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Belmont & Gilesgate

Housing Needs Assessment (HNA)

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Quality information

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List of acronyms used in the text:

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

1. Executive Summary

1. Belmont & Gilesgate is a Neighbourhood Area (NA) located in County Durham. The NA boundary covers the areas administered by Belmont Parish Council and part of the area of action of Gilesgate Residents Association.
2. The 2021 Census recorded 14,170 individuals in Belmont & Gilesgate, indicating a decrease of 63 people since the 2011 Census.
3. There has been significant development in Belmont & Gilesgate in recent years. Durham County Council has provided data showing that 201 new homes have been built since 2011/12. As of 2023, outstanding commitments (dwellings on sites with planning permission) total 497 homes.
4. This Executive Summary details the conclusions of each chapter of this Housing Needs Assessment (HNA), addressing each of the themes agreed with the Working Group at the outset of the research.
5. Data from the 2021 Census is continuing to be released. At present, the available data covers population, households, tenure, and dwelling stock characteristics. Some data from the 2021 Census at the localised level is not yet available, as well as some data comparing numerous variables. As such this HNA will draw on the latest available data from the 2021 Census where possible and will also continue to use other data sets, including 2011 Census, Valuation Office Agency data, and ONS projections where necessary to build up evidence at the neighbourhood level.

Conclusions- Tenure and Affordability

Current tenure profile

6. According to the 2021 Census, a smaller proportion of households in the NA owned their own home than across County Durham and England. The proportion of households living in private rented dwellings in Belmont & Gilesgate was above County Durham as a whole but slightly below national levels. Both the NA and local authority had slightly higher proportions of households social renting than nationally.

Affordability

7. Between 2013 and 2022 the median house price in Belmont & Gilesgate increased by 35.6%, peaking in 2022 at £160,000. Over the same period the lower quartile house price increased by 28.6%, again peaking in 2022, at £122,125. The median house price across County Durham in 2022 was £110,000, £50,000 lower than the Belmont & Gilesgate median. This suggests that the NA is a higher value area of the local authority.
8. Some local households on average incomes are unable to access median priced homes unless they have the advantage of deposit that is larger than 10% of the purchase price. The median house price would require an annual income approximately 5% higher than the current average for the Belmont & Gilesgate. However, when considering the two areas within the NA, median house prices are affordable to households on average incomes in Belmont, but not those (even marginally) in Gilesgate.

9. Households made up of two lower quartile earners can afford the given rental thresholds. However, households with one lower quartile earner cannot afford wither the average market rent for a whole property or the average room rate.
10. Unusually in Belmont & Gilesgate, the income requirement to rent an average market dwelling is slightly greater than the income required to afford an entry-level dwelling to buy. Although households that can afford to rent can in theory afford to buy entry-level housing, they cannot afford to buy median priced housing. This cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
11. Looking at affordable home ownership products, it is recommended that First Homes delivered at a 30% discount in Belmont & Gilesgate, with this making home ownership more accessible to both households on mean incomes and households with two lower quartile earners. Whilst increasing the discount to 40% would make the product accessible to households with one lower quartile earner, there are likely to be viability challenges with the delivery of First Homes and other Affordable Housing products in the NA.
12. Shared ownership appears to be similarly affordable to First Homes and is accessible to the same groups. Rent to buy would be more expensive than First Homes and shared ownership. However, for some households, the availability of a deposit rather than income level per se is the key barrier to accessing home ownership. Rent to Buy may therefore offer a useful product to meet the needs of some households.
13. Affordable and social rented housing is generally affordable to households with one or two lower earners. If individuals are unable to secure a social rented dwelling they may require additional subsidy through Housing Benefit or Universal Credit to access housing.

The need for Affordable Housing

14. AECOM estimates that the need for affordable rented homes in the NA would be met over the plan period, with a potential 'surplus' of around 15 social/affordable rented dwellings per annum in Belmont & Gilesgate. This result may initially be surprising since there is understood to be a current backlog of need. The model assumes a rate of turnover in the existing stock - of the affordable rented accommodation existing currently, it can be expected that some will come vacant in any given year as their current occupants move to a new location, pass away or cease to be eligible as their circumstances change. Because of the size of the existing stock, this is able to satisfy the projected newly arising need as well as some of the backlog, which is effectively spread out over the plan period to produce an annualised figure.
15. An important caveat to this finding is also that the NA may be meeting wider needs within the local authority. Further to this, one unit of Affordable Housing does not necessarily service one household worth of need, since the unit might have 2-bedrooms while the applicant household might require 4-bedrooms, may be located in an inappropriate location, or be otherwise unsuitable (e.g. no level access). As such, it may be appropriate for Belmont & Gilesgate to encourage the delivery of some affordable rented housing, with the understanding even if this would meet all of the localised need, it may also help to meet needs from elsewhere in County Durham.

16. AECOM estimate potential demand for 20 affordable home ownership dwellings per annum in Belmont & Gilesgate, equating to a total of 339 over the Neighbourhood Plan period. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed. They do not necessarily lack their own housing but would prefer to buy rather than rent.

Affordable Housing policy

17. AECOM suggests an indicative mix of Affordable Housing to be delivered in Belmont & Gilesgate as 60% social/affordable rented and 40% affordable home ownership, in line with the County Durham Local Plan and the various minimum requirements mandated nationally. Although it is identified above that the social/affordable rented housing needs are projected to be met over the neighbourhood plan period in Belmont & Gilesgate, there are other factors to consider. These include the severe backlog on the Housing Register (in the region of 267 households), with it not reasonable to assume that these households can wait for a turnover in stock, and the potential that the NA serves wider needs of the local authority area.

18. It is suggested that in line with national policy 25% of Affordable Housing in the NA is delivered as First Homes, ideally at a 30% discount although there are likely to be viability challenges locally to be discussed with the LPA. In the interests of diversity and maximising choice, the remaining 15% is allocated to shared ownership. Rent to Buy does not feature in the recommended mix as it is considered the least affordable tenure locally.

19. **The expected level of delivery does not meet the quantity of demand identified in estimates for the demand for affordable home ownership dwellings in the NA.** It is recommended that the policy requirement is met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing (such as exception sites) to be explored.

20. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using neighbourhood development orders, identifying exception sites, or developing community land trusts are all ways of boosting the supply of affordable housing.

Conclusions- Type and Size

The current housing mix

21. In both 2011 and 2021 the majority of households in Belmont & Gilesgate lived in semi-detached dwellings. Just over 20% of households lived in terraced dwellings, with the proportion decreasing over the decade whilst the proportion of households living in detached dwellings increased slightly. Just over 10% of households lived in flats. It is important to note that this figure likely excludes students living in purpose built student accommodation, as this is generally considered to be a ‘communal establishment’ and so is not included in household data such as this.

22. Belmont & Gilesgate had a considerably higher proportion of households living in semi-detached dwellings than both County Durham and England. The NA had the smallest proportion of households living in detached dwellings and significantly fewer households living in flats than England, but above local authority levels. The proportion of households living in terraced dwellings in the NA was broadly similar to England as a whole but well below County Durham as a whole.

23. Turning to dwelling size, the greatest proportion of households in Belmont & Gilesgate lived in 3-bedroom dwellings, generally the most common dwelling size. This was followed by just over a quarter of households living in 2-bedroom dwellings and 18.7% living in larger 4+ bedroom dwellings. The NA had a notably higher proportion of households living in mid-sized 3-bedroom dwellings than the comparator geographies, whilst having a smaller proportion of households living in 2-bedroom dwellings, especially when looking at the wider local authority. The NA had a greater proportion of households living in larger dwellings than County Durham but a smaller proportion than England.

Population characteristics

24. In 2011 the greatest proportion of the population in Belmont & Gilesgate was aged 45-64, with this shifting to those aged 25-44 in 2021. A significant proportion of the population in 2021 was aged 65-84, at 20.7%. The number of people aged 85 and over increased by 20.3% over the decade, indicative of an aging population. There was also an increase in the number of people aged 15-24, which would include most of the student population (living in PBSA or HMOs), of 6.8%.

25. Belmont & Gilesgate had the greatest proportion of single person households in 2021 (34.4% of households) as well as the greatest proportion of single person households aged 66 and over when comparing the household composition of the NA to County Durham and England. When looking at family households, 57.2% of households in the NA fell into this category, a smaller proportion than both County Durham (62.4%) and England (63.1%). A significantly smaller proportion of households in the NA had dependent children than nationally, at 19.6% and 25.8% respectively. Also of note is the higher proportion of other household types in Belmont & Gilesgate than the comparator geographies. This may be indicative of the student population residing in HMOs.

26. Under-occupancy is relatively common in Belmont & Gilesgate, with 79.1% of households living in a dwelling with at least one additional bedroom based on their household size. This is most common in family households aged 66+ and family households aged under 66 with no children. Whilst this is not uncommon, it suggests that larger housing in the NA is not necessarily occupied by households with the most family members, but by households with the most wealth or by older households that have not chosen or been able to move to smaller properties.

Future population and size needs

27. Population growth can be expected to be driven by the oldest households, with households with a household reference person aged 65 and over projected to increase by 55%. This age group is therefore projected to account for 40.9% of the population in

2040 compared to 30.6% in 2011. There is also projected to be small growth in the number of households aged 34 and under.

28. It suggests that by the end of the plan period there should be an increase in the proportion of 2-bedroom dwellings particularly in the NA, with a decrease in the proportion of larger dwellings. Therefore, the suggested mix of new housing focusses heavily on smaller dwellings, with some provision of mid-sized dwellings. However, it should be noted that due to the presence of HMOs in the NA, this has removed larger housing suitable for families from the housing stock, with these effectively acting as 1-bedroom dwellings. It is therefore not recommended to prohibit the delivery of larger family housing, with more limited options in the market for families due to HMOs.

29. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors.

Conclusions- Specialist Housing for Older People

30. There are currently 111 units of specialist accommodation for older people in Belmont & Gilesgate. Current provision is in the region of 69 units per 1,000 of the 75+ population (a common measure of specialist housing supply). It is relevant to note that the national average for England is 136 units per 1,000 of the 75+ population[1], so provision in the NA is significantly below national levels.

31. 2021 Census data suggests that at this time there were 1,616 individuals aged 75+ in the NA. It is projected that by the end of the plan period this will increase to 2,536, with the 75+ population accounting for 16.7% of the population by 2040, compared to 13.9% across County Durham.

Specialist housing for older people

32. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.

33. These two methods of estimating the future need in Belmont & Gilesgate produce a range of 231 to 376 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.

34. It is useful to look at the breakdown in the need for specialist housing for older people. In Belmont & Gilesgate there is a greater need for market specialist housing (65.2%) than affordable (34.8%). The split between the need for sheltered and extra care housing is

[1] Table 22, 'More Choice Greater Voice' (2008), published by Housing LIN for CLG (now DLUHC) and the Care Services Improvement Partnership

relatively even, with a slightly greater need for sheltered housing (52.7%). The greatest sub-category of need is for market sheltered housing, at 37.8% of total need. Some of this need may be able to be met through at home adaptations, allowing older people to remain in their own home for longer.

35. It is important for specialist housing for older people to be provided in sustainable, accessible locations, with cost-effectiveness and economies of scale also important factors to consider. It is considered that Belmont & Gilesgate is, in broad terms, a suitable location for specialist accommodation. As such, there is potential for such accommodation to be provided within the Neighbourhood Area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Belmont & Gilesgate in other suitable locations near to but outside the Plan area boundaries).

Care homes

36. Care home accommodation is defined as institutional accommodation rather than housing. AECOM has estimated the likely need for care home accommodation over the plan period, based on the HLIN SHOP toolkit prevalence rates for residential and nursing care homes for older people (aged 75+). Based on this rate and the expected increase of 920 individuals aged 75+ between 2023 and 2040, it is estimated that in 2040 there would be a need for 60 additional care home beds in the NA. Some of the need for care home beds might be met by independent housing accommodation and vice versa. In addition, some of this need could likely be met through the turnover in current care bed spaces.

Adaptable and accessible housing

37. Given that there is unlikely to be enough additional specialist supply during the plan period to meet the identified needs, another key avenue to addressing those with relevant needs is to discuss the standards of accessibility and adaptability in new development.

38. The current adopted Local Plan policy 15 provides explicit encouragement for development to accommodate specific groups such as older people. It sets out an expectation that 66% of new homes on sites of 5 or more dwellings will be built to Category M4(2) adaptability and accessibility standards. On sites of 10 or more dwellings a minimum of 10% of the total number of dwellings will need to increase housing options for older people and be delivered to M4(2) standard (these would contribute to the 66%). Housing options for older people could include level access flats and bungalows or housing shown to specifically meet the needs of multigenerational families. The Local Plan outlines that all specialist housing will meet M4(2), with at least 25% meeting M4(3) (wheelchair user dwellings).

39. The evidence gathered here may justify the Working Group approaching the LPA to discuss setting further requirements on accessibility and adaptability at local authority level. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.

Conclusions – Houses in Multiple Occupation

Stock of HMOs

40. 2021 Census data records the number of HMOs at local authority level. It shows that across County Durham in 2021 there were 1,373 HMOs (0.6% of all dwellings). Of these, 776 were recorded as small HMOs and 597 as large HMOs, showing that there are clearly smaller unlicenced dwellings in the local authority area. Looking at England as a whole, there were 175,661 HMOs recorded in the 2021 Census, accounting for 0.7% of dwellings in the country. This is broadly in line with the proportion of HMOs in County Durham. AECOM are also aware, based on other research, that the Census information on HMOs is likely to be an under-estimate.

41. An alternative source of information on HMOs locally is the County Durham HMO Licensing Register, which shows licensed HMOs across the local authority area. These HMOs contain at least 5 individuals from at least 2 different households, up to date as of August 2023. The HMO Licensing Register shows 864 licensed HMOs across County Durham (0.3% of all dwellings), considerably more than the 597 ‘large HMOs’ noted by the Census. Of the 864 licensed HMOs in County Durham, 54 of these had addresses Belmont & Gilesgate. This would mean that approximately 0.8% of dwellings in Belmont & Gilesgate are licensed HMOs, a greater proportion than the local authority area as a whole, suggesting a greater concentration.

42. Belmont & Gilesgate Neighbourhood Plan Working Group provided data showing that there were 376 wholly student occupied properties according to Council Tax data (not all of these students necessarily live in HMOs). In addition, the Working Group have data provided by Durham University which notes 948 students residing in Belmont & Gilesgate in 378 dwellings. Some of these students may not live in wholly student households (e.g. some may be students living at home with local family, whilst others may live in a dwelling with a mix of students and graduates/young professionals).

43. None of the datasets discussed give a definitive figure for the number of HMOs in Belmont & Gilesgate but they give a potential range of 54 (the number of licensed HMOs) to 378 (the number of dwellings occupied by Durham University students in the NA).

44. In October 2023 there were 129 rooms available for rent, on Rightmove.co.uk in Belmont & Gilesgate. Of these, 85 were available to rent in 3+ bedroom properties, meaning they would fall into the category of HMOs. These 85 rooms are within 22 dwellings. The average room rate per month of all rooms was £631, with an income requirement of £25,240. This is well below the income requirement of £32,640 for average market rents (whole properties only). An important element to note is that some room rates include bills whilst others exclude bills. It is not possible to separate these as many advertisements do not state the difference. The average room rent is therefore increased by those with rents inclusive of bills, whilst private rented sector housing generally does not include bills within rent.

45. Another important element to consider is affordability for students as student HMOs are a key focus in Belmont & Gilesgate. The average amount available annually through Student Finance for undergraduate students in the 2023/24 academic year is between

£4,651 and £9,978. Save the Student estimates the average maintenance loan received by undergraduate students to be £5,952[2], which, approximately £496 a month across the year. This would leave a considerable gap for students to make up between income and rents, either through part-time work, grants, personal loans, or financial support from family.

Potential impacts of HMOs

46. Students and young professionals sometimes make a financially driven choice to live in shared housing, often with people they already know, leading to a greater sense of community. The impacts of these HMOs can differ from those housing individuals on low incomes with few other housing choices (e.g. due to local housing allowance rates only covering room rates for under 35s), including individuals referred from the local authority or linked services (e.g. homelessness, probation, addiction services, refugee charities).

47. There are a variety of potential impacts associated with high concentrations of HMOs. Generally framed as negative, these impacts can relate both to the residents of HMOs and to the wider community. These may include noise and anti-social behaviour, issues with the general streetscape (e.g. vandalism, litter, parking issues), pressure on services (e.g. GP surgery), and reduced community cohesion due to higher population churn than in the mainstream private rented sector.

48. However, HMOs can provide an essential role in the private rented sector for households with limited housing options as well as students. They tend to provide a cheaper alternative to traditional private renting, especially for households unable to access social or affordable rented housing through the local authority or an RP.

HMO management

49. There are likely limited management options available to the Working Group through managing HMOs in Belmont & Gilesgate via the Neighbourhood Plan. However, the full Chapter outlines the options available to the local authority. The evidence in this HNA may go some way to influencing local authority level policies or management options although additional evidence is likely required.

50. Although the Working Group may be in favour of increasing planning controls in relation to HMOs in the NA, it should also be considered that introducing too strict a control approach could further limit the housing options for people that already have very few choices in the market. Table 7-2 outlines the potential positives and negatives of different intervention options.

Conclusions- Second homes

51. This section of the HNA considers the extent of second home ownership in Belmont & Gilesgate and related trends.

52. In 2021, Belmont & Gilesgate contained 6,472 households and 6,719 dwellings, implying that there were 247 dwellings with no usual resident households. This means that 3.7%

[2] https://www.savethestudent.org/student-finance/maintenance-loans.html#amount

of dwellings had no usual residents, compared to 5.4% across County Durham, and around 6.0% nationally.

53. Looking at changes since 2011, at this time there were 216 dwellings with no usual resident household, accounting for 3.3%.

54. This analysis is often undertaken in coastal locations or tourist hotspots, with it assumed that a significant proportion of the empty dwellings are due to holiday lets or second homes. However, in Belmont & Gilesgate there are a number of HMOs, generally occupied by students from Durham University. Due to the 2021 Census being undertaken during the Covid-19 pandemic many students had returned to their family homes both for health and financial reasons. Some of these student HMOs would therefore likely be empty, with usual residents in termtime instead responding to the Census from their family homes. This would likely contribute to a proportion of the empty dwellings in Belmont & Gilesgate in 2021, with it not accurate to assume that these would be mainly holiday lets or second homes. This further reduces the likelihood of second homes and holiday lets making up a significant proportion of the NA's dwelling stock.

55. Using research into holiday lets available in June/July/August 2024 on Airbnb, it was found that there were 18 entire property lets available, with an average nightly cost of £154. If a holiday let was rented back-to-back, as it is assumed it would be in the summer months, the income (exclusive of any related costs) associated with the holiday let would be over 5x that associated with longer term private rental. Although the potential income difference is clear to see above, there are other factors to be taken into consideration. These include the fact that holiday lets may not be occupied for the whole year, as well as running and maintenance costs (which would be associated with both holiday lets and private rentals), and the greater amount of work potentially required with holiday lets in terms of weekly cleaning and booking administration.

56. It is not possible to establish a precise causal link between second home ownership and declining affordability because rising prices and declining affordability is affected by other factors such as economic growth at the national level. Reduced availability (or supply) when demand is the same or growing, leads to increased prices and rents.

57. It is not considered that the scale of second home ownership and holiday lets from the evidence presented in this report is great enough to support a principal residence policy or similar in the Belmont & Gilesgate Neighbourhood Plan.

2. Context

Local context

58. Belmont & Gilesgate is a Neighbourhood Area (NA) located in County Durham in the North East of England. The NA boundary was designated in 2022.

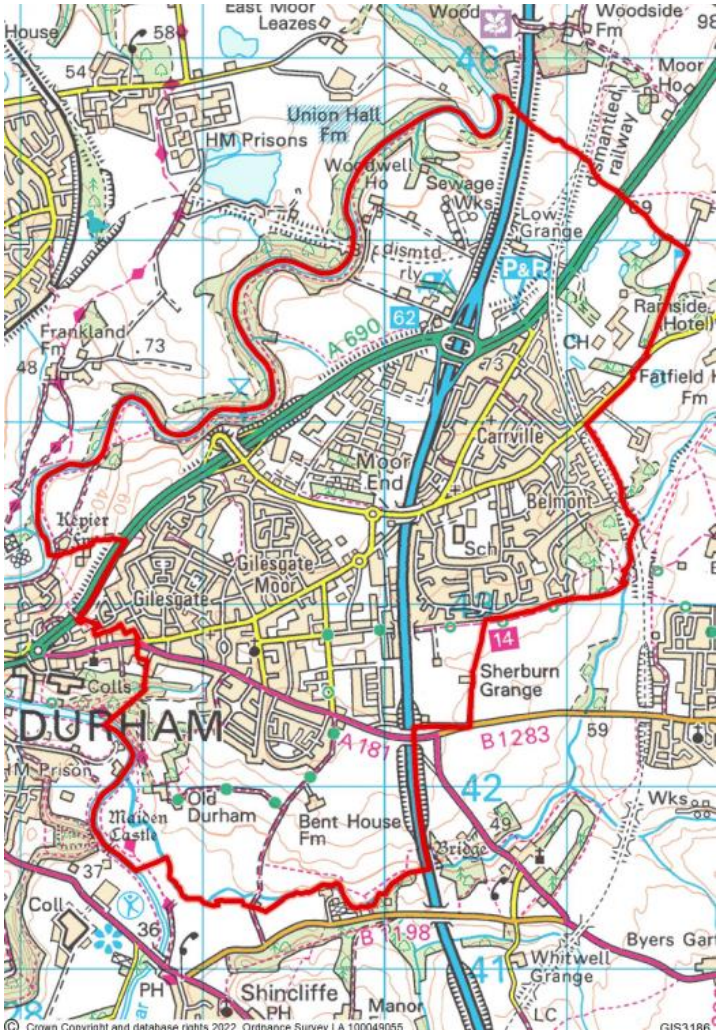
59. The Neighbourhood Plan is envisaged to start in 2023 and extend to 2040, therefore covering a period of 17 years. The evidence supplied in this report will look forward to the Plan end date of 2040, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.

60. Three quarters of Belmont & Gilesgate NA is covered by Belmont Parish Council, with the remaining quarter unparished and managed by Gilesgate Residents Association. The NA is located just to the north east of the city of Durham, approximately 16 miles south of Newcastle upon Tyne and 15 miles south west of Sunderland. There are numerous transport connections, with the A1(M) running through the parish, connecting the north and south of the country. Belmont park and ride provides a regular bus service to Durham, with Durham train station providing onward connection to a variety of locations across the UK, including London, Edinburgh, Manchester, Liverpool, Newcastle, Plymouth, and Reading. There are also various amenities in Belmont & Gilesgate including numerous primary schools, shops, churches, and an industrial estate housing a variety of businesses.

The NA boundary and key statistics

61. For Census purposes, the NA is made up, like the rest of England, of statistical units called Output Areas (OAs). A breakdown of the OAs relevant to Belmont & Gilesgate is provided in Appendix A. A map of the Plan area appears below in Figure 2-1.

Figure 2-1: Map of the Belmont & Gilesgate Neighbourhood Area



Source: County Durham County Council[3]

62. At the time of the 2011 Census the NA was home to 14,233 residents, formed into 6,366 households and occupying 6,582 dwellings. The 2021 Census indicates population decline of around 63 individuals (or -0.4%) since 2011, recording a total of 14,170 residents and 6,472 households. This population decline may be linked to the student population in the NA, with the 2021 Census taking place during the Covid-19 pandemic, with many students returning to their family homes, meaning there would have likely been a decline in the student population (and overall population) of Belmont & Gilesgate linked to this.

63. 2021 Census data indicates that at this time there were 6,719 dwellings in Belmont & Gilesgate. This is an increase of 137 dwellings over the decade, broadly in line with the increase in households over this time (+106 households). Completions data shows the development of 201 dwellings since 2011/12, greater than the difference in Census figures. This is mainly due to completions data running to 2022/23, with 82 dwellings delivered since the Census was completed.

[3] https://www.County Durham.gov.uk/media/41367/Belmont-NA-designation-Approval-Notice-and-Map/pdf/BelmontApprovalNoticeAndMap.pdf?m=638061119637970000

The housing market area context

64. Whilst this HNA focuses on Belmont & Gilesgate NA it is important to keep in mind that neighbourhoods are not self-contained housing market areas. Housing market areas (HMAs) are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas. HMAs across the country are identified based on migration and travel to work patterns.

65. In the case of Belmont & Gilesgate, the NA sits within a stand-alone housing market area which covers County Durham. This means that when households who live in these authorities move home, the vast majority move within this geography. The housing market area also has links to other neighbouring areas however, including Newcastle-upon-Tyne, Darlington, and Sunderland.

66. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Belmont & Gilesgate, are closely linked to other areas. In the case of Belmont & Gilesgate, changes in need or demand in settlements nearby, such as the city of Durham, is likely to impact on the neighbourhood.

67. In summary, Belmont & Gilesgate functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (Durham County Council), it is therefore useful to think about the *role* of the neighbourhood within the wider area. Neighbourhood Areas can also function within smaller sub-markets, with Belmont & Gilesgate having distinct market features, such as the HMO market. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood plays within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

Planning policy context

68. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.[4] In the case of County Durham, the relevant adopted Local Plan consists of the County Durham Plan[5], adopted in 2020, which looks to 2035.

69. A detailed breakdown of the Local Plan policies relevant to housing need is provided in Appendix B. Here, it is worth summarising the most important points of the adopted Local Plan:

    - Adopted Local Plan Policy 1 identifies an overall housing target of 1,308 homes per year for the local authority over the period 2016-2035;
    - Policy 15 states that 25% of all new dwellings are expected to be delivered as Affordable Housing on sites of 10 or more homes. The suggested tenure mix within

[4] A description of the Basic Conditions of Neighbourhood Planning is available at https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum
[5] Available at https://www.durham.gov.uk/article/3266/Development-Plan-for-County-Durham

Affordable Housing is that 10% of all housing is delivered as affordable home ownership dwellings (in line with national policy) and that the remaining delivery of Affordable Housing is for social/affordable rent;

- Policy 15 sets out an expectation that 66% of new homes on sites of 5 or more dwellings will be built to Category M4(2) accessibility standards. On sites of 10 or more dwellings a minimum of 10% of the total number of dwellings will increase housing options for older people (and to M4(2) standard). These would contribute to the 66% and could include level access flats and bungalows or housing shown to specifically meet the needs of a multigenerational family. Specialist housing for older people will be supported and 100% will meet M4(2), with at least 25% meeting M4(3) (wheelchair user dwellings).

Quantity of housing to provide

70. The NPPF 2023 (paragraphs 67 and 68) requires LPAs to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.

71. County Durham has fulfilled that requirement by providing Belmont & Gilesgate with an indicative figure of 480 dwellings to be accommodated within the NA by the end of the Local Plan period. This is a sum of Local Plan allocations. However, it should be noted that the adopted Local Plan looks to 2035 whilst the Neighbourhood Plan and Housing Needs Assessment look to 2040. Therefore, the Working Group may receive a further housing requirement from the local authority for the period 2035-2040.

3. Objectives and approach

Objectives

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

Affordability and Affordable Housing

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

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

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

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

Type and Size

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

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

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

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

Specialist Housing for Older People

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

80. This chapter supplements the demographic evidence relating to Type and Size, including the potential demand for downsizing, to consider the quantity and characteristics of need for housing for older people with some form of additional care. Its approach is as follows:

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

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

Houses in Multiple Occupation

82. This chapter considers the potential scale of HMOs in the NA. The approach is as follows:

    - To estimate the **current level** of HMOs in Belmont & Gilesgate;
    - To discuss the **potential impacts** of HMOs on the housing market; and
    - To discuss the potential **policy options** relating to HMOs at local authority level.

Second Homes

83. This chapter considers the potential scale of second homes ownership, including commercial holiday lets, in the NA. The approach is as follows:

    - To estimate the **current level** of second home ownership (including commercial holiday lets);
    - To estimate the **financial incentive** for home owners to use their properties for commercial holiday lets as opposed to long term private rentals; and
    - To discuss the potential **policy options** relating to second homes in the NA.

Approach

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

    - ONS population and household projections for future years;
    - ONS population age estimates for parishes (as 2021 Census data does not yet include age profile at small scales);
    - Valuation Office Agency (VOA) data on the current stock of housing;
    - Land Registry data on prices paid for housing within the local market;
    - Rental prices from Rightmove.co.uk;
    - Local Authority housing waiting list data; and
    - County Durham Strategic Housing Market Assessment (SHMA), 2018.

85. Data from the 2021 Census is continuing to be released. At present, the available data covers population, households, tenure, and dwelling stock characteristics. Some data at the localised level is not yet available, as well as some data comparing numerous variables. As such, neighbourhood level HNAs will draw on the latest available data from the 2021 Census where possible and will also continue to use other data sets, including 2011 Census, Valuation Office Agency data, and ONS projections to build up evidence at the neighbourhood level.

4. Affordability and Affordable Housing

Introduction

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

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

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

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

Definitions

89. This section uses a range of technical terms which are useful to define at the outset:

- **Tenure** refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership).
- **Affordability** refers to the relationship between the cost of housing to buy or rent and the incomes and earnings of households.
- The definition of **Affordable Housing** is set out in the NPPF 2023 (Annex 2) as 'Housing for sale or rent, for those whose needs are not met by the market…' We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF (Annex 2). A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
- A range of affordable home ownership opportunities are included in the Government's definition of Affordable Housing, to meet the needs of those aspiring

to own a home. As part of this, the Government has introduced a new product called First Homes, although this is not yet reflected in Annex 2 of the NPPF.[6]

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

Current tenure profile

90. The current tenure profile is a key feature of the Neighbourhood Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.

91. Table 4-1 presents data on tenure in Belmont & Gilesgate compared with County Durham and England from the 2021 Census. It shows that at this time a smaller proportion of households in the NA owned their own home than the local authority area and the country. The proportion of households living in private rented dwellings was above County Durham as a whole but slightly below national levels. Both Belmont & Gilesgate and County Durham had slightly higher proportions of households social renting than nationally, although smaller proportions of households living in shared ownership dwellings.

Table 4-1: Tenure (households) in Belmont & Gilesgate, 2021

Tenure	Belmont & Gilesgate	County Durham	England
Owned	59.9%	62.5%	61.3%
Shared ownership	0.3%	0.3%	1.0%
Social rented	20.7%	20.0%	17.1%
Private rented	19.1%	17.2%	20.6%

Sources: Census 2021, AECOM Calculations

92. It is also worth comparing how the tenure mix has changed in the last ten years, using the 2011 Census (see Table 4-2). Between 2011 and 2021 the number of households owning their own home decreased slightly in Belmont & Gilesgate. The number of households living in shared ownership dwellings increased by the greatest percentage, although this translates to an increase of just 8 dwellings. Also notable was the 20.8% increase in the number of households living in the private rented sector.

Table 4-2: Tenure change (households) in Belmont & Gilesgate, 2011-2021

Tenure	2011	2021	% Change
Owned	4,019	3,877	-3.5%
Shared ownership	11	19	+72.7%
Social rented	1,310	1,337	+2.1%
Private rented	1,026	1,239	+20.8%

Sources: Census 2021 and 2011, AECOM Calculations

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

Affordability

House prices

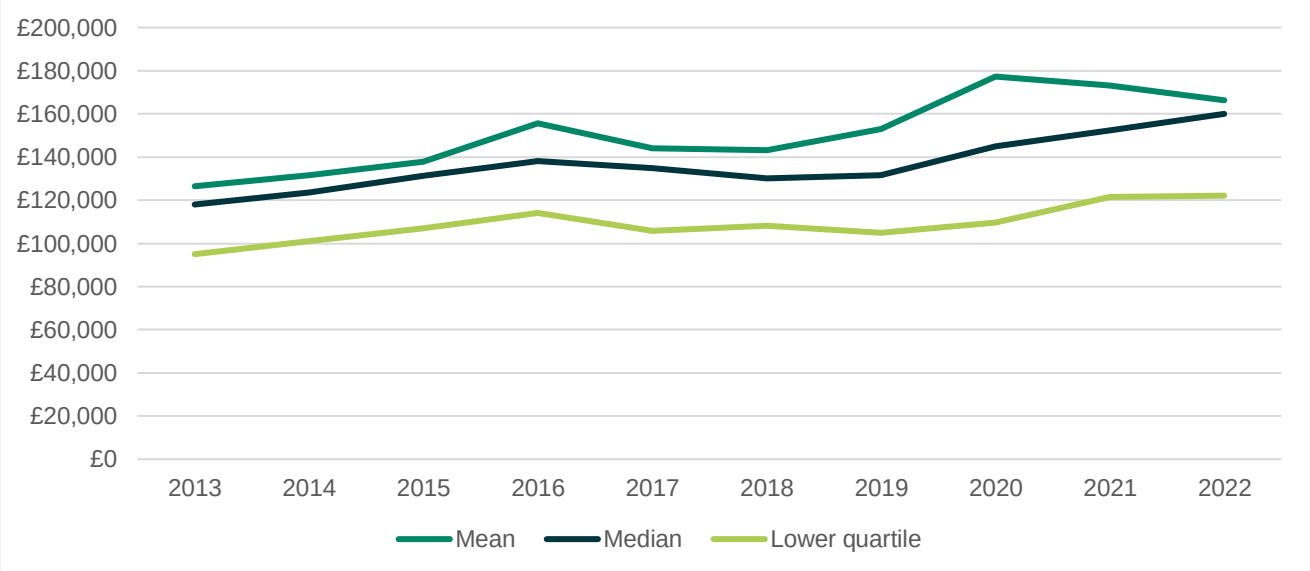
93. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over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

94. Figure 4-1 looks at the average and lower quartile house prices in Belmont & Gilesgate based on sales price data published by the Land Registry. It shows that between 2013 and 2022 house prices in the NA increased, although there was not a sharp increase. The group believe recent increases in house prices are associated with the recent construction of more executive homes in the NA. In addition, properties sold as HMOs may be priced differently by purchasers due to the income return they can get, with landlords (whether HMOs or not) often able to outbid 'normal' buyers because of this.

95. Between 2013 and 2022 median (the middle number when the data is sorted from smallest to largest) house price increased by 35.6%, peaking in 2022 at £160,000. Over the same period the lower quartile (the middle figure of the lowest 50% of prices and a good indication of entry-level housing) house price increased to a lesser extent, by 28.6%. This again peaked in 2022, at £122,125.

96. The median house price across County Durham in 2022 was £110,000, £50,000 lower than the Belmont & Gilesgate median. The local authority area lower quartile house price was also below the NA, at £70,000. This suggests that the NA is a higher value area of the local authority as a whole.

Figure 4-1: House prices by quartile in Belmont & Gilesgate, 2013-2022



Source: Land Registry PPD

97. Table 4-3 breaks down house prices by type, presenting the median within each type. It

shows that the greatest growth was in detached house prices, at 58.2%. The detached house prices also remained the greatest year-on-year, peaking in £269,000. There was some fluctuation in house prices within the types, likely due to the annual average by type being derived from a smaller sample size within each category. This means that variation in the homes that happen to be sold in a given year, such as their size, location, and condition, can have a greater impact on the average.

Table 4-3: Median house prices by type in Belmont & Gilesgate, 2013-2022

Type	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Growth
Detached	£170,000	£192,500	£218,500	£274,995	£235,000	£195,000	£180,750	£235,000	£233,750	£269,000	58.2%
Semi-detached	£118,000	£125,000	£135,000	£137,740	£140,000	£145,000	£145,000	£143,500	£155,000	£170,000	44.1%
Terraced	£105,000	£102,750	£109,995	£115,000	£117,000	£108,250	£115,000	£124,000	£129,000	£133,000	26.7%
Flats	£72,000	£81,500	£93,000	£90,000	£82,473	£91,000	£84,250	£103,500	£90,500	£87,000	20.8%
All Types	**£118,000**	**£123,550**	**£131,360**	**£138,120**	**£135,000**	**£130,000**	**£131,500**	**£145,000**	**£152,500**	**£160,000**	35.6%

Source: Land Registry PPD

Income

98. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.

99. The first source is ONS's estimates of incomes in small areas[7]. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average total household income locally was £39,000 in 2020 (the most recent year for this dataset). It is also helpful to look at the income differences within the NA, with the average household income in Belmont £45,400 and in Gilesgate £32,600.

100. The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. County Durham's gross individual lower quartile annual earnings were £17,899 in 2022. To estimate the income of households with two lower quartile earners, this figure is doubled to £35,798.

101. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes where the household in question has one earner only. The difference between average incomes and households where two people have lower quartile earnings is relatively limited.

[7] https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/smallareamodelbasedincomeestimates/financialyearending2020

Affordability Thresholds

102. To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.

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

104. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although different approaches are sometimes taken and a case can be made for alternatives. This is discussed in more detail at the start of Appendix C.

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

Table 4-4: Affordability thresholds in Belmont & Gilesgate (income required, £)

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes (NA)? £39,000	Affordable on average incomes (Belmont)? £45,400	Affordable on average incomes (Gilesgate)? £32,600	Affordable on LQ earnings (single earner)? £17,899	Affordable on LQ earnings (2 earners)? £35,798
Market Housing								
Median House Price	£144,000	-	**£41,143**	No	Yes	No	No	No
NA New Build Entry-Level House Price	£103,500	-	**£29,571**	Yes	Yes	Yes	No	Yes
LQ/Entry-level House Price	£109,913	-	**£31,404**	Yes	Yes	Yes	No	Yes
LA New Build Median House Price	£211,496	-	**£60,427**	No	No	No	No	No
Average Market Rent	-	£9,792	**£32,640**	Yes	Yes	Yes	No	Yes
Average Rent (Room)	-	£7,572	**£25,240**	Yes	Yes	Yes	No	Yes
Affordable Home Ownership								
First Homes (-30%)	£72,450	-	**£20,700**	Yes	Yes	Yes	No	Yes
First Homes (-40%)	£62,100	-	**£17,743**	Yes	Yes	Yes	Yes	Yes
First Homes (-50%)	£51,750	-	**£14,786**	Yes	Yes	Yes	Yes	Yes
Shared Ownership (50%)	£51,750	£1,438	**£19,577**	Yes	Yes	Yes	No	Yes
Shared Ownership (25%)	£25,875	£2,156	**£14,580**	Yes	Yes	Yes	Yes	Yes
Shared Ownership (10%)	£10,350	£2,588	**£11,582**	Yes	Yes	Yes	Yes	Yes
Affordable Rented Housing								
Affordable Rent	-	£4,686	**£15,605**	Yes	Yes	Yes	Yes	Yes
Social Rent	-	£3,802	**£12,660**	Yes	Yes	Yes	Yes	Yes

Source: AECOM Calculations

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

Market housing for purchase and rent

107. Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to access median priced homes unless they have the advantage of a larger deposit. The median house price would require an annual income approximately 5% higher than the current average so affordability is marginal in

this case. However, when considering the two areas within the NA, median house prices are affordable to households on average incomes in Belmont, but not those (even marginally) in Gilesgate.

108. Households on average incomes or made up of two lower quartile earners can afford market rents the given rental thresholds. However, households with one lower quartile earner cannot afford either the average market rent for a whole property or the average room rate. Affordability is improved if these households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

Affordable home ownership

109. Unusually in Belmont & Gilesgate, the income requirement to rent an average market dwelling (£32,640) would be slightly greater than the income required to afford an entry-level dwelling to buy (£31,404). This is likely in part due to relatively low house prices in the NA, as well as the potential for the HMO market to increase rental prices. There may be a reduction in the availability of whole-house rentals in the NA due to landlords having the ability to increase profits through letting HMOs. However, the similarity in income requirements required to rent and purchase do not mean that all of these households will be able to buy due to a number of reasons including:

- Lack of savings for a deposit meaning that households are unable to buy;
- Lack of availability of suitably priced (entry-level) properties; and
- Households choosing to rent at a particular stage of their life.

This may indicate that there is significant competition in the private rented sector, potentially pushing up rental prices.

110. Although households that can afford to rent can in theory afford to buy entry-level housing, they cannot afford to buy median priced housing. They are typically earning between around £32,640 per year (at which point average rents become affordable) and £41,143 (at which point median market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership. However, it is important to emphasise that this group is likely to be limited in number in this area.

111. First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.

112. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. It is recommended that in Belmont & Gilesgate First Homes are delivered at a 30% discount, with this making home ownership more accessible to all household groups on mean incomes and households with two lower quartile earners. Whilst increasing the discount to 40% would make the product accessible to households with one lower quartile earner, the viability of higher discounts would need to be examined.

113. It is important to note that this evidence based on affordability does not provide a complete picture: evidence about the financial viability of development is also relevant. The question is whether demanding higher discount levels on First Homes will create a financial burden on developers that leads them to argue either that the discount level is not feasible or that the total amount of Affordable Housing may need to be decreased. This could effectively sacrifice the provision of affordable rented housing to provide a more attractive First Homes product. The issue of development viability is a specialist matter involving analysis of land values and build costs that is outside the scope of this assessment. If the Working Group intend to set a higher First Homes discount level than that set at county level, further discussions with the LPA are advised.

114. Shared ownership appears to be similarly affordable to First Homes and is accessible to the same groups. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.[8] If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.

115. Rent to Buy provides households with the option to rent at a discount whilst saving for a deposit to buy their property within a set period (usually within 7 years). The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. Discounts on *average* rents would make Rent to Buy affordability, in terms of the household income required, more expensive than First Homes and shared ownership. However, for some households, the availability of a deposit rather than income level per se is the key barrier to accessing home ownership. Rent to Buy may therefore offer a useful product to meet the needs of some households.

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

    - First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
    - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
    - Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.

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

- Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

Affordable rented housing

117. Affordable rents set out in the table above are substantially below market rents. Whilst affordable rents can be set at up to 80% of market rents, in many locations Registered Providers (housing associations) set them to ensure that they are affordable to those claiming housing benefit, i.e. at or below Local Housing Allowance levels. This means that they are in practice below 80% of market levels. This appears to be the case in Belmont & Gilesgate.

118. Affordable and social rented housing is generally affordable to households with one or two lower earners depending on their household size (average earning households are unlikely to be eligible). If individuals are unable to secure a social rented dwelling they may require additional subsidy through Housing Benefit or Universal Credit to access housing.

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

Estimates of the need for Affordable Housing

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

Evidence in the SHMA

121. A SHMA was undertaken for County Durham in 2018. This study estimates the need for Affordable Housing as a whole across the local authority, rather than calculating the separate needs for social/affordable rented housing and affordable home ownership dwellings. In addition, the findings are relatively dated and look to 2035 rather than the Neighbourhood Plan period of 2040.

122. AECOM has therefore undertaken calculations for the need for Affordable Housing in Belmont & Gilesgate below.

AECOM Estimates

123. AECOM estimates that the need for affordable rented homes in the NA would be met over the plan period, with a potential 'surplus' of around 15 social/affordable rented dwellings per annum in Belmont & Gilesgate. The estimate and assumptions used are detailed in Appendix D and summarised in Table 4-5 below. This relates to households who live in unsuitable housing and who cannot afford to access market rents.

124. This result may initially be surprising since there is understood to be a current backlog of need (in the region of 267 households[9]). The reason for the affordable rented housing need being met over the long-term is that model assumes a rate of turnover in the existing stock. Of the affordable rented accommodation existing currently, it can be expected that some will come vacant in any given year as their current occupants move to a new location, pass away or cease to be eligible as their circumstances change. Because of the size of the existing stock, with 20.7% of households living in social rented housing in 2021 compared to 20.0% across County Durham and 17.1% nationally, this is able to satisfy the projected newly arising need as well as some of the backlog, which is effectively spread out over the plan period to produce an annualised figure.

125. An important caveat to this finding is also that the NA may be meeting wider needs within the local authority. As such, whilst it may be possible to address localised needs through the existing stock, new affordable rented housing may be required to continue to provide homes for households in acute need living elsewhere in the wider area. This is particularly relevant to Belmont & Gilesgate due to the close proximity of the NA to the city of County Durham.

[9] This is County Durham's 2021/22 housing waiting list pro-rated to the NA based on the 2021 Census population due to the local authority being unable to provide waiting list data for the neighbourhood area. The actual figure may be greater when household preference is taken into consideration.

126. A further caveat worth emphasising is that one unit of Affordable Housing does not necessarily service one household worth of need, since the unit might have 2-bedrooms while the applicant household might require 4-bedrooms, may be located in an inappropriate location, or be otherwise unsuitable (e.g. no level access).

127. As such, it may be appropriate for Belmont & Gilesgate to encourage the delivery of some affordable rented housing, with the understanding even if this would meet all of the localised need, it may also help to meet needs from elsewhere in County Durham. The NA's wider strategic role in the delivery of Affordable Housing should be discussed with the LPA.

Table 4-5: Estimate of need for Affordable Housing for rent in Belmont & Gilesgate

Component of need or supply in the AECOM estimate	Per annum
Current need	15.7
Newly arising need	9.3
Supply	40.1
Net surplus	15.0

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

128. AECOM estimate potential demand for 20 affordable home ownership dwellings per annum in Belmont & Gilesgate, equating to a total of 339 over the Neighbourhood Plan period. The estimate and assumptions used is detailed in Appendix D and summarised in Table 4-6 below.

129. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

Table 4-6: Estimate of need for Affordable Housing for sale in Belmont & Gilesgate

Component of need or supply in the AECOM estimate	Per annum
Current need	19.0
Newly arising need	1.9
Supply	1.0
Net shortfall	19.9

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

Affordable Housing policies in Neighbourhood Plans

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

Application of Local Plan policies

131. County Durham's adopted policy on this subject Policy 15 requires 25% of all new housing in Belmont & Gilesgate to be affordable. It is not known what proportion of housing delivered over the decade was Affordable Housing and so it is not known whether this requirement is usually met on sites in the NA.

132. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable. Changing or influencing the overall proportion of housing that must be affordable is uncommon in Neighbourhood Plans and would demand a high standard of evidence to depart from the Local Plan. If this is of interest, it should first be discussed with the LPA to ensure their support and to determine what additional evidence (e.g. about development viability) would be needed.

Affordable Housing at Neighbourhood level

133. The HNA can provide more localised evidence and this may be used to support Neighbourhood Plan policies. This section suggests an Affordable Housing tenure mix that might be suitable for Belmont & Gilesgate on the basis of identified housing need and a range of other considerations detailed in Appendix D.

134. AECOM suggests an indicative mix of Affordable Housing as 60% social/affordable rented and 40% affordable home ownership, in line with the County Durham Local Plan and the various minimum requirements mandated nationally. Although it is identified above that the social/affordable rented housing needs are projected to be met over the neighbourhood plan period in Belmont & Gilesgate, there are other factors to consider. These include the severe backlog on the Housing Register (in the region of 267 households). It may not be reasonable to assume that these households can wait for a turnover in stock or that the stock available would meet their needs. It is also likely that the social/affordable rented stock in the NA serves wider needs of the local authority area.

135. When looking specifically at affordable home ownership options, it is suggested that in line with national policy 25% of Affordable Housing in Belmont & Gilesgate is delivered as First Homes, ideally at a 30% discount although there are likely to be viability challenges locally to be discussed with the LPA. In the interests of diversity and maximising choice, the remaining 15% is allocated to shared ownership. Rent to Buy does not feature in the recommended mix as it is considered the least affordable tenure locally. However, given the large

number of households in the private rented sector it is likely that some of these households lack sufficient deposits to purchase a home (assuming most would wish to do so) and so Rent to Buy or similar products may merit further consideration, working with local registered providers and the LPA.

136. Where the Working Group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with County Durham to determine what additional evidence (notably about development viability) may be needed, and to ensure that departures from the local policy context have their support.

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

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	**40%**	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	15%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	0%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	**60%**	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

Conclusions- Tenure and Affordability

Current tenure profile

137. According to the 2021 Census, at this time a smaller proportion of households in the NA owned their own home than across County Durham and England. The proportion of households living in private rented dwellings in Belmont & Gilesgate was above County Durham as a whole but slightly below national levels. Both

the NA and local authority had slightly higher proportions of households social renting than nationally.

Affordability

138. Between 2013 and 2022 the median house price in Belmont & Gilesgate increased by 35.6%, peaking in 2022 at £160,000. Over the same period the lower quartile house price increased by 28.6%, again peaking in 2022, at £122,125. The median house price across County Durham in 2022 was £110,000, £50,000 lower than the Belmont & Gilesgate median. This suggests that the NA is a higher value area of the local authority.

139. Some local households on average incomes are unable to access median priced homes unless they have the advantage of deposit that is larger than 10% of the purchase price. The median house price would require an annual income approximately 5% higher than the current average for the Belmont & Gilesgate. However, when considering the two areas within the NA, median house prices are affordable to households on average incomes in Belmont, but not those (even marginally) in Gilesgate.

140. Households made up of two lower quartile earners can afford the given rental thresholds. However, households with one lower quartile earner cannot afford wither the average market rent for a whole property or the average room rate.

141. Unusually in Belmont & Gilesgate, the income requirement to rent an average market dwelling is slightly greater than the income required to afford an entry-level dwelling to buy. Although households that can afford to rent can in theory afford to buy entry-level housing, they cannot afford to buy median priced housing. This cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.

142. Looking at affordable home ownership products, it is recommended that First Homes delivered at a 30% discount in Belmont & Gilesgate, with this making home ownership more accessible to both households on mean incomes and households with two lower quartile earners. Whilst increasing the discount to 40% would make the product accessible to households with one lower quartile earner, there are likely to be viability challenges with the delivery of First Homes and other Affordable Housing products in the NA.

143. Shared ownership appears to be similarly affordable to First Homes and is accessible to the same groups. Rent to buy would be more expensive than First Homes and shared ownership. However, for some households, the availability of a deposit rather than income level per se is the key barrier to accessing home ownership. Rent to Buy may therefore offer a useful product to meet the needs of some households.

144. Affordable and social rented housing is generally affordable to households with one or two lower earners. If individuals are unable to secure a social rented dwelling they may require additional subsidy through Housing Benefit or Universal Credit to access housing.

The need for Affordable Housing

145. AECOM estimates that the need for affordable rented homes in the NA would be met over the plan period, with a potential 'surplus' of around 15 social/affordable rented dwellings per annum in Belmont & Gilesgate. This result may initially be surprising since there is understood to be a current backlog of need. The model assumes a rate of turnover in the existing stock - of the affordable rented accommodation existing currently, it can be expected that some will come vacant in any given year as their current occupants move to a new location, pass away or cease to be eligible as their circumstances change. Because of the size of the existing stock, this is able to satisfy the projected newly arising need as well as some of the backlog, which is effectively spread out over the plan period to produce an annualised figure.

146. An important caveat to this finding is also that the NA may be meeting wider needs within the local authority. Further to this, one unit of Affordable Housing does not necessarily service one household worth of need, since the unit might have 2-bedrooms while the applicant household might require 4-bedrooms, may be located in an inappropriate location, or be otherwise unsuitable (e.g. no level access). As such, it may be appropriate for Belmont & Gilesgate to encourage the delivery of some affordable rented housing, with the understanding even if this would meet all of the localised need, it may also help to meet needs from elsewhere in County Durham.

147. AECOM estimate potential demand for 20 affordable home ownership dwellings per annum in Belmont & Gilesgate, equating to a total of 339 over the Neighbourhood Plan period. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed. They do not necessarily lack their own housing but would prefer to buy rather than rent.

Affordable Housing policy

148. AECOM suggests an indicative mix of Affordable Housing to be delivered in Belmont & Gilesgate as 60% social/affordable rented and 40% affordable home ownership, in line with the County Durham Local Plan and the various minimum requirements mandated nationally. Although it is identified above that the social/affordable rented housing needs are projected to be met over the neighbourhood plan period in Belmont & Gilesgate, there are other factors to consider. These include the severe backlog on the Housing Register (in the region of 267 households), with it not reasonable to assume that these households can wait for a turnover in stock, and the potential that the NA serves wider needs of the local authority area.

149. It is suggested that in line with national policy 25% of Affordable Housing in the NA is delivered as First Homes, ideally at a 30% discount although there are likely to be viability challenges locally to be discussed with the LPA. In the interests of diversity and maximising choice, the remaining 15% is allocated to shared ownership. Rent to Buy does not feature in the recommended mix as it is considered the least affordable tenure locally.

150. Table 4-8 summarises Belmont & Gilesgate's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighbourhood plan (e.g. if the group plans for more housing (and therefore more affordable housing) than the local plan, or if the group decides to influence the tenure mix in other ways), or as a result of site-specific constraints.

Table 4-8: Estimated delivery of Affordable Housing in Belmont & Gilesgate

	Step in Estimation	Expected delivery
A	Sum of commitments (sites with planning permission), 2023	497
B	Affordable housing quota (%) in LPA's Local Plan	25%
C	Potential total Affordable Housing in NA (A x B)	124
D	Rented % (e.g. social/ affordable rented)	60%
E	Rented number (C x D)	74
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	40%
G	Affordable home ownership number (C x F)	50

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

151. This expected level of delivery does not meet the quantity of demand identified in estimates for the demand for affordable home ownership dwellings in the NA. It is recommended that the policy requirement is met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing (such as exception sites) to be explored.

152. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using neighbourhood development orders, identifying exception sites, or developing community land trusts are all ways of boosting the supply of affordable housing.

5. Type and Size

Introduction

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

154. This can be done using statistics to identify relevant trends and potential gaps in the market. That is the focus of this chapter of the HNA. The evidence gathered here can be used to justify planning policies either on its own or in combination with survey results expressing the specific wants and concerns of local residents. It will also build up a picture of the population and existing range of homes that may provide useful context for the neighbourhood plan.

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

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

156. It is important to keep in mind that housing need is not an exact science. To get from a set of facts about the population to an ideal mix of homes requires making assumptions. For example, there are clear patterns about what size of home families tend to live in at different stages of life. However, a variety of other reasons sit behind people's housing choices that are less easy to predict, including wealth, accessibility requirements and personal preference. Some trends can also change rapidly over time, such as the increasing preference for home working.

157. The conclusions and recommendations given here are therefore not definitive. Rather, they are what the statistics suggest future needs will look like based on current trends. This is sufficient for justifying planning policies, but it is also appropriate to take into account other factors and evidence if desired.

Definitions

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

are vacant and second homes, so the number of dwellings and the number of households in an area is usually different.

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

The current housing mix

158. This section establishes the current housing mix of Belmont & Gilesgate, highlighting recent changes to it and comparing the mix to wider averages.

Dwelling type

159. Table 5-1 below shows that in both 2011 and 2021 the majority of households in Belmont & Gilesgate lived in semi-detached dwellings, with the proportion increasing slightly over the decade. Just over 20% of households lived in terraced dwellings, with the proportion decreasing over the decade whilst the proportion of households living in detached dwellings increased slightly. Just over 10% of households lived in flats. It is important to note that this figure likely excludes students living in purpose built student accommodation, as this is generally considered to be a 'communal establishment' and so is not included in household data such as this.

Table 5-1: Accommodation type, Belmont & Gilesgate, 2011-2021

Type	2011	%	2021	%
Detached	902	13.7%	937	14.5%
Semi-detached	3,497	53.1%	3,542	54.8%
Terrace	1,471	22.3%	1,312	20.3%
Flat	710	10.8%	674	10.4%
Total	6,582	-	6,467	-

Source: ONS 2021 and 2011, VOA 2021, AECOM Calculations

160. Table 5-2 compares the NA mix to wider benchmarks. It shows that Belmont & Gilesgate had a considerably higher proportion of households living in semi-detached dwellings than both County Durham and England. The NA had the smallest proportion of households living in detached dwellings and significantly fewer households living in flats than England, but above local authority levels.

The proportion of households living in terraced dwellings in the NA was broadly similar to England as a whole but well below County Durham as a whole.

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

Type	Belmont & Gilesgate	County Durham	England
Detached	14.5%	20.8%	22.9%
Semi-detached	54.8%	38.2%	31.5%
Terrace	20.3%	35.4%	23.0%
Flat	10.4%	5.4%	22.2%

Source: Census 2021, AECOM Calculations

Dwelling size

161. Table 5-3 below presents the current housing mix in terms of size. It shows that, not unusually, the greatest proportion of households in Belmont & Gilesgate lived in 3-bedroom dwellings, at 47.9% in 2021. This was followed by just over a quarter of households living in 2-bedroom dwellings and 18.7% living in larger 4+ bedroom dwellings. The proportion of households living in the smallest dwellings was relatively low.

Table 5-3: Dwelling size (bedrooms), Belmont & Gilesgate, 2011-2021

Number of bedrooms	2011	%	2021	%
1	464	7.3%	482	7.4%
2	1,664	26.1%	1,677	25.9%
3	3,156	49.6%	3,099	47.9%
4+	1,082	17.0%	1,213	18.7%
Total	6,366	-	6,471	-

Source: ONS 2021 and 2011, AECOM Calculations

162. Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider local authority and country. Table 5-4 shows that whilst Belmont & Gilesgate had a greater proportion of households living in 1-bedroom dwellings than County Durham, this was below national levels. The NA had a notably higher proportion of households living in 3-bedroom dwellings than the comparator geographies, whilst having a smaller proportion of households living in 2-bedroom dwellings, especially when looking at the wider local authority. The NA had a greater proportion of households living in larger dwellings than County Durham but a smaller proportion than England.

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

Number of bedrooms	Belmont & Gilesgate	County Durham	England
1	7.4%	5.9%	11.6%
2	25.9%	32.5%	27.3%
3	47.9%	44.9%	40.0%
4+	18.7%	16.7%	21.1%

Source: Census 2021, AECOM Calculations

Population characteristics

163. This section examines key characteristics of the local population that have a bearing on what housing might be needed in future years. Where available, recent data is used. However, for some information it is necessary to fall back on the 2011 Census.

Age

164. Table 5-5 shows the most recent age structure of the NA population, alongside 2011 Census figures. In 2011 the greatest proportion of the population was aged 45-64 (25.9%), with this shifting to those aged 25-44 (23.8%) in 2021. Despite this, there was a decrease in the number and proportion of people in both of these age categories over the decade. A significant proportion of the population in 2021 was aged 65-84, at 20.7%, increasing by 12.5% since 2011. The number of people aged 85 and over also increased by 20.3% in this time, indicative of an aging population. There was also an increase in the number of people aged 15-24, which would include most of the student population (living in PBSA or HMOs), of 6.8%. Growth in this age group will add to housing demand in the absence of additional supply. Although we cannot identify to what extend student demand pushes up rental prices generally in Belmont & Gilesgate, it is a reasonable assumption that the HNA market is pushing up local rents.

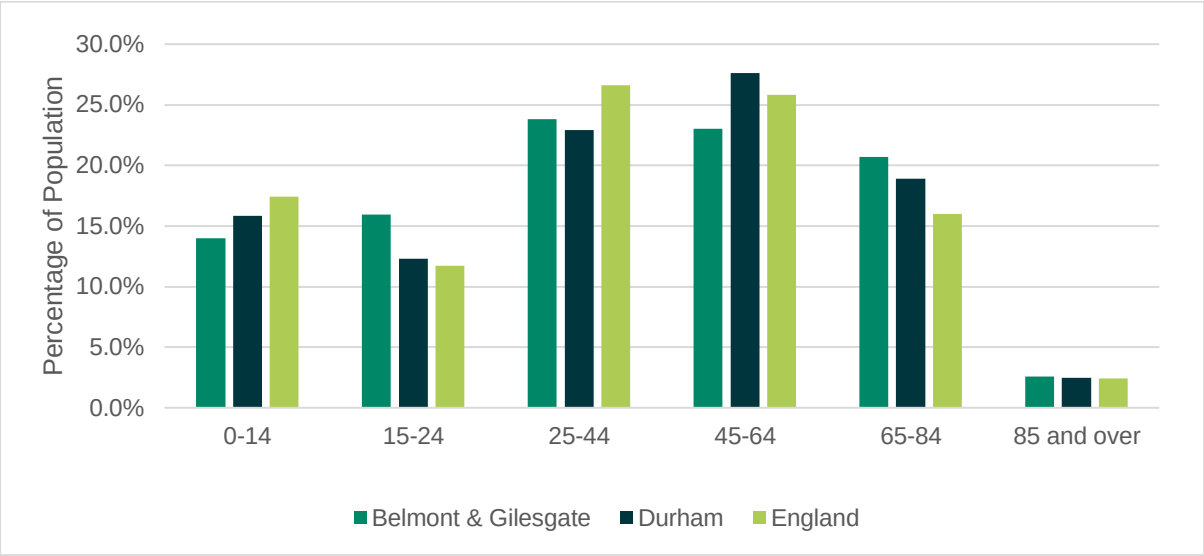
Table 5-5: Age structure of Belmont & Gilesgate, 2011 and 2021

Age group	2011 (Census)		2021 (Census)		Change
0-14	1,966	13.8%	1,982	14.0%	0.8%
15-24	2,113	14.8%	2,256	15.9%	6.8%
25-44	3,568	25.1%	3,378	23.8%	-5.3%
45-64	3,680	25.9%	3,261	23.0%	-11.4%
65-84	2,605	18.3%	2,931	20.7%	12.5%
85 and over	301	2.1%	362	2.6%	20.3%
Total	14,233	-	14,170	-	-0.4%

Source: ONS 2011, ONS 2021, AECOM Calculations

165. For context, it is useful to look at the NA population structure alongside that of the local authority and country. Figure 5-1 (using 2021 Census data) shows that Belmont & Gilesgate has a greater proportion of households aged 65 and over than County Durham and England, further indicative of the aging population. The NA also had the greatest proportion of households aged 15-25, likely due to the student population living in Belmont & Gilesgate. When looking at children specifically, the NA had the smallest proportion, perhaps indicative of a smaller proportion of family households.

Figure 5-1: Age structure in Belmont & Gilesgate, 2021



Source: ONS 2021, AECOM Calculations

Household composition and occupancy

166. Household composition (the combination and relationships of adults and children in a dwelling) is an important factor in the kinds of housing needed over the Neighbourhood Plan period. Table 5-6 shows that Belmont & Gilesgate had the greatest proportion of single person households (34.4% of households) as well as the greatest proportion of single person households aged 66 and over when compared to the wider county and country

167. When looking at family households, 57.2% of households in the NA fell into this category, a smaller proportion than both County Durham (62.4%) and England (63.1%). Belmont & Gilesgate had the greatest proportion of family households aged 66+ at 14.8% of total households. A significantly smaller proportion of households in the NA had dependent children than nationally, at 19.6% and 25.8% respectively.

168. Also of note is the higher proportion of other household types in Belmont & Gilesgate than the comparator geographies. This may be indicative of the student population residing in HMOs, with this category including full time students living in other household types, such as HMOs.

169. It is also helpful to look at the changes in household composition between 2011 and 2021. In this time the number of family households aged 65/66[10] and over increased by 35.8% in Belmont & Gilesgate, compared to 8.4% nationally, suggesting a more aging population than England as a whole.

[10] 2011 Census counts households aged 65 and over whilst the 2021 Census counts households aged 66 and over.

Table 5-6: Household composition, Belmont & Gilesgate, 2021

Household composition		Belmont & Gilesgate	County Durham	England
One person household	**Total**	**34.4%**	**33.9%**	**30.1%**
	Aged 66 and over	14.8%	14.5%	12.8%
	Other	19.5%	19.3%	17.3%
One family only	**Total**	**57.2%**	**62.4%**	**63.1%**
	All aged 66 and over	14.8%	10.1%	9.2%
	With no children	15.4%	17.7%	16.8%
	With dependent children	19.6%	23.9%	25.8%
	With non-dependent children[11]	9.2%	10.3%	10.5%
Other household types	**Total**	**8.4%**	**3.7%**	**6.9%**

Source: ONS 2021, AECOM Calculations

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

171. Under-occupancy is relatively common in Belmont & Gilesgate, with 79.1% of households living in a dwelling with at least one additional bedroom based on their household size. This is most common in family households aged 66+ (96.7% under-occupancy) and family households aged under 66 with no children (96.7% under-occupancy). Whilst this is not uncommon, it suggests that larger housing in the NA is not necessarily occupied by households with the most family members, but by households with the most wealth or by older households that have not chosen or been able to move to smaller properties. It may also reflect trends towards hybrid or remote working, with households increasingly using additional bedrooms as office spaces. However, as shown in Table 5-7, a significant number of under-occupiers are older households that are less likely to be working.

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

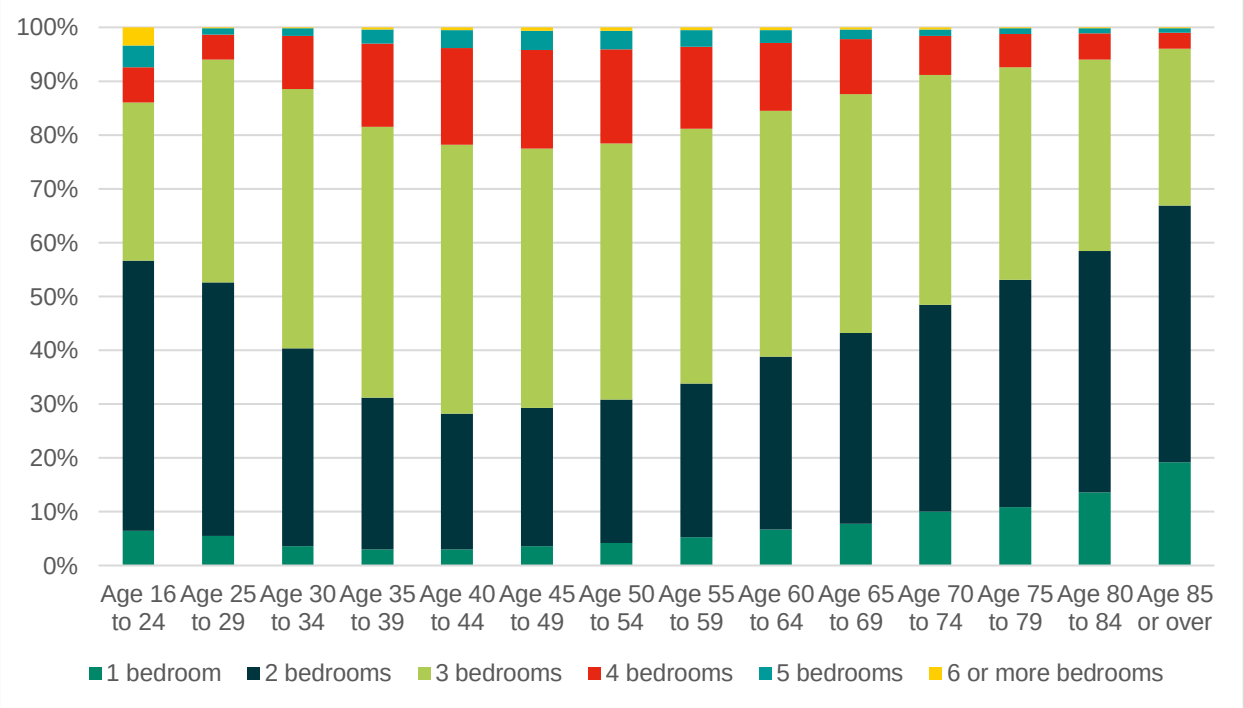
Table 5-7: Occupancy rating by age in Belmont & Gilesgate, 2021

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 66+	75.6%	21.1%	3.3%	0.0%
Single person 66+	58.7%	30.4%	10.9%	0.0%
Family under 66 - no children	73.0%	23.6%	3.3%	0.0%
Family under 66 - dependent children	28.9%	35.8%	29.2%	6.1%
Family under 66 - adult children	35.4%	40.9%	21.2%	2.5%
Single person under 66	41.5%	36.4%	21.4%	0.7%
All households	47.7%	31.4%	17.9%	3.0%

Source: ONS 2021, AECOM Calculations

172. As noted in the introduction to this chapter, the life stage of households is strongly correlated with the size of home they tend to occupy. Figure 5-2 sets out this relationship for County Durham in 2011 (because this data is not available at smaller scales). This generally shows that the youngest households tend to occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age. This is slightly different for County Durham, with a greater proportion of households with a household reference person aged 16-24 living in larger 4+ bedroom dwellings. This is likely due to the influence of Durham University, within students in the local authority area often living in larger shared dwellings (generally HMOs).

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



Source: ONS 2011, AECOM Calculations

Future population and size needs

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

Age

174. The result of applying Local Authority level household projections to the age profile of Belmont & Gilesgate households in 2011 is shown in Table 5-8. This makes clear that population growth can be expected to be driven by the oldest households, with households with a household reference person aged 65 and over projected to increase by 55%. This age group is therefore projected to account for 40.9% of the population in 2040 compared to 30.6% in 2011. There is also projected to be small growth in the number of households aged 34 and under.

Table 5-8: Projected age of households, Belmont & Gilesgate, 2011 - 2040

Year	24 and under	25 to 34	35 to 54	55 to 64	65 and over
2011	375	926	2,030	1,087	1,948
2040	400	1,006	1,882	1,088	3,027
% change 2011-2040	+7%	+9%	-7%	0%	+55%

Source: AECOM Calculations

175. The demographic change discussed above can be translated into an ideal mix of dwelling sizes. This is achieved through a model that maps the dwelling size preferences by life stage shown earlier (in Figure 5-2) onto the projected age profile for the NA in Table 5-8 immediately above. The resulting 'ideal' future mix of dwelling sizes can then be compared to the current stock of housing to identify how future development might best fill the gaps.

176. This approach has limitations, in that it embeds existing size preferences and does not anticipate changes in what people want from their homes. As such, it is appropriate for the results to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is appropriate for the purpose of drafting neighbourhood plan policies.

177. The result of this exercise is presented in Table 5-9. It suggests that by the end of the plan period there should be an increase in the proportion of 2-bedroom dwellings particularly in the NA, with a decrease in the proportion of mid-sized and larger dwellings. Therefore, the suggested mix of new housing focusses heavily on smaller dwellings, with some provision of mid-sized dwellings. However, it should be noted that due to the presence of HMOs in the NA, this has removed larger housing suitable for families from the housing stock, with these effectively acting as 1-bedroom dwellings. It is therefore not

recommended to completely prohibit the delivery of larger family housing, with more limited options in the market for families due to HMOs.

Table 5-9: Suggested dwelling size mix to 2040, Belmont & Gilesgate

Number of bedrooms	Current mix (2011)	Suggested mix (2040)	Balance of new housing to reach suggested mix
1	7.1%	7.3%	7.7%
2	26.1%	36.2%	88.7%
3	49.6%	43.2%	3.6%
4	13.3%	10.7%	0.0%
5+	3.7%	2.7%	0.0%

Source: AECOM Calculations

178. The following points sense-check the results of the model against other evidence and suggest ways to interpret them when thinking about policy options.

- The preceding chapter found that affordability is challenge for some households in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets.
- Continuing to provide smaller homes with fewer bedrooms would help to address this situation, although it should be considered whether large numbers of 1-bedroom homes are suitable given the stock of HMOs, with these effectively acting as smaller dwellings (despite having numerous bedrooms) for low income households and students.
- To best meet the needs of the growing cohort of older households expected to be present by the end of the Plan period, it should also be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility.
- Variety should be sought within the mid-sized homes that are built in future to attract both newly forming households on lower budgets and older households with equity from their existing larger homes. While the number of bedrooms required may be similar, other preferences and levels of purchasing power could be very different. Facilitating downsizing among older households may also release those larger homes for use by families who need more bedrooms if they existing stock of larger homes is sufficiently affordable.

Tenure

179. The recommendation discussed immediately above applies to all housing in the NA over the Plan period. This is considered proportionate for devising policy at neighbourhood scale. However, in practice different size mixes may be appropriate for market housing and Affordable Housing. While this distinction may not be appropriate to make in Neighbourhood Plan policy, since Local

Authorities tend to define the precise mix of Affordable Housing required on applicable sites, it is worth thinking through the factors at play.

180. Generally speaking, the size mix needed within affordable tenures, particularly affordable and social rent, is smaller than the size mix of market housing. This is because there tend to be higher proportions of single people and couples in need of affordable rented housing, and they are likely to be eligible only for 1 or 2 bedroom properties. In contrast, people buying their own homes tend to want more space than they technically 'need', such as spare rooms for guests, home working or other uses. This fact is established in the data on under-occupancy presented earlier in this chapter.

181. The County Durham SHMA outlines the need for different sized dwellings over the Local Plan period 2016-2035 for the local authority as a whole, split between market and affordable housing. This shows that the greatest need in the open market is for mid-sized 3-bedroom dwellings, followed by smaller 2-bedroom (37.4%) and 1-bedroom (10.8%) dwellings. There is very little need identified for larger dwellings, with a surplus of 4-bedroom dwellings noted. When looking at affordable dwellings, overall the skew is more towards smaller dwellings, with 72.7% identified as 1- and 2-bedroom need. There is however a need for larger affordable dwellings, with this greater than the overall need for larger market dwellings identified. This is likely due to there usually being a smaller stock of larger affordable housing available for families, with this a good reason not to completely restrict the delivery of larger dwellings in Belmont & Gilesgate.

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

Type

183. Planning policy also tends to be less prescriptive about the mix of dwelling types that are needed than the mix of home sizes. This is because the choice to occupy a terraced rather than a detached home, for example, is primarily a matter of wealth, personal preference, and the amount of outdoor space or other features sought than 'need' in the strict sense. This stands in contrast to the matter of dwelling size, where it can be more clearly established that a household with a certain number of members, closely correlated with age, requires a particular number of bedrooms.

184. The key distinctions when it comes to dwelling type are between flats and houses and, to a lesser extent, bungalows, each of which tend to appeal to

occupants with different life circumstances. However, it remains difficult to generalise about this, particularly when drawing on demographic evidence.

185. The benefits of delivering a certain blend of dwelling types are more closely related to affordability and which favours more dense options (e.g. terraces and flats). This imperative to improve affordability is often in conflict with matters of character, which in areas tending to favour lower density options that blend in with the existing built environment. This is particularly relevant in the case of flats, although it is possible to deliver flats in the form of low-rise maisonettes that resemble terraces from street level, which can counter this issue.

186. In summary, there is a balance to be struck between, on the one hand, improving affordability and choice in the market by encouraging flats and terraces, and, on the other hand, preserving the distinctive character and other features that residents like about the NA today. How far the Neighbourhood Plan should guide on this issue, and in what direction, is a policy decision for the Working Group and community to consider.

Conclusions- Type and Size

The current housing mix

187. In both 2011 and 2021 the majority of households in Belmont & Gilesgate lived in semi-detached dwellings. Just over 20% of households lived in terraced dwellings, with the proportion decreasing over the decade whilst the proportion of households living in detached dwellings increased slightly. Just over 10% of households lived in flats. It is important to note that this figure likely excludes students living in purpose built student accommodation, as this is generally considered to be a ‘communal establishment’ and so is not included in household data such as this.

188. Belmont & Gilesgate had a considerably higher proportion of households living in semi-detached dwellings than both County Durham and England. The NA had the smallest proportion of households living in detached dwellings and significantly fewer households living in flats than England, but above local authority levels. The proportion of households living in terraced dwellings in the NA was broadly similar to England as a whole but well below County Durham as a whole.

189. Turning to dwelling size, the greatest proportion of households in Belmont & Gilesgate lived in 3-bedroom dwellings, generally the most common dwelling size. This was followed by just over a quarter of households living in 2-bedroom dwellings and 18.7% living in larger 4+ bedroom dwellings. The NA had a notably higher proportion of households living in mid-sized 3-bedroom dwellings than the comparator geographies, whilst having a smaller proportion of households living in 2-bedroom dwellings, especially when looking at the wider local authority. The NA had a greater proportion of households living in larger dwellings than County Durham but a smaller proportion than England.

Population characteristics

190. In 2011 the greatest proportion of the population in Belmont & Gilesgate was aged 45-64, with this shifting to those aged 25-44 in 2021. A significant proportion of the population in 2021 was aged 65-84, at 20.7%. The number of people aged 85 and over increased by 20.3% over the decade, indicative of an aging population. There was also an increase in the number of people aged 15-24, which would include most of the student population (living in PBSA or HMOs), of 6.8%.

191. Belmont & Gilesgate had the greatest proportion of single person households in 2021 (34.4% of households) as well as the greatest proportion of single person households aged 66 and over. When looking at family households, 57.2% of households in the NA fell into this category, a smaller proportion than both County Durham (62.4%) and England (63.1%). A significantly smaller proportion of households in the NA had dependent children than nationally, at 19.6% and 25.8% respectively. Also of note is the higher proportion of other household types in Belmont & Gilesgate than the comparator geographies. This may be indicative of the student population residing in HMOs.

192. Under-occupancy is relatively common in Belmont & Gilesgate, with 79.1% of households living in a dwelling with at least one additional bedroom based on their household size. This is most common in family households aged 66+ and family households aged under 66 with no children. Whilst this is not uncommon, it suggests that larger housing in the NA is not necessarily occupied by households with the most family members, but by households with the most wealth or by older households that have not chosen or been able to move to smaller properties.

Future population and size needs

193. Population growth can be expected to be driven by the oldest households, with households with a household reference person aged 65 and over projected to increase by 55%. This age group is therefore projected to account for 40.9% of the population in 2040 compared to 30.6% in 2011. There is also projected to be small growth in the number of households aged 34 and under.

194. It suggests that by the end of the plan period there should be an increase in the proportion of 2-bedroom dwellings particularly in the NA, with a decrease in the proportion of larger dwellings. Therefore, the suggested mix of new housing focusses heavily on smaller dwellings, with some provision of mid-sized dwellings. However, it should be noted that due to the presence of HMOs in the NA, this has removed larger housing suitable for families from the housing stock, with these effectively acting as 1-bedroom dwellings. It is therefore not recommended to prohibit the delivery of larger family housing, with more limited options in the market for families due to HMOs.

195. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing

market area (linked to any Local Authority strategies or plans) and site-specific factors.

6. Specialist housing for older people

Introduction

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

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

197. Because of the wide variation in the level of support needed, as well as the financial capabilities of those affected, the estimates of need presented here should be viewed with caution – as an idea of the broad scale of potential need rather than an obligatory target that must be met.

198. It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as opposed to the projected new households which form the baseline for estimating housing need overall.[12]

199. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).[13] Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for older people) are largely beyond the scope of this research. However, it is possible to estimate the likely need for residential and nursing care over the Neighbourhood Plan period.

200. The distinction between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required. C3 specialist accommodation is typically self-contained with its own front door, made available on an individual basis with support provided

[12] See Paragraph: 017 Reference ID: 2a-017-20190220, at https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments)
[13] For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

in the home or not at all if the resident does not require it, and offered for sale or rent on the open market.

Definitions

- **Older people:** people over retirement age, ranging from the active newly retired to the very frail elderly. Their housing needs tend to encompass accessible and adaptable general needs housing as well as the full spectrum of retirement and specialised housing offering additional care.
- **Specialist housing for older people:** a wide range of housing types specifically aimed at older people, which may often be restricted to those in certain older age groups. This could include residential institutions, sheltered housing, extra care housing, retirement housing and a range of other potential types of housing which has been designed and built to serve the needs of older people, including often providing care or other additional services.
- **Sheltered Housing[14]:** self-contained flats or bungalows where all the residents are older people. Schemes on the whole provide independent, self-contained homes, either to rent or buy. Properties in most schemes have features like raised electric sockets, lowered worktops, walk-in showers, and so on, as well as being linked to an emergency alarm service. Some will be designed to accommodate wheelchair users. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, guest flats and gardens.
- **Extra Care Housing:** housing which usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required. Residents are able to live independently with 24-hour access to support services and staff, and meals are often also available. In some cases, these developments are included in retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.
- **Category M4(2):** accessible and adaptable dwellings.
- **Category M4(3):** wheelchair user dwellings.

Specialist housing for older people

201. There are a total of 111 units of specialist accommodation in the NA at present, with details provided in Appendix E.
202. The 2021 Census shows that there are 1,616 individuals aged 75 or over in Belmont & Gilesgate. This suggests that current provision is in the region of 69 units per 1,000 of the 75+ population (a common measure of specialist housing supply). It is relevant to note that the national average for England is 136 units

[14] See http://www.housingcare.org/jargon-sheltered-housing.aspx

per 1,000 of the 75+ population[15], so provision in the NA is significantly below national levels.

Demographic characteristics

203. The starting point for estimating the need for specialist housing for older people is to project how the overall number of older people in Belmont & Gilesgate is likely to change in future. This is calculated by extrapolating population projections from the ONS Sub-National Population Projections for County Durham. The results are set out in Table 6-1. They show that between 2021 and 2040 the number of people aged 75+ in Belmont & Gilesgate is expected to increase from 1,616 to 2,536, with this group accounting for 16.7% of the NA population by 2040. This is above local authority levels of 13.9%.

204. A key assumption for the estimate given at the end of this section is that the older people living in the NA currently are already suitably accommodated, either because they occupy the existing stock of specialist accommodation, have made appropriate adaptations to their own homes or do not require support or adaptations. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without evidence from a household survey (which itself may not give a complete picture). As such, the growth in the older population rather than the total at the end of the Plan period is the key output of this calculation.

Table 6-1: Modelled projection of older population in Belmont & Gilesgate by end of Plan period

Age group	2021		2040	
	Belmont & Gilesgate	County Durham	Belmont & Gilesgate	County Durham
All ages	14,170	522,071	15,172	558,986
75+	1,616	49,582	2,536	77,802
%	11.4%	9.5%	16.7%	13.9%

Source: ONS SNPP 2020, AECOM Calculations

205. The next step is to consider the need for different tenures of dwelling for older people. It is assumed that those currently occupying their own home will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.

206. The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2040. The top row in Table 6-2 outlines the tenure mix among households aged 55-75 at Local Authority level, which indicates that almost three quarters of these households across County Durham owned their own home, with the remaining

[15] Table 22, 'More Choice Greater Voice' (2008), published by Housing LIN for CLG (now DLUHC) and the Care Services Improvement Partnership

26.8% renting. Of those renting, the vast majority of households lived in social rented housing, at 20.6% of total households.

207. The expected growth in the 75+ population in the NA is 920 additional individuals by the end of the plan period. This can be converted into 684 households based on the average number of people per household aged 75+ at Local Authority scale. Multiplying this figure by the percentages of 55-75 year olds occupying each tenure gives a breakdown of which tenures Belmont & Gilesgate households are likely to need in 2040 and is shown in the bottom row of Table 6-2.

Table 6-2: Tenure of households aged 55-75 in County Durham (2011) and projected aged 75+ in Belmont & Gilesgate (2040)

	All owned	Owned outright	Owned (mortgage) or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
County Durham (2011 mix)	**73.2%**	52.6%	20.6%	**26.8%**	20.6%	5.1%	1.1%
Belmont & Gilesgate (2040 projection)	**500**	359	141	**183**	141	35	7

Source: Census 2011

208. It is also important to consider rates of disability by tenure. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs they may find that the only suitable and affordable option to them is available in the social rented sector. Table E-2 in Appendix E presents this data for Belmont & Gilesgate from the 2011 Census.

Future needs for specialist accommodation and adaptations

209. Based on the evidence outlined above, the number of households falling into potential need for specialist accommodation over the Plan period is calculated to be 376.

210. AECOM's modelling, summarised in Table 6-3, is based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This

is often reflected in policy of local authorities, with the explicit aim to reduce the need to commission increasing numbers of care home beds.

211. It is useful to look at the breakdown in the need for specialist housing for older people. Table 6-3 shows that there is a greater need for market specialist housing (65.2%) than affordable (34.8%). All of the current provision of specialist housing for older people in Belmont & Gilesgate is for social rent, potentially meaning there is a greater demand for market provision than the modelling suggests. The split between the need for sheltered and extra care housing is relatively even, with a slightly greater need for sheltered housing (52.7%). The greatest sub-category of need is for market sheltered housing, at 37.8% of total need. Some of this need may be able to be met through at home adaptations, allowing older people to remain in their own home for longer.

Table 6-3: AECOM estimate of specialist housing for older people need in Belmont & Gilesgate by the end of the Plan period

Type	Affordable	Market	Total
Housing with care	75 (19.9%)	103 (27.4%)	**178 (47.3%)**
Adaptations, sheltered, or retirement living	56 (14.9%)	142 (37.8%)	**198 (52.7%)**
Total	**131 (34.8%)**	**245 (65.2%)**	**376**

Source: Census 2011, AECOM Calculations

212. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the simplest and widely used models estimating for the housing needs of older people. Table E-3 in Appendix E reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP) toolkit. Applying those assumptions to the growth in the older population of Belmont & Gilesgate results in a total of 231 specialist dwellings that might be required to the end of the Plan period. This is set out in Table 6-4.

Table 6-4: HLIN estimate of specialist housing for older people need in Belmont & Gilesgate by the end of the Plan period

Type	Affordable	Market	Total
Housing with care	29 (12.6%)	37 (16.0%)	**66 (28.6%)**
Adaptations, sheltered, or retirement living	55 (23.8%)	110 (47.6%)	**165 (71.4%)**
Total	**84 (36.4%)**	**147 (63.6%)**	**231**

Source: Housing LIN, AECOM calculations

Further considerations

213. The above estimates suggest that potential need for specialist accommodation could be in the range of 231-376 units over the Neighbourhood Plan period. However, it may not be possible or appropriate to deliver this scale of new accommodation. It is proportionally high in relation to the overall housing allocations to 2035 in the NA, and therefore should not necessarily be prioritised to the exclusion of other groups, such as those in need of Affordable Housing.

214. In addition, specialist housing for older people should only be provided in sustainable, accessible locations that offer services and facilities, public transport options, and the necessary workforce of carers and others. Further good practice criteria around the location of specialist housing for older people can be found in the More Choice, Greater Voice 2008 toolkit[16].

215. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist older persons housing needs arising from a number of different locations and/or Neighbourhood Areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).

216. It is considered that Belmont & Gilesgate is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Belmont & Gilesgate in other suitable locations near to but outside the Plan area boundaries).

217. It is also important to emphasise that the potential need for specialist housing for older people overlaps with the need for care home bedspaces and the need for adaptations to mainstream housing. These topics are considered in the sections below.

Care homes

218. Residential and nursing care homes are not defined as housing because they do not provide self-contained accommodation where an older person can live independently. Care home accommodation is defined as institutional accommodation rather than housing.

219. However, residents of care homes may be similar in terms of their care and support needs as those living in specialist housing, or even mainstream housing with appropriate care and support delivered in their homes. There may be some scope for older people who would otherwise have been accommodated in care homes to meet their needs within specialist or mainstream housing if sufficient appropriate accommodation can be provided. Nevertheless, there is likely to be continued need for care home accommodation to meet more acute and severe

[16] https://www.housinglin.org.uk/_assets/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf

needs, and to offer choice to some older people and their families about how they are cared for and supported.

220. Given the overlap between people who might enter care home accommodation and those who might take up specialist housing or care and support in their own home if available, estimates of the future need for care home accommodation, as with estimates of the need for specialist housing above, are uncertain and depend on both local and national policies, delivery, and the appetite of private developers.

221. AECOM has estimated the likely need for care home accommodation over the plan period, based on the HLIN SHOP toolkit prevalence rates for residential and nursing care homes for older people (aged 75+). This estimate applied the prevalence rates in the 'More Choice, Greater Voice' 2008 report which informed the development of the HLIN toolkit. This report suggested that 65 residential care beds per 1,000 people aged 75+ was an appropriate rate. Based on this rate, applied to the growth in the older population (+920 individuals) for consistency with the calculations above, it is estimated that in 2040 there would be a need for 60 care homes beds in the NA to meet this increase in older population.

222. It is important to note that as these estimates relate to care homes (or the population in institutions) rather than independent housing, these figures are in addition to the overall need for housing in the NA. However, as discussed in this section, some of the need for care home beds might be met by independent housing accommodation and vice versa.

The Role of Mainstream Housing

223. The majority of older people live in mainstream housing and will continue to do so all of their lives. Based on the estimated number of older people and the tally of the existing stock in Appendix E, around 98.7% of the Belmont & Gilesgate population aged 75 and over is likely to live in the mainstream housing stock[17].

224. It is not possible to be precise about how well older people are accommodated within mainstream housing, in terms of whether their accommodation in suitable to their needs and whether adequate care or support is provided within the home when they need.

225. However, given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another key avenue to addressing those with relevant needs is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with County Durham.

226. It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide. Government is considering mandating M4(2) on

[17] 1,616 over 75s in 2021, of which 21 are accommodated in specialist housing and no care homes, leaving 1,595 people living in mainstream housing. This is approximate since some people in specialist housing and care homes will be under the age of 75.

newly erected dwellings[18], although changes to Building Regulations have not yet been made.

227. The current adopted Local Plan policy 15 provides explicit encouragement for development to accommodate specific groups such as older people. It sets out an expectation that 66% of new homes on sites of 5 or more dwellings will be built to Category M4(2) adaptability and accessibility standards. On sites of 10 or more dwellings a minimum of 10% of the total number of dwellings will need to increase housing options for older people and be delivered to M4(2) standard (these would contribute to the 66%). Housing options for older people could include level access flats and bungalows or housing shown to specifically meet the needs of multigenerational families. The Local Plan outlines that all specialist housing will meet M4(2), with at least 25% meeting M4(3) (wheelchair user dwellings).

228. The evidence gathered here may justify the Working Group approaching the LPA to discuss setting further requirements on accessibility and adaptability at a local authority level. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.

229. The proportion of new housing that might accommodate those using wheelchairs is harder to define at small scales. Typically, at Local Authority scale, this might be set with reference to the proportion of Affordable Housing applicants in the Local Authority area falling into this category or to wider data from surveys and other sources where available.

230. Table 6-5 sets out the proportion of wheelchair users in England as a whole, either using a wheelchair all of the time (0.6% of the population) or part of the time (3% of the population). As a crude estimate, these percentages are applied to the expected level of housing delivery for Belmont & Gilesgate to suggest the number that might be encouraged to be wheelchair friendly or adaptable. This would imply a potential need for 3-15 wheelchair accessible dwellings over the Plan period (or at least to 2035 in line with the allocations in the Durham Local Plan). It is worth noting that these national figures are for all age categories, not just older persons, although it is likely that a significant proportion of households using a wheelchair will be older persons.

[18] See Raising accessibility standards for new homes: summary of consultation responses and government response - GOV.UK (www.gov.uk)

Table 6-5: Wheelchair use Nationally Applied to Belmont & Gilesgate

	Percentage in England	% applied to NA housing commitments (497)
Households using wheelchair all the time	0.6%	3.0
Households using wheelchair either indoors or outdoors	3.0%	14.9

Source: Survey of English Housing 2018/19

Conclusions- Specialist Housing for Older People

231. There are currently 111 units of specialist accommodation for older people in Belmont & Gilesgate. Current provision is in the region of 69 units per 1,000 of the 75+ population (a common measure of specialist housing supply). It is relevant to note that the national average for England is 136 units per 1,000 of the 75+ population[19], so provision in the NA is significantly below national levels.

232. 2021 Census data suggests that at this time there were 1,616 individuals aged 75+ in the NA. It is projected that by the end of the plan period this will increase to 2,536, with the 75+ population accounting for 16.7% of the population by 2040, compared to 13.9% across County Durham.

Specialist housing for older people

233. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.

234. These two methods of estimating the future need in Belmont & Gilesgate produce a range of 231 to 376 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.

235. It is useful to look at the breakdown in the need for specialist housing for older people. In Belmont & Gilesgate there is a greater need for market specialist housing (65.2%) than affordable (34.8%). The split between the need for sheltered and extra care housing is relatively even, with a slightly greater need for sheltered housing (52.7%). The greatest sub-category of need is for market sheltered housing, at 37.8% of total need. Some of this need may be able to be met through at home adaptations, allowing older people to remain in their own home for longer.

236. It is important for specialist housing for older people to be provided in sustainable, accessible locations, with cost-effectiveness and economies of scale also important factors to consider. It is considered that Belmont &

[19] Table 22, 'More Choice Greater Voice' (2008), published by Housing LIN for CLG (now DLUHC) and the Care Services Improvement Partnership

Gilesgate is, in broad terms, a suitable location for specialist accommodation. As such, there is potential for such accommodation to be provided within the Neighbourhood Area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Belmont & Gilesgate in other suitable locations near to but outside the Plan area boundaries).

Care homes

237. Care home accommodation is defined as institutional accommodation rather than housing. AECOM has estimated the likely need for care home accommodation over the plan period, based on the HLIN SHOP toolkit prevalence rates for residential and nursing care homes for older people (aged 75+). Based on this rate and the expected increase of 920 individuals aged 75+ between 2023 and 2040, it is estimated that in 2040 there would be a need for 60 additional care home beds in the NA. Some of the need for care home beds might be met by independent housing accommodation and vice versa. In addition, some of this need could likely be met through the turnover in current care bed spaces.

Adaptable and accessible housing

238. Given that there is unlikely to be enough additional specialist supply during the plan period to meet the identified needs, another key avenue to addressing those with relevant needs is to discuss the standards of accessibility and adaptability in new development.

239. The current adopted Local Plan policy 15 provides explicit encouragement for development to accommodate specific groups such as older people. It sets out an expectation that 66% of new homes on sites of 5 or more dwellings will be built to Category M4(2) adaptability and accessibility standards. On sites of 10 or more dwellings a minimum of 10% of the total number of dwellings will need to increase housing options for older people and be delivered to M4(2) standard (these would contribute to the 66%). Housing options for older people could include level access flats and bungalows or housing shown to specifically meet the needs of multigenerational families. The Local Plan outlines that all specialist housing will meet M4(2), with at least 25% meeting M4(3) (wheelchair user dwellings).

240. The evidence gathered here may justify the Working Group approaching the LPA to discuss setting further requirements on accessibility and adaptability at local authority level. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.

7. Houses in Multiple Occupation

241. Belmont Parish Council and Gilesgate Residents Association are aware of challenges in the NA relating to Houses in Multiple Occupation (HMOs), with this also raised by the public at engagement events relating to the Neighbourhood Plan.

242. This bespoke chapter considers the potential scale of HMOs in the NA. The approach is as follows:

- To estimate the **current level** of HMOs in Belmont & Gilesgate;
- To discuss the **potential impacts** of HMOs on the housing market; and
- To discuss the potential **policy options** relating to HMOs at local authority level.

What are HMOs?

243. Government defines HMOs as "a property rented out by at least 3 people who are not from 1 household but share facilities like the bathroom and kitchen"[20].

244. The classification of HMOs within the planning system differs slightly, with HMOs classified as a different Use Class to standard residential dwellings (which are Use Class C3). HMOs fall within Use Class C4 and are defined as "small, shared houses occupied by between 3 and 6 unrelated individuals, as their only or main residence, who share basic amenities such as a kitchen or bathroom"[21]. When HMOs house more than 6 unrelated individuals, they are considered 'sui generis' in planning terms, excluded from classification.

245. In England and Wales HMOs of a certain size must be licensed. Large HMOs, with 5 or more people, forming more than 1 household, with shared facilities such as a kitchen or bathroom, must be licensed by local authorities. Although this captures a significant number of HMOs, which are then required to meet certain standards, these controls do not apply to all HMOs. Most notably, smaller HMOs, with 3 or 4 individuals from more than 1 household, are not required to be licenced (although some local authorities impose stricter licensing requirements on HMOs and the wider private rented sector).

246. Another type of (often) unlicensed HMO defined in the 2004 Housing Act is Section 257 HMOs, formed from the conversion of a block of flats. These self-contained flats are considered HMOs where less than two thirds are owner occupied[22] and the building work undertaken in connection with the conversion

[20] https://www.gov.uk/house-in-multiple-occupation-licence
[21] Planning Portal Use Classes (updated 01/09/2020)
[22] A flat is considered "owner-occupied" in these circumstances if it is occupied by a person who has a lease of the flat which has been granted for a term of more than 21 years, by a person who has the freehold estate in the converted block of flats, or by a member of the household of these people.

did not comply with the appropriate building standards[23] (and still does not comply).

Stock of HMOs in Belmont & Gilesgate

247. In order to determine the impacts of HMOs in Belmont & Gilesgate it is important to understand the scale of supply in the NA. This is a complex topic and without detailed further research it is not possible to determine the exact number of HMOs. A number of sources are reviewed here to try to understand the current stock of HMOs in the NA.

248. 2021 Census data records the number of HMOs at local authority level. These are categorised in the Census as either 'small HMOs' which had 3 or 4 unrelated tenants and 'large HMOs' which had 5+ unrelated tenants. The former would be unlicensed, and the latter licensed. It shows that across County Durham in 2021 there were 1,373 HMOs (0.6% of all dwellings). Of these, 776 were recorded as small HMOs and 597 as large HMOs, showing that there are clearly smaller unlicenced dwellings in the local authority area. AECOM are also aware, based on local authority level studies carried out, that the Census information on HMOs is likely to be an under-estimate. It is not possible to determine the potential increase over time as this data was not recorded in the 2011 Census.

249. Looking at England as a whole, there were 175,661 HMOs recorded in the 2021 Census (130,733 small HMOs and 44,928 large HMOs). HMOs therefore accounted for 0.7% of dwellings in the country. This is broadly in line with the proportion of HMOs in County Durham.

250. An alternative source of information on HMOs locally is the County Durham HMO Licensing Register, which shows licensed HMOs across the local authority area. These HMOs contain at least 5 individuals from at least 2 different households, up to date as of August 2023. The HMO Licensing Register shows 864 licensed HMOs across County Durham (0.3% of all dwellings), considerably more than the 597 'large HMOs' noted by the Census. Of the 864 licensed HMOs in County Durham, 54 of these had addresses Belmont & Gilesgate. This would mean that approximately 0.8% of dwellings in Belmont & Gilesgate are licensed HMOs, a greater proportion than the local authority area as a whole, suggesting a greater concentration.

251. It is also helpful to look at the characteristics of the licensed HMOs in Belmont & Gilesgate. The greatest proportion of licensed HMOs had 5 bedrooms, at 42.6%, followed by 6 bedrooms (37.0%) and 7 bedrooms (18.5%). Just one licensed HMO was recorded as having 8 bedrooms. If all fully occupied, these HMOs could house 313 residents. Two thirds of licensed HMOs had two storeys, with approximately a quarter being 3 storey dwellings, and the remaining 5.6% single storey (either flats, maisonettes, or bungalows).

[23] The "appropriate building standards" in the case of a converted block of flats means on which building work was completed before 1st June 1992 or which is dealt with by Regulation 20 of the Building Regulations 1991. In the case of any other converted block of flats, the requirements imposed at the time in relation to it by regulations under Section1 of the Building Act 1984.

252. Interesting to note is that 18 license holders are responsible for the 54 licensed HMOs in Belmont & Gilesgate. Whilst a number of license holders are only responsible for one or two properties in the NA (although may have others in the wider County Durham area), three individuals/organisations are responsible for the licensing of 36 HMOs. This may be a positive for occupants if experienced and professional landlords own and manage the properties.

253. Due to the majority of HMO residents in the NA assumed to be students, data is available showing the living circumstances of full-time students in Belmont & Gilesgate in the 2021 Census. Looking at the age categories most likely to be students at Durham University, it shows that 908 students in the NA lived in all-student households. These people do not all necessarily occupy HMOs, with some of these students likely to be living in 2-bedroom shared dwellings, which do not fall within the category of HMOs. Although this indicates the scale of students living in the private rented sector in the NA, it is not possible to determine how many dwellings this translates to, with unlicensed HMOs housing 3 or 4 students and licensed HMOs in the NA housing between 5 and 8 students. On the basis of licensed HMOs having the potential to house 313 residents, it could be concluded that there a significant number of smaller non-licensed HMOs in Belmont & Gilesgate.

254. Table 7-1 also shows 135 students living in communal establishments aged 18-29, whether university accommodation or private purpose built student accommodation (PBSA) in the NA. Whilst an increase in the provision of PBSA may reduce the demand for HMOs in the private rented sector, often HMO accommodation is a more affordable option and so a preference for university students (particularly after their first year of study).

Figure 7-1: Full-time student living arrangements, Belmont & Gilesgate, 2021

Student accommodation type	Aged 18 to 20 years	Aged 21 to 24 years	Aged 25 to 29 years
Total	594	682	188
Living with parents	118	43	8
Living in a communal establishment	34	80	21
Living in a communal establishment: University	12	33	5
Living in a communal establishment: Other	22	47	16
Living in an all student household	408	435	65
Living alone	5	57	38
Living in another household type	29	67	56

Source: 2021 Census

255. It is not possible to be conclusive about the number of smaller HMOs that are unlicensed in Belmont & Gilesgate based on these datasets.

256. Belmont & Gilesgate Neighbourhood Plan Working Group provided data showing that there were 376 dwellings in the NA that receive a Class-N Council Tax exemption for being wholly student occupied properties. Not all of these students necessarily live in HMOs (some may live in 1- or 2-bedroom dwellings) but it gives a good potential indication. In addition, the Working Group have data provided by Durham University which notes 948 students residing in Belmont & Gilesgate in 378 dwellings. Some of these students may not live in wholly student households (e.g. some may be students living at home with local family, whilst others may live in a dwelling with a mix of students and graduates/young professionals)..

257. None of the datasets discussed give a definitive figure for the number of HMOs in Belmont & Gilesgate but they give a potential range of 54 (the number of licensed HMOs) to 378 (the number of dwellings occupied by Durham University students in the NA).

258. In October 2023 there were 129 rooms available for rent, on Rightmove.co.uk in Belmont & Gilesgate. Of these, 85 were available to rent in 3+ bedroom properties, meaning they would fall into the category of HMOs if let to shared households. These 85 rooms are within 22 dwellings. The average room rate per month of all rooms was £631, with an income requirement of £25,240. This is well below the income requirement of £32,640 for average market rents (whole properties only). Based on the income groups discussed in Chapter 4, households with one lower quartile earner would not be able to afford to rent a room in Belmont & Gilesgate. An important element to note is that some room rates include bills whilst others exclude bills. It is not possible to separate these as many advertisements do not state the difference. The average room rent is therefore increased by those with rents inclusive of bills, whilst private rented sector housing generally does not include bills within rent.

259. Another important element to consider is affordability for students as student HMOs are a key focus in Belmont & Gilesgate. The average amount available annually through Student Finance for undergraduate students in the 2023/24 academic year is between £4,651 and £9,978. Save the Student estimates the average maintenance loan received by undergraduate students to be £5,952[24], which, although paid in 3 instalments (September, January, April), equates to approximately £496 a month across the year. This would leave a considerable gap for students to make up between income and rents, either through part-time work, grants, personal loans, or financial support from family based on the average room rate in Belmont & Gilesgate of £631 a month.

260. It is therefore also important to consider other income streams available to students. Save the Student's Student Money Survey 2023[25] found that 56% of students had a part-time job, with average earnings of £544 per month (which

[24] https://www.savethestudent.org/student-finance/maintenance-loans.html#amount
[25] https://www.savethestudent.org/money/surveys/student-money-survey-2023-results.html#earn

added to the average student loan is an income of £1,040 a month). 53% of students received money from parents, at an average of £227 a month (which added to the average student loan is an income of £723 a month). This increases affordability but still sees a considerable portion of student's income being spent on rent and bills. Some students may receive a combination of income from paid work and money from parents, although it is not possible to quantify this.

261. This indicates a market for HMOs, although further rooms may be advertised via alternative means (e.g. word of mouth, social media, solely through letting agents). In addition, it shows that there is a market for HMOs as a more affordable option for households, particularly students in Belmont & Gilesgate.

Potential impacts of HMOs

262. There are a variety of impacts to communities and residents relating to HMOs. An important distinction to make when discussing HMOs is the difference between HMOs that students and young professionals occupy, and HMOs used to house those in need of urgent accommodation or due to constrained housing choices[26]. Students and young professionals sometimes make a financially driven choice to live in shared housing, often with people they already know, leading to a greater sense of community. The impacts of these HMOs can differ from those housing individuals on low incomes with few other housing choices (e.g. due to local housing allowance rates only covering room rates for under 35s), including individuals referred from the local authority or linked services (e.g. homelessness, probation, addiction services, refugee charities). It is assumed that the majority of HMOs in Belmont & Gilesgate fall into the student category due to the proximity of Durham University.

263. There are a variety of potential impacts associated with high concentrations of HMOs and their prevalence in some student areas. Generally framed as negative, these impacts can relate both to the residents of HMOs and to the wider community. These may include noise and anti-social behaviour, issues with the general streetscape (e.g. vandalism, litter, parking issues), pressure on services (e.g. GP surgery), and reduced community cohesion due to higher population churn than in the mainstream private rented sector.

264. However, it is also important to note that HMOs can provide an essential role in the private rented sector for households with limited housing options. They tend to provide a cheaper alternative to traditional private renting, especially for households unable to access social or affordable rented housing through the local authority or an RP, as well as for students and young professionals. Challenges tend to arise when HMOs are poorly managed or where there are high concentrations of HMOs in particular geographic areas. Determining the condition or management conditions of HMOs would require further research to be undertaken by the Working Group or local authority.

[26] Barratt C and Green G. (2017). Making a Housing in Multiple Occupation a Home: Using Visual Ethnography to Explore Issues of Identity and Well-Being in the Experience of Creating a Home Amongst HMO Tenants. *Sociological Research Online.* 22:1.

HMO Mitigation and Management Options

265. There are likely limited management options available to the Parish Council and Residents Association through managing HMOs in Belmont & Gilesgate via the Neighbourhood Plan. However, the evidence in this Chapter may be useful in influencing local authority level policies or management options (although additional evidence is likely required). Some of the management options available to local authorities are outlined in brief below:

- **Mandatory Licensing –** the main form of oversight, as discussed above, is mandatory licensing. It is a national requirement that HMOs rented to 5 or more individuals from 1 or more household, with some shared facilities, are licensed. This requires HMOs to meet certain standards in order to be licensed. However, this does not cover all HMOs (e.g. smaller HMOs). Licensing regimes can be expanded or strengthened to cover a larger number of properties.
- **Additional Licensing –** local authorities have the discretion to implement additional licensing requirements to capture smaller HMOs that do not fall under mandatory licensing. This can require all HMOs (regardless of size, although sometimes with exceptions) to be licensed in certain geographies.
- **Selective Licensing –** similar to additional licensing, this allows local authorities to require all privately rented properties within a specific area to be licensed by the Council, not just HMOs.
- **Planning Policy –** local authorities can implement policies in their Local Plan that restrict the granting of planning permission for HMOs in certain areas. Evidence is required to justify this policy and this is something the Working Group could explore with the local authority. The adopted County Durham Local Plan Policy 16 outlines the requirements for the delivery of HMOs in the local authority area, shown in full in Appendix B.
- **Article 4 –** currently a change of use from Class C3 (dwelling house) to Class C4 (HMO) falls under Permitted Development and therefore does not require planning permission. For large HMOs (containing more than 6 unrelated individuals) that fall within 'sui generis', planning permission is required. Article 4 Directions can be implemented by local planning authorities to remove existing Permitted Development rights that allow the change of use from Class C3 to Class C4, meaning planning permission would be required for houses to become HMOs (occupied by between 3 and 6 unrelated individuals). County Durham currently has three Article 4 Directions in place which cover Durham City (including Gilesgate) (from 17th September 2016); Framwellgate Moor, Newton Hall, and Pity Me (from 13th May 2017); and Mount Oswald, Carriville, and Belmont (from 14th January 2022).
- **Support Services –** some of the challenges HMO landlords and wider communities face with tenant management could potentially be addressed through providing support to students and other vulnerable residents. This can include local authorities providing support, landlords signposting

residents to appropriate services, or through support services at Durham University.

266. Although the Working Group may be in favour of increasing planning controls in relation to HMOs in Belmont & Gilesgate, it should also be considered that introducing too strict a control approach could further limit the housing options for people that already have very few choices in the market, including students. Any management options for HMOs must take into consideration the Belmont, Gilesgate, and County Durham's overall strategy to tackle student accommodation, homelessness, empty properties, and residents with potential multiple complex needs (e.g. addiction, mental health problems, care leavers, referrals from the probation service).

267. Table 7-2 shows some of the positives and negatives of the different management options and actions relating to HMOs outlined above.

Table 7-2: Actions to manage HMOs

Management Option	Positives	Negatives
Additional Licensing	Generally increases living standards for occupants as landlords have to comply with certain requirements (such as with mandatory licensing). Proactive inspections lift the burden of reporting issues from tenants. Allows more acute monitoring of HMO numbers and distribution. Additional licensing schemes apply for 5 years, at which point local authorities can reassess the situation and determine if they should be renewed.	Can act as a general disincentive for landlords (e.g. cost of licensing properties that would have not previously required a license), reducing the stock of HMOs and therefore accommodation available for students and other groups. There may still be non-compliance, especially if local authority departments are overstretched with inspections. Risk that landlords pass on costs (e.g. licensing fee, renovations) to tenants, lowering affordability.
Selective Licensing	Generally increases living standards for occupants as landlords have to comply with certain requirements (such as with mandatory licensing). Proactive inspections lift the burden of reporting issues from tenants.	Can act as a general disincentive for landlords (e.g. cost of licensing properties that would have not previously required a license), reducing the stock of private rented sector dwellings available to all groups. This may cause displacement of households unable to buy in Belmont & Gilesgate. There may still be non-compliance, especially if local authority departments are overstretched with inspections. Risk that landlords pass on costs (e.g. licensing fee, renovations) to tenants, lowering affordability.
Article 4 Direction	Would capture largely unchecked and untracked conversions of mid-sized family homes (e.g. those small enough not to fall under mandatory licensing). Can make policy provisions more impactful.	Does not automatically have an influence on living standards or property condition for occupants. Restricting HMOs could exclude single person households who cannot afford a self-contained

		flat or cause students to be displaced from areas close to the university.
Planning Policy (local authority)	Can set a threshold for the number, concentration, and pattern of HMOs in a geographic area. Can set specific requirement needed to gain planning permission for new HMOs (e.g. adequate parking and waste collection services). An increase in the provision of PBSA could reduce the need for HMOs for students, although the former if often a more expensive option, not accessible to many. Space standards requiring common living areas could prevent issues from arising in the street (where occupants have limited internal space to congregate).	Reducing the concentration of HMOs in a certain area may just widen the problem geographically. Especially around universities students in HMOs may benefit more from living in clusters (and be less disruptive) than spread across a wider area. Limited to managing the characteristics and number of new HMOs.
Support Services	Can help to reduce some of the more anecdotal issues relating to HMOs (e.g. noise, anti-social behaviour). Joint working between the university, local authority, and community may reduce perceived problems or allow these to be resolved without more formal interventions. Community engagement events and networks could foster a greater sense of community between those living in HMOs and those around them.	Does not impact on the scale or spread of HMOs and is more related to the management of occupants. High turnover in student households can mean that longer-term community relationship are harder to establish.

Conclusions – Houses in Multiple Occupation

Stock of HMOs

268. 2021 Census data records the number of HMOs at local authority level. It shows that across County Durham in 2021 there were 1,373 HMOs (0.6% of all dwellings). Of these, 776 were recorded as small HMOs and 597 as large HMOs, showing that there are clearly smaller unlicenced dwellings in the local authority area. Looking at England as a whole, there were 175,661 HMOs recorded in the 2021 Census, accounting for 0.7% of dwellings in the country. This is broadly in line with the proportion of HMOs in County Durham. AECOM are also aware, based on other research, that the Census information on HMOs is likely to be an under-estimate.

269. An alternative source of information on HMOs locally is the County Durham HMO Licensing Register, which shows licensed HMOs across the local authority area. These HMOs contain at least 5 individuals from at least 2 different households, up to date as of August 2023. The HMO Licensing Register shows 864 licensed HMOs across County Durham (0.3% of all dwellings), considerably more than the 597 ‘large HMOs’ noted by the Census. Of the 864 licensed HMOs in County

Durham, 54 of these had addresses Belmont & Gilesgate. This would mean that approximately 0.8% of dwellings in Belmont & Gilesgate are licensed HMOs, a greater proportion than the local authority area as a whole, suggesting a greater concentration.

270. Belmont & Gilesgate Neighbourhood Plan Working Group provided data showing that there were 376 wholly student occupied properties according to Council Tax data (not all of these students necessarily live in HMOs). In addition, the Working Group have data provided by Durham University which notes 948 students residing in Belmont & Gilesgate in 378 dwellings. Some of these students may not live in wholly student households (e.g. some may be students living at home with local family, whilst others may live in a dwelling with a mix of students and graduates/young professionals).

271. None of the datasets discussed give a definitive figure for the number of HMOs in Belmont & Gilesgate but they give a potential range of 54 (the number of licensed HMOs) to 378 (the number of dwellings occupied by Durham University students in the NA).

272. In October 2023 there were 129 rooms available for rent, on Rightmove.co.uk in Belmont & Gilesgate. Of these, 85 were available to rent in 3+ bedroom properties, meaning they would fall into the category of HMOs. These 85 rooms are within 22 dwellings. The average room rate per month of all rooms was £631, with an income requirement of £25,240. This is well below the income requirement of £32,640 for average market rents (whole properties only). An important element to note is that some room rates include bills whilst others exclude bills. It is not possible to separate these as many advertisements do not state the difference. The average room rent is therefore increased by those with rents inclusive of bills, whilst private rented sector housing generally does not include bills within rent.

273. Another important element to consider is affordability for students as student HMOs are a key focus in Belmont & Gilesgate. The average amount available annually through Student Finance for undergraduate students in the 2023/24 academic year is between £4,651 and £9,978. Save the Student estimates the average maintenance loan received by undergraduate students to be £5,952[27], which, approximately £496 a month across the year. This would leave a considerable gap for students to make up between income and rents, either through part-time work, grants, personal loans, or financial support from family.

Potential impacts of HMOs

274. Students and young professionals sometimes make a financially driven choice to live in shared housing, often with people they already know, leading to a greater sense of community. The impacts of these HMOs can differ from those housing individuals on low incomes with few other housing choices (e.g. due to local housing allowance rates only covering room rates for under 35s), including

[27] https://www.savethestudent.org/student-finance/maintenance-loans.html#amount

individuals referred from the local authority or linked services (e.g. homelessness, probation, addiction services, refugee charities).

275. There are a variety of potential impacts associated with high concentrations of HMOs. Generally framed as negative, these impacts can relate both to the residents of HMOs and to the wider community. These may include noise and anti-social behaviour, issues with the general streetscape (e.g. vandalism, litter, parking issues), pressure on services (e.g. GP surgery), and reduced community cohesion due to higher population churn than in the mainstream private rented sector.

276. However, HMOs can provide an essential role in the private rented sector for households with limited housing options as well as students. They tend to provide a cheaper alternative to traditional private renting, especially for households unable to access social or affordable rented housing through the local authority or an RP.

HMO management

277. There are likely limited management options available to the Working Group through managing HMOs in Belmont & Gilesgate via the Neighbourhood Plan. However, the full Chapter outlines the options available to the local authority. The evidence in this HNA may go some way to influencing local authority level policies or management options although additional evidence is likely required.

278. Although the Working Group may be in favour of increasing planning controls in relation to HMOs in the NA, it should also be considered that introducing too strict a control approach could further limit the housing options for people that already have very few choices in the market. Table 7-2 outlines the potential positives and negatives of different forms of intervention.

8. Second Homes

Introduction

279. Neighbourhood Plan policies controlling second home ownership are typically evidenced by demonstrating a high or rapidly increasing rate of second home ownership within a context of acute affordability challenges and/or serious constraints in the availability of overall housing.

280. The existence of second or holiday homes is not necessarily a problem in and of itself. It becomes a problem when it creates intense competition for local home buyers (or renters), inflates prices, or reduces the resident population to the extent that local services, employment, and community vitality are impacted.

281. The Belmont & Gilesgate Working Group identified holiday lets as a potential issue within the community. This section of the HNA gathers the limited available data on the rate of second home ownership in Belmont & Gilesgate that may be used to support policy decisions in this area. The approach is as follows:

    - To estimate the **current level** of second home ownership (including commercial holiday lets);
    - To estimate the **financial incentive** for home owners to use their properties for commercial holiday lets as opposed to long term private rentals; and
    - To discuss the potential **policy options** relating to second homes in the NA.

Second and Holiday Homes Data

282. Before looking at second home ownership levels in the NA, it is important to understand the levels of second home ownership, and specifically holiday lets, across the country. According to the English Housing Survey 2018-2019, 2.4 million households in England reported having at least 1 additional residence, with 772,000 of these second homes (including homes primarily used as holiday homes, holiday lets, or working away from home). It was also noted that 57% of second homes were in the UK. Therefore, it could be estimated in 2018/19 that there were at least 440,040 second homes in the UK from households in England, assuming each of 772,000 households above had just 1 additional home.

283. The impact of this nationally is more simply understood as a percentage of all dwellings. There were an estimated 28.9 million dwellings in the UK in 2019[28], meaning that second homes (of which the households that owned them lived in England) in the UK accounted for around 1.5% of total dwellings. The UK second home ownership levels would of course be higher than this when also

[28] Collated dwelling stock data from GOV.UK, GOV.WALES, National Records of Scotland, and Northern Ireland Department of Finance.

taking into account second homes owned by households in Wales, Scotland, and Northern Ireland.

284. Turning to the NA specifically, Belmont & Gilesgate contained 6,366 households and 6,582 dwellings in 2011, implying that there were 216 dwellings (or 'household spaces') with no usual resident household. 3.3% of dwellings therefore had no usual residents.

285. Looking to 2021, at this time the NA contained 6,472 households and 6,719 dwellings, implying 247 empty dwellings and 3.7% with no usual residents. This shows a slight increase over the decade.

286. For comparison, the rate of dwellings that had no usual residents across County Durham as a whole in 2021 was 5.4%, greater than Belmont & Gilesgate, suggesting a relatively lower prevalence of empty dwellings compared to the wider local authority.

287. For England, the rate was 6.0%, greater than both the NA and local authority. It is worth noting that across the country (or even the local authority area), dwellings will be empty for different reasons (including being uninhabitable), not just second home ownership.

288. This is a key consideration when looking at the rate of empty dwellings in the NA. This analysis is often undertaken in coastal locations or tourist hotspots, with it assumed that a significant proportion of the empty dwellings are due to holiday lets or second homes. However, in Belmont & Gilesgate, as identified in the previous chapter, there are a number of HMOs in the NA, generally occupied by students from Durham University. Due to the 2021 Census being undertaken during the Covid-19 pandemic (albeit as lockdown restrictions were easing) many students had returned to their family homes both for health and financial reasons. Some of these student HMOs would therefore likely be empty, with usual residents in termtime instead responding to the Census from their family homes. This would likely contribute to a proportion of the empty dwellings in Belmont & Gilesgate in 2021, with it not accurate to assume that these would be mainly holiday lets or second homes. This further reduces the likelihood of second homes and holiday lets making up a significant proportion of the NA's dwelling stock.

289. Research was undertaken on the demand for second homes through sites such as AirBnb as well as assessing here the difference in potential income between private landlords and holiday lets in Belmont & Gilesgate. In order to undertake this comparison, the number of whole property holiday lets available for a week rental in peak holiday season (June/July/August) 2024 was established from holiday rental site Airbnb[29]. At this time there were 18 properties available. It was then determined the average letting price, which could then be compared to the average rental price of private rented properties in Belmont & Gilesgate. This process is outlined below:

[29] Search of properties as of 15th November 2023

- Average nightly cost of Belmont & Gilesgate holiday let (June-August 2024) from Airbnb properties = £154
- Average weekly cost of above = £154 * 7 = £1,080
- Average monthly cost of above = £1,080 * 4 = £4,321
- Average monthly cost of private rented dwelling in the NA = £816

290. These calculations show that if a holiday let was rented back-to-back, as it is assumed it would be in the summer months, the income (exclusive of any related costs) associated with the holiday let would be over 5x that associated with longer term private rental. This may go some way to explain the potential incentive for holiday lets in the NA.

291. Although the potential income difference is clear to see above, there are other factors to be taken into consideration. These include the fact that holiday lets may not be occupied for the whole year, as well as running and maintenance costs (which would be associated with both holiday lets and private rentals), and the greater amount of work potentially required with holiday lets in terms of weekly cleaning and booking administration.

Policy Considerations

292. It is not only Belmont & Gilesgate that has housing challenges relating to second home ownership, with a number of other neighbourhood plans taking action on this issue. One such example is Southwold in East Suffolk, which experiences extreme challenges due to the prevalence of second home ownership and commercial holiday lets. It was estimated in 2015 that just 43% of dwellings were primary residences. It is further estimated that 22% of dwellings were holiday lets and 35% second homes[30].

293. The Southwold Neighbourhood Plan, Made in February 2022, outlines a number of ways to tackle housing affordability issues linked to high demand for second homes. This includes using community led housing as a vehicle to ensure Affordable Housing is delivered in perpetuity, without the risk of Right to Acquire or fully staircasing shared ownership properties leading to Affordable Housing becoming second homes in the future.

294. The Neighbourhood Plan also includes a ‘Principal Residence Requirement’ (Policy SWD4) which outlines that proposals for new housing would only be supported where both first and future occupation is restricted in perpetuity to ensure that each new dwelling is only occupied as a principal residence. This would protect any new dwellings from becoming second homes or holiday lets, increasing the proportion of households living full-time in the town.

295. It is not possible to establish a precise causal link between second home ownership and declining affordability because rising prices and declining affordability is affected by other factors such as economic growth at the national

[30] Southwold Neighbourhood Plan - https://www.eastsuffolk.gov.uk/assets/Planning/Neighbourhood-Planning/Designated-Neighbourhood-Areas/Southwold/Southwold-Neighbourhood-Plan.pdf

level. Reduced availability (or supply) when demand is the same or growing, leads to increased prices and rents.

296. It is not considered that the scale of second home ownership and holiday lets from the evidence presented in this report is great enough to support a principal residence policy or similar in the Belmont & Gilesgate Neighbourhood Plan.

Conclusions- Second homes

297. This section of the HNA considers the extent of second home ownership in Belmont & Gilesgate and related trends.

298. In 2021, Belmont & Gilesgate contained 6,472 households and 6,719 dwellings, implying that there were 247 dwellings with no usual resident households. This means that 3.7% of dwellings had no usual residents, compared to 5.4% across County Durham, and around 6.0% nationally.

299. Looking at changes since 2011, at this time there were 216 dwellings with no usual resident household, accounting for 3.3%.

300. This analysis is often undertaken in coastal locations or tourist hotspots, with it assumed that a significant proportion of the empty dwellings are due to holiday lets or second homes. However, in Belmont & Gilesgate there are a number of HMOs, generally occupied by students from Durham University. Due to the 2021 Census being undertaken during the Covid-19 pandemic many students had returned to their family homes both for health and financial reasons. Some of these student HMOs would therefore likely be empty, with usual residents in termtime instead responding to the Census from their family homes. This would likely contribute to a proportion of the empty dwellings in Belmont & Gilesgate in 2021, with it not accurate to assume that these would be mainly holiday lets or second homes. This further reduces the likelihood of second homes and holiday lets making up a significant proportion of the NA's dwelling stock.

301. Using research into holiday lets available in June/July/August 2024 on Airbnb, it was found that there were 18 entire property lets available, with an average nightly cost of £154. If a holiday let was rented back-to-back, as it is assumed it would be in the summer months, the income (exclusive of any related costs) associated with the holiday let would be over 5x that associated with longer term private rental. Although the potential income difference is clear to see above, there are other factors to be taken into consideration. These include the fact that holiday lets may not be occupied for the whole year, as well as running and maintenance costs (which would be associated with both holiday lets and private rentals), and the greater amount of work potentially required with holiday lets in terms of weekly cleaning and booking administration.

302. It is not possible to establish a precise causal link between second home ownership and declining affordability because rising prices and declining affordability is affected by other factors such as economic growth at the national level. Reduced availability (or supply) when demand is the same or growing, leads to increased prices and rents.

303. It is not considered that the scale of second home ownership and holiday lets from the evidence presented in this report is great enough to support a principal residence policy or similar in the Belmont & Gilesgate Neighbourhood Plan.

9. Next Steps

Recommendations for next steps

304. This Neighbourhood Plan housing needs assessment aims to provide Belmont & Gilesgate Neighbourhood Plan Working Group with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with County Durham County Council with a view to agreeing and formulating draft housing policies, bearing the following in mind:

    - All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
    - The views of County Durham County Council;
    - The views of local residents;
    - The views of other relevant local stakeholders, including housing developers and estate agents; and
    - The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by County Durham County Council.

305. 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.

306. Bearing this in mind, it is recommended that the Working Group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, County Durham County Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

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

Appendix A : Assessment geography

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

- MSOA E02004312; and
- MSOA E02004313.

Appendix B : Local Plan context

Policies in the adopted local plan

309. Table B-1 below summarises adopted Local Plan policies that are relevant to housing need and delivery in Belmont & Gilesgate.

Table B-1: Summary of relevant adopted policies in the County Durham Plan

Policy	Provisions
1 – Quantity of New Development	A net minimum of 24,852 (1,308 per year) new homes of mixed type, size, and tenure are proposed over the period 2016-2035.
4 – Housing Allocations	H1 (4/DU/157) – Gilesgate School – estimated 60 dwellings H6 (4/DU/104) – Sherburn Road – estimated 420 dwellings
5 – County Durham City's Sustainable Urban Extensions	In order to meet housing need and to promote sustainable patterns of development, land at Sniperley Park and Sherburn Road (in the NA) are allocated for planned urban extensions and will be removed from the Green Belt. The sites will incorporate an appropriate mix of house types and tenures to reflect housing need including housing for older people and affordable housing. **Sherburn Road** - Sherburn Road will be developed to help support regeneration efforts in the adjoining estate by offering a greater diversity of housing offer within the area. - Further information is outlined in the full policy.
6 – Development on Unallocated Sites	The development of sites which are not allocated in the Plan or in a Neighbourhood Plan which are either (i) within the built-up area; or (ii) outside the built-up area (except where a settlement boundary has been defined in a Neighbourhood Plan) but well-related to a settlement, will be permitted provided the proposal accords with all relevant development plan policies. The full policy outlines the requirements for this type of development to be permitted.
15 – Addressing Housing Need	To contribute towards meeting the needs of the county's existing and future residents the Council will require all qualifying new housing proposals to provide a percentage of Affordable Housing which is accessible, affordable, and meets the needs of those residents unable to access open market housing. Affordable Housing will be sought on sites of 10 or more units. Belmont & Gilesgate is identified as a 'Highest Value Area', requiring 25% of housing units to be delivered as Affordable Housing. On sites with 10 or more units, 10% of the homes provided should be for affordable home ownership. Any contribution above 10% should be provided as affordable housing for rent. Where it can be evidenced by the applicant to the Council's satisfaction that this tenure mix would make the required affordable housing contribution unviable or that alternative

Policy	Provisions
	affordable housing products are required to meet local needs, then proposals for an alternative tenure mix as proposed by the applicant. To meet the needs of older people and people with disabilities, on sites of 5 units or more, 66% of dwellings must be built to Building Regulations Requirement M4(2) (accessible and adaptable dwellings) standard. On sites of 10 units or more, a minimum of 10% of the total number of dwellings on the site are to be of a design and type that will increase the housing options of older people. These properties should be built to M4(2) standard and would contribute to meeting the 66% requirement above. They should be situated in the most appropriate location within the site. Appropriate house types considered to meet this requirement include level access flats, level access bungalows, and housing that can be shown to meet the specific needs of a multigenerational family. The Council will support the provision of specialist housing for older people, vulnerable adults, and people with disabilities in line with the full policy. Specialist housing for older people will meet the following standards: - 100% of accommodation to meet M4(2) (accessible and adaptable dwellings); and - A minimum of 25% of accommodation to meet M4(3) (wheelchair user dwellings).
16 – Durham University Development, Purpose Built Student Accommodation (PBSA), and Houses in Multiple Occupation	There are no allocations for PBSA in Belmont & Gilesgate. In order to promote, create, and preserve inclusive, mixed, and balanced communities and to protect residential amenity applications for new build Houses in Multiple Occupation (both Use Class C4 and sui generis), extensions that result in specified or potential additional bedspaces, and changes of use from any use to Class C4 or sui generis HMO will not be permitted if: - Including the proposed development, more than 10% of the total number of residential units within 100 metres of the application site are exempt from council tax charges (Class N Student Exemption); - There are existing unimplemented permissions for HMOs within 100 metres of the application site, which in combination with the existing number of Class N Student exempt units would exceed 10% of the total properties within the 100 metres area; or - Less than 10% of the total residential units within the 100 metres are exempt from council tax charges (Class N) but the application site is in a residential area and on a street that is a primary access route between PBSA and the town centre or a university campus. In all cases applications for new build HMOs, change of use to HMOs, or a proposal to extend an existing HMO to accommodate additional bed spaces will only be permitted where: - The quantity of cycle and car parking provided has regard to the Council's adopted Parking and Accessibility SPD; - They provide acceptable arrangements for bin storage and other shared facilities and consider other amenity issues; - The design of the building or any extension would be appropriate in terms of the property itself and the character of the area; and

Policy	Provisions
	- The applicant has shown that the security of the building and its occupants has been considered, along with that of neighbouring local residents. New build Houses in Multiple Occupation, extensions that result in specified or potential additional bedspaces or a change of use to a House in Multiple Occupation would not be resisted in the following circumstance: - Where an area already has a concentration in excess of 90% of council tax exempt properties (Class N), that this is having an unreasonable impact on current occupiers and that the conversion of remaining C3 dwellings will not cause further detrimental harm to the residential amenity of surrounding occupants; or - Where an existing high proportion of residential properties within the 100 metres are exempt from council tax charges (Class N), on the basis that commercial uses are predominant within the 100 metre area.
19 – Type and Mix of Housing	On all new housing developments the Council will seek to secure an appropriate mix of dwelling types and sizes, taking account of existing imbalances in the housing stock, site characteristics, viability, economic and market considerations, and the opportunity to facilitate self-build or custom-build schemes.

Source: County Durham County Council

Appendix C : Affordability calculations

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

C.1 Market housing

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

i) Market sales

312. The starting point for calculating the affordability of a dwelling for sale from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5. In practice this can be highly variable. Multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants.

313. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Belmont & Gilesgate, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.

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

- Value of a median NA house price (2022) = £160,000;
- Purchase deposit at 10% of value = £16,000;
- Value of dwelling for mortgage purposes = £144,000;
- Divided by loan to income ratio of 3.5 = purchase threshold of £41,143.

315. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2022 was £122,125, and the purchase threshold is therefore £31,404.

316. It is also worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records 16 sales of new build properties in the NA in

2022. The lower quartile price of these new build properties was £115,000, with a purchase threshold of £29,571.

317. In order to provide a comparison with the wider local authority area, it is helpful to also look at the cost of new build housing across County Durham in 2022. The median cost of new build dwellings in County Durham was £234,995, with a purchase threshold of £60,427. This is compared to a Belmont & Gilesgate median new build house price of £178,250 in 2022.

ii) Private Rented Sector (PRS)

318. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income. The percentage of income to be spent on rent before the property is considered affordable varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption.

319. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.

320. The property website Rightmove.co.uk shows rental values for property in the Neighbourhood Area. Due to HMOs being a significant part of the private rented sector in Belmont & Gilesgate the average market rent for entire properties has been determined as well as the average room rate. It should be noted that some of these room rates are inclusive of bills, some exclusive, and some unknown. This is discussed further in the HMOs chapter of the report.

321. According to Rightmove.co.uk, there were 6 properties for rent at the time of search in October 2023, with an average monthly rent of £816. There were 129 rooms listed, with an average price of £631 per calendar month[31].

322. The calculation for the private rent income threshold for average market rent dwellings is as follows:

- Annual rent = £816 x 12 = £9,792;
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £32,640.

[31] This price is per person/room rather than per property

323. The calculation is repeated for the average room rate to give an income threshold of £25,240.

C.2 Affordable Housing

324. There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2023: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. First Homes was introduced in 2021 but is not yet included in the NPPF. Each of the affordable housing tenures are considered below.

i) Social rent

325. Rents in socially rented properties reflect a formula based on property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on the lowest incomes and is subject to strict eligibility criteria.

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

327. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table C-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£64.47	£73.07	£78.35	£85.37	£73.11
Annual average	£3,352	£3,800	£4,074	£4,439	£3,802
Income needed	£11,164	£12,653	£13,567	£14,783	£12,660

Source: Homes England, AECOM Calculations

ii) Affordable rent

328. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).

329. Even an 20% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on

benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.

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

331. Comparing this result with the average annual private rent above indicates that affordable rents in the NA are actually closer to 50% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table C-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£77.11	£88.24	£97.75	£108.14	£90.12
Annual average	£4,010	£4,588	£5,083	£5,623	£4,686
Income needed	£13,352	£15,280	£16,926	£18,726	£15,605

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

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

333. In paragraph 66 of the NPPF 2023, the Government introduces a recommendation that “where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of homes to be available for affordable home ownership.” There are exemptions to this requirement, including where:

- The provision would exceed the level of affordable housing required in an area;
- The provision would significantly prejudice the ability to meet the identified affordable housing needs of specific groups;
- A proposed development provides solely Build to Rent homes;
- A proposed development provides specialist accommodation for a group of people with specific needs (such as purpose built accommodation for students or the elderly);
- The development is proposed to be developed by people who wish to build or commission their own homes; or

- The proposed development is exclusively for affordable housing, a community-led development exception site, or a rural exception site.

First Homes

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

- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
- The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
- After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;
- Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers;
- They will be subject to legal restrictions ensuring the discount is retained for future occupants, and renting out or sub-letting will not normally be permitted;
- In addition to setting the discount level, local authorities and neighbourhood planning groups can apply additional criteria, such as a lower income cap, local connection test or prioritisation for key workers through adopted plans, emerging policy or Supplementary Planning Documents.
- 25% of all homes delivered through section 106 developer contributions on sites enabled through the planning process should be sold as First Homes. In simpler terms, 25% of all subsidised Affordable Housing on mainstream housing developments should be First Homes. This is likely to mean that First Homes will take the place of shared ownership housing in many circumstances, and in some cases may also displace social or affordable rented homes.

335. The starting point for considering whether First Homes are affordable is the cost of new build entry-level housing in the NA noted above of £115,000.

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

- Value of a new home (NA new build entry-level) = £115,000;
- Discounted by 30% = £80,500;
- Purchase deposit at 10% of value = £8,050;
- Value of dwelling for mortgage purposes = £72,450;
- Divided by loan to income ratio of 3.5 = purchase threshold of £20,700.

337. The income thresholds analysis in the Affordability and Affordable Housing chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £17,743 and £14,786 respectively.

338. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible. The discounted prices are all also below the cap of £250,000.

339. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq. m and a build cost of £1,750 per sq. m[32]) would be around £122,500. This cost excludes any land value or developer profit. This would appear to be an issue in Belmont & Gilesgate at all discount levels and so discussions with the local authority are advised.

340. Table C-3 shows the discount required for First Homes to be affordable to the four income groups. The cost of a typical First Home is calculated using the new build entry-level housing in the NA. However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, as well as median and entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.
Table C-3: Discount on sale price required for households to afford First Homes

House price benchmark	Mean household income	Single LQ earner	Dual LQ earning household
NA median house price	5%	56%	13%
NA new build entry-level house price	-	39%	-
NA entry-level house price	-	43%	-
LA median new build house price	35%	70%	41%

Source: Land Registry PPD; ONS MSOA total household income

Shared ownership

341. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rent payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.

342. 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

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

previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.

343. To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).

344. The affordability threshold for a 25% equity share is calculated as follows:

- A 25% equity share of £115,000 is £28,750;
- A 10% deposit of £2,875 is deducted, leaving a mortgage value of £25,875;
- This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £7,393;
- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £86,250;
- The estimated annual rent at 2.5% of the unsold value is £2,156;
- This requires an income of £7,187 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £14,580 (£7,393 plus £7,187).

345. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £11,582 and £19,577 respectively.

346. All of the income thresholds are below the £80,000 cap for eligible households.

Rent to Buy

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

Appendix D : Affordable Housing need and policy

Affordable Housing estimates

348. In Table D-1 AECOM has calculated, using PPG as a starting point,[33] an estimate of the total need for affordable rented housing in Belmont & Gilesgate over the Plan period. It should, however, be noted that the accuracy of the findings generated by the model is only as strong as the evidence available. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out here are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.

Table D-1: Estimate of need for Affordable Housing for rent in Belmont & Gilesgate

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current households in need	267.2	2021/22 waiting list data available from DLUHC local authority housing statistics data return. Pro rata for the NA.
1.2 Per annum	**15.7**	Step 1.1 divided by the plan period to produce an annualised figure.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	486.2	DLUHC 2018-based household projections for the LA between start and end of plan period. % increase applied to NA.
2.2 Proportion of new households unable to rent in the market	32.7%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in NA.
2.2.1 Current number of social renters in NA	1,337.0	2021 Census social rented occupancy
2.2.2 Number of private renters on housing benefits	619.5	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	158.8	Step 2.1 x Step 2.2.
2.4 Per annum	**9.3**	Step 2.3 divided by plan period.
STAGE 3: TURNOVER OF AFFORDABLE HOUSING		
3.1 Supply of social/affordable re-lets (including transfers) %	3.0%	Assumed proportion of stock re-let each year.
3.2 Supply of social/affordable re-lets (including transfers)	**40.1**	Step 3.1 x NA social rented stock (2.2.1).

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

NET surplus OF RENTED UNITS PER ANNUM		
Overall surplus per annum	**15.0**	Step 1.2 + Step 2.4 - Step 3.2
Overall surplus over plan period	**255.8**	Above * plan period

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

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

350. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This assumption is based on consistent results for surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership.[34] No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.

[34] http://www.ipsos-mori-generations.com/housing.html

Table D-2: Estimate of the potential demand for affordable housing for sale in Belmont & Gilesgate

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in NA	861.0	Census 2021 private rented occupancy minus assumed wholly student households[35]
1.2 Percentage renters on housing benefit in LA	50.0%	% of renters in 2021 on Housing Benefit / Universal Credit with housing entitlement
1.3 Number of renters on housing benefits in the NA	430.5	Step 1.1 x Step 1.2.
1.4 Current need (households)	322.9	Current renters minus those on housing benefit and minus 25% assumed to rent by choice.[36]
1.5 Per annum	**19.0**	Step 1.4 divided by plan period.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	486.2	LA household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	5.0%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	24.4	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	**1.9**	Step 2.3 divided by plan period.
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	19.0	Number of shared ownership homes in the NA (Census 2021).
3.2 Supply - intermediate resales	**1.0**	Step 3.1 x 5% (assumed rate of re-sale).
NET SHORTFALL PER ANNUM		
Overall shortfall per annum	**19.9**	(Step 1.5 + Step 2.4) - Step 3.2.
Overall shortfall over plan period	**338.7**	Above * plan period

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

351. There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Working Group that can help ensure that it is met to a

[35] The estimated number of student households living in the private rented sector has been removed in order to prevent inflation of the demand for affordable home ownership as student households are not likely to be looking for home ownership options in the NA. Data provided by the Belmont & Gilesgate Neighbourhood Plan Working Group indicates 378 student dwellings in the NA (based on Durham University data).

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

greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).

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

Affordable housing policy

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

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

Consideration	Local Evidence
A. **Evidence of need for Affordable Housing**: The need for affordable rent and affordable home ownership is not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.	This HNA suggests that the NA would meet its need for social/affordable rented dwellings over the plan period through the turnover of existing stock, although this is not necessarily appropriate. It estimates the demand for 339 affordable home ownership dwellings by 2040. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.
B. **Can Affordable Housing needs be met in full?** How far the more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of overall housing delivery expected.	If the Local Plan target of 25% were achieved on every site, assuming the delivery of the NA's housing allocations for 480 homes overall, up to 120 affordable homes might be expected in the NA over Plan period. This level of potential affordable housing delivery would be sufficient to meet all of the need identified for social/affordable rented housing, but not for affordable home ownership. However, as noted in the main body of the report, the latter is a demand rather than a need, with a significant proportion of these households housed in the private rented sector or other

	circumstances but would rather buy than rent.
C. **Government policy (eg NPPF) requirements**: Current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing.	For 10% of all housing to be affordable ownership in Belmont & Gilesgate, where 25% of all housing should be affordable, 40% of Affordable Housing should be for affordable ownership. This is the requirement sought in the Local Plan.
D. **Local Plan policy**:	The suggested tenure mix within Affordable Housing is that 10% of all housing is delivered as affordable home ownership dwellings (in line with national policy) and that the remaining delivery of Affordable Housing is for social/affordable rent. For Belmont & Gilesgate this would be a split of 40% affordable home ownership and 60% social/affordable rent.
E. **First Homes policy:** The Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes. After the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the Local Plan. The remaining units should then be allocated to other tenure products in the relative proportions set out in the Local Plan. AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. Some LPAs are	This new minimum requirement may have the effect of displacing other products in any established tenure mix and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. This does not appear to be an issue in Belmont & Gilesgate.

considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.	
F. **Viability**:	HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
G. **Funding**: The availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site.	The Working Group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
H. **Existing tenure mix in Belmont & Gilesgate**: The current stock of homes in an area, in terms of balance between ownership, rented and affordable provision may be a consideration in the mix of tenures provided on new development sites.	At the time of the 2021 Census 21.0% of households in Belmont & Gilesgate lived in Affordable Housing (20.7% social renting and 0.3% in shared ownership dwellings. This is compared to 20.3% across County Durham and 18.1% nationally. Both the NA and LPA had a greater proportion of households living in social rented housing, whilst England had the greatest proportion of households living in shared ownership dwellings (1.0% vs 0.3%).
I. **Views of registered providers**:	It is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the NA. The funding arrangements available to housing associations will determine rent levels.

J. Wider policy objectives:	The Working Group may wish to take account of broader policy objectives for Belmont & Gilesgate and/or the wider local authority area. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.

Appendix E : Specialist housing for older people

Background data tables

Table E-1: Existing specialist housing supply, Belmont & Gilesgate

	Accommodation Provider	Dwellings
1	Durham Aged Mineworkers Association	36
2	Believe Housing	58
3	Home Group	17

Source: http://www.housingcare.org

Table E-2: Tenure and mobility limitations of those aged 65+ in Belmont & Gilesgate, 2011 (65+ is the closest proxy for 75+ in this data)

Tenure	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories	**705**	**24.7%**	**821**	**28.8%**	**1,328**	**46.5%**
Owned Total	***471***	***20.7%***	***647***	***28.4%***	***1,162***	***51.0%***
Owned outright	419	20.5%	594	29.0%	1,033	50.5%
Owned (mortgage) or shared ownership	52	22.2%	53	22.6%	129	55.1%
Rented Total	***234***	***40.8%***	***174***	***30.3%***	***166***	***28.9%***
Social rented	198	39.8%	159	32.0%	140	28.2%
Private rented or living rent free	36	46.8%	15	19.5%	26	33.8%

Source: DC3408EW Health status

HLIN calculations

Table E-3: Recommended provision of specialist housing for older people from the HLIN SHOP toolkit

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

Source: Housing LIN SHOP Toolkit

354. As Table 6-1 in the main report shows, Belmont & Gilesgate is forecast to see an increase of 920 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent = 60 x 0.92 = 55
- Leasehold sheltered housing = 120 x 0.92 = 110
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = 20 x 0.92 = 18
- Extra care housing for rent = 15 x 0.92 = 14
- Extra care housing for sale = 30 x 0.92 = 28
- Housing based provision for dementia = 6 x 0.92 = 6

Appendix F : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

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

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

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods[37].

Age-Restricted General Market Housing

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard[38]

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.

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

[38] See https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report

Co-living

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

Community-led developments (NPPF definition)

A development instigated and taken forward by a not-for-profit organisation set up and run primarily for the purpose of meeting the housing needs of its members and the wider local community, rather than being a primarily commercial enterprise. The organisation is created, managed, and democratically controlled by its members. It may take any one of the various legal forms including a community land trust, housing co-operative, and community benefit society. Membership of the organisation is open to all beneficiaries and prospective beneficiaries of that organisation. The organisation should own, manage, or steward the homes in a manner consistent with its purpose, for example through a mutually supported arrangement with a Registered Provider of Social Housing. The benefits of the development to the specified community should be clearly defined and consideration given to how these benefits can be protected over time, including in the event of the organisation being wound up.

Community Right to Build Order[39]

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)[40]

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

Equity Loans/Shared Equity

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

[39] See https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary
[40] See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning

authorities should work with all the other constituent authorities under the duty to cooperate.

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

The number of homes identified as being needed through the application of the standard method set out in national planning guidance (or, in the context of preparing

strategic policies only, this may be calculated using a justified alternative approach as provided for in paragraph 60 of this Framework).

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years[41], i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

[41] See https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/

Overcrowding

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

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

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing[42]

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

[42] See http://www.housingcare.org/jargon-sheltered-housing.aspx

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

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for Older People

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.[43]

[43] See http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing

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