Addressing the Needs of All Household Types

Updated Technical Paper for Tandridge District Council

June 2018

Turley

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1. Introduction

1.1 Turley has been commissioned by Tandridge District Council ('the Council') to update the suite of five housing technical papers[1] produced in 2015, which have formed part of the Council's Strategic Housing Market Assessment (SHMA) evidence base since their publication. Updated papers are required by the Council to inform the ongoing preparation of the Local Plan and to ensure that account is taken of the latest available evidence.

1.2 This paper provides updated evidence on the housing needs of different types of households in Tandridge, building upon and where possible updating the analysis presented in the previous technical paper[2] which is included in full at **Appendix 1**. This paper is not intended to replace or fully supersede the earlier analysis, which should be read alongside this update and is referenced as appropriate throughout.

Policy Framework and Guidance

1.3 Like the previous analysis, this paper has been prepared to comply with the current National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG). It is acknowledged that the Government recently consulted on a revised version of the NPPF, with supporting proposed amendments to the PPG published in draft form as part of this consultation. The proposals for the implementation of the revised NPPF indicate that plans submitted within six months of the date of its final publication will not expected to take any account of the revisions. It is understood that the Council aims to submit its Local Plan during 2018, and therefore within this transitional window. For context, however, reference is made where appropriate to the implications of the proposed revisions.

1.4 Although the proposals include a new standard approach to calculating housing needs, the related guidance on how the need for different types of housing retains elements of the existing PPG. This includes a section that closely resembles the existing PPG – entitled '*how can the needs for all types of housing be identified?*'[3] – which continues to require plan-makers to break down overall housing figures.

1.5 The draft text does, however, omit explicit guidance on the '*current and future trends*' that should be examined, and '*how this information should be drawn together to understand how age profile and household mix relate to each other*'[4]. The requirement for plan-makers to '*look at the household types, tenure and size in the current stock and in recent supply, and assess whether continuation of these trends would meet future needs*' is also removed[5] albeit evidently there remains an expectation that plan-makers

[1] Separate technical papers were produced on defining the housing market area; analysis of market signals; addressing the needs of all household types; affordable housing needs assessment; and review of Inspectors' decisions on SHMAs and OAN

[2] Turley (2015) Addressing the Needs of All Household Types – Technical Paper for Tandridge District Council

[3] MHCLG (March 2018) Draft Planning Practice Guidance, p28

[4] PPG Reference ID 2a-021-20160401

[5] *Ibid*

consider the needs of different types of households and therefore the types of homes that will be required.

1.6 It is important to note that the draft PPG does not propose additions to replace this text. There therefore remains no single approach that must be followed to provide such a disaggregation, with the revised guidance arguably providing less clarity on how this should be achieved.

Scope of this Update

1.7 This paper partially updates the original analysis, and provides an updated and refined position on the size and type of housing likely to be required to accommodate the most recent 2014-based projections of household growth in Tandridge[6]. This is presented in **section 2**, and is then contextualised through an up-to-date appreciation of the existing stock profile in **section 3** which draws upon available secondary data.

1.8 This analysis updates and complements that presented in sections 2 and 3 of the original paper. Although the original paper subsequently considered the needs of specific groups, this is not updated within this paper.

[6] This paper was largely produced prior to the release of the 2016-based sub-national population projections (SNPP) on 24 May 2018, which nonetheless will not be officially translated into household projections until September 2018. The release of the 2016-based SNPP therefore does not affect the analysis in this topic paper, although it is recommended that the Council considers the implications of the 2016-based household projections upon their release

2. Size and Type of Housing Needed

2.1 The PPG currently highlights the importance of considering the size and type of housing required, and – as introduced in the previous section – emerging changes to the PPG indicate that such a breakdown will continue to be required in future[7].

2.2 On this basis, the original paper utilised the demographic modelling which underpinned the objectively assessed need (OAN) concluded by NMSS to explore how a changing demographic profile may lead to requirements for housing of different types and sizes.

2.3 However, the original paper acknowledged the limitations of the data then available to inform its assessment. In particular, there was an absence of detail around the type of households projected to form, which necessitated reliance upon the projected age of household representatives[8].

2.4 Although the Council has not commissioned a review of its OAN evidence, the release of the 2014-based household projections resolves this identified limitation. This dataset identifies the types of households projected to form if recent demographic trends continue, which can be combined with data from the 2011 Census to estimate the proportion of households that may require different sizes and types of property.

2.5 Existing housing trends recorded in Tandridge by the 2011 Census form the basis for the assessment, with the approach assuming that the evidenced tendencies of different household types to occupy different sizes of housing are maintained throughout the plan period. This does not seek to estimate how market factors – such as changes to house prices, incomes and household preferences – will impact upon households' propensities to occupy different sizes of housing. Recognising market volatility over the longer term, this approach is considered reasonable as it ensures that the analysis is grounded in a robust evidence-based position of household choices. It is, however, recognised that these choices will be reflective of the current stock profile available, which is considered further in section 3.

2.6 The analysis in this topic paper as noted is underpinned by the 2014-based household projections. These are currently acknowledged as the '*starting point*' in the PPG when assessing housing needs. In the absence of an update to the OAN, the use of this dataset is considered appropriate. Outputs are presented as proportions as opposed to absolutes and can therefore be applied through policy to the overall scale of housing to be provided for, based upon the OAN.

Types of Households Projected to Form in Tandridge

2.7 The 2014-based household projections include a breakdown into eight household categories. The following chart illustrates projected change in the number of households of different types, over the emerging plan period (2013 – 2033).

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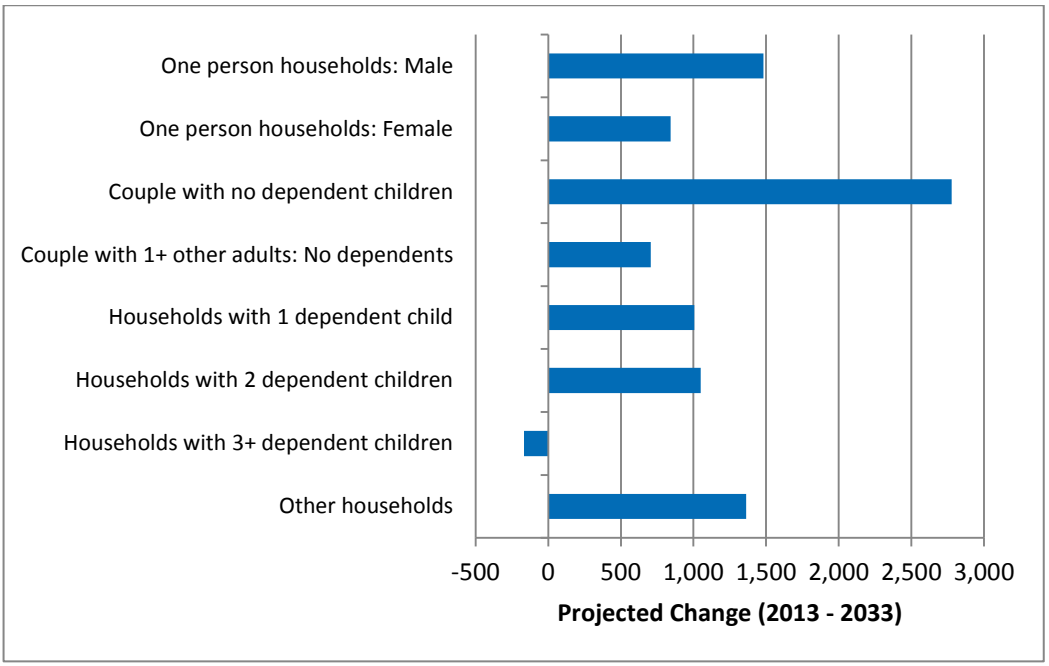
[7] PPG Reference ID 2a-021-20160401; MHCLG (March 2018) Draft Planning Practice Guidance, p28

[8] Turley (2015) Addressing the Needs of All Household Types – Technical Paper for Tandridge District Council, paragraph 3.3

Figure 2.1: Projected Change in Household Profile (2014-based projections)



Source: MHCLG, 2016

2.8 The number of couples without dependent children in Tandridge is projected to see the strongest absolute increase over the plan period, followed by one person households. In contrast, a reduction in the number of larger households with three or more dependent children is projected, although the overall number of households with at least one dependent child is expected to increase over the plan period.

Size of Housing Needed

2.9 Figure 2.9 of the original paper highlighted that different types of households in Tandridge occupy different sizes of housing, evidenced by the 2011 Census which remains the most comprehensive and up-to-date national and local survey of households' occupancy patterns[9]. This local data can therefore be used to estimate different households' propensity to occupy housing of different sizes in Tandridge.

2.10 The household typologies available from the Census do not align precisely with those available from the 2014-based household projections, and a process of aggregation to five broad types of households is therefore required[10]. For clarity, the following table represents the Census data previously presented at Figure 2.9 to align with these five household categories.

[9] Census table DC1402EW – Household composition by number of bedrooms

[10] Male and female one person households are combined; households with any number of dependent children are combined into a single category

Table 2.1: Number of Bedrooms by Household Type in Tandridge 2011

	1 bed	2 beds	3 beds	4+ beds
One person households	26%	35%	27%	12%
Couples without children	6%	24%	38%	31%
Households with dependent children	2%	20%	39%	40%
Families with other adults[11]	1%	17%	45%	38%
Other households	5%	26%	35%	34%

Source: Census 2011

2.11 As observed in the original paper, one person households in Tandridge demonstrate a stronger tendency towards occupying smaller properties. This contrasts with families and households containing other adults, of which over three quarters occupy homes with at least three bedrooms. Over two thirds of couple households also occupy housing of this size.

2.12 Reflecting these propensities to occupy different sizes of home, the overall profile of projected household growth – illustrated at Figure 2.1 – would be expected to shape demand for different sizes of housing in Tandridge over the plan period. By proportionately applying households' existing tendencies to occupy different sizes of housing, an illustrative profile of the size of housing likely to be required by additional households forming over the plan period can be established. This analysis relates to **all additional households projected to form**, and is not broken down by tenure.

Table 2.2: Implied Size of Housing Required in Tandridge (2013 – 2033)

	1 bed	2 beds	3 beds	4+ beds
Proportion of households requiring…	10%	26%	35%	29%

Source: Turley; MHCLG; Census 2011

2.13 The analysis suggests that around 35% of the households projected to form in Tandridge will require three bedrooms, while a slightly smaller proportion (29%) could be expected to require houses with at least four bedrooms. Around one in four (26%) households may require two bedroom properties, and one in ten (10%) could be expected to require only one bedroom.

2.14 More broadly, the analysis indicates that almost two thirds (64%) of additional households may require three bedrooms or more, with the residual 36% requiring properties with two bedrooms or fewer.

2.15 The above cannot be directly compared with the conclusions of the original paper, which – due to data limitations at the time – first disaggregated housing need by type,

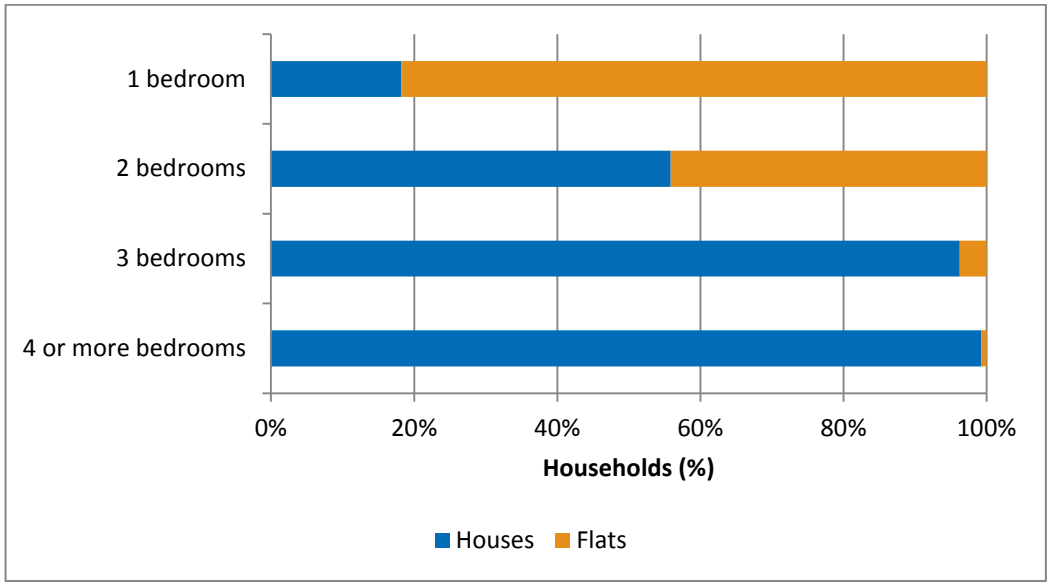
[11] Includes non-dependent children

and then size[12]. The resolution of these data limitations enables a simplified presentation of the size of housing which may be required in Tandridge, which has been specifically requested by the Council.

Type of Housing Needed

2.16 The type of property that may be needed in Tandridge to provide homes of the required size can also be estimated through reference to 2011 Census data[13]. This confirms that households occupying one bedroom properties predominantly live in flats, while houses accommodate almost all of those occupying properties with three bedrooms or more.

Figure 2.2: Accommodation Type by Number of Bedrooms in Tandridge 2011



Source: Census 2011

2.17 The earlier analysis estimated the number of additional households requiring each size of property in Tandridge over the plan period, with a proportionate split presented at Table 2.2. The number of houses and flats required in the district to deliver such a mix of housing can be estimated through the application of the proportions illustrated at Figure 2.2. This assumes, for example, that 44% of the need for two bedroom properties is met through provision of flats, on the basis that 44% of the households currently living in two bedroom properties in the district occupy flats.

2.18 As summarised in the following table, this would suggest that circa 80% of all new homes in Tandridge would need to be houses to accommodate projected change in its household profile, with a residual requirement for circa 20% of homes to be flats.

[12] The proportion of all households requiring more than three bedrooms, for example, could not be aggregated due to variability in the number of bedrooms recorded in different types of accommodation, which necessarily underpinned its analysis

[13] Census table CT0551 – Accommodation type (excluding caravans/temporary structures) by tenure by number of bedrooms

Table 2.3: Implied Type of Housing Required in Tandridge (2013 – 2033)

	Houses	Flats
Proportion of households requiring…	79%	21%

Source: Turley; MHCLG; Census 2011

2.19 When compared with the original paper, the above precisely aligns with its conclusion at Figure 3.3 that 21% of housing need could be met through provision of flats. While the residual need for different types of houses was previously disaggregated, its analysis similarly suggested that a total of 79% of households could require houses. The updated analysis therefore reinforces this conclusion.

Interpreting the Evidence

2.20 This modelling exercise provides an illustrative interpretation of available historic evidence to estimate the size of housing that may be required in Tandridge over the plan period.

2.21 The analysis should be used for guidance in its translation into policy and for the monitoring of future development at district level.

2.22 While this evidence provides a valuable overall indication of the broad mix of housing which may be required, it is recommended that policies are not overly prescriptive in directly basing requirements for individual sites on the illustrative mix presented in this section. The individual mix of housing provided on a site-by-site basis will need to respond to the changing demands and needs of the market and take account of local market evidence and viability considerations, which will have an important influence on the appropriate mix.

Summary

2.23 The analysis presented in this section indicates that a continuation of recent demographic trends in Tandridge would be expected to lead to the formation of additional households requiring housing of all sizes. In particular, 35% of additional households may require three bedrooms, with a further 29% requiring larger homes with four bedrooms or more. Around one in four (26%) households could be expected to require two bedrooms, with the remaining 10% of households potentially accommodated in homes with only one bedroom.

2.24 Delivering such a profile of housing over the plan period could require circa 80% of all new homes to be houses, with the remaining 20% flats. This is unchanged from the original paper, despite the implementation of a refined methodology within this update and the integration of the latest demographic evidence.

2.25 The above is derived from analysis which assumes that households' existing occupancy patterns persist throughout the plan period, and does not seek to estimate how market factors may influence household choices. Such choices will also inherently reflect the stock of housing currently available in the district, which was found through

the original paper to be skewed towards larger properties and is further considered in the following section.

2.26 The analysis presented in this report aligns with the suggested methodology set out in the PPG and uses the latest available data. It should be used for guidance in the monitoring of and implementation of policy which establishes the type and size of housing to be provided for at district level. It is recommended that policies are not overly prescriptive in basing requirements for individual sites on this illustrative mix, as the mix of housing provided on different sites will need to respond to the changing demands and needs of the market and take account of viability considerations.

3. Existing Stock Profile

3.1 The original paper profiled the existing housing stock in Tandridge, drawing upon evidence from the 2011 Census. While this remains the most comprehensive national survey of the type of housing occupied by households, further administrative datasets are available to provide a more recent indication of the characteristics of the housing stock profile.

3.2 This section summarises such evidence produced by the Valuation Office Agency[14] (VOA) which recorded all domestic properties with a Council Tax band as of March 2017. This provides an updated snapshot of the size, type and Council Tax banding of properties in Tandridge.

Housing Type

3.3 As summarised in the following table, over a quarter (27%) of the housing stock in Tandridge was classified as detached in March 2017. This far exceeds the national average (16%), and is also a defining characteristic – albeit to a lesser extent – of the South East and Surrey in particular. Conversely, it is evident that there are comparatively few terraced homes in Tandridge, falling below a Surrey average which itself is significantly lower than the regional or national averages. It is also notable that semi-detached houses and flats respectively represent a comparable proportion of the overall housing stock in Tandridge, which closely aligns with the wider areas presented.

Table 3.1: Housing Type (March 2017)

	Tandridge	Surrey	South East	England
Detached	27%	25%	20%	16%
Semi-detached	24%	24%	21%	24%
Flat	22%	22%	22%	23%
Terraced	15%	17%	24%	27%
Bungalow	10%	9%	10%	9%
Other or unknown	3%	3%	2%	2%

Source: VOA, 2017

3.4 The Council's recent monitoring of housing completions does not include a breakdown between different types of homes. However, the original paper highlighted particularly strong growth in the number of flats between Census years (2001 – 2011), such that this type of property accounted for over half (54%) of the overall change in housing stock recorded in Tandridge during this period[15].

[14] VOA (2017) Council Tax: stock of properties 2017

[15] Turley (2015) Addressing the Needs of All Household Types – Technical Paper for Tandridge District Council, Figure 2.1

3.5 The analysis in section 2 indicated that around 20% of households projected to form in Tandridge over the plan period could require flats. While this suggests a continued future need to grow the stock of flats in the district, it equally highlights a need to balance delivery and ensure that all types of homes – including houses – continue to be delivered.

Housing Size

3.6 An updated position on the size of housing in Tandridge can also be established using the same data. Reflecting the distinct characteristics of the stock profile established above, it is evident that larger housing continues to be prevalent in Tandridge. Around a quarter (24%) of all homes contain at least four bedrooms, surpassing that recorded in Surrey, the South East or England. In contrast, a smaller proportion of homes in the district contain only one bedroom. It is also notable that three bedroom properties account for the largest proportion (37%) of the housing stock in Tandridge, although this falls slightly below the averages recorded in the comparator areas presented in the following table. The representation of properties with two bedrooms falls within the range suggested by the comparator areas, but slightly exceeds wider Surrey.

Table 3.2: Housing Size by Number of Bedrooms (March 2017)

	1 bed	2 beds	3 beds	4+ beds	Unknown
Tandridge	9%	27%	37%	24%	3%
Surrey	11%	25%	39%	22%	3%
South East	12%	27%	41%	18%	3%
England	12%	28%	43%	15%	2%

Source: VOA, 2017

3.7 As noted above, monitoring published by the Council does not contain a breakdown of housing completions by size. The number of bedrooms was also not recorded by the 2001 Census, inhibiting analysis of change between Census years. It can, however, be broadly observed from the latest available data that the size of housing in Tandridge remains comparable to that recorded at the 2011 Census[16], with new supply since this point therefore appearing to have largely maintained this profile.

3.8 A relatively close alignment between the size of the existing stock profile and that implied as being required to accommodate the types of households projected to form in Tandridge is also evident. The latter is, however, directly derived from evidence on how the existing stock profile is currently occupied, and such a broad alignment would therefore be anticipated.

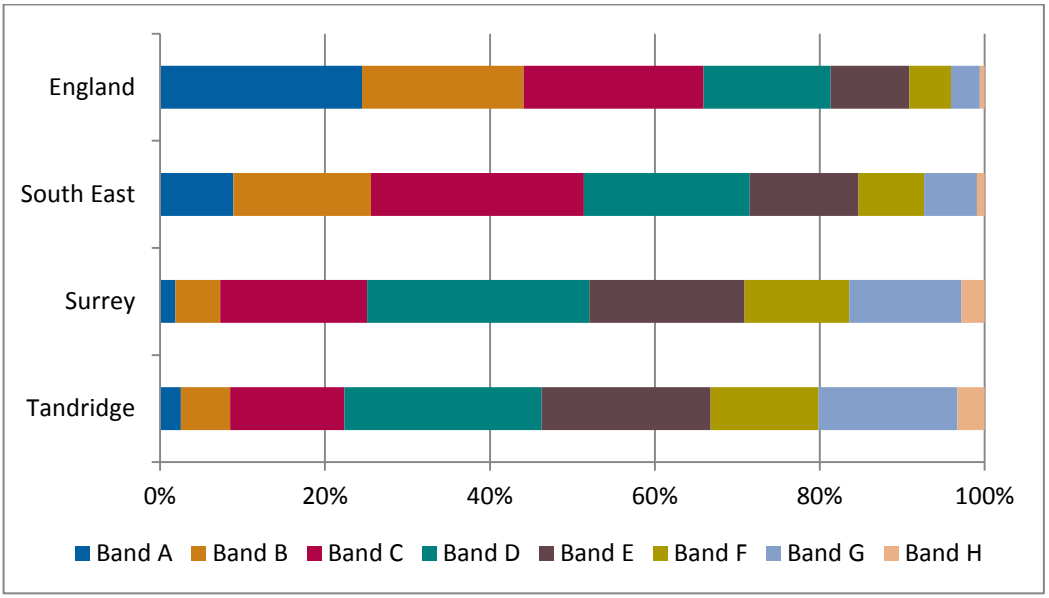
[16] *Ibid*, Figure 2.2

Council Tax Banding

3.9 Although not recorded by the Census or considered in the original paper, VOA data also provides detail on properties' Council Tax banding. This enables a broad understanding of the value of housing in Tandridge, relative to other areas.

3.10 The chart below illustrates that Tandridge contains a large number of properties in higher Council Tax bands, with over half of properties (54%) in Band E or above. Like wider Surrey (48%), this far exceeds the regional (29%) and national (19%) figures. Consequently, fewer properties in Tandridge have been allocated to lower bands, relative to the wider South East and England. It can, however, be seen that a slightly larger proportion of properties in Tandridge are in Band A or B (9%) relative to Surrey (7%).

Table 3.3: Council Tax Banding of Properties (March 2017)



Source: VOA, 2017

Summary

3.11 This section provides an updated snapshot of the stock profile of Tandridge in March 2017, drawing upon the latest data published by the VOA and making comparisons with Surrey, the wider South East and England.

3.12 Like wider Surrey – though to a greater extent – Tandridge continues to be characterised by its concentration of larger, detached housing, relative to the regional and national average. The prevalence of such higher value housing is also reflected by the large proportion of properties in higher Council Tax bands.

3.13 There is more limited deviation from this regional and national profile when considering semi-detached houses or flats as a proportion of the overall housing stock. It is, however, evident that there are few terraced homes in Tandridge. There are also

proportionately fewer properties with three bedrooms, although such homes continue to account for over one third of the district's housing stock.

3.14 As outlined in the previous section, it is important that the Council monitors the type and size of housing completed, in order to establish the extent to which households' needs for different types of properties are being met through delivery at district level.

4. Summary and Conclusions

4.1 Turley has been commissioned by Tandridge District Council to update the suite of five housing technical papers produced in 2015, which have formed part of the Council's Strategic Housing Market Assessment evidence base since their publication. Updated papers are required by the Council to inform the ongoing preparation of the Local Plan and to ensure that account is taken of the latest available information.

4.2 This paper provides updated evidence on the housing needs of different types of households in Tandridge, building upon and where possible updating the analysis presented in the previous technical paper[17] which is included in full at **Appendix 1**. This paper is not intended to replace or fully supersede the earlier analysis, which should be read alongside this update and is referenced as appropriate throughout.

4.3 The importance of considering the size and type of housing required is currently highlighted in the PPG, and emerging changes to the PPG indicate that such a breakdown will continue to be required in future. Existing guidance informed the approach taken in the original paper, albeit it acknowledged limitations in the data then available.

4.4 Although the Council has not commissioned a review of its objectively assessed need (OAN) evidence, the release of new 2014-based household projections resolves a previously identified issue relating to the absence of detail on the type of households projected to form in future. The latest projections identify the types of households projected to form if recent demographic trends continue, thereby allowing an understanding of the proportion of households likely to require different sizes and types of housing.

4.5 The strongest growth is anticipated amongst households containing couples without dependent children, followed by one person households. In contrast, a reduction in the number of larger households with three or more dependent children is projected, although the overall number of households with at least one dependent child is expected to increase over the plan period (2013 – 2033).

4.6 Based on different types of households' tendencies to occupy different sizes of housing, such change in the household profile of Tandridge would be expected to generate additional demand for all sizes of property. As summarised in the following table, a demand for three bedroom properties may be particularly prevalent, as well as larger homes with four bedrooms or more. Over one in three (36%) households would be expected to require two bedrooms or fewer.

[17] Turley (2015) Addressing the Needs of All Household Types – Technical Paper for Tandridge District Council

Table 4.1: Implied Size of Housing Required in Tandridge (2013 – 2033)

	1 bed	2 beds	3 beds	4+ beds
Proportion of households requiring…	10%	26%	35%	29%

Source: Turley; MHCLG; Census 2011

4.7 Delivering such a profile of housing over the plan period could require circa 80% of all new homes to be houses, with the remaining 20% flats. This is unchanged from the conclusions of the original paper, but is underpinned by a refined methodology.

4.8 The above is derived from analysis which assumes that households' existing occupancy patterns persist throughout the plan period, and does not seek to estimate how market factors may influence household choices. Such choices will also inherently reflect the stock of housing currently available in the district, which the updated analysis in this paper continues to suggest is skewed towards larger detached properties in higher value Council Tax bands.

4.9 Furthermore, the relative affordability of different sizes of property could influence the size of housing occupied by households, particularly those facing challenges in accessing market housing. While this paper does not provide a breakdown by tenure, these are important considerations for the Council in developing policy which meets housing needs.

4.10 The analysis presented in this report aligns with the suggested methodology set out in the PPG and uses the latest available data. It should be used for guidance in the monitoring of and implementation of policy which establishes the type and size of housing to be provided for at district level. It is recommended that policies are not overly prescriptive in basing requirements for individual sites on this illustrative mix, as the mix of housing provided on different sites will need to respond to the changing demands and needs of the market and take account of viability considerations.

Appendix 1: Original Technical Paper (September 2015)

Addressing the Needs of All Household Types

Technical Paper for Tandridge District Council

September 2015

Turley Economics

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1. Introduction

1.1 This paper has been prepared to consider the size and type of housing required in Tandridge, in the context of the conclusions reached regarding the anticipated population and household growth underpinning the concluded objective assessment of housing need (OAN) for the district[1]. This will inform the development of planning policy in Tandridge, and follows the guidance in the PPG:

"Once an overall housing figure has been identified, plan makers will need to break this down by tenure, household type (singles, couples and families) and household size"[2]

1.2 The PPG suggests that current and future trends in age profile, household type, the current housing stock and its tenure composition should all be considered, continuing:

"This information should be drawn together to understand how age profile and household mix relate to each other, and how this may change in the future. When considering future need for different types of housing, plan makers will need to consider whether they plan to attract a different age profile eg increasing the number of working age people"[3]

1.3 The importance of comparing future need against the current profile is also highlighted:

"Plan makers should look at the household types, tenure and size in the current stock and in recent supply, and assess whether continuation of these trends would meet future needs"[4]

1.4 This paper initially considers the size and tenure of housing required in Tandridge, through establishing the current demographic profile of the district – and current trends in occupying housing – and applying these trends to future demographic growth. In the subsequent section, the specific needs of different groups are considered, including older people.

[1] The outputs of this report directly input the concluded levels of population and household growth provided by NMSS based upon the conclusions reached regarding the OAN for the authority, with no independent scrutiny applied by Turley

[2] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_021

[3] Ibid

[4] Ibid

2. Existing Stock Profile

2.1 This section profiles the existing housing stock in Tandridge – considering recent change in the size and tenure of properties in particular – before establishing current housing trends amongst different groups of the local population.

2.2 This provides an important context for understanding the implications of the projected changes to the population and household make-up of the authority over the plan period. This is considered further in section 3 of this paper.

Existing Housing Stock

2.3 The PPG highlights the importance of establishing the current stock profile to establish the available supply of housing, and recent change in stock should also be considered to identify key trends.

2.4 The 2011 Census provides the latest up-to-date profile of the housing stock in Tandridge, and this can be compared to the 2001 Census to determine recent changes in the stock profile. This is typically based on household spaces in the district, which is a count of the accommodation available for use by an individual household[5] and may therefore differ from the number of net dwelling completions recorded by the Council.

2.5 In 2011, 34,741 household spaces were identified in Tandridge, which represented an increase of around 7% from the 32,404 household spaces recorded in 2001. As the following table shows, much of this growth was driven by an increase in flatted – and to a lesser extent terraced – property, although the district is characterised by a high proportion of detached stock. Indeed, in 2011, 37% of household spaces in Tandridge were detached, compared to the national rate of 22%.

Figure 2.1: Change in Household Spaces by Type 2001 – 2011

	2001	2011	Change	% change
Detached	12,472	12,665	193	1.5%
Semi-detached	9,207	9,705	498	5.4%
Terraced	4,437	4,828	391	8.8%
Flats and other[6]	6,288	7,543	1,255	20.0%
Total	**32,404**	**34,741**	**2,337**	**7.2%**

Source: Census 2001; Census 2011

2.6 This trend is, however, long-established, with only minimal growth in this type of housing over the decade to 2011. This is likely to reflect its maturity as a market, with the increase in flats in particular likely to be driven by a combination of factors including

[5] ONS (2014) 2011 Census Glossary of Terms
[6] Includes mobile and temporary accommodation and shared dwellings

growth in private renting, worsening affordability issues and changing household preferences.

2.7 The changing stock profile of Tandridge is likely to have impacted upon the size of property available in the district, although it is challenging to understand how the number of bedrooms in a property has changed given that this was not recorded in the 2001 Census. Nevertheless, the current size profile of household spaces in Tandridge provides important context, and is presented in the following table alongside England and Surrey[7].

Figure 2.2: Number of Bedrooms in Household Spaces 2011

	0	1	2	3	4	5+
Tandridge	0.1%	9.5%	25.2%	35.8%	19.6%	9.8%
Surrey	0.2%	10.9%	24.3%	36.4%	19.6%	8.6%
England	0.2%	11.8%	27.9%	41.2%	14.4%	4.6%

Source: Census 2011

2.8 There is a clear skewing towards larger properties in Tandridge, with just under 30% of household spaces containing four or more bedrooms. This is considerably higher than the comparable figure of 19% seen in England, and is likely to reflect the high proportion of detached stock in the district. This also marginally exceeds the levels seen in Surrey, and indeed there is a broad alignment with the size profile seen across the county. There remain, however, relatively few smaller properties in Tandridge, although – given the growth in flats over recent years – the supply of smaller property is likely to have grown over the preceding decade.

2.9 It is also important to consider changing tenure trends, and the following table shows that – between 2001 and 2011 – there was a considerable increase in the number of households privately renting, such that the gap between the number of households socially and privately renting has now largely been closed. The latter has grown by around 80%, and accommodated around 10% of all households in Tandridge in 2011.

[7] Figures may not sum due to rounding

Figure 2.3: Change in Tenure 2001 – 2011

	2001	2011	Change	% change
Owned outright	11,452	12,074	622	5.4%
Owned with mortgage or loan	13,794	13,228	-566	-4.1%
Shared ownership	114	313	199	174.6%
Social rented	3,549	3,610	61	1.7%
Private rented from landlord	1,810	3,236	1,426	78.8%
Other private rented	382	430	48	12.6%
Living rent free	537	451	-86	-16.0%
Total	**31,638**	**33,342**	**1,704**	**5.4%**

Source: Census 2001; Census 2011

2.10 This has partially been driven by a decline in the number of households owning their home with a mortgage or loan, with the global financial crisis – and subsequent tightening of lending – forcing many households to look at alternative housing options. There has, however, also been a growth in the number of households owning outright, with this likely to be driven by older households who have paid off their mortgage in this period. Indeed, a relatively high proportion of households in Tandridge own their home outright (36%, compared to a national rate of 31%), and this could be driven by the demographic characteristics of the district and its older population.

2.11 Based on the tenure profile in 2011, it is also possible to identify the size of properties occupied in different tenures. This is summarised in the following table.

Figure 2.4: Tenure by Number of Bedrooms 2011

	Owned outright	Owned with mortgage, loan or shared ownership	Social rented	Private rented or living rent free
1 bedroom	4%	4%	39%	19%
2 bedrooms	22%	21%	30%	44%
3 bedrooms	38%	39%	28%	26%
4 bedrooms	23%	24%	2%	8%
5+ bedrooms	12%	12%	1%	4%
Total	**12,074**	**13,541**	**3,610**	**4,117**

Source: Census 2011

2.12 As shown, there is variation in the size of property occupied by households in different tenures in Tandridge. There is a broad alignment between owner occupiers – both

outright and through a mortgage, loan or shared ownership product – with a preference to occupy larger property. This contrasts most notably with households in the social rented tenure, where some 79% of households live in properties with two bedrooms or fewer. Private rented households are also skewed towards smaller properties, although not to the same extent as the social rented sector.

Current Housing Trends

2.13 Having established the current stock profile of Tandridge – and identified recent changes in its composition – it is beneficial to consider how the housing in the district is occupied. In particular, key trends around the characteristics of different groups – such as families, younger people and the older population – are important to understand.

Age Profile

2.14 Households of different age groups – based on the age of household reference persons (HRP), or head of household – have a varying prevalence to occupy housing in different tenures, and it is therefore important to consider the prevalent tenures for different age groups in Tandridge. This is summarised in the following table – drawing on data from the 2011 Census – with England and Surrey also presented for context.

Figure 2.5: Tenure by Age of HRP 2011

	Owned outright	Owned with mortgage, loan or shared ownership	Social rented	Private rented or living rent free
Tandridge				
16 to 34	4.6%	44.7%	15.8%	34.9%
35 to 49	10.1%	65.0%	9.4%	15.5%
50 to 64	38.1%	44.8%	8.9%	8.2%
65 and over	73.4%	9.5%	12.4%	4.6%
All ages	**36.2%**	**40.6%**	**10.8%**	**12.3%**
Surrey				
16 to 34	4.8%	38.5%	14.7%	42.0%
35 to 49	10.2%	61.9%	10.3%	17.6%
50 to 64	38.3%	43.9%	9.7%	8.1%
65 and over	74.0%	8.6%	12.8%	4.5%
All ages	**34.8%**	**39.1%**	**11.4%**	**14.7%**
England				
16 to 34	4.1%	30.5%	19.7%	45.7%
35 to 49	9.6%	53.8%	17.2%	19.3%
50 to 64	36.5%	38.1%	15.6%	9.7%
65 and over	66.8%	7.8%	19.0%	6.5%
All ages	**30.6%**	**33.6%**	**17.7%**	**18.2%**

Source: Census 2011

2.15 Clearly, there is significant variation in tenure trends between different age groups. Outright ownership becomes incrementally more prevalent in older age groups, as households pay off their mortgages over a long-term period. Ownership with a mortgage or loan – or through a shared ownership product – is generally more frequent, with the exception of those aged 65 and over, and around 45% of younger households with a HRP aged 34 and under own their property through this tenure.

2.16 Notably, this is higher than the national figure of 30.5%, suggesting that younger households in Tandridge are more likely to own their property with a mortgage than the national average, despite the district's considerable affordability challenges[8]. Tandridge also surpasses the figure for Surrey. As this is a measure of the number of established households, however, this evidently does not include any residents who have moved

[8] Turley (2015) Analysis of Market Signals

elsewhere or are constrained from forming due to being unable to afford the cost of housing in Tandridge.

2.17 The social and particularly private rented sectors also play a key role in meeting the needs of younger households, with households within this age group accounting for over 30% of privately renting households in Tandridge. This is, however, lower than England and Surrey.

2.18 Home ownership is more dominant in those aged 35 to 49, although the proportion of households who own their property outright increases with some likely to have paid off their mortgages. The social and private rented sectors also play a smaller role in accommodating these households, and this is equally apparent for those aged 50 to 64. Here, the proportion of households who own their property outright increases again.

2.19 Three quarters of households with a HRP aged 65 and over own their property outright, and therefore all other tenures are under-represented. There is, however, a slight increase in the proportion of households who socially rent, suggesting that this tenure plays a particularly important role for younger and older households in Tandridge.

2.20 Census data also shows the type of housing occupied by HRPs in different age groups in Tandridge, and this is summarised below[9].

Figure 2.6: Accommodation Type by Age of HRP 2011

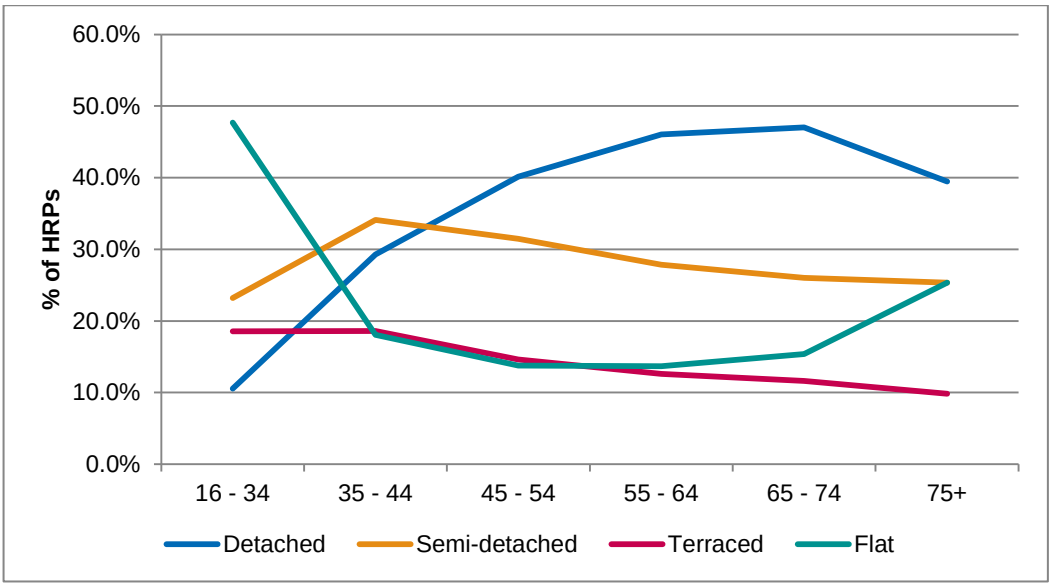
	Detached	Semi-detached	Terraced	Flat
16 – 34	10.5%	23.2%	18.6%	47.7%
35 – 44	29.3%	34.1%	18.6%	18.0%
45 – 54	40.1%	31.5%	14.6%	13.8%
55 – 64	46.0%	27.8%	12.6%	13.7%
65 – 74	47.0%	26.0%	11.6%	15.4%
75+	39.5%	25.3%	9.8%	25.4%
All ages	**36.8%**	**28.6%**	**14.3%**	**20.3%**

Source: Census 2011

2.21 This is further illustrated in the following graph.

[9] Census table excludes HRPs living in caravans and temporary structures

Figure 2.7: Accommodation Type by Age of HRP 2011



Source: Census 2011

2.22 Households of different age groups evidently occupy different types of housing in Tandridge, with the most notable shifts in occupancy trends occurring in younger and older households. Almost half of younger households live in flats, with few living in detached properties and instead favouring semi-detached and terraced stock, which is likely to be more affordable. The propensity to occupy detached property does, however, increase with age, becoming the dominant type of accommodation for those aged 45 and over. This does, however, decline slightly for older age groups with a HRP aged 75 or above, potentially due to downsizing given the corresponding increase in those living in flats.

2.23 This can be further broken down by the size of properties, with the following table showing the size of property occupied by different age group in different types of accommodation. This is presented as a proportion of HRPs in each age group.

Figure 2.8: Size of Accommodation Type by Age of HRP 2011

	16 – 34	35 – 44	45 – 54	55 – 64	65 – 74	75+	All ages
Detached							
3 or less	6%	9%	12%	16%	21%	22%	**14%**
4 beds	3%	12%	17%	18%	17%	13%	**14%**
5 or more	2%	8%	12%	11%	9%	4%	**8%**
Semi-detached							
2 or less	7%	6%	5%	5%	7%	8%	**6%**
3 beds	13%	20%	19%	17%	15%	15%	**17%**
4 or more	3%	8%	8%	6%	4%	2%	**5%**
Terraced							
2 or less	10%	7%	5%	5%	5%	5%	**6%**
3 or more	9%	12%	10%	8%	7%	5%	**9%**
Flat							
1 bed	16%	6%	4%	5%	8%	13%	**8%**
2 or more	32%	12%	9%	9%	8%	23%	**14%**

Source: Census 2011

2.24 Around one third of younger households live in a flat with two or more bedrooms, although a notably high proportion also live in smaller flats with only one bedroom. These trends are also seen in older households aged 75 and over, albeit to a slightly lesser extent, with many continuing to live in larger houses. Younger households, however, are less likely to occupy larger property than subsequent age groups, with households increasingly occupying larger property as they age and form families.

Household Types

2.25 Households of different types occupy housing in different ways, and the 2011 Census provides further information on variation between different household typologies. For example, the following table shows the size of property occupied by different types of households in Tandridge, as of 2011.

Figure 2.9: Number of Bedrooms by Household Type 2011

	1	2	3	4	5+
One person	26%	35%	27%	9%	3%
One family[10] – all aged 65+	5%	22%	40%	24%	9%
One family with no children	4%	21%	38%	25%	11%
One family with dependent children	1%	12%	38%	31%	18%
One family with non-dependent children	0%	8%	44%	31%	17%
Cohabiting couple with no children	15%	39%	32%	11%	3%
Cohabiting couple with dependent children	3%	36%	41%	14%	6%
Cohabiting couple with non-dependent children	2%	22%	49%	21%	6%
Lone parent with dependent children	4%	39%	40%	12%	5%
Lone parent with non-dependent children	3%	32%	46%	15%	5%
Other household types	4%	21%	35%	22%	18%
All categories[11]	**10%**	**25%**	**36%**	**20%**	**10%**

Source: Census 2011

2.26 There are a number of notable trends, with smaller households – primarily those with one person, or cohabiting couples – showing an increased tendency towards occupying smaller properties. Families, however, typically occupy larger properties, particularly those with dependent children. Lone parents typically occupy a slightly smaller size of property relative to families, with this possibly reflecting the affordability constraints generated by a single income household, and interestingly lone parents with dependent children broadly occupy smaller property than those without dependent children. This could reflect the ability of lone parents to spend a greater proportion of their income on housing once their children become non-dependent.

2.27 Families with non-dependent children in Tandridge continue to occupy relatively large properties – suggesting a potential under-occupation of this stock – and this reflects trends whereby many families do not downsize once their children leave home. Older families also typically occupy larger properties, again suggesting that these properties may include spare rooms. Indeed, the Census separately shows that some 74% of all households in Tandridge contain at least one spare bedroom, based on the bedroom standard. Future changes in financial circumstances for households – linked to changes in inheritance tax or pensions, for example – could influence the extent to which these households could be encouraged to downsize for financial reasons.

2.28 Further context can be provided by considering the prevalent tenure of different household types, and this is presented in the following table.

[10] Married couple family
[11] Figures may not sum due to rounding

Figure 2.10: Tenure by Household Type 2011

	Owned outright	Owned with mortgage, loan or shared ownership	Social rented	Private rented or living rent free
One person	46%	23%	17%	14%
One family with dependent children	12%	73%	5%	9%
One family without dependent children	56%	34%	5%	5%
Cohabiting couple[12] with dependent children	12%	73%	5%	9%
Cohabiting couple without dependent children	55%	34%	5%	5%
Lone parent with dependent children	11%	33%	25%	31%
Lone parent without dependent children	39%	32%	19%	10%
Other household types	27%	32%	11%	30%
All categories	**36%**	**41%**	**11%**	**12%**

Source: Census 2011

2.29 Again, there is an interesting variation between different household types. A high proportion of families without dependent children own their home outright, with those with dependent children more likely to own with a mortgage, loan or through a shared ownership product. This does differ for lone parents, however, with these households more reliant upon the social and private rented sectors, particularly when these households contain dependent children. Families and cohabiting couples, however, are much less likely to occupy housing through these rented sectors.

[12] Includes same-sex civil partnerships

3. Implications for Future Need

3.1 The analysis in this section uses the population and household projection outputs provided by NMSS – based upon the concluded objectively assessed need (OAN) – to explore how a changing demographic profile might lead to requirements for housing of different types and sizes. This section therefore integrates demographic modelling outputs supplied by NMSS[13].

3.2 Future trends are predicated upon a continuation of the current housing characteristics of different age groups and household types in Tandridge. The approach adopted within this analysis does not seek to estimate how market factors – such as changes to house prices, incomes and household preferences – will impact upon the propensity of households to occupy property. Recognising the volatility in the market over longer-term periods, this approach is considered prudent.

3.3 At the time of writing, the absence of detail as to the types of households likely to form under the official 2012-based household projections presents a challenge in translating projected household change into more detailed stock requirements[14]. The modelling undertaken by NMSS does, however, show the age of HRPs projected to form – based on official household representative rates, or headship rates – and this can be considered in the context of the earlier analysis of housing trends by age, drawing upon 2011 Census data.

3.4 The analysis in this section should be revisited and revised at the appropriate time following the release of further detailed data within the 2012 SNHP by DCLG, relating to the profile of households projected to form.

Type of Housing Required

3.5 The type of housing likely to be required in the future can be estimated based on the current propensity of households of different ages to occupy different types of accommodation. The previous section has highlighted that younger households, for example, show a great show a greater tendency towards occupying flats and terraced properties, and an increase in the number of younger households would imply an additional need for this type of property.

3.6 The following table shows the age of HRPs projected to form in Tandridge over the plan period from 2013 to 2033. The application of the propensities identified in Figure 2.6 to the projected changes to different households by age is presented, to highlight the potential demand for different types of housing in the district arising from different groups.

[13] No independent scrutiny has been applied by Turley

[14] Previous iterations of the SNHP dataset have included a breakdown by the 17 household type classifications. At the time of writing comparable detail has not been provided by the DCLG for the 2012 SNHP dataset with only a breakdown provided by marital status. Demographic modelling by NMSS therefore does not include detail on the types of households likely to form in Tandridge over the plan period

Figure 3.1: Type of Accommodation Required 2013 – 2033

	Total Change 2013 – 2033	Detached	Semi-detached	Terraced	Flat
16 – 34	**62**	7	14	12	30
35 – 44	**1,005**	294	343	187	181
45 – 54	**97**	39	31	14	13
55 – 64	**1,373**	631	382	173	188
65 – 74	**2,362**	1,111	614	274	363
75+	**4,254**	1,679	1,077	419	1,079
Total[15]	**9,153**	**3,368**	**2,620**	**1,304**	**1,861**
%	**–**	**37%**	**29%**	**14%**	**20%**

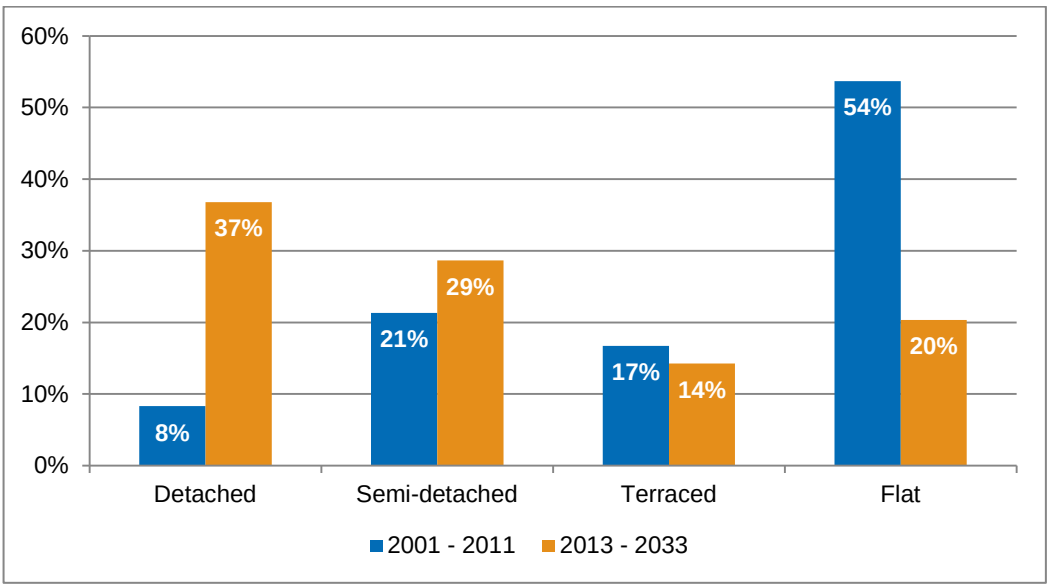
Source: Turley, 2015

3.7 The assessment implies that there will be a future demand for property of all types, although the considerable projected growth in older households will generate a particular demand for detached and semi-detached properties – including bungalows – given that these households typically occupy this type of stock. This group will also generate a need for flats, and indeed the assessment suggests that around one in five new households are likely to occupy flats.

3.8 The analysis in section 2 considered how the existing housing stock changed over the decade to 2011, and this can be further analysed to understand the extent to which a continuation of recent trends would meet the suggested demand for different types of housing in Tandridge. This is illustrated in the following graph.

[15] Figures do not sum due to rounding

Figure 3.2: Future Demand and Recent Historic Supply by Accommodation Type 2011



Source: Turley, 2015; Census, 2011

3.9 Between 2001 and 2011, flats accounted for 54% of all new household spaces in the district, and a continuation at this rate over the plan period would result in a potential over-provision relative to the levels of suggested demand. Conversely, detached property accounted for only 8% of additional supply over this decade, and the assessment implies that delivery of this type of accommodation will need to increase if this demand is met. Much of this additional demand is generated by older people, however, and could be accommodated through the availability of alternative accommodation noting that the current propensities applied potentially reflect a lack of available properties for older households to downsize into. On this basis, the scale of difference regarding detached properties is likely to be over-represented through this analysis, although it is important to recognise that this stock type includes bungalow style properties.

3.10 Figure 3.2 suggests that there is a broader alignment between historic supply and projected demand for semi-detached and terraced property, suggesting that a continuation at this rate can meet much of the additional demand generated.

3.11 It is, however, important to note that this exercise does not take account of potential changes in occupancy trends relating to market factors and trends. Over the past decade, for example, the number of households living in flats grew substantially in Tandridge, with the market for this type of property evidently increasing to meet identified demand in the district. The analysis, would, however suggest that going forward – based on the age profile projected – a comparative level of provision would lead to an over-provision of this property type.

Size of Housing Required

3.12 An assessment can also be made of the size of housing required – again based on the age profile of HRPs in Tandridge – by drawing upon the 2011 Census analysis in section 2. This is summarised in the following table, based on the size of different types of accommodation occupied by households in various age groups.

Figure 3.3: Size of Accommodation Required 2013 – 2033

	All ages[16]	% of need for type	% of total need
Detached			
3 or less bedrooms	1,323	39%	14%
4 bedrooms	1,277	38%	14%
5 or more bedrooms	767	23%	8%
Semi-detached			
2 or less bedrooms	569	22%	6%
3 bedrooms	1,548	59%	17%
4 or more bedrooms	502	19%	5%
Terraced			
2 or less bedrooms	520	40%	6%
3 or more bedrooms	784	60%	9%
Flat			
1 bedroom	706	38%	8%
2 or more bedrooms	1,156	62%	13%

Source: Turley, 2015

3.13 Of the overall need for detached housing, the greatest demand is expected to relate to smaller properties, which could include bungalows, although there would also be a demand for larger detached properties if housing trends remain as they were at the 2011 Census.

3.14 Some 60% of demand for semi-detached relates to three bedroom properties, given the extent to which this type of property is occupied by households expected to form. The demand for flats largely relates to larger flats with at least two bedrooms, although there is also likely to be a demand for smaller flats with only one bedroom.

3.15 When considering the size of property required, it is important to note that no allowance is made for future changes in occupancy trends, with worsening affordability, for example, potentially encouraging households to live in smaller properties that are more affordable. This is particularly pertinent given the 2011 Census showed that 74% of

[16] Figures do not sum due to rounding

households in Tandridge had at least one spare bedroom, according to the bedroom standard, suggesting that housing is relatively under-occupied compared to the national average (69%). There is therefore considerable scope for households to occupy smaller properties without overcrowding their home, although this is dependent upon the size of property available.

Affordable Housing

3.16 The assessment above does not consider the differing size requirements of those in need of affordable housing, given that proportions are applied based on households in all tenures. This is likely to reflect – at least in part – an element of market preference, as opposed to a specific need for property of different sizes.

3.17 Affordable housing, however, is allocated on the basis of the size of housing required, and the separate assessment of affordable housing need[17] has identified a specific need for smaller properties over the next five years to clear the backlog of households on the Housing Register. Newly forming households are likely to require larger property, although there is uncertainty about the size of households forming due to the absence of sufficient detail in the 2012-based household projections. This is summarised in the following table.

Figure 3.4: Size of Affordable Housing Needed

	Bedrooms				Total
	1	2	3	4+	
Backlog housing need	87	64	20	1	172
Newly arising future need	57	123	87	17	284
Net annual affordable housing need	**144**	**187**	**107**	**18**	**456**
%	32%	41%	23%	4%	–

Source: Turley, 2015

[17] Turley (2015) Affordable Housing Needs Assessment

4. Needs of Different Groups

4.1 The National Planning Policy Framework (NPPF) and PPG highlight the importance of specifically considering the needs of different groups when developing housing policy, although it is noted that the needs of every group do not need to be assessed in detail.

4.2 This section therefore considers the specific needs associated with older people and those wishing to build their own homes, drawing upon available secondary data and the outputs of demographic modelling undertaken to inform the OAN for Tandridge.

4.3 With regards to older people, it is important to note that some of the population are classified within the modelling as the 'communal population', meaning that they are not within the private household population which is converted to households by DCLG.

4.4 Instead, the communal population live in communal establishments, which can include[18]:

- Sheltered accommodation units where fewer than 50 per cent of the units in the establishment have their own cooking facilities, or similar accommodation where residents have their own rooms, but the main meal is provided. If half or more possess their own facilities for cooking – regardless of use – all units in the whole establishment are treated as separate households;

- Small hotels, guest houses, bed and breakfasts and inns and pubs with residential accommodation, with room for 10 or more guests excluding the owner or manager and family;

- All accommodation provided solely for students, during term-time. This includes university-owned cluster flats, houses and apartments located within student villages, and similar accommodation owned by a private company and provided solely for students. University-owned student houses that were difficult to identify and not clearly located with other student residents are treated as households, and houses rented to students by private landlords are also treated as households. Accommodation available only to students may include a small number of caretaking or maintenance staff, or academic staff; and

- Accommodation available only to nurses, including cluster flats and similar accommodation. Nurses' accommodation on a hospital site that does not also contain patients is treated as a separate communal establishment from the hospital and not categorised as a hospital, so that nurses are treated as residents and not resident staff or patients. This ensures consistency with similar nurses' accommodation not on a residential site.

4.5 DCLG also provide a further definition of communal establishments:

"Communal establishments, ie establishments providing managed residential accommodation, are not counted in overall supply statistics (however, all student

[18] ONS (2014) 2011 Census Glossary of Terms (p11)

accommodation, whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus, can be included towards the housing provision in local development plans). These cover university and college student, hospital staff accommodation, hostels/homes, hotels/holiday complexes, defence establishments (not married quarters) and prisons. However, purpose-built (separate) homes (eg self-contained flats clustered into units with 4 to 6 bedrooms for students) should be included. Each self-contained unit should be counted as a dwelling"[19]

Housing for Older People

4.6 As recognised within the PPG, older people typically occupy a broad range of accommodation, including market housing and more specialist accommodation. Prior to considering the implications for future need and its relationship to the overall dwelling requirement, therefore, it is important to introduce a number of key terms relating to older persons accommodation, and its classification within modelling outputs.

4.7 Looking specifically at types of specialist accommodation for older people, the following can be considered as broadly representative of these options, as drawn from the Age UK[20] and NHS[21] websites:

- **Sheltered housing** – there are many different types of sheltered housing schemes, although as a minimum they should provide 24 hour emergency help through an alarms system and there may also be an on-site scheme manager. Importantly, schemes are generally comprised of self-contained flats or bungalows – typically with between 20 to 40 units – with communal areas often on site. In planning terms, this type of housing is usually categorised as C3 housing, and is not classified as communal establishments;

- **Extra care housing** – this is sometimes referred to as very sheltered housing, or housing with care. This is considered as an intermediate form of accommodation between sheltered and care home housing, and may include converted properties and purpose-built accommodation, such as retirement villages, apartments and bungalows. They can also be large-scale villages with up to 300 properties. Importantly, accommodation is not limited only to older persons, but can accommodate people with disabilities regardless of age. Extra care housing is aimed at providing people with the opportunity to live independently in a home of their own, but with other services on hand if they need them. Accommodation is usually provided in the form of self-contained flats, but meals are provided and individual personal care may also be provided. This suggests that housing of this nature will largely be classified as C3 housing, and will not fall within the definition of communal establishments; and

- **Care homes** – staffed 24 hours a day with meals provided, and often referred to as either residential homes or nursing homes, with the categorisation dependent on the level of nursing care provided. Within this category, it is important to note therefore that the nature of accommodation – and degree of independence – will

[19] https://www.gov.uk/definitions-of-general-housing-terms
[20] http://ageuk.org.uk
[21] http://nhs.uk

vary considerably, with the most profound needs met through nursing care. This accommodation type may well be categorised as communal establishments, due to lower levels of self-containment and independence of households, and could therefore fall within the C2 definition. This will depend, however, upon the proportion of accommodation within any particular care home which has its own cooking facilities, as per the ONS definition.

4.8 The 2011 Census highlights the number of residents living in communal establishments, broken down by age group. This shows that there were 1,761 residents living in communal establishments in Tandridge as of 2011, of which 719 – or 41% – are aged 65 and over[22]. The following table summarises the type of communal establishments occupied by these residents, which shows that the majority are living in care homes.

Figure 4.1: Communal Establishment Residents (65+) by Type 2011

	Total	%
All usual residents in communal establishments	**719**	**–**
Medical and care establishments – NHS	34	5%
Medical and care establishments – local authority	23	3%
Medical and care establishments – RSL/HA	2	0%
Medical and care establishments – care home with nursing	282	39%
Medical and care establishments – care home without nursing	371	52%
Medical and care establishments – other	5	1%
Other establishments or not stated	0	0%

Source: Census 2011

Future Need for Older Persons Accommodation

4.9 The objectively assessed need for Tandridge – established by NMSS – is underpinned by modelled change in the population, including older people. As shown in the following table, over the plan period – from 2013 to 2033 – an additional 9,825 older residents aged 65 and over are projected to live in Tandridge in 2033, relative to 2013. This represents a 59% increase in the older population, although it is notable that the number of residents aged 85 and over will see a greater proportionate increase, growing by 136%.

[22] A similar amount (42%) are aged 15 to 24 and live in 'other establishments'

Figure 4.2: Modelled Change in Older Persons Population 2013 – 2033

	2013	2033	Change	% Change
65 – 74	8,958	12,329	3,371	38%
75 – 84	5,228	8,333	3,105	59%
85+	2,459	5,807	3,348	136%
Total 65+	**16,645**	**26,470**	**9,825**	**59%**

Source: ONS, 2014

4.10 Given this growth – and as noted in the PPG – consideration will need to be given to the housing needs of older people:

"Plan makers will need to consider the size, location and quality of dwellings needed in the future for older people in order to allow them to live independently and safely in their own home for as long as possible, or to move to more suitable accommodation if they so wish. Supporting independent living can help to reduce the costs to health and social services, and providing more options for older people to move could also free up houses that are under occupied. The future need for specialist accommodation for older people broken down by tenure and type (eg sheltered, enhanced sheltered, extra care, registered care) should be assessed and can be obtained from a number of online tool kits provided by the sector. The assessment should set out the level of need for residential institutions (Use Class C2). Many older people may not want or need specialist accommodation or care and may wish to stay or move to general housing that is already suitable, such as bungalows, or homes which can be adapted to meet a change in their needs. Local authorities should therefore identify particular types of general housing as part of their assessment"[23]

4.11 While recognising that many older people will choose to live independently, a number of older residents are likely to require a bedspace in a residential institution in Use Class C2. The Housing Learning and Improvement Network (Housing LIN) is a leading source of knowledge on housing for older people, with involvement with government, the Homes and Communities Agency and other key professional, public and voluntary bodies. The Strategic Housing for Older People Analysis (SHOP@) tool was published by Housing LIN to show the prevalence rates for different types of specialist housing for persons aged 75 and over in different authorities. As noted above, the PPG recommends the use of such toolkits in estimating the future need for different types of specialist accommodation, and this toolkit has therefore been used to assess the projected need for different types of specialist accommodation under the NMSS modelling which underpins the objective assessment of need.

4.12 The need for specialist housing identified inputs the projected change in the population aged 75 and over – excluding those living in communal establishments – and this is therefore included within the implied objectively assessed need derived from these

[23] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_021

projections. This is separate to growth in the communal population, considered in further detail later in this section.

Figure 4.3: Projected Need for Specialist Housing 2013 – 2033

	Change 2013 – 2033
Projected change in population[24] aged 75+	5,846
Sheltered housing – 125 units per 1,000 75+	731
Enhanced sheltered housing – 20 per 1,000 75+	117
Extra care with 24/7 support – 25 per 1,000 75+	146
Total specialist housing need (units)	**994**
Specialist housing need per annum	50

Source: SHOP@

4.13 This suggests that a need for an additional 50 bedspaces in specialist accommodation will be generated annually over the plan period in Tandridge, based on the NMSS demographic modelling.

4.14 In these projections, however, it is also important to recognise that the communal establishment population are separate to the private household population, and it is only the latter that are converted into household numbers which form the basis for assessing housing need. Growth in the communal establishment population is therefore separate to the implied need for housing derived from the NMSS modelling, or the additional demand for specialist accommodation set out in Figure 4.3.

4.15 The modelling undertaken by NMSS retains the approach applied by DCLG, set out in the methodology note[25] accompanying the official 2012-based household projections:

- For all ages up to 74, the number of people in each age group that are not in households is recorded at the start of the projection period, and held constant thereafter; and
- For ages 75 and over, the *proportion* of the population that are not in households is recorded as a percentage. The population that are not in households in these age groups therefore varies across the projection period, depending on the size of the population.

4.16 Based on this approach, any growth in the communal population will be entirely attributable to older age groups aged 75 and over, with the younger age component fixed. The following table shows the projected change in the communal population – broken down by age – under the recommended OAN scenario, over the plan period from 2013 to 2033.

[24] Excludes those living in communal establishments – Figure 4.4
[25] DCLG (2015) Household projections 2012-based: methodological report

Figure 4.4: Modelled Change in Communal Population 2013 – 2033

	2013	2033	Change	% Change
Under 74	1,351	1,351	0	0%
75 – 84	265	433	169	64%
85+	495	933	438	89%
Total	**2,111**	**2,717**	**607**	**29%**

Source: DCLG, 2015

4.17 The communal population is projected to grow by around 607 persons, representing an increase of around 30%. With all of this growth attributable to those aged 75 and over, this implies that any growth in the population aged 74 and under will be accommodated in private households, with the number in communal establishments (1,351) assumed to remain fixed.

4.18 Those aged 85 and over represent the greatest driver of growth in the communal population, although – when compared to the projected growth in population, as shown below – the proportion of residents of this age in communal establishments is actually expected to fall slightly.

Figure 4.5: Proportion of Older Residents in Communal Establishments

	75 – 84	85+
2013		
Communal population	265	495
Total population	5,228	2,459
% in communal establishments	**5.1%**	**20.1%**
2033		
Communal population	433	933
Total population	8,333	5,807
% in communal establishments	**5.2%**	**16.1%**

Source: DCLG, 2015

4.19 The overall increase of 607 in the communal population relates to individual persons, indicating that there will be an increased need for bedspaces in communal establishments in Tandridge over the plan period. There is no specific methodology for translating this growth into dwellings or establishments, however, and this will therefore need to be considered in the context of individual care home proposals. The following table does, however, show the number of residents per care home, as of 2011, providing a useful benchmark for understanding how the implied level of need can be accommodated through additional care homes. The variation in the size of care homes

of different types highlights the challenges associated with directly quantifying the number of additional care homes required in Tandridge over the plan period.

Figure 4.6: Residents per Care Home Establishment 2011

	Residents	Establishments	**Residents per establishment**
Care home with nursing	332	8	**42**
Care home without nursing	582	46	**13**

Source: Census 2011

Starter Homes

4.20 In February 2015, the Government announced a new initiative to provide starter homes for first time buyers under 40 years of age[26]. Starter homes will be provided on commercial and industrial land that is either unusable or surplus, with developers freed from providing affordable housing if homes are offered to younger people at a minimum 20% discount to the market price. Notably, the discounted price should not be significantly more than the average price paid by a first time buyer, meaning that discounted prices outside of London should be no more than £250,000[27].

4.21 Nationally, there is an ambition to build 200,000 starter homes across England by 2020, with a £26 million fund recently launched to accelerate provision[28]. At a local level, however, it is difficult to estimate the number of starter homes that could be provided in Tandridge over the plan period, given that this is dependent upon the availability of suitable land which is eligible for the scheme. The provision of starter homes at a discount would, however, evidently provide additional affordable property in the district for purchase. In 2014, the lower quartile house price in Tandridge was £249,950, and – with this considered as a reasonable indicator of entry-level house prices in the district – a discount of 20% would lower the cost of purchase to under £200,000[29]. As explored in the separate assessment of affordable housing need[30], lower house prices can make home ownership a more realistic proposition for households on lower incomes, thereby increasing the affordability of housing in Tandridge for first time buyers and promoting home ownership in the district.

People Wishing to Build their Own Homes

4.22 The NPPF – in expecting authorities to have a clear understanding of housing needs in their area – states that need should be addressed for all types of housing, including

[26] HMGovernment (February 2015) Young first-time buyers can register online for 100,000 cut-price homes
[27] DCLG (2015) Starter Homes exception sites
[28] DCLG (2015) Greg Clark gives starter home boost to first-time buyers
[29] Cost of starter homes can be expected to vary across Tandridge based on market values in different areas of the district, but would not be anticipated to exceed £250,000 based on Government policy
[30] Turley (2015) Affordable Housing Needs Assessment

people wishing to build their own homes. This is also recognised in the PPG, which states that local authorities should plan to meet the strong demand for such housing[31].

4.23 Two approaches are commonly recognised. Self-build involves a person directly organising the design and construction of their home, while custom build is where a person works with a specialist developer to deliver their own home[32].

4.24 'Laying the Foundations: a Housing Strategy for England' provides useful national context in relation to both self-build and custom build[33]. The strategy states that, in 2011, over 100,000 UK residents were looking for building plots across the country, with around one in ten new homes custom built. This is considerably lower than in many other European countries, and recent figures suggest that – while there is demand – there are relatively few self-build homes in the UK, with just 8,235 delivered in 2013 – a fall of 22% since 2010[34]. However, as many as half of people nationally would consider building their own home if they were able to do so[35].

4.25 This suggests that, despite apparent demand, there are a number of factors restricting the potential of this sector, including limited finance and mortgage products, restrictive regulation, a lack of impartial evidence and – crucially – land. A lack of available land means that self-building often involves knocking down properties and rebuilding, with custom build therefore not increasing the housing stock as much as it could[36].

4.26 In response to this, the 2014 Budget introduced the government's planned Right to Build, which gives custom builders a right to a plot from local authorities. A £150 million repayable fund has been made available to help provide up to 10,000 serviced plots for custom build[37]. Following a consultation, the Self-Build and Custom Housebuilding Act received Royal Assent in March 2015, providing the legislative framework for the first part of Right to Build. This requires local authorities to establish local registers of custom builders wishing to acquire suitable land to build their own home, and local authorities should have regard to demand from this local register when exercising planning functions[38].

4.27 With self-build housing exempt from the Community Infrastructure Levy – adopted in Tandridge from December 2014 – the number of self-build developments has been recorded by the Council. This shows that there were six applications for self-build housing in the district up to July 2015 – of which three had received consent – although half involved the demolition and replacement of existing units and therefore did not generate a net increase in the local housing stock. The Council should continue to monitor applications for self-build development, and should also reference additional evidence which provides an indication of the level of demand for such development. This could include online registers, such as the Local Self Build Register.

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[31] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_021
[32] The Self Build Portal – http://www.selfbuildportal.org.uk
[33] HMGovernment (2011) Laying the Foundations: a housing strategy for England
[34] Based on number of people claiming VAT relief on self-build homes – Parliamentary Answer to Hilary Benn MP, May 2014
[35] HMGovernment (2011) Laying the Foundations: a housing strategy for England
[36] http://www.self-build.co.uk/blog/more-plots-required-self-building
[37] HMGovernment (2014) Budget
[38] DCLG (2015) Right to Build: Supporting Custom and Self Build

5. Summary

5.1 This paper has considered the size and tenure of housing required in Tandridge, following the guidance in the PPG. This has considered available evidence on the existing housing stock and current – and recent – housing trends, before establishing how this could change based on demographic modelling undertaken by NMSS. Modelling outputs have been provided for the recommended scenario, which represents the objective assessment of need in the report prepared by NMSS.

5.2 The number of household spaces in Tandridge increased between 2001 and 2011, with much of this growth driven by flatted stock. The district is, however, characterised by a high proportion of detached properties, with this trend long established and evidently representing a mature local market. This is likely to be a driver behind the concentration of larger properties in Tandridge, exceeding the county and national average.

5.3 Over the same period, there was a considerable growth in the number of privately renting households, such that the proportion of households renting in the private and social rented sectors is broadly aligned. There has, however, been a fall in the number of households owning their home with a mortgage or loan, with the tightening in lending – driven by the financial crisis – forcing many households to look for alternative options. Households that were owner occupiers in 2011, however, showed a higher preference towards larger property, with this contrasting most notably with the social rented sector and – to a lesser extent – the private rented sector, where smaller property is more prevalent.

5.4 These trends can be broken down further, with analysis of tenure preferences by age group, for example, showing that outright ownership becomes increasingly common as residents get older and pay off their mortgage. Home ownership – through a mortgage, loan or shared ownership product – amongst younger households is, however, relatively common in Tandridge, accommodating around 45% of households aged 34 and under and exceeding the national position. The social and particularly private rented sectors also play a key role in meeting the needs of these households, however. The role of the private rented sector decreases as households age, with the proportion of households owning their home increasing. There is a slight increase in the proportion of older households – aged 65 and over – who socially rent, however, suggesting that this tenure plays a particularly important role for younger and older households in Tandridge.

5.5 The size of property occupied by households of different types can also be established through 2011 Census data, with smaller households occupying smaller properties and families – particularly those with dependent children – occupying larger properties. Lone parents typically occupy a smaller size of property relative to other families, possibly due to the affordability constraints generated by a single income household. Notably, even families with non-dependent children continue to occupy relatively large properties, suggesting that households are unlikely to downsize and may potentially under-occupy their home. These households are likely to own their home outright, and – unlike one person households and lone parents – are much less reliant upon the social and private rented sectors.

5.6 There are also notable shifts in the type of property occupied by different households, with almost half of younger households living in flats or smaller, more affordable terraced and semi-detached properties. These households are less likely to occupy larger detached property, but the propensity to occupy this type of stock increases with age to become the dominant tenure for those aged 45 and over. This does, however, decline slightly for older age groups aged 75 and over, potentially due to downsizing to flatted properties.

5.7 These trends can be projected forwards, although the absence of detailed household typologies in the official 2012-based household projections – through which the population growth modelled by NMSS is converted into households – presents challenges in understanding the types of households likely to form. Much of the projected growth is, however, expected to be driven by older households, who show a strong tendency towards occupying detached properties, including bungalows. There is therefore likely to be an additional demand for this type of stock, recognising that over recent years the provision of detached properties has been comparatively limited with the Census suggesting a growth of only 8% between 2001 and 2011.

5.8 In terms of size, the greatest demand for detached housing relates to smaller properties – which could include bungalows – although the modelling also suggests a continued demand for larger detached housing relating to family aged households. It is, however, important to note that many properties in the district are under-occupied, suggesting that the demand implied for larger housing is in some cases likely to reflect market preference rather than a specific need. There is also a sizeable demand for three bedroom semi-detached stock which again responds to the needs of families in the district.

5.9 Much of the additional stock provided over the past decade has been flatted, however, and a continuation at this rate would potentially exceed the level of demand based on current occupancy trends, recognising that the modelling suggests that only one in five new households are likely to occupy flats.

5.10 The analysis suggests that the demand for flats largely relates to larger units with at least two bedrooms. The analysis does, however, also suggest a demand for smaller flatted properties with one bedroom, driven primarily by growth in older persons.

5.11 Focusing on affordable housing only, there is also a specific need for one bedroom properties over the first five years of the plan period to clear the backlog of households who have not had their priority needs met. This recognises that the allocation of affordable housing is based on need criteria rather than aspirations or preferences.

5.12 In line with the NPPF and PPG, it is important to consider the specific needs of different groups, with older people particularly important to consider given the sizeable growth projected in this group over the plan period. The number of residents aged 65 and over is expected to grow by 9,825 – representing a growth of 59% – although the number of residents aged 85 and over is projected to see a greater proportionate level of growth.

5.13 Older people typically occupy a broad range of accommodation, including market housing and more specialist accommodation, and the 2011 Census shows that 719 residents aged 65 and over lived in communal establishments such as care homes. The

PPG highlights the importance of considering future need for bedspaces in residential institutions – in Use Class C2 – given that this need is separate to that generated by the private household population, which is converted to households in the 2012-based household projections and subsequent demographic modelling by NMSS. The approach taken by both DCLG and NMSS assumes, however, that the number of residents aged 74 and under living in communal establishments will remain fixed, with growth only assumed in those aged 75 and over. This implies that the communal population will grow by around 607 persons, entirely due to those aged 75 and over, and particularly, 85 and over. This implies that there will be an increased need for bedspaces in communal establishments in Tandridge, and the growth in the older population is also likely to generate an additional demand for specialist accommodation. The latter is, however, included in the overall OAN, given that this relates to the private household population.

5.14 There could also be a future need arising from people wishing to build their own homes, particularly given the Government's ambition to increase the contribution of this type of development. Establishing the level of demand for this type of development in Tandridge is, however, challenging, although monitoring by the Council confirms that six applications for self-build housing were received up to July 2015, with three receiving consent. Half of these applications did, however, involve the demolition and replacement of existing units, and therefore did not generate a net increase in the local housing stock.

5.15 Equally, the Government are also actively promoting the provision of starter homes across England, which can provide homes for younger first time buyers at a market discount. This can increase the affordability of home ownership in Tandridge, although the extent to which starter homes will be forthcoming over the plan period is dependent upon the supply of land which is eligible for the scheme.

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