

Elstree & Borehamwood

Housing Needs Assessment (HNA)

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Quality information

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List of acronyms used in the text:

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

1. Executive Summary

1. Elstree & Borehamwood is a Neighbourhood Area located in the local authority area of Hertsmere. The Neighbourhood Area boundary covers the areas administered by Elstree & Borehamwood Town Council.
2. This Housing Needs Assessment (HNA) focusses on the NA as a whole but also drills down into 3 sub-areas (outlined in Figure 2-2, Figure 2-3, and Figure 2-4). These are Elstree Village, Elstree (by Borehamwood – west of the railway line), and Borehamwood. These sub-areas have to align with the datasets available but it is considered that they present the nuances within these areas.
3. The 2021 Census shows that the population of Elstree & Borehamwood is 41,419, an increase of 4,354 individuals since the 2011 Census.
4. There has been significant development in Elstree & Borehamwood since 2011, with Hertsmere Borough Council providing completions data from 2011 to 2022 which showed the development of 1,973 dwellings. Of these, approximately 149 (7.6%) were delivered as Affordable Housing. The total quantity of dwellings in the NA is therefore estimated to be 17,014. Current outstanding dwelling commitments total 59 dwellings¹.
5. This Executive Summary details the conclusions of each chapter of the report, addressing the three research questions formulated at the outset of the research.
6. Data from the 2021 Census is being released throughout 2023. At present, the available data covers population (although not at the most localised level), households, tenure, and dwelling stock characteristics. Some data from the Census 2021 at the localised level, including parishes, will not be available until later in 2023, as well as 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 parish projections to build up evidence at the neighbourhood level.

Conclusions- Tenure and Affordability

Current dwelling stock

7. In 2021 a significantly smaller proportion of households owned their home in the Elstree & Borehamwood than across Hertsmere and England. There was a significant proportion of households living in Affordable Housing, at 27.5%, compared to 18.4% across Hertsmere and 18.1% nationally. The proportion of households living in the private rented sector in the NA was above the borough but below national levels.
8. It is also helpful to look at the tenure of households within each of the three sub areas. The majority of households in Elstree (by Borehamwood) owned their own home, significantly above both the proportion across Elstree & Borehamwood as a whole and

¹ Commitments and completions data provided by Hertsmere Borough Council (completed developments and those with lapsed permission deducted)

the other sub-areas. The proportion of households living in Affordable Housing in Elstree (by Borehamwood) was very low. By contrast, 29.9% of households in Borehamwood specifically lived in Affordable Housing. The tenure mix of Elstree Village was more balanced in relation to the country, whilst the mix of Borehamwood specifically aligned most closely with the wider NA. This is due to the NA as a whole being influenced heavily by the Borehamwood sub-area as it is the densest housing area.

Affordability

9. Between 2012 and 2021 there was relatively steady house price growth in the NA, with clear peaks in 2016 and 2021. The median house price increased by 80.1% in this time, peaking in 2021 at £441,250. The lower quartile price peaked at £346,699 in 2021 after 68.3% growth on 2012 prices. The greatest growth in a specific type category was in terraced house prices, at 78.1%, increasing from £248,500 to £442,500. Detached house prices remained the greatest each year, peaking at £1,086,500 in 2021 after growth 10-year of 56.3%.
10. A relatively large group of higher earning households in Elstree & Borehamwood may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £56,480 per year and £89,151 per year. This report has estimated the income required to afford First Homes in the NA. It is recommended that First Homes in Elstree & Borehamwood are delivered at a 50% discount, making the product marginally affordable to households on mean incomes. If this causes challenges with viability, a 40% discount may be more appropriate, and this will still extend home ownership. Shared ownership appears to be more affordable than First Homes, and at 10% equity is accessible to households on mean incomes and households with two lower quartile earners.

Affordable Housing need

11. This study estimates that Elstree & Borehamwood requires 1,982 (rounded) units of affordable rented housing and 1,711 (rounded) units of affordable home ownership over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.
12. There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).
13. AECOM suggests an indicative mix of Affordable Housing, chiefly in response to the expectation that the delivery of Affordable Housing will be lower than the needs identified here, the fact that there is a greater need for affordable rented housing identified, and the significant backlog of households on the Housing Register in the NA. In this context, affordable rented tenures should be prioritised. It is suggested that in Elstree & Borehamwood 70% of Affordable Housing is delivered as social/affordable rent, and the remaining 30% as affordable home ownership products.
14. Looking specifically at affordable home ownership, it is suggested that 25% of affordable homes are delivered as First Homes, in line with national policy, at a 50% discount. The

remaining 5% should be delivered as shared ownership, with 10% equity allowing households on mean incomes and households with two lower quartile earners to access home ownership. Rent to Buy does not feature in the mix as the least affordable tenure locally.

15. The expected level of delivery will likely not meet the quantity of demand identified in estimates of the need for Affordable Housing. It is therefore 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. If the group consider exceeding the Local Plan policy requirement in the neighbourhood plan then it must be noted that an extremely high standard of justification is required which goes beyond the scope of this HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.
16. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using 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

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

Current dwelling stock

18. In 2011 the greatest proportion of dwellings in Elstree & Borehamwood were terraced, at 33.1%, whilst in 2021 flats were most common, at 32.0%. The proportion of semi-detached dwellings remained stable over the decade, with a slight decrease in detached dwellings, of which there was a small proportion in 2011. VOA data shows in 2021 approximately 3.0% of dwellings were bungalows in the NA.
19. Turning to dwelling size, in both 2011 and 2021 the greatest proportion of dwellings were 3-bedroom, although this decreased from 41.4% to 37.3%. This was followed in both years by 2-bedroom dwellings, with the proportion of 1, 2, and 4+ bedroom dwellings increasing.
20. In summary, in 2021 the NA was characterised by a high proportion of flats and terraced dwellings, with few detached dwellings compared to the borough and country. The Borehamwood sub-area aligned most closely with the NA as a whole, with Elstree (by

Borehamwood) characterised by a high proportion of detached dwellings compared to the NA, Hertsmere, England, and the other sub-areas. In terms of size, the NA had a smaller size mix profile than both comparator areas, with Elstree (by Borehamwood) once again departing the most from the NA mix, dominated by larger dwellings.

Demographics

21. In 2011 the greatest proportion of the population were aged 25-44 (30.6%), followed by those aged 45-64. Looking to 2020, the greatest proportion of the population remained aged 25-44, although to a slightly lesser extent. Between 2011 and 2020 the number of young people (aged 16-24) fell significantly, by 16.1%. Most other age categories increased, with a 20.7% increase in children and a 21.8% increase in older persons aged 65-84.
22. The majority of the NA population in 2021 (87.7%) lived in Borehamwood, with 8.1% living in Elstree (by Borehamwood), and 4.2% living in Elstree Village. The age breakdown for the sub-areas has to be determined from 2011 data. Elstree (by Borehamwood) had the greatest proportion of older people, with 17.8% of the population aged 65+, compared to 13.3% in Elstree Village and 12.2% in Borehamwood. The greatest proportion of younger adults (aged 16-24 and 25-44) lived in Borehamwood, with the proportion of children relatively in line across the sub areas.
23. Population growth can be expected to be driven by the oldest households, with households with a household reference person aged 65 and over expected to grow by 59% between 2011 and 2038. This would increase the proportion of all households in this age category from 21.6% in 2011 to 31.5% in 2038.
24. In 2021 both Elstree & Borehamwood and Hertsmere had a smaller proportion of single person households than England. The greatest proportion of the population in the NA was families with dependent children, at 32.4% of households, compared to 30.1% across Hertsmere and 25.8% nationally. Also notable is that the proportion of older households, aged 66 and over, was below both Hertsmere and England in both single person and family households.
25. There was some under-occupancy in the NA, with 58.4% of households living in a dwelling with at least one extra bedroom compared to their household size. This was most common in families aged 65+ and families with no children, suggesting that larger housing in the NA is not occupied by the largest households but by those with the most wealth or older households that have been unable or unwilling to downsize. There was also some over-occupancy in Elstree & Borehamwood, in both families with dependent children and families with non-dependent children.

Future size mix

26. AECOM modelling suggests that in order to reach the indicative mix by the end of the plan period, that there is no further delivery of the smallest dwellings, and that development is focussed on 4+ bedroom dwellings. It is recommended that there is still some delivery of 2- and 3-bedroom dwellings at 14.4% and 13.5% respectively. It is not

appropriate to promote the delivery of over 70% 4+ bedroom dwellings as it would severely limit choice in new housing, diverge from the NA's existing character and density patterns, have negative impacts on affordability, and likely require more land than is available.

27. The Chapter finds that the indicative mix (middle column of Table 5-13) may be a more appropriate starting point for the future size mix of housing, offering a more balanced split of dwelling sizes as not to limit choices in new housing or diverge too far from Elstree & Borehamwood's existing character.
28. It is also important to consider the three distinct sub-areas of the NA. The size mix of Borehamwood aligned most closely with the NA as a whole, meaning the modelled mix may be most appropriate here. However, this wouldn't necessarily be appropriate in the other sub areas. For example, in 2021 over 60% of dwellings in Elstree (by Borehamwood) were 4+ bedroom, well above the indicative mix for the end of the plan period.
29. The specific split within the sub-areas (if differing policy is to be applied) is not for AECOM to quantify and it is up to the Steering Group to weigh up the different factors. On one hand the Steering Group may want to diversify the stock in each sub-area. On the other hand, the NA contains 3 distinct areas, with their own historic character and density patterns, which might be beneficial to preserve.
30. Generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to mid-sized homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

Conclusions- Specialist Housing for Older People

31. Elstree & Borehamwood currently has approximately 576 units of specialist accommodation, 80.4% of which are available for social rent for those in financial need. In addition there are approximately 432 care home bed spaces.
32. Population estimates indicate that there were around 2,423 individuals aged 75+ in the NA in 2020. It is predicted that this will increase to 4,060 by the end of the plan period, with individuals aged 75+ expected to account for 10.2% of the population compared to 6.5% in 2011.
33. 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.
34. These two methods of estimating the future need in Elstree & Borehamwood produce a range of 411 to 579 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.

35. It is important to take into consideration the breakdown in levels of care and tenure within the need for specialist housing for older persons. When considering the AECOM calculations outlined in Table 6-6, the majority of the need, at 72.5%, is identified for specialist market (as opposed to affordable rented) housing. Slightly more need is identified for extra-care housing at 51.8% compared to 48.2% sheltered. The greatest sub-category of need was identified for market extra-care housing at 36.6% of the total need, followed by 35.9% market sheltered housing. The latter need is for individuals with less severe limitations and at least some of this need could be met through adaptations or through ensuring that all new housing is accessible and adaptable for people with lower support needs.
36. Another avenue open to the Neighbourhood Planning groups is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. The local level evidence supplied in this report could be used to influence borough level policies. Groups may also be able to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock).
37. Local Plan policy CS22 provides explicit encouragement for accessible dwellings, with it outlined that where practicably possible, 100% of new residential units should be built to the Lifetime Homes Standards. It also outlines that the proportion of wheelchair accessible homes on new residential developments of 15 or more units will be considered on a site by site basis, having regard to current needs in the Borough.
38. However, it does not set specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The Government is considering mandating M4(2) on newly erected dwellings², although changes to Building Regulations have not yet been made. 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.
39. It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide, and the localised evidence gathered here would further justify this. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants in the borough falling into this category.

² See [Raising accessibility standards for new homes: summary of consultation responses and government response - GOV.UK](https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes) (www.gov.uk)

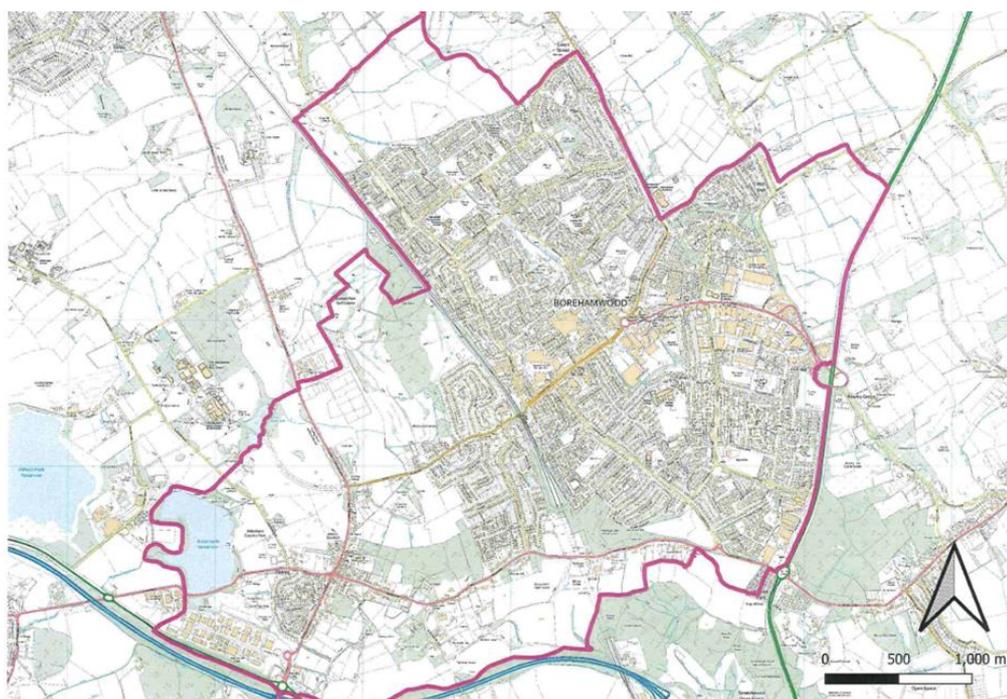
40. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
- so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
 - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
 - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
41. 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).
42. It is considered that Elstree & Borehamwood 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 Elstree & Borehamwood in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Neighbourhood Area boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Area itself.
43. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

2. Context

Local context

44. Elstree & Borehamwood is a Neighbourhood Area located in Hertsmere. The Neighbourhood Area (NA) boundary aligns with the Town Council boundary and was designated in July 2022.
45. The proposed Neighbourhood Plan period starts in 2023 and extends to 2038, therefore comprising a planning period of 15 years. The evidence supplied in this report will look forward to the Plan end date of 2038, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
46. Elstree & Borehamwood is an NA located in Hertfordshire, adjacent to the Greater London Boundary. It is comprised of the village of Elstree and the town of Borehamwood, around 2 miles apart. Elstree village was previously part of Harrow in Greater London. The NA is approximately 7.5 miles east of Watford and the A1 runs along the south east border of the NA, connecting London to Edinburgh. Elstree & Borehamwood train station provides access to central London (St Pancras) in c.25 minutes, with services also to Sutton (London), St Albans (Hertfordshire), Luton (Bedfordshire), and Rainham (Kent).
47. For Census purposes, the Neighbourhood Area is made up, like the rest of England, of statistical units called Output Areas (OAs). These make up Lower Layer Super Output Areas (LSOAs), which in turn make up Middle Layer Super Output Areas (MSOAs). The Plan area equates to the following MSOAs and LSOAs, which have been used throughout as a statistical proxy for the NA boundary which can be interrogated for data from both the 2011 and 2021 Censuses:
 - MSOA E02004901;
 - MSOA E02004902;
 - MSOA E02004904;
 - MSOA E02004906;
 - LSOA E01023564;
 - LSOA E01023565; and
 - LSOA E01023566.
48. A map of the Plan area appears below in Figure 2-1.

Figure 2-1: Map of the Elstree & Borehamwood Neighbourhood Area³



Source: Hertsmere Borough Council

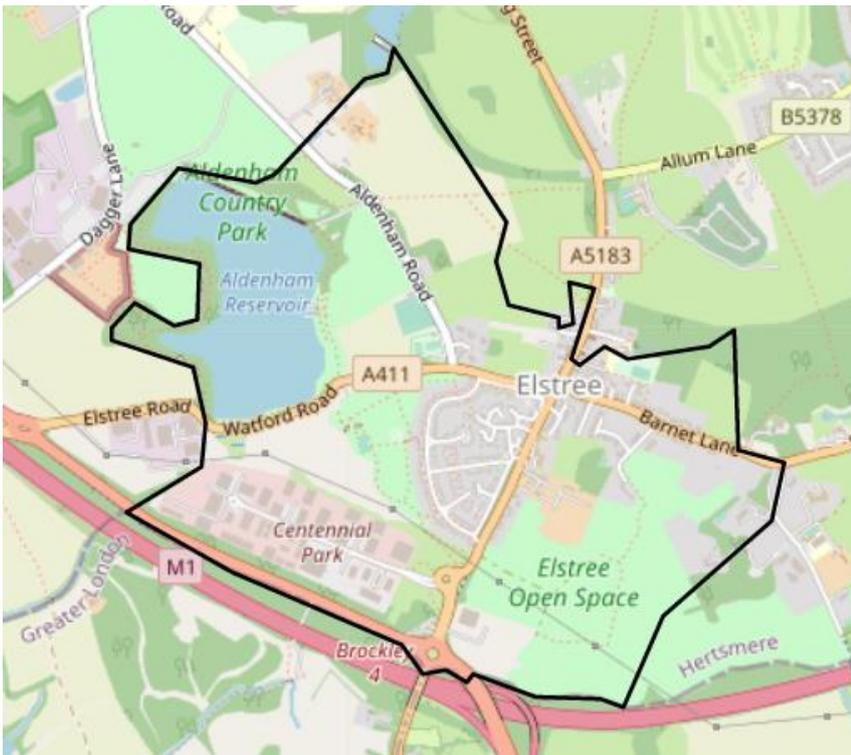
49. The Steering Group are aware that there is some variation in the housing market and demographics within Elstree & Borehamwood NA. Therefore, throughout this report, in appropriate places, the data has been disaggregated into three key sub areas, as agreed by the Steering Group. These are:

- Elstree Village;
- Elstree by Borehamwood (west of the railway line); and
- Borehamwood.

50. There are some limitations to how the sub-areas can be broken down using Census and Valuation Office Agency (VOA) data so the closest possible proxy areas have been used in order to obtain the most valuable sub-area information. Best fit approaches have been taken in the sub-areas outlined in Figure 2-2, 2-3, and 2-4. This should be taken into consideration when looking at sub-area data. A key example of this is part of the village of Elstree, which is excluded from the Elstree Village data and included within the Elstree by Borehamwood sub-area. This small area is unlikely to skew the sub-area figures too much but should be noted.

³ Available at <https://www.hertsmere.gov.uk/Documents/09-Planning--Building-Control/Planning-Policy/Neighbourhood-planning/EBTC-application.pdf>

Figure 2-2: Map of the Elstree Village sub-area



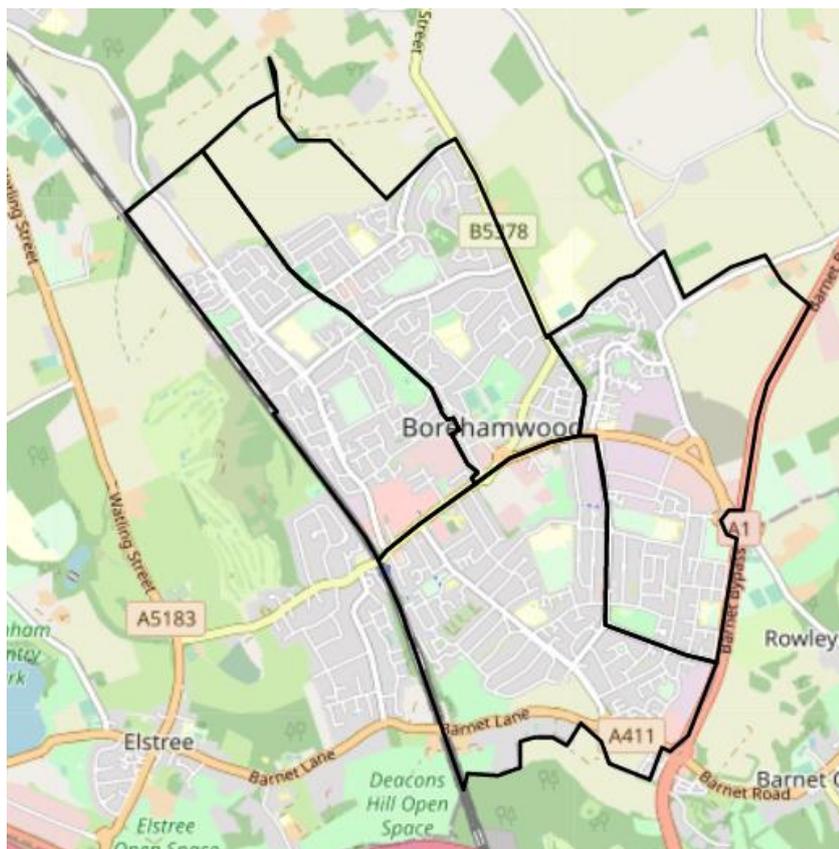
Source: NOMIS

Figure 2-3: Map of the Elstree by Borehamwood sub-area



Source: NOMIS

Figure 2-4: Map of the Borehamwood sub-area



Source: NOMIS

51. The statistics show that in the 2011 Census the NA had a total of 37,065 residents, formed into 14,658 households and occupying 15,041 dwellings. The 2021 Census population for Elstree & Borehamwood is 41,419 – indicating population growth of around 4,354 individuals since 2011. There were 16,025 households in the NA, an increase of 1,367 households since 2011.
52. Completion data provided by Hertsmere Borough Council shows that between April 2011 and March 2022 1,973 dwellings were delivered in Elstree & Borehamwood. This increase in dwellings is greater than the increase in households over the same time period, by approximately 606 dwellings. It is not clear whether these figures are net or gross, with a potential reason for the high figure due to demolition of existing dwellings before rebuilding.

The Housing Market Area Context

53. Whilst this HNA focuses on Elstree & Borehamwood neighbourhood area it is important to keep in mind that neighbourhoods are not self-contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas. In the case of Elstree & Borehamwood, the NA sits within a housing market area which covers Hertsmere, Dacorum, St Albans, Three Rivers, and Watford. 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 London.

54. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Elstree & Borehamwood, are closely linked to other areas. In the case of Elstree & Borehamwood, changes in need or demand in settlements nearby is likely to impact on the neighbourhood.
55. In summary, Elstree & Borehamwood functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (Hertsmere Borough Council) it is therefore useful to think about the *role* of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood 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

56. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies⁴. In the case of Elstree & Borehamwood, the relevant adopted Local Plan for Hertsmere consists of the Core Strategy⁵, adopted January 2013, the Site Allocations and Development Management (SADM) Policies Plan⁶, adopted November 2016, and the Elstree Way Corridor (EWC) Area Action Plan (AAP)⁷, adopted in July 2015. The Core Strategy covers the period 2012-2027 and outlines how and where land is allocated for development, whilst the SADM Policies Plan allocates specific sites.
57. The Elstree Way Corridor AAP aims to guide future development in the area by putting in place planning policies to guide development proposals. The adopted Core Strategy identified that there is the potential for housing led regeneration in the EWC to contribute an estimate of 800 units between 2012 and 2027. The area has since been identified as capable of accommodating 1,000 – 1,500 residential units (500 of which were either built or under construction at the time of the AAP Examination).
58. The Affordable Housing Supplementary Planning Document (SPD), adopted in November 2015⁸ provides additional guidance on the approach to Affordable Housing provision in Hertsmere, but does not introduce new policy.
59. The adopted Core Strategy outlines the following settlement hierarchy:
 - Borehamwood;

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.hertsmere.gov.uk/Documents/09-Planning--Building-Control/Planning-Policy/Local-Development-Framework/Core-Strategy-DPD-2013.pdf>

⁶ Available at: <https://www.hertsmere.gov.uk/Documents/09-Planning--Building-Control/Planning-Policy/Local-Plan/FINAL-ADOPTED-SADM-01-02-2017.pdf>

⁷ Available at: <https://www.hertsmere.gov.uk/Documents/09-Planning--Building-Control/Planning-Policy/Local-Plan/EWC-AAP-Final-Adopted-Plan.pdf>

⁸ Available at: <https://www.hertsmere.gov.uk/Documents/09-Planning--Building-Control/Planning-Policy/Planning-Publications/AH-SPD-Nov-2015-FINAL-AS-PRINTED.pdf>

- Potters Bar and Bushey;
- Radlett;
- Shenley (that part proposed to be removed from the Green Belt) and Elstree (that part outside of the Green Belt); and
- Elstree (that part within the Green Belt), Aldenham (including Wall Hall), Letchmore Heath, Patchetts Green, Ridge and South Mimms, and Shenley (that part within the Green Belt).

60. Hertsmere Borough Council was preparing an updated Local Plan which reached Regulation 18 stage. In April 2022 this was set aside⁹ whilst the Council awaits updates from central Government on planning policy changes. This HNA therefore relies upon the policies in the adopted Local Plan and supporting documents.

Policies in the adopted local plan

61. Table 2-1 below summarises adopted Local Plan policies that are relevant to housing need and delivery in Elstree & Borehamwood.

Table 2-1: Summary of relevant adopted policies in the Core Strategy and Site Allocations Development Management Policies Plan

Policy	Provisions
SP1 – Creating Sustainable Development	There will be a focus on prioritising development opportunities in Borehamwood but all existing built up areas within urban settlements will be expected to accommodate opportunities which arise for meeting local housing, jobs growth, and other development and service needs.
CS1 – The Supply of New Homes	The Council will make provision for at least 3,990 additional dwellings within the District between 2012 and 2027, a development rate of a minimum of 266 dwellings per year.
CS2 – The Location of New Homes	<p>Priority will be given to locating the majority of residential development within the main settlements of Borehamwood, Potters Bar, and Bushey. Between 2012 and 2027, up to 60% of new housing will be sought in Borehamwood.</p> <p>Windfall developments will be supported on appropriate sites in all towns, subject to the policies of the adopted Local Plan.</p> <p>Within rural locations and in particular Shenley, Elstree, and South Mimms, limited and small scale infilling on suitable sites will be supported.</p>

⁹ See - <https://www.hertsmere.gov.uk/Planning--Building-Control/Planning-Policy/Local-Plan/New-Local-Plan/New-Local-Plan-Planning-for-Growth.aspx>

Policy	Provisions
CS4 – Affordable Housing	<p>Developments of 5 self-contained residential units or more (gross) or residential sites of more than 0.2 hectares should make provision for Affordable Housing.</p> <p>On sites of fewer than 15 units, this may be delivered through the provision of intermediate housing (including shared ownership and shared equity), with sites of 15 or more units containing a mix of social rented housing, affordable rent, and intermediate housing.</p> <p>The percentage target for Affordable Housing in areas including Elstree & Borehamwood is 35%.</p> <p>As a guideline, on sites of 15 or more units (gross) or 0.5 hectares, the Council expect that 75% of the Affordable Housing units will be delivered as social rented and/or affordable rented housing and the remainder as intermediate housing. The precise tenure and dwelling mix will be agreed on a site-by-site basis.</p>
CS5 – Affordable Housing in Rural Areas on “Exception” Sites	<p>The inclusion of small-scale Affordable Housing schemes, as exception to normal policies, will be permitted in and immediately adjacent to settlements in the Green Belt.</p> <p>“Exception” sites should be small in scale in relation to the size of the settlements and such schemes should meet the identified needs of people local to the village or settlement, remain affordable in perpetuity, and be managed by a Registered Social Landlord.</p> <p>Priority will be given to sites located on previously developed land within settlements and the scale of development should not exceed the level of need identified or have adverse effects on the natural and built environment.</p>
CS7 – Housing Mix	<p>To help meet local housing needs, proposals for new housing should provide an appropriate mix and size of new homes in terms of housing size and type within each tenure.</p> <p>Housing developments in excess of 10 units (gross) should contain some variation within their housing mix, with sites over 25 units reflecting identified variations within the Borough’s housing need.</p> <p>On large sites allocated in the Site Allocations DPD and large windfall sites, the need for a proportion of sheltered or extra care housing should be considered as part of the overall housing mix.</p>
CS22 – Securing a High Quality and Accessible Environment	<p>Where practicably possible 100% of new residential units should be built to the Lifetime Homes Standards based on the Joseph Rountree Foundation standards. The proportion of wheelchair accessible homes on new residential redevelopments of 15 or more units will be</p>

Policy	Provisions
	considered on a site by site basis, having regard to current needs in the Borough.
CS23 – Elstree Way Corridor	<p>Within the Elstree Way Corridor the continued development and refurbishment of Employment, Civic, and Community uses will be actively encouraged. Residential development on appropriate sites will be accepted, in accordance with the Elstree Way SPG and any subsequent guidance or agreed masterplan</p> <p>Any development should have regard to guidance set out in the Elstree Way Corridor Area Action Plan DPD and be brought forward in a coordinated manner.</p>
SADM1 – Housing Allocations	<p>Part or all of the following sites are allocated for housing development:</p> <ul style="list-style-type: none">• H1 - Directors Arms Public House, Ripon Way, Borehamwood – 26 dwellings;• H2 – Gas Holders site, Station Road, Borehamwood – 43 dwellings;• H3 – Land to the south of Elstree & Borehamwood Station – 43 dwellings;• H6 – Hertswood Upper School, Thrift Farm Lane, Borehamwood – 276 dwellings; <p>This totals 388 dwellings.</p>
SADM3 – Residential Developments	<p>Proposals which would result in the net loss of satisfactory residential units or accommodation will not be permitted. Replacement residential unit(s) will be required where existing housing is to be demolished as part of any redevelopment scheme for alternative uses.</p> <p>The redevelopment of sites for residential use will be permitted in existing urban areas, subject to the requirements of relevant development plan policies. In particular, development within residential areas must be of a scale and design which respects its immediate surroundings including the local pattern of development, not result in a tandem development layout and as far as possible improve the quality of the area.</p>
SADM23 – Village Envelopes	<p>Village envelopes are shown on the Policies Map for parts of Elstree, Shenley, and South Mimms. The areas defined by the village envelopes are part of the Green Belt, within which limited infilling will be permitted if it complies with Core Strategy policy CS13 and other relevant plan policies.</p>

Policy	Provisions
SADM24 – Key Green Belt Sites	<p>At Key Green Belt Sites development will be directed towards the ‘envelope’ defined on the Policies Map.</p> <p>Any proposal for infilling or redevelopment within the ‘envelope’ must be ancillary to or support an existing or approved use on the site.</p> <p>Criteria proposals must satisfy are outlined in the full policy.</p>
AAP – EWC3: Housing Density and Distribution	<p>At least 1,000 residential units will be provided across the EWC, with the potential for 1,500 units to be provided within the plan period. The main focus for development will be within the ‘identified opportunity area’ which has the potential to accommodate up to 800 residential units in total.</p> <p>A mix of types of homes will be provided within the EWC. Flatted development will take place along Elstree Way and houses will be developed where sites abut the existing residential areas of Shenley Road and Bullhead Road.</p> <p>Housing developments in excess of 25 units (gross) will contain some variation in housing mix by type and size. Development proposals should aim to deliver a proportion of 3 bed units, particularly where new houses are proposed. Where this cannot be accommodated this should be justified in the statement addressing the proposed mix.</p>
AAP – EWC7: General Building Heights	<p>Development must contain a variation to add interest and variety to development. Buildings fronting onto Elstree Way should have a general height of between 5-6 storeys. Buildings not fronting Elstree Way should have lower general heights of 3-4 storeys. Buildings of between 1-2 ½ storeys are limited to ancillary buildings and residential developments adjoining the rear of properties on Shenley Road and those along Manor Way.</p>
AAP – Opportunity Sites	<p>The EWC AAP identifies a number of opportunity sites relating to housing:</p> <ol style="list-style-type: none">1. Brook Road / Shenley Road Site – residential development with opportunity for ground floor activities.4. Elstree Way North – mixed use development including residential. General building heights of 5-6 storeys.5. Elstree Way South – residential development with opportunity for ground floor activities. General building heights of between 5-6 storeys with the opportunity to exceed the general building heights on the corner of Elstree Way / Maxwell Road.

Policy	Provisions
	<p>6. Car Park – residential development, predominantly houses of a density of between 50 and 80 dwellings per hectare. Houses to not exceed 2.5 storeys in height.</p> <p>9. Elstree Way / Bullhead Road – residential development with opportunity for ground floor activities. General building heights between 5-6 storeys onto Elstree Way, a reduction in building heights to 3-4 storeys at the south of the site and with interaction with existing residential development on Bullhead Road.</p> <p>11. Studio Way – residential development of a density of between 50 and 80 dwellings per hectare. General building heights of 3-4 storeys.</p> <p>12. Manor Way – residential development, predominantly houses, of a density of 50 and 80 dwellings. Houses not to exceed 2.5 storeys in height.</p>

Source: Hertsmere Borough Council

Quantity of housing to provide

62. The NPPF 2021 (paragraphs 66 and 67) requires Local Authorities to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
63. Hertsmere Borough Council has not provided Elstree & Borehamwood with a housing requirement figure for the neighbourhood plan period. The emerging Local Plan provided a figure for the NA but this plan has since been set aside. AECOM is not undertaking calculations to determine the overall quantity of homes to be delivered in the NA. However, it should be noted that the EWC AAP Policy EWC3 (Housing Density and Distribution) outlines that at least 1,000 residential units will be provided across the EWC, with the potential for 1,500 units to be provided within the plan period. The SADM allocates sites with the potential for 388 dwellings in the NA but it is not known how many of these have already been delivered.

3. Approach

Research Questions

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

Tenure and Affordability

65. The Steering Group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
66. This evidence will allow Elstree & Borehamwood to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

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

Type and Size

67. The Steering Group is seeking to determine what size and type of housing would be best suited to the local community. The Steering Group note that extensions have been an issue in the NA, increasing the size of smaller dwellings, as well as being concerned about the number of high rise buildings in the town.
68. The aim of this research question is to provide the Steering Group with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.
69. While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.
70. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

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

Specialist Housing for Older People

71. This chapter supplements the demographic evidence relating to Type and Size, including the potential demand for downsizing, to consider the quantity and characteristics of need for housing for older people with some form of additional care.

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

Relevant Data

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

- Census 2011 and Census 2021 (the latter only available at the local authority level at present)
- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information at the neighbourhood level;
- ONS population and household projections for future years;
- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from Rightmove.co.uk;
- Local Authority housing waiting list data; and
- South West Hertfordshire Local Housing Needs Assessment on behalf of Dacorum, Hertsmere, St Albans, Three Rivers, and Watford Councils, September 2020¹⁰.

73. Data from the 2021 Census is being released throughout 2023. At present, the available data covers population (although not at the most localised level), households, tenure, and dwelling stock characteristics. Some data from the Census 2021 at the localised level, including parishes, will not be available until later in 2023, as well as 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 parish projections to build up evidence at the neighbourhood level.

¹⁰ Available at [LHNA Sept 2020 \(PDF 8.52Mb\) \(hertsmere.gov.uk\)](#)

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

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

Introduction

74. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.
75. Tenure refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF. A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
76. The definition of Affordable Housing set out in the NPPF 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. The NPPF defines Affordable Housing as *'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'¹¹*. The full document further outlines the tenures included in this definition. Those outlined in Table 4-1 would fall under this NPPF definition of Affordable Housing.

¹¹ Available here -

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1005759/NPPF_July_2021.pdf

Table 4-1: Breakdown of Affordable Housing tenures

Tenure	Rent/Ownership	Brief Description
Social Rent	Rent	<p>This tenure is owned by local authorities (what used to be called Council housing) and private registered providers (also known as housing associations).</p> <p>Guideline target rents are determined through the national rent regime and are typically the lowest-cost form of housing available.</p> <p>Households must be eligible on the basis of incomes and other circumstances, and there are usually waiting lists.</p>
Affordable Rent	Rent	<p>This is similar to Social Rent (above). Affordable Rent is not subject to the national rent regime but must have a rent of no more than 80% of the local market.</p> <p>Households must be eligible on the basis of incomes and other circumstances, and there are usually waiting lists.</p>
Rent to Buy	Combination	<p>Rent to Buy is a relatively uncommon tenure. Subsidy allows the occupant to save a portion of their rent to be used to build up a deposit to eventually purchase the home.</p>
Shared Ownership	Ownership	<p>An affordable home ownership product where a purchaser buys part (generally between 25% and 75%, but can be as little at 10%) of the value of the property. The remaining (un-owned part) is rented from a housing association or local authority.</p> <p>This Generally applies to new build properties, but re-sales occasionally become available.</p>
First Homes	Ownership	<p>First Homes are an affordable home ownership product introduced in 2021. Discounts on the market price can be set at 30%, 40%, or 50%.</p> <p>New developments will be required to provide 25% of the Affordable Housing as First Homes. This product is discussed in more detail in the commentary following this table.</p>

77. As part of the effort to expand home ownership, the Government introduced the First Homes product in 2021.¹² Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:

¹² 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>.

- 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.

Current tenure profile

78. 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.
79. Table 4-2 presents data on tenure in Elstree & Borehamwood compared with Hertsmere and England from the 2021 Census, which is the most recent available source of this information. Table 4-2 shows that a significantly smaller proportion of households own their home in the NA than across Hertsmere and England. There was a significant proportion of households living in Affordable Housing, at 27.5%, compared to 18.4% across Hertsmere and 18.1% nationally. The proportion of households living in the private rented sector in the NA was above the borough but below national levels.
80. It is helpful to also look at the changes between the 2011 and 2021 Census. A notable change in this time period is the increase in the number of households privately renting in the NA, which increased by 62.9% compared to a 48.0% increase across Hertsmere as a whole. This increased the proportion of households privately renting from 12.6% in 2011 to 18.9% in 2021 in Elstree & Borehamwood. Also of note is the fact that the number

of households living in shared ownership dwellings fell by 5.1% (from 297 to 282) whilst the number across Hertsmere grew by 3.6%.

Table 4-2: Tenure (households) in Elstree & Borehamwood and comparator geographies, 2021

Tenure	Elstree & Borehamwood	Hertsmere	England
Owned	53.7%	64.2%	61.3%
Shared ownership	1.8%	1.1%	1.0%
Social rented	25.7%	17.3%	17.1%
Private rented	18.9%	17.3%	20.6%

Sources: Census 2021, AECOM Calculations

81. It is also helpful to look at the tenure of households within each of the three sub areas. Table 4-3 shows that the majority of households in Elstree (by Borehamwood) owned their own home, significantly above both the proportion across Elstree & Borehamwood as a whole and above Elstree Village and Borehamwood. The proportion of households living in Affordable Housing in Elstree (by Borehamwood) was very low. By contrast, 29.9% of households in Borehamwood specifically lived in either shared ownership dwellings or social/affordable rented homes. The tenure mix of Elstree Village was more balanced in line with the country, whilst the mix of Borehamwood specifically aligned most closely with the wider NA because it is the largest settlement by far.

Table 4-3: Tenure (households) in Elstree & Borehamwood sub areas, 2021

Tenure	Elstree Village	Elstree (by Borehamwood)	Borehamwood
Owned	61.4%	79.8%	51.2%
Shared ownership	1.2%	0.2%	1.9%
Social rented	15.1%	3.2%	28.0%
Private rented	22.3%	16.8%	18.9%

Sources: Census 2021, AECOM Calculations

Affordability

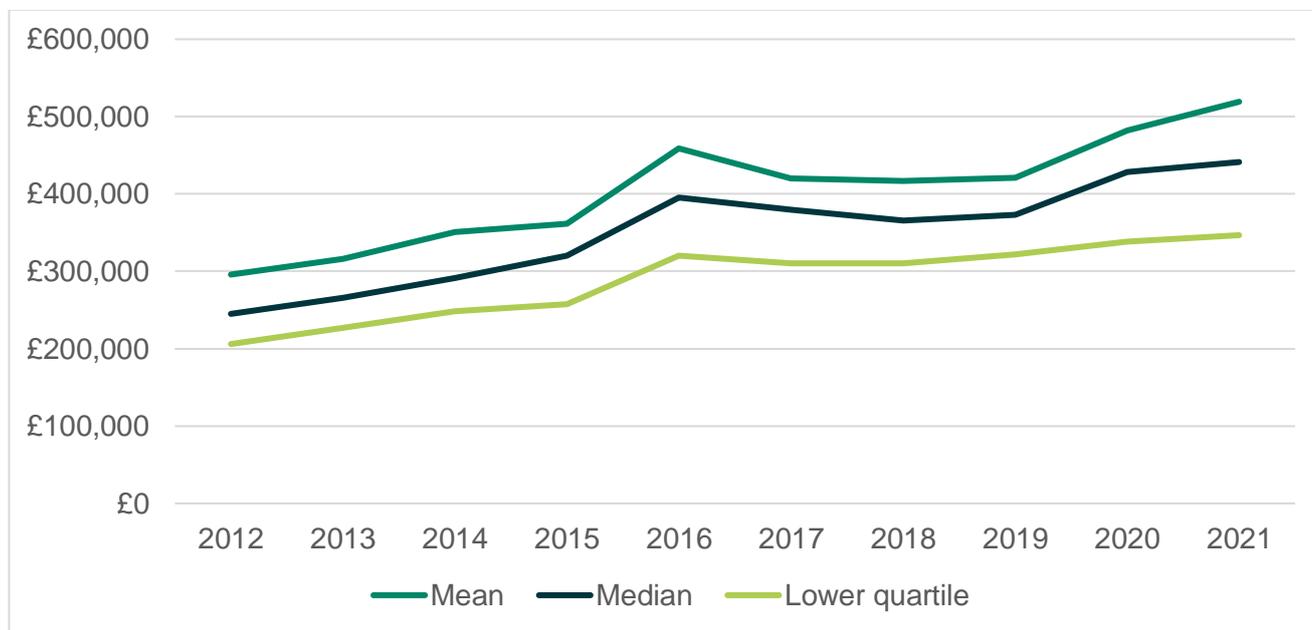
House prices

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

83. Figure 4-1 looks at the average and lower quartile house prices in Elstree & Borehamwood based on sales price data published by the Land Registry. It shows that between 2012 and 2021 there was relatively steady house price growth in the NA, with clear peaks in 2016 and 2021. The mean house price remained consistently above the median as the former captures the average of all house prices meaning the outlying data

points on the high end cause it to increase, whilst the latter is the middle value when all the house prices are ordered. The median house price increased by 80.1% between 2012 and 2021, peaking in 2021 at £441,250. The lower quartile price peaked at £346,699 in 2021 after 68.3% growth on 2012 prices.

Figure 4-1: House prices by quartile in Elstree & Borehamwood, 2012-2021



Source: Land Registry PPD

84. Table 4-4 breaks down house prices by type, presenting the median within each type. It shows that the greatest growth between 2012 and 2021 was in terraced house prices, at 78.1%, increasing from £248,500 to £442,500. Detached house prices remained the greatest each year, peaking at £1,086,500 in 2021 after 10-year growth of 56.3%. There is some fluctuation year-on-year (e.g. flat prices peaking in 2019), potentially due to factors outside of dwelling type such as the size, condition, or location of the dwelling.

Table 4-4: Median house prices by type in Elstree & Borehamwood, 2012-2021

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	£695,000	£582,500	£750,000	£800,000	£890,000	£875,000	£600,000	£867,500	£945,000	£1,086,500	56.3%
Semi-detached	£305,000	£316,000	£375,000	£430,000	£480,000	£513,250	£489,975	£507,000	£495,475	£530,000	73.8%
Terraced	£248,500	£250,000	£292,000	£335,000	£408,750	£410,000	£402,000	£420,000	£435,750	£442,500	78.1%
Flats	£199,725	£226,000	£217,000	£252,500	£283,750	£310,000	£315,000	£330,000	£320,000	£300,000	50.2%
All Types	£245,000	£266,000	£291,500	£320,000	£395,000	£380,000	£365,800	£373,000	£428,000	£441,250	80.1%

Source: Land Registry PPD

Income

85. 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.

86. The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower

earners). The average total household income locally was £45,800 in 2018. A map of the area to which this data applies is provided in Appendix A.

87. 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. Hertsmere's gross individual lower quartile annual earnings were £19,330 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £38,660.
88. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

Affordability Thresholds

89. 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.
90. AECOM has determined thresholds for the income required in Elstree & Borehamwood to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix A.
91. 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.
92. The mortgage multiplier is particularly variable, with 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.
93. The percentage of income to be spent on rent also 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.
94. While larger mortgages and higher rents may be feasible for individuals, this creates vulnerability to changing economic circumstances and may not be a possibility for many people with the most acute housing needs. Different assumptions would, however, alter

the picture of affordability that emerges here. This is another reason to interpret the findings with a degree of flexibility.

95. Table 4-4 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) 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.

96. The same information is presented as a graph in Figure 4-2 on a subsequent page, with selected measures from the table presented for clarity.

Table 4-5: Affordability thresholds in Elstree & Borehamwood (income required, £)

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £45,800	Affordable on LQ earnings (single earner)? £19,330	Affordable on LQ earnings (2 earners)? £38,660
Market Housing						
Median House Price	£397,125	-	£113,464	No	No	No
NA New Build LQ House Price (2021)	£324,000	-	£92,571	No	No	No
LQ/Entry-level House Price	£312,029	-	£89,151	No	No	No
LA New Build Median House Price	£522,000	-	£149,143	No	No	No
Average Market Rent	-	£36,792	£122,640	No	No	No
Entry-level Market Rent	-	£16,944	£56,480	No	No	No
Affordable Home Ownership						
First Homes (-30%)	£226,800	-	£64,800	No	No	No
First Homes (-40%)	£194,400	-	£55,543	No	No	No
First Homes (-50%)	£162,000	-	£46,286	Marginal	No	No
Shared Ownership (50%)	£162,000	£4,500	£61,286	No	No	No
Shared Ownership (25%)	£81,000	£6,750	£45,643	Yes	No	No
Shared Ownership (10%)	£32,400	£8,100	£36,257	Yes	No	Yes
Affordable Rented Housing						
Affordable Rent	-	£9,223	£30,712	Yes	No	Yes
Social Rent	-	£6,481	£21,583	Yes	No	Yes

Source: AECOM Calculations

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

and other factors of specific properties in each category have a large impact. These conclusions should therefore be interpreted flexibly.

Market housing for purchase and rent

98. Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income 147.7% higher than the current average.
99. Private renting is generally only affordable to higher earners. Households on mean incomes cannot afford the given rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

Affordable home ownership

100. There is a relatively large group of (higher earning) households in Elstree & Borehamwood who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £56,480 per year (at which point entry-level rents become affordable) and £89,151 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
101. 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.
102. 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 First Homes in Elstree & Borehamwood are delivered at a 50% discount as this makes the product marginally affordable to households on mean incomes. If this causes challenges with viability, a 40% discount may be more appropriate, and this will still extend home ownership. A 30% discount may not be suitable as based on AECOM's calculations, the discounted price would be above the £250,000 cap.
103. Table 4-6 shows the discount required for First Homes to be affordable to three income groups. The cost of a typical First Home is calculated using the lower quartile new build house price in the NA in 2021. It is also worth considering the discounts required for some additional price benchmarks. The table above uses the 2021 lower quartile new build house price because this reflects the local market and accounts for the price premium usually associated with newly built housing. 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 4-6: Discount on sale price required for households to afford First Homes in Elstree & Borehamwood

House price benchmark	Mean household income	Single LQ earner	Dual LQ earning household
NA Median House Price	60%	83%	66%
NA Entry-Level House Price	49%	78%	57%
LA Median New Build House Price	69%	87%	74%

Source: Land Registry PPD; ONS MSOA total household income

104. Shared ownership appears to be more affordable than First Homes, and at 10% equity is accessible to households on mean incomes and households with two lower quartile earners. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.¹³ 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.
105. The transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised, meaning that monthly costs for occupants will remain relatively high and the build-up of equity will be relatively slow. This product would therefore only be a realistic route to full ownership for households prepared to take a long-term view.
106. The income required to access Rent to Buy, a product designed to allow residents to transition from renting to ownership by allowing a discount on the market rent to be used to save a deposit, is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are more affordable options.
107. These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.
- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
 - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
 - Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service

¹³ The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hws48>.

charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.

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

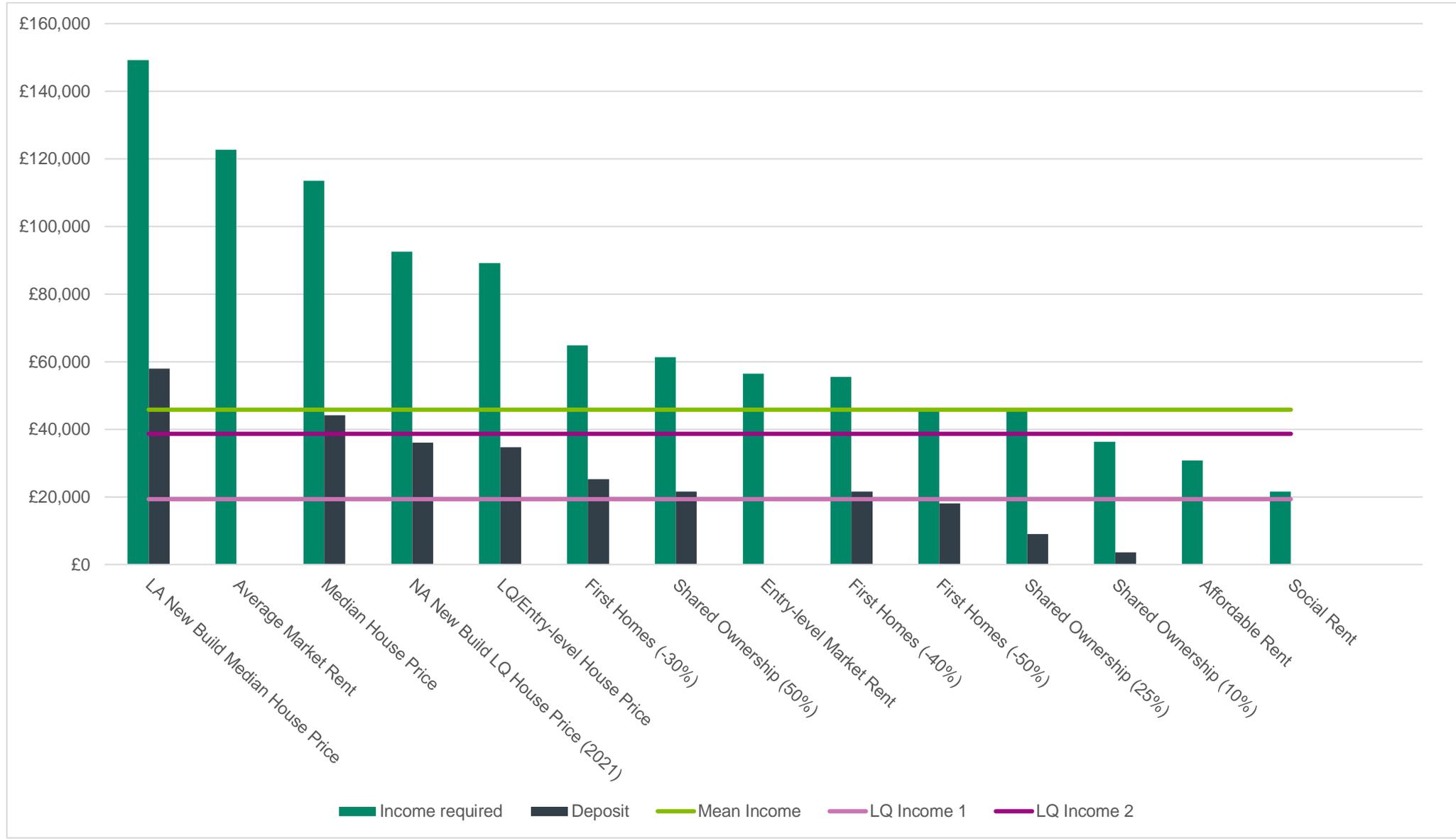
108. In conclusion, all of these products would provide value to different segments of the local population, with shared ownership at a lower than 25% equity share potentially allowing lower earning households to get a foot on the housing ladder, while Rent to Buy is helpful to those with little or no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

Affordable rented housing

109. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered except the smallest (1-bedroom) socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.

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

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



Source: AECOM Calculations

Affordable housing- quantity needed

111. The starting point for understanding the need for affordable housing in Elstree & Borehamwood is the relevant Local Housing Need Assessment (LHNA). An LHNA was undertaken for South West Hertfordshire (including Hertsmere) in September 2020. This study estimates the need for affordable housing in the borough based on analysis of the Council's housing waiting list and analysis of other data sets in line with Planning Practice Guidance at the time. The LHNA identifies the need for 356 net additional affordable rented homes each year in Hertsmere as a whole as a whole. When the LHNA figure is pro-rated to Elstree & Borehamwood based on its fair share of the population (37.1% of the LPA's population¹⁴), this equates to 132.1 affordable rented homes per annum or 1,981.5 over the Neighbourhood Plan period 2023-2038.
112. Hertsmere Borough Council provided data showing that as of January 2023, 301 residents in Elstree & Borehamwood were on the Waiting List for social/affordable rented housing. This shows a significant backlog of need and it is advised that there is some provision of social/affordable rented housing early in the plan period to help meet some of this need.
113. When considering the demand for affordable home ownership, the LHNA assumes that around half of lower quartile homes would be available to meet the needs of households with an income gap between buying and renting. Whilst some properties priced below the lower quartile level may be affordable to some households who need affordable home ownership, AECOM expect that the extent of this is limited for the following reasons:
- a) The majority of these households have insufficient deposits and deposit requirements are not reduced substantially enough at the cheaper end of the market;
 - b) Properties priced below lower quartile levels tend to be small and will not be suitable for all households (e.g. families);
 - c) The lowest priced properties may be in poor condition and/or requiring substantial investment to ensure they are habitable.
114. AECOM have therefore undertaken calculations for the demand for Affordable Housing providing a route to home ownership. Table 4-7 estimates the potential demand in Elstree & Borehamwood. This model aims to estimate the number of households that might wish to own their own home but cannot afford to – the 'can rent, can't buy' group described in the previous section. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.
115. 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

¹⁴ Based on 2011 Census population figures

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.¹⁵ No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.

116. The result of the calculation is 114.0 households per annum who may be interested in affordable home ownership (or 1,710.6 for the entirety of the Plan period).
117. This assumes a rate of turnover in the existing stock will satisfy some need, though this is extremely minimal because of the lack of shared ownership in the NA currently.
118. 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.

¹⁵ <http://www.ipsos-mori-generations.com/housing.html>

Table 4-7: Estimate of the potential demand for affordable housing for sale in Elstree & Borehamwood

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in parish	3,030.0	2021 Census number of renters
1.2 Percentage renters on housing benefit in LA	22.8%	% of renters in 2018 on housing benefit.
1.3 Number of renters on housing benefits in parish	691.2	Step 1.1 x Step 1.2.
1.4 Current need (households)	1,754.1	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. ¹⁶
1.5 Per annum	116.9	Step 1.4 divided by plan period.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	1,111.0	LA household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	13.1%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	145.6	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	11.2	Step 2.3 divided by plan period.
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	282.0	Number of shared ownership homes in NA – 2021 Census
3.2 Supply - intermediate resales	14.1	Step 3.1 x 5% (assumed rate of re-sale).
NET SHORTFALL PER ANNUM		
Overall shortfall per annum	114.0	(Step 1.5 + Step 2.4) - Step 3.2.
Overall shortfall over the plan period	1,710.6	Above * number of years to end of 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.

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

120. It is also important to remember that even after the Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of

¹⁶ 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.

affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the neighbourhood planning group.

Affordable Housing policy guidance

121. Hertsmere's adopted policy on this subject Policy CS4 (Affordable Housing) requires 35% of all new housing to be affordable. Given that Affordable Housing made up just 7.6% of new housing in Elstree & Borehamwood over the last decade according to Hertsmere completions figures, it is understood that this target is not usually met on sites in the NA.
122. 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 emphasising 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.
123. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures, such as the balance between rented tenures and routes to home ownership. The adopted Local Plan outlines that on sites delivering fewer than 15 units (5-14 units), Affordable Housing may be delivered as intermediate housing (e.g. shared ownership). On sites of 15 dwellings or more, it is suggested that 75% is delivered as social/affordable rent, and the remaining 25% as intermediate housing. This HNA can supply more localised evidence, and this section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Elstree & Borehamwood specifically.
124. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:
 - A. **Evidence of need for Affordable Housing:** This study estimates that Elstree & Borehamwood requires 1,982 (rounded) units of affordable rented housing and 1,711 (rounded) units of affordable home ownership over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.

The relationship between these figures suggests that 53.7% of Affordable Housing should be rented and 46.3% should offer a route to ownership. However, as noted above, these figures are not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.

If the quantity of new housing overall were unlimited, 54% to 46% may be an appropriate affordable tenure mix. However, this is not likely and also not strictly necessary.

Table 4-8 considers the potential demand for Affordable Housing in the NA's sub areas. This has been calculated by pro-rating the NA figures above based on 2021 Census figures, with Elstree Village accounting for 4.2% of the NA population, Elstree (by Borehamwood) 8.1% of the population, and Borehamwood 87.7%. It is important to note that this is not calculated on individual need for these sub-areas as a number of the datasets used above could be disaggregated to a smaller level and is simply a pro-rating exercise. Other factors, such as Affordable Housing stock (which was notably low in Elstree (by Borehamwood) in 2021) should also be taken into consideration when determining the location of future Affordable Housing.

Table 4-8: Estimate of the potential demand for Affordable Housing in the NA per annum, pro-rated to sub-areas

Area	Affordable Rented Housing (per annum)	Affordable Rented Housing (2023-2038)	Affordable Home Ownership (per annum)	Affordable Home Ownership (2023-2038)
NA	132.1	1,981.5	114.0	1,710.6
Elstree Village	5.5	83.2	4.8	71.8
Elstree (by Borehamwood)	10.7	160.5	9.2	138.6
Borehamwood	115.9	1,737.8	100.0	1,500.2

Source: Census 2021, AECOM Calculations

- 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.

Even if the Local Plan target of 35% were achieved on every site, it is unlikely that all of the Affordable Housing need identified in this report will be met in the NA. The majority of Elstree & Borehamwood's HRF is not expected to come forward in the form of small infill developments, and so will likely be large enough to meet the threshold of 5 dwellings, above which the Affordable Housing policy applies.

Affordable rented housing should have a higher weighting in the tenure mix to ensure that the most acute needs are met as a priority. Given the historic delivery rates it is reasonable to assume that supply will be limited and affordable rented accommodation should be prioritised. The 75% rented 25% ownership guideline mix in the Local Plan on sites of 15 dwellings or more may offer an appropriate benchmark.

- C. Government policy (e.g. NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in Hertsmere, where

35% of all housing should be affordable, 28.6% of Affordable Housing should be for affordable ownership. This complies with the Local Plan on sites of 5-14 dwellings but does not comply with the guideline tenure split sought in the Local Plan for sites of 15 dwellings or more.

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

D. Local Plan policy: As noted above, the adopted Local Plan outlines that on sites fewer than 15 units, Affordable Housing may be delivered as intermediate housing (e.g. shared ownership). On sites of 15 dwellings or more, it is suggested that 75% is delivered as social/affordable rent, and the remaining 25% as intermediate housing. The precise tenure and dwelling mix will be agreed on a site-by-site basis.

E. First Homes policy: the Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.

This new minimum requirement may have the effect of displacing other products in any established tenure mix and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. This would not appear to be an issue in Hertsmere.

National policy dictates that 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 relevant Local Plan, with any remaining units allocated to other tenure products in the relative proportions set out in the Local Plan.

AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. If this was done in Hertsmere, the remaining 75% of the affordable housing provision would then be apportioned 75% to affordable rent and 25% to affordable home ownership on sites of 15 dwellings or more. If this approach is taken, all other things being equal, it would reduce the provision of rented forms of affordable housing since it would effectively protect the provision of other forms of affordable home ownership alongside First Homes. Some LPAs are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.

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

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
- G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood planning group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
- H. **Existing tenure mix in Elstree & Borehamwood:** 2021 Census data shows that 27.5% of households lived in Affordable Housing (shared ownership and social rent). There are clear differences in the sub areas, with 16.3% of households in Elstree Village living in Affordable Housing, just 3.4% in Elstree (by Borehamwood), and 29.9% in Borehamwood. This suggests that some provision of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.
- I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels.
- J. **Wider policy objectives:** the neighbourhood planning group may wish to take account of broader policy objectives for Elstree & Borehamwood and/or the wider borough. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.
125. On the basis of the considerations above, Table 4-9 proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.
126. This indicative mix is chiefly a response to the expectation that the delivery of Affordable Housing will be lower than the needs identified here, the fact that there is a greater need for affordable rented housing identified, and the significant backlog of households on the Housing Register in the NA. In this context, affordable rented tenures should be prioritised. This mix complies with the various minimum requirements mandated nationally. It is suggested that in Elstree & Borehamwood 70% of Affordable Housing is delivered as social/affordable rent, and the remaining 30% as affordable home ownership products.
127. Looking specifically at affordable home ownership, it is suggested that 25% of affordable homes are delivered as First Homes, in line with national policy. It is

recommended that these are delivered at a 50% discount (subject to viability) to make the product marginally affordable to households on mean incomes. The remaining 5% should be delivered as shared ownership, with 10% equity allowing households on mean incomes and households with two lower quartile earners to access home ownership. Rent to Buy does not feature in the mix as the least affordable tenure locally.

128. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J above, and in particular the views and objectives of the community.
129. Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with Hertsmere Borough Council to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
130. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

Table 4-9: Indicative tenure split (Affordable Housing), Elstree & Borehamwood

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	30%	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	5%	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	70%	
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 dwelling stock

131. In 2021 a significantly smaller proportion of households owned their home in the Elstree & Borehamwood than across Hertsmere and England. There was a significant proportion of households living in Affordable Housing, at 27.5%, compared to 18.4% across Hertsmere and 18.1% nationally. The proportion of households living in the private rented sector in the NA was above the borough but below national levels.

132. It is also helpful to look at the tenure of households within each of the three sub areas. The majority of households in Elstree (by Borehamwood) owned their own home, significantly above both the proportion across Elstree & Borehamwood as a whole and the other sub areas. The proportion of households living in

Affordable Housing in Elstree (by Borehamwood) was very low. By contrast, 29.9% of households in Borehamwood specifically lived in Affordable Housing. The tenure mix of Elstree Village was more balanced in relation to the country, whilst the mix of Borehamwood specifically aligned most closely with the wider NA. This is due to the NA as a whole being influenced heavily by the Borehamwood sub-area as it is the densest housing area.

Affordability

133. Between 2012 and 2021 there was relatively steady house price growth in the NA, with clear peaks in 2016 and 2021. The median house price increased by 80.1% in this time, peaking in 2021 at £441,250. The lower quartile price peaked at £346,699 in 2021 after 68.3% growth on 2012 prices. The greatest growth in a specific type category was in terraced house prices, at 78.1%, increasing from £248,500 to £442,500. Detached house prices remained the greatest each year, peaking at £1,086,500 in 2021 after growth 10-year of 56.3%.
134. A relatively large group of higher earning households in Elstree & Borehamwood may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £56,480 per year and £89,151 per year. This report has estimated the income required to afford First Homes in the NA. It is recommended that First Homes in Elstree & Borehamwood are delivered at a 50% discount, making the product marginally affordable to households on mean incomes. If this causes challenges with viability, a 40% discount may be more appropriate, and this will still extend home ownership. Shared ownership appears to be more affordable than First Homes, and at 10% equity is accessible to households on mean incomes and households with two lower quartile earners.

Affordable Housing need

135. This study estimates that Elstree & Borehamwood requires 1,982 (rounded) units of affordable rented housing and 1,711 (rounded) units of affordable home ownership over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.
136. There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).
137. AECOM suggests an indicative mix of Affordable Housing, chiefly in response to the expectation that the delivery of Affordable Housing will be lower than the needs identified here, the fact that there is a greater need for affordable rented housing identified, and the significant backlog of households on the Housing Register in the NA. In this context, affordable rented tenures should be prioritised. It is suggested that in Elstree & Borehamwood 70% of Affordable Housing is delivered as social/affordable rent, and the remaining 30% as affordable home ownership products.

138. Looking specifically at affordable home ownership, it is suggested that 25% of affordable homes are delivered as First Homes, in line with national policy, at a 50% discount. The remaining 5% should be delivered as shared ownership, with 10% equity allowing households on mean incomes and households with two lower quartile earners to access home ownership. Rent to Buy does not feature in the mix as the least affordable tenure locally.
139. The expected level of delivery will likely not meet the quantity of demand identified in estimates of the need for Affordable Housing. It is therefore 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. If the group consider exceeding the Local Plan policy requirement in the neighbourhood plan then it must be noted that an extremely high standard of justification is required which goes beyond the scope of this HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.
140. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using neighbourhood development orders, identifying exception sites or developing community land trusts are all ways of boosting the supply of affordable housing.

5. RQ 2: Type and Size

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

Introduction

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

Existing types and sizes

Background and definitions

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

all dwellings are classified as either shared or unshared dwellings. Households are groups of people who live together as a coherent unit (such as a family), and a dwelling is shared where there is more than one household occupying it (e.g. two families or a group of individual students). Hence, there is usually a different number of households and dwellings in any given area. The number of dwellings can also exceed that of households in areas with large numbers of holiday or second homes.

147. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. 2011 and 2021 Census data is used to understand the current dwelling stock and changes over time. Valuation Office Agency (VOA) data is also used in places, such as when determining the proportion of bungalows in the NA.

Dwelling type

148. Table 5-1 shows the dwelling types in Elstree & Borehamwood in both 2011 and 2021. In 2011 the greatest proportion of dwellings were terraced, at 33.1%, whilst in 2021 flats were most common, at 32.0%. The proportion of terraced dwellings in the NA fell over the decade whilst the proportion of flats grew. The proportion of semi-detached dwellings, the third most common type, remained stable, whilst there was a slight decrease in the already low proportion of detached dwellings.

149. Census data does not count bungalows independently, but instead within each of the other categories (generally detached and semi-detached dwellings). VOA data does count bungalows in a separate category. VOA data shows in 2021 approximately 3.0% of dwellings were bungalows in the NA.

Table 5-1: Accommodation type, Elstree & Borehamwood, 2011 and 2021

Dwelling type	2011	2021
Bungalow	-	-
Flat	28.9%	32.0%
Terrace	33.1%	29.2%
Semi-detached	28.5%	28.4%
Detached	9.2%	9.0%
Unknown/other	-	1.4%

Source: ONS 2011, ONS 2021, AECOM Calculations

150. Table 5-2 shows the split of dwelling types in 2021 in the sub areas of the NA. Overall it can be seen that the sub areas have distinct differences in the type mix of dwellings. Elstree Village was dominated by semi-detached dwellings (48.1%), with a substantial mix of flats and terraced dwellings, whilst Elstree (by Borehamwood) had by far the greatest proportion of detached dwellings (53.5%), again with a notable proportion of flats. Borehamwood town was mainly comprised of flats (33.0%), terraces (31.5%), and semi-detached dwellings (28.7%). In terms of bungalows, VOA data shows that approximately 3.1% of the stock in Borehamwood and Elstree (by Borehamwood) was bungalows, and the figure was just 1.4% in Elstree Village.

Table 5-2: Accommodation type, Elstree & Borehamwood sub areas, 2021

Dwelling type	Elstree Village	Elstree (by Borehamwood)	Borehamwood
Bungalow	-	-	-
Flat	22.3%	24.7%	33.0%
Terrace	18.8%	8.1%	31.5%
Semi-detached	48.1%	13.6%	28.7%
Detached	9.5%	53.5%	5.2%
Unknown/other	1.2%	0.2%	1.6%

Source: ONS 2021, AECOM Calculations

151. It is also helpful to compare the type mix in the NA with the wider borough and country. Table 5-3 shows that Elstree & Borehamwood had a significantly higher proportion of flats than Hertsmere and, to an even greater extent, England. The proportion of terraced dwellings in the NA was also greater than the comparator areas. Conversely, the proportion of semi-detached dwellings was below the comparator areas, with the proportion of detached dwellings well below both Hertsmere and England. There was also a smaller proportion of bungalows in Elstree & Borehamwood, at 3.0% compared to 6.6% across Hertsmere and 9.2% nationally.

Table 5-3: Accommodation type, various geographies, 2021

Dwelling type	Elstree & Borehamwood	Hertsmere	England
Bungalow	-	-	-
Flats	32.0%	27.0%	21.4%
Terrace	29.2%	20.4%	23.0%
Semi-detached	28.4%	32.4%	31.5%
Detached	9.0%	18.7%	22.9%
Unknown/other	1.4%	1.5%	1.3%

Source: ONS 2021, AECOM Calculations

Dwelling size

152. Turning to dwelling size, Table 5-4 shows how the size mix of dwellings has changed in the NA over the last decade. In both 2011 and 2021 the greatest proportion of dwellings were 3-bedroom, although this decreased from 41.4% to 37.3%. This was followed in both years by 2-bedroom dwellings, with the proportion of 1, 2, and 4+ bedroom dwellings increasing. The Steering Group note that extensions of smaller dwellings is a key issue in the NA, with this potentially accounting in part (along with development) for the increase in the proportion of larger dwellings between 2011 and 2021.

Table 5-4: Dwelling size (bedrooms), Elstree & Borehamwood, 2011 and 2021

Number of bedrooms	2011	2021
Studio	0.2%	-
1	15.5%	16.1%
2	28.7%	29.1%
3	41.4%	37.3%
4+	14.2%	17.6%

Source: ONS 2011, ONS 2021, AECOM Calculations

153. As with the type mix, it is also interesting to look at how the size of dwellings compares across the sub-areas. Table 5-5 shows that Elstree Village was characterised by a significant proportion of 3-bedroom and 2-bedroom dwellings at 38.8% and 24.3% respectively, with some provision of larger dwellings. Elstree (by Borehamwood) on the other hand had a much greater proportion of 4+ bedroom dwellings (60.8%), with some provision of 2-bedroom dwellings and very few 3-bedroom or 1-bedroom dwellings. Borehamwood had a significant proportion of 2-bedroom and 3-bedroom dwellings, at 29.9% and 39.1% respectively. There was a smaller provision of larger dwellings than Elstree Village, but the proportion of 1-bedroom dwellings was similar.

Table 5-5: Accommodation size, Elstree & Borehamwood sub areas, 2021

Number of bedrooms	Elstree Village	Elstree (by Borehamwood)	Borehamwood
1	17.8%	2.4%	17.1%
2	24.3%	22.4%	29.9%
3	38.8%	14.3%	39.1%
4+	19.2%	60.8%	13.9%

Source: ONS 2021, AECOM Calculations

154. Again, it is useful to look at the breakdown of dwelling sizes in comparison with the wider borough and country. Table 5-6 shows that Elstree & Borehamwood had a slightly greater proportion of 3-bedroom dwelling than Hertsmere, but that this was below national levels. The NA had a greater proportion of smaller 1- and 2-bedroom dwellings than the comparator areas and a smaller proportion of larger 4+ dwellings.

Table 5-6: Dwelling size (bedrooms), various geographies, 2021

Number of bedrooms	Elstree & Borehamwood	Hertsmere	England
1	16.1%	12.4%	11.6%
2	29.1%	26.7%	27.3%
3	37.3%	36.2%	40.0%
4+	17.6%	24.6%	21.1%

Source: ONS 2021, AECOM Calculations

155. In summary, the NA is characterised by a high proportion of flats and terraced dwellings, with few detached dwellings compared to the borough and country. The Borehamwood sub-area aligned most closely with the NA as a whole, with Elstree (by Borehamwood) characterised by a high proportion of detached

dwellings compared to the NA, Hertsmere, England, and the other sub-areas. In terms of size, the NA had a smaller size mix profile than both comparator areas, with Elstree (by Borehamwood) once again departing the most from the NA mix, dominated by larger dwellings.

Age and household composition

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

Age structure

157. 2021 Census data is available at a local level for the overall population, with it indicating that at this time there were 41,419 residents living in the NA, with 36,324 (87.7%) in Borehamwood, 3,358 (8.1%) in Elstree (bordering Borehamwood), and 1,737 (4.2%) in Elstree Village. However, age structure is not available at a localised level and so Table 5-7 relies on mid-2020 population projections to update the 2011 Census for the NA as a whole. Mid-2020 population estimates appear to have underestimated the NA population, suggesting a population of 39,963 in 2020 compared to 2021 Census data of 41,419. However, this source is still considered robust for determining the age breakdown. For the sub-areas 2011 Census data alone must be relied upon.
158. Table 5-7 shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. It shows that in 2011, the greatest proportion of the population were aged 25-44, at 30.6% of the total, followed by those aged 45-64. Looking to 2020, the greatest proportion of the population remained aged 25-44, although to a slightly lesser extent. Between 2011 and 2020 the number of young people (aged 16-24) fell significantly, by 16.1%. Most other age categories increased, with a 20.7% increase in children and a 21.8% increase in older persons aged 65-84.
159. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2020 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data.
160. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2020 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.

Table 5-7: Age structure of Elstree & Borehamwood population, 2011 and 2020

Age group	2011 (Census)		2020 (ONS, estimated)		% Change
	Population	%	Population	%	
0-15	7,985	21.5%	9,641	24.1%	20.7%
16-24	4,031	10.9%	3,380	8.5%	-16.1%
25-44	11,357	30.6%	11,554	28.9%	1.7%
45-64	8,963	24.2%	9,860	24.7%	10.0%
65-84	3,912	10.6%	4,765	11.9%	21.8%
85 and over	817	2.2%	763	1.9%	-6.6%
Total	37,065	-	39,963	-	7.8%

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

161. It is also helpful to look at the age structure of the sub areas of the NA. The greatest proportion of the population in Elstree Village were aged 25-44, with the greatest proportion in Elstree (by Borehamwood) aged 45-64, and the greatest proportion in Borehamwood aged 25-44. Overall, Elstree (by Borehamwood) has the greatest proportion of older persons, with 17.8% of the population aged 65+, compared to 13.3% in Elstree Village and 12.2% in Borehamwood. The greatest proportion of younger adults (aged 16-24 and 25-44) lived in Borehamwood, with the proportion of children relatively consistent across the sub areas.

Table 5-8: Age structure of Elstree & Borehamwood population sub areas, 2011

Age group	Elstree Village		Elstree (by Borehamwood)		Borehamwood	
	Population	%	Population	%	Population	%
0-15	378	22.0%	746	22.0%	6,861	21.5%
16-24	168	9.8%	363	10.7%	3,500	11.0%
25-44	490	28.5%	778	22.9%	10,089	31.6%
45-64	452	26.3%	904	26.6%	7,607	23.8%
65-84	188	10.9%	504	14.9%	3,220	10.1%
85 and over	41	2.4%	98	2.9%	678	2.1%
Total	1,717	-	3,393	-	31,955	-

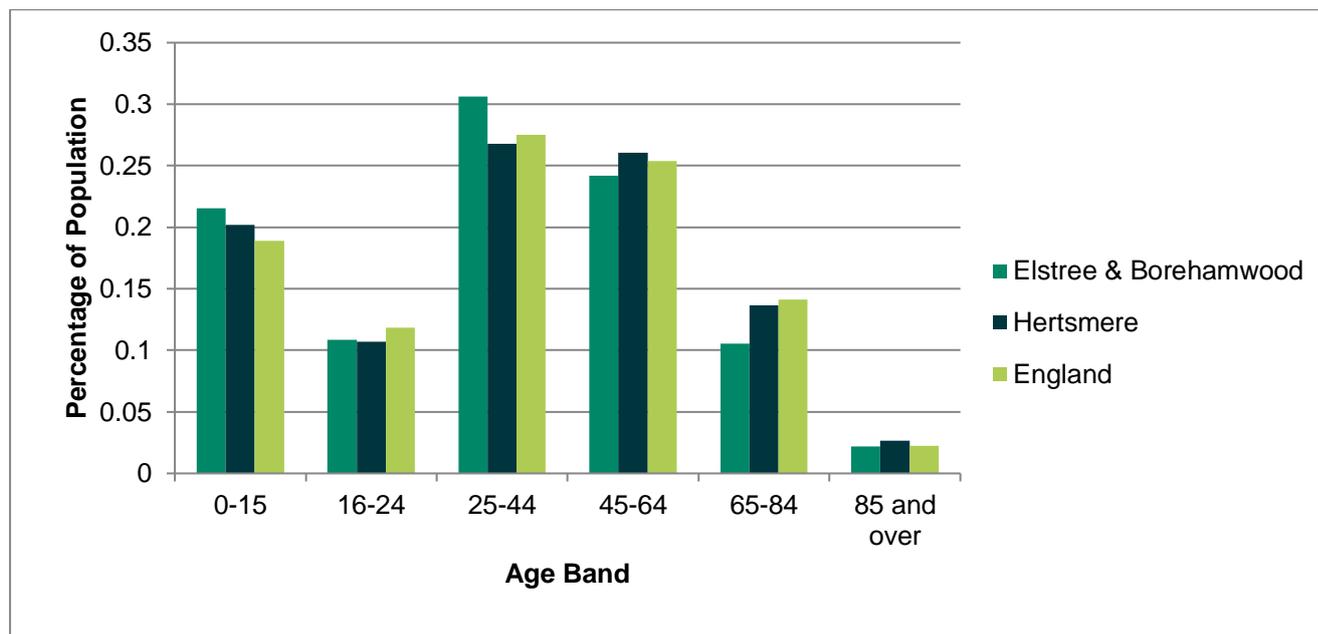
Source: ONS 2011, ONS mid-2020 population estimates, AECOM Calculations

162. 2021 Census data has begun to be released, with current population statistics not yet available at the most localised level. It is currently not expected that this data at parish level will be released until Spring 2023. However, the local authority level data can provide some insight into how Elstree & Borehamwood has changed over the last decade. The mid-2020 population estimates for Elstree & Borehamwood show that the population in the NA is expected to have grown by 7.8% between 2011 and 2020 whilst 2021 Census data shows that the Hertsmere population also grew by 7.8% between 2011 and 2021. This indicates that the population of Elstree & Borehamwood has grown at the same rate as the wider borough.

163. For context, it is useful to look at the parish population structure alongside that of the borough and country. Figure 5-1 (using 2011 Census data) shows that the NA had a greater proportion of children aged 0-15 than Hertsmere and England. There was also a greater proportion of the younger working age population, aged 25-44. Together these indicate a significant proportion of

young families. There was a smaller proportion of older households than the comparator areas in Elstree & Borehamwood, especially those aged 65-84.

Figure 5-1: Age structure in Elstree & Borehamwood, 2011



Source: ONS 2011, AECOM Calculations

Household composition

164. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period. Table 5-9 shows that in both Elstree & Borehamwood and Hertsmere, the proportion of single person households was below national levels.
165. The proportion of family households in the NA was slightly above England although below the wider borough. The greatest proportion of the population in the NA was families with dependent children, at 32.4% of households, compared to 30.1% across Hertsmere and 25.8% nationally. The proportion of households with non-dependent children was also above the comparator areas suggesting the relative unaffordability of entry-level homes, with young people financially unable to move out of their family homes. Also notable is that the proportion of older households, aged 66 and over, was below both Hertsmere and England in both single person and family households.
166. It is helpful to compare 2021 household composition with the household composition of the NA noted in the 2011 Census. Between 2011 and 2021 the proportion of families with dependent children grew by 11.0%, compared to 3.5% growth across England. Also of note is the proportion of family households aged 65/66¹⁷ and over, which grew by 18.7% in Elstree & Borehamwood and 19.9% across England. This shows that although the proportion of older

¹⁷ 2011 Census categorises households aged 65 and over whilst 2021 Census categorises households aged 66 and over.

households was greater nationally, the rate of growth was similar to that in the NA.

Table 5-9: Household composition, Elstree & Borehamwood, 2021

Household composition		Elstree & Borehamwood	Hertsmere	England
One person household	Total	27.6%	27.0%	30.1%
	Aged 66 and over	10.7%	12.9%	12.8%
	Other	16.9%	14.1%	17.3%
One family only	Total	64.3%	66.1%	63.0%
	All aged 66 and over	5.7%	9.1%	9.2%
	With no children	13.1%	13.6%	16.8%
	With dependent children	32.4%	30.1%	25.8%
	With non-dependent children ¹⁸	12.2%	12.7%	10.5%
	Other	1.0%	0.7%	0.8%
Other household types	Total	8.1%	6.9%	6.9%

Source: ONS 2021, AECOM Calculations

Occupancy ratings

167. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A person is considered to under-occupy their home when there are more bedrooms in 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.

168. Table 5-10 shows that there was some under-occupancy in the NA, with 58.4% of households living in a dwelling with at least one extra bedroom compared to their household size. This is most common in families aged 65+ (92.2% under-occupancy) and families with no children (85.9% under-occupancy). This may suggest that larger housing in the NA is not occupied by the largest households but by those with the most wealth or older households that have been unable or unwilling to downsize.

169. There was also some over-occupancy in Elstree & Borehamwood, in both families with dependent children and families with non-dependent children. It is

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

estimated that 35.3% of households lived in a dwelling of an appropriate size based on household size and number of bedrooms.

Table 5-10: Occupancy rating by age in Elstree & Borehamwood, 2011

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	59.4%	32.8%	7.8%	0.0%
Single person 65+	36.8%	31.7%	31.5%	0.0%
Family under 65 - no children	54.6%	31.3%	14.1%	0.0%
Family under 65 - dependent children	12.5%	33.5%	44.5%	9.6%
Family under 65 - adult children	14.1%	44.0%	35.3%	6.6%
Single person under 65	25.3%	31.7%	43.0%	0.0%
All households	25.5%	32.9%	35.3%	6.3%

Source: ONS 2011, AECOM Calculations

170. 2021 Census data has been released at a localised level for occupancy but it is not yet possible to compare this to household types. Table 5-11 shows how households as a whole occupy their homes in both 2011 and 2021. This shows that in 2021 56.8% of households lived in a dwelling with at least one extra bedroom, a smaller proportion than in 2011 (58.4%). In this time the proportion of households living in a dwelling with too few bedrooms for their household size increased, from 6.3% to 7.7% of the population. This may be in part due to the 2021 Census being conducted during the Covid-19 pandemic, when it was not uncommon for single person households to 'bubble' with larger households (e.g. single people moving in with parents or adult children).

Table 5-11: Occupancy rating in Elstree & Borehamwood, 2011-2021

Year	+2 rating	+1 rating	0 rating	-1 rating
2011	25.5%	32.9%	35.3%	6.3%
2021	25.5%	31.3%	35.6%	7.7%

Source: ONS 2011, ONS 2021, AECOM Calculations

Dwelling mix determined by life-stage modelling

Indicative future dwelling size mix

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

- The starting point is the age distribution of Elstree & Borehamwood households in 2011.
 - The life stage of a household is determined by the age of the household reference person (HRP), a more modern term for the head of household.

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

172. It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more or less space than they 'need'. It also does not anticipate changes in how people may wish to occupy their homes in response to social and technological change.

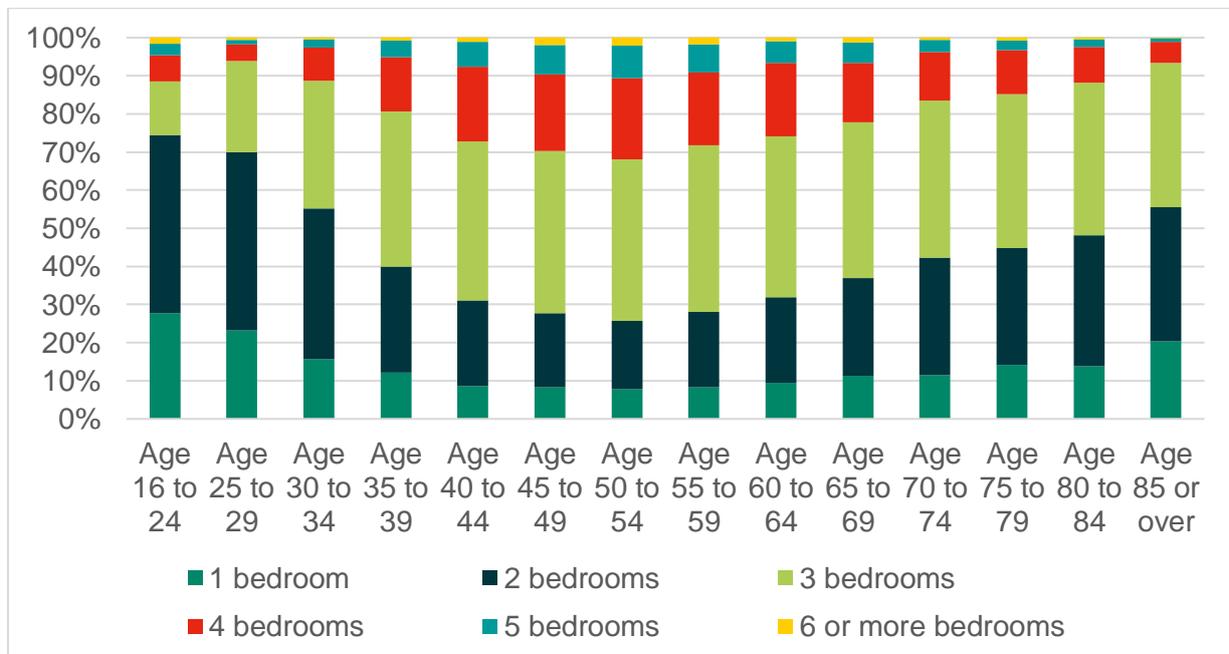
173. The approach therefore embeds existing patterns of occupancy which may or may not be desirable. As such, it is appropriate for the result of this model to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the

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

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

175. The first, given as Figure 5-2, sets out the relationship between household life stage and dwelling size for Hertsmere in 2011. Generally, the youngest households occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age. In Hertsmere households with a household reference person aged 16-24 occupy more larger dwellings (4+ bedrooms) than expected for the age group. This could be due to the borough’s proximity to London and severe affordability challenges, leading to young professionals living in HMOs (and potentially commuting to London).

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



Source: ONS 2011, AECOM Calculations

176. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Elstree & Borehamwood households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-12 makes clear that population growth can be expected to be driven by the oldest households, with the number of households with a household reference person aged 65 and over expected to grow by 59% between 2011 and 2038. This would increase households in this category from accounting for 21.6% of households in 2011 to accounting for 31.5% of households in 2038. Households with a household reference person aged 55-64 are also expected to increase by 18%, whilst all other categories are expected to experience a decline. This indicates a strongly aging population in Elstree & Borehamwood during the plan period.

Table 5-12: Projected distribution of households by age of HRP, Elstree & Borehamwood

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	371	2,421	6,295	2,399	3,172
2038	332	2,122	5,696	2,834	5,048
% change 2011-2038	-10%	-12%	-10%	18%	59%

Source: AECOM Calculations

177. The final result of this exercise is presented in Table 5-13. The model suggests that by the end of the plan period there should be a decrease in the proportion of dwellings with 1-3 bedrooms and an increase in the proportion of larger 4+ bedroom dwellings. In order to reach the indicative mix it is suggested that there is no further delivery of the smallest dwellings, and that development is focussed on 4+ bedroom dwellings. It is recommended that there is still some delivery of 2- and 3-bedroom dwellings at 14.4% and 13.5% respectively.

Table 5-13: Indicative dwelling size mix to 2038, Elstree & Borehamwood

Number of bedrooms	Current mix (2011)	Indicative mix (2038)	Balance of new housing to reach indicative mix
1 bedroom	15.5%	12.2%	0.0%
2 bedrooms	28.7%	27.8%	14.4%
3 bedrooms	41.4%	39.3%	13.5%
4 bedrooms	10.3%	14.8%	50.4%
5 or more bedrooms	3.9%	5.9%	21.8%

Source: AECOM Calculations

178. It is never advisable to restrict future housing delivery to selected size categories too severely. The result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It is a starting point for thinking about how best to address the more nuanced needs of the future population. Due to the level of growth expected to take place in Elstree & Borehamwood over the plan period, it is unreasonable to expect the delivery of over 70% 4+ bedroom dwellings.

179. Due to the limited available data associating demography with size preferences, AECOM's modelling gives significant weight to differences between the NA and borough size profiles. In this unusual case, the NA has a greater proportion of smaller dwellings and a lesser proportion of larger dwellings. The result brings the NA closer in line with the borough through larger homes. This outcome is clearly inappropriate, in that it would severely limit choice in new housing, diverge from the NA's existing character and density patterns, have negative impacts on affordability, and likely require more land than is available. In effect, idiosyncrasies with the data the modelling cannot avoid using has skewed the

outcome in a potentially harmful way, and as such the final result should be largely disregarded. However, this is the most established and rational method to determine an area's future size mix, so reaching a more appropriate conclusion requires thinking beyond the model results.

180. An alternative approach that could be taken is for new development to match the indicative mix of what housing overall might ideally look like (middle column of Table 5-13) rather than the balance of what it would take for new construction to achieve that ideal. This mix is more balanced than the recommended mix of delivery and would focus more on mid-sized 3-bedroom dwellings with the provision of some smaller dwellings (e.g. for downsizing) and some larger dwellings (e.g. for growing families). All of these outcomes are, in AECOM's judgement, in service of the evolving needs of the community.
181. There has been significant development in the NA since 2011, with the size mix of development over the last decade shown in Table 5-14, based on the change between the 2011 and 2021 Census. This shows that during that period, approximately 53.1% of development (or dwellings that have increased in size due to extensions) in Elstree & Borehamwood was for 4+ bedroom dwellings, an increase of 739 dwellings. This would still not align the NA with the borough mix.
182. There was a notable decline in the number of 3-bedroom dwellings over the last decade, potentially due to extensions increasing the size of dwellings, the subdivision of dwellings (e.g. turning 1 house into 2 flats), or the demolition of this size dwellings, replacing them with an alternative dwelling size. The development that has taken place in the last decade increased the proportion of 1-bedroom, 2-bedroom, and 4+ bedroom dwellings in the NA but decreased the proportion of 3-bedroom dwellings. This could indicate that a greater proportion of mid-sized dwellings should be delivered than suggested in the modelling in Table 5-13.
183. In addition, the EWC AAP Policy EWC3 (Housing Density and Distribution) outlines that housing developments in excess of 25 units (gross) will contain some variation in housing mix by type and size. It also explicitly states that development proposals should aim to deliver a proportion of 3-bedroom units.

Table 5-14: Size mix of Elstree & Borehamwood dwellings 2011-2021

Number of bedrooms	Increase in dwelling sizes 2011-2021 ¹⁹	Increase in dwelling sizes 2011-2021 (%) ²⁰	% Change in dwelling size mix 2011-2021
1 bedroom	301	21.6%	+13.3%
2 bedrooms	452	32.5%	+10.7%
3 bedrooms	-101	-7.3%	-1.7%
4+ bedrooms	739	53.1%	+35.5%

Source: ONS 2021, ONS 2011, AECOM Calculations

¹⁹ This change between 2011 and 2021 will take into account new development, extensions to dwellings, and any potential demolitions.

²⁰ As above.

184. It is also important to consider the three distinct sub-areas of the NA. As Table 5-5 shows, the size mix of Borehamwood aligned most closely with the NA as a whole, meaning the modelled mix may be most appropriate here. However, this would not necessarily be appropriate in the other sub areas. For example, in 2021 over 60% of dwellings in Elstree (by Borehamwood) were 4+ bedroom, well above the indicative mix for the end of the plan period. It may be desired therefore that this sub-area in particular prioritises the delivery of smaller and mid-sized dwellings.
185. The specific split within the sub-areas (if differing policy is to be applied) is not for AECOM to quantify and it is up to the Steering Group to weigh up the different factors. On one hand the Steering Group may want to diversify the stock in each sub-area (e.g. providing more smaller dwellings to balance the larger mix in Elstree (by Borehamwood)). On the other hand, the NA contains 3 distinct areas, with their own historic character and density patterns, which might be beneficial to preserve. The NA has diversity as a whole across these areas and so residents requiring smaller units know where to go to find housing (and vice versa for larger housing). These are factors the Steering Group should consider when making policy judgements.
186. Another factor to consider is that the size mix in Table 5-13 is for both market and affordable housing. The Waiting List data provided by Hertsmere Borough Council for Elstree & Borehamwood shows the need for different size dwellings:
- 33.6% 1-bedroom;
 - 24.9% 2-bedroom;
 - 37.9% 3-bedroom; and
 - 3.7% 4-bedroom.
- This shows a clear need for both smaller and mid-sized dwellings, with the greatest need for 3-bedroom dwellings from households on the Waiting List. In addition, relets data in 2021 and 2022 shows that only 5.7% of relets were for 3-bedroom dwellings, with turnover much higher in smaller dwellings (92.3% 1-bedroom and 2-bedroom). This may indicate that a greater provision of 3-bedroom dwellings should be delivered than the mix in Table 5-13, further justifying a focus on the indicative mix in the middle column as discussed above.
187. The preceding chapter found that affordability is a serious challenge in the NA. While the provision of Affordable Housing 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 and so is a reason not to limit the provision of smaller and mid-sized dwellings to too great an extent.
188. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes. Facilitating downsizing among older households may release those larger homes for use

by families who need more bedrooms. However, it may not be realistic to expect growing families to be able to afford the larger detached homes that are currently under-occupied in the parish. Reducing the issue of dwelling size to a number of bedrooms is potentially unhelpful in this case.

189. All of the factors discussed above are important when determining a size mix of dwellings for the NA. AECOM cannot offer a certain split that would be appropriate as this is for the Steering Group to determine based on the evidence provided and form into policy, especially if the group are considering sub-area size mixes. However, the indicative mix (middle column in Table 5-13 may serve as a suitable starting point and could be reasonably taken forward if no adjustments are desired. Generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to mid-sized homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

The LHNA findings

190. The South West Hertfordshire LHNA suggests a size mix of housing across the HMA which differentiates between market housing, affordable home ownership products, and social/affordable rented dwellings. Figure 5-3 below shows the suggested breakdown of dwelling sizes and may be an additional piece of evidence for the Steering Group to consider, especially if the NA is expected to meet some of the wider Borough's housing needs.

Figure 5-3: Recommended size mix of homes by tenure from South West Hertfordshire LHNA (2020)

Size	Market	Affordable Homes to Buy	Affordable Homes to Rent
1-bedroom	5%	25%	30%
2-bedrooms	20%	40%	35%
3-bedrooms	45%	25%	25%
4+-bedrooms	30%	10%	10%

Source: South West Hertfordshire LHNA

Conclusions- Type and Size

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

Current dwelling stock

192. In 2011 the greatest proportion of dwellings in Elstree & Borehamwood were terraced, at 33.1%, whilst in 2021 flats were most common, at 32.0%. The proportion of semi-detached dwellings remained stable over the decade, with a slight decrease in detached dwellings, of which there was a small proportion in 2011. VOA data shows in 2021 approximately 3.0% of dwellings were bungalows in the NA.
193. Turning to dwelling size, in both 2011 and 2021 the greatest proportion of dwellings were 3-bedroom, although this decreased from 41.4% to 37.3%. This was followed in both years by 2-bedroom dwellings, with the proportion of 1, 2, and 4+ bedroom dwellings increasing.
194. In summary, in 2021 the NA was characterised by a high proportion of flats and terraced dwellings, with few detached dwellings compared to the borough and country. The Borehamwood sub-area aligned most closely with the NA as a whole, with Elstree (by Borehamwood) characterised by a high proportion of detached dwellings compared to the NA, Hertsmere, England, and the other sub-areas. In terms of size, the NA had a smaller size mix profile than both comparator areas, with Elstree (by Borehamwood) once again departing the most from the NA mix, dominated by larger dwellings.

Demographics

195. In 2011 the greatest proportion of the population were aged 25-44 (30.6%), followed by those aged 45-64. Looking to 2020, the greatest proportion of the population remained aged 25-44, although to a slightly lesser extent. Between 2011 and 2020 the number of young people (aged 16-24) fell significantly, by 16.1%. Most other age categories increased, with a 20.7% increase in children and a 21.8% increase in older persons aged 65-84.
196. The majority of the NA population in 2021 (87.7%) lived in Borehamwood, with 8.1% living in Elstree (by Borehamwood), and 4.2% living in Elstree Village. The age breakdown for the sub-areas has to be determined from 2011 data. Elstree (by Borehamwood) had the greatest proportion of older people, with 17.8% of the population aged 65+, compared to 13.3% in Elstree Village and 12.2% in Borehamwood. The greatest proportion of younger adults (aged 16-24 and 25-44) lived in Borehamwood, with the proportion of children relatively in line across the sub areas.
197. Population growth can be expected to be driven by the oldest households, with households with a household reference person aged 65 and over expected to grow by 59% between 2011 and 2038. This would increase the proportion of all households in this age category from 21.6% in 2011 to 31.5% in 2038.
198. In 2021 both Elstree & Borehamwood and Hertsmere had a smaller proportion of single person households than England. The greatest proportion of the population in the NA was families with dependent children, at 32.4% of households, compared to 30.1% across Hertsmere and 25.8% nationally. Also

notable is that the proportion of older households, aged 66 and over, was below both Hertsmere and England in both single person and family households.

199. There was some under-occupancy in the NA, with 58.4% of households living in a dwelling with at least one extra bedroom compared to their household size. This was most common in families aged 65+ and families with no children, suggesting that larger housing in the NA is not occupied by the largest households but by those with the most wealth or older households that have been unable or unwilling to downsize. There was also some over-occupancy in Elstree & Borehamwood, in both families with dependent children and families with non-dependent children.

Future size mix

200. AECOM modelling suggests that in order to reach the indicative mix by the end of the plan period, that there is no further delivery of the smallest dwellings, and that development is focussed on 4+ bedroom dwellings. It is recommended that there is still some delivery of 2- and 3-bedroom dwellings at 14.4% and 13.5% respectively. It is not appropriate to promote the delivery of over 70% 4+ bedroom dwellings as it would severely limit choice in new housing, diverge from the NA's existing character and density patterns, have negative impacts on affordability, and likely require more land than is available.
201. The Chapter finds that the indicative mix (middle column of Table 5-13) may be a more appropriate starting point for the future size mix of housing, offering a more balanced split of dwelling sizes as not to limit choices in new housing or diverge too far from Elstree & Borehamwood's existing character.
202. It is also important to consider the three distinct sub-areas of the NA. The size mix of Borehamwood aligned most closely with the NA as a whole, meaning the modelled mix may be most appropriate here. However, this wouldn't necessarily be appropriate in the other sub areas. For example, in 2021 over 60% of dwellings in Elstree (by Borehamwood) were 4+ bedroom, well above the indicative mix for the end of the plan period.
203. The specific split within the sub-areas (if differing policy is to be applied) is not for AECOM to quantify and it is up to the Steering Group to weigh up the different factors. On one hand the Steering Group may want to diversify the stock in each sub-area. On the other hand, the NA contains 3 distinct areas, with their own historic character and density patterns, which might be beneficial to preserve.
204. Generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to mid-sized homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

6. RQ 3: Specialist housing for older people

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

Introduction

205. This chapter considers in detail the specialist housing needs of older people in Elstree & Borehamwood. The level of care associated with specialist housing products can vary widely, and is broadly categorised, in descending order from highest to lowest care level, as follows

- Specialist schemes that have 24-hour onsite care and support, typically including onsite catering (e.g. extra care, flexicare, and enhanced care);
- Specialist housing that is designed with the relevant group in mind. This may be suitable for receiving care or support, but this is not typically provided onsite or at all times of day (e.g. sheltered housing); and
- Mainstream housing that is adapted or capable of adaptation so that the inhabitant can live independently and care or support can be provided in the home.

206. People experience ageing differently. Much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age while others may need support and care much earlier in their lives. Some will be interested in moving to a suitable home closer to services while for others ageing independently in place will be key to their wellbeing.

207. 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.

208. The specialist housing needs of older people (75+) are assessed below using two methods. The first is a tenure-led projection, based on rates of mobility limitation among this age group and the tenure of housing they currently occupy. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network (HLIN) Strategic Housing for Older People (SHOP) tool,²¹ which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.

209. 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 a baseline

²¹ Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>

as opposed to the projected new households which form the baseline for estimating housing need overall.²²

210. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).²³ Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for older people) are not within the scope of this research. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required.

Current supply of specialist housing for older people

211. When determining a final target for the need for specialist dwellings, it is necessary first to take account of current supply. Information on the current stock is collated manually using the search function on the Elderly Accommodation Counsel's Website: <http://www.housingcare.org>.
212. Table 6-1 counts a total of 576 units of specialist accommodation in the NA at present, the majority of which (80.4%) are available for social rent for those in financial need. Approximately 10.4% are available for leasehold purchase, and the remaining 9.2% are in a range of tenures including leasehold purchase, market rent, and shared ownership. The Steering Group note that expensive market developments of sheltered housing often attract people from outside the NA rather than catering to local needs (as they are too expensive). This then increases pressure on local care services.
213. In addition to the specialist housing in the NA, there are a number of care homes, with approximately 432 bedspaces.
214. ONS 2020 population estimates suggest that there are currently around 2,423 individuals aged 75 or over in Elstree & Borehamwood. This suggests that current provision (excluding care home beds) is in the region of 238 units per 1,000 of the 75+ population (a common measure of specialist housing supply).

²² See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

²³ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

Table 6-1: Existing specialist housing for Older People in Elstree & Borehamwood

	Name	Units	Tenure	Type	Sub Area
1	Yew Tree Court	22	Leasehold	Age exclusive housing	Elstree Village
2	Belhaven / Windsor	56	Rent (social landlord)	Retirement housing	Borehamwood
3	Fairbanks Lodge	38	Leasehold	Retirement housing	Borehamwood
4	Farriers Way	48	Rent (social landlord)	Retirement housing	Borehamwood
5	Fountain Court	45	Rent (social landlord)	Extra care housing	Borehamwood
6	Fulton Court	102	Rent (social landlord)	Retirement housing	Borehamwood
7	Goldwyn House	53	Leasehold, market rent, and shared ownership	Extra care housing	Borehamwood
8	Maydwell Lodge	38	Rent (social landlord)	Retirement housing	Borehamwood
9	Neptune Court	29	Rent (social landlord)	Retirement housing	Borehamwood
10	Organ Hall	60	Rent (social landlord)	Retirement housing	Borehamwood
11	The Poplars	85	Rent (social landlord)	Retirement housing	Borehamwood

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

Tenure-led projections

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

216. The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2038. It is assumed that those currently occupying their own home will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.

217. According to Table 6-2, the majority of households aged 55-75 owned their own home in 2011, at 78.3% of households. The remaining 21.7% rented their home, with 15.5% of total households living in social rented housing.

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

All owned	Owned outright	Owned (mortgage) or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
78.3%	50.6%	27.7%	21.7%	15.5%	5.1%	1.1%

Source: Census 2011

218. The next step is to project how the overall number of older people in Elstree & Borehamwood is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for Hertsmere at the end of the Plan period. The figure must be extrapolated from the Local Authority level data because such projections are not available at neighbourhood level. The results are set out in Table 6-3. It shows that in 2011, the older population (aged 75+) accounted for 6.5% of the population in the NA, compared to 8.3% across Hertsmere as a whole. Looking to the end of the plan period, it is expected that the proportion of the population aged 75+ in Elstree & Borehamwood will increase to 10.2%. This is still expected to be below borough levels.

Table 6-3: Modelled projection of older population in Elstree & Borehamwood by end of Plan period

Age group	2011		2038	
	Elstree & Borehamwood	Hertsmere	Elstree & Borehamwood	Hertsmere
All ages	37,065	100,031	39,918	107,730
75+	2,423	8,330	4,060	13,959
%	6.5%	8.3%	10.2%	13.0%

Source: ONS SNPP 2020, AECOM Calculations

219. A key assumption for the next stages of the calculation is that the older people living in the NA currently are already suitably accommodated, either because they occupy the existing stock of specialist accommodation, have made appropriate adaptations to their own homes or do not require support or adaptations. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without evidence from a household survey (which itself may not give a complete picture).

220. The people whose needs are the focus of the subsequent analysis are therefore the additional 1,637 individuals expected to join the 75+ age group by the end of the Plan period. This figure should also be converted into households with reference to the average number of people per household with a life stage of 75+ in Hertsmere in 2011 (the smallest and most recent dataset to capture households). In 2011 there were 8,330 individuals aged 75+ and 5,792 households headed by a person in that age group. The average household size

is therefore 1.44, and the projected growth of 1,637 people in Elstree & Borehamwood can be estimated to be formed into around 1,138 households.

221. The next step is to multiply this figure by the percentages of 55-75 year olds occupying each tenure (shown in the table above). This is set out in Table 6-4. This provides a breakdown of which tenures those households are likely to need.

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

Owned	Owned					
	Owned outright	(mortgage) or shared ownership	All rented	Social rented	Private rented	Living rent free
891	576	315	247	176	58	13

Source: Census 2011, ONS SNPP 2020, AECOM Calculations

222. Next, rates of disability by tenure are considered. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs they may find that the only suitable and affordable option to them is available in the social rented sector. Table 6-5 presents this data for Elstree & Borehamwood from the 2011 Census. Note that the closest proxy for the 75+ age group in the Census is the 65+ age group.

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

Tenure	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories	1,221	27.5%	1,110	25.0%	2,105	47.5%
Owned Total	723	23.8%	708	23.3%	1,602	52.8%
Owned outright	590	24.0%	572	23.2%	1,301	52.8%
Owned (mortgage) or shared ownership	133	23.3%	136	23.9%	301	52.8%
Rented Total	498	35.5%	402	28.7%	503	35.9%
Social rented	421	36.2%	347	29.8%	396	34.0%
Private rented or living rent free	77	32.2%	55	23.0%	107	44.8%

Source: DC3408EW Health status

223. It is now possible to multiply the projected number of 75+ households occupying each tenure by the rates of mobility limitation for that tenure to arrive at the final

tenure-led estimate for specialist housing needs. The number of households falling into potential need for specialist accommodation over the Plan period is 579.

224. These findings are set out in the table, based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

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

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	Multiply the number of households across all rented tenures (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	Multiply the number of households across all owner-occupied housing by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	300
	88	212	
Adaptations, sheltered, or retirement living	Multiply the number of households across all rented housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	Multiply the number of households across all owned housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	279
	71	208	
Total	159	420	579

Source: Census 2011, AECOM Calculations

Housing LIN-recommended provision

225. 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 6-7

reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP) toolkit. The table serves as a guide to the numbers of specialist dwellings for older people that should be provided given the increase in their numbers over the Plan period, and how these should be split into the different tenures.

226. It is worth highlighting that the HLIN model suggests that the level of unmet demand for specialist housing for older people of all kinds is approximately 251 units per 1,000 of the population aged 75+.

Table 6-7: Recommended provision of specialist housing for older people from the SHOP toolkit

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

Source: Housing LIN SHOP Toolkit

227. As Table 6-3 shows, Elstree & Borehamwood is forecast to see an increase of 1,637 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent = $60 \times 1.637 = 98$
- Leasehold sheltered housing = $120 \times 1.637 = 196$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = $20 \times 1.637 = 33$
- Extra care housing for rent = $15 \times 1.637 = 25$
- Extra care housing for sale = $30 \times 1.637 = 49$
- Housing based provision for dementia = $6 \times 1.637 = 10$

228. This produces an overall total of 411 specialist dwellings which might be required by the end of the plan period.

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

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

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia	Includes: enhanced sheltered housing for sale + extra care housing for sale	116
	51	65	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	295
	98	197	
Total	149	262	411

Source: Housing LIN, AECOM calculations

LHNA findings

230. The South West Hertfordshire LHNA estimates the potential shortfall of nursing and residential care beds by 2036. It suggests that Hertsmeres will have a shortfall of 457 beds by 2036, the second lowest in the HMA after Watford (shortfall of 102). If Hertsmeres's shortfall is pro-rated to Elstree & Borehamwood it suggests a shortfall of 169.5 care beds by 2036.

Conclusions- Specialist Housing for Older People

231. Elstree & Borehamwood currently has approximately 576 units of specialist accommodation, 80.4% of which are available for social rent for those in financial need. In addition there are approximately 432 care home bed spaces.

232. Population estimates indicate that there were around 2,423 individuals aged 75+ in the NA in 2020. It is predicted that this will increase to 4,060 by the end of the plan period, with individuals aged 75+ expected to account for 10.2% of the population compared to 6.5% in 2011.

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 Elstree & Borehamwood produce a range of 411 to 579 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 important to take into consideration the breakdown in levels of care and tenure within the need for specialist housing for older persons. When considering the AECOM calculations outlined in Table 6-6, the majority of the need, at 72.5%, is identified for specialist market (as opposed to affordable rented) housing. Slightly more need is identified for extra-care housing at 51.8% compared to 48.2% sheltered. The greatest sub-category of need was identified for market extra-care housing at 36.6% of the total need, followed by 35.9% market sheltered housing. The latter need is for individuals with less severe limitations and at least some of this need could be met through adaptations or through ensuring that all new housing is accessible and adaptable for people with lower support needs.
236. Another avenue open to the Neighbourhood Planning groups is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. The local level evidence supplied in this report could be used to influence borough level policies. Groups may also be able to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock).
237. Local Plan policy CS22 provides explicit encouragement for accessible dwellings, with it outlined that where practicably possible, 100% of new residential units should be built to the Lifetime Homes Standards. It also outlines that the proportion of wheelchair accessible homes on new residential developments of 15 or more units will be considered on a site by site basis, having regard to current needs in the Borough.
238. However, it does not set specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The Government is considering mandating M4(2) on newly erected dwellings²⁴, although changes to Building Regulations have not yet been made. 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.
239. It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide, and the localised evidence gathered here would further justify this. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants in the borough falling into this category.
240. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:

²⁴ See [Raising accessibility standards for new homes: summary of consultation responses and government response - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes)

- so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
- so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
- so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.

241. 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).

242. It is considered that Elstree & Borehamwood 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 Elstree & Borehamwood in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Neighbourhood Area boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Area itself.

243. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

7. Next Steps

Recommendations for next steps

244. This Neighbourhood Plan housing needs assessment aims to provide Elstree & Borehamwood 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 Hertsmere Borough Council with a view to agreeing and formulating draft housing policies, bearing the following in mind:
- All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
 - The views of Hertsmere Borough Council;
 - The views of local residents;
 - The views of other relevant local stakeholders, including housing developers and estate agents; and
 - The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Hertsmere Borough Council.
245. 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.
246. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Hertsmere Borough Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
247. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

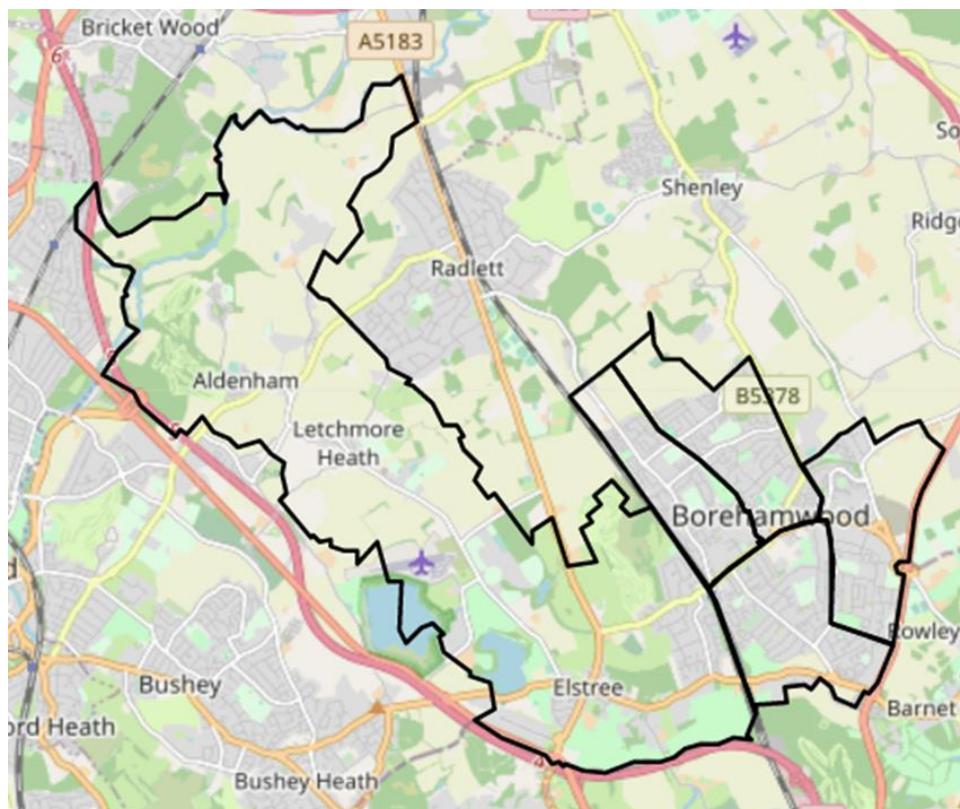
Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

248. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Area. Such data is available at MSOA level but not at the level of Neighbourhood Areas.

249. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Area. In the case of Elstree & Borehamwood, it is considered that MSOAs E02004901, E02004902, E02004904, E02004906, and E02004905 are the closest realistic proxy for the Neighbourhood Area boundary when looking at income data, and as such, this is the assessment geography that has been selected. A map of these MSOAs appears in Figure A-1 and covers the entire NA as well as the settlements of Aldenham and Letchmore Heath.

Figure A-1: MSOAs E02004901, E02004902, E02004904, E02004906, and E02004905 used as a best-fit geographical proxy for the Neighbourhood Area



Source: ONS

A.2 Market housing

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

i) Market sales

252. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.
253. 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 Elstree & Borehamwood, 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.
254. The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2021) = £441,250;
 - Purchase deposit at 10% of value = £44,125;
 - Value of dwelling for mortgage purposes = £397,125;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £113,464.
255. 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 2021 was £346,699, and the purchase threshold is therefore £89,151.
256. 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 51 sales of new build properties in the NA in 2021. The lower quartile new build house price in 2021 for the NA was £360,000, with a purchase threshold of £92,571. This is the benchmark used for the likely cost of affordable home ownership products (calculated later in the Appendix).

257. 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 Hertsmere in 2021. The median cost of new build dwellings in Hertsmere was £580,000, with a purchase threshold of £149,143.

ii) Private Rented Sector (PRS)

258. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.

259. 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.

260. The property website Rightmove.co.uk shows rental values for property in the Neighbourhood Area. The best available data is derived from properties available for rent within Elstree & Borehamwood.

261. According to Rightmove.co.uk, there were 37 properties for rent at the time of search in November 2022, with an average monthly rent of £3,066. There were 10 2-bedroom properties listed, with an average price of £1,412 per calendar month.

262. The calculation for the private rent income threshold for entry-level (2-bedroom) dwellings is as follows:

- Annual rent = £1,412 x 12 = £16,944;
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £56,480.

263. The calculation is repeated for the overall average to give an income threshold of £122,640.

A.3 Affordable Housing

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

i) Social rent

265. 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.
266. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so must act as a proxy for Elstree & Borehamwood. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Hertsmere in the Table A-1.
267. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£106.41	£122.82	£135.37	£147.77	£124.64
Annual average	£5,533	£6,387	£7,039	£7,684	£6,481
Income needed	£18,426	£21,268	£23,441	£25,588	£21,583

Source: Homes England, AECOM Calculations

ii) Affordable rent

268. 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).
269. Even an 80% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.
270. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Hertsmere. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
271. Comparing this result with the average 2-bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 58% of market

rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table A-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£150.14	£187.47	£207.20	£214.89	£177.36
Annual average	£7,807	£9,748	£10,774	£11,174	£9,223
Income needed	£25,998	£32,462	£35,879	£37,210	£30,712

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

272. 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.

273. In paragraph 65 of the NPPF 2021, 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.” The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

First Homes

274. Whether to treat discounted market housing as affordable or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to buy market housing.

275. The starting point for these calculations is therefore the cost of new build entry-level housing in the NA noted above of £360,000.

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

- Value of a new home (NA new build entry-level) = £360,000;
- Discounted by 30% = £252,000;
- Purchase deposit at 10% of value = £25,200;
- Value of dwelling for mortgage purposes = £226,800;
- Divided by loan to income ratio of 3.5 = purchase threshold of £64,800.

277. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £55,543 and £46,286 respectively.
278. 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 at 40% and 50% discount are below the price cap of £250,000. First Homes at a 30% discount is only £2,000 above the £250,000 cap and so could be provided at a slightly lower price in order to meet the criteria.
279. 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. m²⁵) would be around £122,500. This cost excludes any land value or developer profit. This would not appear to be an issue in Elstree & Borehamwood.

Shared ownership

280. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.
281. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.
282. 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).
283. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £360,000 is £90,000;

²⁵ 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/>

- A 10% deposit of £9,000 is deducted, leaving a mortgage value of £81,000;
- This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £23,143;
- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £270,000;
- The estimated annual rent at 2.5% of the unsold value is £6,750;
- This requires an income of £22,500 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £45,643 (£23,143 plus £22,500).

284. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £36,257 and £61,286 respectively.

285. The income thresholds are all below the £80,000 cap for eligible households.

Rent to Buy

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

Help to Buy (Equity Loan)

287. The Help to Buy Equity Loan is not an affordable housing tenure but allows households to afford market housing through a loan provided by the government. With a Help to Buy Equity Loan the government lends up to 20% (40% in London) of the cost of a newly built home. The household must pay a deposit of 5% or more and arrange a mortgage of 25% or more to make up the rest. Buyers are not charged interest on the 20% loan for the first five years of owning the home.

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

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

- a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).
- b) 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 methods²⁶.

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 Standard²⁷

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.

²⁶ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

²⁷ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order²⁸

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)²⁹

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.

²⁸ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

²⁹ 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 years³⁰, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

³⁰ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

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

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

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing³¹

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 bed roomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also

³¹ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for Older People

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.³²

³² See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

