

Faversham

Housing Needs Assessment (HNA)

June 2022

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

Quality information

Prepared by	Checked by	Approved by
Angus McNeill Peel Urban Planner	Paul Avery Principal Housing Consultant	Paul Avery Principal Housing Consultant
Olivia Carr Graduate Housing Consultant		

Revision History

Revision	Revision date	Details	Authorized	Name	Position
V1	06.04.22	First Draft	PA	Paul Avery	Principal Housing Consultant
V2	09.06.22	Second Draft	PA	Paul Avery	Principal Housing Consultant
V3	13.06.22	Final Draft	JI	Cllr John Irwin	Chair, Faversham Neighbourhood Plan Steering Group
V4	28.06.22	Final Report after Locality Review	PA	Paul Avery	Principal Housing Consultant

Prepared for: Faversham Town Council

Prepared by: Angus McNeill Peel, Urban Planner and Olivia Carr, Graduate Housing Consultant

AECOM Infrastructure & Environment UK Limited
Aldgate Tower
2 Leman Street
London E1 8FA
United Kingdom
aecom.com

© 2022 AECOM Infrastructure & Environment UK Limited. All Rights Reserved.

This document has been prepared by AECOM Infrastructure & Environment UK Limited (“AECOM”) for sole use of our client (the “Client”) in accordance with generally accepted consultancy principles, the budget for fees and the terms of reference agreed between AECOM and the Client. Any information provided by third parties and referred to herein has not been checked or verified by AECOM, unless otherwise expressly stated in the document. No third party may rely upon this document without the prior and express written agreement of AECOM.

Table of Contents

1. Executive Summary..... 6
Disclaimer: 6
 Conclusions- Tenure and Affordability 6
 Conclusions- Type and Size 8
 Conclusions- Specialist Housing for Older People 9
 2. Context 12
 Local context 12
 The Housing Market Area Context 14
 Planning policy context..... 14
 Policies in the adopted local plan 15
 Policies in the emerging local plan 19
 Quantity of housing to provide..... 20
 3. Approach 21
 Research Questions..... 21
 Tenure and Affordability 21
 Type and Size 21
 Specialist Housing for Older People..... 22
 Relevant Data 22
 4. RQ 1: Tenure, Affordability and the Need for Affordable Housing 23
 Introduction 23
 Current tenure profile 24
 Affordability 25
 House prices 25
 Income 26
 Affordability Thresholds..... 26
 Affordable housing- quantity needed..... 32
 Additional HMA findings 33
 Affordable Housing policy guidance 34
 Conclusions- Tenure and Affordability 38
 5. RQ 2: Type and Size 42
 Introduction 42
 Existing types and sizes 42
 Background and definitions 42
 Dwelling type 43
 Dwelling size 44
 Age and household composition 45
 Age structure 45
 Household composition 46
 Occupancy ratings..... 47
 Dwelling mix determined by life-stage modelling..... 48
 Suggested future dwelling size mix 48
 The HMA findings..... 52
 Conclusions- Type and Size 53
 6. RQ 3: Specialist housing for older people 55
 Introduction 55

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment	
Current supply of specialist housing for older people	56
Tenure-led projections	58
Housing LIN-recommended provision	62
HMA findings	64
Conclusions- Specialist Housing for Older People	64
7. Next Steps	67
Recommendations for next steps	67
Appendix A : Calculation of Affordability Thresholds	68
A.1 Assessment geography	68
A.2 Market housing	68
i) Market sales	69
ii) Private Rented Sector (PRS)	69
A.3 Affordable Housing	70
i) Social rent	70
ii) Affordable rent	71
iii) Affordable home ownership	72
Appendix B : Housing Needs Assessment Glossary	75

List of acronyms used in the text:

DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
HNA	Housing Needs Assessment
HRF	Housing Requirement Figure (the total number of homes the NA is expected to plan for, usually supplied by LPAs)
HLIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LHN	Local Housing Need
LPA	Local Planning Authority
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
SBC	Swale Borough Council
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

1. Executive Summary

Disclaimer:

It is worth noting that this work is only part of the available evidence base on housing available to the Faversham Neighbourhood Plan Steering Group, which takes a different approach from a previous Housing Needs Assessment completed by Arc4.

There is nothing binding in these conclusions and the group may read the report as advisory only if they so wish, including different policies which meet other Neighbourhood Plan aims.

Conclusions- Tenure and Affordability

1. The data shows that Faversham has similar characteristics to borough-wide averages, with slightly more social rented properties and slightly lower levels of private renting. In terms of completions between 2010-11 and 2020-21, out of a total of 883 dwellings, 172 were affordable, or 19.5%. Of the affordable dwellings, 2 were for social rent, 133 for affordable rent, 12 for other rent and 25 as affordable home ownership products.
2. House prices have risen consistently in the area over the last decade from a median of £165,000 in 2012 to a median of £300,000 in 2021, a very substantial growth rate of 82%. Lower quartile house prices have grown from £135,000 in 2012 to £236,000 in 2021, growth of 75%.
3. 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 41% higher than the current average.
4. Private renting is generally only affordable to average earners. Households made up of two lower quartile earners cannot afford the given rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.
5. There is a relatively large group of households in Faversham who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £40,080 per year (at which point entry-level rents become affordable) and £60,686 (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.
6. 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.

7. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Even a 50% discount will not reach those on average incomes, so the maximum 50% discount is required to reach as many households as possible.
8. The starting point for understanding the need for affordable housing in Faversham is the relevant Strategic Housing Market Assessment (SHMA). A Housing Market Assessment (HMA) was undertaken for Swale Borough Council in June 2020.
9. When the HMA figures are pro-rated to Faversham based on its fair share of the population (13.4% of the LPA's population), this equates to 38.5 dwellings per annum or 616.0 homes over the Neighbourhood Plan period 2022-2038. If the above affordable rent / affordable home ownership split of 66.2% to 33.8% were applied to the Faversham figure this would indicate a need for 25.5 dwellings per annum for affordable rent and 13.0 dwellings per annum for affordable home ownership.
10. Faversham is a focus for growth within the wider district and therefore rather than solely looking at the pro-rata figure, it is important to consider expected delivery as a result of the substantial emerging Local Plan allocations in Faversham. Moreover, Faversham will be meeting wider affordable housing needs because as a key settlement it will be accommodating a considerable proportion of district wide housing delivery. As one of the largest settlements in the district it also has the service array and infrastructure to support affordable housing delivery.
11. Therefore in effect the pro rata is an underestimate of the quantity of affordable homes needed in the area, which is more likely to fall closer to the ideal 35% affordable housing requirement identified by Local Plan policy DM8.
12. Faversham is anticipated to accommodate 3,500 dwellings over the plan period, of which 200 are expected to be delivered through the Neighbourhood Plan. If the 35% affordable housing requirement is met on all sites, 1,225 affordable homes should be delivered. This is clearly considerably higher than a pro-rata figure of 616 homes. However, as discussed, Faversham is playing a key role in meeting wider district housing needs and will be accommodating affordable housing needs which are not being met elsewhere. This produces a range of between 616 to 1,225 total affordable homes with the upper range figure being considered a desirable goal. When comparing 1,255 affordable homes against the total district need of 4,597 homes, it corresponds to the role Faversham has a key settlement within the district.
13. Therefore ideally 1,225 affordable homes should be delivered over the plan period, or 77 affordable homes per annum. When applying the affordable rent / affordable home ownership split of 66.2% to 33.8% from the SHMA evidence, this amounts to 811 affordable rented homes and 414 affordable home ownership homes, or 51 affordable rented homes per annum and 26 affordable home ownership homes per annum.
14. The group consider that 100% of affordable rent properties should be delivered as social rent. Social housing is the priority form of affordable housing that the Steering Group wish to pursue, in order to best meet the needs of those on the lowest incomes.

15. It is worth clarifying that while affordable housing is defined nationally by the Government as all the various products that are available including First Homes, shared ownership properties, rent to buy, affordable rent and social rented homes, the term 'affordable' does not necessarily mean that all affordable homes are in fact affordable to those on low incomes. It is important to consider the current affordability problems in the housing market and this again reinforces the priority for social rented homes in Faversham as they are the most affordable type of supply available.

Conclusions- Type and Size

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

Current dwelling stock

17. In terms of the Faversham dwelling stock, the majority of dwellings are terraced. This is followed by semi-detached dwellings, with the smallest proportion of dwellings being detached. Although terraced dwellings are also dominant across the Borough and the country, this is observed to a much greater extent in the NA. The proportion of detached dwellings in the NA is significantly below Swale and England. In terms of flats, although the NA has a greater proportion than the wider Borough area, there is a significantly lower proportion than across England.
18. Turning to dwelling size, the majority of dwellings in Faversham are 3-bedroom homes, followed by 2-bedroom, and then 1-bedroom. Between 2011 and 2021, the proportion of smaller to mid-sized dwellings grew whilst the proportion of the smallest and largest dwellings fell. The proportion of 2-bedroom dwellings in the NA is significantly above the proportions across Swale and England, with the proportion of 3-bedroom dwellings also slightly above national levels. However, the proportion of 3-bedroom dwellings is below the proportion observed at a Borough level.

Demographics

19. Between 2011 and 2020 it is estimated that the Faversham population increased by 888 individuals. In both years the majority of the population fell within the 45-64 age category at 26.7% and 26.9% respectively. There was a slight decline in the youngest individuals and growth in the number of individuals aged 65-84, increasing the proportion of people falling into this age band from 15.7% to 19.3%. This is evidence of an aging population overall. Future population growth can be expected to be driven by the oldest households, with households with aged 65 and over expected to increase by 74.7% to 2038.
20. In terms of households, the proportion of one person households in Faversham was relatively in line with the national picture but above Borough levels in 2011. When

breaking this down, the proportion of one person households over the age of 65 in the NA was above both Swale and England. The majority of family households in Faversham had dependent children, at 27.2% of all households, roughly in line with the comparative geographic areas. As with single person households over 65, the proportion of family households all over 65 in the NA was greater than nationally.

21. In 2011, 69.0% of households in Faversham under-occupied their home, living in a dwelling with at least one extra bedroom. This is most prevalent among families where all occupants were aged 65+ and families aged under 65 with no children, indicating the largest housing is occupied either by those with the most wealth or by older households that have chosen not to or are unable to downsize. There are low overall levels of over-occupancy in Faversham, with 3.4% of households living in a home with at least one bedroom too few, with this most prominent in families under 65 with dependent children.

Future dwelling mix

22. The AECOM model suggests that the 2038 target mix should have a greater proportion of dwelling sizes of mid-size properties. It suggests the mix should remain dominated by 3-bedroom dwellings, followed by 2-bedroom dwellings. In order to reach the target mix, it is recommended that a variety of sizes be delivered, with a focus on 3 and 2-bedroom dwellings because of their affordability benefits, combined with the recent supply of larger homes in recent housing developments.
23. 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. However, it may not be realistic to expect growing families to be able to afford the larger homes that are currently under-occupied in the parish. There may therefore be a strong justification to continue supplying larger homes to accommodate growing families with less buying power.
24. More generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. It is recommended that priority is given to mid-sized homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

Conclusions- Specialist Housing for Older People

25. The current stock of specialist accommodation for older persons in Faversham is wholly retirement or age restricted housing, with seemingly no provision of extra-care housing for those with additional care needs, indicating a clear gap in need. Of the current provision of 383 units, there is a relatively even split between social rent and leasehold market purchase.
26. The population in the NA aged 75+ is expected to grow by 1,113 individuals between 2011 and the end of the plan period. It is estimated that the proportion of individuals in

this age category will grow from 10.2% to 13.7% by 2038. These 1,113 individuals can be estimated to be formed into round 805 households.

27. 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 current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
28. These two methods of estimating the future need in Faversham produce a range of 279 to 414 specialist accommodation units that might be required during the Plan period. 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.
29. Based on AECOM's model, the majority of need in Faversham is for market specialist housing at 72.3%. The split is more evenly in terms of the need between sheltered housing and housing with extra-care at 54.4% and 45.6% respectively. However, it is worth noting that those with a need for sheltered housing or retirement living may be able to have their needs met through adaptations to their existing homes, especially if they already own their own home.
30. Given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another avenue open to the Neighbourhood Planning groups is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. The local level evidence supplied in this report could be used to influence Borough level policies. Groups may also be able to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock).
31. There are no policies in the adopted Local Plan which provide explicit requirements for development to accommodate specific groups such as older people. However, Policy DM8 (Affordable Housing) does suggest that homes should be designed for use by disabled, elderly, and vulnerable residents, despite also having a 0% requirement for affordable older persons housing across all areas. Specific targets 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)) are not outlined. The evidence gathered in this report would appear to justify the Town Council approaching the LPA to discuss setting requirements on accessibility and adaptability at a Borough level. 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 and so discussions with the LPA are advised if this is a key priority.
32. 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, and the localised evidence gathered here 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 Borough falling into this category.

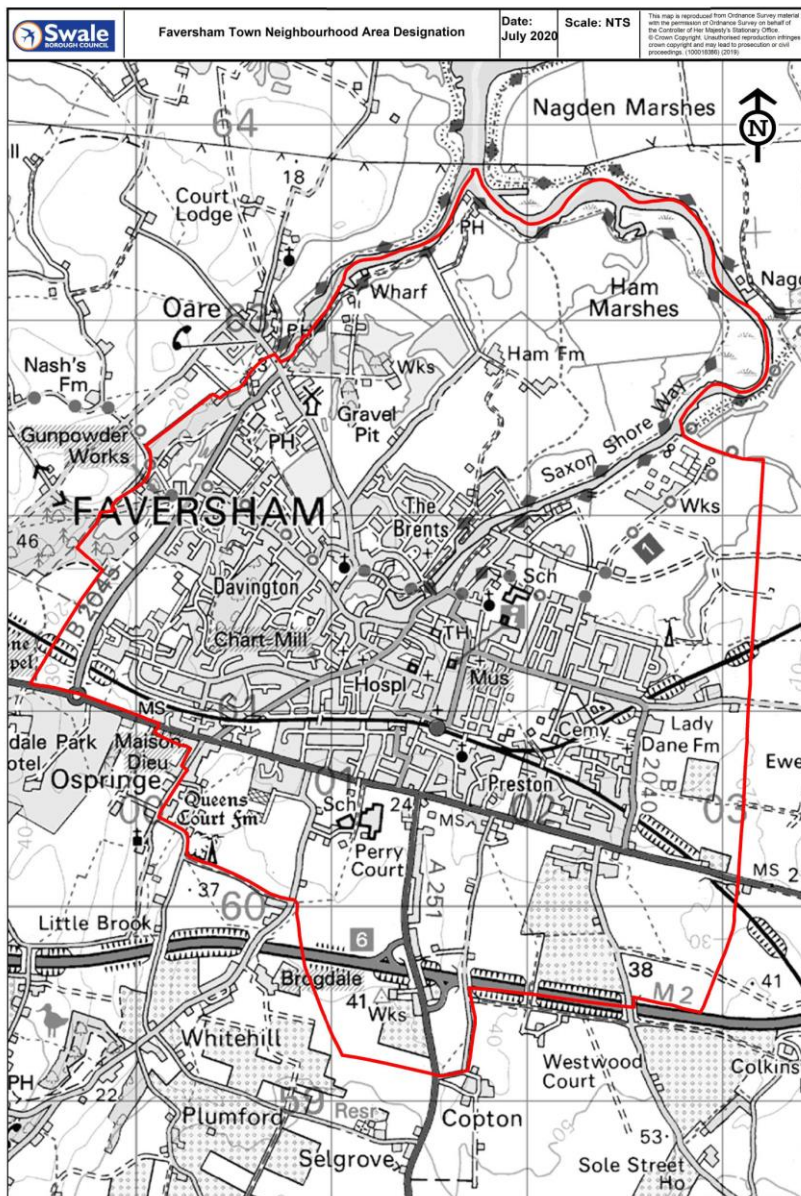
33. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
 - so that residents, who often lack cars of their own, are able to 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.
34. 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 plan areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
35. It is considered that Faversham is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Plan area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Faversham in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Neighbourhood Plan area boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Plan area itself.
36. 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.

2. Context

Local context

37. Faversham is a Neighbourhood Plan area located in Swale, Kent. The Neighbourhood Area (NA) boundary covers the Faversham Town Council area and was designated in July 2020.
38. The proposed Neighbourhood Plan period starts in 2022 and extends to 2038, therefore comprising a planning period of 16 years. The evidence supplied in this report will look forward to the Plan end date of 2038, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
39. Faversham is a very historic market town lying on the old London to Canterbury roman road, today the A2. It has a great number of medieval buildings and its town centre to this day performs an important functional role as one of the main service centres in this part of Kent. The town has expanded significantly, with new residents attracted by the very strong level of service provision, public transport links and economic success of the town. The town is located between the higher land of the Kent Downs and the Swale which separates mainland Kent from the Isle of Sheppey, it is located 8 miles east of Sittingbourne, 13 miles east of the Medway conurbation, 8 miles south-west of Whitstable and 10 miles west of Canterbury.
40. The Town Area of Faversham which corresponds to the NA has been used as the data source for this Housing Needs Assessment.
41. The statistics show that in the 2011 Census the NA had a total of 19,316 residents, formed into 8,345 households and occupying 8,598 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2020 population estimate for Faversham is 20,204 – indicating population growth of around 888 individuals since 2011. It is worth noting that this figure is an estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.
42. Valuation Office Agency (VOA) data indicates that there were an estimated 9,100 dwellings in 2021, representing an increase of at least 502 dwellings. According to more accurate Swale Borough Council completions figures, 883 additional dwellings have been delivered between 2010-11 and 2020-21.
43. A map of the Plan area appears below in Figure 2-1.

Figure 2-1: Map of the Faversham Neighbourhood Plan area



Source: Swale Borough Council

The Housing Market Area Context

44. Whilst this HNA focuses on Faversham neighbourhood area 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 Faversham, the area sits within a housing market area which solely covers Swale Borough Council area. This means that when households who live in these authorities move home, the vast majority move within this geography.
45. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Faversham, are closely linked to other areas. In the case of Faversham, changes in need or demand in settlements nearby is likely to impact on the neighbourhood.
46. In summary, Faversham functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (Swale Borough 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.

Planning policy context

47. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.¹ In the case of Faversham, the relevant adopted Local Plan for Swale Borough Council consists of:
48. The adopted Local Plan, Bearing Fruits 2031 – The Swale Borough Local Plan², covers the period 2014-2031 and was adopted in July 2017. Faversham is classified as one of the urban centres in Swale Borough, providing a secondary focus for growth in the Borough.
49. The emerging Swale Local Plan is currently at the Issues and Preferred Options Consultation³ stage with publication of the paper taking place in October 2021 and public consultation taking place between October and November 2021. The Local Plan timeline aims for a publication of the draft plan between February and April 2022, with adoption

¹ 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>

² Available at: <https://services.swale.gov.uk/media/files/localplan/adoptedlocalplanfinalwebversion.pdf>

³ Available at: [https://services.swale.gov.uk/assets/Planning%20Policy%202019/Reg%2018%20October%202021/FINAL%20SBLP%20\(Oct%202021\)%20Issues%20and%20Options.pdf](https://services.swale.gov.uk/assets/Planning%20Policy%202019/Reg%2018%20October%202021/FINAL%20SBLP%20(Oct%202021)%20Issues%20and%20Options.pdf)

in February 2023.

Policies in the adopted local plan

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

Table 2-1: Summary of relevant adopted policies in Bearing Fruits 2031 – The Swale Borough Local Plan (adopted 2017).

Policy	Provisions
ST1: Delivering sustainable development in Swale	<p>To deliver sustainable development in Swale, all development proposals will, as appropriate:</p> <ul style="list-style-type: none"> - Ensure the vitality of town centres by: strengthening the principal centre role of Sittingbourne; improving the role of Sheerness as the Island’s main centre; or consolidating, proportionate to its scale and character, Faversham’s role as a centre for the town itself and its local catchment; - Deliver a wide choice of high-quality homes by: <ul style="list-style-type: none"> o Meeting the full, objectively assessed need for housing and the housing market area. o Providing housing opportunity, choice and independence with types of housing for local needs; and o Keeping vitality within rural communities with identified housing needs, proportionate to their character, scale, and role. <p>Further requirements, less relevant to housing, can be found in the policy.</p>
ST2: Development targets for jobs and homes 2014-2031	<p>Land is identified by the Local Plan to meet a development target of 13,192 dwellings (776 per annum).</p>
ST3: The Swale settlement strategy	<p>By use of previously developed land within defined built up area boundaries and on sites allocated by the Local Plan, development proposals will be permitted in accordance with the following settlement strategy:</p> <ol style="list-style-type: none"> 1. The main Borough urban centre of Sittingbourne will provide the primary urban focus for growth. 2. The other Borough urban centres of Faversham and Sheerness will provide the secondary urban focus for growth at a scale and form compatible to their historic and natural assets and where it can support their roles as local centres serving their hinterland. 3. Rural Local Service Centres will provide the tertiary focus for growth in the Borough and the primary focus for the rural area.

Policy	Provisions
	<ol style="list-style-type: none"> 4. Other villages with built-up area boundaries will provide development on minor infill and redevelopment sites within the built-up area boundaries; 5. At locations in the open countryside, outside the built-up area boundaries, development will not be permitted unless in certain circumstances outlined further in the Policy.
<p>ST4: Meeting the Local Plan development targets</p>	<p>Land is allocated for residential development at 11 sites in Faversham, totalling 1,739 dwellings. Planning permission will be granted for these, and the target is a minimum figure.</p> <p>Across the defined built-up area boundaries of Sittingbourne, Faversham, Sheerness, Queenborough, Halfway and Minster, a total of 823 dwellings are expected to be delivered through windfall permissions.</p>
<p>ST7: The Faversham area and Kent Downs strategy</p>	<p>Within the Faversham area, the conservation and enhancement of the historic and natural environment are the primary planning aims. Decisions will strengthen the viability of Faversham or its rural communities and support their shared social, economic, and cultural links. Development proposals will, as appropriate:</p> <ul style="list-style-type: none"> - Provide housing at allocations and, as appropriate, within Neighbourhood Plans or other appropriate locations, where the role and character of Faversham and its rural communities can be maintained or enhanced and where levels of out-commuting would not be exacerbated - When considering development proposals at undeveloped sites outside Faversham, preserve those aspects of the town's morphology that contribute to its significance, including its small scale and compact urban form, surrounding countryside and its rural approaches. <p>The requirements for development proposals are further explored in the full Policy.</p>
<p>CP3: Delivering a wide choice of high-quality homes</p>	<p>Development proposals will, as appropriate:</p> <ol style="list-style-type: none"> 1. Be steered to locations in accordance with Policy ST 3, including: <ol style="list-style-type: none"> a. Local Plan allocations, Neighbourhood Plans and Community Right to Build initiatives. b. windfall sites, except where the character of the site, its local context or environmental value determines otherwise. c. town centres when contributing to their vitality and viability; or d. deprived communities when improving local housing markets. 2. Tailor the purpose and objectives of housing proposals to the issues present within local housing market areas.

Policy	Provisions
	<ol style="list-style-type: none"> 3. Use densities determined by the context and the defining characteristics of the area. 4. Provide affordable housing in accordance with Policy DM 8, or in rural areas, homes in accordance with Policy DM 9. 5. Achieve a mix of housing types, reflecting the findings of the current Strategic Housing Market Assessment or similar needs assessment. 6. Meet the housing requirements of specific groups, including families, older persons, or disabled and other vulnerable persons. 7. Bring vacant homes back into use and up to the Decent Homes standard; and 8. Achieve sustainable and high-quality design in accordance with Policy CP 4 and Policy DM 19.
Policies A14, A15, and A16	<p>Planning permission will be granted for:</p> <p>A14: a minimum of 250 dwellings on land at Western Link, Faversham</p> <p>A15: a minimum of 90 dwellings on land at Graveney Road, Faversham</p> <p>A16: a minimum of 217 dwellings, landscape, and open space on land at Preston Fields, Faversham.</p> <p>Further requirements for the development proposals are outlined in the individual policies.</p>
A20: New allocations on sites within exiting settlements	<p>Planning permission will be granted for residential development at the following locations:</p> <ul style="list-style-type: none"> - Bysingwood Primary School: 0.7 ha, a minimum of 15 dwellings - Faversham Police Station: 0.2 ha, a minimum of 12 dwellings <p>Further requirements for the development proposals are outlined in the policy.</p>
A21: Smaller allocations as extensions to settlements	<p>Planning permission will be granted for residential development at the following locations:</p> <ul style="list-style-type: none"> - Land at Ham Road: 1.1 ha, a minimum of 35 dwellings - West of Brogdale Road: 3.6 ha, a minimum of 66 dwellings <p>Further requirements for the development proposals are outlined in the policy.</p>
MU5: The Oare gravel workings,	<p>Planning permission will be granted for mixed-uses, comprising 1,500 sq. m of commercial floorspace, together with some 330 homes and proposals for workings,</p>

Policy	Provisions
Oare Road, Faversham	<p>the conservation, enhancement, and long-term management of the site's ecological and heritage assets at Oare gravel workings.</p> <p>Further requirements for the development proposal are outlined in the policy.</p>
MU6: Land at Lady Dane Farm, east of Love Lane	<p>Planning permission will be granted for mixed-uses, comprising 20,000 sq. m of 'B' use class employment, approximately 260 dwellings, open space, and landscape enhancements, on land to the east of Love Lane, Faversham.</p> <p>Further requirements for the development proposal are outlined in the policy.</p>
MU7: Perry Court Farm, Faversham	<p>Planning permission will be granted for a mixed-use development at Perry Court Farm, Faversham to include a minimum of 370 dwellings (inc. care home), together with 18,525 sq. m of B1a, B1b, B1c class employment uses (with a further 2 ha reserved for future employment use), supporting uses and landscaping and open space.</p> <p>Further requirements for the development proposal are outlined in the policy.</p>
DM8: Affordable housing	<p>For development proposals of 11 or more dwellings, and where a need to provide affordable housing has been determined as appropriate, provision will be made for affordable housing.</p> <p>In Faversham town and urban extensions 35% affordable housing is sought.</p> <p>Across all areas, 0% affordable older person housing is sought.</p> <p>The size, tenure, and type of affordable housing units should be in accordance with the needs of the area.</p> <p>Where possible, homes should be designed for use by disabled, elderly, and vulnerable residents.</p> <p>Where possible, Starter Homes should be supported in appropriate circumstances and locations.</p> <p>If evidence demonstrates that economic conditions, or the proposed characteristics of the development or its location, have positively changed the impact of viability of the provision of affordable housing, the Council will seek a proportion of affordable housing closer to the assessed level of need, or higher if development viability is not compromised.</p>

Source: Swale Borough Council

Policies in the emerging local plan

51. The emerging Local Plan for Faversham is the Swale Borough Local Plan Review 2022-2038. The plan is currently at the Issues and Preferred Options (Regulation 18) stage, with publication of the paper taking place in October 2021 and public consultation taking place between October and November 2021.
52. Although there are currently no policies outlined in the emerging plan, the key areas that are relevant to housing need and delivery in Faversham which are being consulted on are outlined below.
- The Government's Standard Method calculated a minimum housing need figure for Swale Borough of 1,048 dwellings per annum, or 16,768 dwellings over the plan period (to 2038).
 - The suggestion that a series of allocations not fulfilled from the adopted Local Plan are rolled forward into the emerging Local Plan. Those in Faversham being considered to be rolled forward are:
 - A16 – Land at Preston Fields, Faversham. Currently a planning application pending consideration.
 - A20.6 – Bysingwood Primary School, Faversham. No current planning application.
 - A20.7 – Faversham Police Station. No current planning application.
 - A14 – Land at the Western Link, Faversham. Planning permission granted for 250 dwellings. 53 complete, 139 under construction, 58 not started.
 - A21.7 – Land at Ham Road, Faversham. Planning permission granted for 35 dwellings. Under construction.
 - MU5 – Reserved matters for 113 dwellings (68 under construction, remainder complete). Outline application for 375 dwellings granted.
 - MU6 – Land at Lady Dane Farm, Faversham. Outline planning permission and reserved matters for 196 dwellings. Site partially complete.
 - MU7 – Perry Court Farm, Faversham. Outline planning permission for up to 313 dwellings, reserved matters for 310 dwellings. Site partially complete.
 - A suggested windfall allowance rate of 250 dwellings per annum.
 - The Council outlined five broad development options which could be taken forward into the emerging plan:
 - a. Business as usual (development focussed on extensions to main settlements with a focus on the Thames Gateway area).
 - b. More even distribution of the additional development requirements across the Borough's main urban centres and rural areas.
 - c. More even distribution of the final requirements across the main urban centres (when combined with allocations in the current Local Plan, Bearing Fruits).
 - d. More of the overall development requirements at the eastern end of the Borough.

- e. Focus development requirements on Strategic Development Sites and/or urban extensions primarily located within existing rural areas.

These are outlined further in the Issues and Preferred Options paper.

- The paper identifies a number of housing needs issues that could be addressed in the plan and outlines community responses from the Regulation 19 Local Plan (February 2021). The key relevant areas are as follows:
 - The emerging Local Plan should take a more positive approach to meeting the housing needs of specific groups, particularly older people.
 - That new housing should meet the Nationally Described Space Standards.
 - Greater recognition and more encouragement of the role of self-build and custom-build housing in widening housing choice.

Quantity of housing to provide

53. 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.
54. Swale Borough Council has fulfilled that requirement by providing Faversham with a definitive figure of 3,500 dwellings to be accommodated within the Neighbourhood Area by the end of the Plan period, 200 of which via Neighbourhood Plan site allocations.

3. Approach

Research Questions

55. The following research questions were formulated at the outset of the research through discussion with the Faversham Neighbourhood Plan Steering Group. They serve to direct the research and provide the structure for the HNA.

Tenure and Affordability

56. The neighbourhood planning group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
57. This evidence will allow Faversham 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.
58. The neighbourhood planners are interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

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

Type and Size

59. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community.
60. The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.
61. 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.
62. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

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

Specialist Housing for Older People

63. 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.

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

Relevant Data

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

- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information.
- ONS population and household projections for future years.
- Valuation Office Agency (VOA) data on the current stock of housing.
- Land Registry data on prices paid for housing within the local market.
- Rental prices from Home.co.uk
- Local Authority housing waiting list data.
- Estimating Swale's Future Local Housing Need, September 2019 (Revised June 2020)⁴; and
- Swale Borough Council Housing Market Assessment, June 2020⁵

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

66. There are some drawbacks with data sets such as Council housing waiting lists and VOA data as they are snapshots in time and may not fully reflect the current needs.

⁴ Available at:

<https://services.swale.gov.uk/assets/Planning%20Policy%202019/LHNA%20Technical%20Report.pdf>

⁵ Available at:

<https://services.swale.gov.uk/assets/Planning%20Policy%202019/Housing%20Market%20Assessment%20for%20Swale.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

67. 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.
68. 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.
69. 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.⁶ It is worth considering that the term 'affordable' does not necessarily mean that all affordable housing is in fact affordable to those on low incomes.
70. 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.

⁶ 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>.

- After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally.
- Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers.
- 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

71. The current tenure profile is a key feature of the Neighbourhood Plan 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.
72. Table 4-2 below presents data on tenure in Faversham compared with Swale and England from the 2011 Census, which is the most recent available source of this information.
73. The data shows that Faversham has similar characteristics to borough-wide averages, with slightly more social rented properties and slightly lower levels of private renting.
74. In terms of completions between 2010-11 and 2020-21, out of a total of 883 dwellings, 172 were affordable, or 19.5%. Of the affordable dwellings, 2 were for social rent, 133 for affordable rent, 12 for other rent and 25 as affordable home ownership products.
75. There is no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, it is interesting to observe the change recorded between the 2001 and 2011 Census: in Faversham the private rented sector expanded by 94% in that period, a rate of growth that was slightly above the national average.

Table 4-2: Tenure (households) in Faversham, 2011

Tenure	Faversham	Swale	England
Owned	67.2%	68.3%	63.3%
Shared ownership	1.0%	1.0%	0.8%
Social rented	17.1%	14.3%	17.7%
Private rented	13.3%	15.2%	16.8%

Sources: Census 2011, AECOM Calculations

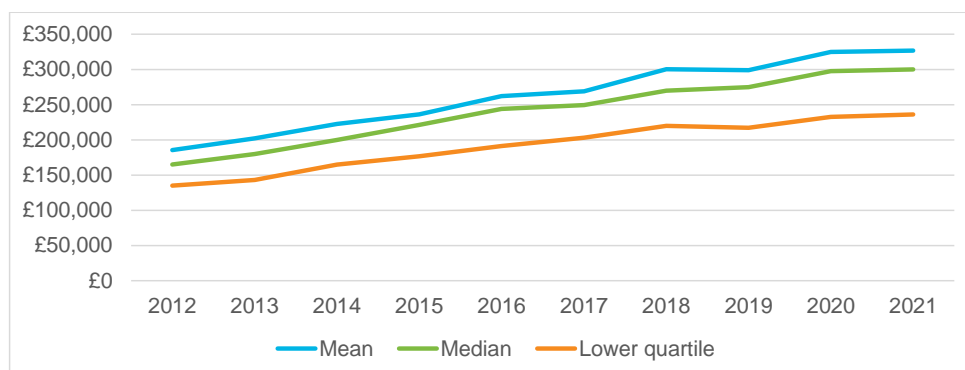
Affordability

House prices

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

77. Figure 4-1 below looks at selected measures of house prices in Faversham. It shows that house prices have risen consistently in the area over the last decade from a median of £165,000 in 2012 to a median of £300,000 in 2021, a very substantial growth rate of 82%. Lower quartile house prices have grown from £135,000 in 2012 to £236,000 in 2021, growth of 75%.

Figure 4-1: House prices by quartile in Faversham, 2012-2021



Source: Land Registry PPD

78. Table 4-2 below breaks down house prices by type, presenting the median within each type. It shows that price growth has been strongest among semi-detached and terraced properties. Detached homes have seen slower growth but remain the most expensive type of property, which is unsurprising given these homes tend to be the largest. Flats have seen the lowest growth and are the most affordable property type in the area.

Table 4-2: Median house prices by type in Faversham, 2012-2021 (£ks)

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	£248	£291	£325	£347	£365	£380	£412	£400	£473	£410	65.7%
Semi-detached	£175	£208	£235	£253	£265	£280	£283	£320	£300	£320	83.4%
Terraced	£155	£179	£199	£210	£235	£235	£260	£260	£267	£263	69.4%
Flats	£128	£132	£140	£146	£158	£165	£175	£185	£179	£190	48.1%
All Types	£165	£180	£200	£221	£244	£249	£270	£275	£298	£300	81.8%

Source: Land Registry PPD

Income

79. 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.
80. 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 £45,400 in 2018. A map of the area to which this data applies is provided in Appendix A.
81. 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. Swale's gross individual lower quartile annual earnings were £15,957 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £31,914.
82. 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

83. 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.
84. AECOM has determined thresholds for the income required in Faversham 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.
85. 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.

86. Table 4-3 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.

87. The same information is presented as a graph in Fig on a subsequent page, with selected measures from the table presented for clarity.

Table 4-3: Affordability thresholds in Faversham (income required, £)

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £45,400	Affordable on LQ earnings (single earner)? £15,957	Affordable on LQ earnings (2 earners)? £31,914
Market Housing						
Median House Price	£270,000	-	£77,143	No	No	No
LA New Build Median House Price	£330,705		£94,487	No	No	No
LQ/Entry-level House Price	£212,400	-	£60,686	No	No	No
Average Market Rent	-	£12,312	£41,040	Yes	No	No
Entry-level Market Rent	-	£12,024	£40,080	Yes	No	No
Affordable Home Ownership						
First Homes (-30%)	£244,125	-	£69,750	No	No	No
First Homes (-40%)	£209,250	-	£59,786	No	No	No
First Homes (-50%)	£174,375	-	£49,821	No	No	No
Shared Ownership (50%)	£135,000	£3,750	£51,071	No	No	No
Shared Ownership (25%)	£67,500	£5,625	£38,036	Yes	No	No
Shared Ownership (10%)	£27,000	£6,750	£30,214	Yes	No	Yes
Affordable Rented Housing						
Affordable Rent	-	£6,612	£22,017	Yes	No	Yes
Social Rent	-	£5,207	£17,340	Yes	No	Yes

Source: AECOM Calculations

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

- 88. 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 41% higher than the current average.
- 89. Private renting is generally only affordable to average earners. Households made up of two lower quartile earners cannot afford the given rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

Affordable home ownership

- 90. There is a relatively large group of households in Faversham who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £40,080 per year (at which point entry-level rents become affordable) and £60,686 (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.
- 91. 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.
- 92. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Even a 50% discount will not reach those on average incomes, so the maximum 50% discount is required to reach as many households as possible.
- 93. Table 4-4 below shows the discount required for First Homes to be affordable to the three income groups. The key benchmark that has been used for First Homes is the new build median house price in the NA. It is also worth thinking about First Homes in relation to the cost of median existing house prices and entry level existing prices. The discount levels required for these alternative benchmarks are given below.

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

Tenure/product	Mean Income	LQ Income x1	LQ Income x2
NA Median house price	41%	79%	59%
NA New build median house price	52%	83%	66%
NA Entry-level house price	25%	74%	47%

Source: Land Registry PPD; ONS MSOA total household income

- 94. Shared ownership appears to be more affordable than First Homes, but is broadly accessible to the same groups. Government has recently announced that the minimum

equity share for shared ownership will fall to 10% of the property value.⁷ If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.

95. 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.
96. The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. On that basis, First Homes are a less affordable option, and Shared Ownership at 25% and 10% a more affordable option.
97. These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.
- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
 - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
 - Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.
 - Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.
98. In conclusion, all of these products would provide value to different segments of the local population, with shared ownership at a lower than 25% equity share potentially allowing lower earning households to get a foot on the housing ladder, while Rent to Buy is helpful to those with little or no savings for a deposit, and First Homes (especially

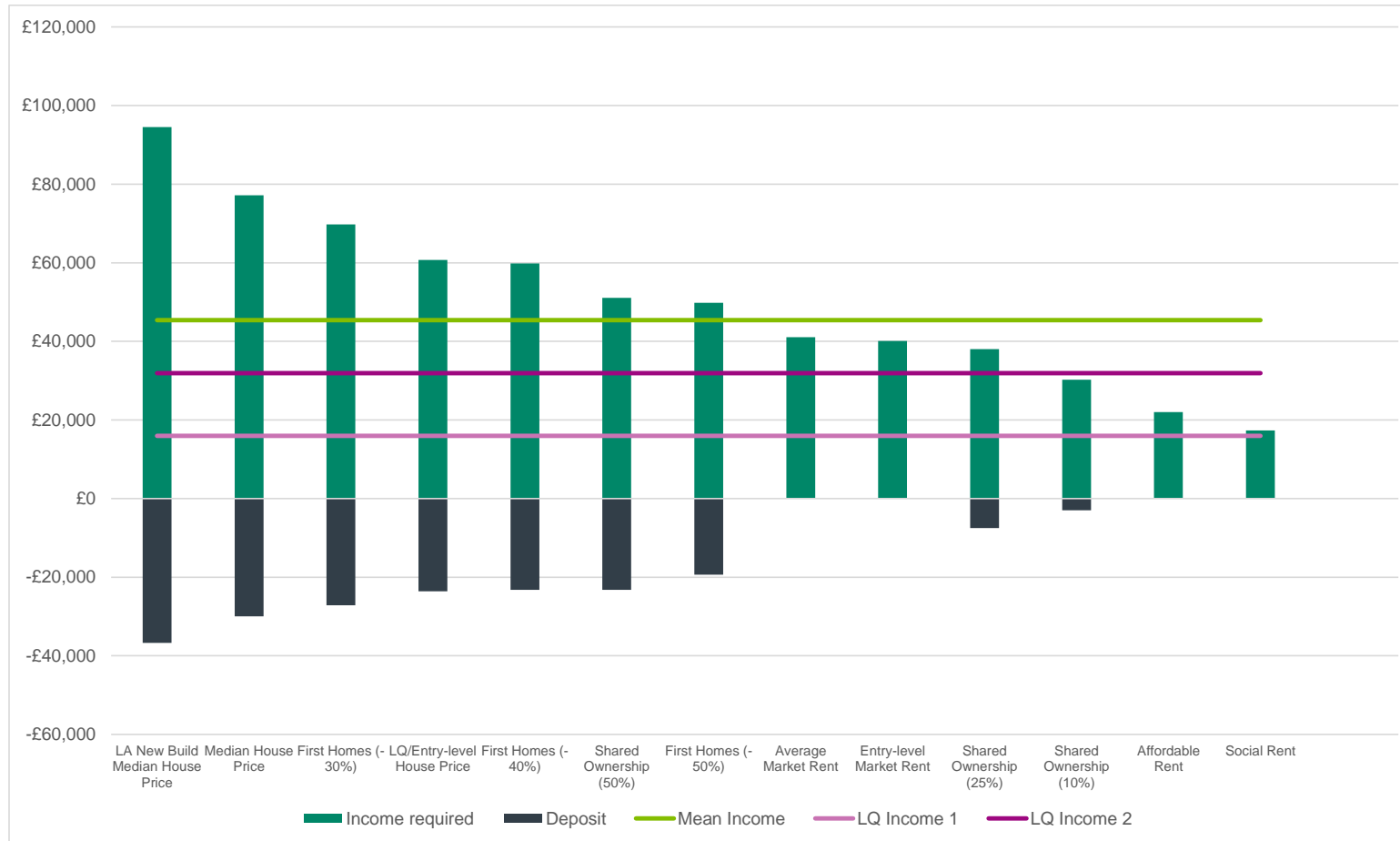
⁷ The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

at 50% discount) may provide a better long-term investment to those who can afford to access it.

Affordable rented housing

99. 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.
100. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Faversham as the only option for a large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This mean that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

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



Source: AECOM Calculations

Affordable housing- quantity needed

101. The starting point for understanding the need for affordable housing in Faversham is the relevant Strategic Housing Market Assessment (SHMA). A Housing Market Assessment (HMA) was undertaken for Swale Borough Council in June 2020. This study estimates the need for affordable housing in the Borough based on analysis of the Council's waiting list and analysis of other data sets in line with Planning Practice Guidance at the time. The HMA identifies the need for 287 net additional affordable homes each year in Swale Borough as a whole between 2022 and 2038. This need is largely for social/affordable rent as it relates to households who live in unsuitable housing and who cannot afford to access market rents.
102. This HMA does not provide separate calculations for affordable housing need between affordable rented and affordable home ownership tenures but does state that of all housing delivered, 18.0% should be for affordable rent and 9.2% for affordable home ownership. If this ratio were applied solely to the affordable housing need, it would suggest a 66.2% to 33.8% split for affordable rent and affordable home ownership. If these percentages were applied to the net need for 287 affordable dwellings per annum, it would suggest a need for 190 affordable rented dwellings and 97 dwellings for affordable home ownership each year in Swale Borough.
103. When the HMA figures are pro-rated to Faversham based on its fair share of the population (13.4% of the LPA's population), this equates to 38.5 dwellings per annum or 616.0 homes over the Neighbourhood Plan period 2022-2038. If the above affordable rent / affordable home ownership split of 66.2% to 33.8% were applied to the Faversham figure this would indicate a need for 25.5 dwellings per annum for affordable rent and 13.0 dwellings per annum for affordable home ownership.
104. It is important to consider that the Council's housing waiting list may underestimate needs and is only a snapshot in time which does not paint the full picture.
105. There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).
106. 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.
107. Faversham is a focus for growth within the wider district and therefore rather than solely looking at the pro-rata figure, it is important to consider expected delivery as a result of the substantial emerging Local Plan allocations in

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

Faversham. Moreover, Faversham will be meeting wider affordable housing needs because as a key settlement it will be accommodating a considerable proportion of district wide housing delivery. As one of the largest settlements in the district it also has the service array and infrastructure to support affordable housing delivery.

108. Therefore, in effect the pro rata is an underestimate of the quantity of affordable homes needed in the area, which is more likely to fall closer to the ideal 35% affordable housing requirement identified by Local Plan policy DM8.
109. Another aspect of this which is harder to quantify is that by virtue of Faversham's increased growth over and above other parts of the district, it is likely to continue to attract affordable housing waiting list applicants who are unable to access suitable affordable dwellings elsewhere in the district.
110. Faversham is anticipated to accommodate 3,500 dwellings over the plan period, of which 200 are expected to be delivered through the Neighbourhood Plan. If the 35% affordable housing requirement is met on all sites, 1,225 affordable homes should be delivered. This is clearly considerably higher than a pro-rata figure of 616 homes. However, as discussed, Faversham is playing a key role in meeting wider district housing needs and will be accommodating affordable housing needs which are not being met elsewhere. This produces a range of between 616 to 1,225 total affordable homes with the upper range figure being considered a desirable goal. When comparing 1,255 affordable homes against the total district need of 4,597 homes, it corresponds to the role Faversham has as a key settlement within the district.
111. Therefore ideally 1,225 affordable homes should be delivered over the plan period, or 77 affordable homes per annum. When applying the affordable rent / affordable home ownership split of 66.2% to 33.8% from the SHMA evidence, this amounts to 811 affordable rented homes and 414 affordable home ownership homes, or 51 affordable rented homes per annum and 26 affordable home ownership homes per annum.
112. When comparing these figures against the current housing waiting list figures, it appears proportionate as 601 applicants have registered for affordable rented housing in Faversham. This is only snapshot of existing needs among existing residents and these needs could further increase and be supplemented by the needs of new arrivals. Therefore 811 affordable rented homes should help to clear backlog of affordable housing need whilst meeting newly arising needs.

Additional HMA findings

113. The Swale Borough Council Housing Market Assessment outlines a number of areas which may relate to housing tenure and affordability in Faversham. These are outlined below:
 - As of 2019, house prices in Swale were 6.7% below national averages and 27.0% below the average for the South East. This trend was mirrored within the private rented sector, with Swale Borough rents 9.2% below national rents and 20.5% below the South East.

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

- The report indicates that 66.1% of new housing in Swale Borough as a whole should be owner occupied, 11.6% for private rent, 4.3% for shared ownership, and 18.0% for affordable rent.
- Affordable rent levels in Swale are roughly 60-65% below median market rents.
- In terms of affordability, the affordability ratio for Swale is currently 9.03 compared to 2019 figures for the country and the South East of 7.83 and 10.12 respectively.

Affordable Housing policy guidance

114. Swale's adopted policy on this subject Policy DM8 requires 35% of all new housing to be affordable. Given that Affordable Housing made up just 19.5% of new housing in Faversham over the last decade according to Swale's completions figures, it is understood that this target is not usually met on sites in the NA. however, affordable housing delivery increased in recent years.
115. 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.
116. 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 left as a matter to be informed by the latest evidence on local needs. The HNA can supply more localized evidence, and this section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Faversham specifically.
117. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:
 - A. **Evidence of need for Affordable Housing:** This study estimates that Faversham requires roughly 811 units of affordable rented housing and 414 units of affordable home ownership over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.

The relationship between these figures suggests that 66.2% of Affordable Housing should be rented and 33.8% 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.
 - 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.

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

If the Local Plan target of 35% were achieved on every site, up to around 1,225 affordable homes might be expected in the NA. This is sufficient to satisfy the total potential demand for Affordable Housing identified here, however, it depends on this figure actually being met, and it is likely that there may be variations on different housing sites.

- C. **Government policy (eg 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 Faversham, where 35% of all housing should be affordable, 29% of Affordable Housing should be for affordable ownership. The proposed tenure mix of 33.8% affordable ownership does therefore comply with the guideline tenure split sought in the Local Plan.
- D. **Local Plan policy:** As noted above, the SHMA which is the evidence base for the emerging Local Plan suggests a need split of 66.2% affordable rented housing and 33.8% affordable home ownership properties.
- 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.

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

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 Swale, the remaining 75% of the affordable housing provision would then be apportioned 70% to affordable rent and 30% 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.

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

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 Faversham:** Faversham does have a substantial (relative to wider averages) supply of 17% of social housing and 1% shared ownership properties. While this does not imply any particular gaps in the market, there remains room for growth and it is clear that some provision of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.
 - I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels.
 - J. **Wider policy objectives:** the neighbourhood planning group may wish to take account of broader policy objectives for Faversham and/or the wider borough. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.
118. On the basis of the considerations above, Table 4-5 below proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.
119. This indicative mix is chiefly a response to the latest evidence from the SHMA which is a key supporting document for the emerging Local Plan which will guide policies over the plan period. However, the expected delivery depends on the proportion of homes which are delivered as affordable tenures. If every site delivers 35% affordable housing in line Policy DM8 in the adopted Local Plan, this would deliver as much as 1,225 affordable homes. However, there is the potential for delivery below 35%. In this context, affordable rented tenures should be prioritised to assist those with the most urgent need. The SHMA guideline mix of 66.2% rented to 33.8% ownership appears to offer a suitable

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

benchmark, which also complies with the various minimum requirements mandated nationally.

120. Since First Homes appears the most affordable and helpful option locally, assuming it can be offered at the appropriate discount level of 50%, national policy that First Homes should represent 25% of the affordable mix is suitable here. In the interests of diversity and maximizing choice, a further 9% is allocated to shared ownership rather than more First Homes. Rent to Buy does not feature in the recommended mix as it was considered the least affordable tenure locally.
121. 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.
122. 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 Swale to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
123. 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 4-5: Indicative tenure split (Affordable Housing)

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	34%	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	9%	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.
Affordable Housing for rent, of which	66%	
Social rent	66%*	Uncertain how much funding available to support this tenure in local area.

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

		Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	0%	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

* Faversham Neighbourhood Plan intends for affordable housing for rent to be social rent wherever possible.

Conclusions- Tenure and Affordability

124. The data shows that Faversham has similar characteristics to borough-wide averages, with slightly more social rented properties and slightly lower levels of private renting. In terms of completions between 2010-11 and 2020-21, out of a total of 883 dwellings, 172 were affordable, or 19.5%. Of the affordable dwellings, 2 were for social rent, 133 for affordable rent, 12 for other rent and 25 as affordable home ownership products.
125. The steering group wishes to prioritise social rent moving forward, aiming to deliver 100% of affordable rent as social rent. This is because social rent is considered to be the most affordable option for Faversham especially considering the upward trajectory of house prices and rents in the area. Social rent also requires a significant ~£5,000 less household income per annum than affordable rent.
126. House prices have risen consistently in the area over the last decade from a median of £165,000 in 2012 to a median of £300,000 in 2021, a very substantial growth rate of 82%. Lower quartile house prices have grown from £135,000 in 2012 to £236,000 in 2021, growth of 75%.
127. 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 41% higher than the current average.
128. Private renting is generally only affordable to average earners. Households made up of two lower quartile earners cannot afford the given rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.
129. There is a relatively large group of households in Faversham who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £40,080 per year (at which point entry-level rents become affordable) and £60,686 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

the range of affordable home ownership products such as First Homes and shared ownership.

130. 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.
131. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Even a 50% discount will not reach those on average incomes, so the maximum 50% discount is required to reach as many households as possible.
132. The starting point for understanding the need for affordable housing in Faversham is the relevant Strategic Housing Market Assessment (SHMA). A Housing Market Assessment (HMA) was undertaken for Swale Borough Council in June 2020.
133. When the HMA figures are pro-rated to Faversham based on its fair share of the population (13.4% of the LPA's population), this equates to 38.5 dwellings per annum or 616.0 homes over the Neighbourhood Plan period 2022-2038. If the above affordable rent / affordable home ownership split of 66.2% to 33.8% were applied to the Faversham figure this would indicate a need for 25.5 dwellings per annum for affordable rent and 13.0 dwellings per annum for affordable home ownership.
134. Faversham is a focus for growth within the wider district and therefore rather than solely looking at the pro-rata figure, it is important to consider expected delivery as a result of the substantial emerging Local Plan allocations in Faversham. Moreover, Faversham will be meeting wider affordable housing needs because as a key settlement it will be accommodating a considerable proportion of district wide housing delivery. As one of the largest settlements in the district it also has the service array and infrastructure to support affordable housing delivery.
135. Therefore, in effect the pro rata is an underestimate of the quantity of affordable homes needed in the area, which is more likely to fall closer to the ideal 35% affordable housing requirement identified by Local Plan policy DM8.
136. Faversham is anticipated to accommodate 3,500 dwellings over the plan period, of which 200 are expected to be delivered through the Neighbourhood Plan. If the 35% affordable housing requirement is met on all sites, 1,225 affordable homes should be delivered. This is clearly considerably higher than a pro-rata figure of 616 homes. However, as discussed, Faversham is playing a key role in meeting wider district housing needs and will be accommodating affordable housing needs which are not being met elsewhere. This produces a range of between 616 to 1,225 total affordable homes with the upper range figure being considered a desirable goal. When comparing 1,255 affordable homes against the total district need of 4,597 homes, it corresponds to the role Faversham has a key settlement within the district.

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

137. Therefore ideally 1,225 affordable homes should be delivered over the plan period, or 77 affordable homes per annum. When applying the affordable rent / affordable home ownership split of 66.2% to 33.8% from the SHMA evidence, this amounts to 811 affordable rented homes and 414 affordable home ownership homes, or 51 affordable rented homes per annum and 26 affordable home ownership homes per annum.
138. Table 4-6 below summarises Faversham’s position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighbourhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

Table 4-6: Estimated delivery of Affordable Housing in Faversham

	Step in Estimation	Expected delivery
A	Provisional capacity figure	3,500
B	Affordable housing quota (%) in LPA's Local Plan	35%
C	Potential total Affordable Housing in NA (A x B)	1,225
D	Rented % (e.g. social/ affordable rented)	66.2%
E	Rented number (C x D)	811
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	33.8%
G	Affordable home ownership number (C x F)	414

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

139. It is recommended that the policy requirement be met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing (such as exception sites) could be explored. It is not recommended that the Local Plan policy requirement be exceeded in the neighbourhood plan because such steps are rarely accepted by planning inspectors on the grounds that an extremely high standard of justification is required which 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 the percentage of Affordable Housing required could, furthermore, have the effect of discouraging new

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

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.

140. 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.

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

141. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Faversham 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.
142. 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

143. 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.
144. 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.
145. 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.
146. 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,

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

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.

147. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. The completions data supplied by Swale Borough Council is not split into the type or size of dwellings delivered, meaning that Valuation Office Agency (VOA) data is used to assess the change in stock since the 2011 Census. This data is only available at MSOA and LSOA level. Faversham NA aligns exactly with the boundary of two MSOAs meaning this data is a reasonably accurate proxy for the completions data.

Dwelling type

148. Table 5-1 shows the split in housing types in Faversham in 2011 and 2021, based on Census and VOA data. Unfortunately, the changes between 2011 and 2021 cannot be fully understood because the Census data counts bungalows within each of the other categories rather than independently (hence the apparent decline in the number of detached and semi-detached properties). It is also worth noting that the VOA data is rounded to the nearest 10 in each dwelling category.
149. The table shows that in 2011, the majority of housing in Faversham was terraced at 42.5%. This was followed by semi-detached dwellings and then flats, with the smallest category detached dwellings at just 11.5%, perhaps suggesting a dominance of smaller (and therefore potentially lower priced) dwellings in the NA. Looking to 2021, the NA remained dominated by terraced dwellings, with the proportion in the stock increasing slightly to 45.3%. Once again, this is followed by semi-detached dwellings but there is a decline in both the number and proportion of these dwellings, likely due to the inclusion of bungalows in the VOA data, with a similar trend observed in detached dwellings.

Table 5-1: Accommodation type, Faversham, 2011 and 2021

Dwelling type	2011 (Census)		2021 (VOA)	
Bungalow	-	-	500	5.5%
Flat	1,375	16.0%	1,490	16.4%
Terrace	3,650	42.5%	4,120	45.3%
Semi-detached	2,554	29.7%	2,010	22.1%
Detached	989	11.5%	890	9.8%
Unknown/other	30	0.3%	90	1.0%
Total	8,598	-	9,100	-

Source: ONS 2011, VOA 2021, AECOM Calculations

150. Table 5-2 compares the dwelling mix with the wider Borough and country in 2021, once again using VOA data. It shows that although terraced dwellings are

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

dominant in all of the geographic areas, this is to a much greater extent in the NA. Whilst the proportion of semi-detached dwellings is slightly below Borough and national levels, the proportion of detached dwellings is significantly lower. In terms of flats, although the NA has a greater proportion than the wider Borough area, there is a significantly lower proportion than across England.

Table 5-2: Accommodation type, various geographies, 2021

Dwelling type	Faversham	Swale	England
Bungalow	5.5%	12.8%	9.4%
Flat	16.4%	12.0%	23.2%
Terrace	45.3%	32.8%	26.3%
Semi-detached	22.1%	23.8%	23.8%
Detached	9.8%	15.8%	16.0%
Unknown/other	1.0%	2.7%	1.4%

Source: VOA 2021, AECOM Calculations

Dwelling size

151. As above, the following tables rely on VOA data to bring the Census dwelling size mix up to date. VOA data helpfully shows changes that have been made to existing homes (i.e. extensions and the subdivision of rooms) that an alternative method (using LPA completions data, which was not available in this case) overlooks. Table 5-3 compares the size mix in 2011 and 2021. In both time periods the same size trends were observed, with 3-bedroom dwellings dominant, followed by 2-bedroom, and then 1-bedroom. In this time period, the proportion of smaller to mid-sized dwellings grew (2-bedroom and 3-bedroom) whilst the proportion of the smallest dwellings fell from 10.7% to 9.8%. The proportion of larger 4-bedroom and 5+ bedroom dwellings also fell, perhaps indicating a lack of demand for the largest dwellings in Faversham.

Table 5-3: Dwelling size (bedrooms), Faversham, 2011 and 2021

Number of bedrooms	2011 (Census)		2021 (VOA)	
	Count	Percentage	Count	Percentage
Studio	15	0.2%	-	-
1	892	10.7%	880	9.8%
2	2,748	32.9%	3,080	34.2%
3	3,605	43.2%	4,020	44.6%
4	862	10.3%	850	9.4%
5+	223	2.7%	160	1.8%
Unknown	-	-	20	0.2%
Total	8,345	-	9,010	-

Source: ONS 2011, VOA 2021, AECOM Calculations

152. Table 5-4 once again compares the dwelling breakdown of Faversham to Swale Borough and England. This shows that the proportion of 2-bedroom dwellings in Faversham was significantly above the proportions across Swale and England. The proportion of 3-bedroom dwellings is also slightly above national levels but below the proportion observed at a Borough level. The proportion of

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

the smallest 1-bedroom and larger 4-bedroom dwellings are both slightly below Borough levels and slightly further below national levels.

Table 5-4: Dwelling size (bedrooms), various geographies, 2021

Number of bedrooms	Faversham	Swale	England
1	9.8%	10.1%	12.3%
2	34.2%	28.4%	28.1%
3	44.6%	47.5%	43.4%
4	9.4%	11.3%	12.2%
5+	1.8%	2.3%	3.3%

Source: VOA 2021, AECOM Calculations

Age and household composition

153. Having established the current stock profile of Faversham 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

154. Table 5-5 below shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. It shows an expected population growth of 888 individuals in the NA between 2011 and 2020. In both years the majority of the population falls within the 45-64 age category at 26.7% and 26.9% respectively. There is a slight decline in the youngest individuals, with a more significant decline noted in those aged 25-44 of 348 individuals, with this group accounting for 25.6% of the population in 2011 and 22.7% in 2020. Conversely, there was growth in the number of individuals aged 65-84 of 862, increasing the proportion in the population from 15.7% to 19.3%, indicating an aging population overall.

155. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2020 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2020 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.

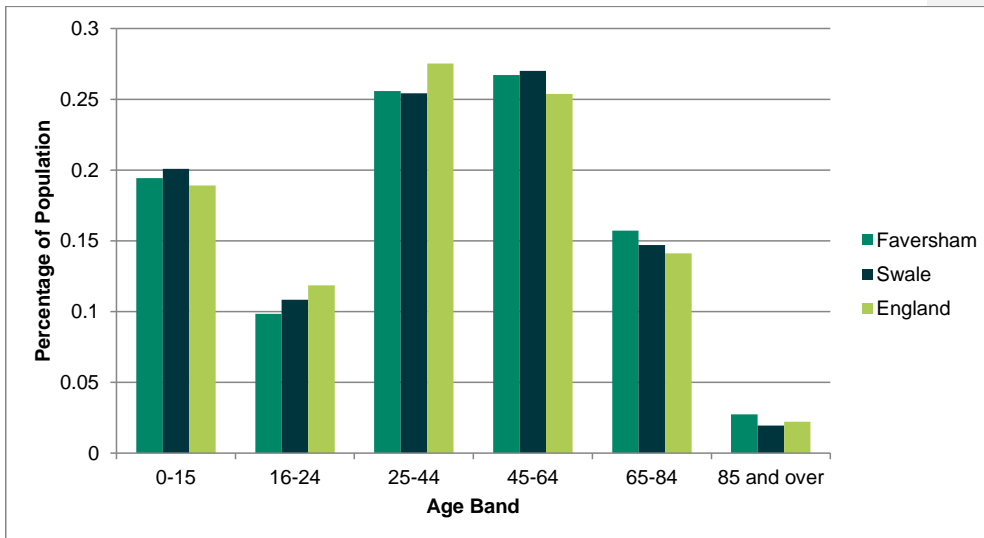
Table 5-5: Age structure of Faversham population, 2011 and 2020

Age group	2011 (Census)		2020 (ONS, estimated)	
0-15	3,753	19.4%	3,842	19.0%
16-24	1,899	9.8%	1,866	9.2%
25-44	4,940	25.6%	4,592	22.7%
45-64	5,158	26.7%	5,441	26.9%
65-84	3,036	15.7%	3,898	19.3%
85 and over	530	2.7%	565	2.8%
Total	19,316	-	20,204	-

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

156. For context, it is useful to look at the parish population structure alongside that of the Borough and country. Figure 5-1 (using 2011 Census data) shows that the Faversham population does not hugely diverge from Swale’s. Faversham has a slightly higher proportion of the population aged 0-15 than England, but below Borough levels. However, the proportion of the population aged 16-44 is below national levels in the NA in 2011. There is a greater proportion of those aged 45+ in the NA and across the Borough than nationally, particularly in Faversham in the oldest two age categories. This is further indicative of an aging population in the NA, and to a greater extent than across England.

Figure 5-1: Age structure in Faversham, 2011



Source: ONS 2011, AECOM Calculations

Household composition

157. 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 5-6 shows that the proportion of one person households in Faversham is relatively in line

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

with the national picture but above Borough levels. When breaking this down, the proportion of one person households over the age of 65 in the NA is above both Swale and England. In terms of family households, the NA has a slightly greater proportion than England but a smaller proportion than Swale Borough. The majority of family households in Faversham had dependent children, at 27.2% of all households. This is roughly in line with the comparative geographic areas. This was followed by families with no children, in line with the Borough but at a greater proportion than the country. As with single person households over 65, the proportion of family households all over 65 in the NA is greater than nationally.

158. Whilst the data is quite old at this point, it is interesting to observe the changes in household composition in the decade previous to this data. The change in household composition between 2001 and 2011 was fairly consistent across the geographic areas. Potentially worthy of note is the increase in families aged 65 and over in Faversham of 7.2% whilst national levels fell by 2.0%, further indicative of a somewhat aging population in the NA. It is also worth noting that families with no children grew by 18.4% in this time period between 2001 and 2011, with less significant growth in Swale (11.0%) and England (7.1%).

Table 5-6: Household composition, Faversham, 2011

Household composition		Faversham	Swale	England
One person household	Total	30.8%	27.2%	30.2%
	Aged 65 and over	14.3%	12.2%	12.4%
	Other	16.5%	15.0%	17.9%
One family only	Total	64.1%	67.0%	61.8%
	All aged 65 and over	8.9%	8.9%	8.1%
	With no children	19.3%	19.5%	17.6%
	With dependent children	27.2%	28.9%	26.5%
	All children Non-Dependent ⁸	8.6%	9.7%	9.6%
Other household types	Total	5.1%	5.8%	8.0%

Source: ONS 2011, AECOM Calculations

Occupancy ratings

159. 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

⁸ Refers to households containing children who are older than 18 e.g students or young working people living at home.

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

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.

160. Table 5-7 shows that 69.0% of households overall in Faversham lived in a home with at least one or two extra bedrooms. This under-occupancy is most prevalent among two main household types – families where all occupants were aged 65+ and families aged under 65 with no children. The proportion of these household types under-occupying their homes was 93.5% and 92.0% respectively. High levels of under-occupancy in older households suggest that larger housing is occupied by older people who have either chosen not to or been unable to downsize into smaller properties. Similar trends with families with no children suggest that larger housing may be occupied by those with the most wealth as opposed to those with the most family members.

Commented [RG1]: 92% or is there a number missing?

161. Over-occupancy suggests a level of overcrowding. There are low overall levels of over-occupancy in Faversham, with 3.4% of households living in a home with at least one bedroom too few. This is most prominent in families under 65 with dependent children at 7.6%. Overall, 27.6% of households were considered to be living in a home with the correct number of bedrooms.

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

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	61.1%	32.4%	6.4%	0.0%
Single person 65+	36.2%	36.2%	27.6%	0.0%
Family under 65 - no children	58.3%	34.3%	7.3%	0.0%
Family under 65 - dependent children	11.7%	35.2%	45.6%	7.6%
Family under 65 - adult children	13.1%	50.3%	33.1%	3.6%
Single person under 65	29.2%	45.3%	25.5%	0.0%
All households	31.5%	37.5%	27.6%	3.4%

Source: ONS 2011, AECOM Calculations

Dwelling mix determined by life-stage modelling

Suggested future dwelling size mix

162. 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 Faversham 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.

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

- As noted above, household life stages are not estimated annually, so the older Census data must be used.
 - This life stage data is then projected forward to the end of the Plan period by applying the growth rates for each household age group as suggested by the latest household projections. This allows for an estimate of how the parish population might evolve in future.
 - ONS household projections are produced every two years but are only available at Local Authority level. The growth rates are therefore applied to the 2011 starting household age profile of the NA.
 - Next, we turn to a Census dataset that shows the occupation patterns or preferences of each household life stage (e.g. what proportion of households aged under 24 tend to live in 1 bedroom homes as opposed to 2, 3 or 4 bedroom homes). This data is mapped to the distribution of the projected NA population for each life stage and each dwelling size category to form a picture of what mix of homes might be appropriate in future.
 - This occupation data is again only available at Local Authority scale, so it does risk embedding any unusual characteristics present in the area.
 - The model also assumes that today's occupation patterns persist into the future, which is not a given, particularly with the change in preferences for home working space and other features arising from the Covid-19 pandemic. However, there is no better indication of what those patterns might look like. It is considered more appropriate to adjust the end mix that results from this model to reflect such trends than to build further speculative assumptions into the model.
 - Finally, this 'ideal' future mix of dwelling sizes can be compared to the current stock of housing in the NA. From this we can identify how future development might best fill the gaps.
 - The 2011 dwelling size mix is used for consistency, so any imbalances in new development since then may justify adjustments to the final results.
163. 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.
164. 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

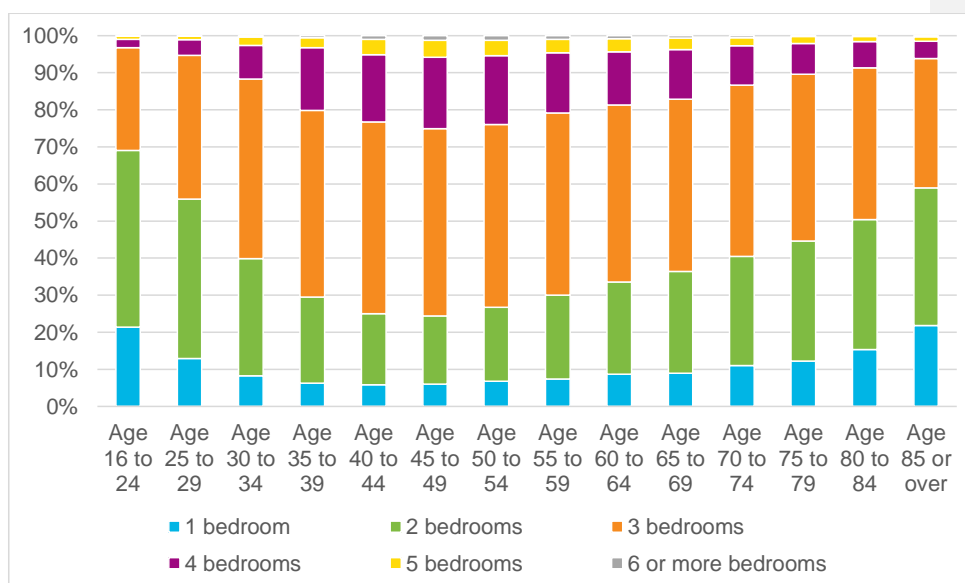
AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

indicative picture provided by this model is considered entirely appropriate for the purpose of drafting neighbourhood plan policy.

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

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

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



Source: ONS 2011, AECOM Calculations

167. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Faversham households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-8 makes clear that population growth can be expected to be driven by the oldest households, with households with a household reference person aged 65 and over expected to increase by 74.7%. This would increase the proportion of households in this age category from 28.7% to 37.4% in 2038. This indicates that the trend of an aging population identified between 2011 and 2020 is expected to continue to the end of the plan period. All categories are projected to see an increase, with the smallest increase identified in households with a household reference person aged 24 and under at just 6.6%.

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

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	223	1,095	3,146	1,487	2,394
2038	238	1,287	3,588	1,886	4,183
% change 2011-2038	6.6%	17.5%	14.0%	26.8%	74.7%

Source: AECOM Calculations

168. The final result of this exercise is presented in Table 5-9 below. The model suggests that the 2038 target mix should have a greater proportion of dwelling sizes of 2-bedrooms plus, with a slight decrease in 1-bedroom dwellings. The mix should remain dominated by 3-bedroom dwellings, followed by 2-bedroom dwellings. In order to reach the target mix, it is recommended that there is a variety of sizes delivered, with the majority mid-sized 3 and 2-bedroom dwellings because of their affordability benefits, combined with the dominance of larger homes in recent housing developments.

Table 5-9: Suggested dwelling size mix to 2038, Faversham

Number of bedrooms	Current mix (2011)	Target mix (2038)	Balance of new housing to reach target mix
1 bedroom	10.7%	9.8%	7.1%
2 bedrooms	32.9%	27.4%	11.1%
3 bedrooms	43.2%	46.4%	55.5%
4 bedrooms	10.3%	12.9%	20.2%
5 or more bedrooms	2.7%	3.6%	6.1%

Source: AECOM Calculations

169. It is never advisable to restrict future housing delivery to selected size categories too rigidly. 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.

170. Whilst the provision of Affordable Housing is one way to combat affordability challenges, 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 may help to address this situation.

171. To best meet the needs of the large cohort of older households expected to be present by the end of the Plan period, 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

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

equity from their existing larger homes. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms. However, it may not be realistic to expect growing families to be able to afford the larger homes that are currently under-occupied in the parish. There may therefore be a strong justification to continue supplying larger homes to accommodate growing families with less buying power.

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

The HMA findings

173. The Swale Borough Council Housing Market Assessment outlines the suggested size of dwellings specifically for Affordable Housing. It is difficult to compare this to the recommended dwelling size split above for Faversham because the AECOM model presents an estimate of the overall need for different size dwellings and does not split between market and affordable. Table 5-10 below, along with the Housing Register for the NA, may be helpful in determining the appropriate sizes of Affordable Housing specifically in the parish.

Table 5-10: Size of additional units required to meet affordable housing need in Swale (Replicated from Swale Borough Council Housing Market Assessment – Table 5.3)

Size of home	Gross annual need	Gross annual supply	Net annual need	As a % of total net annual need	Supply as a % of gross need
One bedroom	179	154	25	8.7%	86.0%
Two bedrooms	304	194	110	38.2%	63.8%
Three bedrooms	178	103	76	26.3%	57.6%
Four or more bedrooms	84	8	77	26.7%	9.2%
Total	745	458	287	100.0%	61.5%

Source: Swale Borough Council HMA, 2020

Conclusions- Type and Size

174. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.
175. It is worth noting that VOA data used in this chapter may not fully reflect the recent completions data in terms of homes by size and type which has had impact on the housing market.

Current dwelling stock

176. In terms of the Faversham dwelling stock, the majority of dwellings are terraced at. This is followed by semi-detached dwellings, with the smallest proportion of dwellings being detached. Although terraced dwellings are also dominant across the Borough and the country, this is observed to a much greater extent in the NA. The proportion of detached dwellings in the NA is significantly below Swale and England. In terms of flats, although the NA has a greater proportion than the wider Borough area, there is a significantly lower proportion than across England.
177. Turning to dwelling size, the majority of dwellings in Faversham are 3-bedroom homes, followed by 2-bedroom, and then 1-bedroom. Between 2011 and 2021, the proportion of smaller to mid-sized dwellings grew whilst the proportion of the smallest and largest dwellings fell. The proportion of 2-bedroom dwellings in the NA is significantly above the proportions across Swale and England, with the proportion of 3-bedroom dwellings also slightly above national levels. However, the proportion of 3-bedroom dwellings is below the proportion observed at a Borough level.

Demographics

178. Between 2011 and 2020 it is estimated that the Faversham population increased by 888 individuals. In both years the majority of the population fell within the 45-64 age category at 26.7% and 26.9% respectively. There was a slight decline in the youngest individuals and growth in the number of individuals aged 65-84, increasing the proportion of people falling into this age band from 15.7% to 19.3%. This is evidence of an aging population overall. Future population growth can be expected to be driven by the oldest households, with households with aged 65 and over expected to increase by 74.7% to 2038.
179. In terms of households, the proportion of one person households in Faversham was relatively in line with the national picture but above Borough levels in 2011. When breaking this down, the proportion of one person households over the age of 65 in the NA was above both Swale and England. The majority of family households in Faversham had dependent children, at 27.2% of all households,

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

roughly in line with the comparative geographic areas. As with single person households over 65, the proportion of family households all over 65 in the NA was greater than nationally.

180. In 2011, 69.0% of households in Faversham under-occupied their home, living in a dwelling with at least one extra bedroom. This is most prevalent among families where all occupants were aged 65+ and families aged under 65 with no children, indicating the largest housing is occupied either by those with the most wealth or by older households that have chosen not to or are unable to downsize. There are low overall levels of over-occupancy in Faversham, with 3.4% of households living in a home with at least one bedroom too few, with this most prominent in families under 65 with dependent children.

Future dwelling mix

181. The AECOM model suggests that the 2038 target mix should have a greater proportion of dwelling sizes of mid-size properties, with a slight decrease in 1-bedroom dwellings. It suggests the mix should be focused on 3-bedroom dwellings, followed by 2-bedroom dwellings. In order to reach the target mix, it is recommended that a variety of sizes be delivered, with the majority mid-sized 3 and 2-bedroom dwellings because of their affordability benefits, combined with the recent supply of larger homes in recent housing developments.
182. 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. However, it may not be realistic to expect growing families to be able to afford the larger homes that are currently under-occupied in the parish. There may therefore be a strong justification to continue supplying larger homes to accommodate growing families with less buying power.
183. More generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. It is recommended that priority is given to mid-sized homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

6. RQ 3: Specialist housing for older people

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

Introduction

184. This chapter considers in detail the specialist housing needs of older and disabled people in Faversham. 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.

185. 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.

186. 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.

187. 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,⁹ which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.

188. 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

⁹ Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/S HOP/SHOPv2/>

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

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.¹⁰

189. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).¹¹ 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

190. 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>.
191. Table 6-1 below counts a total of 383 units of specialist accommodation in the NA at present. Of these, 32.9% are for leasehold market purchase, 31.1% for social rent, 17.8% a combination of social rent and leasehold market sale, and 18.3% available for licencing through Faversham Almshouses. The latter requires a local connection to Faversham, with potential residents having to have lived in the NA for at least 5 years.
192. ONS 2020 population estimates suggest that there are currently around 2,053 individuals aged 75 or over in Faversham. This suggests that current provision is in the region of 187 units per 1,000 of the 75+ population (a common measure of specialist housing supply).

¹⁰ See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

¹¹ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

Table 6-1: Existing specialist housing for the elderly in Faversham

	Name	Description	Units	Tenure	Type
1	Abbeyfields	39 retirement flats of 1-bedroom or 2-bedrooms accepting residents from 55 years of age.	39	Social rent and leasehold	Retirement housing
2	Gange Mews	49 1-bedroom and 2-bedroom retirement flats and houses accepting residents from 60 years of age.	49	Leasehold	Retirement housing
3	Hanover Court	20 1-bedroom flats accepting residents from 60 years of age.	20	Social rent	Retirement housing
4	Jack Bailey Row	6 1-bedroom retirement bungalows accepting residents from 60 years of age. Bus stop and shops within 100 yards.	6	Social rent	Retirement housing
5	John Anderson Court	28 1-bedroom and 2-bedroom flats within easy distance to amenities. Accepts residents from 60 years of age.	28	Social rent	Retirement housing
6	Orchard House	7 1-bedroom and 2-bedroom flats accepting residents from 60 years of age.	7	Social rent	Age exclusive housing
7	Park Court	29 dwellings – flats, bungalows, and houses with 1-bedroom and 2-bedrooms. Accepts residents from 55 years of age.	29	Leasehold and freehold	Retirement housing
8	Park View Lodge	36 retirement flats with 1-bedroom and 2-bedrooms. Whole site accessible by wheelchair. New residents accepted from 60 years of age.	36	Leasehold	Retirement housing
9	Runnymede Mews	11 flats and bungalows accepting residents from 60 years of age.	11	Social rent	Retirement housing

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

10	The Faversham Almshouses	70 flats catering for people who have lived in Faversham for 5+ years.	70	Licence	Age exclusive housing
11	Waterstone Place	47 1-bedroom flats including wheelchair and mobility standard properties. New residents accepted from 60 years of age.	47	Social rent	Retirement housing
12	William Gibbs Court	41 1-bedroom and 2-bedroom flats and bungalows, including mobility standard properties. Accepts new residents from 65 years of age.	41	Leasehold	Retirement housing

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

Tenure-led projections

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

194. 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 2038. 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.

195. According to Table 6-2 below, the majority of households in Swale owned their own home in 2011 at over three-quarters. Around 21.2% of households rented their home, with the majority of these social renting at 12.1% of all households.

Table 6-2: Tenure of households aged 55-75 in Swale, 2011

All owned	Owned outright	Owned with a mortgage or loan or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
78.8%	54.4%	24.4%	21.2%	12.1%	7.9%	1.2%

Source: Census 2011

196. The next step is to project how the overall number of older people in Faversham is likely to change in future, by extrapolating from the ONS Sub-National

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

Population Projections for Swale 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. The results are set out in Table 6-3 below. This shows that in both 2020 and 2038, Faversham had a greater proportion of the population aged 75+ than Swale Borough. The elderly population in the NA is expected to increase by 1,113, with the proportion in the population overall increasing from 10.2% to 13.7% by the end of the plan period.

Table 6-3: Modelled projection of elderly population in Faversham by end of Plan period

Age group	2020		2038	
	Faversham	Swale	Faversham	Swale
All ages	20,204	151,015	23,129	172,878
75+	2,053	12,913	3,166	19,913
%	10.2%	8.6%	13.7%	11.5%

Source: ONS SNPP 2020, AECOM Calculations

197. 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 homes, 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 evidence from a household survey (which itself may not give a complete picture).
198. The people whose needs are the focus of the subsequent analysis are therefore the additional 1,113 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 Swale in 2011 (the smallest and most recent dataset to capture households). In 2011 there were 9,932 individuals aged 75+ and 7,182 households headed by a person in that age group in Swale. The average household size is therefore 1.38, and the projected growth of 1,113 people in Faversham can be estimated to be formed into around 805 households.
199. 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 6-4 below. This provides a breakdown of which tenures those households are likely to need.

Table 6-4: Projected tenure of households aged 75+ in Faversham to the end of the Plan period

Owned	Owned outright	Owned with a mortgage or loan or shared ownership	All rented	Social rented	Private rented	Living rent free
635	438	196	170	97	63	10

Source: Census 2011, ONS SNPP 2020, AECOM Calculations

200. 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 6-5 below presents this data for Faversham from the 2011 Census. Note that the closest proxy for the 75+ age group in the Census is the 65+ age group.

Table 6-5: Tenure and mobility limitations of those aged 65+ in Faversham, 2011

Tenure	All categories: Long-term health problem or disability	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories: Tenure	3,442	824	23.9%	967	28.1%	1,651	48.0%
Owned or shared ownership: Total	2,621	519	19.8%	718	27.4%	1,384	52.8%
Owned: Owned outright	2,335	458	19.6%	633	27.1%	1,244	53.3%
Owned: Owned with a mortgage or loan or shared ownership	286	61	21.3%	85	29.7%	140	49.0%
Rented or living rent free: Total	821	305	37.1%	249	30.3%	267	32.5%
Rented: Social rented	603	237	39.3%	190	31.5%	176	29.2%
Rented: Private rented or living rent free	218	68	31.2%	59	27.1%	91	41.7%

Source: DC3408EW Health status

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

201. 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 414.
202. These findings are set out in the table below, 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.
203. Table 6-6 shows that the majority of need in Faversham is for market specialist housing at 72.3% of need. The split is more even in terms of the need between sheltered housing and housing with extra-care at 54.4% and 45.6% respectively. However, it is worth noting that those with a need for sheltered housing or retirement living may be able to have their needs met through adaptations to their existing homes, especially if they already own their own home.

Table 6-6: AECOM estimate of specialist housing need in Faversham by the end of the Plan period

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	Multiply the number of people across all rented tenures (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	Multiply the number of people across all owner-occupied housing by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	188.9
	63.2	125.6	
Adaptations, sheltered, or retirement living	Multiply the number of people across all rented housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	Multiply the number of people across all owned housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	225.5
	51.6	173.8	
Total	114.9	299.5	414.3

Source: Census 2011, AECOM Calculations

Housing LIN-recommended provision

204. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the simplest and widely used models estimating for the housing needs of older people. Ta below 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.

205. 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 6-7: 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) ³⁶	20
Extra care housing for rent	15
Extra care housing for sale	30
Housing based provision for dementia	6

Source: *Housing LIN SHOP Toolkit*

206. As Table 6-3 shows, Faversham is forecast to see an increase of 1,113 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent = $60 \times 1.113 = 66.8$
- Leasehold sheltered housing = $120 \times 1.113 = 133.5$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = $20 \times 1.113 = 22.3$
- Extra care housing for rent = $15 \times 1.113 = 16.7$
- Extra care housing for sale = $30 \times 1.113 = 33.4$
- Housing based provision for dementia = $6 \times 1.113 = 6.7$

207. This produces an overall total of 279 specialist dwellings which might be required by the end of the plan period.

208. Table 6-8 below sets out the HLIN recommendations in the same format as Table 6-6 above. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates.

Table 6-8: HLIN estimate of specialist housing need in Faversham by the end of the Plan period

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	Includes: enhanced sheltered housing for rent + extra care housing for rent + housing-based provision for dementia	Includes: enhanced sheltered housing for sale + extra care housing for sale	79.0
	34.5	44.5	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	200.3
	66.8	133.5	
Total	101.3	178.1	279.3

Source: Housing LIN, AECOM calculations

HMA findings

209. The Swale Borough Council Housing Market Assessment outlines a number of areas which may relate to the need for specialist housing for older people in Faversham. These are outlined below:

- It is expected that across Swale, households headed by someone aged 65+ will increase by 41.0% in the plan period, from 19,999 in 2022 to 28,205 in 2038.
- It is estimated that there would be a need for an additional 439 specialist units of sheltered housing for older persons and 77 additional extra care units over the plan period. If these were pro-rated using the NA population, the estimated need would be for 58.8 units of sheltered housing and 10.3 units of extra care housing.
- The study suggests the need for an additional 4,200 households between 2022 and 2038 of Category M4(2) standard, of which c.500 should be of Category M4(3) standard.

Conclusions- Specialist Housing for Older People

210. The current stock of specialist accommodation for older persons in Faversham is wholly retirement or age restricted housing, with seemingly no provision of extra-care housing for those with additional care needs, indicating a clear gap in need. Of the current provision of 383 units, there is a relatively even split between social rent and leasehold market purchase.

211. The population in the NA aged 75+ is expected to grow by 1,113 individuals between 2011 and the end of the plan period. It is estimated that the proportion of individuals in this age category will grow from 10.2% to 13.7% by 2038. These 1,113 individuals can be estimated to be formed into round 805 households.

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

212. 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 current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
213. These two methods of estimating the future need in Faversham produce a range of 279 to 414 specialist accommodation units that might be required during the Plan period. 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.
214. Based on AECOM's model, the majority of need in Faversham is for market specialist housing at 72.3%. The split is more evenly in terms of the need between sheltered housing and housing with extra-care at 54.4% and 45.6% respectively. However, it is worth noting that those with a need for sheltered housing or retirement living may be able to have their needs met through adaptations to their existing homes, especially if they already own their own home.
215. Given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another avenue open to the Neighbourhood Planning groups is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. The local level evidence supplied in this report could be used to influence Borough level policies. Groups may also be able to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock).
216. There are no policies in the adopted Local Plan which provide explicit requirements for development to accommodate specific groups such as older people. However, Policy DM8 (Affordable Housing) does suggest that homes should be designed for use by disabled, elderly, and vulnerable residents, despite also having a 0% requirement for affordable older persons housing across all areas. Specific targets 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)) are not outlined. The evidence gathered in this report would appear to justify the Town Council approaching the LPA to discuss setting requirements on accessibility and adaptability at a Borough level. 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 and so discussions with the LPA are advised if this is a key priority.
217. 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, and the localised evidence gathered here would further justify this. The proportion of new housing that might accommodate

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

those using wheelchairs might be set with reference to the proportion of affordable housing applicants in the Borough falling into this category.

218. 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, accessible locations, for 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.
219. 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 plan areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
220. It is considered that Faversham is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Plan area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Faversham in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Neighbourhood Plan area boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Plan area itself.
221. 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

222. This Neighbourhood Plan housing needs assessment aims to provide Faversham 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 Swale 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 Swale.
 - 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 Swale.
223. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.
224. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should carefully monitor strategies and documents with an impact on housing policy produced by the Government, Swale or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
225. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

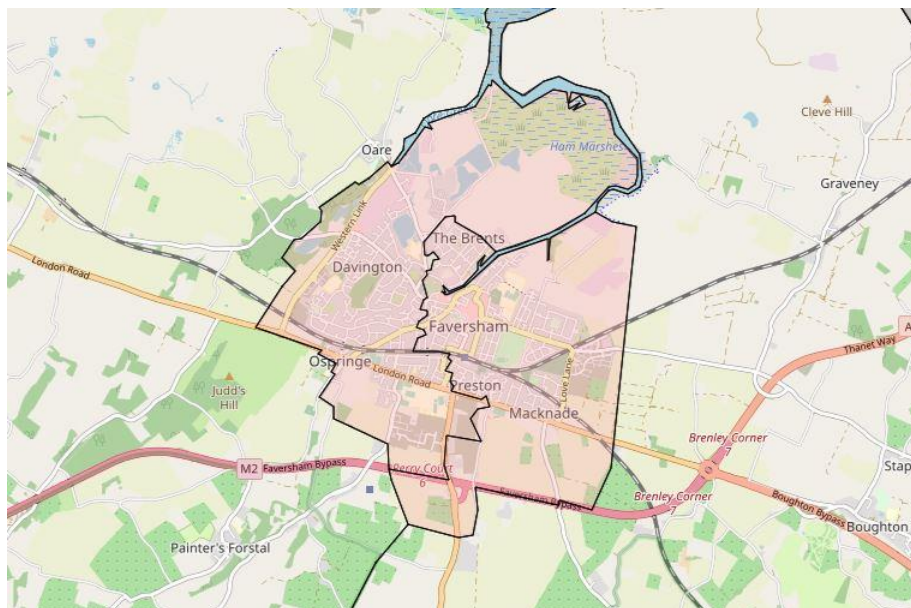
Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

226. 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 Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas.

227. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Faversham, it is considered that MSOAs E02005128 and E02005129 cover the exact same area as the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map appears below in Figure A-1.

Figure A-1: MSOAs E02005128 and E02005129 used as a best-fit geographical proxy for the Neighbourhood Plan area



Source: ONS

A.2 Market housing

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

229. 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

230. 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.

231. 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 Faversham, 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.

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

- Value of a median NA house price (2020) = £300,000.
- Purchase deposit at 10% of value = £30,000.
- Value of dwelling for mortgage purposes = £270,000.
- Divided by loan to income ratio of 3.5 = purchase threshold of £77,143.

233. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2020 was £236,000, and the purchase threshold is therefore £60,686.

234. 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. Land Registry records 34 sales of new build properties in the NA in 2020.

ii) Private Rented Sector (PRS)

235. 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.

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

236. 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.
237. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Plan area.
238. According to [home.co.uk](https://www.home.co.uk), there were 15 properties for rent at the time of search in February 2022, with an average monthly rent of £1,026. There were 9 two-bed properties listed, with an average price of £1,002 per calendar month.
239. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
- Annual rent = £1,002 x 12 = £12,024.
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £40,080.
240. The calculation is repeated for the overall average to give an income threshold of £41,040. The entry-level price is relatively close because most properties on the market tend to be smaller, hence 2-bedroom properties are close to the average.

A.3 Affordable Housing

241. 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

242. 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.
243. 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 Faversham. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Swale in the table below.

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

244. 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	£88.57	£97.92	£106.90	£120.82	£100.14
Annual average	£4,606	£5,092	£5,559	£6,283	£5,207
Income needed	£15,337	£16,956	£18,511	£20,921	£17,340

Source: Homes England, AECOM Calculations

ii) Affordable rent

245. 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).

246. 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%.

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

248. Comparing this result with the average 2-bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 54% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table A-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£96.67	£123.71	£140.81	£180.55	£127.15
Annual average	£5,027	£6,433	£7,322	£9,389	£6,612
Income needed	£16,739	£21,422	£24,383	£31,264	£22,017

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

249. 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.
250. In paragraph 65 of the NPPF 2021, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.” The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

First Homes

251. 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.
252. The starting point for these calculations is therefore the estimated cost of new build housing in the NA noted above of £387,500.
253. For the minimum discount of 30% the purchase threshold can be calculated as follows:
- Value of a new home (NA average) = £387,500.
 - Discounted by 30% = £271,250.
 - Purchase deposit at 10% of value = £27,125.
 - Value of dwelling for mortgage purposes = £244,125.
 - Divided by loan to income ratio of 3.5 = purchase threshold of £69,750.
254. 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 £59,786 and £49,821 respectively.
255. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible. The 30% discounted value is above £250,000 and therefore does not meet the criteria. 50% discounted First Homes are recommended for the NA.
256. 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

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

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 Faversham.

Shared ownership

257. 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'.
258. 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.
259. To determine the affordability of shared ownership, calculations are based on the estimated costs of median house prices in the NA. This is because shared ownership properties are an established form of tenure in the NA and therefore new build prices are not as useful a proxy as for First Homes. 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).
260. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £300,000 is £75,000.
 - A 10% deposit of £7,500 is deducted, leaving a mortgage value of £67,500.
 - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £19,286.
 - Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £225,000;
 - The estimated annual rent at 2.5% of the unsold value is £5,625.
 - This requires an income of £18,750 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
 - The total income required is £38,036 (£19,286 plus £18,750).

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

261. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £30,214 and £51,071 respectively. These income thresholds are below the £80,000 cap.

Rent to Buy

262. 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)

263. 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.

264. 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 = £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

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

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 methods¹².

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 Standard¹³

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

¹² The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

¹³ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

to produce higher levels of overcrowding/ under occupation. A detailed definition of the standard is given in the Glossary of the EHS Household Report.

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order¹⁴

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)¹⁵

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

¹⁴ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

¹⁵ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

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

Extra Care Housing or Housing-With-Care

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

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

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

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

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

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 years¹⁶, 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.

¹⁶ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

Overcrowding

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

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

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

Housing where a purchaser part buys and part rents from a housing association or local authority. Typical purchase share is between 25% and 75% (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 Housing¹⁷

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 schemes, 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 bedrooled. 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

¹⁷ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

AECOM - Faversham Neighbourhood Plan Housing Needs Assessment

'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

A Strategic Housing Market Assessment (SHMA) is a document prepared by one or more local planning authorities to assess their housing needs under the 2012 version of the NPPF, usually across administrative boundaries to encompass the whole housing market area. The NPPF makes clear that SMAs 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 SMAs 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.¹⁸

¹⁸ See

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

aecom.com