

Twyford Neighbourhood Plan

Housing Needs Assessment (HNA)

April 2022

Twyford Neighbourhood Plan Housing Needs Assessment

Quality information

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List of acronyms used in the text:

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

1. Executive Summary

Context and Approach

1. This Housing Needs Assessment provides evidence to support the future development of housing in the Parish of Twyford, Wokingham.
2. The proposed Neighbourhood Plan period starts in 2022 and extends to 2036, therefore comprising a planning period of 14 years. The evidence supplied in this report will look forward to the Plan end date of 2036, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
3. The Twyford Neighbourhood Plan is being produced in the context of the Wokingham Core Strategy and Development Plan and the emerging Local Plan.
4. This Housing Needs Assessment seeks to use the most up-to-date data possible at the time of writing the report, any discrepancies of notable points in relation to the data used have been explained in detail within the main document.
5. Two research questions were formulated to direct the assessment:
 - RQ 1: What quantity and tenures of Affordable Housing should be planned for over the Neighbourhood Plan period?
 - RQ 2: What type (terrace, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?

Tenure, Affordability and the Need for Affordable Housing

6. The Parish of Twyford has a rate of home ownership which is broadly consistent with Wokingham, though considerably higher than that seen across England; when focusing on shared ownership tenures, Twyford's figure is slightly lower than England and more significantly lower than that seen in Wokingham. Of those who rent, the majority are in private rented accommodation, with a significantly lower than nationally average proportion of people living in social rented accommodation.
7. House prices in the area have steadily increased since 2011, with the most pronounced increases seen in terraced and semi-detached properties. Setting this in the context of incomes in the Parish, households are on average likely to earn approximately £72,600 (2018), though lower quartile earners may earn significantly less at approximately £36,148 per household (assuming two lower quartile earners living in one household).

8. Focusing on affordability thresholds, no affordable or market tenure options are likely to be considered to be affordable for those single-earning (£18,074) lower quartile households, when accounting for potential lower quartile earners from households with two earners, affordable or social rented tenures may be affordable, but ownership options are considered unaffordable. Those on average household incomes are likely to be able to afford market and affordable level rents as well as some more generous affordable ownership options (such as: 50% discount First Homes and Shared Ownership options with 10% and 25% ownership rates).
9. In terms of affordability, the following tenures would be considered to be affordable for those earning less than the mean income:
 - Social rent
 - Affordable rent
 - Shared ownership (10%)
 - Entry-level market rent
 - Average market rent
 - Shared ownership (25%)
 - First homes (-50%)
10. Wokingham is identified as an area which has a particularly high need for affordable housing, with a majority of people in need occupying unsuitable housing and unlikely to be able to access market rents. As such, affordable rented tenures should be prioritised before affordable ownership options. That said, some lower ownership proportions under shared ownership tenures may be affordable for some of these groups. A pro-rated figure related to the number of households on the affordable housing waiting list reveals that there could be around 90 households in Twyford who are currently on the affordable housing waiting list.
11. Considering current need, future need and the supply of affordable housing, there is likely to be an overall shortfall of affordable units for rent of 52.5 (53) across the plan period (3.7 per annum). Taking the focus to affordable routes to home ownership and considering the same factors, there is likely to be a shortfall of 348.3 (348) units over the plan period (25.1 per annum). These estimates are in broad alignment with the figures that result if the latest LHNA figures are pro-rated to Twyford according to population statistics.
12. In terms of historic delivery of affordable units for rent or ownership in Twyford, there has been some significant under delivery, meaning that a similar pattern in the future could be expected. This under delivery could be due to a number of factors, including sites not meeting the minimum size threshold to require affordable units to be delivered.
13. Wokingham have a target of up to 50% of all new housing being required to be affordable and this is something which requires a high burden of justification for neighbourhood to alter.

14. Whilst the relationship between the affordable housing for rent and for ownership need in Twyford would suggest a split in favour of affordable homes for ownership, the acute shortage of affordable housing means that a focus on affordable units for rent should be reinforced to ensure provision is provided for those most in need. The emerging and existing Local Plan suggest a split of 70% rented and 30% ownership, which might offer a suitable split for the Twyford NP. Considering that, national policy and local circumstances, the following tenure split would be considered reasonable and well evidenced (Table 4-8).

Table 4-8: Recommended affordable tenure splits.

Tenure	Indicative mix
Routes to home ownership, of which	45%
First Homes	25%
Shared ownership	12%
Rent to buy	8%
Affordable Housing for rent, of which	55%
Social rent	To be set by Registered Providers
Affordable rent	To be set by Registered Providers

15. The scale of Twyford's indicative housing requirement relative to the need identified here, in addition to historic delivery rates of affordable housing in the parish, suggest that the evidenced affordable housing needs might not be met over the Plan period. As such, the recommendation is that the policy requirement be met wherever possible, and further avenues for delivering greater quantities of Affordable Housing (such as exception sites) could be explored. If the group considers exceeding the Local Plan policy requirement in the neighbourhood plan then it must be noted that an extremely high standard of justification is required which goes beyond the scope of this HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.
16. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all ways of boosting the supply of affordable housing.

Type and Size

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

Dwelling type

18. Where Wokingham Borough Council's housing delivery recording methods mean that it is difficult to precisely detail the quantities and types of new housing in the Parish, other datasets have been used to detail the approximate mix of dwelling types in the Parish. Twyford's accommodation stock shows signs that the highest category of types is detached houses, followed by semi-detached and terraced dwellings which both share a relatively equal proportion of the stock. The Parish has a lower than nationally average proportion of terraced housing, though this figure is higher than local authority-wide rates. The Parish has significantly higher rates of detached housing than seen in England, though this figure is lower than seen across Wokingham (which in itself has an unusual mix of dwelling types compared to patterns across England). The share of semi-detached properties is largely in line with local and national averages.
19. Whilst VOA data shows that there have been some changes in dwelling types in Twyford since 2011, the fact that the 2011 Census dataset does not record bungalows as a separate category and the VOA data does, means that more conclusive points regarding the change over time are less reliable.

Dwelling size

20. Twyford's existing stock is largely made up of properties made up of over three bedrooms (61%), with less than 10% being made up of 1 bedroom dwellings. Wokingham also shows signs of its housing stock being largely comprised of larger properties, with 71% of properties made up of 3+ bedrooms. England has a significantly smaller proportion of 4+ bedroom dwellings, though higher rates of 3 bedroom dwellings; England and Twyford have broadly similar levels of 2-bed dwellings. Overall, it can be said that Twyford, much like Wokingham, has a housing stock which, in terms of dwelling sizes, is significantly larger than that seen across England, on average.

Age and household composition

21. Between 2011 and 2019, Twyford's age structure has seen some areas of stability, alongside some changes across specific age bands. There has been a marked decline in those aged 25-44, compensated with some increases across other age bands, with small scale changes across each. Compared to Wokingham as a whole, the Parish has a smaller than average population aged 16-24 alongside a larger than average population aged 25-44 and 65+.

22. Focusing on household composition, compared to Wokingham, Twyford has a higher than average proportion of one-person households (though this is marginally lower than England's average). The majority of households are occupied by one family only (most of these are with no children or dependent children) and overall, Twyford has a lower than average proportion of households counted as 'other'.
23. Twyford and Charvil show signs of some significant under occupation, with older age groups considerably more likely to have two or more spare bedrooms.

Dwelling mix by life stage modelling

24. Younger populations occupy the smallest dwellings in general across Twyford, with increases in occupancies of four+ bedroom dwellings through middle age groups. Older age populations generally occupy a range of dwelling sizes, with the majority being 2 and 3 bedrooms.
25. Whilst the above statement relating to occupancies by age might be representative of Wokingham as a whole, as previously mentioned, the Borough has an unusually large housing stock with high rates of under-occupation. As such, using the profile of the Borough's age-related occupancies to suggest future dwelling mixes could risk embedding a pattern which is potentially unsuitable to the needs of those in Twyford. As such, considering national averages as a basis for a more equally distributed profile of occupancies might show a more desirable trend, with older populations generally occupying smaller dwellings.
26. Looking across the Twyford Neighbourhood Plan period (to 2036), it is evident that projections expect an increase in households with younger populations (24 and under as the HRP) and significant increases in older groups (25% increase for 55-64 and a 77% increase for 65+). There is expected to be a moderate decline in those aged 25-34 acting as a HRP.
27. An overall suggested mix of new dwellings through to 2036, taking account of current household occupancies and population projections, would indicate a need for dwellings of 3 or more bedrooms. That said, this does not take account of more localised issues such as desires for housing for older people to enable some downsizing whilst staying within the Twyford area.
28. Should the NP wish to depart from the suggested mix which attempts to rebalance the area's housing stock in favour of smaller homes and to focus on important factors which as affordability, the following should be considered. Whilst there is an abundance of existing 1 and 2-bed properties in the Parish, a future mix may wish to include some of this size dwelling in future recommended mixes, which may help to address factors such as affordability and ensuring a rounded market offering. It would also be more closely aligned with the demand expressed in the household survey and the need indicated for the wider borough in the LHNA. Whilst there is no exact model which could help to evidence a dwelling mix which would steer the dwelling stock in this direction, primary surveys, consultation evidence or LHNA guidance on the under-occupation of existing homes may prove helpful. One approach which may be helpful could be to combine the category of smaller homes, such as recommending a provision of at least 50% of new

homes to be 3 or fewer bedrooms. Another approach might reduce the share of larger dwellings.

2. Context

Local context

29. Twyford is a Neighbourhood Plan area located in Wokingham, Berkshire. The Neighbourhood Area (NA) boundary aligns with the civil parish of Twyford and was designated in August 2018.
30. The proposed Neighbourhood Plan period starts in 2022 and extends to 2036, therefore comprising a planning period of 14 years. The evidence supplied in this report will look forward to the Plan end date of 2036, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
31. The parish includes the village of Twyford and borders the village of Ruscombe, which abuts Twyford, to the east. A railway line (Great Western Main Line) travels through the village, providing connectivity to Reading (and beyond) to the south west and Maidenhead (and beyond, including London) to the north east. Road based connectivity provides access to Reading and Maidenhead along the A4, and Wokingham and Henley-on-Thames on the A321. On a more local scale, the village of Charvil lies approximately 1km to the west and Wargrove approximately 1km to the north. Hare Hatch lies approximately 1.5km to the north east and the villages of Wristley Green and Hurst lie between 0.5-1.5km to the south. In terms of the Parish's composition, the west of the area is less developed, with much of it comprised of agricultural land and a number of waterbodies and courses. The east of the Parish is largely developed with a mixture of residential uses, a small high street, retail and leisure services, educational facilities, a healthcare surgery, some open and recreational space amongst other uses.
32. Data for the Twyford Parish was captured in the 2011 Census. Up-to-date population estimates can also be obtained for parishes. However, for other datasets including the 2001 Census, the parish needs to be recreated using statistical units called Output Areas (OAs).
33. The Twyford Neighbourhood Area (TNA) can be recreated using a number of OAs of varying geographical scales (Lower Super Output Area (LSOA) and OAs), including the following which have been used throughout as a statistical proxy for the NA boundary and which can be interrogated for data from both the 2001 and the 2011 Censuses:
- LSOA: E01016692
 - LSOA: E01016693
 - LSOA: E01016694
 - LSOA: E01016695
 - OA: 00MFNN0007
 - OA: 00MFNN0008
 - OA: 00MFNN0009

34. The statistics show that in the 2011 Census the NA had a total of 6,618 residents, formed into 2,851 households and occupying 2,929 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2019 population estimate for Twyford is 6,980 – indicating population growth of around 5.5%, or 362 individuals since 2011. It is worth noting that this figure is an estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.

35. Due to the make-up of the statistical areas which are encompassed by Twyford, there is

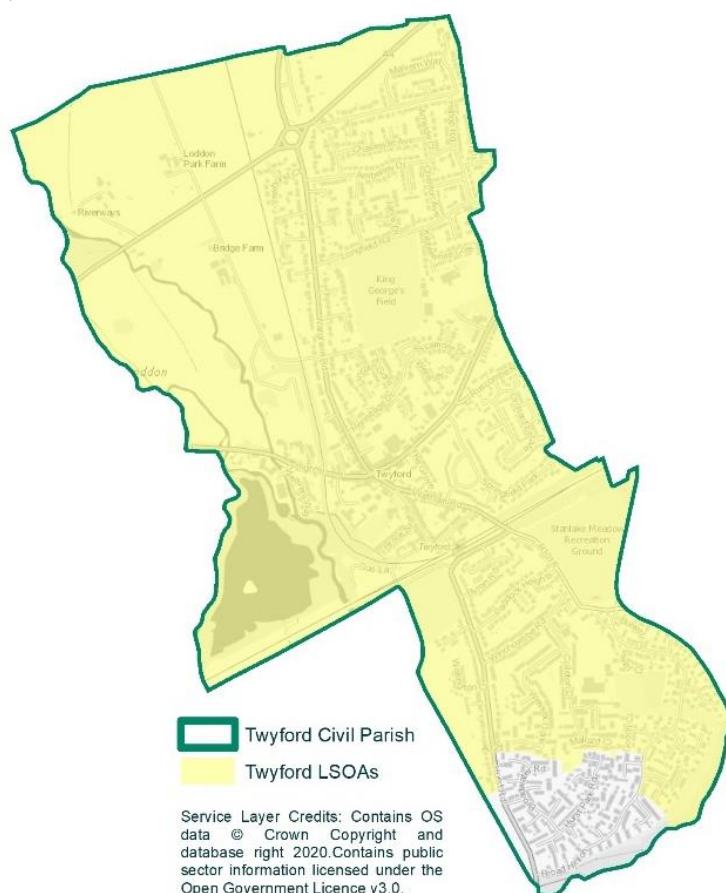
not an exact match with LSOAs to include the entirety of the Parish. Valuation Office Agency (VOA) data on the composition of the housing stock uses LSOAs as the lowest level of statistical output area and hence in order to use VOA data for the area, there has to be an understanding that this does not fully reflect the full extent of the Parish. For the purpose of this report, when referring to VOA data, the aforementioned LSOAs will be used.

36. Figure 2-1 indicates the extent of the statistical area's coverage across the Parish.

37. Taking 2011 as a baseline to assess housing growth in Twyford through until 2021, a number of considerations must be made.

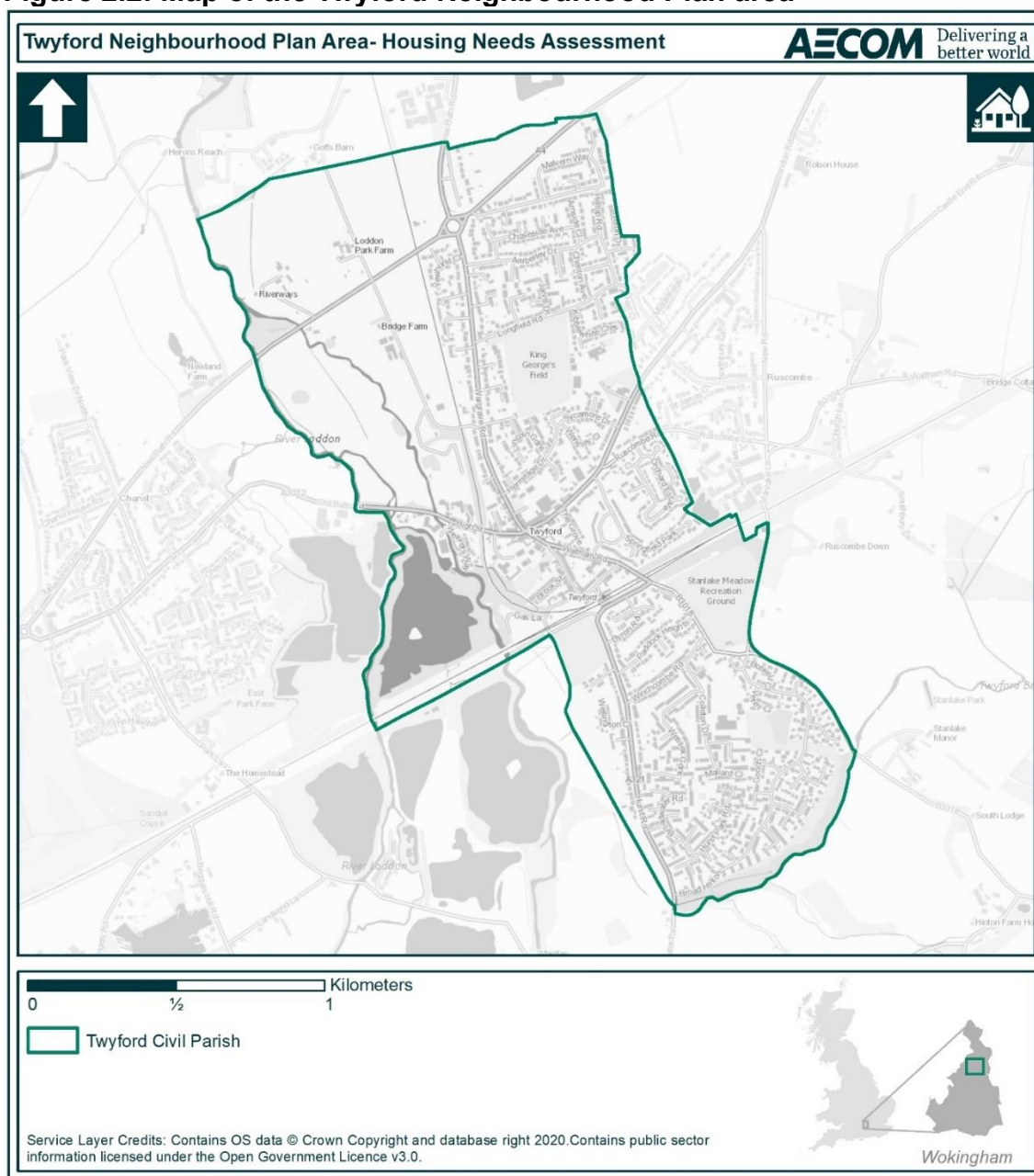
Firstly, the data relates to the four previously discussed LSOAs (Figure 2.1), as such the overall housing totals would be likely to be not representative of the entire Twyford area, however the growth rate would be expected to be broadly representative. The VOA data also rounds figures to the nearest 10, and hence a small degree of accuracy is lost. That said, the growth figures should be broadly indicative of the rate of growth between 2011 and 2019. The relevant area of the Parish had a total of 2,534 dwellings in 2011 and approximately 2,670 dwellings in 2021. This is the equivalent of a 5.4% growth rate. Over the same period of time, there has been an estimated population growth of 5.5%, highlighting a potential situation whereby housing growth has kept up with population growth.

Figure 2.1: LSOA coverage for the Twyford Parish.



38. In 2011, the Census indicated that there were 2,929 dwellings in the Parish. At the same point in time, the four LSOAs which are entirely within Twyford had a total of 2,611 dwellings. Current VOA data shows that these four LSOAs currently encompass 2,650 dwellings; indicating an increase of 1.5%. As a crude assumption for the purposes of this report, it is likely that the missing parcel of land in the south of Twyford saw a similar increase in housing.
39. Studying the housing in the area in the south of Twyford which is excluded from the VOA data due to it being part of a larger LSOA which would not reflect Twyford's characteristics, it is evident that the housing mix in this area is broadly aligned with the southern part of the Parish as a whole.
40. A map of the Plan area appears below in Figure 2.2.

Figure 2.2: Map of the Twyford Neighbourhood Plan area



Planning policy context

41. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.¹ In the case of Twyford, the relevant adopted Local Plan for Wokingham consists of the following planning documents:

- Core Strategy Development Plan Document (2010-2026)
- Wokingham Borough Development Plan: Adopted Managing Development Delivery Local Plan (2014)
- Wokingham Borough Council are in the process of a Local Plan update which will replace the aforementioned policy documents and guide where and how development should occur across the Borough until the year 2036; its anticipated adoption is for Winter 2021/22. The document reviewed was the Consultation draft Local Plan Update (2020).

Policies in the adopted local plan

- Table 2-1 below summarises adopted Local Plan policies (Core Strategy Development Plan Document (2010) and Wokingham Borough Development Plan: Adopted Managing Development Delivery Local Plan (2014)) that are relevant to housing need and delivery in Twyford.

Table 2-1: Summary of relevant adopted policies in the Wokingham Core Strategy and Development Plan

Policy	Provisions
Core Strategy Development Plan Document (2010)	
CP2 Inclusive communities	New development must, alongside other requirements, address the requirements of an ageing population, particularly in terms of housing.
CP5 Housing mix, density and affordability	Support is provided for residential development where an appropriate mix of densities, types, tenures and sizes are evidenced. Affordable housing must reflect the sizes and types that meet evidenced needs. Affordable housing must be provided at up to 50% of net additional dwellings on sites of 5 or more dwellings, or, over 0.16ha (subject to viability and requirements differ for developments on differing land types).
CP9 Scale and location of development proposals	The scale of development proposals must correlate to the existing or proposed levels of facilities and services nearby to a site, including considerations of their accessibility. Development within development limits will be acceptable in Twyford, which is considered a 'major development location'.
CP17 Housing delivery	This policy sets out the trajectory of required housing delivery over the plan period, with an expected 550 dwellings to be delivered across Major Development Locations (including Twyford).
Development Plan: Adopted Managing Development Delivery Local Plan (2014)	
TB05 Housing mix	Residential developments should provide a mix of housing to meet existing and future needs. Approximately 10-20% of dwellings should be built to 'Lifetime Homes Standards'.
TB07 Internal space standards	This policy outlines the specific minimum space requirements for residential dwellings according to dwelling occupancy and room use.
TB09 Residential accommodation for vulnerable groups	The policy provides support for housing which meets the specialist needs of more vulnerable groups in society.

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

Source: Both documents can be found [here](#).

Policies in the emerging local plan

42. Table 2-2 below summarises emerging Local Plan policies that are relevant to housing need and delivery in Twyford.

Table 2-2: Summary of relevant adopted policies in the Draft Wokingham local Plan (February-March 2020 Consultation)

Policy	Provisions
H1 Housing provision	A minimum of 13,901 dwellings will be delivered across Wokingham between 2018-2036.
H2 Sites allocation for residential/mixed use	Alongside allocations across the brough, Land at Bridge Farm, Twyford has been allocated for 150 dwellings.
H3 Housing mix, density and standards	The policy sets out requirements for housing to be delivered with a locally evidenced appropriate mix of types and tenures and at an appropriate density for the area. Higher densities should be sought in locations which are considered accessible. Housing also has to ensure that it is accessible and adaptable in line with specialist needs and any developments of over 20 dwellings must ensure 6% of new housing is wheelchair accessible and adaptable.
H5 Affordable housing	Support is provided for residential development where an appropriate mix of densities, types, tenures and sizes are evidenced. Affordable housing must reflect the sizes and types that meet evidenced needs. Affordable housing must be provided at up to 50% of net additional dwellings on sites of 5 or more dwellings, or, over 0.16ha (subject to viability and requirements differ for developments on differing land types).
H8 Self-build and custom housebuilding	This policy ensures that 5% of plots on proposals for developments of 100 dwellings or more are services plots for custom and self-builds.
H9 Accommodation for older people and vulnerable communities	This policy provides support for the specialist needs of more vulnerable groups to be met through the provision of the appropriate types of dwelling.
H10 Conversion and subdivision of buildings	Development proposals for the conversion or sub-division of buildings into self-contained flats or houses of multiple occupation within development limits, will be supported provided they adhere to a number of criteria listed in the policy.

Source: The document can be found [here](#).

Quantity of housing to provide

43. The NPPF 2021 (paragraphs 66 and 67) requires Local Authorities to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.

44. Wokingham Borough Council has fulfilled this requirement by providing Twyford with an indicative housing needs figure of 271 additional dwellings to be delivered over the Local Plan period 2018-2038. This has been determined using the proposed allocation in the parish in the Local Plan, plus an assumed rate of windfall development, and allowance of 10% for flexibility, with completions since 2018 deducted.

45. This figure applies to a different plan period than the Neighbourhood Plan – starting four years earlier and ending two years later. However, it serves as the most accurate available benchmark for the volume of delivery that may be expected in the parish in the coming years.

3. Approach

Research Questions

46. The following research questions were formulated at the outset of the research through discussion with the Neighbourhood Plan Steering Committee of Twyford Parish Council. They serve to direct the research and provide the structure for the HNA.

Tenure and Affordability

47. The neighbourhood planning group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
48. This evidence will allow the Twyford Neighbourhood Plan to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.
49. The neighbourhood planners are interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

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

Type and Size

50. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community.
51. The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.
52. While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.
53. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

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

Relevant Data

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

- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
- ONS population and household projections for future years;
- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from Home.co.uk;
- Local Authority housing waiting list data;
- The Wokingham Borough Local Housing Needs Assessment (LHNA) 2020; and
- The group conducted a questionnaire which surveyed Twyford residents' opinions on a range of topics, including housing, transport and a vision for the future. Initial analysis of the questionnaire results showed 13% of respondents were considering leaving Twyford due to a lack of suitable housing, with some reasons behind this relating to affordability, dwelling types and sizes. Topping the list of respondent concerns about which types of accommodation were poorly provided for was accommodation for young people, followed by affordable rented accommodation, social housing to rent or buy and accommodation suitable for people who want to downsize. One and two-bed properties were highlighted as the sizes which were least well provided for in Twyford. In terms of dwelling types, apartment blocks and bungalows were highlighted as the least well provided in Twyford, with maisonettes/duplexes, terraced houses and semi-detached houses all also highlighted. The questionnaire went on to identify what sort of developments should accommodate additional homes in Twyford, with the most popular options being a range of small scale developments (4-9 dwellings) or one or two-bed dwellings spread across the settlement in the form of infill development; the survey also overwhelmingly favoured brownfield development.

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

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

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

Introduction

56. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.
57. Tenure refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF. A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
58. The definition of Affordable Housing set out in the NPPF 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. As part of this effort, the Government has recently introduced a new product called First Homes.²
59. Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:
- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
 - The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
 - After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;

² The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

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

Current tenure profile

60. The current tenure profile is a key feature of the Neighbourhood Plan Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.
61. Table 4-1 Table below presents data on tenure in Twyford compared with Wokingham and England from the 2011 Census, which is the most recent available source of this information.
62. Table 4-1 shows that both Twyford and Wokingham have higher rates of home ownership than seen nationally. The Parish also has lower rates of Affordable Housing related tenures compared to local and average figures, with the most pronounced discrepancy being seen for social rented tenures, where Twyford's share is 12.4 percentage points lower than England's comparative rate.

63. There is no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, it is interesting to observe the change recorded between the 2001 and 2011 Census: in Twyford the private rented sector expanded by 79% in that period, a rate of growth that is broadly aligned with the local and national averages (80% and 82% respectively). During this same period, Twyford has seen two significant changes to tenures relating to affordable housing; in terms of shared ownership, there has been a 29% decline, whereas Wokingham has seen an 86% increase and England has seen a 30% increase. It is important to note here, that despite an apparent substantial decline according to percentage change figures, the raw data indicated a drop from 24 to 17 shared ownership households in Twyford; sometimes which could be accounted for by households buying out full ownership of a property which was previously under shared ownership. Focusing on social rented tenures, Twyford saw an 8% decline, compared to Wokingham's 25% increase and England's 1% decrease. The relatively small decline in Twyford (in terms of the raw data, a decline of 13 households was observed), this is usually attributed to occupants purchasing their home through the Right to Buy scheme, making it a market home for future occupants.

Table 4-1: Tenure (households) in Twyford, 2011

Tenure	Twyford	Wokingham	England
Owned; total	78.7%	79.7%	63.3%
Shared ownership	0.6%	1.1%	0.8%
Social rented; total	5.3%	7.0%	17.7%
Private rented; total	14.9%	11.2%	16.8%

Sources: Census 2011, AECOM Calculations

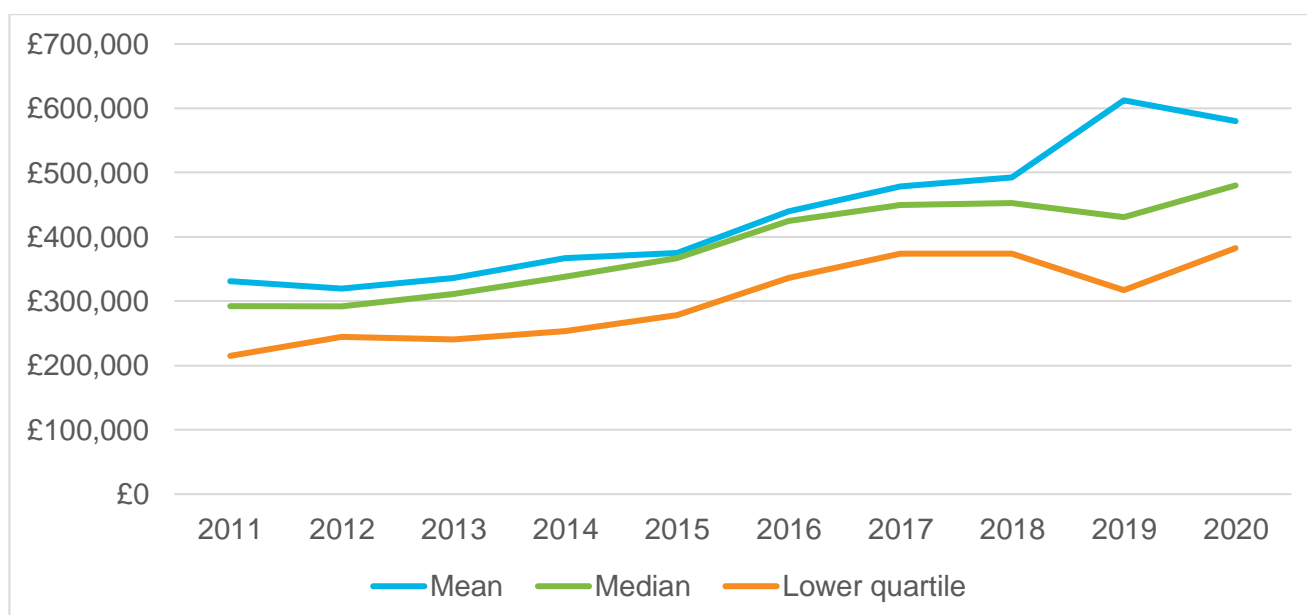
Affordability

House prices

64. 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.

65. Figure 4.1 below looks at selected measures of house prices in Twyford. It shows that house prices over the past decade in Twyford have been steadily increasing in general. 2019 saw a slight shift in the trend, where mean house prices saw an increase (because the mean captures the average of all the house prices, both high and low, the few outlying data points on the high end cause the mean to increase, making it higher than the median). This increase is likely to be attributable to the sale of a property which had a value which could be considered an outlier. Further scrutiny of the data reveals that 2019 saw a property sale valued at £17.8 million, alongside six other sales worth over £1 million, confirming the previous assertion. The same year saw some slight declines for median (the middle number when you sort the data from smallest to largest) prices and lower quartile prices, indicating a slight reduction in house prices for the area as a whole; though these declines bounced back for 2020. Current median house prices in Twyford are £480,000 with a lower quartile price of £382,500.

Figure 4.1: House prices by quartile in Twyford, 2011-2020



Source: Land Registry PPD

66. Table 4-2 below breaks down house prices by type. It shows that, as expected, detached properties are significantly more expensive than other types of housing, with flats costing on average the least. In terms of house price change between 2011 and 2020, the largest growth has been seen in terraced properties (70% increase), followed by semi-detached (55%) and detached (40%). It is notable that during this time, where average prices have increased by 75%, flats have only increased in price by 10%.

Table 4-2: House prices by type in Twyford, 2011-2020 (£000's)

Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Growth
Detached	484.5	429.3	451.5	504.0	511.2	592.7	616.6	626.6	659.5	679.4	40.2%
Semi-detached	316.3	327.1	334.5	350.7	399.0	441.4	461.0	435.5	440.2	490.5	55.1%
Terraced	228.0	257.8	259.8	267.2	323.0	378.0	384.7	376.3	356.6	389.2	70.7%
Flats	196.3	183.1	188.1	220.0	233.7	253.8	302.6	330.1	237.1	215.3	9.7%
All Types	331.5	319.6	335.9	366.6	375.3	439.3	478.4	492.7	612.3	580.5	75.1%

Source: Land Registry PPD

Income

67. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.
68. The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average total household income before housing costs locally was £72,600 in 2018. A map of the area to which this data applies is provided in Appendix A.
69. 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. Wokingham's gross individual lower quartile annual earnings were £18,074 in 2018. To estimate the income of households with two lower quartile earners, this figure is doubled to £36,148.
70. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

Affordability Thresholds

71. 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.
72. AECOM has determined thresholds for the income required in Twyford to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix A.
73. 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.

74. Table 4-3 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.

75. The same information is presented as a graph in Figure 4.2 on a subsequent page, with selected measures from the table presented for clarity.

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

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £72,600	Affordable on LQ earnings (single earner)? £18,074	Affordable on LQ earnings (2 earners)? £36,148
Market Housing						
Median House Price	£432,000	-	£123,429	No	No	No
LA New Build Mean House Price	£400,368		£114,391	No	No	No
LQ/Entry-level House Price	£344,250	-	£98,357	No	No	No
Average Market Rent	-	£17,532	£58,440	Yes	No	No
Entry-level Market Rent	-	£16,788	£55,960	Yes	No	No
Affordable Home Ownership						
First Homes (-30%)	£336,000	-	£86,400	No	No	No
First Homes (-40%)	£288,000	-	£74,057	Marginal	No	No
First Homes (-50%)	£240,000	-	£61,714	Yes	No	No
Shared Ownership (50%)	£216,000	£6,000	£81,714	No	No	No
Shared Ownership (25%)	£108,000	£9,000	£60,857	Yes	No	No
Shared Ownership (10%)	£43,200	£10,800	£48,343	Yes	No	No
Affordable Rented Housing						
Affordable Rent	-	£8,236	£32,943	Yes	No	Yes
Social Rent	-	£7,122	£28,488	Yes	No	Yes

Source: AECOM Calculations

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

Market housing for purchase and rent

77. 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 70% higher than the current average.
78. Private renting is generally only affordable to average to higher earners. Households made up of two lower quartile earners would still struggle to afford the given rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

Affordable home ownership

79. There is a relatively large group of households in Twyford who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £55,960 per year (at which point entry-level rents become affordable) and £98,357 (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.
80. 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.
81. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. In the case of Twyford it could be argued that local circumstances would permit the threshold to be set at 50% discount; this is due to the discounts of 30% and 40% being largely considered unaffordable for those earning the average (mean) household income of £72,600 and the additional likelihood that First Homes at lower discounts in Twyford would not fall beneath the price and income caps (see Appendix A).

82. Table 4-4 below shows the discount required for First Homes to be affordable to the three income groups. Because it is not possible to estimate the cost of a typical First Home due to a lack of data on new build entry-level house prices in the NA, it is worth considering the discounts required for some additional price benchmarks. The table above uses median house prices in the NA as the best proxy for the cost of a newly built entry-level home in the area, because this reflects the local market and accounts for the price premium usually associated with newly built housing (which would bring the price closer to the price of median existing homes than existing entry-level homes). However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, and of entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below. It remains clear that 50% discount is the most appropriate from an affordability perspective. It is worth noting that higher discounts may have implications on development viability and the overall amount of Affordable Housing that developers are able to deliver. This risk should be discussed with the Local Authority if the Neighbourhood Plan is to include policy provisions on this topic.

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

Tenure/product	Mean Income	LQ Income x1	LQ Income x2
NA Median house price	41%	85%	71%
LA New build mean house price	37%	84%	68%
NA Entry-level house price	26%	82%	63%

Source: Land Registry PPD; ONS MSOA total household income

83. Shared ownership appears to be more affordable than First Homes, but is broadly accessible to the same groups. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.³ If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
84. The transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised, meaning that monthly costs for occupants will remain relatively high and the build-up of equity will be relatively slow. This product would therefore only be a realistic route to full ownership for households prepared to take a long-term view.
85. The income required to access rent to buy is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership (of 25% and 50% ownership) are less affordable options, though in terms of initial access, shared ownership of 10% would be more affordable.

³ The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hws48>.

86. These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.

- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
- Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
- Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.
- Rent to buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

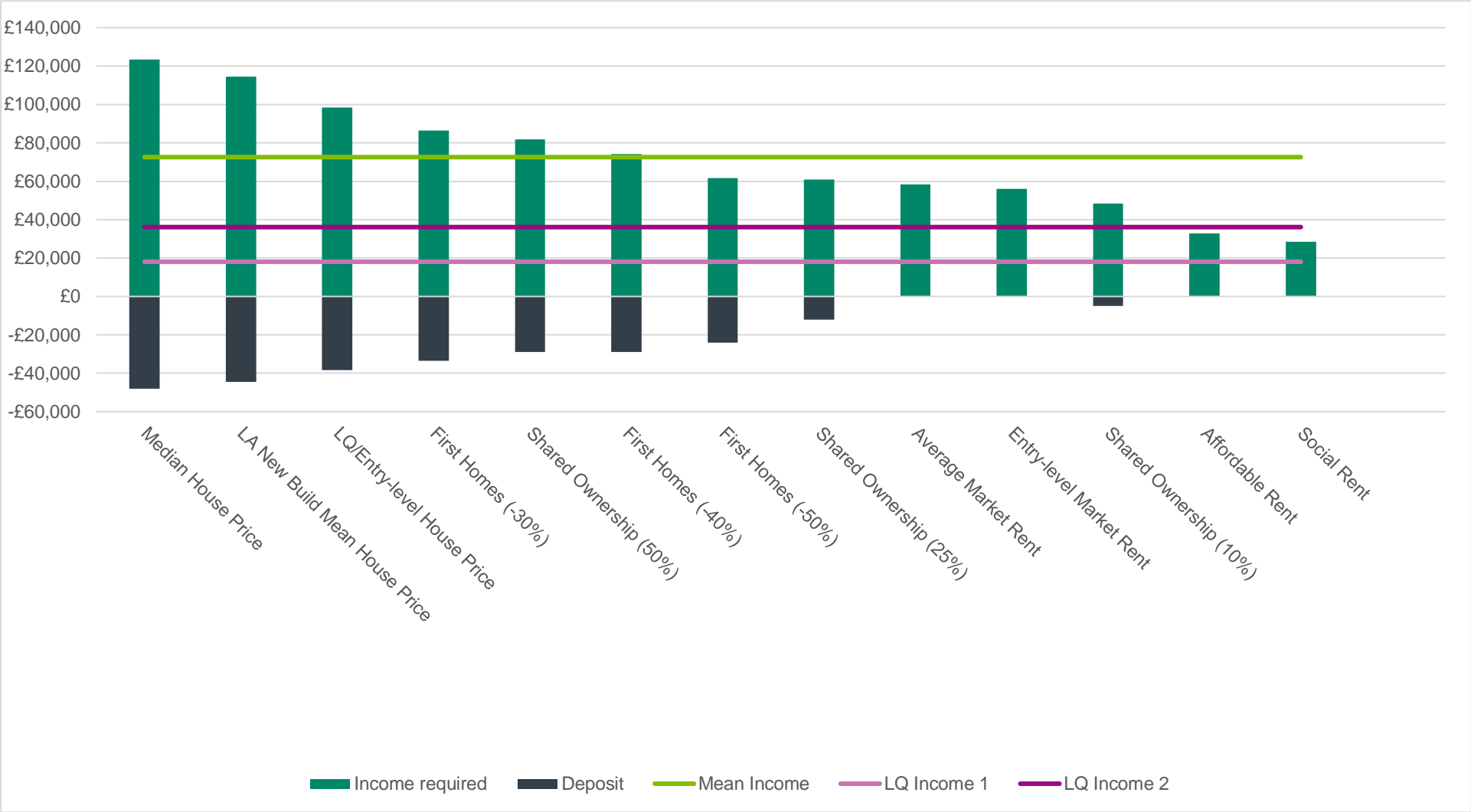
87. In conclusion, all of these products would provide valuable to different segments of the local population, with shared ownership at a lower than 25% equity share potentially allowing lower earning households to get a foot on the housing ladder, while rent to buy is helpful to those with little or no savings for a deposit, and First Homes (especially at 50% discount) may provide a better long-term investment to those who can afford to access it.

Affordable rented housing

88. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.

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

Figure 4.2: Affordability thresholds in Twyford, income required (additional cost of deposit in black)



Source: AECOM Calculations

Affordable housing- quantity needed

90. The starting point for understanding the need for affordable housing in Twyford is the relevant Local Housing Needs Assessment (LHNA). An LHNA was undertaken for Wokingham in 2020. It finds that the borough as a whole has an affordable housing need of 407 additional dwellings per year over the period 2018-2038. This comprises 100 dwellings per year for affordable rent and 307 for affordable home ownership.
91. When the LHNA figures are pro-rated to Twyford based on its fair share of the population (4.3% of the LPA's population), this equates to 17.5 homes per annum (4.3 for affordable rent and 13.2 for affordable home ownership) or 245 in total over the Neighbourhood Plan period (2022-2036).
92. However, pro-rating District level estimates of affordable housing need to rural areas presents problems in practice. The District level figures are likely to represent higher needs in the urban areas of the District where there is a large social housing stock and larger numbers of households living in the PRS on housing benefit. Both of these factors tend to generate higher needs. By contrast, in rural villages like Twyford the 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 need for social/affordable rented housing within Twyford.
93. That said, reporting processes at the local planning authority means that specific data relating to the number of Twyford households currently applying for Affordable Housing is not possible to attain. Considering this, the previously discussed LHNA figures could be used, or a separate approach (which would provide more up to date figures) would be to request the Borough-wide figure for the affordable housing waiting list, and pro-rata it to estimate Twyford's need (Table 4-4). Whilst this would still be a figure subject to the previously discussed limitations, it would provide more locally-specific figures than those calculated in the LHNA. Taking this approach, the current number of households in Twyford who are in need of affordable housing is 90.
94. It should be noted that this approach does not permit a more detailed understanding of the size of affordable housing units which are required.

Table 4-4: Affordable housing waiting list for the Wokingham Borough Council as well as prorated figure for Twyford.

Area	Number of households on Affordable Housing Waiting List (prorated at 4.3%)
Wokingham	2,086
Twyford (pro rated)	90

95. In Table 4-5 below we have calculated, using PPG as a starting point,⁴ an estimate of the total need for affordable rented housing in Twyford 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 we have available to us. For example, Census 2011 data is increasingly out-of-date. 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.
96. It should also be noted that figures in Table 4-5 are largely dependent on information provided by Wokingham Borough Council in its capacity as manager of the local housing waiting list.
97. The table shows that there are currently about 90 households in Twyford unable to access affordable rented homes suitable to their needs. The table also suggests that, over the Plan period, 42 additional households in the Neighbourhood Plan area will fall into need, producing total need for affordable rented homes of 132. When considering the likely supply of affordable housing over the Plan period, the overall shortfall is likely to be 53 units, which equates to approximately 3.7 units per annum. This is very close to the LHNA-informed estimate of 4.3 units per year.

⁴ Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

Table 4-5: Estimate of need for Affordable Housing for rent in [NA Name]

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current households in need	90.0	Latest waiting list data available from DLUCH Local authority housing statistics data return (households in priority need). Pro rata for the NA. Replace with neighbourhood level data if provided by LA.
1.2 Per annum	6.4	1.1 divided by the plan period 2022-2036
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	379.2	DLUCH 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	11.1%	(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 NA	189.7	2011 Census + LA-level % increase
2.2.2 Number of private renters on housing benefits	78.6	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	42.2	Step 2.1 * Step 2.2
2.4 Per annum	3.0	Step 2.3 divided by plan period 2022-2036
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of social/affordable re-lets (including transfers) %	3.0%	Assumed proportion of stock re-let each year
3.2 Supply of social/affordable re-lets (including transfers)	5.7	Step 3.1 x NA social rented stock (2.2.1)
NET SHORTFALL (OR SURPLUS) OF RENTED UNITS PER ANNUM		
Overall shortfall (or surplus) per annum	3.7	Step 1.2 + Step 2.4 - Step 3.2
Overall shortfall (or surplus) over the plan period	52.5	(Step 1.1 + Step 2.3) - Step 3.2 * plan period

Source: AECOM model, using Census 2011, English Housing Survey 2018, DLUCH 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.

98. Turning now to Affordable Housing providing a route to home ownership, Table 4-6 below estimates the potential demand in Twyford. This model aims to estimate the number of households which might wish to own their own home but cannot afford to – the ‘can rent, can’t buy’ group described in the previous section. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.

99. 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.⁵ No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.
100. The result of the calculation is 25.1 households per annum who may be interested in affordable home ownership (or 348 for the entirety of the Plan period). Again this is not far removed from the LHNA-informed figure of 13.2 units per year, but the higher HNA estimate expresses potential demand in a more open-ended way than the LHNA figure.
101. Again, this assumes a rate of turnover in the existing stock will satisfy some need, though this is extremely minimal because of the lack of shared ownership in the NA currently.
102. 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.

⁵ <http://www.ipsos-mori-generations.com/housing.html>

Figure 4-6: Estimate of the potential demand for affordable housing for sale in Twyford

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in NA	518.1	Census 2011 number of renters * national % increase to 2018
1.2 Percentage renters on housing benefit in LA	15.2%	% of renters in 2018 on housing benefit
1.3 Number of renters on housing benefits in NA	78.6	Step 1.1 * Step 1.2
1.4 Current need (households)	329.6	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	23.5	Step 1.4 divided by plan period
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	379.2	LA household projections for plan period (2018 based) pro rated to NA
2.2 % of households unable to buy but able to rent	11.3%	(Step 1.4 + Step 3.1) divided by number of households in NA estimated in 2020
2.3 Total newly arising need	42.8	Step 2.1 * Step 2.2
2.4 Total newly arising need per annum	3.3	Step 2.3 divided by plan period
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	34.4	Number of shared ownership homes in NA (Census 2011 + LA new build to 2018/19 pro rated to NA)
3.2 Supply - intermediate resales	1.7	Step 3.1 * 5% (assume rate of re-sale)
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Overall shortfall (or surplus) per annum	25.1	(Step 1.5 + Step 2.4) - Step 3.2
Overall shortfall (or surplus) over the plan period	348.3	(Step 1.4 + Step 2.3) - Step 3.2 * number of years to end of plan period

Source: AECOM model, using Census 2011, English Housing Survey 2018, DLUCH 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.

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

105. Wokingham's adopted policy on this subject (Core Strategy Policy CP5) requires up to 50% of all new housing to be affordable (depending on circumstance and land type). Taking a look at the housing growth between 2011 and 2020 for the area of the Parish which is encompassed by the LSOAs which are entirely within Twyford, there were an additional 136 homes delivered overall. Wokingham Borough Council figures reveal that over this same period, four affordable units were delivered. Given that Affordable Housing made up just 3% of new housing in Twyford over the last decade, it is understood that this target is not usually met on sites in the NA. Note that the growth of approximately 136 dwellings over the aforementioned period relates to the LSOAs which are entirely within the Parish and excludes any growth over the period in the previously discussed, small omitted area in the south west of the Parish; however, the delivery of affordable housing relates to the entire Parish. As such, the percentage of affordable housing delivery may be smaller than the stated 3%.
106. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
107. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is left as a matter to be informed by the latest evidence, and negotiated on a site-by-site basis, as set out by the existing and emerging development plans for Wokingham. The HNA can supply more localised evidence, and this section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Twyford specifically.
108. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:
- A. **Evidence of need for Affordable Housing:** This study estimates that Twyford requires roughly 53 units of affordable rented housing and 348 units of affordable home ownership over the Plan period (estimates that are broadly in line with the result of pro-rating the LHNA figures). Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.
- The relationship between these figures suggests that 13% of Affordable Housing should be rented and 87% should offer a route to ownership. However, as noted above, these figures are not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.

If the quantity of new housing overall were unlimited, 13% to 87% may be an appropriate affordable tenure mix. However, this is not likely and also not strictly necessary.

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

If all of the indicative housing requirement of 271 comes forward and the 50% affordable requirement is met, around 136 units of Affordable Housing could be delivered. However, judging by the historic delivery of Affordable Housing in the Twyford Parish, future housing delivery could be unlikely to deliver the Local Plan target of up to 50% of homes being affordable. One reason for such trends could be a higher than average delivery of housing on sites which are not large enough to meet the threshold of 5 dwellings/0.16 hectares, above which the Affordable Housing policy applies. If that is the case in the future, the potential delivery of Affordable Housing is likely to be lower still. This would be unlikely to be sufficient to satisfy the total potential demand for Affordable Housing identified here.

As a result, affordable rented housing should have a higher weighting in the tenure mix to ensure that the most acute needs are met as a priority. But given the historic delivery rates it is reasonable to assume that supply will be limited and affordable rented accommodation should be prioritised. The 70% rented 30% ownership guideline mix in the Local Plan may offer an appropriate benchmark, though considering the difference between this split and the evidenced need, a balance at 55% rented and 45% ownership may be more appropriate.

- C. Government policy (eg NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in Wokingham, where 50% of all housing should be affordable, 20% of Affordable Housing should be for affordable ownership. This complies with the guideline tenure split sought in the Local Plan.

There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA there is no evidence that meeting the 10% threshold in Twyford would prejudice the provision of much needed affordable rented homes.

- D. Local Plan policy:** As noted above, the emerging Local Plan and existing Core Strategy seek a tenure split of 70% rented 30% ownership.
- E. First Homes policy:** the Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.

This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. Though, in this case a 70% delivery of social or affordable rented units would still be expected to be possible.

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.

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

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
- G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood planning group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
- H. **Existing tenure mix in Twyford:** The Parish currently has a relatively low proportion of shared ownership tenures (0.6%) across all tenures, with the figure slightly below national averages (0.8%) and a larger amount below local averages (1.1%). In terms of social rented accommodation, Twyford has a proportion (5.3%) which is significantly below average for both local (7%) and national figures (17.7%). This suggests that at present, there is a significant shortfall of affordable rented housing, with a less pronounced shortfall of affordable ownership options, though it is still considered to be undersupplied. This suggests that some provision of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.
- I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels.

- J. **Wider policy objectives:** the neighbourhood planning group may wish to take account of broader policy objectives for Twyford 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.
109. On the basis of the considerations above, Table 4-7 below proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.
110. This indicative mix is chiefly a response to the expectation that the delivery of Affordable Housing will be lower than the needs identified here. In this context, affordable rented tenures should be prioritised. The Local Plan guideline mix of 70% rented to 30% ownership may offer a suitable benchmark, which also complies with the various minimum requirements mandated nationally. However, considering the difference between this split and the evidenced need, a balance at 55% rented and 45% ownership may be more appropriate.
111. A 25% split of Affordable Housing First Homes tenures matches national policy and hence has been recommended; this should be targeted with a discount level of 50% to suit local needs. This chapter has demonstrated that shared ownership (10%) offers the most affordable route to home ownership for the Twyford Parish with 25% ownership still being considered affordable for those on mean incomes; as such 12% of Affordable Housing could be comprised of this tenure. Rent to buy schemes are also considered to be affordable for those on mean incomes (more affordable than a 25% shared ownership tenure, but less so than a 10% shared ownership tenure). However, this tenure type is emerging and the effectiveness is still relatively unknown, as such, a split of 8% could be allocated to this tenure; this should also help to ensure diversity and a maximisation of choice alongside locally relevant tenures to deliver Affordable Housing.
112. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J above, and in particular the views and objectives of the community.
113. Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with Wokingham Borough Council to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
114. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

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

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	45%	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	12%	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	8%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	55%	
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

115. The Parish of Twyford has a rate of home ownership which is broadly consistent with Wokingham, though considerably higher than that seen across England; when focusing on shared ownership tenures, Twyford's figure is slightly lower than England and more significantly lower than that seen in Wokingham. Of those who rent, the majority are in private rented accommodation, with a significantly lower than nationally average proportion of people living in social rented accommodation.
116. House prices in the area have steadily increased since 2011, with the most pronounced increases seen in terraced and semi-detached properties. Setting this in the context of incomes in the Parish, households are on average likely to earn approximately £72,600 (2018), though lower quartile earners may earn significantly less at approximately £36,148 per household (assuming two lower quartile earners living in one household).

117. Focusing on affordability thresholds, no affordable or market tenure options are likely to be considered to be affordable for those single-earning (£18,074) lower quartile households, when accounting for potential lower quartile earners from households with two earners, affordable or social rented tenures may be affordable, but ownership options are considered unaffordable. Those on average household incomes are likely to be able to afford market and affordable level rents as well as some more generous affordable ownership options (such as: 50% discount First Homes and Shared Ownership options with 10% and 25% ownership rates).
118. In terms of affordability, the following tenures would be considered to be affordable for those earning less than the mean income:
- Social rent
 - Affordable rent
 - Shared ownership (10%)
 - Entry-level market rent
 - Average market rent
 - Shared ownership (25%)
 - First homes (-50%)
119. Wokingham is identified as an area which has a particularly high need for affordable housing, with a majority of people in need occupying unsuitable housing and unlikely to be able to access market rents. As such, affordable rented tenures should be prioritised before affordable ownership options. That said, some lower ownership proportions under shared ownership tenures may be affordable for some of these groups. A pro-rated figure related to the number of households on the affordable housing waiting list reveals that there could be around 90 households in Twyford who are currently on the affordable housing waiting list.
120. Considering current need, future need and the supply of affordable housing, there is likely to be an overall shortfall of affordable units for rent of 52.5 (53) across the plan period (3.7 per annum). Taking the focus to affordable routes to home ownership and considering the same factors, there is likely to be a shortfall of 348.3 (348) units over the plan period (25.1 per annum). These estimates are in broad alignment with the figures that result if the latest LHNA figures are pro-rated to Twyford according to population statistics.
121. In terms of historic delivery of affordable units for rent or ownership in Twyford, there has been some significant under delivery, meaning that a similar pattern in the future could be expected. This under delivery could be due to a number of factors, including sites not meeting the minimum size threshold to require affordable units to be delivered.
122. Wokingham have a target of up to 50% of all new housing being required to be affordable and this is something which requires a high burden of justification for neighbourhood to alter.

123. Whilst the relationship between the affordable housing for rent and for ownership need in Twyford would suggest a split in favour of affordable homes for ownership, the acute shortage of affordable housing means that a focus on affordable units for rent should be reinforced to ensure provision is provided for those most in need. The emerging and existing Local Plan suggest a split of 70% rented and 30% ownership, which might offer a suitable split for the Twyford NP. Considering that, national policy and local circumstances, the following tenure split would be considered reasonable and well evidenced (Table 4-8).

Table 4-8: Recommended affordable tenure splits.

Tenure	Indicative mix
Routes to home ownership, of which	45%
First Homes	25%
Shared ownership	12%
Rent to buy	8%
Affordable Housing for rent, of which	55%
Social rent	To be set by Registered Providers
Affordable rent	To be set by Registered Providers

124. The scale of Twyford's indicative housing requirement relative to the need identified here, in addition to historic delivery rates of affordable housing in the parish, suggest that the evidenced affordable housing needs might not be met over the Plan period. As such, the recommendation is that the policy requirement be met wherever possible, and further avenues for delivering greater quantities of Affordable Housing (such as exception sites) could be explored. If the group considers exceeding the Local Plan policy requirement in the neighbourhood plan then it must be noted that an extremely high standard of justification is required which goes beyond the scope of this HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.
125. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all ways of boosting the supply of affordable housing.

126. Table 4-9 below summarises Twyford's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the indicative housing requirement figure for the area (noting it applies to a slightly different period) to the Local Plan policy expectation, and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighbourhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

Table 4-9: Estimated delivery of Affordable Housing in Twyford

	Step in Estimation	Expected delivery
A	Indicative housing requirement	271
B	Affordable housing quota (%) in LPA's Local Plan	50%
C	Potential total Affordable Housing in NA (A x B)	136
D	Rented % (e.g. social/ affordable rented)	55%
E	Rented number (C x D)	75
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	45%
G	Affordable home ownership number (C x F)	61

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

5. RQ 2: Type and Size

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

Introduction

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

Existing types and sizes

Background and definitions

129. Before beginning to explore issues of dwelling type and size, it is important to note that the demand for housing by size and type tends to be determined primarily by wealth – with those having more buying power choosing to occupy larger homes, and often preferring detached properties to denser types, such as flats.
130. This study is concerned primarily with need rather than demand. Need for homes of different sizes is chiefly determined by the number of people occupying the home. In the strict sense, there is no ‘need’ for dwellings of any particular type, other than the specific needs of those with certain disabilities for level access properties, for example.
131. The best proxy for the number of people in a household is age or ‘life stage’, with younger and then older households tending to have one or two people, and those in between these poles more likely to have larger families including children. Life stage is therefore a main indicator considered here for the size of housing needed. But it is worth pointing out that wealth is also correlated with age, so it is not possible to attain a pure view of what is needed from the secondary data alone.

132. It is also useful to clarify the terminology around dwellings and households. Dwellings are counted in the Census by combining address information with Census returns on whether people's accommodation is self-contained. As such, all dwellings are classified as either shared or unshared dwellings. Households are groups of people who live together as a coherent unit (such as a family), and a dwelling is shared where there is more than one household occupying it (e.g. two families or a group of individual students). Hence, there is usually a different number of households and dwellings in any given area. The number of dwellings can also exceed that of households in areas with large numbers of holiday or second homes.
133. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. For some aspects, such as the size mix of homes, adding together Census figures and completions data for the intervening period is highly accurate. For others, such as the type mix of homes, this method is not available and Valuation Office Agency (VOA) must be used, and it must be accepted that the data areas do not entirely match with the Twyford area. The most appropriate combination of approaches is used in this section.

Dwelling type

134. Wokingham Borough Council's housing delivery recording methods mean that it is difficult to precisely detail the quantities and types of new housing in the Parish since the 2011 Census. As such, this report will rely on VOA data to understand the split of housing types in Twyford.
135. Census 2011 data is presented below, but this unfortunately cannot be used to fully understand the changes between 2011 and 2020 because Census data counts bungalows within each of the other categories rather than independently (hence the apparent decline in the number of semi-detached properties). Whilst the VOA data refers to a slightly smaller proxy area than the Parish of Twyford, this has been accounted for by ensuring that the Census data used for comparative purposes here only includes the four LSOAs which are included in the VOA data. Note also that VOA data is rounded to the nearest 10 in each dwelling category.
136. Table 5-1 can be used to assess 2020 accommodation types with some level of comparison to housing types at the 2011 Census in Twyford. Whilst the VOA data does not cover the entire geographical extent of Twyford (as previously explained), the area is fairly representative of Twyford as a whole in terms of its accommodation types. At both points in time, the Parish's stock was mainly comprised of detached, semi-detached and terraced housing. The latest VOA data shows that bungalows make up the smallest proportion of categorised accommodation types.

Table 5-1: Accommodation type, Twyford (using the four LSOAs which are entirely within the Parish), 2011 and 2020

Dwelling type	2011 (Census)	2020 (VOA)
Bungalow	-	280
Flat	349	420
Terrace	482	540
Semi-detached	767	600
Detached	936	810
Unknown/other	-	20
Total	2,534	2,670

137. Source: ONS 2011, VOA 2020, AECOM Calculations

138. As shown in Table 5-2, despite the low number, Twyford has a higher than average proportion of bungalows within its mix of dwelling types. Compared to national averages, there is a small proportion of flats, however the proportion of the Parish's mix comprised of flats is higher than seen across Wokingham. A similar picture is seen when looking at Terraced housing. In terms of semi-detached accommodation, neighbourhood, local and national figures are broadly aligned without significant anomalies. When focusing on detached housing, Twyford and Wokingham both have significantly greater proportions (of which Wokingham's percentage is greater than Twyford's) than national equivalents.

Table 5-2: Accommodation type, various geographies, 2020.

Dwelling type	Twyford	Wokingham	England
Bungalow	10.5%	7.7%	9.4%
Flat	15.7%	13.1%	23.0%
Terrace	20.2%	16.1%	26.4%
Semi-detached	22.5%	24.2%	23.8%
Detached	30.3%	36.6%	15.9%
Unknown/other	0.7%	2.4%	1.4%

Source: VOA 2020, AECOM Calculations

Dwelling size

139. For the purposes of this assessment and as for early sections of the report, the data used to understand the historic and current mix of housing sizes within Twyford rely on Census data and VOA data. For Table 5-3 (below), the 2011 Census data relates only to the four LSOAs in the Parish which are relevant to the VOA data; this allows a more direct comparison in order to assess change over time. Whilst the absolute numbers will not be entirely representative of Twyford as a whole, the percentage splits are likely to be broadly representative. The fact that dwelling sizes can change (including through extensions, subdivisions of rooms or changes to the composition of properties) and the fact that VOA data rounds figures to the nearest 10 and records properties with an unknown number of rooms means that some discrepancies and reductions can be seen. The newest data available is for 2020 – which also misses any homes completed in the last year.

140. Whilst understanding the above limitations, Table 5-3 indicates that the proportions of different dwelling sizes within the Parish are broadly similar now, compared to 2011 rates, there have been some slight increases in proportions of 1 (or no/unknown) bedroom(s), 2 bedroom and 3 bedroom properties made up for with a reduction in 4+ bedroom dwellings. Looking at the actual change over time, there have been decreases in 1 (or no) and 4+ bedroom dwellings, and more significant increases in 2 and 3 bed dwellings since 2011.

Table 5-3: Dwelling size (bedrooms), Twyford Parish, 2011 and 2020

Number of bedrooms	2011 (Census)	Percentage (2011 Census)	VOA data 2021	Percentage Split (VOA data 2020)	2011-2020 Percentage Change
1 (or no bedrooms)	268	10.6%	260	9.7%	-3.1%
2	662	26.1%	770	28.6%	14%
3	858	33.8%	960	35.7%	10.6%
4+	749	29.5%	690	25.7%	-8.6%
Unknown	-	-	10	0.4%	-
Total	2,537	-	2,690	-	5.7%

Source: ONS 2011, VOA 2020, AECOM Calculations

141. Table 5-4 (below), using VOA data for the LSOAs which cover the majority of the Twyford Parish, shows that at the neighbourhood and local scales there are proportionately fewer 1-bedroom dwellings than seen across England as a whole. In terms of 2-bedroom properties, Twyford is aligned with England's average, though both are higher than the proportion for Wokingham. Twyford has a lower than average proportion of 3-bedroom dwellings and in terms of 4+ bedrooms, it has significantly higher rates than England, but lower than Wokingham as a whole.

Table 5-4: Dwelling size (bedrooms), various geographies, 2020

Number of bedrooms	Four LSOAs within Twyford	Wokingham	England
1	9.7%	7.0%	12.2%
2	28.6%	21.3%	28.1%
3	35.7%	40.5%	43.6%
4+	25.7%	30.7%	15.4%

Source: VOA 2020, AECOM Calculations

Age and household composition

142. Having established the current stock profile of Twyford and identified recent changes to it, the evidence gathered below examines the composition and age structure of households living in the NA. Many of these indicators have a bearing on what housing might be needed in future years.

Age structure

143. Table 5-5 below shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. The data shows that the proportion of those living within Twyford who were aged 0-24 has seen very little change over the timeframe stated. There has been a fairly substantial decline in the proportion of people aged between 25-44, compensated for with some increases in the proportion of those aged 45-84. Overall, this trend suggests that the population in Twyford is getting generally older, with the youth and very elderly (85+) populations remaining broadly stable.
144. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2019 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data.
145. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2019 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.

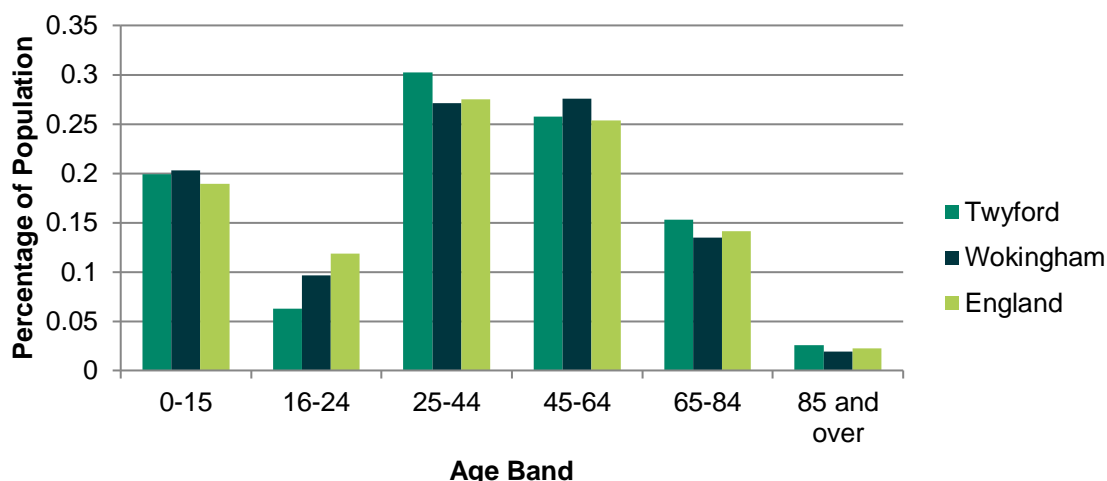
Table 5-5: Age structure of Twyford population, 2011 and 2019

Age group	2011 (Census)		2019 (ONS, estimated)	
0-15	1,316	20%	1,488	21.3%
16-24	413	6%	445	6.4%
25-44	2,001	30%	1,766	25.3%
45-64	1,706	26%	1,905	27.3%
65-84	1,013	15%	1,174	16.8%
85 and over	169	3%	202	2.9%
Total	6,618	100%	6,980	100%

Source: ONS 2011, ONS mid-2019 population estimates, AECOM Calculations

146. For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 5.1 below (using 2011 Census data) shows that whilst Twyford's proportion of the population aged 0-15 is broadly aligned with local and national averages, there is a significantly smaller proportion of people in the Parish aged between 16 and 24. This trend reverses for those within the age bracket of 25-44, where Twyford has a greater than locally and nationally average proportion of people within this bracket. For those aged 45-64, Twyford is broadly aligned with national averages, whereas Wokingham has higher than average proportions.

Figure 5.1: Age structure in Twyford, Wokingham and England, 2011



Source: ONS 2011, AECOM Calculations

Household composition

147. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.
148. Table 5-6 shows that the majority of Twyford's households consist of one family units (67.7%), with the majority of these consisting of families with dependent children (27.8%), closely followed by single family units with no children (23.3%).
149. In comparative terms, the household composition of Twyford does not differ significantly from that seen across Wokingham, however when looking at England as a whole, there are some marked differences. England tends to have a greater proportion of one person households, which are generally comprised more commonly of populations aged under 65. This is compensated for with a reduction in the number of single family household units seen across England (61.8%), with the most noticeable difference seen for those units with no dependent children (17.6%).
150. Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. The higher rates under this bracket seen in both Twyford and Wokingham indicate that this could be the case in these areas. While the data is quite old at this point, it is interesting to observe that this category shrank by 3.2% between 2001 and 2011 in the parish – in line with a slower rate of decline than the District average (-0.6%), suggesting that affordability for first time buyers has been improving in Twyford at a more positive rate than Wokingham as a whole.

Table 5-6: Household composition, Twyford, 2011

Household composition		Twyford	Wokingham	England
One person household	Total	28.7%	23.3%	30.2%
	Aged 65 and over	13.9%	10.2%	12.4%
	Other	14.8%	13.1%	17.9%
One family only	Total	67.7%	71.0%	61.8%
	All aged 65 and over	9.8%	9.4%	8.1%
	With no children	23.3%	20.6%	17.6%
	With dependent children	27.8%	31.1%	26.5%
	All children Non-Dependent ⁶	6.9%	9.8%	9.6%
Other household types	Total	3.6%	5.7%	8.0%

Source: ONS 2011, AECOM Calculations

i) Occupancy ratings

151. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A person is considered to under-occupy their home when there are more bedrooms in their home than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.
152. Census data on occupancy rating is only provided down to MSOA level. So for the purpose of this analysis, the NA is represented by MSOA 'Wokingham 002'; it should be noted that this administrative area encompasses the Parish of Twyford as well as an equally sized area to the west, which includes the village of Charvil. For this wider area, Table 5-7 shows that very few dwellings are over occupied and a significant proportion are underoccupied. Those who are older in age are broadly much more likely to be living in an underoccupied dwelling, with those younger in age more likely to be occupying a dwelling with a provision of bedrooms proportionate to the household's size.

Table 5-7: Occupancy rating by age in the Twyford area (including Charvil), 2011

Age group	+2 rating	+1 rating	0 rating	-1 rating
0-15	37%	39%	21%	3%
16-49	38%	38%	21%	3%
50-64	63%	26%	10%	1%
65 and over	64%	25%	10%	0%
All ages	47%	34%	17%	2%

Source: ONS 2011, ONS mid-2019 population estimates, AECOM Calculations

⁶ Refers to households containing children who are older than 18 e.g students or young working people living at home.

Dwelling mix determined by life-stage modelling

Suggested future dwelling size mix

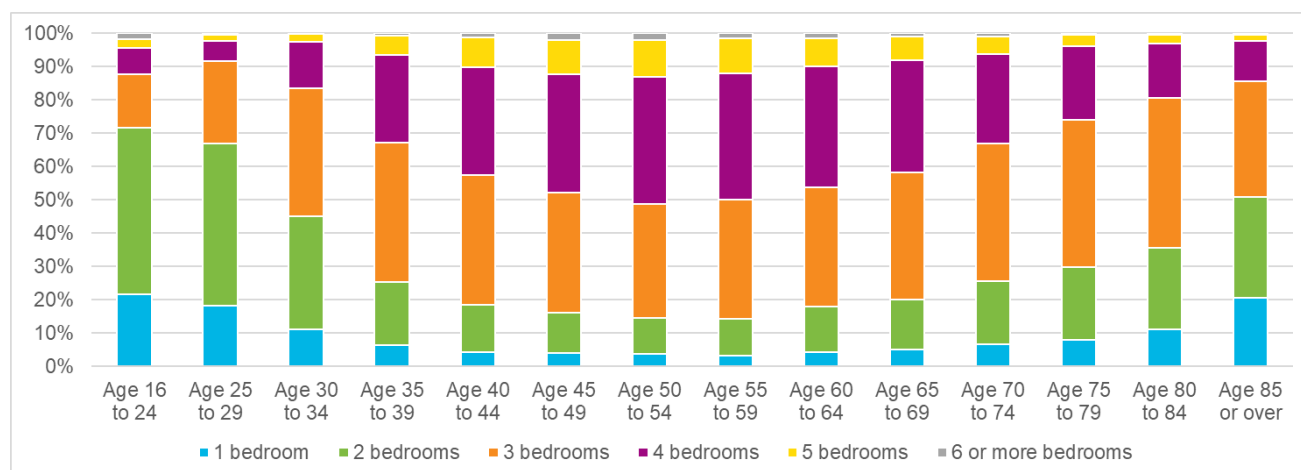
153. As noted above, there is a strong link between the life stage of a household and the size of dwelling that household can be expected to need. The final part of this chapter presents the results of a model that aims to estimate the dwelling size needs of the parish at the end of the Neighbourhood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

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

- The 2011 dwelling size mix is used for consistency, so any imbalances in new development since then may justify adjustments to the final results.

154. It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more or less space than they 'need'. It also does not anticipate changes in how people may wish to occupy their homes in response to social and technological change.
155. The approach therefore embeds existing patterns of occupancy which may or may not be desirable. As such, it is appropriate for the result of this model to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is considered entirely appropriate for the purpose of drafting neighbourhood plan policy.
156. The first, given as Figure 5.2 below, sets out the relationship between household life stage and dwelling size for Wokingham in 2011. This shows how the youngest households occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then at a considerably more gradual rate, downsizing to smaller homes again as they age. It is notable that 3-bedroom dwellings are occupied by a fairly consistent proportion of the population across all age groups past the age of 30, with a small reduction seen for those aged over 85.

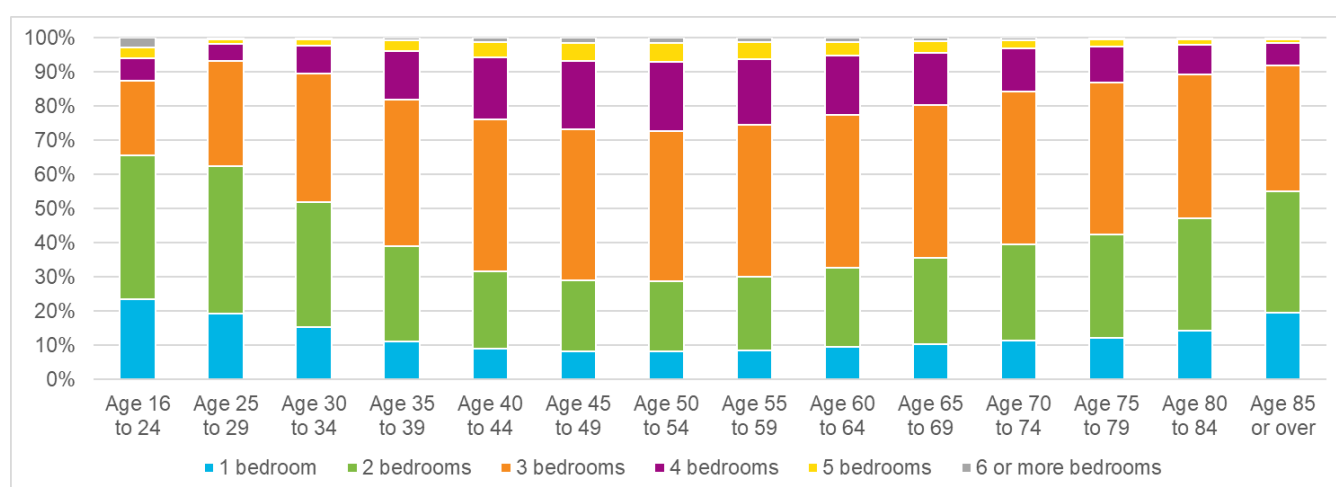
Figure 5-2: Age of household reference person by dwelling size in Wokingham, 2011



Source: ONS 2011, AECOM Calculations

157. As the data shown in Figure 5.2 is representative of Wokingham as a whole, it is important to note that as a Borough, it has an unusually large proportion of large dwellings, potentially skewing the results. As such, the same data is presented below, but representative of averages for England and Wales (Figure 5.3); this might help to provide insight into how dwelling sizes look as a national average, rather than potentially embedding unusual patterns of occupation seen in local circumstances. The most notable difference is the proportion of households occupying four-bedroom properties, which is considerably reduced across middle and later ages across England and Wales, compared to Wokingham. This reduction is made up for largely through an increased rate of people occupying one and two-bedroom properties across middle and later ages.

Figure 5.3: Age of household reference person by dwelling size in England and Wales, 2011



Source: ONS 2011, AECOM Calculations

158. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Twyford households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-8 below makes clear that population growth can be expected to be driven by the oldest households, with younger households remaining fairly static or even seeing some reductions for those aged 25-34.

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

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	22	365	1,222	440	802
2018	25	316	1,261	480	997
2036	25	336	1,261	552	1,419
% change 2011-2036	13%	-8%	3%	25%	77%

Source: AECOM Calculations

159. The final result of this exercise is presented in Table 5-9 below. The model suggests that new developments should be broadly focused towards delivering dwellings of 3 bedrooms or more, with a majority consisting of 3 bedrooms.

Table 5-9: Suggested dwelling size mix to 2036, Twyford

Number of bedrooms	Current mix (2011)	Target mix (2036)	Balance of new housing to reach target mix
1 bedroom	9.4%	7.2%	0.0%
2 bedrooms	25.4%	19.0%	0.0%
3 bedrooms	33.4%	38.0%	51.5%
4 bedrooms	25.7%	28.0%	34.2%
5 or more bedrooms	5.9%	7.8%	14.3%

Source: AECOM Calculations

160. The result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It is based on the dwelling size preferences of different age groups at Local Authority level (due to limitations in the data) and so is influenced to some degree by the high proportion of larger homes across Wokingham (noted above). It should therefore be seen as a starting point for thinking about how best to address the more nuanced needs of the future population.
161. For example, the young starter families and downsizing older households mentioned above may both need 'mid-sized' homes, but are likely to have extremely different requirements and degrees of purchasing power. Limiting the smaller end of the spectrum to 3 bedroom homes would present a challenge in terms of affordability, so it is not recommended that 1-2 bedroom homes be prohibited entirely. They should not be the focus given their (relative) abundance in the existing stock, but they serve an important function in the market and should be retained as part of the mix. It is also relevant that the household survey indicated some demand for smaller dwellings, which is a valid reason to depart from the mix proposed here.
162. Indeed, the preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets. Continuing to provide smaller homes with fewer bedrooms would help to address this situation, whilst also allowing older households to downsize, freeing up larger housing.
163. To best meet the needs of the large cohort of older households expected to be present by the end of the Plan period, it should be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms.

164. More generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to mid-sized and larger homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.
165. There is no precise statistical method for rebalancing the size mix proposed here to allow for more smaller homes, but primary survey or consultation evidence may provide a steer, evidence on the under-occupation of existing homes is relevant, and the guidance from the LHNA (see below) would be appropriate to take into account. One simple approach could be to combine the smaller categories, for instance by requiring that at least 50% of new homes have 3 or fewer bedrooms, which would permit greater flexibility. Reducing the share of 4+ bedroom homes would also be a valid approach.

The LHNA findings

166. It should be emphasised that this document provides needs for Wokingham, rather than Twyford itself. It does, however, provide a broader picture of the wider borough's needs that should be taken into account when thinking about the mix in Twyford. The Wokingham mix overall is not dissimilar to the recommendation for Twyford above aside from its inclusion of 10% 1 bedroom and 10% 2 bedroom homes. This justifies the adjustments proposed above to ensure that a wider range of choices is provided. The LHNA also helpfully disaggregates size by tenure, with a greater focus on larger market homes and smaller affordable homes.

Table 5-10: Wokingham LHNA (2020) recommended housing mix

	1-Bed	2-Bed	3-Bed	4+-Bed
Market	5-10%	5-10%	40-50%	35-40%
Affordable	20-25%	45-50%	20-25%	5-10%
All Dwellings	10%	10%	45%	35%

Source: LHNA Figure 42

Conclusions- Type and Size

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

Dwelling type

168. Where Wokingham Borough Council's housing delivery recording methods mean that it is difficult to precisely detail the quantities and types of new housing in the Parish, other datasets have been used to detail the approximate mix of dwelling types in the Parish. Twyford's accommodation stock shows signs that the highest category of types is detached houses, followed by semi-detached and terraced dwellings which both share a relatively equal proportion of the stock. The Parish has a lower than nationally average proportion of terraced housing, though this figure is higher than local authority-wide rates. The Parish has significantly higher rates of detached housing than seen in England, though this figure is lower than seen across Wokingham (which in itself has an unusual mix of dwelling types compared to patterns across England). The share of semi-detached properties is largely in line with local and national averages.
169. Whilst VOA data shows that there have been some changes in dwelling types in Twyford since 2011, the fact that the 2011 Census dataset does not record bungalows as a separate category and the VOA data does, means that more conclusive points regarding the change over time are less reliable.

Dwelling size

170. Twyford's existing stock is largely made up of properties made up of over three bedrooms (61%), with less than 10% being made up of 1 bedroom dwellings. Wokingham also shows signs of its housing stock being largely comprised of larger properties, with 71% of properties made up of 3+ bedrooms. England has a significantly smaller proportion of 4+ bedroom dwellings, though higher rates of 3 bedroom dwellings; England and Twyford have broadly similar levels of 2-bed dwellings. Overall, it can be said that Twyford, much like Wokingham, has a housing stock which, in terms of dwelling sizes, is significantly larger than that seen across England, on average.

Age and household composition

171. Between 2011 and 2019, Twyford's age structure has seen some areas of stability, alongside some changes across specific age bands. There has been a marked decline in those aged 25-44, compensated with some increases across other age bands, with small scale changes across each. Compared to Wokingham as a whole, the Parish has a smaller than average population aged 16-24 alongside a larger than average population aged 25-44 and 65+.

172. Focusing on household composition, compared to Wokingham, Twyford has a higher than average proportion of one-person households (though this is marginally lower than England's average). The majority of households are occupied by one family only (most of these are with no children or dependent children) and overall, Twyford has a lower than average proportion of households counted as 'other'.
173. Twyford and Charvil show signs of some significant under occupation, with older age groups considerably more likely to have two or more spare bedrooms.

Dwelling mix by life stage modelling

174. Younger populations occupy the smallest dwellings in general across Twyford, with increases in occupancies of four+ bedroom dwellings through middle age groups. Older age populations generally occupy a range of dwelling sizes, with the majority being 2 and 3 bedrooms.
175. Whilst the above statement relating to occupancies by age might be representative of Wokingham as a whole, as previously mentioned, the Borough has an unusually large housing stock with high rates of under-occupation. As such, using the profile of the Borough's age-related occupancies to suggest future dwelling mixes could risk embedding a pattern which is potentially unsuitable to the needs of those in Twyford. As such, considering national averages as a basis for a more equally distributed profile of occupancies might show a more desirable trend, with older populations generally occupying smaller dwellings.
176. Looking across the Twyford Neighbourhood Plan period (to 2036), it is evident that projections expect an increase in households with younger populations (24 and under as the HRP) and significant increases in older groups (25% increase for 55-64 and a 77% increase for 65+). There is expected to be a moderate decline in those aged 25-34 acting as a HRP.
177. An overall suggested mix of new dwellings through to 2036, taking account of current household occupancies and population projections, would indicate a need for dwellings of 3 or more bedrooms. That said, this does not take account of more localised issues such as desires for housing for older people to enable some downsizing whilst staying within the Twyford area.

178. Should the NP wish to depart from the suggested mix which attempts to rebalance the area's housing stock in favour of smaller homes and to focus on important factors which as affordability, the following should be considered. Whilst there is an abundance of existing 1 and 2-bed properties in the Parish, a future mix may wish to include some of this size dwelling in future recommended mixes, which may help to address factors such as affordability and ensuring a rounded market offering. It would also be more closely aligned with the demand expressed in the household survey and the need indicated for the wider borough in the LHNA. Whilst there is no exact model which could help to evidence a dwelling mix which would steer the dwelling stock in this direction, primary surveys, consultation evidence or LHNA guidance on the under-occupation of existing homes may prove helpful. One approach which may be helpful could be to combine the category of smaller homes, such as recommending a provision of at least 50% of new homes to be 3 or fewer bedrooms. Another approach might reduce the share of larger dwellings.

6. Conclusions

Overview

179. Table 6-1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

Table 6-1: Summary of study findings specific to Twyford with a potential impact on Neighbourhood Plan housing policies

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing tenure and affordability	<ul style="list-style-type: none"> ▪ In terms of ownership, Twyford (and Wokingham) have higher than average rates of home ownership alongside lower than average rates of shared ownership. Other forms of ownership are largely consistent with average figures. ▪ In terms of rent, the majority of Twyford's renters occupy private rented accommodation, with a smaller than average proportion living in social rented accommodation. ▪ In the context of rising and higher than average house prices, affordability is an issue in Twyford, where average households earning £74,600; though lower quartile household earning may be around £36,148. ▪ Considering the relationship between house prices and incomes, in order of affordability, the following tenures would be affordable for those on the mean income <ul style="list-style-type: none"> – Social rent, affordable rent, shared ownership (10%), entry-level market rent, average market rent, shared ownership (25%) and First Homes. ▪ Considering supply and demographics, a need of 53 units for affordable rent and 348 units for affordable home ownership options over the plan period has been evidenced. 	<ul style="list-style-type: none"> ▪ Considering housing delivery, potential future need and local characteristics of housing tenures and affordability, the Twyford Neighbourhood Plan could suggest the following affordable tenure split. ▪ Routes to home ownership: 45% <ul style="list-style-type: none"> – First Homes: 25% – Shared ownership: 12% – Rent to buy: 8% ▪ Affordable Housing for rent: 55% <ul style="list-style-type: none"> – Social rent to be set by Registered Providers – Affordable rent to be set by Registered Providers ▪ Historic delivery rates of affordable housing suggest that the evidenced affordable housing needs might not be met over the Plan period. As such, the recommendation is that the policy requirement be met wherever possible (to an extent which does not lead to viability issues preventing house building), and further avenues for delivering greater quantities of Affordable Housing (such as exception sites) could be explored. ▪ Community development orders, identifying exception sites or developing community land trusts are other pathways the group could explore to increase the delivery of affordable housing.

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing type and size	<ul style="list-style-type: none"> ▪ Twyford's housing stock is comprised of a majority of detached houses (with higher than nationally average rates of this type of housing), followed by semi-detached and terraced properties. ▪ In terms of size, the Parish has a significantly higher than nationally average proportion of larger houses, a pattern which is exaggerated when looking at Wokingham as a whole. ▪ Twyford's age profile shows a pattern whereby there is a relatively old population, with fewer than average proportions of those aged 16-24. ▪ In terms of household composition, the majority of Twyford's households are occupied by one family alongside some significant rates of under-occupation of larger dwellings. ▪ Whilst there are some difficulties in comparing the dwelling stock change over time due to data limitations, ▪ Future demographic projections indicate a potential increase in households with younger populations (aged under 24) and a significant increase in households with older populations (aged 55+). 	<ul style="list-style-type: none"> ▪ In order to avoid embedding existing occupancy patterns relating to an oversupply of larger housing, a degree of caution is advised over using the existing occupancies related to age alongside potential future demographic change to evidence future mix of housing sizes. Focusing on national averages may offer a more suitable baseline to help to help to meet local needs. ▪ An overall mix of dwellings through to the end of the Plan period could focus on delivering the following: <ul style="list-style-type: none"> – 1 bedroom: 0% – 2 bedroom: 0% – 3 bedroom: 52% – 4 bedroom: 34% – 5 bedroom: 14% ▪ However, this does not account for potential future needs related to downsizing for older populations as well as the aforementioned affordability issues related to larger households. As such, it would be advisable to deliver some smaller units within the recommended mix, potentially in place of larger dwellings, of which there is an existing oversupply. ▪ The NP could seek to encourage dwellings of up-to 3 bedrooms, ensuring that a varied mix of dwelling sizes is delivered.

Recommendations for next steps

180. This Neighbourhood Plan housing needs assessment aims to provide Twyford 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 Wokingham Borough Council 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 Wokingham Borough Council;
 - 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 Wokingham Borough Council.
181. 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.
182. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Wokingham Borough Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
183. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

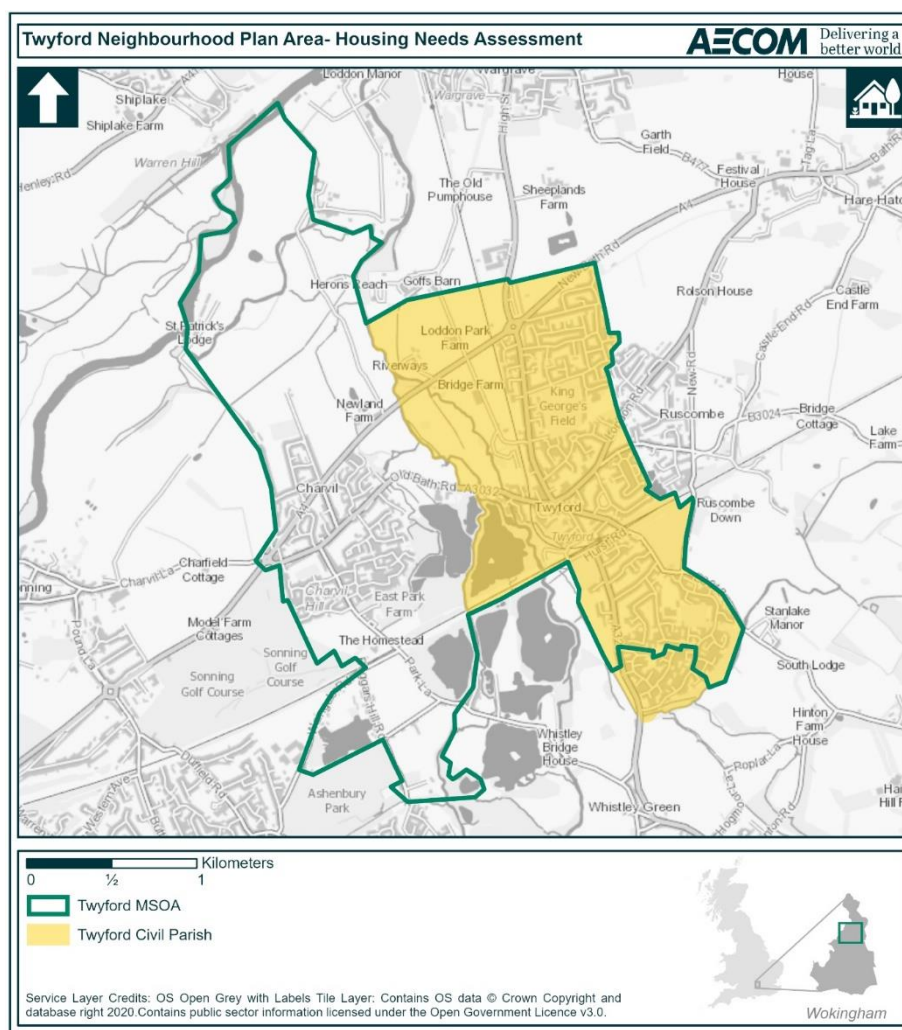
Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

184. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas.

185. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Twyford, it is considered that MSOA Wokingham 002 (E02003440) is the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map of Wokingham 002 appears below in Figure A-1.

Figure A-1: MSOA Wokingham 002 (E02003440) used as a best-fit geographical proxy for the Twyford Neighbourhood Plan area



A.2 Market housing

186. Market housing is not subsidised, and tends to be primarily accessible to people on higher incomes.
187. To determine affordability in market housing, this assessment considers two primary indicators: income thresholds, which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

A.2.1 Market sales

188. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.
189. 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 Twyford, 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.
190. The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2020) = £480,000;
 - Purchase deposit at 10% of value = £48,000;
 - Value of dwelling for mortgage purposes = £432,000;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £123,429.
191. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2020 was £382,000, and the purchase threshold is therefore £98,357.
192. Finally, it is worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry did not record any sales of new build properties in the NA in 2019. The average new build price in Wokingham in 2019 was £444,854, with the more affordable types of dwellings averaging sale prices of £265,437 for flats and £404,948 for terraced properties.

A.2.2 Private Rented Sector (PRS)

193. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.
194. 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.
195. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Plan area. The best available data is derived from properties available for rent within one mile from the centre of Twyford (as detailed on Home.co.uk), which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.
196. According to [home.co.uk](https://www.home.co.uk), there were 10 properties for rent at the time of search in August, 2021, with an average monthly rent of £1,461. There were 5 two-bed properties listed, with an average price of £1,399 per calendar month.
197. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
- Annual rent = £1,399 12 = £16,788;
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £55,960.
198. The calculation is repeated for the overall average to give an income threshold of £58,440.

A.3 Affordable Housing

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

A.3.1 Social rent

200. 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.
201. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so must act as a proxy for Twyford. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Wokingham in the table below.
202. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£119.84	£133.71	£144.49	£160.09	£136.96
Annual average	£6,232	£6,953	£7,513	£8,325	£7,122
Income needed	£24,927	£27,812	£30,054	£33,299	£28,488

Source: Homes England, AECOM Calculations

A.3.2 Affordable rent

203. 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).
204. 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%.
205. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Wokingham. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
206. Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 51% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table A-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£134.82	£166.74	£204.24	£236.45	£158.38
Annual average	£7,011	£8,670	£10,620	£12,295	£8,236
Income needed	£28,043	£34,682	£42,482	£49,182	£32,943

Source: Homes England, AECOM Calculations

A.3.3 Affordable home ownership

207. 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.
208. In paragraph 65 of the NPPF 2021, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.” The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

First Homes

209. Whether to treat discounted market housing as affordable or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to buy market housing.
210. The starting point for these calculations is therefore the estimated cost of new build housing in Twyford. Because there were insufficient new build transactions in Twyford in recent years, the cost of a new entry-level home is assumed to be similar to the cost of an existing median home (with the new build premium accounting for the uplift against existing entry-level prices. As noted above, the starting point is £480,000.
211. For the minimum discount of 30% the purchase threshold can be calculated as follows:
- Value of a new home (assumed) = £480,000;
 - Discounted by 30% = £336,000;
 - Purchase deposit at 10% of value = £33,600;
 - Value of dwelling for mortgage purposes = £302,400;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £86,400.

212. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £74,057 and £61,714 respectively.
213. Two of the three income thresholds (40 and 50% discount rates) calculated here for First Homes are below the cap of £80,000 above which households are not eligible. That said, where the 40% discount rate would price the discount value of properties at £288,000, this would be above the threshold of £250,000 needed to qualify for the scheme. As such, a greater discount is justified, developers would need to bring the price down, or smaller or lower value properties would need to be delivered than our assumed benchmark.
214. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq m and a build cost of £1,500 per sq m) would be around £105,000. This cost excludes any land value or developer profit. This would not appear to be an issue in Twyford.

Shared ownership

215. 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'.
216. 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.
217. To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build entry-level 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).
218. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £480,000 is £120,000;
 - A 10% deposit of £12,000 is deducted, leaving a mortgage value of £108,000;

- This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £30,857;
- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £360,000;
- The estimated annual rent at 2.5% of the unsold value is £9000;
- This requires an income of £30,000 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £60,857 (£30,857 plus £30,000).

219. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £48,343 and £81,714 respectively. The later (50% equity share) would not be below the eligibility cap of the £80,000 income threshold.

Rent to buy

220. Rent to buy is a relatively new and less common tenure, which through subsidy allows the occupant to save a portion of their rent 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 equity in the property with a portion of the rent, but this portion is still a monthly outgoing for the occupant.

Help to Buy (Equity Loan)

221. 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.
222. It is important to note that this product widens access to market housing but does not provide an affordable home in perpetuity.

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

Assessing affordability involves comparing housing costs against the ability to pay. The ratio between lower quartile house prices and the lower quartile income or earnings can be used to assess the relative affordability of housing. The Department for Levelling Up, Communities and Housing (DLUCH) (formerly, MHCLG) 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 = $\text{£}200,000/\text{£}25,000 = 8$, (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 methods⁷.

Age-Restricted General Market Housing

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard⁸

⁷ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

⁸ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

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.

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order⁹

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)¹⁰

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

Equity Loans/Shared Equity

⁹ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

¹⁰ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

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

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between 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 years¹¹, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

¹¹ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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 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%, 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 Housing¹²

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 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).

¹² See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.¹³

¹³ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

Appendix C MSOA covering Twyford Parish

