



Middleton St George Housing Needs Assessment (HNA)

January 2020

Quality information

Prepared by

Paul Avery – Housing
Research Consultant

Checked by

Kerry Parr – Associate Director

Approved by

Kerry Parr – Associate Director

Revision History

Revision	Revision date	Details	Authorized	Name	Position
1	September 2019	Draft for technical review	PA	Paul Avery	Housing Research Consultant
2	October 2019	Draft for group review	KP	Kerry Parr	Associate Director
3	October 2019	Reviewed by group	JG	Jo-Anne Garrick	Planning Consultant for Group
4	October	Draft for Locality review	PA	Paul Avery	Housing Research Consultant
5	January 2020	Selective Update	KP	Kerry Parr	Associate Director

Prepared for:

Middleton St George Parish Council

Prepared by:

AECOM

Aldgate Tower
2 Leman Street
London
E1 8FA
aecom.com

© 2019 AECOM. All Rights Reserved.

This document has been prepared by AECOM Limited ("AECOM") in accordance with its contract with Locality (the "Client") and in accordance with generally accepted consultancy principles, the budget for fees and the terms of reference agreed between AECOM and the Client. Any information provided by third parties and referred to herein has not been checked or verified by AECOM, unless otherwise expressly stated in the document. AECOM shall have no liability to any third party that makes use of or relies upon this document.

Disclaimer

This document is intended to aid the preparation of the Neighbourhood Plan, and can be used to guide decision making and as evidence to support Plan policies, if the Qualifying Body (i.e. the neighbourhood planning group) so chooses. It is not a neighbourhood plan policy document. It is a 'snapshot' in time and may become superseded by more recent information. The Qualifying Body is not bound to accept its conclusions. If any party can demonstrate that any of the evidence presented herein is inaccurate or out of date, such evidence can be presented to the Qualifying Body at the consultation stage. Where evidence from elsewhere conflicts with this report, the Qualifying Body should decide what policy position to take in the Neighbourhood Plan and that judgement should be documented so that it can be defended at the Examination stage.

Table of Contents

1.	Executive Summary	7
1.1	Quantity	7
1.2	Tenure	7
1.3	Type and size	8
2.	Context	10
2.1	Local context	10
2.2	Planning policy context	11
2.2.1	Policies in the adopted Core Strategy	12
2.2.2	Policies in the emerging Local Plan	13
3.	Approach	14
3.1	Research Questions	14
3.1.1	Quantity	14
3.1.2	Tenure and Affordability	14
3.1.3	Type and Size	14
3.2	Relevant Data	15
3.2.1	Local authority evidence base	15
3.2.2	Other relevant data	15
4.	RQ 1: Quantity	16
4.1	Introduction	16
4.2	Standard method (Step 1)	18
4.3	Latest available LPA planning strategy (Step 2)	19
4.4	Past dwelling completions (Step 3)	20
4.5	Final Housing Need Figure	20
5.	RQ 2: Tenure and Affordability	22
5.1	Introduction	22
5.2	Definitions	22
5.3	Current tenure profile	22
5.4	Affordability	23
5.4.1	House prices	23
5.4.2	Income	24
5.4.3	Affordability Thresholds	25
5.4.4	Tenure split within Affordable Housing	Error! Bookmark not defined.
5.5	Affordable rented housing- quantity needed	28
5.6	Conclusions- Tenure and Affordability	31
6.	RQ 3: Type and Size	35
6.1	Introduction	35
6.2	Existing types and sizes	35
6.2.1	Background and definitions	35
6.2.2	Dwelling type	36
6.2.3	Dwelling size	36
6.3	Household composition and age structure	38
6.3.1	Age structure	38
6.3.2	Household composition	39
6.4	Dwelling mix determined by life-stage modelling	40
6.4.1	SHMA findings	44
6.5	Conclusions- Type and Size	45
7.	Conclusions	46
7.1	Overview	46
7.2	Recommendations for next steps	48
	Appendix A : Calculation of Affordability Thresholds	50

AECOM	5
A.1 Assessment geography	50
A.2 Market housing.....	50
i) Market sales	51
ii) Private Rented Sector (PRS).....	51
A.3 Affordable Housing.....	52
i) Social rent.....	52
ii) Affordable rent.....	52
iii) Intermediate tenures	52
Appendix B : Housing Needs Assessment Glossary	54

List of acronyms used in the text:

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
DBC	Darlington Borough Council
HNA	Housing Needs Assessment
HNF	Housing Need Figure
Housing LIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LHN	Local Housing Need
LPA	Local Planning Authority
LQAR	Lower Quartile Affordability Ratio
LTHPD	Long-Term Health Problem or Disability
MAR	Median Affordability Ratio
MH	Market Housing
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
MSGPC	Middleton St George Parish Council
NA	Neighbourhood (Plan) Area
NDO	Neighbourhood Development Order
NDP	Neighbourhood Development Plan
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

1. Executive Summary

1.1 Quantity

1. Middleton St George's share of Darlington Borough's Local Housing Need (LHN is 8 dwellings per year, or 136 units over the Plan period 2019-2036, according to the strategy for the pattern and scale of development across the Borough outlined in the emerging Local Plan.
2. Were this strategy not taken into account (i.e. were the adopted Core Strategy the only available planning document for the Borough), Middleton St George's housing needs figure (HNF) would be 7 dwellings per year, or 119 over the Plan period.
3. These HNFs are both substantially lower than the 731 dwellings that are proposed to be allocated in the emerging Local Plan. This proposes that when the supply of available land and suitable sites is taken into account, Middleton St George could provide a greater share of housing growth in order to meet a share of the needs of the wider Borough.
4. When the emerging Local Plan is adopted, either in its current form or revised in response to the consultation period, the housing requirement figure (HRF) or allocations provided, will supersede the provisional figure provided here.

1.2 Tenure

5. Middleton St George is characterised by an unusually high proportion of home ownership, as opposed to private and social renting, when compared with Darlington and England as a whole. While this could be taken to indicate a housing market where home ownership is within reach of most people, a more detailed analysis of affordability reveals that this is not the case. The annual income required for a market sale home (in terms of mortgage availability, and not including the cost of the necessary deposit) is 77% higher than the average total household income locally. In the most recent ten-year period, the average lower quartile house price has appreciated by 19%, though these prices are broadly affordable to those on average incomes whilst remaining out of reach of those on the lowest earnings.
6. In this context it is unsurprising that the rate of private renting in Middleton St George increased by 250% in the decade between 2001 and 2011. Over that period, households unable to afford home ownership sought out the next most affordable widely available option, with more homes being put up for rent to satisfy growing demand, while households who would have at other times met their needs through social housing are increasingly obliged to rent privately while relying on housing benefit. Private renting therefore provides an important function in the housing market and, due to its still comparatively low availability, should continue to grow.
7. However, to ensure that households on lower than average incomes can afford to continue living in Middleton St George or form their own independent households, especially if reforms to welfare including housing benefit are implemented in the coming years, it will be important to diversify the tenure offering beyond these two most common open-market options.
8. The social rented sector in the NA is small. The share of social renting in the wider Borough is three times the size of the share in Middleton St George. Given that this is the only secure tenure within reach of single-earning households on lower quartile incomes (some may access private rented dwellings through housing benefit) the number of social or affordable rented homes should be increased wherever possible. Other forms of Affordable Housing that offer a route to home ownership, such as shared ownership, should also be promoted as a way to enable households on lower incomes to own their own homes should they wish to do so.
9. Affordable housing is typically provided and made financially viable by Borough-wide planning policies that require it to be included at a set proportion of larger market housing developments. This policy expectation in Middleton St George, if the emerging Darlington Local Plan is adopted without changes to its draft policies, is that 20% of new housing on developments providing 11 dwellings or more will be affordable.
10. Of the 136 dwellings that our calculations indicate should be provided in Middleton St George over the Plan period, 27 Affordable Housing units should be delivered. This figure is lower than the 38 households that are projected to be in need of Affordable Housing to rent over the same period. If the majority of new housing is delivered through windfall development on small sites dispersed around the NA, many of these sites will not meet the requirement of providing 11 or more dwellings and so the number of Affordable Housing units will be lower still. Additionally, the 38 Affordable Housing units needed comprise only the affordable and social rented tenures, but not the affordable routes to home ownership that will also be provided within the Local Plan policy requirement. AECOM estimate suggest there is

additional need (or potential demand) for 128 affordable home ownership homes over the plan period (7.6 per annum), although the needs of these households are less urgent and they do not lack housing.

11. However, if the 6 major sites currently proposed to be allocated in Middleton St George in the emerging Darlington Local Plan, which total 731 dwellings, are delivered, 146 Affordable Housing units will be provided on the basis of the Local Plan policy requirement, which is in excess of local need for social/affordable rent, but would help to deliver additional affordable housing for sale and will help to meet the needs of locations throughout the Borough that are considered less sustainable for residential development. It may also be the case that the Affordable Housing will be delivered in part outside of the NA, subject to ongoing discussions with DBC.
12. If the community wishes to boost the supply of Affordable Housing there are other routes available to providing it. For example, using community development orders, identifying exception sites or developing community land trusts are all tried and tested ways of boosting the supply of affordable housing above the minima indicated by Local Plan policy.
13. It is recommended that approximately 79% be offered as social or affordable rent, with the remaining 21% delivered as affordable routes to home ownership, with an emphasis on shared ownership as opposed to starter homes (which are less affordable in this area).
14. Finally, it is worth noting that flats and terraced homes have not experienced the same levels of price appreciation as the detached and semi-detached homes that have been built in high volumes in recent years. It is assumed that their relative affordability holds in the rented sector as well.
15. The need to improve affordability in Middleton St George across all tenures aligns with our findings in relation to the type and size of homes – that new residential development should ensure a substantial proportion of smaller dwellings. Increasing the proportion of smaller homes and more affordable types (as above) should help to rebalance the housing stock in favour of options that are both suitable to the population profile as it evolves over time and that will combat growing affordability challenges.

1.3 Type and size

16. Middleton St George's stock of existing housing is notably different to that of Darlington and England as a whole: it contains double the Borough's proportion of detached homes and a correspondingly high proportion of larger homes, as well as a much lower proportion of smaller homes.
17. Large properties also underwent the greatest growth between 2001 and 2011 in the NA, significantly outstripping growth in the larger categories for the wider geographies. However, growth in smaller properties was also significantly greater at NA level than seen across Darlington and England as a whole because of a generally higher rate of new building and population growth.
18. The age profile of Middleton St George's population is relatively similar to that seen at Borough and national levels. However, divergence does occur in the 45-64 category, where the NA has a notably higher proportion of such residents, who are likely to reach retirement age during the Plan period. There are also lower proportions of people aged 24 and under in Middleton St George. The main demographic challenge would therefore appear to be a deficit in the younger population, however other metrics indicate that younger age groups grew between the Censuses and the number of families with children is high and growing.
19. With regard to housing, it will be important to supply dwellings appropriate to young and newly forming households as well as older households who may seek to rightsize. The needs and financial capabilities of both these groups do overlap to some extent, although the precise configuration and quality expectations that they have for smaller dwellings may vary.
20. Middleton St George's demographic profile in 2036 is expected to be dominated by households aged 65 and over and those aged 35 to 54. Three-bedroom homes are particularly popular among both these dominant age bands, with the 35 to 59 group also likely to occupy larger dwellings and the 65 and over group expressing a strong preference for 2 bedroom homes.
21. Given the fact that Middleton St George's current dwelling stock is made up of significantly larger dwellings compared with Darlington, and that changes in the NA's population suggest the need for smaller dwellings, it is logical that the recommended dwelling mix for new development over the Plan period should prioritise the provision of 2 and 3 bedroom homes suitable to downsizers and young families.

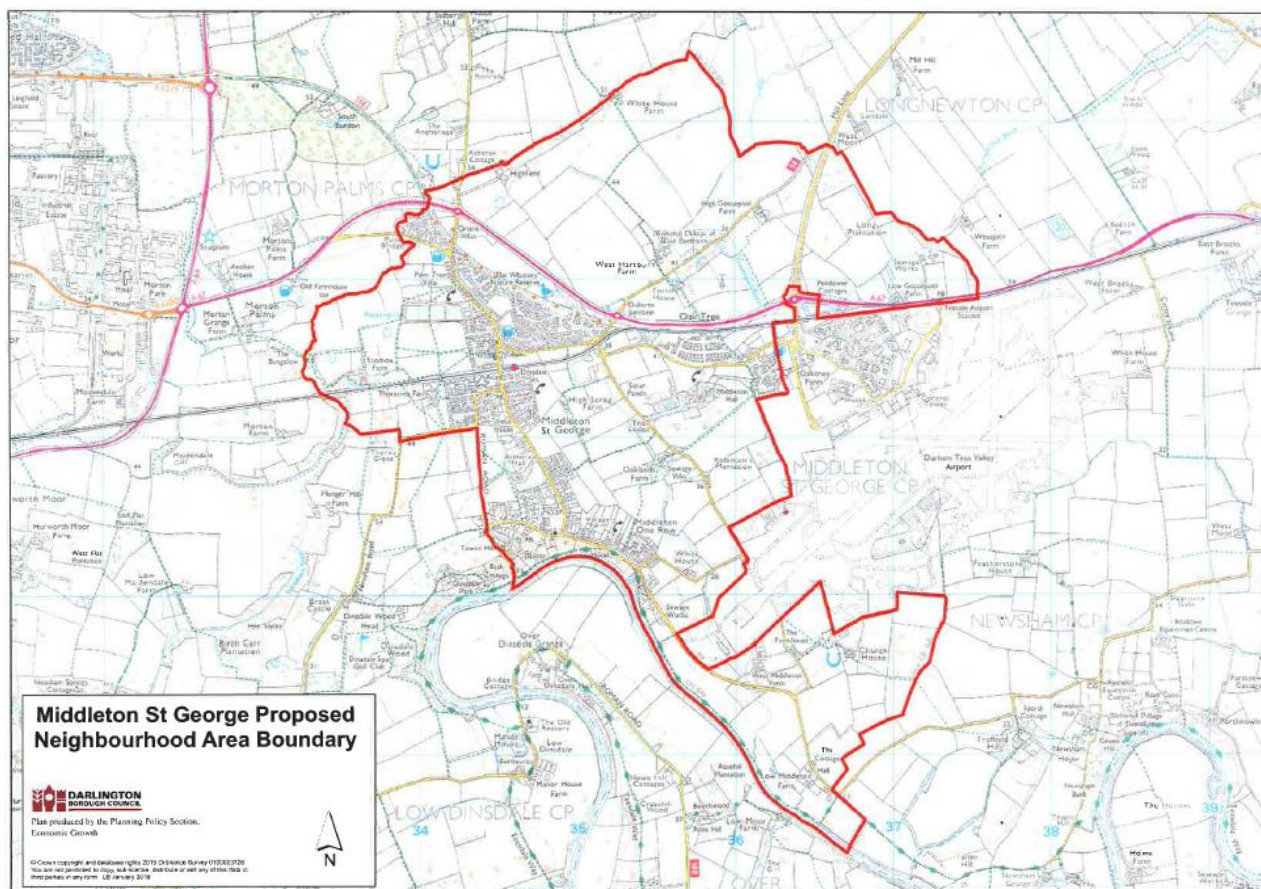
22. In the Tenure and Affordability chapter analysis, it was found that market housing for purchase is increasingly unaffordable and that those on the lowest incomes are unable to afford to live outside of the social rented sector. While Affordable Housing should be well balanced in terms of size to cater for all circumstances, the provision of smaller homes for sale and rent, as advised here, should make an important contribution to improving affordability more widely. If older households wishing to rightsize and younger ones seeking to form their own independent households are to be able to afford to live in Middleton St George, increasing the provision of small and mid-size homes and, in so doing, rebalancing the housing stock away from very large housing, will be key.
23. In terms of the types of dwellings required, the current predominance of detached dwellings, compared with Borough and national trends, suggests that there may be some unmet demand for the rarer and generally more affordable dwelling types, such as terraced homes and flats. The size recommendation for smaller homes would align with this. This might also include the delivery of bungalows in order to meet the needs of some older households and to reflect the fact that other smaller dwelling types, such as apartments, may not in practice be popular market propositions in a rural area like Middleton St George.

2. Context

2.1 Local context

24. Middleton St George is a Neighbourhood Plan area located in the Borough of Darlington, County Durham. The Neighbourhood Area (NA) boundary comprises the settlements of Middleton St George and Middleton One Row, as well as the Virginia Estate and Oak Tree Estate. The NA was designated in 2019.
25. The proposed Neighbourhood Plan period starts in 2019 and extends to 2036, therefore comprising a planning period of 17 years.
26. The parish lies approximately five miles to the east of Darlington Town Centre and 10 miles to the west of Stockton and Middlesborough. The A67 road to Darlington runs from east to west just north of Middleton St George and the River Tees borders Middleton One Row to the south. The parish is served by Dinsdale railway station, which provides a service from Darlington to Saltburn via Middlesborough. Teesside International Airport, with flights to Aberdeen and Amsterdam, falls in part within the parish boundary.
27. Middleton St George was previously designated as a NA in 2014. However, parish boundaries were re-drawn in 2016 following a Community Governance Review by Darlington Borough Council. In 2019, the Parish Council therefore re-submitted an application for a NA designation. In both designations, the area owned by Durham Tees Valley Airport that falls within the parish boundary was excluded because it was considered that strategic matters such as those relating to land occupied by an airport cannot be addressed through neighbourhood plans.
28. For Census purposes, the Neighbourhood Plan area is made up, like the rest of England, of statistical units called Output Areas (OAs). The Plan area equates to the following OAs, 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:
 - E01012346
 - E00062265, which had been used despite including a very small part of the airport at the far east.
 - E00062264, which falls partly within and partly outside of the NA boundary. The part outside of the NA boundary belongs to the Airport. The majority is clearly runway space, which will have no impact on population statistics, but a cluster of commercial buildings to the east of St George's Way and the south of the A67 also fall within its boundary. The entire OA has been used because the inclusion of a small amount of household data from this commercial area will have a lesser impact than the exclusion of the larger part of this OA that does fall within the NA boundary and which almost certainly contains rural housing.
 - E00062266
 - E00062267
 - E00062268
 - E00062269
 - E00062272
 - E00062261, which has not been used because only approximately one eighth of this OA falls within the NA – an almost entirely rural area to the east of the community centre.
29. At the time of the 2011 Census the Neighbourhood Plan area had a total of 4,337 residents.
30. A map of the Plan area appears overleaf in Figure 2.1.

Figure 2-1: Map of the Middleton St George Neighbourhood Plan area¹



Source: Proposed Neighbourhood Plan Area designation notice

31. The Parish Council are interested in exploring the need for Affordable Housing for sale and are therefore eligible for support under the affordable housing for sale element of the Neighbourhood Planning Technical Support programme. This aspect has been considered where relevant in the HNA.

2.2 Planning policy context

32. In line with the Basic Conditions² of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies.³ Consequently, there is a need for the relevant elements of the Local Plan to be reviewed as part of this Housing Needs Assessment (HNA).

33. In the case of Middleton St George, the relevant local planning context is as follows:

34. Darlington Borough Council is in the process of preparing a new Local Plan that will cover the period 2016-2036. A draft of the emerging Plan went through a public consultation in Summer 2018 but before being taken to Cabinet for approval, the process was put on hold to allow further analysis to be undertaken and to take into account views expressed during the consultation. The pause in the delivery of the Local Plan, announced in July 2019, is still in effect at the time of writing. The version of the emerging Local Plan 2016-2036 used for the purpose of this study is the consultation draft published in June 2018.

35. Until the emerging Local Plan is formally adopted – either in its current state or a revised or replacement version – the

¹ Available at <http://middleton-st-george.org.uk/proposed-middleton-st-george-neighbourhood-plan-area/>

² Available at <https://www.gov.uk/guidance/neighbourhood-planning-2#basic-conditions-for-neighbourhood-plan-to-referendum>

³ However, this does not affect the potential for the evidence base underpinning the emerging local plan to inform or form part of the evidence base for the neighbourhood plan.

most recent statutory planning document, with which planning applications must fully comply until such time as it is replaced by the new Local Plan, is the Core Strategy covering the period 2011-2026. However, it is worth considering the content of the emerging Local Plan as it currently stands, and the Middleton St George Neighbourhood Plan should seek to have regard to it where possible.

- 36. There also exists an older Local Plan for Darlington Borough, adopted in 1997 with alterations approved in 2001. Many of its policies were saved under the provisions of Section 38 of the Planning and Compulsory Purchase Act 2004. Some of these policies have been replaced by the Core Strategy, and others remain part of the planning framework for the Borough until they are replaced in the emerging Local Plan.
- 37. Particularly because the emerging Local Plan has been paused pending additional analysis and is potentially liable to change, it will be necessary for the purposes of this study to review all of the relevant housing policies in it and the adopted Core Strategy.
- 38. The adopted Local Plan from 1997 has also been reviewed to consider any policies that remain in force, having not been superseded in the Core Strategy but still impacting housing policy in Darlington Borough. No such policies requiring inclusion here have been identified.

2.2.1 Policies in the adopted Core Strategy⁴

Table 2-2: Summary of Darlington Borough adopted policies having relevance to Middleton St George Neighbourhood Plan Housing Needs Assessment

Policy	Provisions
CS1 Darlington’s Sub-Regional Role and Locational Strategy	<p>New development activity is to be concentrated in sustainable locations within the main urban area of Darlington.</p> <p>However, development that supports the vitality and viability of the Borough’s villages will also be supported, particularly in Hurwoth/Hurworth Place, Middleton St George and Heighington.</p> <p>Outside of the main urban area and villages, development will be limited to that required to meet identified rural needs.</p>
CS10 New Housing Development	<p>Provision is made for 350 dwellings per annum between 2011-2021 and 400 dwellings per annum between 2021-2026. This comes to a total of 8,675 net additional dwellings over the Plan period.</p> <p>These allocations are made across a number of strategic locations – all in and around Darlington, and none in Middleton St George or other villages.</p>
CS11 Meeting Housing Needs	<p>New housing delivery is required to contribute to achieving overall balance within the housing stock that better meets local needs and aspirations.</p> <p>A target is set for at least 35 Affordable Housing units per annum between 2011-2016 and at least 50 per annum thereafter.</p> <p>All developments of 15 dwellings or more within the main Urban Area and 5 dwellings or more outside of it are required to provide or contribute towards the provision of:</p> <ul style="list-style-type: none"> • Up to 30% Affordable Housing • Housing for people with disabilities • Housing for older people • Detached family housing with four or more bedrooms <p>The exact mix will be negotiated on a case-by-case basis, taking into account up-to-date evidence</p>

Source: Darlington Borough Core Strategy 2011-2026

⁴ Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

2.2.2 Policies in the emerging Local Plan⁵

Table 2-3: Summary of Darlington Borough emerging policies having relevance to Middleton St George Neighbourhood Plan Housing Needs Assessment

Policy	Provisions
SH 1 Settlement Hierarchy	<p>A hierarchy of settlements determines the distribution of development across the Borough. The hierarchy is as follows:</p> <ol style="list-style-type: none"> Darlington Urban Area; Service Villages: Heighington, Hurworth and Middleton St George; Rural Villages: all other villages with defined development limits. <p>Only the Urban Area, extensions to it, and the Service Villages are considered suitable for housing development in the Local Plan.</p> <p>Middleton St George is classed as a Service Village because it provides a core set of essential services for local communities and is well-connected to higher service centres by public transport.</p> <p>As such, development opportunities in Middleton St George may be permitted where they meet local needs and do not alter the village's distinctive character.</p>
H1 Housing Requirement	<p>Darlington Borough's minimum housing requirement is 422 net additional dwellings per annum, equivalent to a total of 8,440 dwellings over the Plan period 2016-2036.</p> <p>A higher housing target that takes economic growth into account totals 492 net additional dwellings per annum, or 9,480 over the Plan period.</p> <p>The Local Plan allocates a sufficient quantity of sites to exceed both the minimum requirement and higher target.</p> <p>Of these sites, 10.4% of new dwellings are allocated in Service Villages including Middleton St George.</p>
H 2 Housing Allocations	<p>A total of 26 housing sites are allocated in Darlington Borough, totalling an indicative 7,965 dwellings over the Plan period and a further 5,075 beyond it. This is sufficient to meet the minimum and the target when extant permissions and completions since 2016 are included.</p> <p>Of these, 8 sites totalling 826 dwellings are allocated to Service Villages. Of those, 6 sites totalling 731 dwellings are allocated to Middleton St George.</p>
H 4 Housing Mix	<p>Proposals for development will be expected to provide a mix of housing types, sizes and tenures appropriate to local needs identified by the SHMA or other evidence.</p>
H 5 Affordable Housing	<p>Residential development schemes of 11 or more dwellings are expected to provide Affordable Housing on site, or to pay a commutable sum where certain conditions apply.</p> <p>The percentage of new dwellings on such sites that are required to be affordable differs by ward.</p> <p>Development in Middleton St George is required to provide 20% Affordable Housing.</p>

Source: Darlington Borough Local Plan 2016-2036 Draft Consultation Version 2018

⁵ Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

3. Approach

3.1 Research Questions

39. Research Questions, abbreviated to 'RQs', are formulated at the start of the project through discussion with the Parish Council. They serve to direct our research and provide the structure for the HNA.
40. Below we set out the RQs relevant to this study, as discussed and agreed with Middleton St George Parish Council.

3.1.1 Quantity

41. Middleton St George does not currently benefit from a specific housing requirement figure (HRF) provided by Darlington through the Local Plan process, although a number of housing allocations are proposed to be made in the emerging Darlington Local Plan, which is currently on hold pending a detailed review of consultation responses.
42. In line with its new obligations under NPPF 2019 (paragraphs 65 and 66) Darlington will be providing Middleton St George with an HRF and final set of allocations as part of the next iteration of the emerging Local Plan. However, the Parish Council have asked AECOM to calculate the potential housing needs figure (HNF) in line with national policy and best practice to provide an interim until the Local Plan HNF is available.
43. As such, a quantity figure needs to be caveated as it has the potential to differ from any HRF provided by Darlington after the completion of this report. In line with national policy, when the emerging Plan is adopted the Darlington HRF will supersede that calculated by AECOM (if it comes to a different figure).
44. With all this in mind, an appropriate RQ for this study is as follows:

RQ 1: What quantity of housing in the Neighbourhood Area should be planned for over the Plan period?

3.1.2 Tenure and Affordability

45. The Parish Council would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of the tenures that should be provided to meet local need now and in future.
46. This evidence will allow Middleton St George 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 others, and as Affordable Housing for those who may be currently unable to access market options.
47. However, it should be noted that a large proportion of the housing allocations proposed in the emerging Local Plan for Middleton St George have already had outline or full planning permission granted, and there is therefore potentially limited scope to influence the tenure profile of those existing permissions.

RQ 2: What Affordable Housing (subsidised rent and subsidised home ownership tenures) should be planned for in the housing mix over the Neighbourhood Plan period?

3.1.3 Type and Size

48. The Parish Council is seeking to determine what size and type of housing would be best suited to the local community, particularly given the ageing of the population and perception that a high proportion of executive housing has recently been delivered.
49. 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 ensure future development reflects what residents need.

RQ 3: 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?

3.2 Relevant Data

3.2.1 Local authority evidence base

50. It is reasonable and appropriate for neighbourhood planners to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As Middleton St George Neighbourhood Area is located within Darlington's planning area the Darlington Strategic Housing Market Assessment (2015) is relevant.
51. Part 1 of the 2015 SHMA was replaced by a 2017 Update, however this update concerns only the quantity of homes required across the Borough over the new Plan period of 2016-2036 (the 2015 SHMA used a Plan period of 2011-2036). Therefore the majority of evidence pertaining to the characteristics of housing need (such as type, size and tenure) referenced in this HNA, will be drawn from Parts 1 and 2 of the 2015 SHMA.
52. For the purpose of this HNA, data from Darlington's own evidence base to support their housing policies has been considered applicable and relevant unless it conflicts with more locally specific and/or more recently-produced evidence. The housing market evidence draws upon a range of data including population and demographic projections, housing market transactions, and employment scenarios. As such, it contains a range of relevant information when determining housing need within the Neighbourhood Plan area and has been referenced as appropriate.

3.2.2 Other relevant data

53. In addition to the Darlington evidence base, AECOM has assessed other evidence to ensure this study is robust for the purposes of developing policy at the NP level and is locally specific. This includes data from both Census 2001 and 2011, as well as from a wide range of other data sources, including:
 - Land Registry data on prices paid for housing within the local market;
 - Population and household projections produced by the Office of National Statistics (ONS); and
 - Information on current property asking prices, for housing for sale or rent, from home.co.uk.

4. RQ 1: Quantity

RQ 1: What quantity of housing in the Neighbourhood Area should be planned for over the Plan period?

4.1 Introduction

54. The NPPF (paragraph 65) states that strategic policy-making authorities “should establish a housing requirement figure for their whole area which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the Plan period. Within this overall requirement, strategic policies should also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations”.
55. NPPF paragraph 66 states that “Where it is not possible to provide a requirement figure for a neighbourhood area⁶ the local planning authority should provide an indicative figure, if requested to do so by the neighbourhood planning body”. This ‘indicative’ figure should (amongst other things) “take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the planning authority.”⁷
56. Given that no indicative housing requirement figure has been provided to Middleton St George at the time of writing there is the potential to calculate an objectively assessed Housing Need Figure (HNF) for the Neighbourhood Plan area. That said, Middleton St George has been proposed to be allocated a number of sites for housing in the emerging Darlington Local Plan which could be understood to constitute the NA’s housing target. For the purpose of this exercise, and due to the fact that the emerging Local Plan is at an uncertain stage of development, these allocations have not been taken into account; rather the evidence of need has been examined afresh.
57. In calculating this HNF, it should be noted that paragraphs 65 and 66 place specific obligations on strategic or local planning authorities and no other parties (i.e. AECOM is not obliged to follow directly paragraphs 65 and 66). However, AECOM’s calculation will be of most use as a starting point, both to the Parish Council and to the LPA, if it mirrors the NPPF’s suggested approach as closely as possible. This is the approach that has been taken.
58. The Planning Practice Guidance⁸ states “Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations”.
59. A housing need figure is a policy-off figure. This means that, while it takes account of the factors set out paragraph 66 of the NPPF and dwelling completions over the course of the Plan period, it is an expression of total housing demand unconstrained by the limits of the land available to build on. It is also unconstrained by the impact of policies that either facilitate or obstruct development. A policy-off figure can then be reviewed in light of further evidence including environmental constraints, land availability, relevant Local and Neighbourhood Plan objectives and policies, to formulate a policy-on Neighbourhood Plan housing requirement figure.
60. AECOM has estimated the number of new dwellings that should be sought in the Neighbourhood Plan area over the Plan period (the Housing Need Figure or HNF) using a four-step approach reflecting the 2019 National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) advice. This is set out in the box overleaf.

⁶ For example, this could be where a neighbourhood area has been designated at a late stage in the strategic policy-making process, or after strategic policies have been adopted; or in instances where strategic policies for housing are out of date.

⁷ NPPF, paragraph 66, page 18- available at <https://www.gov.uk/government/publications/national-planning-policy-framework-2>

⁸ Paragraph: 001 Reference ID: 2a-001-20190220 at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

Step 1: “the population of the neighbourhood area”

The HNF for the Neighbourhood Plan area should take as its starting point the housing target for the Local Planning Authority (LPA) in which it sits. The baseline for our calculation for NA is therefore a share of the current LPA Local Housing Need Assessment (LHNA) figure that reflects the share of the LPA population living in the Plan area.

NPPF requires Local Authorities, and anyone calculating LHN in their place, to use the standard method.⁹ This calculation takes the most recent MHCLG-approved household population projection for the LPA, applies to it an uplift based on the most recent ONS affordability ratio for that area, and then applies a cap to that number if certain conditions are met.

Step 2: “most recently available planning strategy of the planning authority”

We then follow the guidance presented in the NPPF which states that the initial HNF for neighbourhood plans should reflect “the overall strategy for the pattern and scale of development and any relevant allocations,”¹⁰ and “the most recently available planning strategy of the local planning authority.”¹¹

This means introducing Local Authority spatial policy, housing targets, and assessments of housing need at different scales to estimate a more locally appropriate proportion of the LPA housing target that should be provided in NA. This will often result in a slightly different figure to that produced in Step 1.

Step 3: Dwelling completions

Next, any dwellings that have already been completed over the Plan period to the present date should be deducted from the total in order to provide a HNF for the remainder of the Plan period and an annual HNF that reflects past under- or over-delivery. While it is appropriate to consider existing commitments (i.e. dwellings with planning permission, but not yet completed) at this point, they should not be deducted from the total until they are completed.

Step 4: the Local Authority

The NPPF makes it clear that the Local Authority should provide housing numbers to designated neighbourhood planning areas within their area where requested to do so. To this extent, AECOM is performing a similar role to that required of the Local Authority in providing a HNF to the Neighbourhood Plan area. With this in mind, it is important the group share the HNF and underlying methodology once they have received the final version of this document with the LPA to seek confirmation it is aligned with their current planning strategy, in particular those circumstances which may justify an uplift to the HNF set out in PPG.¹²

61. Employing this methodology, the Housing Needs Figure for the Neighbourhood Area may be calculated as follows:

⁹ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹⁰ NPPF, paragraph 65, page 18.

¹¹ Ibid.

¹² Paragraph: 010 Reference ID: 2a-010-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

4.2 Standard method (Step 1)

62. Firstly, Local Housing Need (LHN) is calculated for the LPA using the standard method outlined in Planning Policy Guidance, before taking the population of the Neighbourhood Plan area, and calculating the proportion of the total population of the LPA area that it represents. This percentage will then be used to determine the share of the LPA target that should be apportioned to the Neighbourhood Plan area.
63. The Darlington LHN figure, using the standard method, is calculated as follows¹³:
64. **Stage one** is to set the baseline, by calculating the projected average annual household growth in Darlington over a 10-year period, beginning with the current year, using the most recent ONS household projections:
- According to Darlington's 2014-based household projection, total household growth will be 1,585 households (thus occupying 1,585 dwellings) between 2019 and 2029. This equates to an annual average of 159 households.
65. **Stage two** is to adjust this annual average using the most recent ONS median workplace-based affordability ratios,¹⁴ which provide the ratio of house prices to earnings in various geographies. For each 1% increase in the ratio above 4, projected household growth should be increased by a quarter of a percent:
- Darlington's 2018 median affordability ratio is 5.32. Using the formula outlined in PPG to calculate the adjustment factor¹⁵ results in a minimum annual figure of 171 dwellings (rounded).
66. **Stage three** is to apply a cap which limits the magnitude of increase an LPA can face. How this is calculated depends on the current status of relevant strategic policies for housing. There are two options depending on whether those policies were adopted within the last five years or are older:
- Option 1: where the relevant strategic policies were adopted within the last five years (at the point of making the calculation), the LHN is capped at 40% above the average annual housing requirement figure set out in the existing policies. This also applies where the relevant strategic policies have been reviewed by the authority within the 5-year period and have been found not to require updating.
 - Option 2: where the relevant strategic policies for housing were adopted more than 5 years ago (at the point of making the calculation), the LHN is capped at 40% above whichever is the higher of:
 - a) the annual average projected household growth for the area over the 10-year period identified in Stage One above; or
 - b) the average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).
 - The relevant strategic policy in this case is Policy CS10 New Housing Development in the Core Strategy (adopted 2011). As this document was not adopted within the last five years, the second option above is applied.
 - For a) the average annual projected household growth is 159, as identified above
 - For b) the average annual housing requirement figure in Policy CS10 is for 367 new homes (an average of 350 per year from 2011-2021 and 400 per year from 2021-2026
 - Thus, the cap is applied to b) and not a). A cap of 40% above 367 is 514 dwellings (rounded).
 - The cap of 514 is greater than the figure of Stage two figure of 171 dwellings, and therefore does not limit the adjustment for affordability. The minimum LHN for Darlington is therefore 171 net additional dwellings per year.
67. Having derived Darlington's LHN, we now calculate Middleton St George's share of that target, by determining what proportion of Darlington's population currently reside in Middleton St George and applying that percentage to

¹³ Paragraph: 004 Reference ID: 2a-004-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹⁴ Available at <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

¹⁵ Paragraph: 004 Reference ID: 2a-004-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

Darlington's LHN.

68. At the time of the last Census, there were 4,337 people living in the Middleton St George NA, or 4.1% of the 105,564 people in Darlington. Therefore, applying this percentage to Darlington's LHN of 171 gives an indicative HNF for Middleton St George of 7 dwellings (rounded) per annum, or 119 dwellings over the Neighbourhood Plan period 2019-2036.

4.3 Latest available LPA planning strategy (Step 2)

69. However, as stated in NPPF guidance, it is important to acknowledge the relevant policies in the most recently available development plan document for the LPA. The policies reflect the overall strategy for the pattern and scale of development and any relevant allocations. This requires producing a HNF for the Neighbourhood Plan area that takes into account the Local Authority's spatial strategy, and therefore may differ slightly from the initial HNF calculated above.
70. In Darlington, this document is the emerging Local Plan. However, given the fact that this document has not been adopted and may be amended as a consequence of the recent consultation period, AECOM has also produced an alternative figure that reflects the LPA planning strategy of the adopted Core Strategy.

Emerging Local Plan

71. The overall strategy for the pattern and scale of development is outlined in Policy SH 1 Settlement Hierarchy, which classifies Middleton St George as one of three Service Villages. The Service Villages are intended to be maintained as villages, with a level of development that will meet local needs and facilitate economic diversification. They occupy the middle tier of the Settlement Hierarchy, beneath Darlington Town, which is the primary location for new residential development, and above the Rural Villages, which are generally considered unsuitable for new housing and will be protected from development other than the sustainable use of existing buildings and infill sites.
72. Table 6.2 in the body of the Local Plan outlines the intended spatial distribution of housing according to the Settlement Hierarchy. It states that the Darlington urban area should meet 8.4% of the Borough's housing need, urban extensions around Darlington Town 81.2% of need, and the Service Villages to meet 10.4% of housing need.
73. On this clearly defined basis, approximately 18 dwellings per year (10.4% of Darlington's LHN of 171, rounded) should be provided within the Service Villages.
74. Policy H2 proceeds to allocate a number of housing sites to various locations in accordance with the proportions outlined in Table 6.2 (i.e. 10.4% of allocations are in the Service Villages). Of the 826 housing units allocated to the Service Villages, 88.5% (731) are allocated to Middleton St George. These allocations take into account the availability of land and suitable sites and therefore represent a supply-driven expression of Middleton St George's housing requirement rather than demand-led expression of housing need. In calculating a HNF for Middleton St George we are providing an alternative to this figure in the event that the Local Plan changes, and must therefore disregard these allocations. In order to produce a demand-led HNF we therefore next determine Middleton St George's share of the population of the three Service Villages, and estimate the need for housing on that basis.
75. The population of the three Service Village is as follows:
- Heighington Parish: 2,395
 - Hurworth Parish (and NA): 3,264
 - Middleton St George NA: 4,337
 - Total: 9,996
76. Middleton St George's proportion of the Service Village population is therefore 43.4%. On the basis that its share of the population is the best proxy for determining the NA's share of Service Village housing need, Middleton St George should deliver 8 dwellings per year (43.4% of 18). This equates to 136 housing units over the Plan period.
77. This is 1 dwelling per year higher than the result of Step 1 above, and it is appropriate to take forward this slightly higher figure because it complies with the PPG requirement that the local authority's strategy for the scale and pattern of development is taken into consideration.
78. The fact that Middleton St George's housing need is higher when Darlington's wider planning strategy is referred to (Step 2) than when it is calculated purely on the basis of the NA's share of the Borough's population (Step 1) reflects the specific opportunities and constraints that hold across Darlington. In particular, it has been determined that rural

settlements lack the services required to support sustainable residential development, so the larger settlements need to take a slightly larger share of housing growth.

79. As required in PPG, this is the latest available planning document, and therefore should be taken forward for calculating Middleton St George's HNF. However, in the case that the emerging Local Plan is held back for a longer period or significantly changed, it is useful to repeat the same exercise with regard to the adopted Core Strategy.

Adopted Core Strategy

80. The overall strategy for the pattern and scale of development is set out in Policy CS1: Darlington's Sub-Regional Role and Locational Strategy. It states that development in strategic locations within the main urban area of Darlington Town will be expected to meet most of the overall development needs of Darlington Borough. However, development that supports the vitality and viability of the Borough's villages will be supported – particularly in the same three larger service villages in the emerging Local Plan: Heighington, Hurworth and Middleton St George.
81. Unlike the emerging Local Plan, the adopted Core Strategy gives no further detail than this in terms of the proportion of development that should be allocated in those villages. From the wording of the policy as well as the allocations set out in Policy CS 10: New Housing Development, it can be assumed that in fact 100% of new residential development should be met within the main urban area of Darlington Town. While housing may come forward and be granted permission in Middleton St George, it does not form an explicit part of the spatial strategy.
82. In this case there are two options. The first is to have full regard to this strategy and therefore reduce Middleton St George's HNF to zero. The second is to disregard this element of the strategy because it reduces the HNF to zero and proceed instead on the basis of population figures to arrive at the HNF of 7 dwellings per year as calculated in Step 1 above.
83. Given that Middleton St George is an area of 4,337 people in a Borough that is projected to experience population growth, and is considered one of the next most sustainable locations for development after Darlington Town in both the adopted Core Strategy and emerging Local Plan, it is not considered reasonable or realistic to reduce its HNF to zero. Therefore the second option, to proceed on the basis of its proportion of the population of the Borough, is proposed. On this basis Middleton St George's HNF would be (at least) 7 dwellings per year or 119 over the Plan period.

4.4 Past dwelling completions (Step 3)

84. The next step is to subtract any net completions of new dwellings that have occurred since the beginning of the Neighbourhood Plan period. Because the Plan period begins in the year of writing (2019), there are no completions to be deducted. Darlington have provided a completions figure of 92 for the period 2018-19 (April to April), which was correct as of August 2019, but does not include completions so far within 2019.
85. There are 654 current and valid dwelling commitments (i.e. planning permissions that are yet to be implemented) in Middleton St George, many of which are also included within the allocations proposed in the emerging Darlington Local Plan. However, AECOM recommends that commitments should not yet be discounted from the overall quantity figure; it is only once they are completed that this can take place. If all of these commitments are implemented, which is not guaranteed particularly in the context of the Local Plan being put on hold, there will be no need for the Neighbourhood Plan to identify further sites to meet this target. The Neighbourhood Plan could, however, identify further sites to ensure that particular needs within the overall need for housing are met (i.e. for Affordable Housing or specialist accommodation for the elderly).

4.5 Final Housing Need Figure

86. Based on the evidence above, this HNA recommends a minimum HNF of 136 dwellings, which equates to 8 dwellings per year between 2019 and 2036. If the emerging Local Plan is substantially altered or remains at an uncertain stage of development, the HNF based upon the adopted Core Strategy would be a minimum of 119 or 7 dwellings per year between 2019 and 2036.
87. The housing figure for Darlington is derived from the Government's Standard Methodology and is likely to change as the Government publish new affordability data each year and new household projections approximately every two years. This could impact on the number of homes required in Darlington and any indicative housing requirement figure provided by Darlington for neighbourhood areas.

88. At the time the final Neighbourhood Plan housing requirement figure is provided by Darlington, it can be considered to supersede the provisional calculation within this study. Consequently, there is a need for the Parish Council to continue to engage with the LPA to confirm the final housing figure for the Neighbourhood Plan.
89. Because Darlington's LHN is lower than previous targets, such as that set out in the adopted Core Strategy, there is a risk that the actual requirement for Darlington when finalized could be higher. This could have a knock-on effect on the HNF for Middleton St George. As a result it might be worth the neighbourhood planners considering a range of housing targets as well as how this might affect different options for growth.

5. RQ 2: Tenure and Affordability

RQ 2: What Affordable Housing (subsidised rent and subsidised home ownership tenures) should be planned for in the housing mix over the Neighbourhood Plan period?

5.1 Introduction

90. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and market housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.
91. This section will examine the tenure of dwellings in the current stock and recent supply. Then, looking at affordability, we will make an assessment on whether continuation of these trends would meet future needs. We will also investigate whether there are misalignments between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new developments to prioritise certain tenures, to bring supply and demand into better alignment.¹⁶

5.2 Definitions

92. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. AH comprises those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and forms of AH designed to offer affordable routes to home ownership.¹⁷
93. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership, but recognises the important role of social, affordable, and private rent tenures for those not currently seeking home ownership.
94. The revisions seek to broaden the definition of AH (which had previously referred only to social and intermediate housing) to include a range of low-cost housing opportunities for those aspiring to own a home, including starter homes.
95. In paragraph 64 of the NPPF, 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*". In line with PPG,¹⁸ the assumption should be that a 'major housing development' can be defined as a site of 10 dwellings or more, and that affordable home ownership includes starter homes, shared ownership homes, and homes available for discount market sale.

5.3 Current tenure profile

96. In order to set a baseline for our examination of tenure, it is necessary to present a picture of the Neighbourhood Plan area based on the most recent reliable data. Table 5-1 below presents Census data from 2011; this table shows the distribution of how households occupy their homes within Middleton St George, compared to the rest of Darlington and England.
97. As at district and national level, the majority of homes are owned in Middleton St George. However, the rate of ownership in the NA is much higher than both higher level geographies. Conversely, private rent makes up a slightly lower proportion of the tenure mix in the NA, and social rent is substantially lower. This lack of social and private rented stock (which can provide affordable housing if accessible to those on housing benefit) may be a major contributor to affordability challenges faced by local people.

¹⁶ PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹⁷ NPPF 2019.

¹⁸ PPG 031 Reference ID: 23b-031-20161116, available at <https://www.gov.uk/guidance/planning-obligations>

Table 5-1: Tenure (households) in Middleton St George, 2011

Tenure	Middleton St George	Darlington	England
Owned; total	81.0%	64.9%	63.3%
Shared ownership	0.5%	0.4%	0.8%
Social rented; total	5.3%	15.5%	17.7%
Private rented; total	12.4%	18.2%	16.8%

Sources: Census 2011, AECOM Calculations

98. In Table 5-2, we note the changes in the way households occupied their homes during the intercensal period. The greatest change has been in the private rental category, which has undergone 250% growth against the still substantial 142.4% growth seen across Darlington (although this only represents an increase of 145 on top of the 62 units in 2001). Both these figures are far larger than the 82.4% seen across England as a whole. Shared ownership has also undergone drastic growth in the NA, at 166.7%. There has been greater government backing for this tenure and it is more affordable but this percentage growth is primarily explained by a low starting figure of just 3 properties at the time of the 2001 Census.

Table 5-2: Rates of tenure change in Middleton St George, 2001-2011

Tenure	Middleton St George	Darlington	England
Owned; total	16.3%	0.3%	-0.6%
Shared ownership	166.7%	21.9%	30.0%
Social rented; total	-22.5%	-5.6%	-0.9%
Private rented; total	250.0%	142.4%	82.4%

Sources: Censuses 2001 and 2011, AECOM Calculations

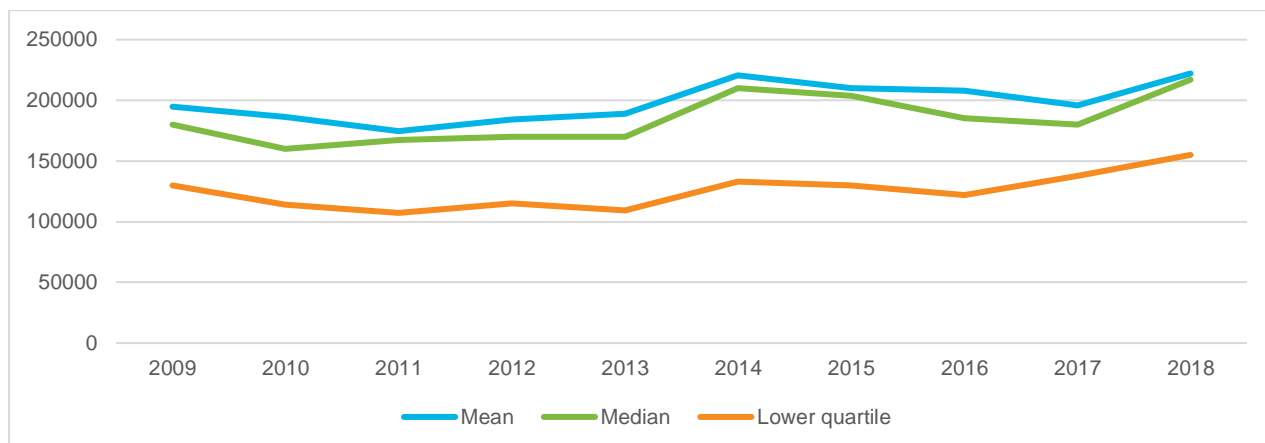
5.4 Affordability

99. Having reviewed the tenure of the existing housing stock in Middleton St George, the next step is to assess future provision over the Neighbourhood Plan period.
100. In order to understand whether the tenure profile of the current stock reflects the needs of the population currently and over the Plan period, an important starting point is to consider whether this profile provides different market segments access to dwellings of a suitable type and size, given their household composition.

5.4.1 House prices

101. We begin by considering the price of market housing, in particular the costs of entry-level dwellings. An entry-level dwelling can also be understood as one suitable for a household comprising two or three individuals. In order to be in conformity with Government guidance on overcrowding, such a home would require three habitable rooms (i.e. a flat or house with one or two bedrooms). Entry-level properties can therefore also be understood as one or two-bedroom flats/houses.
102. Figure 5-1 examines selected measures of house prices in Middleton St George. It shows that average prices have grown between 14% (mean) and 21% (median) over the past ten years (depending on the measure considered). Lower quartile price trends roughly follow those of the median and mean, dipping in 2011-13 and 2016 but appreciating strongly more recently.

Figure 5-1: House prices in Middleton St George between 2009 and 2018



Source: Land Registry PPD

103. Table 5-3 below breaks down house prices by type of house, as recorded by Land Registry Price Paid Data (PPD). It shows that detached homes are substantially more expensive than other types on average, and have appreciated by the greatest amount over the past decade, along with semi-detached homes. The value of terraced houses has fallen over the period, although this is primarily due to an unusually significant drop in 2017-18. The value of flats is highly volatile over time, which is likely a function of the relatively small sample size of 153 flats (See Type and Size chapter), meaning that the average price in any particular year is disproportionately affected by the units that happen to be sold each year.
104. Note that the average growth rate for all types is much higher than that of any of its component types. This is due the fact that a higher proportion of more expensive home types were sold in 2018 than in 2009. This aligns with the finding that larger, more expensive homes have made up a higher proportion of new housing in Middleton St George (see Type and Size chapter). While the overall trend is towards increasing prices and higher proportions of expensive home types, the relative stability in the price of more affordable types such as terraces and flats is serving an important function for households on lower incomes with the aspiration to own their own homes.

Table 5-3: House prices by type in Middleton St George, 2008-2017

Type	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Growth
Detached	£252,133	£257,709	£224,569	£242,607	£245,872	£275,051	£262,842	£267,086	£253,069	£271,047	7.5%
Semi-detached	£179,443	£145,319	£169,821	£145,747	£154,500	£187,498	£202,326	£220,441	£180,792	£193,030	7.6%
Terraced	£132,818	£142,235	£137,415	£152,438	£136,897	£152,214	£147,283	£148,914	£128,057	£126,043	-5.1%
Flats	£183,742	£174,875	£167,150	£129,817	£192,500	£185,306	£148,238	£149,786	£148,658	£177,417	-3.4%
All Types	£194,716	£186,492	£174,616	£184,011	£188,759	£220,734	£210,186	£207,895	£195,778	£222,096	14.1%

Source: Land Registry PPD

5.4.2 Income

105. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. As such, we have used two sources of data for household incomes in the NA.
106. The first is locally specific but limited to the average total household income and the median net annual household income. This is the average household income estimates published by ONS¹⁹ at the level of the Middle-layer Super

¹⁹Available at <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/smallareamodelbasedincomeestimates/financialyearending2016>

Output Area (MSOA)²⁰. In the case of Middleton St George the MSOA most suitable for use as a proxy for the Neighbourhood Plan area boundary is Darlington 015 (E02002573). Further details on the extent of this MSOA, including a map, and why it was selected as a proxy for the Neighbourhood Plan area, are set out in Appendix A.

107. The average net annual household income before housing costs (equalised) across Darlington 015 in 2015/16 was £31,200, while the average total annual income was £44,800. The latter figure is most commonly used by mortgage lenders to assess a household's ability to afford to borrow.²¹
108. The second source of data provides the Lower Quartile (LQ) average earnings, which is helpful for understanding affordability challenges among those with lower than average incomes, but it is only available at the District level and so is less locally-specific.
109. It is derived from ONS annual estimates of paid hours worked and earnings for UK employees to local authority level. Although 2018 provisional data has been published, the revised 2017 data is considered more robust and is therefore used here.
110. Darlington's gross LQ weekly earnings for 2017 was £281.30, or approximately £14,628 per year. This is the LQ income for individual earners and so only correlates with the measure of household incomes above for single-person households. To estimate the income of LQ-earning households with two earners, we have doubled the annual income, to £29,256.
111. This LQ figure is a helpful indication of what those in the lowest income brackets are able to put towards their housing costs, although it is important to note two caveats. First, this figure applies to the wider District and may therefore differ from actual LQ income levels within the NA itself. Second, it is an indication of gross rather than net incomes, and so the actual amount of income received after taxes and expenses will likely differ.

5.4.3 Affordability Thresholds

112. In order to gain a clearer understanding of local affordability, it is also useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds'. Purchase thresholds denote the standard household income needed to access mortgage products, and income thresholds denote the maximum share of a family's income that should be spent on accommodation costs.
113. We have determined thresholds for: entry-level market purchase; private rent; shared ownership at 25%, 50%, and 75%; affordable rent set at 80%, and estimated social rent levels across Middleton St George. These calculations are detailed in Appendix A. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 25% and that mortgage financing will be offered at a maximum of 3.5 times household income. These assumptions will not apply in all circumstances, and it is perhaps more realistic to expect that most households will spend a higher percentage than 25% of their incomes on housing costs.
114. Table 5-4 below shows the annual cost of different tenures and the income required (excluding deposits saved) to support these costs within Middleton St George. The income required column is the annual income needed to support ongoing housing costs, but does not reflect the cost of a deposit (which we have assumed to be 10% of the value to be purchased).

²⁰ An MSOA is a statistical area defined for Census purposes. For further information on MSOAs, see <https://www.ons.gov.uk/methodology/geography/ukgeographies/censusgeography>

²¹ Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

Table 5-4: Affordability thresholds in Middleton St George (income required, £)

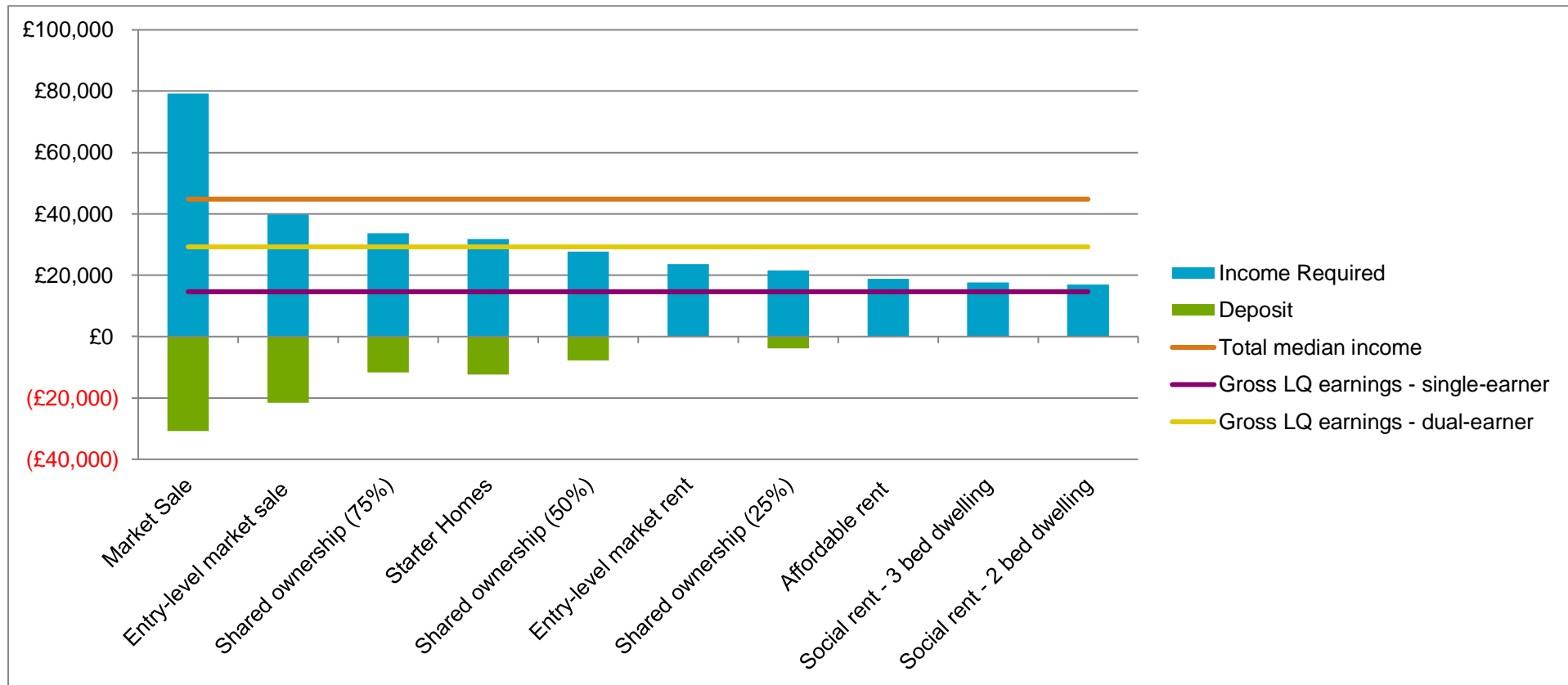
Tenure	Cost of purchase	Annual rent	Income required
Market sale	£308,400	N/A	£79,300
Entry-level market sale	£139,500	N/A	£39,857
Shared ownership (75%)	£104,625	£3,875	£33,768
Starter homes	£111,600	N/A	£31,886
Entry-level market rent	£69,750	£7,750	£27,679
Shared ownership (50%)	N/A	£5,888	£23,552
Shared ownership (25%)	£34,875	£11,625	£21,589
Affordable rent	N/A	£4,710	£18,842
Social rent - 3 bed dwelling	N/A	£4,411	£17,643
Social rent - 2 bed dwelling	N/A	£4,233	£16,931

Source: AECOM Calculations

115. The income required to afford the different tenures is then benchmarked, in Figure 5-2 below, against the three measurements of household income set out previously. These are the average total household incomes for the local area (Darlington 015) at £44,800 and the lower quartile gross household income for Darlington at £14,628 for single-person households and £29,256 for dual-earning households.
116. Taking into consideration the affordability thresholds set out above, it is apparent that single-earning households on lower quartile incomes are unable to afford any of the housing tenures under consideration. However, the lower quartile income data does not reflect housing benefits or other forms of financial assistance. For this reason it is assumed that most households on lower quartile incomes would be able to access social rented accommodation (or housing benefit to access private renting) were it in sufficient supply, or that single-person households and can meet their housing needs in studio or 1 bedroom dwellings, which may be cheaper than the 2 bedroom dwellings used to represent entry-level dwellings here.
117. Yet it is clear for such households that market renting (other than rooms in a shared house) and any form of home ownership (whether subsidised or otherwise) is out of reach in Middleton St George. For this reason, securing as much additional Affordable Housing – particular social and affordable rented tenures – should be a priority.
118. For dual-earning households on LQ incomes and households that earn the median income for the area, the majority of tenures are within reach, although average market sale properties are unaffordable to those on average incomes. Market housing for sale is the least accessible tenure, the cost of entry level market rent is relatively affordable. For those earning below the income threshold required to afford market rent, some may be able spend a higher proportion of their income on rent than the 25% assumption used here. For others, Affordable Housing for rent may be an option.
119. Government policy aimed at tackling the housing crisis continues to focus on helping those on modest incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership.²² In the case of Middleton St George, the figure below suggests that the most appropriate tenures to help implement this policy goal locally are shared ownership at various levels of equity, while Starter Homes are not particularly affordable. As explored in greater detail in Appendix A, the cost of Starter Homes may also be higher still in practice due to ambiguity in the way that prices are set.

²² See the White Paper 'Fixing Our Broken Housing Market', at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf

Figure 5-2: Affordability thresholds in Middleton St George (income required, £)



Source: AECOM Calculations

5.5 Affordable rented housing- quantity needed

120. The SHMA 2015 focuses on identifying needs amongst households living in unsuitable housing and those who cannot afford to rent in the market. If the SHMA's figures are pro rated to Middleton St George, this implies the need for 108 affordable homes over the plan period (6.4 per annum). AECOM's review of the SHMA methodology suggests that this need is largely for social/affordable rented homes. The SHMA does not provide a complete assessment of the need (or potential demand) from households who can afford to rent but are unable to afford to buy and would prefer to do so.
121. AECOM has produced two separate estimates of the need for affordable rented and affordable home ownership homes, reflecting recent changes to the NPPF which have introduced new affordable home ownership tenures into the definition of Affordable Housing. Policy makers, therefore, need to have an understanding of the likely need (or potential demand) for these tenures alongside the need for social/affordable rent.
122. In Table 5-5 below we have calculated, using PPG as a starting point,²³ an estimate of the total need for affordable rented housing in Middleton St George over the Plan period. This does not include those who can afford market rent but not to own their own home.
123. It should be noted that the accuracy of the findings generated by the model is only as strong as the evidence we have available to us. 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 in Table 5-5 are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need. Furthermore, the inclusion of information provided by Darlington Borough Council relating to their housing register is considered up-to-date and reliable.
124. The table shows that there are currently around 31 households in Middleton St George unable to access affordable housing tenures suitable to their needs. The table also suggests that, over the Plan period, 7 additional households in the Neighbourhood Plan area will fall into need, producing total affordable housing need of 38 households. This equates to approximately 2 dwellings per year during the Plan period. Note, for context, that the SHMA identified total Affordable Housing need for Darlington Borough of 155 dwellings per annum (6.4 per annum).
125. Table 5-6 provides a separate estimate for the number of households who might need affordable home ownership. This is a simplified assessment of the needs of these households but considered reasonable and proportionate for the purposes of neighbourhood planning. These are households who can afford to rent in the market but cannot afford to buy and may prefer to do so. These households are additional to those identified in Table 4-5 and those identified in the SHMA (although there may be some overlap at the margins). This estimate suggests there may be potential demand for around 128 (rounded) affordable home ownership dwellings over the plan period (7.6 per annum).
126. It is worth noting that often when the needs of households who cannot afford ownership (but can afford rent) are assessed they appear higher in scale than the need for rented homes. This is because the population of this group is larger, though it is important to keep in mind that their needs are less urgent and the majority are accommodated in the private rented sector. They do not lack housing but would prefer to be accommodated in a different tenure. The supply of homes in the PRS is not taken into account in meeting their needs.
127. It is important to realise that these figures do not overlap entirely with, or supersede, the overall Housing Need Figure for the Neighbourhood Plan area, calculated in the Quantity chapter of this report. Rather, they have an unspecified degree of overlap with it. There is no policy or legal obligation on the part either of the Local Authority or neighbourhood planners for it to be met in full, either within or outside the Neighbourhood Plan area, though there are tools available to neighbourhood planners that can help ensure that it is met to a greater extent if resources permit.
128. It is also important to remember that even after the Middleton St George, or indeed any other, Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, its allocation to those in need and the management of the housing waiting list all remain the responsibility of the local authority rather than neighbourhood planners.
129. In this sense, it must be acknowledged that neighbourhood plans are by their nature relatively constrained in terms of the extent to which they can meet affordable housing need, unless there is a specific policy on the housing supply-side (e.g. the identification of one or more housing exception sites over and above those required by the Local Plan).

²³ Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

Table 5-5 : Affordable Housing Model as applied to Middleton St George

Step	Stage	Source	Calculations (rounded)	Stage and Step Description
1. CURRENT HOUSING NEED (GROSS)				
a	Homeless households	Census 2011 (QS101EW)	0	<p>The 2011 Census recorded 0 homeless households in the parish of Middleton St George. Though the parish boundary does not overlap precisely with that of the NA, it is the closest available proxy for this dataset.</p> <p>Note that the SHMA found a significant decline in Homelessness in Darlington between 2001 and 2011: from 43 to 5 households, though it acknowledges that figures have risen since 2011.</p>
b	Priority need on housing waiting list	Darlington Borough Council	12	<p>As of August 2019, DBC advises that there are 12 households on the affordable housing waiting list with a current address in Middleton St George. These households fall into priority bands 1-3, on grounds of welfare, medical need, homelessness or overcrowding. The figure does not include 17 further households in band 4 who are deemed not to have immediate need. It is important to note that this data does not cover any areas where Darlington has no Affordable Housing – which includes Middleton One Row and Oak Tree.</p> <p>According to the SHMA, across Darlington the number of households in priority categories on the housing register fell sharply in 2009 and has remained stable up to 2014.</p>
c	Overcrowded households	Census 2011 (QS412EW)	18	<p>Assumption applied that the number remains the same as in the 2011 Census, in which Middleton St George recorded 19 households with a bedroom occupancy rating of -1 or less. As 1 household on the waiting list is in need due to overcrowding, this household is discounted to leave a total of 18.</p> <p>Overcrowding in Darlington is increasing much more slowly than nationwide (4% over 2001-2011 compared with 23% for England). It is decreasing in owner-occupied and social rented housing but increasing in the private rented sector.</p>
d	Concealed households	Census 2011	14	<p>Assumption applied that the number remains the same as in the 2011 Census, in which Middleton St George recorded 14 households who were concealed, and that these households are not registered on the Housing Needs Register.</p> <p>Note that the SHMA found a 38% increase in the number of concealed families across Darlington between 2001 and 2011.</p>

Step	Stage	Source	Calculations (rounded)	Stage and Step Description
e	Affordable Housing provision since 2011	Darlington Borough Council	13	As of August 2019, DBC advises that 13 Affordable Housing units have been delivered in Middleton St George since 2011. This can be assumed to satisfy an equal number of households in backlog need.
f	Backlog need	AECOM	31	Sum of stages a-d, minus e
2. NEWLY ARISING NEED				
g	Number of households in 2011	Census 2011	1755	The 2011 Census recorded a total of 1755 households in Middleton St George.
h	Average annual household formation between 2011 and end of Plan period	MHCLG 2014-based household projections; AECOM calculations	5.5	Taking households in 2011 in Middleton St George as a proportion of all households in the LPA (3.76%), Middleton St George's share of LPA household growth by the end of the Plan period (50,324 households in 2036 less 46,670 in 2011 = 3,654) will be 137 (rounded) (3,654 x 3.76%). This equates to an annual increase of 5.5 households.
i	New household formation between 2011 and 2019	AECOM calculations	44	$h \times 8$ (number of years between 2011 and 2019)
j	Estimated current number of households	AECOM calculations	1,799	Sum of g + i
k	New household formation between 2019 and end of Plan period	AECOM calculations	94	$h \times 17$ (number of years between 2019 and 2036)
l	Proportion of newly forming households unable to access market housing	AECOM calculations	7.7%	On account of the lack of income data available at Middleton St George level, the formula used to determine the proportion of newly-forming households unable to access market housing comprises the number of people in social housing at the time of the 2011 Census (95) + full backlog need, with no deductions for recently added stock (44) divided by all households (1,799).
m	Newly Arising Need	AECOM calculations	7	$k \times l$
n	TOTAL AFFORDABLE HOUSING NEED		38	Sum of f + m

Source: Darlington Borough Council data, Census 2011, AECOM calculations

Table 5-6: Affordable Housing Model as applied to Middleton St George

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in NA	264.5	Census 2011 number of renters x national % increase to 2018
1.2 Percentage renters on housing benefit in LA	33.6%	% of renters in 2018 on housing benefit (based on LA proportion)
1.3 Number of renters on housing benefits in NA	88.9	1.1 x 1.2
1.4 Current need (households)	131.7	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	7.7	1.4/ plan period
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	101.6	LA household projections for plan period (2014 based) pro rated to NA
2.2 % of households unable to buy but able to rent	8.1%	Current % of households in PRS
2.3 Total newly arising need	8.2	2.1 x 2.2
2.4 Total newly arising need per annum	0.5	2.3/ plan period
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	13.0	Number of shared ownership homes in NA (Census 2011 + new build to 2018/19)
3.2 Supply - intermediate resales	0.6	13 x 5% (assume rate of re-sale)
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Shortfall (per annum)	7.6	Shortfall = (Step 1.5 + Step 2.4) – 3.2

Source: AECOM model, using Census 2011, English Housing Survey 2018, CLG 2014 based household projections and net additions to affordable housing stock. Figures may not sum due to rounding.

5.5.1 Tenure split within Affordable Housing

130. In terms of the most appropriate mix of tenures within Affordable Housing, it is important to reference Darlington-level policy guidance or evidence, which will be based upon more detailed income data and viability assessments that are not able to be undertaken in a HNA. Neither the adopted or emerging Local Plan for Darlington specifies a target split within Affordable Housing. However, the SHMA includes a table (Figure 53) that estimates the number of Affordable Housing units needed by tenure.²⁴ The SHMA estimates that 79% of Affordable Housing should be provided as social or affordable rent, with the remaining 21% provided as intermediate tenures providing a route to home ownership.

131. Whilst the SHMA did not assess the full need (or potential demand) for affordable home ownership, AECOM suggest that broad adherence to the split recommended in the SHMA would be a reasonable approach at the neighbourhood level. The reasoning for this is as follows:

- Of the 136-dwelling indicative housing need figure (8 per annum) provided for the NA in this HNA, 27 Affordable Housing units (1.6 per annum) should be delivered in accordance with the 20% Affordable Housing requirement in emerging Local Plan. This level of expected delivery is not sufficient to meet local need as evidenced in this HNA, even for the social/affordable rented homes required. It is therefore critical that the 20% delivery requirement is met wherever possible in Middleton St George. Should the community wish to further boost the supply of Affordable Housing there are other routes available to providing it. For example, using community development orders, identifying exception sites or developing community land trusts are all tried and tested ways of increasing the supply of affordable housing above the minima indicated by Local Plan policy.
- Whilst there is evidence of substantial potential demand for affordable home ownership homes, the priority is likely to be the delivery of social/affordable rented homes to meet the most urgent needs.

²⁴ It does so for two alternative assumptions relating to the percentage of household income that can be spent on rent: 25% and 35%. The assumption used in the section of this report concerning affordability thresholds is 25%, so for consistency the estimate of 25% in the SHMA is used.

132. In the event that the final Housing Requirement Figure provided by Darlington is higher than the indicative figure provided in this HNA, there may be greater scope to provide more affordable housing and to consider a broader range of products.
133. In Table 5-7 below, we take forward this estimate and further break down the tenure split into its component parts based on the analysis of affordability thresholds above. It is recommended that for Middleton St George around 79% should be social rented tenures, in line with the SHMA evidence and the finding above that those on lower quartile incomes may only be able to afford social rent, and that 21% should be intermediate tenures (predominantly shared ownership because of the high cost of Starter Homes).
134. This tenure split should be considered a guideline for the ideal mix of tenures to be delivered within the NA. However, it is based foremost upon district-level guidance that benefits from detailed local income data and studies of development viability, with the more detailed breakdown based on the conclusions of our affordability analysis. As such, it will be a useful point of reference when planning applications are considered, but may not represent sufficient justification for the tenure split to be enforced precisely through a Neighbourhood Plan policy.
135. Where the neighbourhood planners wish to craft policy that enforces this split in policy, it is important that they liaise with the LPA to gather more detailed income and viability information, and to ensure that departures from the district-level policy context have the LPA's support. Another option 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 5-7: Recommended tenure split (Affordable Housing)

Routes to home ownership, of which	21%
Starter Homes	6%
Shared Ownership (at 25%)	15%
Affordable Housing for rent, of which	79%
Social Rent	50%
Affordable Rent	29%

Source: AECOM calculations

136. Shared ownership is recommended as the primary affordable route to home ownership because it is the tenure that extends home ownership to the widest group. There are a number of points to bear in mind:
- a. Despite being introduced back in the 1970s, shared ownership has only recently become mainstream. Partly because the affordability of home ownership has declined sharply in recent years and partly because Government has supported the provision of these homes through funding to housing associations.
 - b. Shared ownership is particularly known for being an affordable option for those seeking to get on the housing ladder such as newly forming households and families. It is popular due to the increased choice, control and security it offers in comparison to other tenures. Housing for new households and families is particular concern for Middleton St George and so this should be considered as an option for the NA.
 - c. However, it should be noted that there are some issues with shared ownership which should be borne in mind. For example, buyers still have to pay service charges which are not fixed and can increase unpredictably. Buyers are also responsible for the maintenance of the property, however small their share in the property. Staircasing can also be costly, given that the purchase of the additional share will rise as market values rise. Furthermore, the discount attained through renting the remaining share can in certain locations be similar to the difference in price between a new build and existing dwelling, meaning that a new shared ownership dwelling is often no more affordable than an existing dwelling offered for market sale.
 - d. Registered providers (eg housing associations) may be reluctant to deliver this tenure in rural locations as there are ongoing management costs involved. For this reason, discounted market sale homes may prove more attractive because of the more limited ongoing role for the housing association.

5.6 Conclusions- Tenure and Affordability

137. Middleton St George is characterised by an unusually high proportion of home ownership, as opposed to private and social renting, when compared with Darlington and England as a whole. While this could be taken to indicate a housing market where home ownership is within reach of most people, a more detailed analysis of affordability reveals that this is not the case. In the most recent ten-year period, the average lower quartile house price has appreciated by 19%.
138. In this context it is unsurprising that the rate of private renting in Middleton St George increased by 250% in the decade between 2001 and 2011. Over that period, households unable to afford home ownership sought out the next most affordable widely available option, with more homes being put up for rent to satisfy growing demand, while households who would have at other times met their needs through social housing are increasingly obliged to rent privately while relying on housing benefit. Private renting therefore provides an important function in the housing market and, due to its still comparatively low availability, should continue to grow.
139. However, to ensure that households on lower than average incomes can afford to continue living in Middleton St George or form their own independent households, especially if reforms to welfare including housing benefit are implemented in the coming years, it will be important to diversify the tenure offering beyond these two most common open-market options.
140. The social rented sector in the NA is small. The share of social renting in the wider Borough is three times the size of the share in Middleton St George. Given that this is the only secure tenure within reach of single-earning households on lower quartile incomes (some may access private rented dwellings through housing benefit) the number of social or affordable rented homes should be increased wherever possible. Other forms of Affordable Housing that offer a route to home ownership, such as shared ownership, should also be promoted as a way to enable households on lower incomes to own their own homes should they wish to do so.
141. Affordable housing is typically provided and made financially viable by Borough-wide planning policies that require it to be included at a set proportion of larger market housing developments. This policy expectation in Middleton St George, if the emerging Darlington Local Plan is adopted without changes to its draft policies, is that 20% of new housing on developments providing 11 dwellings or more will be affordable.
142. Of the 136 dwellings that our calculations indicate should be provided in Middleton St George over the Plan period, 27 Affordable Housing units should be delivered. This figure is lower than the 38 households that are projected to be in need of Affordable Housing to rent over the same period (AECOM's estimate). AECOM's estimate suggests there is additional potential demand for affordable home ownership of 128 dwellings over the plan period (7.6 per annum). If the majority of new housing is delivered through windfall development on small sites dispersed around the NA, many of these sites will not meet the requirement of providing 11 or more dwellings and so the number of Affordable Housing units will be lower still.
143. However, if the 6 major sites currently proposed to be allocated in Middleton St George in the emerging Darlington Local Plan, which total 731 dwellings, are delivered, 146 Affordable Housing units will be provided, which is in excess of the local need for social/affordable rented homes, but will help to meet the needs of locations throughout the Borough that are considered less sustainable for residential development and may also offer the opportunity to deliver more affordable home ownership products. It may also be the case that the Affordable Housing will be delivered in part outside of the NA, subject to ongoing discussions with DBC.
144. Although this level of delivery is deemed to be more than sufficient to meet local need, if the community wishes to boost the supply of Affordable Housing there are other routes available to providing it. For example, using community development orders, identifying exception sites or developing community land trusts are all tried and tested ways of boosting the supply of affordable housing above the minima indicated by Local Plan policy.
145. Regardless of the total quantity to be provided, of the Affordable Housing units to be delivered, it is recommended that approximately 79% be offered as social or affordable rent, with the remaining 21% delivered as affordable routes to home ownership, with an emphasis on shared ownership as opposed to starter homes (which are less affordable in this area).
146. Finally, it is worth noting that flats and terraced homes have not experienced the same levels of price appreciation as the detached and semi-detached homes that have been built in high volumes in recent years. It is assumed that their relative affordability holds in the rented sector as well.
147. The need to improve affordability in Middleton St George across all tenures aligns with our findings in relation to the type and size of homes – that new residential development should ensure a substantial proportion of smaller dwellings.

Increasing the proportion of smaller homes and more affordable types (as above) should help to rebalance the housing stock in favour of options that are both suitable to the population profile as it evolves over time and that will combat growing affordability challenges.

6. RQ 3: Type and Size

RQ 3: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?

6.1 Introduction

148. The Middleton St George Neighbourhood Plan will need to include policies informed by robust data on what sizes and types of housing would be best suited to the local community. This will help ensure that future developments give local people at all stages of life the options they require, while keeping the market operating efficiently.
149. PPG recommends a consideration of the existing housing provision and its suitability, having regard to demographic shifts in age and household composition, to address future, as well as current community need. For this reason, we firstly consider the type and size of the existing housing stock in Middleton St George. Demographic shifts in age and household composition will then be considered. Finally, the future demand for housing by size and type will be determined by the way different household types currently occupy their dwellings in the LPA, and then applying to that baseline assessment demographic projections of how the Neighbourhood Plan area population is likely to change by the end of the Plan period.

6.2 Existing types and sizes

6.2.1 Background and definitions

150. Before beginning our consideration of dwelling type and size, it is important to understand how different types of households occupy their homes. Crucially, and unsurprisingly, household ‘consumption’ of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth, income, and age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability.
151. In this context, even smaller households (those with fewer than three inhabitants) may be able to choose to live in larger homes than they require, and thus would be defined in Census terms as under-occupying their homes. This is a natural feature of the housing market, and can distort considerations of future housing needs, with market dynamics and signals giving a very different picture than demographics, household type and size would suggest for future years.
152. In order to understand the terminology surrounding dwelling size analysis, it is important to note that the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls. Dwelling size data is collected by determining the number of rooms being occupied by each household. In the section that follows, ‘dwelling sizes’ should thus be translated as follows²⁵:
- 1 room = bedsit
 - 2 rooms = flat/house with one bedroom and a reception room/kitchen
 - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
 - 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
 - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
 - 6 rooms = house with 3 bedrooms and 2 reception rooms and a kitchen, or 4 bedrooms and one reception room and a kitchen
 - 7+ rooms = house with 4 or more bedrooms
153. It is also useful to clarify the Census terminology around dwellings and households spaces. These can be confusing where different terminologies such as flats, apartments, shared and communal dwellings, and houses in multiple occupation, are used. Dwellings are counted in the Census by combining address information with Census returns on whether people’s accommodation is self-contained.²⁶ As such, all dwellings are classified into either “shared” or “unshared” dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.

²⁵ At <https://www.nomisweb.co.uk/census/2011/qs407ew>

²⁶ At <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

154. The key measure of whether a dwelling is shared or unshared relates to the Census' definition of a household. A household is defined as "One person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area."²⁷ On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

6.2.2 Dwelling type

155. The 2011 Census shows that there were 1811 households in Middleton St George, living in 821 detached houses, 496 semi-detached, 335 terraced houses, and 153 flats. Middleton St George is characterised by a proportion of detached houses that is almost twice as large as Darlington's, with significantly lower proportions of semi-detached and terraced homes accordingly. Lower still is the proportion of flats found in the NA, at nearly five times lower than either the Borough or national average (see Table 6-1 below).

Table 6-1: Accommodation type (households), Middleton St George 2011

Dwelling type		Middleton St George	Darlington	England
Whole house or bungalow	Detached	60.2%	31.1%	22.4%
	Semi-detached	22.8%	31.5%	31.2%
	Terraced	12.9%	24.9%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	2.1%	10.0%	16.4%
	Parts of a converted or shared house	1.4%	1.3%	3.8%
	In commercial building	0.5%	0.9%	1.0%

Source: ONS 2011, AECOM Calculations

6.2.3 Dwelling size

156. Table 6-2 below sets out the distribution of the number of rooms by household space. The housing stock in Middleton St George is characterised by notably higher proportions of large homes than in the Borough. The combined proportion of homes with 7 or more rooms is 43.9% in Middleton St George, more than double the 21.7% such homes represent in Darlington as a whole. This finding aligns with the fact described in relation to dwelling types above, in that detached homes tend to be larger.

²⁷ Ibid.

Table 6-2: Number of rooms per household in Middleton St George, 2011

Number of Rooms	2011	2011
	Middleton St George	Darlington
1 Room	0.1%	0.3%
2 Rooms	0.9%	1.6%
3 Rooms	3.8%	8.2%
4 Rooms	13.7%	20.1%
5 Rooms	20.2%	26.0%
6 Rooms	17.5%	22.0%
7 Rooms	18.4%	10.2%
8 Rooms or more	11.5%	6.2%
9 Rooms or more	14.0%	5.3%

Source: ONS 2011, AECOM Calculations

157. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. The greatest change in the NA has occurred within the 3 room category, which has doubled in size from 33 to 66 such homes over the ten years to 2011. It is worth emphasising that 66 homes is equivalent to the 3.8% of all homes finding in the table above; the 33 dwellings with 3 rooms represented just 2.3% of all homes at the time of the 2001 Census. This extremely low baseline is the cause of what at first glance appears to be substantial growth.
158. The very large 7 and 8 or more room categories of dwelling have, however, experienced significant rates of growth from large starting figures. There were 266 homes with 8 or more rooms in 2001, rising to 448 in 2011, for example. It should be noted, however, that this is broadly in line with the Borough and national trend: at both of these scales, the size of dwelling to experience the largest increase in frequency was that of 8 or more rooms. This is partly attributable to the disproportionate share of new housing that is marketed as executive housing.
159. Middleton St George saw a two-thirds decline in 1 room dwellings, with two of the three homes of this size being either extended, knocked-through, or demolished between the two censuses. The 5 and 6 room categories also underwent a marginal contraction, for reasons that were not possible to discern from the evidence surveyed here.
160. Overall, then, Middleton St George has an unusually large stock of housing that has grown larger over time.

Table 6-3: Rates of change in number of rooms per household in Middleton St George, 2001-2011

Number of Rooms	Middleton St George	Darlington	England
1 Room	-66.7%	-7.8%	-5.2%
2 Rooms	25.0%	1.9%	24.2%
3 Rooms	100.0%	19.2%	20.4%
4 Rooms	28.3%	6.9%	3.5%
5 Rooms	-5.3%	2.1%	-1.8%
6 Rooms	-5.2%	1.3%	2.1%
7 Rooms	41.0%	28.5%	17.9%
8 Rooms or more	68.4%	45.9%	29.8%

Source: ONS 2001-2011, AECOM Calculations

161. Returning to the most recent Census data, it is also useful to compare the figures for number of rooms with figures for the number of bedrooms for each household. Table 6-4 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. This data again shows that Middleton St George has relatively high proportions of the largest homes, with a particularly high share of 4 bedroom and particularly low share of 1 bedroom homes compared with Borough and national averages.

Table 6-4: Number of bedrooms in household spaces in Middleton St George, 2011

Bedrooms	Middleton St. George		Darlington		England	
All categories: no. of bedrooms	1,530	100.0%	46,670	100.0%	22,063,368	100.0%
No. bedrooms	1	0.1%	103	0.2%	54,938	0.2%
1 bedroom	58	3.8%	4,242	9.1%	2,593,893	11.8%
2 bedrooms	353	23.1%	15,645	33.5%	6,145,083	27.9%
3 bedrooms	517	33.8%	19,090	40.9%	9,088,213	41.2%
4 bedrooms	486	31.8%	5,982	12.8%	3,166,531	14.4%
5 or more bedrooms	115	7.5%	1,608	3.4%	1,014,710	4.6%

Source: ONS 2011, AECOM Calculations

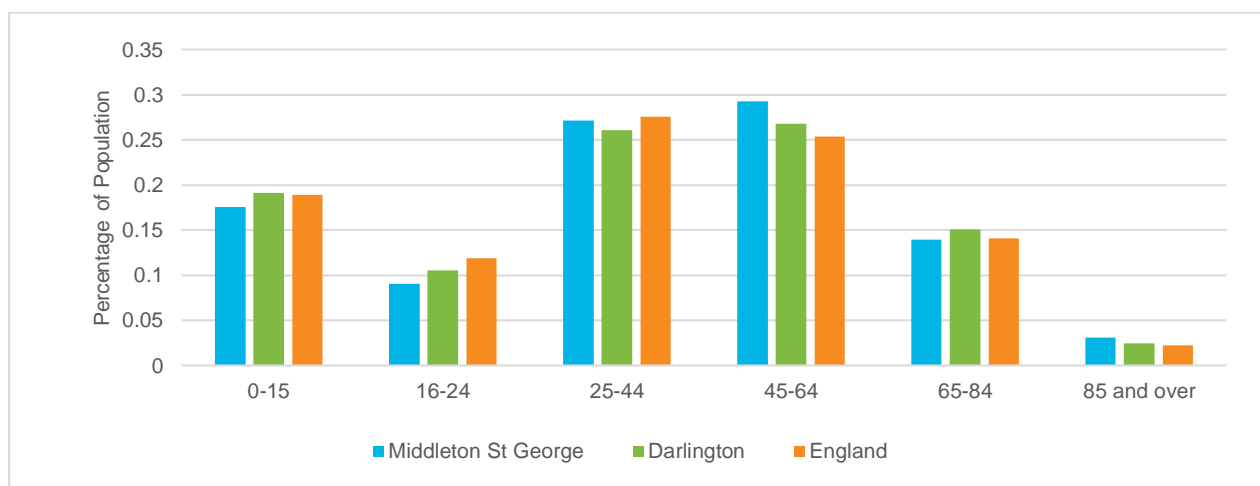
6.3 Household composition and age structure

162. We have now established the current stock profile of Middleton St George and identified recent changes in its composition. The evidence assembled below examines the composition and age structure of households both in the 2011 Census and in future years. Through a consideration of the types of households projected to form over the Neighbourhood Plan period, the mix of age groups suggested by demographic projections, and the characteristics of the existing stock of homes, it becomes possible to consider the type and size of housing needed in the Neighbourhood Plan area over the planning period.

6.3.1 Age structure

163. The 2011 Census reveals that Middleton St George has a high proportion of people in the 45-65 and 85 and over age categories than both higher-level geographies (see Figure 6-1 below). The 65-84 age group is roughly in line with Darlington and England, but it is the 0-15 and 16-24 age groups where Middleton St George has a lower population than those wider areas. So while Middleton St George’s population may be expected to age faster than the Borough, its chief demographic challenge is the deficit in the younger replacement population.

Figure 6-1: Age structure in Middleton St George, 2011



Source: ONS 2011, AECOM Calculations

164. In contrast to the impression given by the above data, in terms of the changing age structure of the population (see Table 6-5 below), Census data shows that since 2001 Middleton St George has seen a decline in the older population and an increase in the younger population. The 16-24 and 45-64 age groups have expanded the fastest, with only the 85 and over population contracting – a trend that is not perceived at the scale of the Borough or the country. The

increase in the younger population could help to balance out the significant ageing that can be expected as the large 45-64 age group reaches retirement age over the Plan period.

Table 6-5: Rate of change in the age structure of Middleton St George population, 2001-2011

Age group	Middleton St George	Darlington	England
0-15	3.0%	2.1%	1.2%
16-24	35.6%	18.5%	17.2%
25-44	13.6%	-0.7%	1.4%
45-64	20.8%	16.5%	15.2%
65-84	8.0%	8.3%	9.1%
85 and over	-10.1%	28.4%	23.7%

Source: ONS 2001-2011, AECOM Calculations

6.3.2 Household composition

165. Household composition is a critical factor in driving the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.
166. In assessing Census data on household composition, we see that Middleton St George differs from the Borough in that there are lower numbers of one person households and more families. However, the NA has a notably higher proportion of family households with no children (Table 6-6 below).

Table 6-6: Household composition (by household), Middleton St George, 2011

Household composition		Middleton St George	Darlington	England
One person household	Total	24.9%	32.4%	30.2%
	Aged 65 and over	9.5%	13.1%	12.4%
	Other	15.4%	19.2%	17.9%
One family only	Total	70.9%	62.9%	61.8%
	All aged 65 and over	8.8%	8.3%	8.1%
	With no children	23.4%	18.5%	17.6%
	With dependent children	29.1%	27.1%	26.5%
	All children Non-Dependent	9.6%	9.1%	9.6%
Other household types	Total	4.2%	4.7%	8.0%

Source: ONS 2011, AECOM Calculations

167. Again, it is relevant to consider rates of change in this indicator during the period between Censuses. Between 2001 and 2011, the main changes in household composition were significant growth in the one person household category, most notably with a significant 78.8% increase in one person households under the age of 65. There was also strong growth in the one family household category, which in combination with the aforementioned increase in one person households indicates a generally higher rate of population growth overall than was seen in Darlington and England (see Table 6-7).
168. Seen in the context of Middleton St George's relatively large stock of dwellings, the trend toward single occupancy may warrant the provision of smaller homes going forward, although this should be balanced in light of the trends towards more families with children, which require larger homes and the fact that many single households choose and can afford to occupy larger homes.
169. Middleton St George experienced a higher rate of growth in the number of households with children as well as a greater growth rate among households with dependent children – perhaps including students living with parents or a growing share of young people unable to afford to live in their own independent households due to local housing costs.

Table 6-7: Rates of change in household composition, Middleton St George, 2001-2011

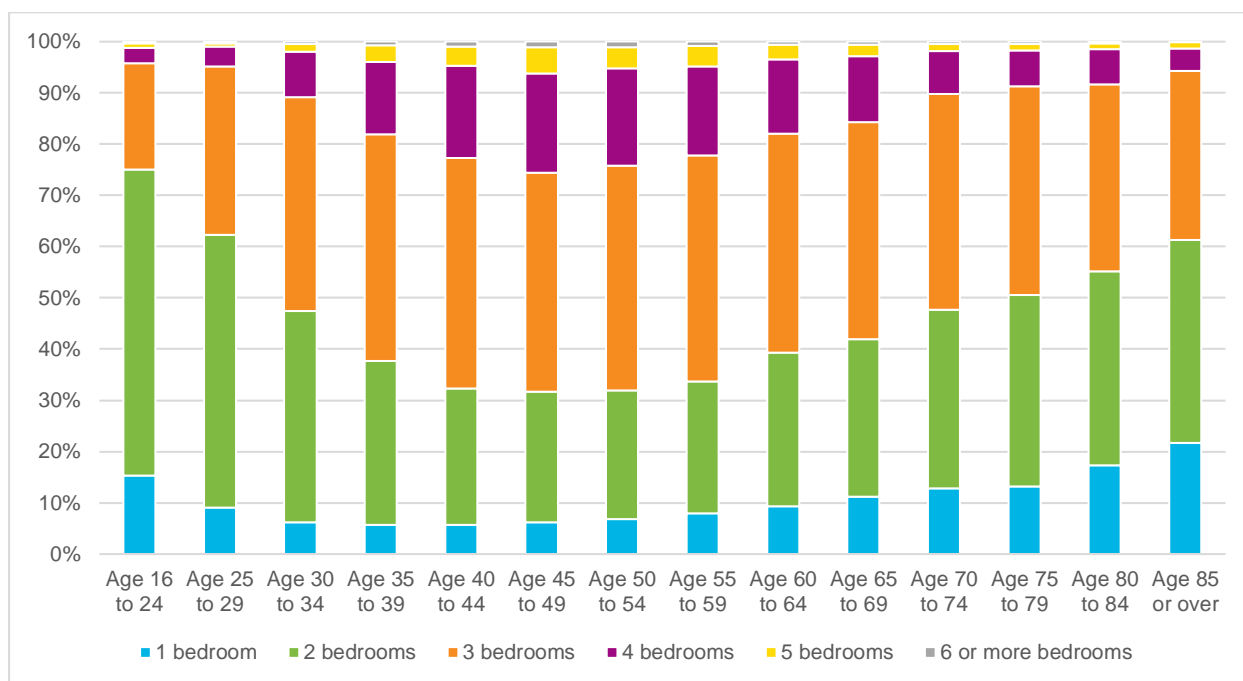
Household type		Percentage change, 2001-2011		
		Middleton St George	Darlington	England
One person household	Total	38.7%	12.4%	8.4%
	Aged 65 and over	1.8%	-7.7%	-7.3%
	Other	78.8%	32.0%	22.7%
One family only	Total	18.4%	8.3%	5.4%
	All aged 65 and over	30.3%	1.4%	-2.0%
	With no children	16.8%	12.3%	7.1%
	With dependent children	15.6%	7.3%	5.0%
	All children non-dependent	20.9%	10.3%	10.6%
Other household types	Total	23.3%	25.4%	28.9%

Source: ONS 2001-2011, AECOM Calculations

6.4 Dwelling mix determined by life-stage modelling

170. Recognising the fact that households of different ages have different housing needs, to estimate the housing mix needed by the end of the Plan period AECOM adopt an approach based on the assumption that current occupation patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future. For example, projected growth in households aged under 24 will lead to an increase in the need for the type of housing currently occupied by households of that age.
171. However, no data on housing size occupation by age of the Household Reference Person (HRP - a more modern term for 'head of household') is available at neighbourhood level. For this reason, Borough-level data is used as the closest proxy.
172. Figure 6-2 below sets out the relationship in the 2011 Census at Borough level between the age of the HRP and the size of dwelling occupied. This provides the starting point for determining the most appropriate dwelling size mix by the end of the Neighbourhood Plan period. The data shows that 2 bedroom properties are by far the most popular choice in the youngest age group, and remain so until the 30-34 category. At this point, 3 bedroom properties become the most popular choice, with this remaining the case until 2 bedroom properties once again become more popular in the 80-84 category.
173. 4 bedroom properties follow a pattern that is largely proportional to the popularity of 3 bedroom properties, peaking in the 45-49 category before declining again. 5 bedroom properties follow a similar but less prominent pattern, whilst 1 bedroom properties more closely track the popularity of 2 bed properties: they are most popular with the youngest and oldest demographics.

Figure 6-2: Age of household reference person by dwelling size in Darlington, 2011



Source: ONS 2011, AECOM Calculations

174. AECOM then use household projections provided by MHCLG to achieve an understanding of the future distribution of households by the age of the HRP. Again, this data is only available at the Borough level and for the years 2014 and 2039. Therefore, we have estimated what the distribution of households by the age of the HRP would be in 2036, i.e. the end of the Neighbourhood Plan period (red in the table). The data is presented in Table 6-8 below.

Table 6-8: Projected distribution of households by age of HRP, Darlington

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	1,838	6,625	17,970	7,925	12,312
2014	2,000	6,339	17,292	7,822	13,645
2036	1,904	5,644	16,056	7,574	19,032
2039	1,891	5,550	15,887	7,541	19,766

Source(s): MHCLG 2014-based household projections, ONS 2011, AECOM Calculations

175. At this point, it is necessary to extrapolate from this Borough-level data an estimate of the corresponding change in the age structure of the population in Middleton St George. To do so, the percentage increase expected for each group across Darlington, derived from the data presented above, was mapped to the population of Middleton St George. 2011 was used as the base year for calculating the rate of growth because 2011 Census data is more reliable than the 2014 projections. The results of this calculation are detailed in Table 6-9 below.

176. It is immediately clear from this exercise that Middleton St George's population can be expected to experience ageing: its demographic profile in 2036 is dominated by the 65 and over and 35 to 54 age groups, but while the former is growing the latter is declining – along with all other age groups apart from the low and stable population of households aged 24 and under. It is therefore expected that the dwelling size preferences of the combined 72% of households aged 35 to 54 and 65 and over to have by far the greatest impact on the ideal dwelling mix proposed at the end of this section.

Table 6-9: Projected distribution of households by age of HRP, Middleton St George

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	30	166	664	294	376
2014	33	159	639	290	417
2036	31	141	593	281	581
% change 2011-2036	4%	-15%	-11%	-4%	55%

Source: AECOM Calculations

177. To complement the two stages above, Table 6-10 below sets out the distribution of dwellings of different sizes according to the age of the HRP as they appeared in Darlington at the time of the Census 2011. This provides the basis for a modelled estimate of the proportion of dwelling sizes that will be occupied by each age band across Middleton St George by the end of the plan period.

Table 6-10: Age of household reference person to size, grouped, Darlington, Census 2011

Size	Age of HRP 16 to 24	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
1 bedroom	15.3%	7.5%	6.1%	8.6%	14.5%
2 bedrooms	59.8%	46.7%	27.2%	27.8%	35.5%
3 bedrooms	20.8%	37.7%	43.9%	43.4%	39.7%
4 bedrooms	3.0%	6.6%	17.7%	16.0%	8.4%
5+ bedrooms	1.2%	1.5%	5.1%	4.2%	1.9%

Source(s): MHCLG 2014-based household projections, ONS 2011, AECOM Calculations

178. Finally, having established the preference shown by households at different life-stages towards dwellings of different sizes, and the approximate number of households in Darlington and Middleton St George falling into each of these stages by the end of the Plan period in 2036, it is possible to recommend how the housing stock could evolve in terms of size over the Neighbourhood Plan period to overcome existing or future misalignments between the supply of dwellings and demand (see Table 6-11 below).
179. The table takes in turn each projected age group in 2036, estimating how many of the households in that age bracket will want or need to occupy each size of dwelling. By doing so for each age bracket and then adding together the totals for each dwelling size, we arrive at an estimation of what proportion of each size of dwelling will be required overall. By multiplying a number of households by the percentages in Table 6-10 above, the results are rarely whole numbers and are therefore presented as rounded. Because the totals are derived from the exact (non-rounded) data, not all columns and rows will sum precisely.
180. Here we see that the two dominating age groups both tend to occupy 3 bedroom homes above all other sizes, although the 65 and over age group occupy nearly as many 2 bedroom homes, while the 35 to 54 age group display a notable preference for larger homes as well as smaller ones.

Table 6-11: Ideal dwelling size distribution in Middleton St George by the end of the Plan period, based on modelled household life-stages (totals may not sum due to rounding)

Size	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total households requiring dwelling sizes
Households	31	141	593	281	581	-
1 bedroom	5	11	36	24	84	160
2 bedrooms	19	66	161	78	206	530
3 bedrooms	6	53	260	122	230	673
4 bedrooms	1	9	105	45	49	209
5+ bedrooms	0	2	30	12	11	56

Source: Census 2011, AECOM Calculations

181. It is now possible to compare the 2011 housing mix in terms of size with the projected requirement based on the estimates set out in Table 6-11 above.
182. Table 6-12 below indicates that, by 2036, the size distribution of dwellings should be more heavily weighted towards smaller properties than it currently is. Although we have found that the 35 to 54 population will remain high and that there is expected to be demand from families for some time, these factors are less influential than the overall ageing of the population and the attendant growth in demand for smaller homes.
183. Yet more important when comparing the current and recommended size mix is the fact that Middleton St George currently has an unusually large stock of housing. It is therefore likely that any estimate of future demand based on the occupation patterns of different age groups will contrast with what is a relatively unique baseline housing mix.
184. Perhaps most notable is the implied requirement for just 12.9% of homes to have 4 bedrooms, compared with their current frequency at 31.8% of all homes. Likewise the model finds that 5 bedroom or more homes should make up less than half the proportion they currently do, whilst all categories of 3 bedrooms or less will need to undergo significant growth to meet the proportions required.
185. Efforts to change the dwelling mix in this smaller direction would help to allow a growing older cohort of households to rightsize within their existing community if they wish to, and younger people to be able to move into suitably sized first homes, while leaving enough of the larger existing homes to meet demand from families and the prominent 35 to 54 age group.

Table 6-12: 2011 housing sizes compared to ideal distribution at end of Plan period, Middleton St George

Number of bedrooms	2011		2036	
1 bedroom	58	3.8%	160	9.8%
2 bedrooms	353	23.1%	530	32.6%
3 bedrooms	517	33.8%	673	41.3%
4 bedrooms	486	31.8%	209	12.9%
5 or more bedrooms	115	7.5%	56	3.4%
Total households	1,530	100.0%	1,628	100.0%

Source: Census 2011, AECOM Calculations

186. Table 6-13 below sets out the estimated misalignment between future demand for housing, based on the modelled preferences of households at different life-stages, and the current stock available in the Neighbourhood Plan area.

Table 6-13: Future potential misalignments of supply and demand for housing, Middleton St George

Number of bedrooms	2011	2036	Change to housing mix	Recommended split of new housing to meet required mix
1 bedroom	58	160	102	23.5%
2 bedrooms	353	530	177	40.7%
3 bedrooms	517	673	156	35.8%
4 bedrooms	486	209	-277	0.0%
5 or more bedrooms	115	56	-59	0.0%

Source: AECOM Calculations

187. Note that the changes to the housing mix given above for four and five-bedroom dwellings are negative numbers. Because in light of the national and local housing shortage, it is rarely advisable or practicable to remove dwellings from the available stock, as would otherwise be suggested here for dwellings with three or more bedrooms, we have instead set the recommended split at 0% rather than a negative number, and rebalanced the other sizes as percentages of the additional dwellings they represent in total.
188. The result of the life-stage modelling exercise, therefore, is that to minimise misalignments between supply and demand at the neighbourhood level, 23.5% of dwellings in new developments should have 1 bedroom, 40.7% should have two bedrooms, 35.8% should have three bedrooms, and no further dwellings with 4 or more bedrooms are needed.
189. Such a distribution of new supply by size should help to address unmet demand from younger households and those intending to downsize. It would also make a valuable contribution to diversifying a stock of housing that is dominated by large dwelling sizes.
190. However, this recommendation should be applied with a degree of flexibility because it may not be reasonable in practice strictly to limit the provision of dwellings with four or more bedrooms, and in fact, such a restriction has the potential to negatively impact the viability of sites that could help to deliver Affordable Housing or other community priorities. It should also be noted that this report is concerned with demand in the sense of need rather than in the sense of the preferences of potential occupants, which will likely include demand for larger homes. There may also be good reasons to deliver larger properties in the NA as part of a housing mix strategy in the Borough as a whole.

6.4.1 SHMA findings

191. The SHMA proposes a dwelling size mix for market housing as presented in Table 6-14 below, which reproduces Figure 52 from Part 1 and converts its totals into percentages. There is a similar emphasis on 2 and 3 bedroom homes, as well as a lack of emphasis on dwellings with 5 or more bedrooms. However, the Darlington mix requires a greater proportion of 4 bedroom homes and a lower proportion of smaller ones. This is due primarily to the differences in the existing stock of housing between Middleton St George and Darlington, presented in Table 6-4, with a notable lack of smaller homes in the NA compared with the wider Borough.

Table 6-14: Size mix for Darlington 2011-2036

Type	Number of bedrooms	Recommended split
Flat	1 bedroom	0.4%
	2+ bedrooms	3.7%
House	2 bedrooms	26.9%
	3 bedrooms	55.6%
	4 bedrooms	12.2%
	5+ bedrooms	1.2%

Source: SHMA Figure 52

6.5 Conclusions- Type and Size

192. Middleton St George's stock of existing housing is notably different to that of Darlington and England as a whole: it contains double the Borough's proportion of detached homes and a correspondingly high proportion of larger homes, as well as a much lower proportion of smaller homes.
193. Large properties also underwent the greatest growth between 2001 and 2011 in the NA, significantly outstripping growth in the larger categories for the wider geographies. However, growth in smaller properties was also significantly greater at NA level than seen across Darlington and England as a whole because of a generally higher rate of new building and population growth.
194. The age profile of Middleton St George's population is relatively similar to that seen at Borough and national levels. However, divergence does occur in the 45-64 category, where the NA has a notably higher proportion of such residents, who are likely to reach retirement age during the Plan period. There are also lower proportions of people ages 24 and under in Middleton St George. The main demographic challenge would therefore appear to be a deficit in the younger population, however other metrics indicate that younger age groups grew between the Censuses and the number of families with children is high and growing.
195. With regard to housing, it will be important to supply dwellings appropriate to young and newly forming households as well as older households who may seek to rightsize. The needs and financial capabilities of both these groups do overlap to some extent, although the precise configuration and quality expectations that they have for smaller dwellings may vary.
196. Middleton St George's demographic profile in 2036 is expected to be dominated by households aged 65 and over and those aged 35 to 54. Three-bedroom homes are particularly popular among both these dominant age bands, with the 35 to 59 group also likely to occupy larger dwellings and the 65 and over group expressing a strong preference for 2 bedroom homes.
197. Given the fact that Middleton St George's current dwelling stock is made up of significantly larger dwellings compared with Darlington, and that changes in the NA's population suggest the need for smaller dwellings, it is logical that the recommended dwelling mix for new development over the Plan period should prioritise the provision of 2 and 3 bedroom homes suitable to downsizers and young families.
198. In the Tenure and Affordability chapter analysis, it was found that market housing for purchase is increasingly unaffordable and that those on the lowest incomes are unable to afford to live outside of the social rented sector. While Affordable Housing should be well balanced in terms of size to cater for all circumstances, the provision of smaller homes for sale and rent, as advised here, should make an important contribution to improving affordability more widely. If older households wishing to rightsize and younger ones seeking to form their own independent households are to be able to afford to live in Middleton St George, increasing the provision of small and mid-size homes and, in so doing, rebalancing the housing stock away from very large housing, will be key.
199. In terms of the types of dwellings required, the current predominance of detached dwellings, compared with Borough and national trends, suggests that there may be some unmet demand for the rarer and generally more affordable dwelling types, such as terraced homes and flats. The size recommendation for smaller homes would align with this. This might also include the delivery of bungalows in order to meet the needs of some older households and to reflect the fact that other smaller dwelling types, such as apartments, may not in practice be popular market propositions in a rural area like Middleton St George.

7. Conclusions

7.1 Overview

200. Table 7-1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

Table 7-1: Summary of study findings specific to Middleton St George with a potential impact on Neighbourhood Plan housing policies

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Quantity of housing to plan for	<p>A Local Housing Need (LHN) Figure for Darlington Borough was calculated, using the Standard Method outlined in Planning Practice Guidance, to be 171 net additional dwellings per year.</p> <p>4.1% of Darlington Borough residents live in Middleton St George.</p> <p>According to the strategy for the pattern and scale of development across Darlington Borough outlined in the emerging Local Plan, 10.4% of housing growth should take place in Service Villages.</p> <p>The proportion of the total population of the Service Villages living in Middleton St George is 43.3%</p> <p>The adopted Core Strategy for Darlington Borough places strong emphasis on Darlington Town as the primary location for new residential development, although development is also supported in larger service villages including Middleton St George. The proportion of development to be distributed across different areas in the Borough is not given.</p> <p>No housing completions have been reported since the start of the Plan period as the Plan period begins in the year of writing.</p> <p>There are 654 valid planning commitments in Middleton St George.</p>	<p>Middleton St George's share of Darlington Borough's LHN is 8 dwellings per year, or 136 units over the Plan period 2019-2036, according to the strategy for the pattern and scale of development across the Borough outlined in the emerging Local Plan.</p> <p>Were this strategy not taken into account (i.e. were the adopted Core Strategy the only available planning document for the Borough), Middleton St George's housing needs figure (HNF) would be 7 dwellings per year, or 119 over the Plan period.</p> <p>These HNFs are both substantially lower than the 731 dwellings proposed to be allocated in the emerging Local Plan. This indicates that when the supply of available land and suitable sites is taken into account, Middleton St George could provide a greater share of housing growth in order to meet a share of the needs of the wider Borough.</p> <p>When the emerging Local Plan is adopted, either in its current form or revised in response to the consultation period, the housing requirement figure (HRF) or allocations provided, will supersede the provisional figure provided here.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
<p>Quantity of Affordable Housing to plan for</p>	<p>There are 12 households in priority bands 1-3 living in Middleton St George on the Darlington housing waiting list, as well as 32 overcrowded or concealed households at the time of the 2011 census.</p> <p>13 Affordable Housing units have been provided in Middleton St George since 2011, leaving total current (or backlog) need of 31 households.</p> <p>The estimated number of households expected to fall into need over the Plan period is 7.</p> <p>Total need for Affordable Housing to rent is estimated to be 38 households who need to be accommodated over the Plan period. This equates to approximately 2 Affordable Housing units required for each year of the Plan period.</p> <p>There is additional need (or potential demand) for affordable home ownership housing from households who can afford to rent but cannot afford to buy. AECOM estimate this equates to 128 households over the plan period (7.6 per annum). Their needs are less urgent and they do not lack housing; rather they would prefer to buy rather than rent.</p>	<p>If the 136 dwellings needed over the Plan period (see above) are delivered in compliance with the emerging Local Plan policy requiring 20% Affordable Housing on new development sites, 27 Affordable Housing units will be delivered.</p> <p>This total is likely to be lower since not all new sites will meet the 11-dwelling threshold at which this policy applies. It would also likely include the provision of subsidised ownership tenures, which fall outside of this calculation of need. In this case, it is recommended to increase the overall supply of housing in order to meet Affordable Housing need, or to plan for alternative measures such as exception sites.</p> <p>However, if the 721 dwellings allocated on sites providing more than 11 dwellings (of 731 in total) in the emerging Local Plan are brought forward, 146 Affordable Housing units will be delivered. It may also be the case that the Affordable Housing will be delivered in part outside of the NA, subject to ongoing discussions with DBC.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing tenure and affordability	<p>Middleton St George is characterised by a high proportion of home ownership, as opposed to private and social renting.</p> <p>Lower quartile house prices have appreciated by 19% on average over the last ten years, and the income required to afford them is now 27% higher than the median household income and nearly three time higher than the lower quartile income among single-earning households.</p> <p>The rate of private renting increased by 250% (from a relatively low base) between 2001 and 2011, with households increasingly unable to afford home ownership turning instead to the next most affordable tenure.</p>	<p>The current tenure offering in Middleton St George is less diverse than the Borough and England, and should be made more diverse by the continued expansion of the private rented sector and an increase in provision of Affordable Housing.</p> <p>AECOM recommends that the NA retains the emerging Local Plan policy of seeking 79% affordable housing for rent and 21% for affordable home ownership in order to ensure delivery of affordable rented homes. In the event that a higher housing requirement is given to the NA, policy makers may wish to considering adjusting the tenure split. Shared ownership is recommended as the primary tenure for affordable home ownership as it has the potential to extend home ownership to more households.</p>
Housing type and size	<p>The stock of housing currently in Middleton St George contains twice the proportion of detached homes than Darlington Borough and a correspondingly high share of large homes.</p> <p>Large homes also represented a high proportion of the new housing supplied in the NA between 2001 and 2011.</p> <p>The demographic profile of Middleton St George at the end of the Plan period is projected to be dominated by households aged 65+ and 35-54, which tend to predominately occupy mid-sized dwellings.</p>	<p>Taking into account the current stock profile, which is skewed towards much larger homes, the dwelling size mix needed to serve the needs of the population at the end of the Plan period should prioritise the provision of 2 and 3 bedroom homes.</p> <p>The provision of smaller homes for sale and rent should also make an important contribution to improving the affordability challenges identified in the NA.</p> <p>In terms of dwelling type, a greater diversity of options should be promoted, meaning that terraced homes and flats (which are relatively rare) should form a greater proportion of the dwelling mix if possible. These also tend to be among the more affordable dwelling types.</p>

7.2 Recommendations for next steps

201. This Neighbourhood Plan housing needs assessment aims to provide the Parish Council with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the Parish Council should, as a next step, discuss the contents and conclusions with Darlington with a view to agreeing and formulating draft housing policies, bearing the following in mind:

- All Neighbourhood Planning Basic Conditions, but in particular the following: Condition A, namely that the Neighbourhood Plan has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the Neighbourhood Plan contributes to the achievement of sustainable

development; and 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 Darlington – in particular in relation to the quantity of housing that should be planned for;
- The views of local residents;
- The views of other relevant local stakeholders, including housing developers;
- The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Darlington, including but not limited to the Housing and Economic Land Availability Assessment (HELAA);
- The recommendations and findings of this study; and
- The impact of the Government's Standard Methodology on calculating housing need for Darlington and the neighbourhood plan areas within it.

202. 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.

203. Bearing this in mind, we recommend that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Darlington or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

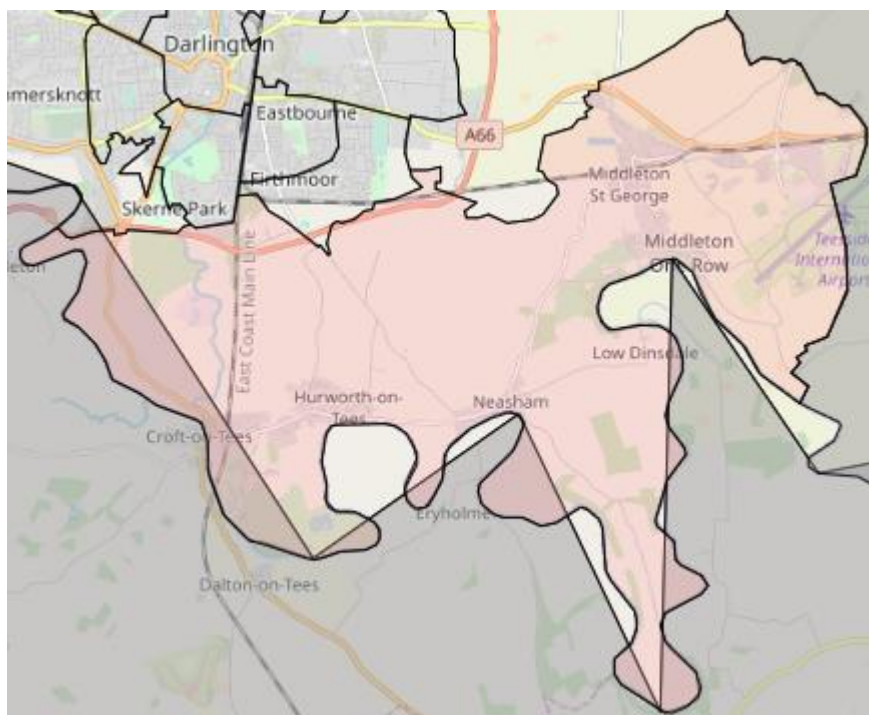
204. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

205. As noted in the Tenure and Affordability chapter above, affordability thresholds should be calculated on the basis of income data that is available at MSOA level but not at the level of neighbourhood plan areas.
206. As such, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Middleton St George, it is considered that MSOA E02002573 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 the MSOA appears below in Figure 7-1.

Figure 7-1: MSOA E02002573, used as a best-fit geographical proxy for the Neighbourhood Plan area



Source: ONS

A.2 Market housing

207. Market dwellings for sale and rent are increasingly accessible only to people on higher incomes. Choices in the housing market are driven principally by spending power, life stage, and personal taste.
208. The operation of the housing market is, in most circumstances, the best means of addressing the demand for different types of housing for sale. For this reason, it is important that planning policy does not place unnecessary burdens on the market that prevent its ability to respond to demand.
209. In this sense, the notion of development viability is essential. It is important not to deter development in the context of clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of resources for infrastructure improvements.
210. To determine affordability in market housing, we consider two primary indicators: income thresholds, which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

i) Market sales

211. 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.
212. To produce a more accurate assessment of affordability, both the savings available for a deposit and the equity in the home from which the buyer is moving (if not a first-time buyer) should be taken into account. However, this data is not available for Middleton St George. As such, a reasonable assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.
213. The value of an entry-level dwelling is considered the best representation of the segment of market housing most likely to be accessible to those on lower incomes.²⁸ The value of an entry level dwelling used here is the lower quartile average house price from sales data from Land Registry over the year 2018.
214. The calculation is as follows:
- Value of an entry level dwelling = £155,000;
 - Purchase deposit = £15,500 @10% of value;
 - Value of dwelling for mortgage purposes = £135,000;
 - Loan to income ratio = value of dwelling for mortgage purposes divided by 3.5;
 - **Purchase threshold = £39,857.**

ii) Private Rented Sector (PRS)

215. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. Households are deemed able to afford a private rent property if the lower quartile private rent does not exceed 25% of gross household income for households with incomes of less than £40,000 per annum, or 30% of gross household income for households with incomes of more than £40,000 per annum.
216. It is assumed that lower quartile private rent equates to the average rent paid in the Neighbourhood Plan area for a two-bedroom dwelling (enough living space for two or three individuals). In order to be in conformity with the Government guidance on overcrowding,²⁹ such a home would require three habitable rooms (a flat or house with two bedrooms).
217. The property website 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 the DL2 postcode area, 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.
218. According to home.co.uk, there are 3 two-bed properties currently listed for rent across DL2, with an average price of £491 per calendar month.
219. It is possible to derive from this data the estimated income threshold for private rental sector dwellings in the Neighbourhood Plan area; the calculation is therefore:
- Annual rent = £491 x 12 = £5,888;
 - Multiplied by 4 (so that no more of 25% of income is spent on rent) = £23,552;
 - **Income threshold (private rental sector) = £23,552.**
220. The NPPF 2018 acknowledges that build-to-rent dwellings have a role to play in providing affordable market homes and may meet affordable housing need where they include a component of affordable private rent.

²⁸ 'Entry-level dwelling' can be understood to comprise a property that costs the average value of dwellings falling into the lower quartile of house prices in the Neighbourhood Plan area, as set out in the Tenure and Affordability chapter above.

²⁹ This is based on the concept of the 'room standard', which indicates a dwelling is legally overcrowded if two people of the opposite sex have to share a room to sleep in (this does not apply when couples share a room). See: http://england.shelter.org.uk/housing_advice/repairs/overcrowding

A.3 Affordable Housing

221. There are a range of tenures that constitute the definition of Affordable Housing within the 2019 NPPF: social rent and affordable rent, starter homes, discounted market sales housing, and other affordable routes to home ownership.
222. This variety of tenures reflects an ambition by the Government to provide a pathway to home ownership for more sectors of the population, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide affordable housing into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer in line with people's ability to pay.
223. We consider each of the affordable housing tenures in turn.

i) Social rent

224. Rents in socially rented properties reflect a 'formula rent' based on a combination of individual 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 low incomes and is subject to strict eligibility criteria.
225. To determine social rent levels, we used the data and statistical return from Homes England. This data is only available at the Local Authority level so must act as a proxy for Middleton St George. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Darlington in the table below.
226. To determine the income needed, we continue to operate on the assumption that no more than 25% of income should be spent on rent.

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent PCM	£67	£81	£85	£104	£80
Annual average	£3,459	£4,233	£4,411	£5,413	£4,186
Income needed	£13,834	£16,931	£17,643	£21,651	£16,743

Source: Homes England, AECOM Calculations

ii) Affordable rent

227. Affordable rent is controlled at no more than 80% of the local market rent. As we have seen, the annual entry-level rent in Middleton St George is £5,888. In the event of a 20% reduction in rent to £4,710, the income threshold would reduce to an estimated £18,842. This tenure is usually only accessible to those on local authority and housing association waiting lists.
228. Although affordable rent at 80% of market rent is permitted, in practice most registered providers seek to cap rents so that they are affordable to those on universal credit, which is the group of people who will be accessing this tenure. This may be done by determining a percentage of the maximum benefit available to a household that should be spent on housing costs: for example, it might be set at 40% of the maximum universal credit amount of £20,000, meaning that affordable rent for larger homes for families would be capped at £8,000 per year.

iii) Intermediate tenures

229. Intermediate housing includes 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. They can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing.

230. In paragraph 64 of the NPPF 2019, 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*”.

Starter homes

231. The Housing and Planning Act 2016 introduced a duty on planning authorities in England to promote the supply of ‘starter homes’, and to require a minimum number or proportion of ‘starter homes’ on certain residential development sites.

232. A starter home is a new build home with a discounted value not exceeding £250,000 (or £450,000 in London); they are eligible for first time buyers aged 40 or younger.

233. Whether to treat discounted market sale homes as affordable housing or not depends on whether lowering the asking price of new build homes of a size and type suitable to first time buyers by 20% would bring them within reach of people currently unable to access market housing for purchase.

234. To provide a conservative assessment of the suitability of discounted market sale homes, it is appropriate to apply the value we have estimated for an entry-level dwelling, namely £155,000.

235. Applying a discount of 20% provides an approximate selling price of £124,000. Allowing for a 10% deposit further reduces the value of the property to £111,600. The income threshold at a loan to income ratio of 3.5 is £31,886.

236. However, this method of estimating the cost of Starter Homes is based on an assumption that they will be priced with reference to the value of lower quartile dwellings, with a discount of 20% applied. In practice, there is nothing in national regulations to require that their price is set in this way. Developers could instead set prices with reference to average new build prices or a market value they establish themselves based on their sales prices in the area, both of which tend to be much higher than lower quartile prices. This ambiguity means that the cost of Starter Homes can in reality be much higher than the optimistic calculation presented here.

Shared ownership

237. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% 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 leaseholder can be varied by ‘staircasing’. Generally, staircasing will be upward, thereby increasing the share owned over time.

238. 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.

239. To determine the affordability of shared ownership, calculations are based on the lower quartile house price of £155,000.³⁰ The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to value ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 25% of income on rent (as for the income threshold for the private rental sector).

240. A 25% equity share of £155,000 is £38,750, from which a 10% deposit of £3,875 is deducted. The mortgage value of £34,875 (£38,750 - £3,875) is then divided by 3.5. To secure a mortgage of £34,875, an annual income of £9,964 is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £116,250. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £2,906 and requires an income of £11,625. Therefore, an income of around £21,589 (£9,964 + £11,625) is required to afford a 25% shared equity purchase of an entry-level house with annual rent.

241. The same calculations are repeated for shared ownership at a 50% and 75% equity share, producing affordability thresholds of £27,679 and £33,768 respectively.

³⁰ It is important to note that this is based on new build sales only. The current shared ownership models are only available for new build homes, with the assumed cost therefore differing from the cost of open market housing, which also includes property re-sale.

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

Affordable Housing (NPPF Definition)

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

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

b) Starter homes: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

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

d) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

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 methods³¹.

Age-Restricted General Market Housing

A type of housing 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, overcrowding, concealment or affordability, but who are yet to be offered a home suited to their needs.

Bedroom Standard³²

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 Order³³

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)³⁴

³¹ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

³² See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

³³ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

³⁴ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

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

Equity Loans/Shared Equity

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

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 known as 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.

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, such as Starter Homes, the Government's flagship 'housing product'.

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 years³⁵, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

Output Area/Lower Super Output Area/Middle Super Output Area

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

Overcrowding

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

³⁵ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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.

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 Housing³⁶

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

³⁶ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.³⁷

³⁷ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

