

# Adderbury

Housing Needs Assessment (HNA)

April 2024

## Quality information

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## Table of Contents

1. Executive Summary .....	6
Conclusions- Tenure and Affordability .....	6
Conclusions- Type and Size .....	9
Conclusions- Specialist Housing for Older People .....	11
Characteristics of the current older population .....	11
Projected demographic change and need for specialist housing .....	12
Accessibility and adaptability .....	13
2. Context.....	14
Local context.....	14
The NA boundary and key statistics .....	14
The housing market area context.....	16
Planning policy context .....	16
3. Objectives and approach.....	19
Objectives .....	19
Affordability and Affordable Housing .....	19
Type and Size .....	19
Specialist Housing for Older People.....	20
Approach .....	20
4. Affordability and Affordable Housing.....	21
Introduction .....	21
Definitions .....	21
Current tenure profile .....	22
Affordability .....	23
House prices .....	23
Income .....	24
Affordability Thresholds.....	25
Estimates of the need for Affordable Housing .....	30
AECOM Estimates .....	30
Evidence in the HENA .....	32
Additional evidence of Affordable Housing needs .....	32
Affordable Housing policies in Neighbourhood Plans .....	33
Application of Local Plan policies .....	33
Affordable Housing at Neighbourhood level .....	33
Conclusions- Tenure and Affordability .....	35
5. Type and Size .....	39
Introduction .....	39
Definitions .....	39
The current housing mix .....	40
Dwelling type .....	40
Dwelling size .....	41
Population characteristics .....	42
Age .....	42
Household composition and occupancy .....	43
Future population and size needs .....	45
Age .....	45

Tenure.....	48
Type.....	49
Conclusions- Type and Size.....	50
6. Specialist housing for older people .....	53
Introduction .....	53
Definitions .....	54
Specialist housing for older people .....	54
Demographic characteristics .....	55
Future needs for specialist accommodation and adaptations .....	56
Further considerations .....	57
Care homes .....	58
The Role of Mainstream Housing.....	59
Conclusions- Specialist Housing for Older People .....	61
Characteristics of the current older population .....	61
Projected demographic change and need for specialist housing .....	61
Accessibility and adaptability .....	62
7. Next Steps.....	63
Recommendations for next steps.....	63
Appendix A : Assessment geography .....	64
Appendix B : Local Plan context.....	65
Policies in the adopted local plan .....	65
Appendix C : Affordability calculations.....	69
C.1 Market housing.....	69
i) Market sales .....	69
ii) Private Rented Sector (PRS).....	70
C.2 Affordable Housing .....	71
i) Social rent .....	71
ii) Affordable rent.....	72
iii) Affordable home ownership .....	72
Appendix D : Affordable Housing need and policy .....	77
Affordable Housing estimates .....	77
Affordable housing policy .....	80
Appendix E : Specialist housing for older people .....	84
Background data.....	84
HLIN calculations .....	84
Appendix F : Housing Needs Assessment Glossary.....	86

## List of acronyms used in the text:

CDC	Cherwell District Council
DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
HENA	Housing and Economic Needs Assessment
HMA	Housing Market Area
HNA	Housing Needs Assessment
HRF	Housing Requirement Figure (the total number of homes the NA is expected to plan for, usually supplied by LPAs)
HLIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LA	Local Authority
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LPA	Local Planning Authority
LSOA	Lower Layer Super Output Area
MSOA	Middle Layer Super Output Area
NA	Neighbourhood (Plan) Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
OA	Output Area
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

# 1. Executive Summary

1. Adderbury is a Neighbourhood Area (NA) located in the Cherwell District of Oxfordshire. The NA boundary covers the areas administered by Adderbury Parish Council.
2. The 2021 Census recorded 3,318 individuals in Adderbury, indicating an increase of around 499 people since the 2011 Census.
3. There has been a moderate level of development in Adderbury over the past decade, totalling around 208 new homes between 2011 and 2022. A further 45 dwellings are in the pipeline on sites with planning permission.
4. This Executive Summary details the conclusions of each chapter of this Housing Needs Assessment (HNA), addressing each of the themes agreed with the Working Group at the outset of the research. Detailed findings and data sources for each chapter summary are provided in the main body of the report.
5. Various findings of this report are presented as estimates of the need or potential demand for housing from different demographic and income groups. These findings have been caveated in depth at the relevant points in the report and should not be misrepresented as expressing a need that must be met, nor summed together to produce an overall housing need figure. The status of these various estimates is not equivalent and there is an unspecified degree of overlap between them. Instead, they should be viewed as indications of the potential scale of demand from different groups, that can be weighed together by the community when deciding upon a policy approach for the Neighbourhood Plan.
6. Data from the 2021 Census continues to be released. At present, the available data covers population, households, tenure, and dwelling stock characteristics. Some data comparing numerous variables at parish scale is yet to be released. As such this HNA will draw on the latest available data from the 2021 Census where possible and will also continue to use other data sets, including 2011 Census, Valuation Office Agency data, and ONS parish projections where necessary to build up evidence at the neighbourhood level.

## Conclusions- Tenure and Affordability

### Current tenure profile

7. Home ownership is the dominant tenure in Adderbury, representing a notably higher share of the total (77%) than the wider District (65%) and national average (61%). The prevalence of home ownership comes at the expense of social renting and, especially, private renting. The lack of alternatives to ownership are likely to present a challenge for those on the lowest incomes seeking to remain in the Parish.
8. That said, the 2021 mix reflects meaningful increases in the more affordable tenure options since the 2011 Census – particularly affordable rented housing and shared ownership, though the private rented sector has also expanded. While

housing choice and affordability is limited in Adderbury, it has improved to some extent as a result of recent development.

### **Housing costs**

9. Home values in the NA have followed a general upward trajectory despite some year-on-year fluctuations. The current median house price (middle number when arranged from lowest to highest) is £515,000, which is 86% higher than the 2014 average. The lower quartile price (the lowest 25% of prices, used as a good proxy for entry-level housing) stands at £355,000. This is relatively close to the median, indicating that the range of price points in Adderbury is narrow and, consequently, people may struggle to find truly affordable entry-level properties. This, in turn, may limit the options for younger families that the community wishes to attract for reasons of demographic balance and the vitality of local services and organisations.
10. It is also worth noting that the current median house price in Adderbury is 35% higher than the current median for Cherwell as a whole. Although Adderbury is dominated by detached and larger (4+ bedroom) homes and, correspondingly, District averages are strongly influenced by the smaller and flatted accommodation that is more plentiful in its more urban locations, it remains clear that Adderbury is a high-value housing market for the local area. This presents a barrier to entry for households with lower incomes or wealth.
11. AECOM has estimated the annual income required to afford various tenures of housing in Adderbury – each of which is explained in detail in Appendix C. These thresholds are compared to incomes to determine which options are the most appropriate for local people going forward. The average household income in the NA area was £60,600 in 2020 and the lower quartile household income for Cherwell was £18,818 in 2023.
12. It was found that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. The median house price would require an annual income more than twice the current average. Private renting is more affordable, but is generally only accessible to average earning households – and even then only for dwellings with 2 bedrooms or fewer. A broader challenge in relation to private renting is that, though potentially cheaper, too few properties are regularly available to make this a reliable option for lower income households.
13. Subsidised routes to home ownership like First Homes and Shared Ownership are intended to target people who can afford to rent but not to buy. In Adderbury there is a relatively large gap between the income needed to afford to rent (£50,000) and to buy (£90,000), who may benefit from these products.
14. The discount on First Homes can be set at 30%, 40% or 50% in Neighbourhood Plans. In Adderbury the minimum 30% discount appears insufficiently affordable to average earning households, and would make First Homes exceed the national price cap (based on the benchmark used to estimate their value here). A higher discount of 40% would expand access to ownership more widely and bring First Homes very nearly within reach of average earners. A 50% discount would make

a more meaningful difference, although this might have implications on the viability of Affordable Housing more widely.

15. Affordable rented housing appears generally affordable to households on lower quartile incomes. The evidence in this chapter indicates a clear divide in housing affordability in Adderbury, with higher earners and those already on the housing ladder potentially able to buy their own homes, average earners able to afford some alternative options (such as private renting and affordable routes to ownership), and lower earners able to access nothing but affordable rented housing. This suggests that the affordable rented sector performs a vital function in Adderbury as the only option for a large segment of those in the most acute need.

### **The need for Affordable Housing**

16. AECOM estimate that there will be a long-term surplus of affordable rented housing in Adderbury rather than an unmet need. This amounts to an annual surplus of 3.9 affordable rented homes. Details of the calculations discussed here are provided in the main body of the report and in Appendix D.
17. This result may initially be surprising since there is understood to be a current backlog of need (in the region of 5-19 households depending on whether those living locally or only those holding a validated local connection are counted). The reason for the affordable rented housing need being met over the long-term is the rate of turnover in the existing stock of social housing, which suggests that vacancies will be able to satisfy the projected newly arising need as well as some of the backlog – particularly given the large recent injection of supply.
18. AECOM estimate potential demand for 5.7 affordable home ownership dwellings per annum in Adderbury, equating to a total of 91 over the Neighbourhood Plan period. The households eligible for such homes do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing. They are, however, likely to include many younger families and professional couples that the community may wish to attract.
19. It is important to note that there is no obligation to meet this level of potential demand in its entirety, and there are valid further reasons that could prevent it such as the availability of land, capacity of infrastructure and services to accommodate growth, and the need housing from other groups. This estimate should be interpreted simply as an expression of the potential demand for ownership among those who cannot currently afford it.

### **Affordable Housing policy**

20. Affordable Housing is typically provided and made financially viable by District-wide planning policies that require it to be included at a set proportion of market housing developments. Cherwell's adopted policy on this subject requires 35% of all new housing be affordable, and the emerging Local Plan reduces the target to 30%. This is a policy area within the remit of CDC, but it is worth considering what



the most appropriate mix of Affordable Housing products might be in the NA specifically.

21. AECOM recommends that the tenure mix of Affordable Housing secured in future years gives broadly even priority to affordable home ownership options (50%) and affordable rented provision (50%). There is an opportunity here to boost levels of affordable home ownership to meet high levels of potential demand in a context where home ownership through the open market is very unaffordable. The trade-off is that this would lower delivery of affordable rented housing, which serves those in the greatest need. In this case, AECOM estimates that the existing stock of affordable rented housing may be sufficient for the community's evolving needs. However, it would be beneficial to future-proof the stock through some additional supply in case this situation changes and to contribute to the unmet needs of the wider area.
22. There is no obligation to follow this recommendation or to depart from the any emerging Local Plan default mix if that is more in line with the community's objectives. Indeed, the default mix of 70% affordable rent to 30% affordable home ownership may be more prudent in the context of unknown future housing supply. Further discussion with Cherwell District Council about the options and their advice would be beneficial, and could cover issues beyond the scope of this report, such as development viability.

## Conclusions- Type and Size

### The current housing mix

23. The current dwelling mix in Adderbury is weighted in favour of larger and less dense home types. Specifically, nearly half of all homes are detached houses (compared to under a third across Cherwell and under a quarter across England). The proportion of bungalows, at 12%, is slightly higher than the District and national average, and is likely to be linked to the parish's older age profile.
24. The proportion of 4+ bedroom homes in Adderbury is also far higher than that of the District and there is a relative lack of 1 bedroom properties. The majority of new homes built since 2011 have been detached homes with 4 or more bedrooms, thereby exaggerating the parish's existing imbalances rather than improving diversity and affordability. However, a valuable injection of smaller flats has also been provided in recent years. Alongside growth in other size and type categories, this appears to have supported the growth in the younger population.
25. In summary, Adderbury is characterised by detached and larger homes, which tend to be more expensive and not well-suited to key segments of the population – notably younger families and downsizing older people – although some variety does exist and new development has set a precedent for a slightly different mix.

### Population characteristics

26. The NA population, which is older than that of the District and England, has experienced fairly significant ageing in the decade since 2011. The 65-84 and 85+ age groups have expanded by 27% and 46% respectively, while all other age

groups have grown at more varied and modest rates. It is notable that the numbers of children and young people aged 15-24 have experienced robust growth, indicating the ability of Adderbury to attract a replacement population of young families, which may be linked to the recent provision of some smaller and potentially more affordable housing units. These shifts point to future needs across a range of age groups, with a clear opportunity to further attract young families as well as an imperative to accommodate the growing population of older people – who may be seeking to downsize or experiencing changing mobility and support needs. Successful downsizing may lead to the greater availability of family-sized housing for other households.

27. Applying ONS household projections for Cherwell to the Adderbury population in 2011 suggests that population growth can be expected to be driven by the oldest households, with the 65+ age group nearly doubling to become the largest single group (at nearly 47% of the total) while all other age bands grow at more modest rates or contract. It should be emphasised that this is the default scenario for organic population change if projections at the wider scale apply equally to the NA. This level of ageing may well be accurate given the large current 65-84 population (which is also larger than the Cherwell average upon which these projections are based). However, Adderbury's healthy family population may afford protection against the potential contraction in the number of children that this model implies.
28. Adderbury has a slightly lower proportion of single-person households to wider averages, although a larger share of single-person households are aged over 65. Of the Parish's family households, many more have children than do not. This data confirms the presence of a large number of families and children alongside a gradually expanding older population. Adderbury also has fewer 'other' households, where more than one family unit shares a dwelling.
29. As of the 2021 Census, around 83% of households in the NA had at least one more bedroom than they would be expected to need, and 54% had at least two extra bedrooms. This is not surprising given the relatively large skew of the housing stock. Under-occupancy was most common among two distinct groups: couples with no children and older households. While not uncommon, this might suggest that Adderbury's larger housing is not necessarily being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen or been able to move to smaller properties.

### **Future population and size needs**

30. It is possible to estimate the size mix of future homes that might best accommodate demographic trends and address imbalances in the existing housing stock. The result of this process suggests that new development should be focused on smaller and mid-sized homes (primarily with 3 bedrooms), with few larger properties likely to be needed. This could help to achieve three key outcomes: improving affordability, meeting the needs suggested by demographic trends (notably ageing and maintaining the modest growth in younger families), and diversification away from the high proportion of 4+ bedroom homes in the

current stock.

31. The model recommends a particularly high proportion of 3 bedroom dwellings because they are so underrepresented in the current stock compared to wider averages and tend to be popular among all age groups. The present lack of 1-2 bedroom homes may be the case for good reasons, such as the existing patterns of housing density that reflect the character of the Parish. It may therefore be considered inappropriate to focus as heavily on the presently unusual 1 bedroom category as the HNA model suggests. If large numbers of flats are not considered a welcome proposition in the parish, the suggested proportions of 1 and 2 bedroom homes could be blended into a combined 1-2 bedroom (or even 1-3 bedroom) category, allowing for greater flexibility.
32. The model also suggests that no further properties with 4 or more bedrooms are needed, chiefly because they are so abundant at present. In theory, if sufficient smaller homes (and/or specialist housing for older people) are built, some of the households currently occupying larger homes will be able to downsize and thereby release larger homes for growing families. However, if a target for 0% 4+ bedroom homes is seen as overly rigid, insufficiently diverse or not able to serve the needs of people looking for larger new housing, this share could be increased by a moderate amount in line with the recommendations for Cherwell as a whole in the 2022 HENA.
33. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA 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.

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

### **Characteristics of the current older population**

34. There are currently around 441 individuals aged 75 or over in Adderbury, representing 13% of the population. There are no schemes of specialist accommodation in Adderbury at present, according to the Elderly Accommodation Counsel search tool. However, there are two care homes offering 103 bedspaces in total (although one of them is not exclusively for older people).
35. A clear majority (86%) of Cherwell households aged 55-75 in 2011 (and therefore likely to reach the 75+ bracket by 2040) are owner occupiers, and the remainder predominantly rent from a social landlord. This is important because those currently owning will require specialist accommodation for market purchase, being largely ineligible for subsidised housing, while those in private or social rent will need to rely on subsidised rented housing because they are unlikely to have the funds to buy. Rates of disability in Adderbury are also higher among social tenants than owner-occupiers.

## **Projected demographic change and need for specialist housing**

36. The 75+ population of the NA is projected to increase to 772 people over the Plan period, to become 22% of the population in 2040. As established in the previous chapter, Adderbury has an older population than the wider District and is likely to age faster in the coming years unless new development continues to attract a replacement population of younger families.
37. The growth in the existing older population, which, rather than the total, is the focus of the estimates of need here, should be converted into households because some older people will be cohabiting in old age. The projected household growth to 2040 among those aged 75+ in Adderbury is 234.
38. 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.
39. The two Adderbury specific estimates suggest a range of 83 to 101 specialist accommodation units might be required during the Plan period. These estimates are also broken down by tenure and level of support required. Broadly, 60-80% of the potential need is for accommodation offered for market purchase. This chimes with the higher propensity of older households to be homeowners. Around 60-75% of the need is found to be for sheltered housing with limited support rather than additional care arrangements.
40. This localised evidence supports the emerging Local Plan's expectation that extra care specialist housing be provided on new development sites. However, Adderbury's robust provision of care home accommodation and the higher estimate of need for lower (rather than extra) care specialist housing also points to the value of retirement/sheltered housing in addition to or in place of extra care options.
41. The potential (total rather than additional) need for care and nursing home beds in Adderbury to 2040 can be roughly estimated at 47 bedspaces. The current provision of 103 units is sufficient to continue to satisfy future need for more intensive care arrangements, although the care homes are likely to be servicing the needs of a wider area than Adderbury alone.
42. These estimates are fairly large relative to the scale of recent and expected future development. It should therefore be emphasised that it may not be considered prudent to prioritise the potential demand from older people to the exclusion of other groups, such as those in need of Affordable Housing, young families, and others important to maintaining a balanced and vibrant community.
43. Currently, specialist older people's housing in the vicinity of Adderbury is concentrated in Banbury. This may be a sustainable situation going forward. However, there may also be an opportunity to attract specialist housing development in Adderbury itself for people who do not want to leave their immediate surroundings and social networks when their housing needs change in old age. The HNA evidence can be used to support specialist housing

development but does not make that obligatory. How far to promote this is a choice for the Working Group and wider community.

### **Accessibility and adaptability**

44. Depending on whether there is likely to be a large volume of additional specialist supply during the Plan period, an alternative or additional avenue to the provision of additional specialist homes is to discuss the standards of accessibility and adaptability required of new development with Cherwell District Council. There is a particularly high degree of overlap between the groups served by sheltered specialist housing and adapted mainstream housing, so the unmet need for such homes identified here can be reduced through this avenue.
45. The current adopted Local Plan provides explicit encouragement for development to accommodate specific groups such as older people but does not set specific targets for new homes to meet Category M4(2) accessibility standards or M4(3) wheelchair user standards. 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, so discussions with CDC are advised if action on this point is a key priority.

## 2. Context

### Local context

46. Adderbury is a civil parish and designated Neighbourhood Area (NA) located in the District of Cherwell in Oxfordshire.
47. The parish is located around 3 miles south of Banbury, one of Cherwell's two main settlements, and 20 miles north of Oxford. The A4260 Road connects Adderbury to those two locations and also bisects the parish. Faster access to Oxford and beyond is provided by the M40 Motorway, part of which runs through the northeast part of the parish. The nearest train station is at Banbury.
48. Adderbury parish is centred on the village of the same name and includes its surrounding predominantly agricultural land. Alongside the historic centre of the village, Adderbury includes a number of areas distinguished by the date and style of their construction, notably including the postwar estate of Twyford and the newer Milton Road and Aynho Road developments.
49. The parish has a range of amenities including a village shop, café, library weekly post office, veterinary surgery, hairdressers and three pubs, in addition to C of E and methodist churches and a variety of local clubs and societies. The Working Group have emphasised the community's wish to retain the identity of the village (particularly as distinct from the expansion of Banbury via Bodicote), as well as the need to support or possibly expand the range of facilities on offer through carefully planned and appropriately scaled future development.
50. The Adderbury Neighbourhood Plan is currently envisaged to look ahead to 2040 in line with the end date of the emerging Cherwell Local Plan Review. If adopted in 2024, the Neighbourhood Plan will cover a period of 16 years. The evidence supplied in this report will likewise look ahead to 2040, but will provide annualised results where possible that can be applied to a different term if the Plan period changes.

### The NA boundary and key statistics

51. For Census purposes, the NA is made up, like the rest of England, of statistical units called Output Areas (OAs). The Adderbury parish and NA boundary is composed of one Lower Super Output Area (LSOA) and four OAs. Detail on the flexibilities relating to data sources beyond the Census is provided in Appendix A. A map of the Plan area appears below in Figure 2-1.

**Figure 2-1: Map of the Adderbury Neighbourhood Area**



Source: Cherwell District Council

52. At the time of the 2021 Census the NA was home to 3,318 residents, formed into 1,339 households and living in 1,408 dwellings. These statistics represent a moderate 15-18% level of growth on the 2011 Census, which recorded 2,819 people, 1,153 households and 1,201 dwellings.
53. The Census figure for additional homes built since 2011 of 207 aligns with the figure of 208 given in Cherwell's latest Residential Completions and Permissions monitoring document (accurate to March 2022). Note that Cherwell District Council (CDC) were asked for more detailed data on the size, type and tenure mix of these new homes but this was not available. The Census will thus be used throughout this report to observe the changes to the housing stock associated with recent development.
54. CDC's monitoring documents also make note of 45 additional dwellings in Adderbury with planning permission that are not yet built. This is understood to mainly relate to a 40-dwelling site at Last House and Berry Field Road.

## The housing market area context

55. Whilst this HNA focuses on Adderbury NA it is important to keep in mind that neighbourhoods are not self-contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas.
56. Following the 2021 Oxfordshire Growth Needs Assessment, the 2022 Housing and Economic Needs Assessment (HENA) for Cherwell and Oxford City confirms that Oxfordshire is generally considered to have a housing and economic market area that spans various administrative boundaries. This means that when households who live in Cherwell move home, most stay within the District but there is some in- and out-migration to the surrounding local authority areas – particularly within Oxfordshire – depending on work and other links.
57. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods are closely linked to other areas. In the case of Adderbury, changes in need or demand in settlements nearby, most notably Banbury and Bodicote, are likely to impact on the neighbourhood.
58. In summary, Adderbury functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (Cherwell), 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 plays 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

59. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.<sup>1</sup> The planning policy context for Cherwell consists of various documents. These are:
  - The Adopted Cherwell Local Plan 2011-2031 (Part 1), which contains strategic planning policies for development and the use of land. It was adopted in July 2015.
  - The Cherwell Local Plan 2011-2031 (Part 1) Partial Review – Oxford's Unmet Housing Need, which provides the strategic planning framework and site allocation to meet Cherwell's share of the unmet housing needs of Oxford to 2031. It was adopted in September 2020.

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<sup>1</sup> A description of the Basic Conditions of Neighbourhood Planning is available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>



- ‘Saved’ policies of the Adopted Cherwell Local Plan 1996, which have not been replaced by policies in the Local Plan 2011-2031 and remain in force. They were saved in September 2007.
  - The Non-Statutory Cherwell Local Plan 2011, which was intended to review and update the Local Plan 1996 but was discontinued prior to adoption due to changes to the national planning system. This document is not part of the statutory development plan but was approved as interim policy for development control purposes in December 2004. Many of its policies are superseded by those in the Local Plan 2011-2031.
60. Work is also underway on a review of the Local Plan. The Cherwell Local Plan Review 2040 will update some of the policies of the Local Plan 2011-2031 and address the needs of Cherwell up to 2040. When adopted, it will replace the Local Plan 2011-2031 and saved policies of the Local Plan 1996. A draft Plan was consulted upon between September and November 2023. The results of the consultation will be considered alongside further technical work as CDC prepares a proposed Plan for further consultation in 2024-2025.
61. The Local Plan Review was originally intended to sit beneath the Oxfordshire Plan 2050, an integrated strategic planning framework for the county. However, this effort was abandoned in 2022 and its future is uncertain.
62. A detailed breakdown of the adopted and emerging Local Plan policies relevant to housing need and delivery in Adderbury is provided in Appendix B. Here, it is worth summarising the most important points of the emerging Local Plan:
- The proposed housing target for the District is 25,860 new homes over the period 2020-2040, of which around 500 homes may be sought in rural areas (on top of existing completions and commitments).
  - Alongside 10 other settlements Adderbury is classified as a Larger Village, which is the third tier of the settlement hierarchy, following the Main Towns and Local Services Centres. (This represents a restructuring from the adopted Local Plan, in which Adderbury was classified as a Category A Service Village). No specific target is provided for Larger Villages individually or as a whole. Unplanned development is generally to be limited to providing for local needs and supporting local employment and services.
  - On developments of 10 or more new dwellings, 30% should be delivered as Affordable Housing. (This is a slight reduction from 35% in the adopted Local Plan). The suggested tenure mix within Affordable Housing should be 70% rented tenures and 30% other products (such as routes to ownership, with First Homes expected at 25% of all Affordable Housing, at a 30% discount).
  - The delivery of accessible and adaptable homes for older and vulnerable people is supported, with extra care dwellings or suitable alternatives expected on major sites. Precise targets for the proportion of specialist homes or accessibility standards for mainstream housing area not specified.
  - No sites are allocated in Adderbury. However, Appendix 3 identifies a site at Last House and Berry Field Road as deliverable and with a capacity of 40

dwellings. Cherwell's latest Annual Monitoring Report for 2023 describes this site as under construction.

## 3. Objectives and approach

### Objectives

63. This Housing Needs Assessment (HNA) is structured according to a number of themes or topics that were agreed at the outset of the research with Adderbury Neighbourhood Plan Working Group. These themes are broadly aligned with the kinds of housing policy areas available to neighbourhood plans, and each will form a distinct chapter of this report. The sub-sections below give a brief overview of the objectives of each chapter.

### Affordability and Affordable Housing

64. Neighbourhood plans may include policies that influence the scale of Affordable Housing provision and the mix of different tenures and products provided through new housing development.

65. This chapter has three aims, each given its own sub-section:

- To establish the existing **tenure** of homes within the NA at present (owner occupied, private rented, social/affordable rented, Shared Ownership);
- To examine the **affordability** of different tenures by considering house prices, rents, local incomes and earnings; and
- To estimate the scale of **need** for Affordable Housing, including the need for those who cannot afford to rent and those who cannot afford to buy.

66. The evidence gathered here can be used to justify planning policies in the Neighbourhood Plan, but it is likely that other supporting evidence may be needed, for example on viability. Local Plans typically include policies on Affordable Housing and whilst the Neighbourhood Plan must be in general conformity with these strategic policies, there is scope for Neighbourhood Plan policies to adopt some local variety where this is supported by the evidence.

### Type and Size

67. It is common for neighbourhood plans to include policies that influence what form new housing should take in terms of type and size. This requires evidence of what local people need.

68. The focus of this chapter is to identify relevant trends and potential gaps in the market that can be used to justify planning policies. It has three aims, each given its own sub-section:

- To establish what **mix** of housing exists in the NA at present;
- To describe relevant characteristics of the local **population**; and
- To look to the **future**, considering how the population is likely to evolve and what mix of homes would be most appropriate to build.

69. In addition to the direction of travel revealed by statistics, a variety of reasons sit behind people's housing choices that are less easy to predict, including wealth, accessibility requirements and personal preference. The conclusions and recommendations given here are sufficient for justifying planning policies but are not definitive. It is also appropriate to take into account other factors and evidence if desired.

## Specialist Housing for Older People

70. It may be appropriate for neighbourhood plans in areas with aging populations to include policies relating to specialist housing for older people.

71. 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. Its approach is as follows:

- To review the **current provision** of specialist housing in the NA;
- To estimate the **potential demand** for this form of accommodation with reference to the projected growth in the older population and current rates of mobility limitation; and
- To discuss the potential for meeting this need through adaptations to the mainstream stock and other **additional considerations**.

72. This element of the HNA recognises that the majority of older people will live in the mainstream housing stock and that there is no single way to meet their needs. It may also be inappropriate to focus excessively on the needs of one group or to promote a specialist scheme in a location that lacks adequate services. These issues will be drawn out.

## Approach

73. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the neighbourhood plan level. This includes data from the 2021 and 2011 Censuses and a range of other data sources, including:

- 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 Rightmove; and
- Local Authority housing waiting list data.
- The 2022 Housing and Economic Needs Assessment (HENA) for Cherwell District and Oxford City Councils.

74. Data from the 2021 Census continues to be released. Some data at parish scale and covering multiple variables will not be available until later in 2024.

## 4. Affordability and Affordable Housing

### Introduction

75. Neighbourhood plans may include policies that influence the scale of Affordable Housing provision and the mix of different tenures and products provided through new housing development.
76. This chapter has three aims, each given its own sub-section:
- To establish the existing **tenure** of homes within the NA at present (owner occupied, private rented, social/affordable rented, Shared Ownership);
  - To examine the **affordability** of different tenures by considering house prices, rents, local incomes and earnings; and
  - To estimate the scale of **need** for Affordable Housing, including the need for those who cannot afford to rent and those who cannot afford to buy.
77. The evidence gathered here can be used to justify planning policies in the Neighbourhood Plan, but it is likely that other supporting evidence may be needed, for example on viability. Local Plans typically include policies on Affordable Housing and whilst the Neighbourhood Plan must conform with these policies, there is scope for Neighbourhood Plan policies to adopt some local variety where this is supported by the evidence.

### Definitions

78. This section uses a range of technical terms which are useful to define at the outset:
- **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).
  - **Affordability** refers to the relationship between the cost of housing to buy or rent and the incomes and earnings of households.
  - The definition of **Affordable Housing** is set out in the NPPF 2023 (Annex 2) as 'Housing for sale or rent, for those whose needs are not met by the market...' We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF (Annex 2). A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
  - A range of affordable home ownership opportunities are included in the Government's definition of Affordable Housing, to meet the needs of those aspiring to own a home. As part of this, the Government has introduced a

new product called First Homes, although this is not yet reflected in Annex 2 of the NPPF.<sup>2</sup>

- **First Homes** is a new product and expected to be an important part of the strategy for improving access to home ownership. Its key features are explained in greater detail in Appendix C.

## Current tenure profile

79. The current tenure profile is a key feature of the Neighbourhood Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.
80. Table 4-1 presents data on tenure in Adderbury compared with Cherwell and England from the 2021 Census. It shows that a notably higher proportion of Adderbury households own their own homes than is the case across the District or England. This comes at the expense of social renting and, especially, private renting. The relative lack of alternatives to ownership are likely to present a challenge for those on the lowest incomes to remain in the Parish.

**Table 4-1: Tenure (households), various geographies, 2021**

Tenure	Adderbury	Cherwell	England
Owned	77.1%	65.0%	61.3%
Shared Ownership	1.6%	1.9%	1.0%
Social rented	9.2%	13.3%	17.1%
Private rented	12.1%	19.8%	20.6%

Sources: Census 2021, AECOM Calculations

81. Despite the imbalances evident in this current picture, the 2021 mix reflects meaningful increases in the more affordable tenure options since the 2011 Census. This is shown in Table 4-2 below, which suggests that Adderbury has experienced a significant injection of Affordable Housing in recent years, including 48 affordable rented homes and 15 shared ownership properties. The private rented sector has also expanded by 31% over the period. Although all of these options remain more limited than the Cherwell and national averages, they represent a recent improvement in the diversity and affordability of Adderbury's housing offering.

**Table 4-2: Tenure change (households), Adderbury, 2011-2021**

Tenure	2011	2021	% change
Owned	934	1,032	10.5%
Shared Ownership	7	22	214.3%
Social rented	75	123	64.0%
Private rented	124	162	30.6%

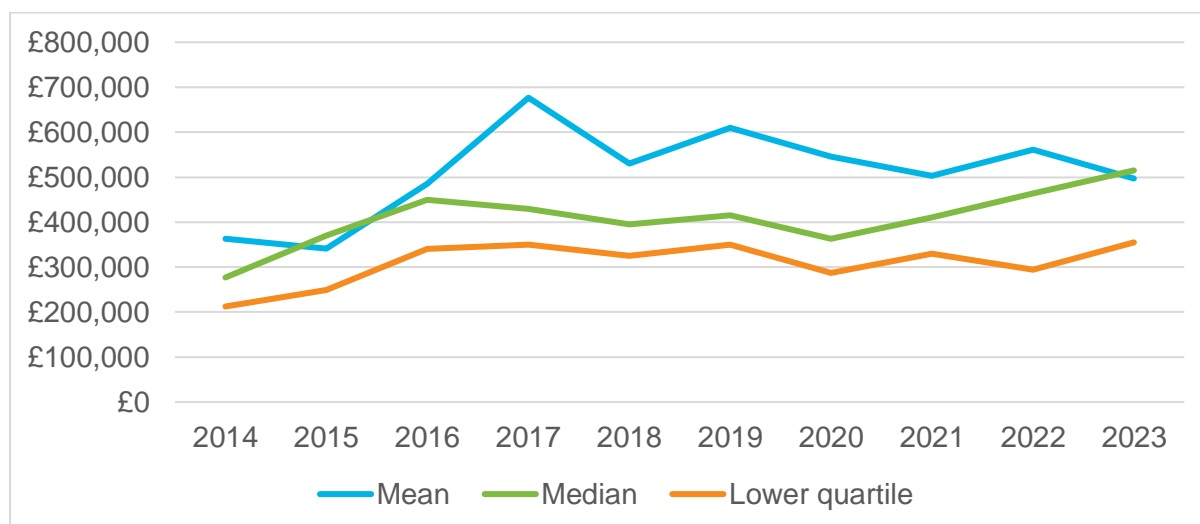
Sources: Census 2021, AECOM Calculations

<sup>2</sup> The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

# Affordability

## House prices

82. 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.
83. Figure 4-1 looks at the average and lower quartile house prices in Adderbury based on sales price data published by the Land Registry. It shows that prices have followed a gentle upward trajectory over the past decade despite a number of year-on-year fluctuations, leaving the median transaction price 86% higher in 2023 than 2014. The mean has followed a much more volatile trajectory, though this is not unusual because it tends to be influenced disproportionately by outliers at the high and low end of the price spectrum, particularly in small data samples.
84. The current median house price is £515,000, the current mean is £497,534, and the current lower quartile (the middle value of the cheapest 50% of properties sold) is £355,000. The lower quartile, which is typically taken as a good representation of 'entry-level' housing is around 70% of the median price, meaning there is potentially less variety at the lower end of the market and that truly entry-level properties less frequently come up for sale.
85. Average house prices in Adderbury are significantly more expensive than those of Cherwell as a whole. The median house price is 35% higher, translating into a price difference of around £178,000, and the lower quartile is 28% higher (£99,500 more). Although these substantial differences certainly point to higher land values in Adderbury, they also reflect the different dwelling mixes of the NA and wider District – primarily the fact that there are higher proportions of larger detached houses and lower proportions of smaller flats in the Parish than the District (see Type and Size chapter for more detail).
86. The high price of housing for market purchase presents a significant barrier to entry for lower earning households. Although they may struggle to find appropriate properties within the parish, they do potentially have lower-cost alternatives if they are prepared to move elsewhere in Cherwell.

**Figure 4-1: House prices by quartile in Adderbury, 2014-2023**

Source: Land Registry PPD

87. Table 4-3 breaks down house prices by type, presenting the median within each type. It shows that semi-detached homes in particular have experienced strong price growth over the period – although this finding appears to reflect an unusually high average for this type in 2023. It is generally more difficult to draw robust conclusions for price averages by type because the sample sizes are smaller. This is particularly the case for the low number of transactions of flats in Adderbury, meaning that the annual average is driven more strongly by the specific characteristics of properties that happen to be sold in a given year rather than trends in market demand.

**Table 4-3: Median house prices by type in Adderbury, 2013-2022**

Type	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Growth
Detached	£392,500	£430,000	£500,000	£525,000	£452,500	£463,500	£480,000	£565,000	£682,500	£573,000	46.0%
Semi-detached	£272,500	£370,000	£345,000	£385,000	£365,000	£357,500	£325,000	£375,000	£396,000	£457,475	67.9%
Terraced	£257,500	£274,000	£282,500	£347,475	£320,000	£365,000	£277,000	£345,000	£425,000	£331,000	28.5%
Flats	£186,250	£197,500	£136,750	£210,000	£226,250	£200,500	£67,838	£212,500	£200,000	£220,000	18.1%
<b>All Types</b>	<b>£277,000</b>	<b>£370,000</b>	<b>£450,000</b>	<b>£430,000</b>	<b>£395,000</b>	<b>£415,000</b>	<b>£363,000</b>	<b>£410,000</b>	<b>£463,750</b>	<b>£515,000</b>	<b>85.9%</b>

Source: Land Registry PPD

## Income

88. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Three sources of data are used to examine household incomes in the NA.
89. 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) and now slightly dated. The average total household income locally was £60,600 in 2020 (the most recent year for this dataset). Discussion about the area to which this data applies is provided in Appendix A.



90. 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. Cherwell's gross individual lower quartile annual earnings were £18,818 in 2023. To estimate the income of households with two lower quartile earners, this figure is doubled to £37,636.
91. 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.

## **Affordability Thresholds**

92. 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.
93. AECOM has determined thresholds for the income required in Adderbury 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 C.
94. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although different approaches are sometimes taken and a case can be made for alternatives. This is discussed in more detail at the start of Appendix C.
95. Table 4-4 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased, although 5% may be available for some buyers) 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.

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

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £60,600	Affordable on LQ earnings? £18,818	Affordable on LQ earnings (2 earners)? £37,636
<b>Market Housing</b>						
Median House Price	£463,500	-	<b>£132,429</b>	No	No	No
Estimated NA New Build Entry-Level House Price	£361,665	-	<b>£103,333</b>	No	No	No
LQ/Entry-level House Price	£319,500	-	<b>£91,286</b>	No	No	No
New Build Median House Price	£343,328	-	<b>£98,094</b>	No	No	No
3+ Bed Market Rent	-	£23,400	<b>£78,000</b>	No	No	No
2 Bed (Entry-level) Market Rent	-	£15,300	<b>£51,000</b>	Yes	No	No
<b>Affordable Home Ownership</b>						
First Homes (-30%)	£253,166	-	<b>£72,333</b>	No	No	No
First Homes (-40%)	£216,999	-	<b>£62,000</b>	Marginal	No	No
First Homes (-50%)	£180,833	-	<b>£51,666</b>	Yes	No	No
Shared Ownership (50%)	£180,833	£5,023	<b>£68,410</b>	No	No	No
Shared Ownership (25%)	£90,416	£7,535	<b>£50,949</b>	Yes	No	No
Shared Ownership (10%)	£36,167	£9,042	<b>£40,472</b>	Yes	No	No
<b>Affordable Rented Housing</b>						
Affordable Rent	-	£8,073	<b>£26,883</b>	Yes	No	Yes
Social Rent	-	£5,534	<b>£18,428</b>	Yes	Yes	Yes

Source: AECOM Calculations

96. Before considering each tenure category in turn, it is important to stress that these affordability thresholds have been calculated to give an 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

97. 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 more than double the current average – a difference of £72,000. Entry-level housing (represented by the lowest 25% of sales) is more affordable but still clearly out of reach for average earning households without additional savings.

98. Private renting is generally only affordable to average earning households, who can afford the rent of a 2 bedroom property but would be likely to struggle if larger homes are needed. Lower earning households appear unable to afford even an entry-level rented property unless they are able or willing to dedicate a much larger proportion of their incomes to rental costs, although this would carry repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances. A broader challenge in relation to private renting is that, though potentially cheaper, too few properties tend to be available to make this a reliable option for lower earning households.

### **Affordable home ownership**

99. There is a relatively large group of households in Adderbury who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £50,000 per year (at which point entry-level rents become affordable) and £90,000 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and Shared Ownership.
100. 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.
101. As such, this HNA has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Only the 50% discount level appears affordable to average earning households, although the 40% level is only just out of reach and may be accessible to those with savings for a slightly larger deposits. No version of this product is close to being affordable to lower earning households. First-time buyers in the former group are the more realistic target market for First Homes, so this analysis suggests that there is a need to exceed the minimum default discount level of 30% in Adderbury, to either 40% or 50%. Furthermore, as estimated here, First Homes at a discount of 30% in Adderbury are likely to exceed the national price cap on this product. Note that the emerging Local Plan for Cherwell specifically seeks the minimum 30% discount level. While Neighbourhood Plans are theoretically able to deviate from Local Plan discount levels, this should ideally be explored collaboratively with CDC.
102. It is important to note that this evidence based on affordability does not provide a complete picture: evidence about the financial viability of development is also relevant. The question is whether demanding higher discount levels on First Homes will create a financial burden on developers that leads them to argue either that the discount level is not feasible or that the total amount of Affordable Housing may need to be decreased (or, indeed, that other changes such as more executive-style housing are needed). This could effectively sacrifice the provision of affordable rented housing to provide a more attractive First Homes product. The issue of development viability is a specialist matter involving analysis of land

values and build costs that is outside the scope of this assessment. As noted above, if the Working Group intend to set a higher First Homes discount level than that set at District level, further discussions with the LPA are advised.

103. Shared Ownership appears to be slightly more affordable than First Homes but is broadly accessible to the same groups. Government has recently announced that the minimum equity share for Shared Ownership will fall to 10% of the property value.<sup>3</sup> If this is delivered in the NA, it will make Shared Ownership easier to access for more people – including potentially to the benchmark used here for dual lower earning households. 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.
104. Rent to Buy provides households with the option to rent at a discount whilst saving for a deposit to buy their property within a set period (usually within 7 years). The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. However, affordability to local households would depend on how rents are set. If Rent to Buy is offered at a discount to *entry level* rents, this would expand this route to home ownership to average earners. Discounts on *average* rents would make Rent to Buy options more expensive than all First Homes and Shared Ownership products. However, for some households, the availability of a deposit rather than income level per se is the key barrier to accessing home ownership. Rent to Buy may therefore offer a useful product to meet the needs of some households.
105. These three affordable home ownership 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.

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<sup>3</sup> The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

- 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.

### **Affordable rented housing**

106. Affordable rents set out in the table above are substantially below market rents. Whilst affordable rents can be set at up to 80% of market rents, in many locations Registered Providers (housing associations) set them to ensure that they are affordable to those claiming housing benefit, i.e. at or below Local Housing Allowance levels. This means that they are in practice below 80% of market levels. This appears to be the case in Adderbury.
107. Affordable rented housing is generally affordable to lower earning households. In fact, lower earning households appear reliant exclusively on social renting due to the severe affordability challenges in the mainstream non-subsidised market. Such individuals will, if unable to secure a social rented dwelling, require additional subsidy through Housing Benefit to access housing.
108. The evidence in this chapter indicates a clear divide in housing affordability in Adderbury, with higher earners and those already on the housing ladder potentially able to buy their own homes, average earners able to a limited range of alternative options (such as private renting and affordable routes to ownership), and lower earners able to access nothing but affordable rented housing. This suggests that the affordable rented sector performs a vital function in Adderbury as the only option for a large segment of those in the greatest need.
109. Social rents are cheaper than affordable rents and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This means that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

## Estimates of the need for Affordable Housing

110. This section seeks to quantify the long-term potential need for Affordable Housing, which should be considered separately for affordable rented housing and affordable routes to ownership. The appropriate approach is taken based on the evidence available at Local Authority and NA scale.

### AECOM Estimates

111. AECOM estimates there to be limited long-term need for affordable rented homes in Adderbury. Our model calculates an annual surplus of 3.9 units – meaning that newly arising need is expected to be exceeded by supply through turnover (vacancies) in the existing stock over the long-term.
112. The estimate and assumptions used are detailed in Appendix D and summarised in Table 4-5 below. This estimate is largely for social/affordable rent as it relates to households who live in unsuitable housing and who cannot afford to access market rents.
113. This result may initially be surprising since there is understood to be a current backlog of need (in the region of 5-19 households – see further detail below). The reason for the affordable rented housing need being met over the long-term is that model reflects the recent rate of turnover in the existing stock: of the affordable rented accommodation existing currently, it can be expected that some will come vacant in any given year as their current occupants move to a new location, pass away or cease to be eligible as their circumstances change. AECOM's usual assumption is that around 3% of the existing stock is likely to come vacant in a given year. This implies turnover of 3-4 units per year in Adderbury. However, CDC have provided data on average relets over the past decade indicating turnover has been closer to 6.5 units per year. This rate of turnover, if it persists, is potentially able to satisfy the projected newly arising need as well as some of the backlog, which is effectively spread out over the 10-year period to produce an annualized figure.
114. An important caveat to this finding is that Adderbury has recently experienced a large increase in the number of affordable rented homes. This means that the current backlog of need may be lower than normal because many households have recently been housed. However, these new homes also provide the opportunity to accommodate more households in future, meaning that their existence does not necessarily lead to an underestimate of future needs.
115. It is, however, important to note that the NA may be meeting wider needs within the District or the Parish's rural hinterland where the services and facilities required are more limited. As such, whilst it may be possible to address localised needs through the existing stock, new affordable rented housing may still need to be provided for households in acute need living elsewhere in the wider area.
116. A further caveat worth emphasizing is that one unit of Affordable Housing does not necessarily service one household worth of need, since the unit might have 2

bedrooms while the applicant household might require 4 bedrooms, may be located in an inappropriate location, or be otherwise unsuitable.

117. For these reasons, it may be appropriate for Adderbury to encourage the delivery of some affordable rented housing, with the understanding even if this would meet all of the localised need, it may also help to meet needs from elsewhere in the district. The NA's wider strategic role in the delivery of Affordable Housing should be discussed with Cherwell District Council.

**Table 4-5: Estimate of need for Affordable Housing for rent in Adderbury**

Component of need or supply in the AECOM estimate	Per annum
Current need	1.2
Newly arising need	1.4
Supply	6.5
<b>Net surplus</b>	<b>3.9</b>

Source: AECOM model summary of estimates. Full estimate included in Appendix D

118. Turning to affordable home ownership tenures, AECOM estimates potential demand for 5.7 affordable home ownership dwellings per annum in Adderbury, equating to a total of 91 (rounded) over the Neighbourhood Plan period. The estimate and assumptions used are detailed in Appendix D and summarised in Table 4-6 below. One of the reasons the result is proportionally quite high in relation to historical delivery or the likely future need is that there is so little Shared Ownership housing in the Parish at present (despite a recent uptick) that turnover in the existing stock has a much lesser impact on the final estimate.
119. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing. As such, the overall need for housing should not be inferred from this estimate of potential demand.

**Table 4-6: Estimate of need for Affordable Housing for sale in Adderbury**

Component of need or supply in the AECOM estimate	Per annum
Current need	5.7
Newly arising need	1.1
Supply	1.1
<b>Net shortfall</b>	<b>5.7</b>

Source: AECOM model summary of estimates. Full estimate included in Appendix D

## **Evidence in the HENA**

120. A HENA was undertaken for Oxfordshire in 2022. This study estimates the need for affordable housing in Cherwell and other districts based on analysis of the Councils' housing waiting lists and analysis of other data sets in line with Planning Practice Guidance at the time.
121. The HENA identifies the need for 660 additional affordable rented homes and 193 affordable home ownership dwellings each year in Cherwell.
122. When the HENA figures are pro-rated to Adderbury based on its share of the population (2.1% of the District's population according to the 2021 Census), this equates to 14 affordable rented homes and 4 affordable home ownership dwellings per annum. This is valid additional evidence to suggest that the wider needs of Cherwell are strongly weighted in favour of affordable renting rather than ownership, and that there is a particularly significant need for the former to which Adderbury may need to contribute even if the Parish's own needs are largely met (as suggested in the HNA estimates).
123. However, pro-rating District level estimates of affordable housing need to rural areas presents problems in practice. The Local Authority level figures are likely to represent higher needs in urban areas where there is a large social housing stock and larger numbers of households living in private rented homes on housing benefit. Both of these factors tend to generate higher needs. By contrast, in rural parishes like Adderbury the relative lack of social housing means there is no need generated from households already living in the sector. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing). This means it is difficult to identify Affordable Housing needs for Adderbury through the calculations provided in the HENA.

## **Additional evidence of Affordable Housing needs**

124. Cherwell District Council provided key statistics from the affordable rented housing register, which has been drawn upon to some extent in AECOM's calculations. It is worth also setting out this evidence explicitly here.
125. As of February 2024 there were 6 households with a verified local connection to Adderbury and a further 13 households living in the relevant postcode area without a verified connection on the waiting list for affordable rented housing. These figures are combined as the key input to the affordable rented need calculation above. The eligibility for homes of different sizes was roughly split between 1 and 2 bedroom properties, with only one household requiring 3 bedrooms. The majority of the current need falls into lower priority bands. Only 2 households across both categories (verified local connection or not) fall into band 1, 3 fall into band 2, 8 fall into band 3 and 6 fall into band 4.
126. There have been 65 re-lets in the existing social rented housing stock in the past ten years – i.e. vacancies that were filled by other households on the list.



The annual average is thus 6.5 per year. In addition there have been 42 first lets into brand new affordable rented accommodation.

## **Affordable Housing policies in Neighbourhood Plans**

127. This section outlines a common Neighbourhood Plan policy level around the tenure mix of affordable housing, provides a recommendation and summarises relevant considerations.

### **Application of Local Plan policies**

128. Cherwell's adopted policy on this subject requires 35% of all new housing on sites of 11+ homes to be affordable. In the Local Plan this is lowered to 30% of new housing on sites of 10+ homes. It is difficult to establish whether this target is usually met on housing sites in Adderbury because completions data from CDC is not broken down by tenure for parishes. It is evident that a relatively large volume of Affordable Housing has been delivered in the past decade. However, it is unknown whether this is associated with one or more specific sites or whether it also reflects financial contributions made toward previous schemes.
129. 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 evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
130. How the Affordable Housing that comes forward through mainstream development sites (i.e. the 30-35% of all housing cited above) is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is expected to be comprised of 70% affordable rented housing and 30% routes to affordable home ownership. This Affordable Housing tenure split remains the same in the adopted and emerging Local Plans.

### **Affordable Housing at Neighbourhood level**

131. The HNA can provide more localised evidence and this may be used to support Neighbourhood Plan policies. This section suggests an Affordable Housing tenure mix that might be suitable for Adderbury on the basis of identified housing need and a range of other considerations detailed in Appendix D.
132. The key factors here can be summarised as follows:
- AECOM's estimates suggest a robust potential demand for affordable home ownership in Adderbury and limited need for further affordable rented homes because turnover in the current stock appears able to satisfy newly arising need. This points toward a strong emphasis on ownership options.
  - There is nevertheless a not insignificant current backlog of need for affordable rented housing (around 5-19 households) which may represent an unusually low tally following the volume of recent Affordable Housing

completions. There is also persistent outstanding need across Cherwell as a whole amounting to 660 units per year, to which the NA might reasonably be expected to contribute.

- In this context of unknown future housing supply, it is difficult to know whether to prioritise specific forms of Affordable Housing. If supply is found or expected to be limited, it would be wise to prioritise more acutely needed affordable rented housing. If a large volume of future supply is expected, there is a greater opportunity to deliver routes to affordable home ownership without prejudicing more urgent needs. Although within the Parish itself there appears to be higher potential demand for routes to ownership than rented options, there is value in greater balance if development in Adderbury is expected to satisfy the needs of others in the District.
  - The affordability analysis earlier in this chapter established that affordable rented housing is the only option for single lower earners and that, while still expensive in some forms, affordable home ownership products would meaningfully widen access to home ownership to local people. This suggests both should feature in the tenure mix.
133. On balance, AECOM suggests that there is an opportunity here to boost levels of affordable home ownership to meet high levels of potential demand in a context where home ownership through the open market is very unaffordable. The trade-off is that this would lower delivery of affordable rented housing, which serves those in the greatest need. In this case, AECOM estimates that the existing stock of affordable rented housing may be sufficient for the community's evolving needs. However, it may be prudent to future-proof the stock through some additional supply in case this situation changes and to contribute to the unmet needs of the wider area.
134. As such, both affordable rent and affordable home ownership should feature in the Affordable Housing tenure mix. AECOM's interpretation of the evidence suggests that a balanced mix is appropriate. Table 4-6 sets out one proposed option, and breaks down the headline split between rented and ownership tenures with reference to the affordability analysis earlier in the chapter. This suggested that First Homes at higher discount levels may be beneficial, Shared Ownership is also potentially valuable at lower equity shares, and that rent to buy is potentially the least affordable option (although it benefits those without savings for a deposit).
135. Note that the suggested option below is a reflection of the evidence gathered here. However, the default tenure mix within Affordable Housing (outlined in both Cherwell Local Plans) of 70% affordable rent and 30% affordable home ownership is also highly appropriate given uncertainties about the future scale of housing supply overall, the potential for the HNA calculations to underestimate affordable rented needs, and the robust need for affordable rent (particularly in comparison to ownership tenures) established in the HENA. AECOM would equally endorse this default mix if it is found to be more in line with the objectives of the community.

136. Where the Working Group wish to develop policy that deviates from that outlined in the Local Plan, it is important that they liaise with Cherwell District Council to understand if any more detailed viability information is needed, and to ensure that departures from the local policy context have their support.

**Table 4-7: Indicative tenure split (Affordable Housing)**

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

*Source: AECOM calculations*

## Conclusions- Tenure and Affordability

### Current tenure profile

137. Home ownership is the dominant tenure in Adderbury, representing a notably higher share of the total (77%) than the wider District (65%) and national average (61%). The prevalence of home ownership comes at the expense of social renting and, especially, private renting. The lack of alternatives to ownership are likely to present a challenge for those on the lowest incomes seeking to remain in the Parish.
138. That said, the 2021 mix reflects meaningful increases in the more affordable tenure options since the 2011 Census – particularly affordable rented housing and shared ownership, though the private rented sector has also expanded. While

housing choice and affordability is limited in Adderbury, it has improved as a result of recent development.

### **Housing costs**

139. Home values in the NA have followed a general upward trajectory despite some year-on-year fluctuations. The current median house price (middle number when arranged from lowest to highest) is £515,000, which is 86% higher than the 2014 average. The lower quartile price (the lowest 25% of prices, used as a good proxy for entry-level housing) stands at £355,000. This is relatively close to the median, indicating that the range of price points in Adderbury is narrow and, consequently, people may struggle to find truly affordable entry-level properties.
140. It is also worth noting that the current median house price in Adderbury is 35% higher than the current median for Cherwell as a whole. Although Adderbury is dominated by detached and larger (4+ bedroom) homes and, correspondingly, District averages are strongly influenced by the smaller and flatted accommodation that is more plentiful in its more urban locations, it remains clear that Adderbury is a high-value housing market for the local area. This presents a barrier to entry for households with lower incomes or wealth.
141. AECOM has estimated the annual income required to afford various tenures of housing in Adderbury – each of which is explained in detail in Appendix C. These thresholds are compared to incomes to determine which options are the most appropriate for local people going forward. The average household income in the NA area was £60,600 in 2020 and the lower quartile household income for Cherwell was £18,818 in 2023.
142. It was found that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. The median house price would require an annual income more than twice the current average. Private renting is more affordable, but is generally only accessible to average earning households – and even then only for dwellings with 2 bedrooms or fewer. A broader challenge in relation to private renting is that, though potentially cheaper, too few properties are regularly available to make this a reliable option for lower income households.
143. Subsidised routes to home ownership like First Homes and Shared Ownership are intended to target people who can afford to rent but not to buy. In Adderbury there is a relatively large gap between the income needed to afford to rent (£50,000) and to buy (£90,000), who may benefit from these products.
144. The discount on First Homes can be set at 30%, 40% or 50% in Neighbourhood Plans. In Adderbury the minimum 30% discount appears insufficiently affordable to average earning households, and would make First Homes exceed the national price cap (based on the benchmark used to estimate their value here). A higher discount of 40% would expand access to ownership more widely and bring First Homes very nearly within reach of average earners. A 50% discount would make a more meaningful difference, although this might have implications on the viability of Affordable Housing more widely.

145. Affordable rented housing appears generally affordable to households on lower quartile incomes. The evidence in this chapter indicates a clear divide in housing affordability in Adderbury, with higher earners and those already on the housing ladder potentially able to buy their own homes, average earners able to afford some alternative options (such as private renting and affordable routes to ownership), and lower earners able to access nothing but affordable rented housing. This suggests that the affordable rented sector performs a vital function in Adderbury as the only option for a large segment of those in the most acute need.

### **The need for Affordable Housing**

146. AECOM estimate that there will be a long-term surplus of affordable rented housing in Adderbury rather than an unmet need. This amounts to an annual surplus of 3.9 affordable rented homes. Details of the calculations discussed here are provided in the main body of the report and in Appendix D.
147. This result may initially be surprising since there is understood to be a current backlog of need (in the region of 5-19 households depending on whether those living locally or only those holding a validated local connection are counted). The reason for the affordable rented housing need being met over the long-term is the rate of turnover in the existing stock of social housing, which suggests that vacancies will be able to satisfy the projected newly arising need as well as some of the backlog – particularly given the large recent injection of supply.
148. AECOM estimate potential demand for 5.7 affordable home ownership dwellings per annum in Adderbury, equating to a total of 91 over the Neighbourhood Plan period. The households eligible for such homes do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing. It is important to note that there is no obligation to meet this level of potential demand in its entirety, and there are valid further reasons that could prevent it such as the availability of land, capacity of infrastructure and services to accommodate growth, and the need housing from other groups. This estimate should be interpreted simply as an expression of the potential demand for ownership among those who cannot currently afford it.

### **Affordable Housing policy**

149. Affordable Housing is typically provided and made financially viable by District-wide planning policies that require it to be included at a set proportion of market housing developments. Cherwell's adopted policy on this subject requires 35% of all new housing be affordable, and the emerging Local Plan reduces the target to 30%. This is a policy area within the remit of CDC, but it is worth considering what the most appropriate mix of Affordable Housing products might be in the NA specifically.
150. AECOM recommends that the tenure mix of Affordable Housing secured in future years gives broadly even priority to affordable home ownership options (50%) and affordable rented provision (50%). There is an opportunity here to boost levels of

affordable home ownership to meet high levels of potential demand in a context where home ownership through the open market is very unaffordable. The trade-off is that this would lower delivery of affordable rented housing, which serves those in the greatest need. In this case, AECOM estimates that the existing stock of affordable rented housing may be sufficient for the community's evolving needs. However, it would be beneficial to future-proof the stock through some additional supply in case this situation changes and to contribute to the unmet needs of the wider area.

151. There is no obligation to follow this recommendation or to depart from the any emerging Local Plan default mix if that is more in line with the community's objectives. Indeed, the default mix of 70% affordable rent to 30% affordable home ownership may be more prudent in the context of unknown future housing supply. Further discussion with Cherwell District Council about the options and their advice would be beneficial, and could cover issues beyond the scope of this report, such as development viability.

## 5. Type and Size

### Introduction

152. It is common for neighbourhood plans to include policies that influence what form new housing should take in terms of type and size. This requires evidence of what local people need.
153. This can be done using statistics to identify relevant trends and potential gaps in the market. That is the focus of this chapter of the HNA. The evidence gathered here can be used to justify planning policies either on its own or in combination with survey results expressing the specific wants and concerns of local residents. It will also build up a picture of the population and existing range of homes that may provide useful context for the neighbourhood plan.
154. This chapter has three aims, each given its own sub-section:
- To establish what **mix** of housing exists in the NA at present;
  - To describe characteristics of the local **population** that are relevant to housing need; and
  - To look to the **future**, considering how the population is likely to evolve and what mix of homes would be most appropriate to build.
155. It is important to keep in mind that housing need is not an exact science. To get from a set of facts about the population to an ideal mix of homes requires making assumptions. For example, there are clear patterns about what size of home families tend to live in at different stages of life. However, a variety of other reasons sit behind people's housing choices that are less easy to predict, including wealth, accessibility requirements and personal preference. Some trends can also change rapidly over time, such as the increasing preference for home working.
156. The conclusions and recommendations given here are therefore not definitive. Rather, they are what the statistics suggest future needs will look like based on current trends. This is sufficient for justifying planning policies, but it is also appropriate to take into account other factors and evidence if desired.

### Definitions

- **Dwelling type:** whether a home is detached, semi-detached, terraced, a flat, bungalow or other type. Which a household chooses to occupy tends to be more about wealth and preference than a specific need.
- **Dwelling size:** how many rooms or bedrooms a home contains. While this could also mean floor area or number of storeys, the number of bedrooms is most reliably recorded in housing statistics. Bedroom numbers are also closely linked to family size and life stage.
- **Household:** a unit of people who live together, commonly a family, couple or single person. Not all dwellings contain a household, including properties that are vacant and second homes, so the number of dwellings and the number of households in an area is usually different.

- **Household composition:** the specific combination of adults and children who form a household. The Census offers a number of categories, for example distinguishing between families with children who are dependent or non-dependent (i.e. adults). 'Other' households in the Census include house-sharers, groups of students, and multi-family households.
- **Household life stage:** the age of the lead member of a household – usually the oldest adult, or what used to be called the 'head of household'. Life stage is correlated with dwelling size as well as wealth.
- **Housing mix:** the range of home sizes and types in an area.
- **Over- and under-occupancy:** the degree to which the size and composition of a household lines up with the number of bedrooms in their home. If there are more bedrooms than the household would be expected to need, the home is considered under-occupied, and vice versa.

## The current housing mix

157. This section establishes the current housing mix of Adderbury, highlighting recent changes to it and comparing the mix to wider averages.

### Dwelling type

158. Table 5-1 below shows that Adderbury's dwelling mix is more strongly weighted in favour of detached housing than the wider comparator geographies of Cherwell and England – although this characteristic is not unusual for rural villages. There are correspondingly smaller proportions of other type categories. In particular, there is a comparative lack of terraced and flatted accommodation, which tends to be the smallest and most affordable, and therefore most suitable to newly forming younger households in particular.

159. The Census divides dwellings into a standard set of categories that does not include bungalows: a detached bungalow will be counted only as a detached house, and so forth. It is therefore useful to refer to Valuation Office Agency (VOA) data, which is based on council tax reporting and is in other respects less precise, but which does separate out bungalows as a separate category. VOA counts 170 bungalows in Adderbury in 2022, which is 12% of all homes. This is a slightly higher proportion than wider Cherwell and England (both 9%). Bungalows tend to appeal to older households and those with mobility limitations, so this element of Adderbury's housing stock may be linked to the age profile of the population, considered later in this chapter.

**Table 5-1: Accommodation type, various geographies, 2021**

Type	Adderbury	Cherwell	England
Detached	45.3%	30.4%	22.9%
Semi-detached	32.6%	35.2%	31.5%
Terrace	13.5%	21.7%	23.0%
Flat	7.9%	12.3%	22.2%

Source: Census 2021, AECOM Calculations



160. Looking at how the housing stock by type has changed in recent years, Table 5-2 below suggests that around 60% of the new homes built since 2011 were detached. Semi-detached properties were the next most common, closely followed by flats – which saw the largest proportional increase from a fairly low base. These changes have had the effect of further exaggerating the Parish's existing skew toward less dense (and often more expensive) dwelling types, while also providing a measure of diversification through the injection of a number of new flats.

**Table 5-2: Accommodation type, Adderbury, 2011-2021**

Type	2011	2021	% change
Detached	526	605	15.0%
Semi-detached	407	436	7.1%
Terrace	175	180	2.9%
Flat	87	105	20.7%
<b>Total</b>	<b>1,201</b>	<b>1,336</b>	<b>11.2%</b>

Source: Census 2021, AECOM Calculations

## Dwelling size

161. Table 5-3 shows the mix of dwelling sizes by number of bedrooms in the NA compared to the wider District and country. Adderbury has a generally larger housing stock than the comparator areas. In particular, the proportion of 4+ bedroom homes in the Parish is nearly 15 percentage points higher than Cherwell and almost double the national average. The share of homes with 2 and 3 bedrooms is only slightly below wider averages, but there are particularly few 1 bedroom properties.

**Table 5-3: Dwelling size (bedrooms), various geographies, 2021**

Number of bedrooms	Adderbury	Cherwell	England
1	4.3%	9.5%	11.6%
2	19.1%	23.1%	27.3%
3	36.2%	41.1%	40.0%
4+	40.3%	26.3%	21.1%

Source: Census 2021, AECOM Calculations

162. In terms of recent changes to the dwelling size profile, Table 5-4 shows that around two-thirds of new homes built since 2011 have had 4 or more bedrooms (123 out of 185). This has again had the effect of exaggerating the bias toward larger homes in Adderbury. There were also increases in each of the other size categories. The large proportional increase in 1 bedroom homes, aligned with the increase in flats observed above, represents a smaller actual increase of 17 properties. It should be emphasised that this data shows changes to the existing stock of housing rather than simply the addition of newly built properties. (It was not possible to isolate new construction from changes to existing homes because CDC completions data is not broken down by size.)

**Table 5-4: Dwelling size (bedrooms), Adderbury, 2011-2021**

Number of bedrooms	2011	2021	% change
1	41	58	41.5%
2	239	256	7.1%
3	457	485	6.1%
4+	416	539	29.6%
<b>Total</b>	<b>1,153</b>	<b>1,338</b>	<b>16.0%</b>

Source: Census 2021, AECOM Calculations

## Population characteristics

163. Having This section examines key characteristics of the local population that have a bearing on what housing might be needed in future years.

### Age

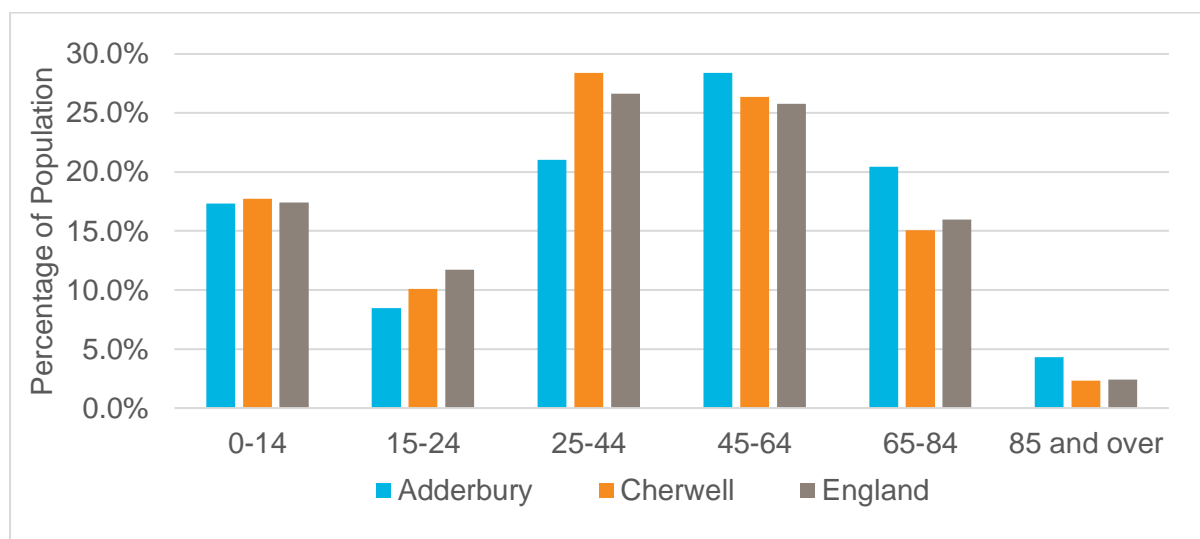
164. Table 5-5 shows the most recent age structure of the NA population, alongside 2011 Census figures. This shows the gentle pace of ageing in Adderbury, with the oldest two age groups expanding by the largest proportional increases while all other age groups have grown at more varied and modest rates. It is notable that the number of children and young people aged 15-24 have experienced robust growth, indicating the ability of Adderbury to attract a replacement population of young families, which may be linked to the recent provision of some smaller and potentially more affordable housing units. This evidence would appear to support the potential for any future development to attract and retain these groups if that is the community's wish.

**Table 5-5: Age structure of Adderbury, 2011 and 2021**

Age group	2011 (Census)		2021 (Census)		Change
0-14	494	17.5%	575	17.3%	16.4%
15-24	224	7.9%	281	8.5%	25.4%
25-44	653	23.2%	698	21.0%	6.9%
45-64	817	29.0%	942	28.4%	15.3%
65-84	533	18.9%	679	20.5%	27.4%
85 and over	98	3.5%	143	4.3%	45.9%
<b>Total</b>	<b>2,819</b>		<b>3,318</b>		<b>17.7%</b>

Source: ONS 2011, ONS 2021, AECOM Calculations

165. For context, it is useful to look at the NA population structure alongside that of the District and country. Figure 5-1 (using 2021 Census data) shows that Adderbury's population is markedly older than that of Cherwell. As the population continues to evolve to 2040 it is likely that many people in the particularly large 65-84 age group in Adderbury today will enter the 85+ group, at which point people's housing needs tend to change – for example, requiring accessibility adaptations or additional support.

**Figure 5-1: Age structure in Adderbury, 2021**

Source: ONS 2021, AECOM Calculations

## Household composition and occupancy

166. Household composition (the combination and relationships of adults and children in a dwelling) is an important factor in the kinds of housing needed over the Neighbourhood Plan period. Table 5-6 shows that Adderbury has a slightly lower proportion of single-person households than the wider District and country, although the NA does have a higher share of single-person households aged over 66. Of the Parish's family households, many more have children than do not – and this is the case to a greater extent than wider averages. This data confirms the presence of a large number of families and children alongside a gradually expanding older population. Adderbury also has fewer 'other' households, where more than one family unit shares a dwelling.

**Table 5-6 Household composition, Adderbury, 2021**

Household composition		Adderbury	Cherwell	England
One person household	Total	24.3%	26.3%	30.1%
	Aged 66 and over	13.3%	11.3%	12.8%
	Other	11.0%	15.0%	17.3%
One family only	Total	71.0%	67.0%	63.1%
	All aged 66 and over	13.3%	9.2%	9.2%
	With no children	17.5%	19.8%	16.8%
	With dependent children	28.9%	27.3%	25.8%
	With non-dependent children <sup>4</sup>	9.8%	10.0%	10.5%
Other household types	Total	4.8%	6.7%	6.9%

Source: ONS 2021, AECOM Calculations

<sup>4</sup> Refers to households containing children who are older than 18 e.g students or young working people living at home.

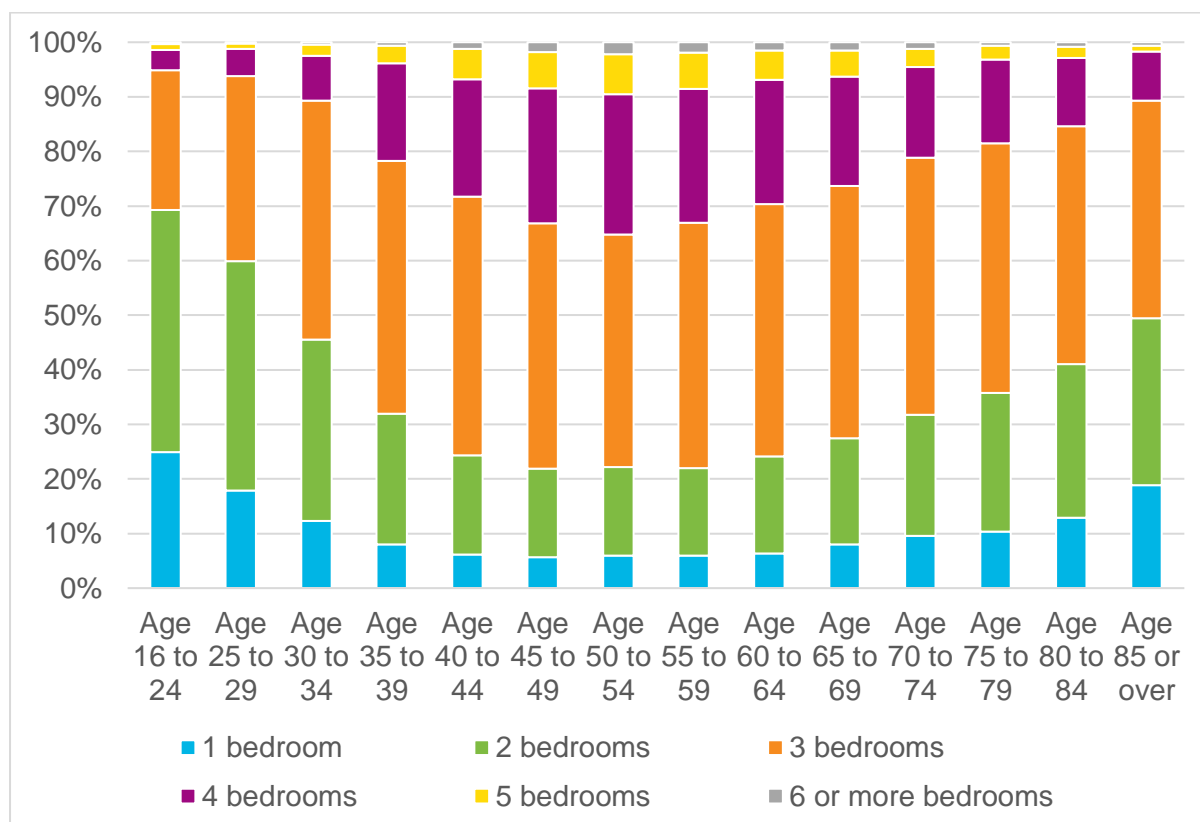
167. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A person is considered to under-occupy their home when there are more bedrooms in it than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.
168. 2021 Census data in Table 5-7 shows that around 83% of households have at least one more bedroom than they would be expected to need, and 54% have two more. This is particularly the case for couples over 65 and families without children. While not uncommon, this suggests that the Parish's larger housing is not necessarily being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen or been able to move to smaller properties.
169. There are very few households with too few bedrooms, but this situation is most common among those with dependent or adult children – suggesting that affordability difficulties are causing a small number of family households to live in unsuitable accommodation.

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

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	83.9%	14.5%	1.6%	0.0%
Single person 65+	67.2%	27.7%	5.1%	0.0%
Family under 65 - no children	75.4%	20.3%	4.3%	0.0%
Family under 65 - dependent children	36.7%	32.8%	28.5%	2.1%
Family under 65 - adult children	38.4%	44.8%	15.2%	1.6%
Single person under 65	35.3%	40.0%	24.7%	0.0%
<b>All households</b>	<b>53.9%</b>	<b>29.1%</b>	<b>16.0%</b>	<b>1.0%</b>

Source: ONS 2011, AECOM Calculations

170. As noted in the introduction to this chapter, the life stage of households is strongly correlated with the size of home they tend to occupy. Figure 5-2 sets out this relationship for Cherwell in 2011 (because this data is not available at smaller scales or for the latest Census). The graph shows how the youngest households tend to 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, Cherwell, 2011**

Source: ONS 2011, AECOM Calculations

## Future population and size needs

171. This section projects the future age profile of the population in Adderbury at the end of the Neighbourhood Plan period and then estimates the mix of dwelling sizes they may need.

### Age

172. The result of applying Local Authority level household projections to the age profile of Adderbury households in 2011 (because household age data is not yet available for 2021) is shown in Table 5-8. This makes clear that population change can be expected to be driven by further growth in the oldest households, with the 65+ age group expected to nearly double to become nearly 47% of the total, while the younger age groups remain largely the same size or even slightly decline.

173. It should be emphasised that this is the default scenario for organic population change if projections at the wider scale apply equally to the NA. This level of ageing may well be accurate given the large current 65-84 population (which is also larger than the Cherwell average upon which these projections are based). However, Adderbury's healthy family population may afford protection against the potential contraction in the number of children that this model implies. That would be especially so if future housing development in Adderbury is able to attract a balanced demographic mix including younger families through provisions in the Neighbourhood Plan.

**Table 5-8: Projected age of households, Adderbury, 2011 - 2040**

Year	24 and under	25 to 34	35 to 54	55 to 64	65 and over
2011	10	92	442	228	381
2040	8	83	455	289	731
% change 2011-2040	-17%	-10%	3%	27%	92%

Source: AECOM Calculations

174. The demographic change discussed above can be translated into an ideal mix of dwelling sizes. This is achieved through a model that maps the dwelling size preferences by life stage shown earlier (in Figure 5-2) onto the projected age profile for the NA in Table 5-8 immediately above. The resulting 'ideal' future mix of dwelling sizes can then be compared to the current stock of housing to identify how future development might best fill the gaps.
175. This approach has limitations, in that it embeds existing size preferences and does not anticipate changes in what people want from their homes. As such, it is appropriate for the results to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is appropriate for the purpose of drafting neighbourhood plan policies.
176. The result of this exercise is presented in Table 5-9. It suggests that the ideal mix of dwelling sizes in 2040 to accommodate demographic change would have higher proportions of smaller and mid-sized homes and lower proportions of larger properties than the current dwelling mix.
177. Consequently, the model recommends that future housing delivery focuses predominantly on 3 bedroom homes, with lower and relatively even proportions of 1 and 2 bedroom options. These size categories tend variously to appeal to young people, starter families and some downsizing older households, and offer greater affordability than larger homes.
178. The model recommends a particularly high proportion of 3 bedroom dwellings because they are so underrepresented in the current stock compared to wider averages and tend generally to be the most popular size across most age groups.
179. The present lack of 1-2 bedroom homes may be the case for good reasons, such as the existing patterns of housing density that reflect the character of the Parish. It may therefore be considered inappropriate to focus as heavily on the presently unusual 1 bedroom category as the model suggests. If large numbers of flats are not considered a welcome proposition in the parish, the Neighbourhood Plan might blend the suggested proportions of 1 and 2 bedroom homes into a combined 1-2 bedroom category, allowing for greater flexibility.
180. The model also suggests that no further properties with 4 or more bedrooms

are needed, chiefly because they are so abundant at present. In theory, if sufficient smaller homes (and specialist housing for older people – see subsequent chapter) are built, some of the households currently occupying larger homes will be able to downsize and thereby release larger homes for growing families. However, if a target for 0% 4+ bedroom homes is seen as overly rigid, insufficiently diverse or not able to serve the needs of people looking for larger new housing, this share could be increased by a moderate amount.

181. In essence the goal is diversification away from a relatively skewed current mix and recent development profile, with a need for mid-sized and smaller options, and limited need for the largest properties.

**Table 5-9: Suggested dwelling size mix to 2040, Adderbury**

Number of bedrooms	Current mix (2021)	Suggested mix (2040)	Balance of new housing to reach suggested mix
1	4.3%	9.2%	21.8%
2	19.1%	22.0%	22.7%
3	36.2%	44.8%	55.5%
4+	40.3%	24.0%	0.0%

Source: AECOM Calculations

182. Expanding on the commentary above, the following points sense-check the results of the model against other evidence and suggest ways to interpret them when thinking about policy options.

- The preceding chapter found that affordability is a serious and worsening challenge in the parish. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets.
- Continuing to provide smaller homes with fewer bedrooms would help to address this situation (even if their prices rise through demand), although it should be considered whether large proportions of 1-2 bedroom homes are suitable given the area's character and current density.
- To best meet the needs of the growing cohort of older households expected to be present by the end of the Plan period, it should also 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 are built in future to attract both newly forming households on lower budgets and older households with equity from their existing larger homes. While the number of bedrooms required may be similar, other preferences and levels of purchasing power could be very different. Facilitating downsizing among older households may also release those larger homes for use by families who need more bedrooms if the existing stock of larger homes is sufficiently affordable. That said, people

also have sentimental attachments to existing homes or see them as nest eggs for children, meaning that downsizing is not a preference for everyone.

- It is relevant to look at the mix proposed for Cherwell as a whole in the 2022 HENA. The 2021 Census adjusted mix for market housing includes 10% 1 bedroom, 36% 2 bedroom, 37% 3 bedroom and 17% 4+ bedroom homes. This could justify following the potential adjustments outlined above – namely, to reduce the emphasis the HNA model gives to 1 bedroom homes and allow for some further delivery of 4+ bedroom properties.
- More broadly it is important that the mix of new housing is balanced in and of itself (in addition to creating greater balance in the housing stock overall). As such, it may reasonably be considered that the complete absence of 4+ bedroom homes in the recommended size mix is inappropriately constricting. Allowing for a limited proportion of larger homes may be appropriate if this is in line with the objectives of the community.

## Tenure

183. The recommendation discussed immediately above applies to all housing in the NA over the Plan period. This is considered proportionate for devising policy at neighbourhood scale. However, in practice different size mixes may be appropriate for market housing and Affordable Housing. While this distinction may not be appropriate to make in Neighbourhood Plan policy, since Local Authorities tend to define the precise mix of Affordable Housing required on applicable sites, it is worth thinking through the factors at play.
184. Generally speaking, the size mix needed within affordable tenures, particularly affordable and social rent, is smaller than the size mix of market housing. This is because there tend to be higher proportions of single people and couples in need of affordable rented housing, and they are likely to be eligible only for 1 or 2 bedroom properties. In contrast, people buying their own homes tend to want more space than they technically ‘need’, such as spare rooms for guests, home working or other uses. This fact is established in the data on under-occupancy presented earlier in this chapter.
185. There are three key sources of information for thinking through the size needs of different categories. These are:
- Housing needs evidence for wider Cherwell: the 2022 HENA breaks down the size mix by tenure, confirming that homes in affordable tenures should generally be smaller than for market tenures:

**Table 10.5** Adjusted Modelled Mix of Housing by Size and Tenure – Cherwell (2021 Census Adjusted)

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	10%	36%	37%	17%
Affordable home ownership	25%	42%	25%	8%
Affordable housing (rented)	34%	35%	27%	5%

Source: Housing Market Model (with adjustments)



- The waiting list for affordable rented housing, kept by the Local Authority. This provides a more current snapshot of the size needs of applicant households. As this changes over time, individual planning applications can be decided in ways that meet evolving needs. In this case, the current need is split evenly between those eligible for 1 bedroom (48%) and those eligible for 2 bedrooms (48%).
- Any past or future household survey or consultation work in the NA can also highlight any specific gaps in the market within particular segments of the population.

186. To summarise, the overall size mix recommendation presented above applies generally to new housing in the NA. Within this mix, Affordable Housing might require a greater weighting towards smaller sizes while market homes focus on mid-sized homes and some larger options. It is not necessary (and is potentially not appropriate) for Neighbourhood Plans to be prescriptive about the size mix within different tenures, but a range of data sources exist that indicate a direction of travel, which Local Planning Authorities will draw upon when determining applications, and which it is possible for the neighbourhood planners to monitor.

## Type

187. Planning policy also tends to be less prescriptive about the mix of dwelling types that are needed than the mix of home sizes. This is because the choice to occupy a terraced rather than a detached home, for example, is primarily a matter of wealth, personal preference, and the amount of outdoor space or other features sought than 'need' in the strict sense. This stands in contrast to the matter of dwelling size, where it can be more clearly established that a household with a certain number of members, closely correlated with age, requires a particular number of bedrooms.
188. The key distinctions when it comes to dwelling type are between flats and houses and, to a lesser extent, bungalows, each of which tend to appeal to occupants with different life circumstances. However, it remains difficult to generalise about this, particularly when drawing on demographic evidence.
189. The benefits of delivering a certain blend of dwelling types are more closely related to affordability, which is clearly established as an issue in Adderbury, and which favours more dense options (e.g. terraces and flats). This imperative to improve affordability is often in conflict with matters of character, which in rural areas tend to favour lower density options that blend in with the existing built environment. This is particularly relevant in the case of flats, a large block of which may not be a welcome proposition in the NA. That said, it is possible to deliver flats in the form of low-rise maisonettes that resemble terraces from street level, which can counter this issue.
190. In summary, there is a balance to be struck between, on the one hand, improving affordability and choice in the market by encouraging flats and terraces, and, on the other hand, preserving the distinctive character and other

features that residents like about the NA today. How far the Neighbourhood Plan should guide on this issue, and in what direction, is a policy decision for the Working Group and community to consider.

## Conclusions- Type and Size

### The current housing mix

191. The current dwelling mix in Adderbury is weighted in favour of larger and less dense home types. Specifically, nearly half of all homes are detached houses (compared to under a third across Cherwell and under a quarter across England). The proportion of bungalows, at 12%, is slightly higher than the District and national average, and is likely to be linked to the parish's older age profile.
192. The proportion of 4+ bedroom homes in Adderbury is also far higher than that of the District and there is a relative lack of 1 bedroom properties. The majority of new homes built since 2011 have been detached homes with 4 or more bedrooms, thereby exaggerating the parish's existing imbalances. However, a valuable injection of smaller flats has also been provided in recent years. Alongside growth in other size and type categories, this appears to have supported the growth in the younger population.
193. In summary, Adderbury is characterised by detached and larger homes, which tend to be more expensive and not well-suited to key segments of the population – notably younger families and downsizing older people – although some variety does exist and new development has set a precedent for a slightly different mix.

### Population characteristics

194. The NA population, which is older than that of the District and England, has experienced fairly significant ageing in the decade since 2011. The 65-84 and 85+ age groups have expanded by 27% and 46% respectively, while all other age groups have grown at more varied and modest rates. It is notable that the numbers of children and young people aged 15-24 have experienced robust growth, indicating the ability of Adderbury to attract a replacement population of young families, which may be linked to the recent provision of some smaller and potentially more affordable housing units. These shifts point to future needs across a range of age groups, with a clear opportunity to further attract young families as well as an imperative to accommodate the growing population of older people – who may be seeking to downsize or experiencing changing mobility and support needs.
195. Applying ONS household projections for Cherwell to the Adderbury population in 2011 suggests that population growth can be expected to be driven by the oldest households, with the 65+ age group nearly doubling to become the largest single group (at nearly 47% of the total) while all other age bands grow at more modest rates or contract. It should be emphasised that this is the default scenario for organic population change if projections at the wider scale apply

equally to the NA. This level of ageing may well be accurate given the large current 65-84 population (which is also larger than the Cherwell average upon which these projections are based). However, Adderbury's healthy family population may afford protection against the potential contraction in the number of children that this model implies.

196. Adderbury has a slightly lower proportion of single-person households to wider averages, although a larger share of single-person households are aged over 65. Of the Parish's family households, many more have children than do not. This data confirms the presence of a large number of families and children alongside a gradually expanding older population. Adderbury also has fewer 'other' households, where more than one family unit shares a dwelling.
197. As of the 2021 Census, around 83% of households in the NA had at least one more bedroom than they would be expected to need, and 54% had at least two extra bedrooms. This is not surprising given the relatively large skew of the housing stock. Under-occupancy was most common among two distinct groups: couples with no children and older households. While not uncommon, this might suggest that Adderbury's larger housing is not necessarily being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen or been able to move to smaller properties.

### **Future population and size needs**

198. It is possible to estimate the size mix of future homes that might best accommodate demographic trends and address imbalances in the existing housing stock. The result of this process suggests that new development should be focused on smaller and mid-sized homes (primarily with 3 bedrooms), with few larger properties likely to be needed. This could help to achieve three key outcomes: improving affordability, meeting the needs suggested by demographic trends (notably ageing and the modest growth in younger families), and diversification away from the high proportion of 4+ bedroom homes in the current stock.
199. The model recommends a particularly high proportion of 3 bedroom dwellings because they are so underrepresented in the current stock compared to wider averages and tend to be popular among all age groups. The present lack of 1-2 bedroom homes may be the case for good reasons, such as the existing patterns of housing density that reflect the character of the Parish. It may therefore be considered inappropriate to focus as heavily on the presently unusual 1 bedroom category as the HNA model suggests. If large numbers of flats are not considered a welcome proposition in the parish, the suggested proportions of 1 and 2 bedroom homes could be blended into a combined 1-2 bedroom (or even 1-3 bedroom) category, allowing for greater flexibility.
200. The model also suggests that no further properties with 4 or more bedrooms are needed, chiefly because they are so abundant at present. In theory, if sufficient smaller homes (and/or specialist housing for older people) are built, some of the households currently occupying larger homes will be able to

downsize and thereby release larger homes for growing families. However, if a target for 0% 4+ bedroom homes is seen as overly rigid, insufficiently diverse or not able to serve the needs of people looking for larger new housing, this share could be increased by a moderate amount in line with the recommendations for Cherwell as a whole in the 2022 HENA.

201. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA 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.

## 6. Specialist housing for older people

### Introduction

202. It is relatively common for neighbourhood plans in areas with aging populations to include policies relating to specialist housing for older people. This chapter considers in detail the specialist housing needs of older people in Adderbury. It focuses on specialist forms of provision but recognises that the majority of older people will live in the mainstream housing stock. The approach is as follows:

- To review the **current provision** of specialist housing in the NA;
- To estimate the **potential demand** for this form of accommodation with reference to the projected growth in the older population and current rates of mobility limitation; and
- To discuss the potential for meeting this need through adaptations to the mainstream stock and other **additional considerations**.

203. 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.

204. It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as opposed to the projected new households which form the baseline for estimating housing need overall.<sup>5</sup>

205. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).<sup>6</sup> Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for older people) are largely beyond the scope of this research. However, it is possible to estimate the likely need for residential and nursing care over the Neighbourhood Plan period.

206. The distinction between the need for 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. C3 specialist accommodation is typically self-contained with its own front door, made available on an individual basis with support provided in the home or not at all if the resident does not require it, and offered for sale or rent on the open market.

<sup>5</sup> See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

<sup>6</sup> For a full description of Planning Use Classes, please refer to [https://www.planningportal.co.uk/info/200130/common\\_projects/9/change\\_of\\_use](https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use)

## Definitions

- **Older people:** people over retirement age, ranging from the active newly retired to the very frail elderly. Their housing needs tend to encompass accessible and adaptable general needs housing as well as the full spectrum of retirement and specialised housing offering additional care.
- **Specialist housing for older people:** a wide range of housing types specifically aimed at older people, which may often be restricted to those in certain older age groups. This could include residential institutions, 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.
- **Sheltered Housing<sup>7</sup>:** self-contained flats or bungalows where all the residents are older people. Schemes on the whole provide independent, self-contained homes, either to rent or buy. Properties in most schemes have features like raised electric sockets, lowered worktops, walk-in showers, and so on, as well as being linked to an emergency alarm service. Some will be designed to accommodate wheelchair users. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, guest flats and gardens.
- **Extra Care Housing:** housing which usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required. Residents are able to live independently with 24-hour access to support services and staff, and meals are often also available. 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.
- **Category M4(2):** accessible and adaptable dwellings.
- **Category M4(3):** wheelchair user dwellings.

## Specialist housing for older people

207. According to the search function on the Elderly Accommodation Counsel website, there are no units of specialist accommodation in the NA at present. There are, however, two care homes: Seccombe Court, with 60 rooms, and Lake House, with 43 rooms. Though care homes have the ability to meet the needs of people requiring intensive care, they do not afford independent living and are thus described in planning terms as institutional rather than mainstream residential accommodation. Note that Lake House is not restricted exclusively to older people.

208. There is also a range of specialist housing options within 5 miles of the NA, including in Banbury, Kings Sutton, Deddington and Aynho.

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<sup>7</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

## Demographic characteristics

209. The starting point for estimating the need for specialist housing for older people is to project how the overall number of older people in Adderbury is likely to change in future. This is calculated by extrapolating population projections from the ONS Sub-National Population Projections for Cherwell. The results are set out in Table 6-1. Currently, around 13% of the population of Adderbury are aged 75+, which is a higher proportion than that of wider Cherwell (8%). Over the Neighbourhood Plan period this is projected to rise still further to nearly a quarter of the population.
210. As established in the previous chapter, Adderbury has an older population than the wider District and (despite a robust replacement younger population) is likely to age faster in the coming years if the population evolves naturally. There remains potential for the proportion of the overall population made up of older people to be lower than projected, for instance if new housing is built on a large scale and succeeds in attracting younger families.
211. A key assumption for the estimate given at the end of this section 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). As such, the growth in the older population – of 331 – rather than the total at the end of the Plan period (772) is the key output of this calculation.
212. This is also an appropriate choice because a large share of the current population (potentially up to 25%) is likely to be living in the two existing care homes, and current care home residents do not generate additional need for specialist housing.

**Table 6-1: Modelled projection of older population in Adderbury to 2040**

Age group	2021	2040		
	Adderbury	Cherwell	Adderbury	Cherwell
All ages	3,318	161,015	3,460	167,885
75+	441	12,950	772	22,676
%	13.3%	8.0%	22.3%	13.5%

*Source: ONS SNPP 2020, AECOM Calculations*

213. The next step is to consider the need for different tenures of dwelling for older people. 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.

214. The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2040. The top row in Table 6-2 outlines the tenure mix among households aged 55-75 at Local Authority scale, which indicates that the vast majority of older households are home owners and that, of the remainder, most are in social rather than private rented accommodation.
215. The expected growth in the 75+ population in the NA is 331 additional individuals by the end of the plan period. This can be converted into 234 households based on the average number of people per household aged 75+ at Local Authority scale (1.42). Multiplying this figure by the percentages of 55-75 year olds occupying each tenure gives a breakdown of which tenures older Adderbury households are likely to need in 2040, and is shown in the bottom row of Table 5-2.

**Table 6-2: Tenure of households aged 55-75 in Cherwell (2011) and projected new households aged 75+ in Adderbury in 2040**

	All owned	Owned outright	Owned (mortgage) or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
<b>Cherwell (2011 mix)</b>	<b>86.4%</b>	59.3%	27.2%	<b>13.6%</b>	11.7%	1.6%	0.2%
<b>Adderbury (additional households to 2040)</b>	<b>202</b>	139	64	<b>32</b>	27	4	1

Source: Census 2011

216. It is also important to consider rates of disability by tenure. 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 E-1 in Appendix E presents this data for Adderbury from the 2011 Census.

## **Future needs for specialist accommodation and adaptations**

217. Based on the evidence outlined above, the number of households falling into potential need for specialist accommodation over the Plan period is calculated to be 101.
218. AECOM's modelling, summarised in Table 6-3, is 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.

219. These estimates suggest that the greatest need is for market (as opposed to subsidised) specialist housing, which is unsurprising given that most older households are already homeowners and would not qualify for subsidised housing. The need is relatively balanced between options with additional care and less specialised options – for which adaptations to market housing represent a viable alternative.

**Table 6-3: AECOM estimate of specialist housing need in Adderbury to 2040**

Type	Affordable	Market	Total
Housing with care	12	29	41
Adaptations, sheltered, or retirement living	8	52	60
<b>Total</b>	<b>20</b>	<b>81</b>	<b>101</b>

Source: Census 2011, AECOM Calculations

220. 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.

221. Table E-2 in Appendix E reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP) toolkit. Applying those assumptions to the growth in the older population of Adderbury results in a total of 83 specialist dwellings that might be required to the end of the Plan period. This is set out in Table 6-4. Again the majority of need is for market options, but the HLIN estimates suggest there is more limited need for extra care accommodation compared to sheltered housing or adaptations to mainstream homes.

**Table 6-4: HLIN estimate of specialist housing need in Adderbury by the end of the Plan period**

Type	Affordable	Market	Total
Housing with care	10	13	23
Adaptations, sheltered, or retirement living	20	40	60
<b>Total</b>	<b>30</b>	<b>53</b>	<b>83</b>

Source: Housing LIN, AECOM calculations

## Further considerations

222. The above estimates suggest that potential need for specialist accommodation could be in the range of 83-101 units over the Neighbourhood Plan period. However, depending on the future supply of housing overall it may not be

possible or appropriate to deliver this scale of new accommodation. Despite Adderbury's proportionally large older population, it would not be prudent to prioritise the potential demand from older people to the exclusion of other groups, such as those in need of Affordable Housing, young families, and others important to maintaining a balanced and vibrant community. There may be an opportunity to deliver fully on the needs of older households if large scale development occurs in future, but this depends on the objectives of the local community and the degree of willingness among older people to relocate to Banbury and other nearby settlements.

223. Generally speaking, specialist housing for older people should only be provided in sustainable, accessible locations that offer services and facilities, public transport options, and the necessary workforce of carers and others.
224. 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 older persons housing needs arising from a number of different locations and/or Neighbourhood Areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
225. It is considered that Adderbury is, in broad terms, not a particularly suitable location for specialist accommodation on the basis of the accessibility criteria above, particularly the availability of public transport and other local amenities.
226. Clearly a version of the hub and spoke model is operational in the area around Adderbury at present, with Banbury providing a significant clusters of specialist housing and care home accommodation that is likely to serve the wider rural area. This may be a sustainable situation into the future, but there may also be value in attracting specialist housing development in Adderbury itself for people who do not want to leave their immediate surroundings and social networks when their housing needs change in old age. The existence of two care homes demonstrates a certain level of suitability, although care home residents tend to be less reliant on local services outside of the home itself than older people living independently.
227. The HNA evidence can be used to support specialist housing development but does not make that obligatory. How far to promote this is a choice for the Working Group and wider community, in discussion with Cherwell District Council.
228. It is also important to emphasise that the potential need for specialist housing for older people overlaps with the need for care home bedspaces and the need for adaptations to mainstream housing. These topics are considered in the sections below.

## Care homes

229. Residential and nursing care homes are not defined as housing because they do not provide self-contained accommodation where an older person can live

independently. Care home accommodation is defined as institutional accommodation rather than housing.

230. However, residents of care homes may be very similar in terms of their care and support needs as those living in specialist housing, or even mainstream housing with appropriate care and support delivered in their homes. There may be some scope for older people who would otherwise have been accommodated in care homes to meet their needs within specialist or mainstream housing if sufficient appropriate accommodation can be provided – and vice versa. Nevertheless, there is likely to be continued need for care home accommodation to meet more acute and severe needs, and to offer choice to some older people and their families about how they are cared for and supported.
231. Given the overlap between people who might enter care home accommodation and those who might take up specialist housing or care and support in their own home if available, estimates of the future need for care home accommodation, as with estimates of the need for specialist housing above, are uncertain and depend on both local and national policies, delivery, and the appetite of private developers.
232. AECOM has estimated the likely need for care home accommodation over the plan period, based on the HLIN SHOP toolkit prevalence rates for residential and nursing care homes for older people (aged 75+). This estimate applied the prevalence rates in the ‘More Choice, Greater Voice’ 2008 report which informed the development of the HLIN toolkit. This report suggested that 65 residential care beds per 1,000 people aged 75+ was an appropriate rate. Based on this rate, applied to projected older population of Adderbury (of 722), it is estimated that by 2040 there would be a need for around 47 care homes beds arising from the older people expected to be living in the NA at that time.
233. There are currently over 100 bedspaces in Adderbury’s two care homes, suggesting that current provision is more than sufficient to service future demand. That said, the existing care homes are likely to service demand from a wider area than just Adderbury itself, and bedspaces may also be able to accommodate unmet need for extra care independent housing if none is built and the individuals involved find this an acceptable solution.

## **The Role of Mainstream Housing**

234. The majority of older people live in mainstream housing and will continue to do so all of their lives. This is particularly the case in Adderbury where there currently are no specialist housing schemes and only care homes.
235. It is not possible to be precise about how well older people are accommodated within mainstream housing, in terms of whether their accommodation is suitable to their needs and whether adequate care or support is provided within the home when they need.

236. However, given the uncertainty about what volume of additional specialist supply might be likely or appropriate during the Plan period, another key avenue to accommodating those with relevant needs is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with Cherwell.
237. 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. Government is considering mandating M4(2) on newly erected dwellings<sup>8</sup>, although changes to Building Regulations have not yet been made.
238. The current adopted Local Plan provides explicit encouragement for development to accommodate specific groups such as older people in Policy BSC 4. The emerging Local Plan continues this approach in Core Policy 38, which expects extra care residential dwellings at a proportion to be agreed based on local needs and site-specific circumstances. The policy goes on to say that if extra care housing is not required, other forms of specialist housing will be expected.
239. The evidence gathered here justifies this policy expectation and supplies evidence of need in Adderbury which could be used when negotiating on future sites. The HNA finds potential need for around 23-41 extra care dwellings. This category of housing is certainly likely to be needed to some extent. However, there is also a case to be made for diversification in Adderbury specifically because a) this HNA estimates a higher scale of need for retirement housing with lower levels of care, and b) because of the existence of two care homes which more closely overlap with extra care housing in terms of the kinds of people whose needs they are able to meet. As such, there would also be value in delivering retirement housing alongside or instead of extra care housing if feasible.
240. However, the adopted and emerging Local Plans do not include targets for levels of accessibility in mainstream housing. The evidence gathered here would also support efforts to achieve high levels of accessibility in mainstream housing, potentially at up to 100% of all new dwellings.
241. The proportion of new housing that might accommodate those using wheelchairs is harder to define at small scales. Typically, at Local Authority scale, this might be set with reference to the proportion of Affordable Housing applicants in the Local Authority area falling into this category or to wider data from surveys and other sources where available. Across England as a whole, 0.6% of the population use a wheelchair all of the time, and 3% do so part of the time. It is worth noting that these national figures are for all age categories, not just older persons, although it is likely that a significant proportion of households using a wheelchair will be older persons. These percentages might

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<sup>8</sup> See [Raising accessibility standards for new homes: summary of consultation responses and government response - GOV.UK](https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes) ([www.gov.uk](https://www.gov.uk))

form the basis of a formal or informal target for Category M4(3) dwellings in Adderbury if this has the support of CDC.

## Conclusions- Specialist Housing for Older People

### Characteristics of the current older population

242. There are currently around 441 individuals aged 75 or over in Adderbury, representing 13% of the population. There are no schemes of specialist accommodation in Adderbury at present, according to the Elderly Accommodation Counsel search tool. However, there are two care homes offering 103 bedspaces in total (although one of them is not exclusively for older people).
243. A clear majority (86%) of Cherwell households aged 55-75 in 2011 (and therefore likely to reach the 75+ bracket by 2040) are owner occupiers, and the remainder predominantly rent from a social landlord. This is important because those currently owning will require specialist accommodation for market purchase, being largely ineligible for subsidised housing, while those in private or social rent will need to rely on subsidised rented housing because they are unlikely to have the funds to buy. Rates of disability in Adderbury are also higher among social tenants than owner-occupiers.

### Projected demographic change and need for specialist housing

244. The 75+ population of the NA is projected to increase to 772 people over the Plan period, to become 22% of the population in 2040. As established in the previous chapter, Adderbury has an older population than the wider District and is likely to age faster in the coming years unless new development continues to attract a replacement population of younger families.
245. The growth in the existing older population, which, rather than the total, is the focus of the estimates of need here, should be converted into households because some older people will be cohabiting in old age. The projected household growth to 2040 among those aged 75+ in Adderbury is 234.
246. 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.
247. The two Adderbury specific estimates suggest a range of 83 to 101 specialist accommodation units might be required during the Plan period. These estimates are also broken down by tenure and level of support required. Broadly, 60-80% of the need is for accommodation offered for market purchase. This chimes with the higher propensity of older households to be homeowners. Around 60-75% of the need is found to be for sheltered housing with limited support rather than additional care arrangements.

248. This localised evidence supports the emerging Local Plan's expectation that extra care specialist housing be provided on new development sites. However, Adderbury's robust provision of care home accommodation and the higher estimate of need for lower (rather than extra) care specialist housing also points to the value of retirement/sheltered housing in addition to or in place of extra care options.
249. The potential (total rather than additional) need for care and nursing home beds in Adderbury to 2040 can be roughly estimated at 47 bedspaces. The current provision of 103 units is sufficient to continue to satisfy future need for more intensive care arrangements, although the care homes are likely to be servicing the needs of a wider area than Adderbury alone.
250. These estimates are fairly large relative to the scale of recent and expected future development. It should therefore be emphasised that it may not be considered prudent to prioritise the potential demand from older people to the exclusion of other groups, such as those in need of Affordable Housing, young families, and others important to maintaining a balanced and vibrant community.
251. Currently, specialist older people's housing in the vicinity of Adderbury is concentrated in Banbury. This may be a sustainable situation going forward. However, there may also be an opportunity to attract specialist housing development in Adderbury itself for people who do not want to leave their immediate surroundings and social networks when their housing needs change in old age. The HNA evidence can be used to support specialist housing development but does not make that obligatory. How far to promote this is a choice for the Working Group and wider community.

### **Accessibility and adaptability**

252. Depending on whether there is likely to be a large volume of additional specialist supply during the Plan period, an alternative or additional avenue to the provision of additional specialist homes is to discuss the standards of accessibility and adaptability required of new development with Cherwell District Council. There is a particularly high degree of overlap between the groups served by sheltered specialist housing and adapted mainstream housing, so the unmet need for such homes identified here can be reduced through this avenue.
253. The current adopted Local Plan provides explicit encouragement for development to accommodate specific groups such as older people but does not set specific targets for new homes to meet Category M4(2) accessibility standards or M4(3) wheelchair user standards. 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, so discussions with CDC are advised if action on this point is a key priority.

## 7. Next Steps

### Recommendations for next steps

254. This Neighbourhood Plan housing needs assessment aims to provide the Working Group 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 Cherwell District Council (CDC) 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 CDC;
  - 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 CDC.
255. 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.
256. Bearing this in mind, it is recommended that the Working Group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, CDC or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
257. 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 : Assessment geography

258. For Census purposes, the whole of England is divided into statistical units of similar population size called Output Areas (OAs) and their larger equivalents. OAs are the smallest units. They make up Lower Layer Super Output Areas (LSOAs), which in turn make up Middle Layer Super Output Areas (MSOAs).

259. In this case, the NA equates to the following combination of areas:

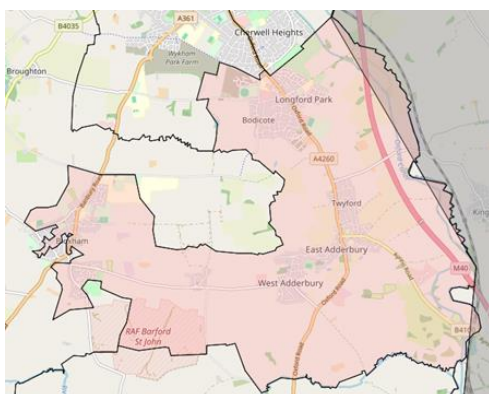
- LSOA E01028422;
- OA E00144833;
- OA E00144834;
- OA E00144835; and
- OA E00144839.

260. Many other datasets besides the Census itself make use of OAs, but not necessarily down to the same level of detail. For example, Valuation Office Agency (VOA) data, which can be used to understand the type and size mix of housing, is only available down to the scale of LSOAs. For this data, a proxy area covering the two LSOAs in which Adderbury is located must be used. These are:

- LSOA E01028422 – to the east, which is entirely within the parish; and
- LSOA E01028423 – to the west, which is mostly within the parish but stretches beyond it to reach the edge of Bloxham. Four of the five OAs within this LSOA are part of Adderbury, so data is only skewed to a small degree by the inclusion of the OA covering Milton and the rural area east of Bloxham.

261. Finally, as noted in the analysis of affordability in the main body of the report, household income data for small areas is only provided down to the scale of MSOAs. The relevant MSOA, in which the NA is located and which will need to serve as a proxy for it, has the code number E02005928. As well as Adderbury parish, this MSOA covers Milton, most of Bloxham, and Bodicote. It is bounded to the north by the new development of Cherwell Heights. A map of this geography is given below:

**Figure A-1: Map of MSOA E02005928**



Source: Nomis



# Appendix B : Local Plan context

## Policies in the adopted local plan

262. Tables B-1 and B-2 below summarise adopted and emerging Local Plan policies that are relevant to housing need and delivery in Adderbury.

**Table B-1: Summary of relevant adopted Local Plan policies**

Policy	Provisions
<b>Local Plan 2011-2031 (Part 1) Partial Review</b>	
PR1: Achieving Sustainable Development for Oxford's Needs	<p>4,400 homes will be delivered in Cherwell to help meet Oxford's unmet housing needs and necessary supporting infrastructure by 2031. Sustainable development to this end should not cause harm to the delivery of the Local Plan 2011-2031.</p> <p>Policy PR2: Housing Mix, Tenure and Size sets out the relevant requirements for the strategic developments allocated in the Partial Review. However, none of these sites are in or around Adderbury, so the policy is not relevant to this study.</p>
<b>Local Plan 2011-2031 (Part 1)</b>	
BSC 1: District Wide Housing Distribution	22,480 additional dwellings are to be provided in Cherwell in the period 2011-2031. 5,392 of these dwellings are to be delivered in the rest of the district (i.e. outside of Bicester and Banbury). This figure is composed of 528 completions to 2014, 1,760 permissions, 2,350 allocations, and 754 units brought forward through windfall development.
BSC 3: Affordable Housing	Outside of Banbury and Bicester, all proposed developments suitable for 11 or more dwellings are expected to provide 35% of new homes as affordable housing on site. 70% of the affordable housing is to be provided for affordable/social rent, and 30% as intermediate tenures. Social rented housing is particularly supported in the form of extra care or supported accommodation.
BSC 4: Housing Mix	<p>New residential development should provide a mix of homes to meet current and future needs, and create mixed and inclusive communities. The mix will be negotiated with regard to the most up-to-date evidence on housing need.</p> <p>Housing sites of at least 400 dwellings are expected to provide at least 45 self-contained extra care dwellings. In suitable locations close to services and facilities other opportunities for specialist housing for those with support and mental health needs are encouraged.</p>
Villages 1: Village Categorisation	A hierarchy of village settlements deems minor development, infilling and conversion to be suitable in Category A service villages – including Adderbury – and their Category B satellite villages. The appropriate form

<b>Policy</b>	<b>Provisions</b>
	of development will vary depending on the character and size of the village and the site's context within the existing built environment.
Villages 2: Distributing Growth across the Rural Areas	A total of 750 homes are to be delivered in Category A service villages. This is in addition to the rural allowance for small site windfall development and planning permissions for 10 or more dwellings as of March 2014. Various criteria are set out to determine the suitability of particular sites.
Villages 3: Rural Exception Sites	Small scale affordable housing schemes within or adjacent to villages may be supported to meet specific, identified local housing needs that cannot be met through allocated sites. Arrangements will be secured to ensure such homes meet local needs in perpetuity. Market housing will only be considered where it is required to secure the viability of the proposal, and can be supplied up to a maximum of 25% of the homes proposed.
<b>Local Plan 1996 Saved Policies</b>	
H4	Housing schemes for older and disabled people will be encouraged on suitably located sites (in terms of proximity to facilities and other criteria) but otherwise resisted.
H5	Where there is a lack of affordable housing to meet local needs, this will be secured on substantial development schemes. The affordable housing must be economically viable in its ability to meet the identified need and available to meet local need long term through restricted occupancy arrangements.
H6	Within or adjacent to rural settlements, permission may be granted for small-scale low-cost housing to meet specific, identified local needs that cannot be satisfied elsewhere.
H13	Residential development in Deddington and other specified villages will be restricted to infilling, minor development of small groups of dwellings on sites within the existing built-up area, and the conversion of non-residential buildings.
H18	Planning permission will only be granted for new dwellings outside of the built-up limits of settlements when this is essential for agriculture or other existing undertakings or the proposal complies with other policies in the Plan.

*Source: Cherwell District Council*

**Table B-2: Summary of relevant emerging Local Plan policies**

<b>Policy</b>	<b>Provisions</b>
<b>Cherwell Local Plan Review 2040 – Consultation Draft (September 2023)</b>	
Core Policy 34: District Wide Housing Distribution	<p>Cherwell will provide 25,860 homes between 2020 and 2040 (including a share of Oxford's unmet needs), of which 1,390 are earmarked for Rural Areas.</p> <p>The supporting text notes that Rural Areas (which include Adderbury) have delivered 351 new homes in 2020-22 and currently have a further 538 homes on sites with planning permission. This leaves an indicative allocation of 500 additional homes to be planned for. This allocation is provisional, based on the ongoing assessment of housing land availability and appropriate options for distribution across the district.</p>
Core Policy 35: Settlement Hierarchy	<p>Development is to be considered and approved with consideration to the following proposed settlement hierarchy (in descending order of suitability for growth):</p> <ul style="list-style-type: none"> <li>• Main Towns;</li> <li>• Local Services Centres;</li> <li>• Larger Villages (of which 11 are listed, including Adderbury);</li> <li>• Smaller Villages; and</li> <li>• Open Countryside.</li> </ul> <p>Larger Villages are described as having a more limited range of employment services and facilities. Unplanned development there will be limited to providing for local needs and supporting employment, services and facilities. Development beyond existing built limits will only be permitted on allocated sites.</p>
Core Policy 36: Affordable Housing	<p>All proposed developments of 10 or more gross dwellings are expected to provide at least 30% of new housing as affordable homes on site. Financial contributions in lieu of on site provision will be acceptable only in exceptional circumstances.</p> <p>First Homes should make up 25% of all homes on sites, with a discount of 30%. [Note: it is assumed that this is an error, and should read '25% of all <b>affordable</b> homes on sites' so as not to conflict with national policy and further provisions (summarised below)]. The majority of First Homes should have 2 bedrooms.</p> <p>70% of affordable housing should be provided in social/affordable rented tenures, with the remaining 30% as other affordable tenures.</p>
Core Policy 37: Housing Mix	<p>New residential development is expected to provide a mix of homes to meet current and future needs and create socially mixed, vibrant and inclusive communities. This should be in line with the latest evidence.</p>

<b>Policy</b>	<b>Provisions</b>
Core Policy 38: Specialist Housing	<p>Housing sites are expected to provide extra care residential dwellings at a proportion agreed based on the nature of the site and local needs. If extra care housing is not required, an equivalent amount of other forms of specialist housing for older people will be expected.</p> <p>Residential care homes and mixed developments will be supported where appropriate infrastructure exists.</p>
Core Policy 40: Self-Build and Custom-Build Housing	<p>Custom and self-build housing will be supported in suitable locations, and required at 5% of plots on developments of 100 or more dwellings.</p>

*Source: Cherwell District Council*

## Appendix C : Affordability calculations

263. This section outlines how the affordability thresholds discussed in the Affordability and Affordable Housing chapter have been calculated.

### C.1 Market housing

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

#### i) Market sales

265. The starting point for calculating the affordability of a dwelling for sale 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. In practice this can be highly variable. Multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants.

266. 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 Adderbury, 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.

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

- Value of a median NA house price (2023) = £515,000;
- Purchase deposit at 10% of value = £51,500;
- Value of dwelling for mortgage purposes = £463,500;
- Divided by loan to income ratio of 3.5 = purchase threshold of £132,429.

268. 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 2023 was £355,000, and the purchase threshold is therefore £91,286.

269. It is also 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. The last time Land Registry recorded sales of new build properties in

the NA was in 2021, with the final five new homes in Vera Wood Close. This was a mix of detached and semi-detached homes ranging in price from £279,995 to £660,000. This is not a sufficiently robust or recent sample from which to understand the likely cost of new build housing in Adderbury in future.

270. It is, however, important to understand the likely cost of new housing because new housing is where the Neighbourhood Plan has most influence, and is the appropriate benchmark for understanding the costs of affordable home ownership tenures (considered below).
271. Therefore an estimate has been calculated by determining the uplift between all house prices in 2023 across Cherwell and new build house prices in 2023 in the same area. This percentage uplift (or 'new build premium'), which in Cherwell's case is 13.2%, is then applied to the 2023 lower quartile house price in Adderbury to give an estimated NA new build entry-level house price of £401,851 and purchase threshold of £103,333.

## **ii) Private Rented Sector (PRS)**

272. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income. The percentage of income to be spent on rent before the property is considered affordable varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption.
273. 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.
274. The property website Rightmove shows rental values for property in the Neighbourhood Area. The sample of rental price data within Adderbury itself was very limited at the time of search in February 2023, so a wider radius covering nearby parishes but not southern Banbury was selected to produce a more robust sample of 13 listings. This consisted of five 2 bedroom properties, three 3 bedroom properties, four 4 bedroom properties and one 5 bedroom property.
275. Using this data, the median monthly rent for a 3+ bedroom property in this area is £1,950. The median monthly rent for a 2 bedroom property, used to represent entry-level rents, is £1,275.

276. The calculation for the private rent income threshold for entry-level dwellings is as follows:

- Annual rent = £1,275 x 12 = £15,300;
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £51,000.

277. The calculation is repeated for larger property average to give an income threshold of £78,000.

## C.2 Affordable Housing

278. There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2023: 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

279. 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.

280. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at Local Authority scale so must act as a proxy for Adderbury. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Cherwell in Table C-1.

281. 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 C-1: Social rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£93.46	£103.48	£110.17	£126.28	£106.42
Annual average	£4,860	£5,381	£5,729	£6,567	£5,534
Income needed	£16,184	£17,919	£19,077	£21,867	£18,428

Source: Homes England, AECOM Calculations

## ii) Affordable rent

282. 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).
283. 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%.
284. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Cherwell. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
285. Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 50% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

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

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£118.66	£150.86	£169.77	£215.03	£155.25
Annual average	£6,170	£7,845	£8,828	£11,182	£8,073
Income needed	£20,547	£26,123	£29,397	£37,235	£26,883

Source: Homes England, AECOM Calculations

## iii) Affordable home ownership

286. 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.
287. In paragraph 66 of the NPPF 2023, 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**

288. Because First Homes are a new tenure product, it is worth explaining some of their key features:

- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
- The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
- After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;
- Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers;
- 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.

289. The starting point for considering whether First Homes are affordable is the estimated cost of new build entry-level housing in the NA noted above of £401,851.

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

- Value of a new home (estimated NA new build entry-level) = £401,851;
- Discounted by 30% = £281,295;
- Purchase deposit at 10% of value = £28,130;
- Value of dwelling for mortgage purposes = £253,166;
- Divided by loan to income ratio of 3.5 = purchase threshold of £72,333.

291. The income thresholds analysis in the Affordability and Affordable Housing chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £62,000 and £51,666 respectively.
292. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible. However, discounted price of the 30% discounted option exceeds the £250,000 limit set in national policy. This means that either a higher discount level would be needed or developers would be required to lower the equivalent market value of First Homes through cost savings – which, depending on whether they are reductions in the size or quality of properties or efficiencies in building methods – may impact the lifestyle of their eventual occupants.
293. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq. m and a build cost of £1,750 per sq. m<sup>9</sup>) would be around £122,500. This cost excludes any land value or developer profit. This is unlikely to be an issue in Adderbury.
294. Table C-3 shows the discount required for First Homes to be affordable to the four income groups. The cost of a typical First Home is calculated using an estimate for new build entry-level housing in the NA. However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, as well as median and entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below, suggesting that there is a big difference in affordability depending on the form that First Homes take. For example, they would be less affordable if delivered in the form of semi-detached and detached homes as supplied by recent new build developments.

**Table C-3: Discount on sale price required for households to afford First Homes**

House price benchmark	Mean household income	Single LQ earner	Dual LQ earning household
NA median house price	54%	86%	72%
NA estimated new build entry-level house price	41%	82%	64%
NA entry-level house price	34%	79%	59%
NA median new build house price	38%	81%	62%

Source: Land Registry PPD; ONS MSOA total household income

<sup>9</sup> It is estimated that in 2022, build costs for a house are between £1,750 and £3,000 per square metre - <https://urbanistarchitecture.co.uk/cost-to-build-a-house-uk/>

## Shared Ownership

295. 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'.
296. 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.
297. To determine the affordability of Shared Ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
298. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £401,851 is £100,463;
  - A 10% deposit of £10,046 is deducted, leaving a mortgage value of £90,416;
  - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £25,833;
  - Rent is charged on the remaining 75% Shared Ownership equity, i.e. the unsold value of £301,388;
  - The estimated annual rent at 2.5% of the unsold value is £7,535;
  - This requires an income of £25,116 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
  - The total income required is £50,949 (£25,833 plus £25,116).
299. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £40,472 and £68,410 respectively. These results are again below the £80,000 eligibility cap.

## Rent to Buy

300. 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)**

301. 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.
302. It is important to note that this product widens access to market housing but does not provide an affordable home in perpetuity.

# Appendix D : Affordable Housing need and policy

## Affordable Housing estimates

303. In Table D-1 AECOM has calculated, using PPG as a starting point,<sup>10</sup> an estimate of the total need for affordable rented housing in Adderbury over the Plan period. It should, however, be noted that the accuracy of the findings generated by the model is only as strong as the evidence available. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out here are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.

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<sup>10</sup> Paragraphs 024-026 Reference ID: 2a-025-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

**Table D-1: Estimate of need for Affordable Housing for rent in Adderbury**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current households in need	19.0	Current (February 2021) number of Cherwell households on the waiting list for Affordable Rented housing. This is composed of 6 households with a verified local connection to Adderbury and a further 13 households resident in the OX17 3.. postcode area, without a verified connection (or an unclaimed connection).
1.2 Per annum	<b>1.2</b>	Step 1.1 divided by the plan period to produce an annualised figure.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	123.0	DLUHC 2018-based household projections for the LA between start and end of plan period. % increase applied to NA.
2.2 Proportion of new households unable to rent in the market	14.0%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in NA.
2.2.1 Current number of social renters in parish	123.0	Current social rented occupancy (2021 Census + affordable housing completions in 2022 – noting that some of these completions may be Shared Ownership).
2.2.2 Number of private renters on housing benefits	39.9	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	20.3	Step 2.1 x Step 2.2.
2.4 Per annum	<b>1.4</b>	Step 2.3 divided by plan period.
<b>STAGE 3: TURNOVER OF AFFORDABLE HOUSING</b>		
3.1 Supply of social/affordable re-lets (including transfers) %	<b>6.5</b>	Average number of homes in the existing stock relet in the years 2014-2023.
<b>NET SURPLUS OF RENTED UNITS PER ANNUM</b>		
Overall surplus per annum	<b>3.9</b>	Step 1.2 + Step 2.4 - Step 3.2

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

304. Turning to Affordable Housing providing a route to home ownership, Table D-2 estimates the potential demand in Adderbury. This model aims to estimate the number of households that might wish to own their own home but cannot afford to. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.

305. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This assumption is based on consistent results for

surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership.<sup>11</sup> No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.

**Table D-2: Estimate of the potential demand for affordable housing for sale in Adderbury**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current number of renters in parish	162.0	Census 2021 private rented occupancy for Adderbury.
1.2 Percentage renters on housing benefit in LA	24.6%	% of renters in 2018 on housing benefit.
1.3 Number of renters on housing benefits in parish	39.9	Step 1.1 x Step 1.2.
1.4 Current need (households)	91.6	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. <sup>12</sup>
1.5 Per annum	5.7	Step 1.4 divided by plan period.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	164.7	LA household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	8.7%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	14.4	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	1.1	Step 2.3 divided by plan period.
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of affordable housing	22.0	Number of Shared Ownership homes in parish (Census 2021).
3.2 Supply - intermediate resales	1.1	Step 3.1 x 5% (assumed rate of re-sale).
<b>NET SHORTFALL PER ANNUM</b>		
Overall shortfall per annum	5.7	(Step 1.5 + Step 2.4) - Step 3.2.

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

306. It should be noted that 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 Working Group that can help ensure

<sup>11</sup> <http://www.ipsos-mori-generations.com/housing.html>

<sup>12</sup> The assumption of approximately 25% preferring to rent and 75% preferring to buy is AECOM's judgement, based on national level polls which consistently reveal that most households who prefer home ownership eg <http://www.ipsos-mori-generations.com/housing.html> and informed by our experience across numerous neighbourhood level HNAs. The assumption is based on the fact that some households choose to rent at certain stages in their life (e.g. when young, when needing flexibility in employment market, or when new migrants move into an area). While most households prefer the added security and independence of owning their own home, private renting is nevertheless a tenure of choice at a certain points in many households' journey through the housing market. The actual percentage of preference will differ between areas, being higher in large metropolitan areas with younger households and more new migrants, but lower in other areas. 25% is used as a reasonable proxy and for consistency across HNAs and similar assumptions are used in some larger scale assessments such as LHNAs and SHMAs. If the neighbourhood planning group feel this is not an appropriate assumption in their particular locality they could use the results of a local residents survey to refine or confirm this calculation.

that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).

307. 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.

## Affordable housing policy

308. The following table reviews the relevant factors in developing a policy on the Affordable Housing tenure mix, which inform the recommendation given in the main body of the report.

**Table D-3: Wider considerations in developing Affordable Housing mix policy**

Consideration	Local Evidence
<p><b>A. Evidence of need for Affordable Housing:</b></p> <p>The need for affordable rent and affordable home ownership is 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.</p>	<p>This HNA suggests that the NA requires limited further affordable rented housing over the long-term but may see potential demand for 5.7 units of affordable home ownership homes per annum. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.</p> <p>The relationship between these figures suggests that most or all new affordable housing should provide a route to ownership. However, it would be prudent to secure the delivery of more affordable rented housing because of the relatively modest proportion in the existing mix, the backlog of current need for it, and the potential expectation for Adderbury to meet the needs of the surrounding area.</p>
<p><b>B. Can Affordable Housing needs be met in full?</b></p> <p>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.</p>	<p>It is not possible to ascertain whether the affordable housing needs identified here can be met through planned or expected mainstream development over the Neighbourhood Plan period because the quantity of housing needed, required or expected is presently unknown. When this is known, the relevant figure can be multiplied by 30% or 35% (the affordable housing targets given in the adopted and emerging</p>



	<p>Local Plans respectively) to understand the potential delivery associated with mainstream development sites of more than 10/11 dwellings.</p> <p>It is also relevant to note that this HNA has not identified affordable housing needs as such. The need for affordable rented homes is expected to be minimal, and the calculation for affordable home ownership relates to potential demand rather than need, and so does not need to be addressed in full.</p>
<p><b>C. Government policy (eg NPPF) requirements:</b></p> <p>Current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing.</p>	<p>For 10% of all housing to be affordable ownership in Adderbury, where 30% of all housing should be affordable (as per the emerging Local Plan), 33% of Affordable Housing should be for affordable ownership. This is slightly higher than the 30% target sought in the emerging Local Plan.</p>
<p><b>D. Local Plan policy:</b></p>	<p>Both the adopted and emerging Local Plans seek a tenure split of 70% affordable/social rent and 30% routes to affordable home ownership.</p>
<p><b>E. First Homes policy:</b></p> <p>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.</p> <p>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.</p>	<p>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. The mix in the adopted and emerging Local Plans comply with First Homes policy. The expectation for 30% of affordable homes to offer a route to ownership allows for 25% of affordable homes to be First Homes, and the emerging Local Plan specifically seeks 25% First Homes.</p>

<p>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. 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.</p>	
<p><b>F. Viability:</b></p>	<p>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.</p>
<p><b>G. Funding:</b></p> <p>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.</p>	<p>The Working Group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.</p>
<p><b>H. Existing tenure mix in Adderbury:</b></p> <p>The current stock of homes in an area, in terms of balance between ownership, rented and affordable provision may be a consideration in the mix of tenures provided on new development sites.</p>	<p>The tenure mix in Adderbury at present has a lower proportion of both social renting and Shared Ownership than Cherwell. Following the recent injection of Affordable Housing supply, the proportion of shared ownership homes is similar to the District average, while the proportion of affordable rented homes remains around a quarter lower than the District average – suggesting a larger gap in the market for this particular tenure product.</p>
<p><b>I. Views of registered providers:</b></p>	<p>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</p>

	homes in the parish. The funding arrangements available to housing associations will determine rent levels.
<b>J. Wider policy objectives:</b>	The Working Group may wish to take account of broader policy objectives for Adderbury and/or the wider District. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.

# Appendix E : Specialist housing for older people

## Background data

**Table E-1: Tenure and mobility limitations of those aged 65+ in Adderbury, 2011 (65+ is the closest proxy for 75+ in this data)**

Tenure	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
<b>All categories</b>	<b>97</b>	<b>16.5%</b>	<b>151</b>	<b>25.7%</b>	<b>339</b>	<b>57.8%</b>
<b><i>Owned Total</i></b>	<b>74</b>	<b>14.1%</b>	<b>135</b>	<b>25.8%</b>	<b>315</b>	<b>60.1%</b>
Owned outright	62	13.3%	122	26.2%	281	60.4%
Owned (mortgage) or Shared Ownership	12	20.3%	13	22.0%	34	57.6%
<b><i>Rented Total</i></b>	<b>23</b>	<b>36.5%</b>	<b>16</b>	<b>25.4%</b>	<b>24</b>	<b>38.1%</b>
Social rented	15	48.4%	10	32.3%	6	19.4%
Private rented or living rent free	8	25.0%	6	18.8%	18	56.3%

Source: DC3408EW Health status

## HLIN calculations

**Table E-2: Recommended provision of specialist housing for older people from the HLIN SHOP toolkit**

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

Source: Housing LIN SHOP Toolkit

309. As Table 6-1 in the main report shows, Adderbury is forecast to see an increase of 221 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 =  $60 \times .331 = 20$
- Leasehold sheltered housing =  $120 \times .331 = 40$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) =  $20 \times .331 = 7$
- Extra care housing for rent =  $15 \times .331 = 5$
- Extra care housing for sale =  $30 \times .331 = 10$
- Housing based provision for dementia =  $6 \times .331 = 2$

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

### **Affordable rented housing**

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods<sup>13</sup>.

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

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

### **Annual Monitoring Report**

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

### **Basic Conditions**

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

### **Backlog need**

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

### **Bedroom Standard<sup>14</sup>**

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

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<sup>13</sup> The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

<sup>14</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

## **Co-living**

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

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

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

## **Community Right to Build Order<sup>15</sup>**

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

## **Concealed Families (Census definition)<sup>16</sup>**

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

## **Equity Loans/Shared Equity**

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

<sup>15</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>16</sup> See [http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776\\_350282.pdf](http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf)



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

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

## **Fair Share**

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

## **First Homes**

First Homes is another form of discounted market housing which will provide a discount of at least 30% on the price of new homes, introduced in 2021. These homes are available to first time buyers as a priority but other households will be eligible depending on agreed criteria. New developments will be required to provide 25% of Affordable Housing as First Homes. A more detailed explanation of First Homes and its implications is provided in the main body of the HNA.

## **Habitable Rooms**

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

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

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

## **Housing Market Area**

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

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

## **Housing Needs**

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

## **Housing Needs Assessment**

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

## **Housing Products**

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

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

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

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

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

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

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

## **Income Threshold**

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

## **Intercensal Period**

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

## **Intermediate Housing**

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

## **Life Stage modelling**

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

## **Life-time Homes**

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

## **Life-time Neighbourhoods**

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

## **Local Development Order**

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

## **Local Enterprise Partnership**

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

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

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

## **Local Planning Authority**

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

## **Local Plan**

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

## **Lower Quartile**

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

## **Lower Quartile Affordability Ratio**

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

## **Market Housing**

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

## **Mean (Average)**

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

## **Median**

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

## **Median Affordability Ratio**

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

## **Mortgage Ratio**

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years<sup>17</sup>, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

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

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

## **Neighbourhood plan**

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

## **Older People**

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

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

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

## **Overcrowding**

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

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<sup>17</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

### **Planning Condition**

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

### **Planning Obligation**

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

### **Purchase Threshold**

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

### **Proportionate and Robust Evidence**

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

### **Private Rented**

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

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

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

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

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

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

## **Rightsizing**

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

## **Rural Exception Sites**

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

## **Shared Ownership**

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

## **Sheltered Housing<sup>18</sup>**

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

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<sup>18</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

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

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

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

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

### **Specialist Housing for Older People**

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

### **Social Rented Housing**

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.<sup>19</sup>

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<sup>19</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>



