NP period. This exercise simply applies:
- the outstanding delivery figure for the area (rather than the housing requirement figure, which is significant lower),
  - to the percentage of affordable housing in past permissions since 2011, which was 22% (*followed by the Local Plan policy expectation of 40% in italics*).
183. On this basis, the table shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice are likely to differ, either as a result of measures taken in the neighbourhood plan, or the local plan (particularly through new allocations), or through new permissions granted by Uttlesford, or as a result of site-specific constraints.
184. However, as recent and upcoming housing delivery in Little Dunmow is relatively high, with more than the indicative housing requirement from UDC already covered by existing outstanding commitments, and as most existing permissions on major sites appear to include an average 22% affordable housing requirement, these expected affordable delivery figures can be deemed relatively realistic. However, as the expected rates of development detailed below are based on existing outstanding planning permissions, the emerging NP will not be able to influence the proportion or mix of affordable housing on these developments. Nevertheless, the proposed mix appears the most appropriate based on our

analysis of national and local policy, and local need, considering that further housing is likely to come forward over the plan period.

**Table 4-11: Estimated delivery of Affordable Housing in Little Dunmow**

	Step in Estimation	Expected delivery	
		based on past permission	based on Local Plan target
A	Provisional capacity figure based on outstanding permissions at the time of writing (rather than the indicative housing requirement of 5 units)	25	
B	Affordable housing quota as per past permissions data / as per affordable housing target in the Local Plan	22%	40%
C	Potential total Affordable Housing in NA (A x B)	6	10
D	Rented % (e.g. social/ affordable rented)	75%	
E	Rented number (C x D)	5	8
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	25%	25%
G	Affordable home ownership number (C x F)	1	2

Source: AECOM estimate based on LPA's affordable housing policies, AECOM's indicative tenure mix

185. Even the lower figures, assuming a 22% affordable housing delivery in line with past permissions rather than 40% in line with the total policy target, would at least nearly meet the affordable need of 8 units, identified based on pro-rating the SHMA affordable housing needs to Little Dunmow. Equally, if development were to be higher over the plan period than current outstanding permissions, which appears rather likely based on past delivery rates, the above percentage would prioritise a continued supply of more urgently needed affordable housing for rent.
186. In addition, the Steering Group could explore further avenues for delivering greater quantities of Affordable Housing, including for sale, for the local community. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites, or developing community land trusts are all ways of boosting the supply of affordable housing.
187. Equally, if the group consider enshrining the 40% Local Plan affordable housing target as a specific requirement in the Local Plan, this could be discussed with the local authority. If successfully enforced, this would increase the overall amount of affordable housing delivered, if development volumes continue to be

high and exceed the District Council's current indicative housing requirement for the Neighbourhood Plan. It could also potentially allow LDNSG to consider specifying a different mix, with a higher percentage of affordable housing for sale, to boost opportunities for local residents to get on the housing ladder in the face of the extensive affordability challenge in the NA.

188. It must be noted that a high standard of justification will be required if the requirements of the NP are higher or stricter than those of the Local Plan. The scope of this justification goes beyond the scope of this HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising or more strictly enforcing the percentage of Affordable Housing required could have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance, especially as Little Dunmow's situation may be a little different from that of other small settlements in Uttlesford.

## 5. RQ 2: Type and Size

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

### Introduction

189. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Little Dunmow in terms of type and size, as well as some of the population characteristics that tend to influence housing needs. From this, it is possible to develop an understanding of what sort of housing would be appropriate going forward.
190. It is worth emphasising that this evidence assumes that existing demographic and occupation patterns will persist into the future. It can therefore be thought of as the baseline or default scenario, into which the community may wish to intervene, for example to attract a different or more balanced demographic. The recommendations in this chapter, particularly the final suggested size mix, are a starting point that may be adjusted in light of other community objectives and primary evidence.

### Existing types and sizes

#### Background and definitions

191. Before beginning to explore issues of dwelling type and size, it is important to note that the demand for housing by size and type tends to be determined primarily by wealth, with those having more buying power choosing to occupy larger homes, and often preferring detached properties to denser types, such as flats.
192. This study is concerned primarily with need rather than demand. Need for homes of different sizes is chiefly determined by the number of people occupying the home. In the strict sense, there is no 'need' for dwellings of any particular type, other than the specific needs of those with certain disabilities for level access properties, for example.
193. The best proxy for the number of people in a household is age or 'life stage', with younger and then older households tending to have one or two people, and those in between these poles more likely to have larger families including children. Life stage is therefore a main indicator considered here for the size of housing needed. But it is worth pointing out that wealth is also correlated with age, so it is not possible to attain a pure view of what is needed from the secondary data alone.
194. It is also useful to clarify the terminology around dwellings and households. Dwellings are counted in the Census by combining address information with Census returns on whether people's accommodation is self-contained. As such,

all dwellings are classified as either shared or unshared dwellings. Households are groups of people who live together as a coherent unit (such as a family), and a dwelling is shared where there is more than one household occupying it (e.g. two families or a group of individual students). Hence, there is usually a different number of households and dwellings in any given area. The number of dwellings can also exceed that of households in areas with large numbers of holiday or second homes.

195. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. For some aspects, such as the size mix of homes, adding together Census figures and completions/permissions data for the intervening period is highly accurate, where this is available. For others, such as the type mix of homes, this method is not available and only Valuation Office Agency (VOA) could be used. However, this is only available for much larger areas than the NA and is therefore also not appropriate. Thus, as for the previous chapter on tenure and affordability, we have, where possible and appropriate, used a combination of Census 2011 data, completions data, and data gathered from past planning permissions (as shown in Table 4-3).

## **Dwelling type**

196. The below presents a comparison between Census 2011 data and more recent planning permissions data from 2011-2022. This comparison has its limitations, because planning permissions data shows all permissions and not only those built out. However, local authority completions data, while not detailing dwelling types, shows that 58 units were completed in total since 2011, and that there are currently 25 outstanding completions under construction. This equates to 83 units in total, which is close to the 96 total and 82 net additional permitted units analysed. Therefore, this data is deemed suitable to demonstrate trends since the 2011 Census, appropriate to the small scale of the NA. Note also that the planning applications data analysis in the tables below is based on the 96 total units permitted, rather than the 82 net additional permitted units. This is because for some of the developments, no details were revealed in application documents regarding the size or type of the units demolished.
197. The data clearly shows that detached houses are by far the most common dwellings type in Little Dunmow, making up over half of all dwellings, both in the 2011 Census, and of units permitted since then. Semi-detached dwellings made up roughly one quarter of homes. Flats and terraces were evidently the least common dwelling types, making up 10% or less each. In permissions since 2011, the proportion of flats and detached homes has been higher than in the 2011 Census, and lower for the other accommodation type categories.

**Table 5-1: Accommodation type, Little Dunmow, based on 2011 Census and 2011-2022 planning permissions data**

Dwelling type	2011 (Census)	2011-2022 (Planning permissions data)
Flat	4 (3%)	10 (10%)
Terrace	10 (8%)	6 (6%)
Semi-detached	42 (35%)	24 (25%)
Detached	63 (53%)	56 (58%)
<b>Total</b>	<b>119 (100%)</b>	<b>96 (100%)</b>

Source: ONS 2011, AECOM Calculations based on Uttlesford planning applications data

198. Looking at the Census data from 2011 in more detail, the NA has a slightly lower proportion of flats and terraces at one end of the spectrum, and a slightly higher proportion of semi-detached and detached houses on the other end, compared to the rest of Uttlesford and to England as a whole.
199. Across the country there are fewer houses and significantly more flats. Flats are not particularly highly represented, neither in Little Dunmow, nor across Uttlesford. This suggests that the NA is likely to have fewer dwellings suitable for first time buyers or those households looking to downsize. In recent developments since 2011, the proportion of flats has increased but is still comparatively low.

**Table 5-2: Accommodation type, various geographies, Census 2011**

Dwelling type	Little Dunmow	Uttlesford	England
Flat	3%	11%	21%
Terrace	8%	17%	25%
Semi-detached	35%	30%	31%
Detached	53%	42%	22%

Source: ONS 2011

## Dwelling size

200. As Little Dunmow is a very small NA, standard data sources are again a little more difficult to interrogate on the subject of dwelling size. 2020 VOA data is not useful to interrogate as the smallest search area available is not a good fit for the NA. However, there is completions data available for the NA from the local authority, as well as planning permissions data. This, together with Census data from 2011, allows for proportionate analysis, as explained above.
201. Most dwellings recorded in the 2011 Census for Little Dunmow have three or four bedrooms, with each of these two size categories making up about a third of the total. The next most dominant category is dwellings with five or more bedrooms, at 17%. Little Dunmow appears to have primarily medium sized and larger dwellings. One- and two-bedroom properties only make up 10-12% each of Census total.
202. In permissions from 2011-2022, the proportion of two- and three-bedroom properties in the NA has increased compared to the 2011 Census, while the proportion of all other size categories has declined. It appears that the trend is for

new properties permitted in the NA to be skewed towards three bedrooms, and that the average size of properties is decreasing slightly. The most significant decline is in houses of 4, 5, or more bedrooms. The most common dwelling size remains three bedrooms, making up nearly half (47%) of new permissions since 2011.

**Table 5-3: Dwelling size (bedrooms), Little Dunmow, based on 2011 Census and 2011-2022 planning permissions data**

Number of bedrooms	2011 (Census)	2011-2022 (Planning permissions data)
1	12 (10%)	8 (8%)
2	14 (12%)	18 (19%)
3	36 (31%)	45 (47%)
4	35 (30%)	18 (19%)
5+	20 (17%)	7 (7%)
Total	117 (100%)	96 (100%)

Source: ONS 2011, AECOM Calculations based on Uttlesford planning applications data

203. Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country. Unfortunately, in the case of Little Dunmow, as the geography is too small to query through VOA data, and because planning permissions data at district and country level is unsuitable for proportionate analysis in this way, the below analysis has to be undertaken based on 2011 Census data.

204. Based on Table 5-4, we can see that Little Dunmow, compared to Uttlesford and England as a whole, has a comparatively lower proportion of small and medium properties with three bedrooms or less, and a significantly higher proportion of larger properties with 4 or more bedrooms.

**Table 5-4: Number of bedrooms in household spaces in Little Dunmow, 2011**

Bedrooms	Little Dunmow		Uttlesford		England	
<b>All categories: no. of bedrooms</b>	117	100%	31,316	100%	22,063,368	100%
No bedrooms	0	0.0%	31	0.1%	54,938	0.2%
1 bedroom	12	10%	2,258	7%	2,593,893	12%
2 bedrooms	14	12%	6,601	21%	6,145,083	28%
3 bedrooms	36	31%	11,375	36%	9,088,213	41%
4 bedrooms	35	30%	7,456	24%	3,166,531	14%
5 or more bedrooms	20	17%	3,595	12%	1,014,710	5%

Source: ONS 2011, AECOM Calculations

## Age and household composition

205. Having established the current stock profile of Little Dunmow and identified recent changes to it, the evidence gathered below examines the composition

and age structure of households living in the NA. Many of these indicators have a bearing on what housing might be needed in future years.

## Age structure

206. Table 5-5 shows the age structure of the NA population, based on the 2011 Census figures. This shows that Little Dunmow’s age structure at 2011, compared to the district and country, was largely similar. The largest age group was aged 45-64, followed by younger groups aged 25-44 and 0-15. Older age groups aged 65 and over were slightly more represented in Little Dunmow than across the larger geographies.

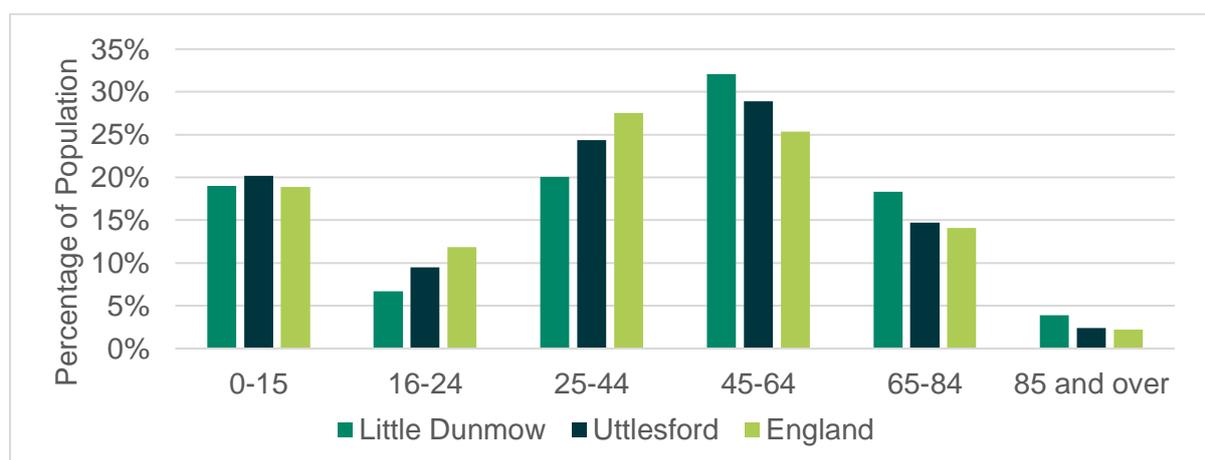
**Table 5-5: Age structure of Little Dunmow population, 2011**

Age group	2011 (Census)	
0-15	54	19%
16-24	19	7%
25-44	57	20%
45-64	91	32%
65-84	52	18%
85 and over	11	4%
Total	284	100%

Source: ONS 2011, ONS mid-2020 population estimates, AECOM Calculations

207. The figure below shows the parish population structure alongside that of the district and country.

**Figure 5-1: Age structure in Little Dunmow, 2011**



Source: ONS 2011, AECOM Calculations

208. Unfortunately, as mentioned earlier in our report, the 2020 ONS population projections are not realistic in Little Dunmow, due to the large amount of development which has taken place in the NA since 2011. Therefore, a comparison of Census 2011 with mid-2020 estimates on age structure is not possible for the NA. The 2011 Census remains the most accurate basis to use. We have also undertaken some analysis based on development data since 2011 and 2020 ONS population estimates by age. However, this should be treated with caution, as it is based on estimates only.

209. Based on past completions data from the District Council, we know that the current population of the NA is likely to be around 431 residents. This is based on an additional 58 units completed, assuming occupation at a similar household size as existing dwellings (2.43 persons per dwelling), plus an ONS 2020 population estimate of 290 persons, resulting in a total population estimate of 290 plus 141, which equals 431 persons. This constitutes an estimated 52% population increase since the previous Census.
210. As AECOM has discussed with the Steering Group, the age structure of the new population is likely to be similar to that across Uttlesford, as many new residents are likely to have moved from within the wider local area. Therefore, we have applied the age structure in the 2020 ONS population estimates for Uttlesford to the estimated new population of Little Dunmow and have added this to the 2011 Census population. We caution that this is a rather crude exercise. However, it is deemed to be a reasonable estimate within the confines of the available data.

**Table 5-6: Estimated age structure of Little Dunmow population, 2011 and 2022**

Age group	Little Dunmow Age structure 2011 (Census)		Little Dunmow Age structure 2020 (ONS estimate)		Uttlesford age structure 2020 (ONS, estimated)	Additional pop. from new development 2011-2022, estimated based on Uttlesford 2020 age structure	Little Dunmow Age structure, 2022 (AECOM estimate)	
	Count	%	Count	%			Count	%
<b>0-15</b>	54	<b>19%</b>	49	17%	20%	28	77	<b>18%</b>
<b>16-24</b>	19	<b>7%</b>	23	8%	9%	12	35	<b>8%</b>
<b>25-44</b>	57	<b>20%</b>	52	18%	23%	33	85	<b>20%</b>
<b>45-64</b>	91	<b>32%</b>	105	36%	29%	41	146	<b>34%</b>
<b>65-84</b>	52	<b>18%</b>	54	19%	17%	24	78	<b>18%</b>
<b>85+</b>	11	<b>4%</b>	7	2.4%	3%	4	11	<b>2.5%</b>
<b>Total</b>	284	<b>100%</b>	290	100%	100%	141	431	<b>100%</b>

*Source: ONS 2011, ONS mid-2020 population estimates, UDC completions data, and AECOM Calculations*

211. This exercise estimates that the Little Dunmow age structure is unlikely to have changed significantly since 2011, despite the significant population increase of around 52%.
212. A further dataset of note is the post occupation demographic information of one of the new major developments, provided by UDC. This information suggests that the population profile in this new development is, as can often be observed in new developments, significantly skewed towards younger age groups, particularly families with young children. However, it is worth noting that the information relates to an affordable housing development and is thus likely to be different again from that of a market or mixed tenure development. The data is nevertheless still useful in signalling that the new population in Little Dunmow may be adding more of the younger and middle age groups to the NA, and thus potentially counteract some

of aging of the population which would likely be more plain to observe in a small village without significant new development.

**Table 5-7: Age structure of one recent major development in Little Dunmow**

<b>Age group</b>	<b>Post occupation demographic information – one new major development in Little Dunmow</b>
0-15	29.6%
16-24	7.4%
25-44	40.7%
45-64	22.2%
65-84	0.0%
85 and over	0.0%
Total	100.0%

*Source: Uttlesford District Council*

213. Note that it is not possible to obtain post occupation demographic information on other new developments at this time. The returns from the recent Little Dunmow Housing Needs Survey indicated an age profile skewed towards the older segments of the population. However, this is frequently the case with survey returns.

## Household composition

214. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period. Table 5-8 shows that Little Dunmow's population is largely made up of one family households, with fewer one person or 'other' households (the latter category includes households such as flat-shares).

215. In this, the population profile falls somewhere between that of the district and the country. Little Dunmow has a slightly higher proportion of one family households than the country as whole, but slightly lower than across Uttlesford. Within the composition sub-categories, Little Dunmow has a slightly higher proportion of all older households over 65, and of family households without children than the two larger geographies.

216. Note that households with non-dependent children refers to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. While the data is quite old at this point, it is interesting to observe that this category is smaller in Little Dunmow than across the two larger geographies in 2011. Furthermore, the proportion of these households declined by 50% between 2001 and 2011 in the parish, while increasing across the district and country. This is generally a sign that there are

sufficient entry-level homes for young persons to move out and form their own households, in comparison to the two larger geographies. However, as this data is from 2001 and 2011 only, it may be that this situation has worsened since, due to the extensive affordability challenge in the NA, as discussed in the previous chapter.

**Table 5-8: Household composition, Little Dunmow, 2011**

Household composition		Little Dunmow	Uttlesford	England
<b>One person household</b>	<b>Total</b>	26.5%	23.5%	30.2%
	Aged 65 and over	12.8%	11.7%	12.4%
	Other	13.7%	11.8%	17.9%
<b>One family only</b>	<b>Total</b>	68.4%	70.8%	61.8%
	All aged 65 and over	13.7%	9.9%	8.1%
	With no children	21.4%	21.0%	17.6%
	With dependent children	27.4%	30.2%	26.5%
	With non-dependent children <sup>23</sup>	6.0%	9.7%	9.6%
<b>Other household types</b>	<b>Total</b>	5.1%	5.7%	8.0%

Source: ONS 2011, AECOM Calculations

## Occupancy ratings

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

218. In Little Dunmow, more than half of all households (63%) live in a home with two or more spare bedrooms, and the vast majority (85%) live in a home with at least one spare bedroom. Families under 65 with no children are the most likely to under-occupy their home, as well as most likely to have two or more spare bedrooms. The second most likely group to live in a house with two spare rooms are older family households over 65.

219. Only 1% of Little Dunmow households were over-occupying their homes. The most likely to over-occupy their home / be over-crowded are families with dependent children. This is quite common and suggests that the larger housing isn't necessarily being occupied by households with the most family members, but by the people with the most wealth (such as couples without children), or

<sup>23</sup> Refers to households containing children who are older than 18 e.g students or young working people living at home.

by older households who have not chosen or not been able to move to smaller properties after their children have left home.

220. Note that there is currently no information on occupancy ratings for after 2011.

**Table 5-9: Occupancy rating by age in Little Dunmow, 2011**

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	69%	19%	13%	0%
Single person 65+	40%	40%	20%	0%
Family under 65 - no children	84%	8%	8%	0%
Family under 65 - dependent children	63%	25%	9%	3%
Family under 65 - adult children	43%	43%	14%	0%
Single person under 65	63%	6%	31%	0%
All households	63%	22%	14%	1%

Source: ONS 2011, AECOM Calculations

## Dwelling mix determined by life-stage modelling

### Suggested future dwelling size mix

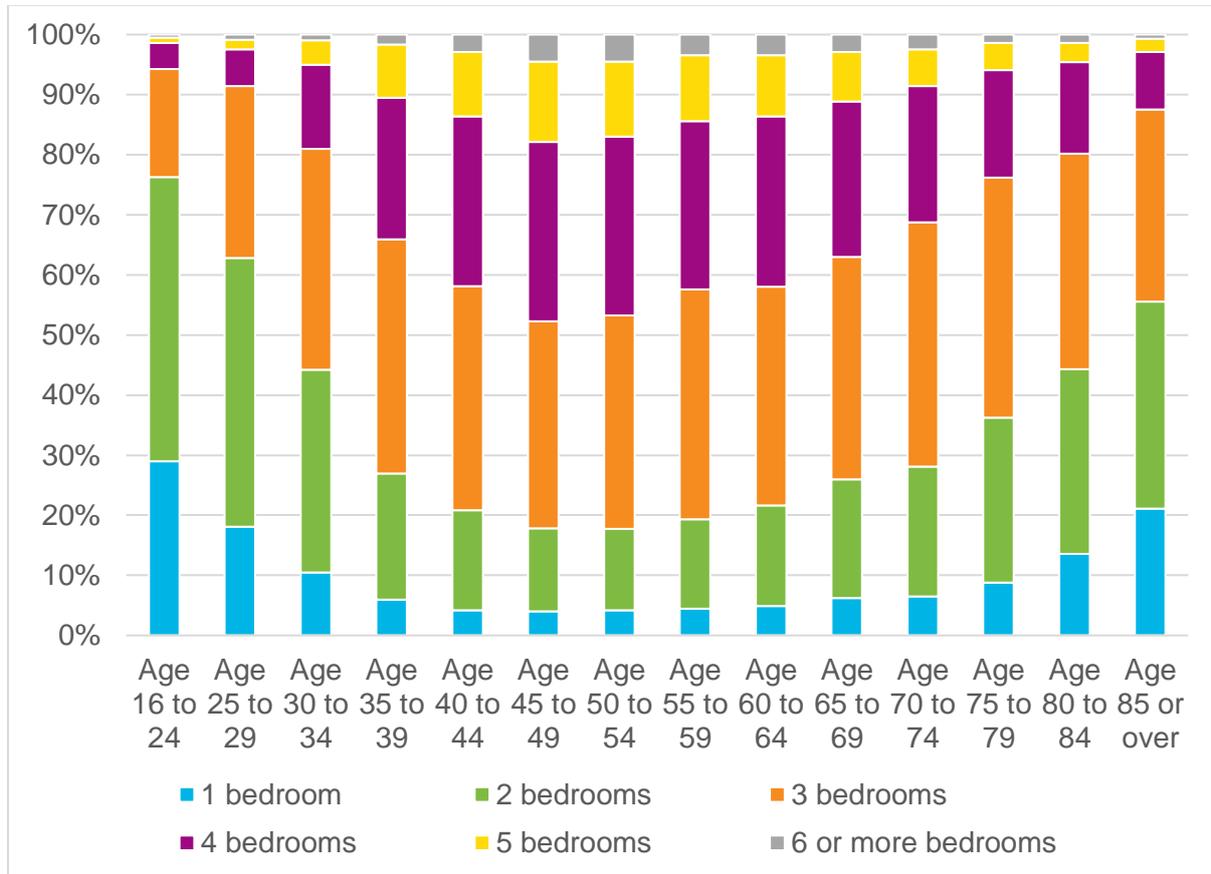
221. As noted above, there is a strong link between the life stage of a household and the size of dwelling that household can be expected to need. The final part of this chapter presents the results of a model that aims to estimate the dwelling size needs of the parish at the end of the Neighbourhood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

- The starting point is the age distribution of Little Dunmow households in 2011.
  - The life stage of a household is determined by the age of the household reference person (HRP), a more modern term for the head of household.
  - As noted above, household life stages are not estimated annually, so the older Census data must be used.
- This life stage data is then projected forward to the end of the Plan period. This is done by applying the growth rates for each household age group as suggested by the latest household projections. As explained above, for Little Dunmow this is a less accurate exercise due to large volumes of growth since 2011. However, in terms of percentages, this is still a useful exercise. As we have no comprehensive information on how new dwellings built since 2011 are actually occupied, we do not have a realistic alternative. It also does not seem too unlikely to assume that new households occupy their homes in a similar way to households living in the parish prior to 2011.
- Next, we turn to a Census dataset that shows the occupation patterns or preferences of each household life stage (e.g. what proportion of households aged under 24 tend to live in 1 bedroom homes as opposed to

- 2, 3 or 4 bedroom homes). This data is mapped to the distribution of the projected NA population for each life stage and each dwelling size category to form a picture of what mix of homes might be appropriate in future.
- This occupation data is only available at Local Authority scale, so it does risk embedding any unusual characteristics present in the area.
  - The model also assumes that today's occupation patterns persist into the future, which is not a given, particularly with the change in preferences for home working space and other features arising from the Covid-19 pandemic. However, there is no better indication of what those patterns might look like. It is considered more appropriate to adjust the end mix that results from this model to reflect such trends than to build further speculative assumptions into the model.
- Finally, this 'ideal' future mix of dwelling sizes can be compared to the current stock of housing in the NA. From this we can identify how future development might best fill the gaps.
    - The 2011 dwelling size mix is used for consistency, so any imbalances in new development since then may justify adjustments to the final results. For this reason, we have also compared this mix to the dwelling size mix of the units permitted since 2011.
222. It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more or less space than they 'need'. It also does not anticipate changes in how people may wish to occupy their homes in response to social and technological change.
223. The approach therefore embeds existing patterns of occupancy which may or may not be desirable. As such, it is appropriate for the result of this model to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is considered entirely appropriate for the purpose of drafting neighbourhood plan policy.
224. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.
225. The first, given as Figure 5-2, sets out the relationship between household life stage and dwelling size for Uttlesford in 2011. This shows how the youngest households occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age. However, it is worth noting that, as across the rest of the country, older households in Uttlesford do not tend to return to living in homes as small as those occupied by the youngest households. As such,

homes of 3 or more bedrooms continue to make a larger proportion of the homes occupied by the over 80s than those occupied by the households with a younger reference person under 30.

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



Source: ONS 2011, AECOM Calculations

226. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Little Dunmow households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-10 makes clear that population growth can be expected to be driven by the oldest households, with a reference person aged 65 and over. This age group is projected to more than double from 2011 to the end of the NP period in 2036. The other age group which is also projected to grow significantly, but at lower rates of 36%, is that aged 55-64. The model also projects growth in the age groups aged 25-34 and 35-54, of 12-14% respectively. No growth is projected by the model of those households with a reference person of 24 and under. Please note that Table 5-10 below is based on the Census population only, so while the exact numbers are less relevant, the % change 2011-2040 is more relevant.

**Table 5-10: Projected distribution of households by age of HRP, Little Dunmow, based on Census population only**

<b>Year</b>	<b>Age of HRP and under 24</b>	<b>Age of HRP 24 to 34</b>	<b>Age of HRP 35 to 54</b>	<b>Age of HRP 55 to 64</b>	<b>Age of HRP 65 and over</b>
2011	0	5	50	23	39
2040	0	6	56	31	79
% change 2011-2040	0%	14%	12%	36%	102%

Source: AECOM Calculations

227. This exercise can unfortunately not be repeated for the new population arrived since 2011, as we have no information on the age of new household reference persons. Nevertheless, the trends applied to the 2011 population can be assumed to be similar for the new population, with a potentially greater skew towards the younger population categories as mentioned previously.

228. The final result of this exercise is presented in Table 5-11. The model suggests that what is most needed to be built in the NA over the plan period is a mix consisting of mostly 3 bedroom properties (49%), 2 bedroom properties (40%); a smaller amount of 4 bedroom properties (10%); a small amount of very small properties with 1 bedroom (1.5%). The model suggests that there is no need for more very large properties with 5 or more bedrooms.

229. As the new population in the more recently built units are likely, as aforementioned, to be slightly younger and therefore likely, in line with Uttlesford and national trends, to occupy slightly smaller units, the skew away from the largest units sizes appears appropriate.

**Table 5-11: Suggested dwelling size mix to 2040, Little Dunmow**

<b>Number of bedrooms</b>	<b>Current mix (2011)</b>	<b>Target mix (2040)</b>	<b>Balance of new housing to reach target mix</b>
1 bedroom	10.3%	7.5%	1.5%
2 bedrooms	12.0%	21.1%	39.6%
3 bedrooms	30.8%	36.9%	48.9%
4 bedrooms	29.9%	23.6%	9.9%
5 or more bedrooms	17.1%	10.9%	0.0%

Source: AECOM Calculations

230. This estimated target mix can then be compared to the size mix of dwellings permitted in the NA since 2011:

**Table 5-12: Dwelling size mix of permissions in Little Dunmow 2011-2022**

<b>Number of bedrooms</b>	<b>2011-2022 (Planning permissions data)</b>
1	8 (8%)
2	18 (19%)
3	45 (47%)
4	18 (19%)
5+	7 (7%)
<b>Total</b>	<b>96 (100%)</b>

Source: AECOM Calculations

231. This shows that permissions have largely provided what is most likely to be needed, with primarily 3-bedroom units being permitted, followed by 2- and 4-bedroom properties, and fewer very large or very small properties. The main discrepancy appears to be in a shortfall of 2-bedroom properties being permitted compared to what is likely to be needed, while there are more 4+ bedroom properties permitted than appear to be required.
232. It is never advisable to restrict future housing delivery to selected size categories only. The result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It is a starting point for thinking about how best to address the more nuanced needs of the future population.
233. For example, the young starter families and downsizing older households mentioned above may both need ‘mid-sized’ homes but are likely to have extremely different requirements and degrees of purchasing power.
234. In Little Dunmow in particular, as pointed out above, this exercise is particularly crude considering the extensive growth and change of population, with unknown repercussions on age and occupation profile of the new population. Therefore, until Census 2021 data is released there is rather a lot of uncertainty.
235. There is limited scope for Neighbourhood Planning policy to influence the more detailed characteristics of new housing, but additional guidance and prioritisation could be informed by further primary research.
236. The preceding chapter found that affordability is a very serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type, and density for local residents’ budgets. Continuing to provide smaller homes with fewer bedrooms could help to address this situation.
237. To best meet the needs of the large cohort of older households expected to be present by the end of the Plan period (also discussed in the following chapter), it should be considered whether the existing options are well tailored to older people’s requirements in terms of space, flexibility, quality, location and accessibility. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes.

Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms.

238. That said, it may not be realistic to expect growing families in the NA to be able to afford the larger detached and semi-detached homes that are currently under-occupied in the parish. Reducing the issue of dwelling size to a number of bedrooms is potentially unhelpful in this case. There may be a strong justification to continue supplying larger homes despite their abundance because a different kind of larger home is needed to accommodate growing families with less buying power. This is too speculative to quantify in a percentage size mix but is among the good reasons not to inhibit any size of dwelling entirely.
239. More generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to mid-sized and smaller homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.
240. Considered in this light, the dwelling mix being permitted since 2011 is likely to be largely appropriate, but the future mix could benefit from a more pronounced proportion of 2-bedroom properties. Incidentally, this also coincides with the results of the recent Little Dunmow Housing Needs Survey, where 75% of respondents identifying as being in housing need selected 2-bedroom homes as their preferred property size, and the remaining 25% selected 3-bedroom homes.

### **The SHMA findings**

241. The 2015 West Essex and East Hertfordshire SHMA table 76 sets out the mix of market and affordable housing need by dwelling type and size for Uttlesford, making up the Objectively Assessed Need for Housing over the 22-year period 2011-33. As in our analysis, the primary need appears to be for 3-bedroom dwellings. This is followed by 2-bedroom homes for affordable housing, and by 4-bedroom homes for market housing. However, it is worth noting that this modelling is now very out of date and therefore of only limited relevance. The 2017 SHMA updates do not comment on the type and size mixes projected to be required.

**Table 5-139: Uttlesford market and affordable housing mix projected for 2011-33**

		Uttlesford
<b>MARKET HOUSING</b>		
Flat	1 bedroom	140
	2+ bedrooms	80
House	2 bedrooms	690
	3 bedrooms	4,290
	4 bedrooms	3,110
	5+ bedrooms	1,410
<b>Total Market Housing</b>		<b>9,700</b>
<b>AFFORDABLE HOUSING</b>		
Flat	1 bedroom	320
	2+ bedrooms	330
House	2 bedrooms	850
	3 bedrooms	1,060
	4+ bedrooms	220
<b>Total Affordable Housing</b>		<b>2,800</b>
<b>TOTAL DWELLINGS</b>		<b>12,500</b>

Source: 2015 West Essex and East Hertfordshire SHMA table 76, based on ORS Housing Model. Note: Figures may not sum due to rounding

## Conclusions- Type and Size

### The current housing mix

242. This study provides an indication of the likely need for different types and sizes of homes based on projected demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.
243. It is also important to remember that as a small NA with a substantial amount of development since 2011, data analysis had to be undertaken in a slightly different way from in other neighbourhood level studies, and the potential for making projections into the future is more limited.
244. Detached and semi-detached houses are the most common dwelling types in Little Dunmow. These two accommodation type categories make up a larger

proportion of homes in the NA than across Uttlesford or England as a whole. Conversely, the NA contains a significantly lower proportion of flats and terraces. This is true for stock in 2011, as well as for dwellings permitted 2011-2022.

245. In terms of dwelling size, properties in Little Dunmow are largely middle sized with three bedrooms. This size category makes up 31% of all properties in the 2011 Census, and an even more significant proportion (47%) of properties permitted in the NA since then. The next largest category is dwellings with four bedrooms (30% in the Census and 19% of permissions over the past 11 years).
246. Smaller properties of 1-2 bedrooms make up only 10-12% of dwellings in the Census, while very large properties of 5+ bedrooms made up 17% of the total.
247. Compared to Uttlesford and England as a whole, Little Dunmow in 2011 had a comparatively lower proportion of small and medium properties with three bedrooms or less, and a significantly higher proportion of larger properties with 4 or more bedrooms. This means there were fewer smaller homes suitable for younger first-time buyers and older households looking to downsize.
248. Recent permissions since 2011 have started prioritising more two-bedroom properties in the NA, which constituted 19% of permissions, while units of 5+ bedrooms only made up 7% of new permissions. New homes appear to deliver more medium and smaller units and fewer very large units.

### **Demographics**

249. As regards age structure and household composition, the NA population has a rather similar profile to that of the district and country as a whole in 2011. The two largest age groups, together making up just over half of the NA's population, were the two "middle" age categories aged 25-64 years, followed by young children under the age of 15. Those aged between 65-84 made up the next largest category. Older teenagers and young adults aged 16-24 and those aged over 85 were the smallest age groups. Older age groups aged 65 and over are slightly more represented in Little Dunmow than across the larger geographies, while age groups below 65 make up slightly lower proportions. However, overall the age profile of Little Dunmow is not dissimilar to that of Uttlesford and England.
250. Unfortunately, as mentioned earlier in our report, the 2020 ONS population projections are not realistic for Little Dunmow, due to the large amount of development which has happened since 2011, which is likely to have increased the NA's population by around 52%. However, it is assumed that the age structure of Little Dunmow has not changed significantly, as the majority of new residents are likely to come from surrounding areas. On this basis, and on the basis of post-occupation details of one major development received from the District Council, we assume that the profile of the additional new population, estimated to be around 141 persons, is likely to be largely similar to, but potentially slightly younger, than Little Dunmow's 2011 Census population.

251. The NA's population profile falls somewhere between that of the district and the country. Little Dunmow has a slightly higher proportion of one family households than across the country, but slightly lower than across Uttlesford. Little Dunmow also has a slightly higher proportion of all older households over 65, and of family households without children.
252. More than half of all households in the NA (63%) live in a home with two or more spare bedrooms, and the vast majority (85%) live in a home with at least one spare bedroom, while only 1% of Little Dunmow's households were over-occupying their homes. Families under 65 with no children are the most likely to under-occupy their home, as well as most likely to have two or more spare bedrooms. The second most likely group to live in a house with two spare rooms are older family households over 65. The most likely to over-occupy their home are families with dependent children. This is quite common and suggests that the larger housing isn't necessarily being occupied by households with the most family members, but rather by the people with the most wealth (such as couples without children), or by older households who have not chosen or not been able to move to smaller properties after their children have left home.
253. Looking forward towards the end of the plan period, population growth can be expected to be primarily driven by the oldest households aged 65 and over, projected to more than double over the plan period to 2040, followed by households aged 55-64. However, some of this aging trend may be counter-acted by the large amount of new development, which appears to be more so populated by younger households.

### **Future dwelling size needs**

254. Our model suggests that what is most likely needed to be built in Little Dunmow over the plan period is 2- and 3-bedroom properties (40% and 49% each); followed by 4-bedroom homes (10%); plus a very small amount of 1 bedroom properties (1.5%). No very large new units appear to be needed. When compared to what property has been permitted in the NA since 2011, projected need largely matches permissions granted. The main discrepancy appears to be a shortfall of 2-bedroom properties being permitted compared to what appears to be needed, while there are more 4+ bedroom properties permitted than appear to be required.
255. The significant development volumes already permitted in Little Dunmow, which far exceed the indicative housing requirement for the plan period, mean that for this development, as it is already permitted, the emerging NP will not be able to influence type and size. However, for any development yet to be permitted, mid-sized and smaller properties of 2-3 bedrooms should be prioritised. This would also help the affordability issues discussed in the previous chapter and provide suitable units for older households to downsize into should they wish. At the same time, a variety of housing should be provided to cater for different needs, incomes, sizes, and life-stages, including smaller homes suitable for first time buyers, those with limited funds, and those looking to downsize.

## 6. RQ 3: Specialist housing for older people

***RQ 3: What provision should be made for specialist housing for older people over the Neighbourhood Plan period?***

### Introduction

256. This chapter considers in detail the specialist housing needs of older people in Little Dunmow. This matter is of particular interest to LDNPS, in line with the results of the Housing Needs Survey recently undertaken. This survey also indicated some potential need for market and affordable housing for older persons in Little Dunmow. LDNSG wish to consider the possibility of introducing elderly accommodation, potentially in the form of alms-houses, in the parish as part of the NP.
257. The level of care associated with specialist housing products can vary widely, and is broadly categorised, in descending order from highest to lowest care level, as follows
- Specialist schemes that have 24-hour onsite care and support, typically including onsite catering (e.g. extra care, flexicare, and enhanced care);
  - Specialist housing that is designed with the relevant group in mind; This may be suitable for receiving care or support, but this is not typically provided onsite or at all times of day (e.g. sheltered housing); and
  - Mainstream housing that is adapted or capable of adaptation so that the inhabitant can live independently and care or support can be provided in the home.
258. People experience ageing differently. Much depends on their health, lifestyle, and relationship with work. Some people live healthy and active lives into advanced old age while others may need support and care much earlier in their lives. Some will be interested in moving to a suitable home closer to services while for others ageing independently in place will be key to their wellbeing.
259. Because of the wide variation in the level of support needed, as well as the financial capabilities of those affected, the estimates of need presented here should be viewed with caution – as an idea of the broad scale of potential need rather than an obligatory target that must be met. There is an additional caution to be urged, that tenure estimates and projections are more difficult to make for a small rural area with significant levels of development since 2011.
260. The specialist housing needs of older people (75+) are assessed below using two methods. The first is a tenure-led projection, based on rates of mobility limitation among this age group and the tenure of housing they currently occupy. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network (HLIN) Strategic Housing for Older People

(SHOP) tool,<sup>24</sup> which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.

261. It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. 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 estimating housing need overall.<sup>25</sup>
262. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).<sup>26</sup> Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for the elderly) are not within the scope of this research. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required.

## **Current supply of specialist housing for older people**

263. When determining a final target for the need for specialist dwellings, it is necessary first to take account of current supply. Information on the current stock is collated manually using the search function on the Elderly Accommodation Counsel's Website: <http://www.housingcare.org>.
264. There are no specialist accommodation schemes in the NA at the time of writing. The nearest provisions are in Great Dunmow and Felsted, approximately 2-3 miles away.

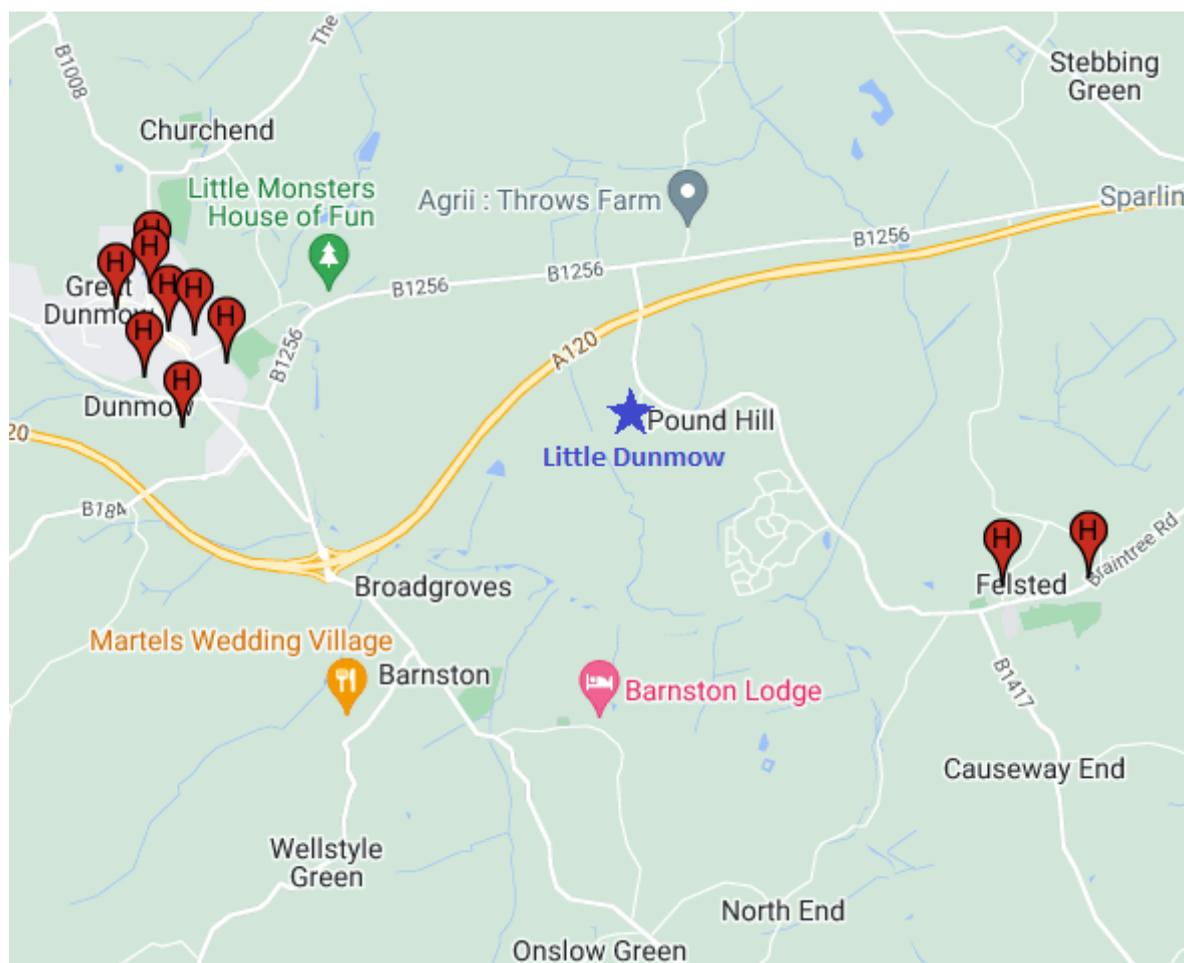
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<sup>24</sup> Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>

<sup>25</sup> See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

<sup>26</sup> For a full description of Planning Use Classes, please refer to [https://www.planningportal.co.uk/info/200130/common\\_projects/9/change\\_of\\_use](https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use)

**Figure 6-1: Location of specialist housing for the elderly near Little Dunmow**



Source: <http://www.housingcare.org> (star for NA location added by AECOM)

265. Great Dunmow / Dunmow is home to eight specialist elderly housing schemes and Felsted is home to two schemes. Together, these ten schemes provide 242 accommodation units for the wider area, largely as age restricted housing without care. Two schemes (containing 57 units, or 24% of all units) provide elderly housing with care. The majority of units are available for rent from a social landlord, but 55 units (22%) are available for sale with leasehold or shared ownership.

**Figure 6-2: Existing specialist housing for the elderly near Little Dunmow**

	Name, Location	Description	Units	Tenure	Type
1	Abbeyfield House, Felsted, Dunmow, CM6 3DU	14 studio flats, Resident management staff (24 hours); New residents accepted from 70 years of age.	14	Rent (social landlord)	Retirement Housing
2	Alan Hasler House,	31 flats. Sizes 1 bedroom, 2 bedroom, 3 bedroom. Non-resident management staff and Careline alarm	31	Rent (social landlord)	Retirement Housing

	Dunmow, CM6 1UJ	service; New residents accepted from 60 years of age;			
3	Alexia House, Dunmow, CM6 1UW	20 flats. Sizes studio, 1 bedroom. Non-resident management staff and Careline alarm service; New residents accepted from 60 years of age	20	Rent (social landlord)	Retirement Housing
4	Banks Court, Great Dunmow, CM6 1UD	35 flats. Sizes 1 bedroom. Includes mobility standard properties. Resident management staff and Careline alarm service; New residents accepted from 62 years of age.	35	Rent (social landlord)	Retirement Housing
5	Boyes Croft, Dunmow, CM6 1BD	23 flats. Sizes studio, 1 bedroom. Non-resident management staff (part time) and Careline alarm service	23	Rent (social landlord)	Retirement Housing
6	Croft Court, Great Dunmow, CM6 1HR	26 flats. Sizes 1 bedroom, 2 bedroom. Non-resident management staff (part time) and Careline alarm service; New residents accepted from 60 years of age.	26	Leasehold	Retirement housing / Close care housing
7	Felsted Almshouse, Felsted, Dunmow, CM6 3DL	7 bungalows. Sizes 1 bedroom. Includes wheelchair standard properties. Careline alarm service; This almshouse charity caters for: older or disabled persons, preferably with connections in the area.	7	Rent (social landlord)	Age exclusive housing
8	Grove Court, Great Dunmow, CM6 1XW	31 flats. Sizes studio, 1 bedroom. Extra Care scheme with Visiting management staff (Night time staff on duty), Non-resident management staff (24 hours, 7 days) and Careline alarm service; Whole site accessible by wheelchair. Regular Social activities	31	Rent (social landlord)	Housing-with-care
9	Oakroyd House, Dunmow, CM6 1HQ	26 flats, bungalows. Sizes 1 bedroom, 2 bedroom. Includes mobility and wheelchair standard properties. Non-resident management staff (part time) and Careline alarm service	26	Rent (social landlord)	Retirement housing

		New residents accepted from 60 years of age.			
10	Stane House, Dunmow, CM6 1AE	29 flats. Built in 2022. Sizes 1 bedroom, 2 bedroom. Non-resident management staff and Careline alarm service; New residents accepted from 60 years of age	29	Leasehold and Rent (market) and Shared Ownership	Retirement housing

Source: <http://www.housingcare.org>

266. ONS 2020 population estimates suggest that there are currently around 32 individuals aged 75 or over living directly in Little Dunmow, based on projected growth of the population recorded in the 2011 Census only. If, based on a wider Uttlesford age profile, we assume that 9.2% of the population living in the new developments completed since 2011 are also likely to be aged over 75, this adds a further potential 13 persons, coming to a total of 55 persons likely to be aged 75 or over. This would constitute 13% of the currently estimated population of 431 persons in Little Dunmow. However, this number may actually be a little lower in reality, as it appears the population of the new developments is more likely to be skewed towards younger age groups.

267. There is currently no elderly accommodation provision for the population of around 32-55 persons aged 75+ directly within Little Dunmow. The Housing Learning and Improvement Network model recommends a provision of 251 units per 1,000 population aged 75+. This would equate to a provision of 8-14 units provision in proportion to the estimated current Little Dunmow population. Our analysis therefore shows a current under-provision, as is the case in most locations around the country. However, it is worth considering that as a rural location with little access to public transport and without local amenities or services, Little Dunmow also does not constitute a very sustainable location for elderly accommodation.

## Tenure-led projections

268. Turning to determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across Uttlesford, as this is the most recent and smallest geography for which tenure by age bracket data is available.

269. The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2040. It is assumed that those currently occupying their own home will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.

270. According to Table 6-1, older persons in Little Dunmow are largely likely to own their own home (81% of them did in 2011). 11% rented from a social landlord and 6% were renting privately.

**Table 6-1: Tenure of households aged 55-75 in Uttlesford, 2011**

All owned	Owned		All Rented	Social rented	Private rented	Living rent free
	Owned outright	(mortgage) or Shared Ownership				
<b>81.3%</b>	55.5%	25.7%	<b>18.7%</b>	10.9%	6.4%	1.4%

Source: Census 2011

271. The next step is to project how the overall number of older people in Little Dunmow is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for Uttlesford at the end of the Plan period. The figure must be extrapolated from the Local Authority level data because such projections are not available at neighbourhood level.

272. In order to make the 2020 population estimate more realistic for the specific circumstances of the NA, we have used our estimated population of 431 persons, which includes a population growth estimate from ONS on the basis of 2011 Census population, plus an estimated population for the new developments in Little Dunmow.

273. When combining this data in Table 6-2 below, it appears that those aged 75 and over are likely to make up 19% of the NA's population in 2040.

**Table 6-2: Modelled projection of elderly population in Little Dunmow by end of Plan period**

Age group	2020		2040	
	Little Dunmow (ONS 2020 estimate + AECOM estimate of population in new developments)	Uttlesford (Census)	Little Dunmow (AECOM)	Uttlesford (ONS SNPP 2020)
All ages	431	92,759	497	106,972
75+	55	8,532	96	14,893
%	12.8%	9.2%	19.3%	13.9%

Source: ONS SNPP 2020, AECOM Calculations

274. A key assumption for the next stages of the calculation is that the older people living in the NA currently are already suitably accommodated, either because they occupy the existing stock of specialist accommodation, have made appropriate adaptations to their own home or do not require support or adaptations. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without comprehensive evidence from a household survey (which itself may not give a complete picture).

275. The people whose needs are the focus of the subsequent analysis are therefore the additional 41 individuals expected to join the 75+ age group by the end of

the Plan period. This figure should also be converted into households with reference to the average number of people per household with a life stage of 75+ in Uttlesford in 2011 (the smallest and most recent dataset to capture households). In 2011 there were 6,313 individuals aged 75+ and 4,412 households headed by a person in that age group. The average household size is therefore 1.43, and the projected growth of 41 older people in Little Dunmow can be estimated to be formed into around 29 additional households, coming from the baseline of the estimated current NA population.

276. The next step is to multiply this figure by the percentages of 55-75 year olds occupying each tenure (shown in the table above). This is set out in Table 6-3. This provides a breakdown of which tenures those households are likely to need.

**Table 6-3: Projected tenure of households aged 75+ in Little Dunmow to the end of the Plan period**

<b>Owned</b>	<b>Owned outright</b>	<b>Owned (mortgage) or shared ownership</b>	<b>All rented</b>	<b>Social rented</b>	<b>Private rented</b>	<b>Living rent free</b>
24	16	7	5	3	2	0

*Source: Census 2011, ONS SNPP 2020, AECOM Calculations*

277. Next, rates of disability by tenure are considered. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs they may find that the only suitable and affordable option to them is available in the social rented sector. Table 6-4 presents this data for Little Dunmow from the 2011 Census. Note that the closest proxy for the 75+ age group in the Census is the 65+ age group.

**Table 6-4: Tenure and mobility limitations of those aged 65+ in Little Dunmow, 2011**

Tenure	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
	Count	Percentage	Count	Percentage	Count	Count
<b>All categories</b>	<b>15</b>	<b>23.8%</b>	<b>16</b>	<b>25.4%</b>	<b>32</b>	<b>15</b>
<b><i>Owned Total</i></b>	<b>6</b>	<b>15.0%</b>	<b>7</b>	<b>17.5%</b>	<b>27</b>	<b>6</b>
Owned outright	5	13.5%	6	16.2%	26	5
Owned (mortgage) or shared ownership	1	33.3%	1	33.3%	1	1
<b><i>Rented Total</i></b>	<b>9</b>	<b>39.1%</b>	<b>9</b>	<b>39.1%</b>	<b>5</b>	<b>9</b>
Social rented	8	47.1%	5	29.4%	4	8
Private rented or living rent free	1	16.7%	4	66.7%	1	1

Source: DC3408EW Health status

278. It is now possible to multiply the projected number of 75+ households occupying each tenure by the rates of mobility limitation for that tenure to arrive at the final tenure-led estimate for specialist housing needs. The number of households falling into potential need for specialist accommodation over the Plan period is 12.

279. These findings are set out in Table 6-5, based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

**Table 6-5: AECOM estimate of specialist housing need for older (75+) households in Little Dunmow by the end of the Plan period**

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	<i>Multiply the number of older households across all rented (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) housing by the percent in that tenure who have day to day activity limitations limited a lot.</i>	<i>Multiply the number of older households across all owned housing by the percent in that tenure who have day to day activity limitations limited a lot.</i>	<b>6</b>
	2	4	
Adaptations, sheltered, or retirement living	<i>Multiply the number of older households across all rented housing by the percent who have day to day activity limitations limited a little.</i>	<i>Multiply the number of older households across all owned housing by the percent in that tenure who have day to day activity limitations limited a little.</i>	<b>6</b>
	2	4	
<b>Total</b>	<b>4</b>	<b>8</b>	<b>12</b>

Source: Census 2011, AECOM Calculations

## Housing LIN-recommended provision

280. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the most simple and widely used models estimating for the housing needs of older people. Table 6-6 reproduces the key assumptions of HLIN’s Strategic Housing for Older People (SHOP) toolkit. The table serves as a guide to the numbers of specialist dwellings for older people that should be provided given the increase in their numbers over the Plan period, and how these should be split into the different tenures.

281. It is worth highlighting that the HLIN model suggests that the level of unmet demand for specialist housing for older people of all kinds is approximately 251 units per 1,000 of the population aged 75+.

**Table 6-6: Recommended provision of specialist housing for older people from the SHOP toolkit**

FORM OF PROVISION	ESTIMATE OF DEMAND PER THOUSAND OF THE RELEVANT 75+ POPULATION
Conventional sheltered housing to rent	60
Leasehold sheltered housing	120
Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) <sup>36</sup>	20
Extra care housing for rent	15
Extra care housing for sale	30
Housing based provision for dementia	6

Source: *Housing LIN SHOP Toolkit*

282. As shown above, Little Dunmow is forecast to see an increase of 41 individuals aged 75+ over the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent =  $60 \times 0.041^{27} = 2$
- Leasehold sheltered housing =  $120 \times 0.041 = 5$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) =  $20 \times 0.041 = 0.82$
- Extra care housing for rent =  $15 \times 0.041 = 0.62$
- Extra care housing for sale =  $30 \times 0.041 = 1.23$
- Housing based provision for dementia =  $6 \times 0.041 = 0.25$

283. This produces an overall total of 10 specialist dwellings which might be required by the end of the plan period.

284. Table 6-7 sets out the HLIN recommendations in the same format as Table 6-5. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates.

<sup>27</sup> This is the total 41 individuals aged 75+ by the end of the Plan period divided by 1,000, as Housing LIN SHOP Toolkit provision recommendations are per 1,000 population aged 75+

**Table 6-7: HLIN estimate of specialist housing need in Little Dunmow by the end of the Plan period**

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	<i>Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia</i>	<i>Includes: enhanced sheltered housing for sale + extra care housing for sale</i>	<b>3</b>
	1.27	1.64	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	<b>7</b>
	2	5	
<b>Total</b>	<b>4</b>	<b>7</b>	<b>10</b>

Source: Housing LIN, AECOM calculations

## SHMA findings

285. The 2015 West Essex and East Hertfordshire SHMA estimated that to 2033, 73% of all growth projected would be related to people aged 65 and over, and that more than a third of the total increase (36%) would be made up of people aged 85 and over. The SHMA states that its evidence supports the need for all dwellings to meet Category 2 requirements, providing that this does not compromise viability, and that in line with further evidence on disability, there is a need for 10% of market housing and 15% of affordable housing to meet Category 3 requirements, to recognise changing.

## Conclusions- Specialist Housing for Older People

286. The subject of specialist housing needs of older people is of particularly interest to the Little Dunmow's NP Steering Group. Three of the 51 respondents indicated that they had special housing needs (likely related to the need for accessible housing). Some respondents indicated need for affordable and some for market elderly accommodation.

287. The NA itself has no current specialist offer. The nearest provision in the vicinity is at Dunmow/ Great Dunmow and Felsted, approximately 2-3 miles away. Together, the ten schemes in these two locations provide 242 accommodation units for the wider area, largely age restricted housing without care. Two schemes, containing 57 units, or 24% of all units, provide elderly housing with care. The majority of units are available for rent from a social landlord, but 55 units (22%) are available for sale with leasehold or shared ownership. The Housing LIN model recommends a provision of 251 units per 1,000 population.

288. Based on ONS 2020 growth projections of the 2011 Census population and on AECOM estimates of the population in the new developments built in Little Dunmow since 2011, we estimate that the current population in Little Dunmow,

which is likely to be aged 75+, is around 32-55 persons. However, the exact number of over 75 year olds in Little Dunmow at present is not entirely certain, as the age profile of residents of the new developments since 2011 is not known, but is likely to be slightly younger than that of the households recorded in the 2011 Census. It is nevertheless a reasonable estimate, based on the information available.

289. The HLIN model recommendation of a provision of 251 units of elderly accommodation per 1,000 population aged 75+, together with our population estimate, would justify a current provision of 8-14 units of specialist accommodation for the elderly in Little Dunmow. Current local provision is zero. Our more detailed estimates of projected need over the plan period result in a requirement of 10-12 units of specialist accommodation required to meet the needs of Little Dunmow's projected elderly population to 2040. However, it is worth considering that as a rural location with little access to public transport and without local amenities or services, Little Dunmow does not constitute a very sustainable location for elderly accommodation.
290. On the basis of 2011 Census information, 81% of 55-75 year olds in Little Dunmow own their own home, renters making up 17% (about two thirds of these rent from the council or a housing association, one third rent privately, and 1% live rent free). By the end of the plan period in 2040, the population of over 75s is projected to increase by an approximate 41 additional individuals, approximately doubling in total from today's estimated population.
291. The 2015 West Essex and East Hertfordshire SHMA includes similar findings to our study, projecting a significant growth in the elderly population across the HMA, with 73% of all growth projected likely to be related to people aged 65 and over, and more than a third of the total projected increase (36%) made up of people aged 85 and over. It is likely that in Little Dunmow specifically, some of the aging trend of the local population may be offset by the effects of younger households moving into new developments. However, the increase in the elderly population will nevertheless be significant, although possibly not as pronounced as in other locations around the district.
292. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the 55-75 cohort occupies in the NA on the basis of the 2011 Census. This can be sense-checked using a toolkit based on national research and assumptions.
293. These two methods produce a range of 10-12 specialist accommodation units that might be required during the Plan period in the NA. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.
294. Overall, the largest demand is likely to be for sheltered accommodation for market sale, which makes up around a third to half (between 4-5 of the total 10-12 units) of total projected demand.

295. There is also projected to be a significant level of demand for extra-care units (about a quarter to half of the total projected need; 3-6 of the total 10-12 units), with the majority of these also needed for market sale. About one third of total demand (4 of 10-12 units needed) is for affordable specialist housing. Housing with on-site care makes up about half of this affordable elderly housing demand.
296. It is worth noting that Neighbourhood Plans cannot set the proportion of housing (specialist or otherwise) that should be affordable, as this has to be in line with Local Plan policy. In the case of Uttlesford, the adopted Local Plan contains a 40% affordable housing target overall and no policies relating to specialist older persons accommodation. The evidence provided in our HNA, should be useful in supporting the case for some appropriate elderly accommodation in or near the NA to meet evidenced demand, including some affordable elderly accommodation. However, this is subject to Little Dunmow being deemed an appropriate location for such provision, considering its lack of local amenities.
297. As the majority of unmet need (making up a third to half of the total) is for market sheltered housing, this element might be satisfied by making sure all new housing is accessible and adaptable for people with lower support needs. This is also supported by the SHMA stating that its evidence supports the need for all dwellings to meet Category 2 requirements, providing that this does not compromise viability, as well as a need for 10% of market housing and 15% of affordable housing to meet Category 3 requirements, to recognise changing demographics across the wider HMA.
298. There is no known future supply of specialist housing indicated in commitment data shared by UDC, nor do any of the planning permissions examined for Little Dunmow since 2011 include any specialist provision. Therefore, given that it appears unlikely that there will be a large volume of additional specialist supply during the Plan period in the NA, if any, an avenue open to LDNSG is to discuss the standards of accessibility and adaptability for new development in the emerging new Local Plan with the LPA. The local level evidence supplied in this report could be used to support this discussion. The group may also be able to encourage the adaptation of existing properties through grant schemes and other means, although it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock.
299. Uttlesford's currently adopted Local Plan from 2005 provides no encouragement for development to accommodate specific groups such as older people. It also sets no targets or percentage requirements for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence gathered here would appear to justify the NP Steering Group approaching the LPA to discuss setting requirements on accessibility and adaptability at a Local Plan level. The timing for such discussions appears suitable at the time of writing our HNA, as the emerging new Local Plan is still in its early stages of preparation. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of

adaptability and accessibility for new housing. Therefore, discussions with the LPA are advised if this is a key priority.

300. It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide. The localised evidence gathered here, as well as the wider evidence of the SHMA, would further justify this. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants in the county falling into this category.
301. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable and accessible locations. This is due to a number of reasons, as follows:
- so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
  - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
  - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
302. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or Neighbourhood Areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
303. As Little Dunmow has no local amenities, it is considered that the NA is, in broad terms, not a suitable location for specialist accommodation, on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, it is most likely that specialist accommodation continues to be either entirely, or largely, provided not within but near the Neighbourhood Area, in more sustainable urban locations near the NA. Note that there is no specific requirement or obligation to meet elderly accommodation need within the NA as part of the NP. The more rural and remote nature of the NA make it a less suitable as a location for specialist housing provision. However, where it is considered for any reason desirable to meet some of the specialist need within the Neighbourhood Area boundary, rather than in larger settlements with access to more public transport and local services, the provision should be small and restricted to catering for local need from within the NA. Proximity to local bus services should also be ensured, to promote use of sustainable transport modes as much as possible.
304. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

## 7. Next Steps

### Recommendations for next steps

305. This Neighbourhood Plan housing needs assessment aims to provide Little Dunmow with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with Uttlesford with a view to agreeing and formulating draft housing policies, bearing the following in mind:
- All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
  - The views of Uttlesford;
  - The views of local residents;
  - The views of other relevant local stakeholders, including housing developers and estate agents; and
  - The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Uttlesford.
306. This assessment has been provided in good faith by AECOM consultants on the basis of available housing data, national guidance and other relevant and available information current at the time of writing.
307. Bearing this in mind, it is recommended that LDNPS should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Uttlesford or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
308. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies. The 2021 Census results, once released, should also be helpful to the Steering Group for confirming trends.

# Appendix A : Calculation of Affordability Thresholds

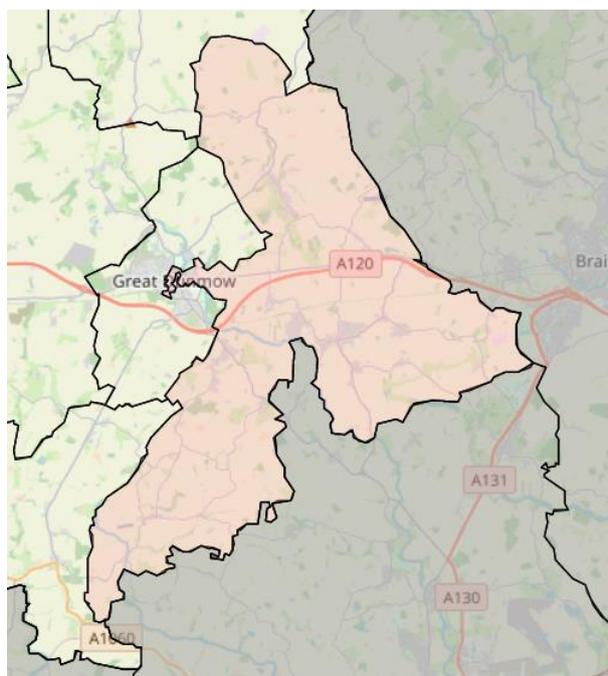
## A.1 Assessment geography

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

310. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Area. In the case of Little Dunmow, it is considered that MSOA E02004598 (Uttlesford 008) is the closest realistic proxy for the Neighbourhood Area boundary when looking at income data, and as such, this is the assessment geography that has been selected. A map of MSOA E02004598 appears in Figure A-1.

311. While the MSOA extends well beyond the parish, it is the best available geography for income estimates available.

**Figure A-1: MSOA E02004598 (Uttlesford 008) used as a best-fit geographical proxy for the Neighbourhood Area for income data**



Source: ONS

## A.2 Market housing

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

313. To determine affordability in market housing, this assessment considers two primary indicators: income thresholds, which denote the maximum share of a

family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

## **i) Market sales**

314. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.
315. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Little Dunmow, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.
316. The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2021) = £407,475;
  - Purchase deposit at 10% of value = £40,748;
  - Value of dwelling for mortgage purposes = £366,728;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £104,779.
317. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2021 was £388,750, and the purchase threshold is therefore £99,964.
318. Finally, it is worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future.
319. The average new build price in 2021 across the local authority area (insufficient sample sales where available for the NA specifically) was £522,500, resulting in purchase threshold of £134,357. Average new build prices for new detached homes were £630,000, 460,000 for semi-detached houses, 410,000 for terraced houses, and 372,500 for flats. The average for new build flats is likely to be the best representation of entry-level new build homes for sale across the local authority area.

## ii) Private Rented Sector (PRS)

320. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.
321. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.
322. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the local area. Our search for local rentals recorded only 3 homes available for rent within a one-mile radius of the NA in 2021. Expanding to a 3-mile radius produced a sample of 16 units. This radius encompasses mostly similar rural parishes to Little Dunmow, as well as the nearby settlement of Great Dunmow. Therefore, this sample is deemed a reasonable proxy for the purposes of our analysis. The larger sample size is also likely to generate more robust findings.
323. According to [home.co.uk](https://www.home.co.uk), there were 16 properties for rent at the time of search in June 2022, with an average monthly rent of £1,550. There were nine one- and two-bed properties listed, with an average price of £925 per calendar month.
324. The calculation for the private rent income threshold for entry-level (1-2 bedroom) dwellings is as follows:
- Annual rent = £925 x 12 = £11,100;
  - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £37,000.
325. The calculation is repeated for the overall average to give an income threshold of £62,000.

## A.3 Affordable Housing

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

## i) Social rent

327. Rents in socially rented properties reflect a formula based on property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on the lowest incomes and is subject to strict eligibility criteria.
328. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so must act as a proxy for Little Dunmow. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Uttlesford in the Table A-1.
329. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

**Table A-1: Social rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£99.03	£111.08	£121.22	£141.95	£112.32
Annual average	£5,150	£5,776	£6,303	£7,381	£5,841
Income needed	£17,148	£19,235	£20,990	£24,580	£19,449

Source: Homes England, AECOM Calculations

## ii) Affordable rent

330. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).
331. Even an 80% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.
332. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Uttlesford. Again, it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
333. Comparing this result with the average 1-2 bedroom annual private rent above indicates that average affordable rents in the NA are actually closer to 72% of

entry level market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need. If we compare 1-2 bed affordable rents to 1-2 bed private rents, the ratio is even as low as 49%.

**Table A-2: Affordable rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£126.19	£151.13	£184.53	£227.98	£153.87
Annual average	£6,562	£7,859	£9,596	£11,855	£8,001
Income needed	£21,851	£26,170	£31,953	£39,477	£26,644

Source: Homes England, AECOM Calculations

### iii) Affordable home ownership

334. Affordable home ownership tenures include products for sale and rent provided at a cost above social rent, but below market levels. The three most widely available are discounted market housing (a subset of which is the new First Homes product), shared ownership, and Rent to Buy. These are considered in turn below.

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

#### First Homes

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

337. The starting point for these calculations is therefore the estimated median house price in Little Dunmow, which is £407,475. Note that there is not a sufficient sample of new build prices in the NA, and local authority level new build prices appear a less appropriate proxy than median NA house prices.

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

- Value of a new home (NA median house price) = £407,475;
- Discounted by 30% = £285,233;
- Purchase deposit at 10% of value = £28,523;

- Value of dwelling for mortgage purposes = £256,709;
- Divided by loan to income ratio of 3.5 = purchase threshold of £73,346.

339. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £62,868 and £52,390 respectively.
340. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.
341. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2-bedroom home (assuming 70 sq m and a build cost of £1,500 per sq m) would be around £105,000. This cost excludes any land value or developer profit. This would not appear to be an issue in Little Dunmow.

### **Shared ownership**

342. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.
343. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.
344. To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
345. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £407,475 is £101,869;
  - A 10% deposit of £10,187 is deducted, leaving a mortgage value of £91,682;

- This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £26,195;
- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £305,606;
- The estimated annual rent at 2.5% of the unsold value is £7,640;
- This requires an income of £25,467 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £51,662 (£26,195 plus £25,467).

346. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £41,039 and £69,368 respectively.

347. Note that all of these income thresholds are below the £80,000 cap for eligible households.

### **Rent to Buy**

348. Rent to Buy is a relatively new and less common tenure, which through subsidy allows the occupant to save a portion of their rent, which is intended to be used to build up a deposit to eventually purchase the home. It is therefore estimated to cost the same as private rents – the difference being that the occupant builds up savings with a portion of the rent.

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

349. The Help to Buy Equity Loan is not an affordable housing tenure but allows households to afford market housing through a loan provided by the government. With a Help to Buy Equity Loan the government lends up to 20% (40% in London) of the cost of a newly built home. The household must pay a deposit of 5% or more and arrange a mortgage of 25% or more to make up the rest. Buyers are not charged interest on the 20% loan for the first five years of owning the home.

350. It is important to note that this product widens access to market housing but does not provide an affordable home in perpetuity.

# Appendix B : Housing Needs Assessment Glossary

## **Adoption**

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

## **Affordability**

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

## **Affordability Ratio**

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

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

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

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

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

c) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and

Rent to Buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

### **Affordable rented housing**

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods<sup>28</sup>.

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

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

### **Annual Monitoring Report**

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

### **Basic Conditions**

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

### **Backlog need**

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

### **Bedroom Standard<sup>29</sup>**

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

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<sup>28</sup> The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

<sup>29</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

## **Co-living**

Co-living denotes people who do not have family ties sharing either a self-contained dwelling (i.e., a 'house share') or new development akin to student housing in which people have a bedroom and bathroom to themselves, but share living and kitchen space with others. In co-living schemes each individual represents a separate 'household'.

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

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

## **Community Right to Build Order<sup>30</sup>**

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

## **Concealed Families (Census definition)<sup>31</sup>**

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

## **Equity Loans/Shared Equity**

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

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<sup>30</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>31</sup> See [http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776\\_350282.pdf](http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf)

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

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

## **Fair Share**

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

## **First Homes**

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

## **Habitable Rooms**

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

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

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

## **Housing Market Area**

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

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

## **Housing Needs**

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

## **Housing Needs Assessment**

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

## **Housing Products**

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

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

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

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

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

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

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

## **Income Threshold**

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

## **Intercensal Period**

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

## **Intermediate Housing**

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

## **Life Stage modelling**

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

## **Life-time Homes**

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

## **Life-time Neighbourhoods**

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

## **Local Development Order**

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

## **Local Enterprise Partnership**

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

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

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

## **Local Planning Authority**

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

## **Local Plan**

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

## **Lower Quartile**

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

## **Lower Quartile Affordability Ratio**

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

## **Market Housing**

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

## **Mean (Average)**

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

## **Median**

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

## **Median Affordability Ratio**

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

## **Mortgage Ratio**

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years<sup>32</sup>, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

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

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

## **Neighbourhood plan**

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

## **Older People**

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

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

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

## **Overcrowding**

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

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<sup>32</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

living room and one kitchen would be deemed overcrowded if three adults were living there.

### **Planning Condition**

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

### **Planning Obligation**

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

### **Purchase Threshold**

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

### **Proportionate and Robust Evidence**

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

### **Private Rented**

The Census tenure private rented includes a range of different living situations in practice, such as private rented/ other including households living “rent free”. Around 20% of the private rented sector are in this category, which will have included some benefit claimants whose housing benefit at the time was paid directly to their landlord. This could mean people whose rent is paid by their employer, including some people in the armed forces. Some housing association tenants may also have been counted as living in the private rented sector because of confusion about what a housing association is.

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

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

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

Housing for older people comprising of individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually

include support services for independent living. This type of housing can also include dementia care homes.

## **Rightsizing**

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

## **Rural Exception Sites**

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

## **Shared Ownership**

Housing where a purchaser part buys and part rents from a housing association or local authority. Typical purchase share is between 25% and 75% (though this was lowered in 2021 to a minimum of 10%), and buyers are encouraged to buy the largest share they can afford. Generally applies to new build properties, but re-sales occasionally become available. There may be an opportunity to rent at intermediate rent level before purchasing a share in order to save/increase the deposit level

## **Sheltered Housing<sup>33</sup>**

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bed roomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also

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<sup>33</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

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

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

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

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

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

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

### **Social Rented Housing**

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.<sup>34</sup>

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<sup>34</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

