

# Thame

Housing Needs Assessment (HNA)

March 2022

## Quality information

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**List of acronyms used in the text:**

DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
FHGN	First Homes Guidance Note October 2021
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
HNSR	Thame and Surrounding Communities Housing Needs Survey Report (2022)
HRP	Household Reference Person
JHDS	Join Housing Delivery Strategy: For South Oxfordshire and Vale of White Horse
JLP	Join Local Plan 2041
LHN	Local Housing Need
LPA	Local Planning Authority
NA	Neighbourhood Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHMA	Strategic Housing Market Assessment
SO	South Oxfordshire
SOLP	South Oxfordshire Local Plan
TTC	Thame Town Council
VOA	Valuation Office Agency
VWHDC	Vale of White Horse District Council

# 1. Executive Summary

## Tenure and Affordability

1. Thame has a relatively high proportion of ownership tenures when compared to the national and district average. The high proportion of ownership tenures come at the expense of a lower proportion of social and private rent tenures when making the same comparisons. Overall, the high rate of ownership tenures, in combination with a high average house price (which has risen on average 62% since 2011) has resulted in Thame becoming a challenging area to get onto the ownership property ladder.
2. For market ownership tenures, average income households would need to earn 43% more to fall within the affordability threshold of entry-level housing, and 72% more to afford median prices housing. Households on average income will, however, be able to afford market rent. In contrast, there are no market options that would fall under the affordability threshold of lower quartile earners, meaning they must rely on a form of Affordable Housing to live in the area.
3. An offering of Affordable Housing tenures will be necessary in Thame to bring housing within attainable prices for many households of varying home ownership/renting aspirations. First Homes at 50% is the only way that home ownership can be brought to within the affordability threshold for average earners. Shared Ownership, at 10% would also be a useful product to offer for those interested, being a relatively cheaper option than First Homes at 50%, and also offers households of two lower quartile earners an opportunity to purchase home ownership if they are willing to stretch their budget. Shared Ownership at 25% may also be appropriate for Thame, however its affordability threshold is almost the same as First Homes at 50% discount, so it is recommended that the latter would be prioritised for new builds as it provides more value in the long term for the homeowner. Both Affordable Rent and Social Rent packages will also prove valuable in housing lower quartile earning households, who without these discounts would be priced out of the area.
4. According to SODC data, there are currently 210 applicants on the housing register who have placed Thame as their 1st choice. Over the NP period, our calculations suggest that a further 68 households will fall into need. Overall, this creates a demand of 278 households over the NP period. However, due to a historically high number of affordable housing re-lets per year (an average of 35 per year in the past six years), our calculations suggest that this demand would be accommodated within the current housing stock in Thame by 2037. In contrast, 448 households are expected to be in demand of Affordable Housing ownership options. (More detailed explanation about how these and other estimates in this report sit alongside Thame's overall housing need is provided under the subheading 'Quantity of Housing to Provide' on page 17.)
5. Whilst the disparity in demand between the two figures may be confusing, the reason for such a difference is the historically high re-let rate in Thame. Our model assumes that the historical rate of 35 re-lets per year continues into the future, thus satisfying the Affordable rent demand. However, this rate of re-letting may not be as high in the future. In addition,



even if the 35 re-lets per year do continue, the Affordable Housing need would only be satisfied towards the later years of the NP period, thus leaving many households waiting years for a suitable dwelling to be offered to them.

6. It is therefore recommended that Affordable Housing renting tenures should still be built and be given a higher proportion of the Affordable Housing tenure mix compared to Affordable Housing ownership tenures. As such, a 65% renting to 35% ownership split is suggested for the new Affordable Housing in the area, with building priority given to rents in the early years of the NP, and consequently building the majority of the ownership allocation towards the later years of the NP period.
7. Based on the remaining commitments and unallocated housing figures, the need for Affordable Housing on rented in Thame over the NP period (279) would be satisfied if the target of 40% Affordable housing was achieved and the historical number of re-lets continue into the future. The need for Affordable Housing on ownership tenures would not be satisfied by the end of the NP period – although this is less of a priority compared to rented need, as households in need of ownership tenures are usually already housed in rented accommodation. However, with this being the case, it is recommended that the policy requirement be met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing (such as exception sites) to be explored.

## Type and Size

8. 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.
9. Beginning with housing type, this chapter finds that Thame's mix is well-balanced, with detached, semi-detached, and terraces all accounting for between 20% and 30% of the total mix. The proportion of flats and bungalows are relatively lower (at around 17% and 7%, respectively), so there is room to increase their proportions in the overall mix. The mix of flats and bungalows, however, are broadly in line with the district and national average, with bungalows broadly the same for both, and flats the same at district level and around 5 percentage points fewer than the national average.
10. This chapter also finds that Thame's size mix is well-balanced in relation to its population's needs, with 3-bedroom dwellings dominating the mix, followed by 2-beds and 4+beds – following a distribution similar to the district and country overall.
11. As with most areas in the UK, Thame's population has aged over time, but remains balanced in the present. The ageing population is, however, expected to increase into the future, with Thame's household age bands at 55-64 expected to grow 10%, and 65+ household age band expected to grow 61%. All other household age bands featuring ages below 55 are expected to decrease from their current levels.

12. The most common household type in Thame is 'one family with dependent children'. Whilst this was the case, this category was also the only one in decline for the period of 2001-2011. The household composition that saw the most growth was families with non-dependent (older) children. The growth in this household type may be an indicator that supports the previous chapter's conclusions of high house prices in the area limiting the ability of younger people and new families to get onto the property ladder. It may also mean that there are not enough smaller housing units in the area to accommodate the proportion of older households who want to downsize – a conclusion that may be supported by a trend of underoccupancy throughout the parish, with 73% of dwellings having at least one unused bedroom.
13. To conclude, the type and size of Thame's housing stock is generally well-balanced. This is reflected in report's future dwelling size mix, which has been recommended to remain around the same levels it is currently at, with all housing sizes already within 2% of the ideal estimated future mix. To achieve this target mix, new homes should focus on the middle part of the size range. The same can be said for the housing type mix, which should also be preserved in similar proportions to the current mix, with the only recommended change being a slight increase in the proportion of flats in the area.

## **Specialist Housing for the Older People**

14. There are 346 specialist housing units for older and disabled people in Thame, with around a 50% market and 50% affordable tenures. The most recent data available estimates that Thame's 75+ population is 1385 - this results in Thame having a suitable offering of around 250 units per 1,000 of the 75+ population. In the latest SHMA (although now relatively dated), the Oxfordshire county target for this figure is 170 units per 1,000 of the 75+ population, so Thame is currently achieving this target.
15. Whilst the provision of specialist units in the present day is at a suitable level, this chapter also determines that future development of specialist units will be needed to keep the offering at similar rate to 250 per 1,000 of the 75+ population, with future population growth in Thame expected to be driven by the older population age bands (a theme that was also identified in the previous 'Type and Size' chapter). Specifically, the number of 75+ individuals in Thame is expected to double by 2037, and account for around 6.6 more percentage points of the total population compared to current levels.
16. 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.
17. These two methods of estimating the future need in Thame produce a range of 237 to 300 specialist accommodation units that might be required during the NP 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.
18. A snapshot of the current need can be observed from the Thame and Surrounding Communities Housing Needs Survey Report (2022) (HNSR), which found that 38

households have expressed a need for specialist housing for older people, of which 33 meet the criteria for Strong Local Connection.

19. With regard to the tenure of new specialist housing units (which, as stated above, is currently around 50% to 50% market to affordable), the NP may not be able set the proportion that should be affordable, and therefore the tenure split should align with the SOLP (a 60% market to 40% affordable split) – this would ultimately leave Thame with a slightly higher proportion of market specialist units compared to affordable specialist units, if the total NP need is addressed.
20. Given that there is unlikely to be a large volume of additional specialist supply during the NP period, another avenue open to the NP is therefore to require standards of accessibility and adaptability in new development to be met at more ambitious levels than those mandated in the SOLP, and to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged the NP may have less influence over changes to the existing stock).
21. It is considered that Thame 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 Thame (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Thame in other suitable locations near to but outside the NP area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Thame's boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for Thame itself.
22. However, TTC have suggested that Thame is near or at its maximum capacity for the number of older people it can take in due to the pressure on services – notably GPs – from the current older population in Thame. Whilst Thame is a suitable area to build additional specialist dwellings, these will need to be delivered hand-in-hand with the appropriate social infrastructure, such as GPs, if a larger population is to be adequately served. It has also been noted that doubts have been raised about the ability of Thame to attract the staff that would be required to operate care services for specialist housing schemes due to the unaffordability of the town and its commuting radius.

## 2. Context

### Local context

23. Thame is a Neighbourhood Plan (NP) area located in South Oxfordshire (SO). The Neighbourhood Area (NA) aligns with the Thame Civil Parish and was designated in 2012. Within this report, references to Thame refer to the Thame NA, rather than the market town of Thame, unless stated otherwise.
24. The proposed NP period starts in 2022 and extends to 2037, therefore comprising a planning period of 15 years. The evidence supplied in this report will look forward to the NP end date of 2037, but where possible will also provide annualised figures which can be extrapolated to a different term if the NP period changes.
25. The main settlement within the NA is the eponymous market town of Thame, located in the central-northern region of the parish boundary. Most of the NA's spatial developments are concentrated within an approximate 1km radius from the town's geographical centre, outside of which is mostly open land. The town centre is bound by the A4129 to the north and the B4012 to the east. Developments to the south and west of the town centre do not appear to have similar development restrictions from roads or natural boundaries, with new housing developments bringing expansion in these directions.
26. The town and its high street are where the majority of the NA's amenities are located, with Thame being well served by a range of supermarkets, cafes, restaurants, and pubs. Regarding education services, Thame is also well served by several nurseries, three primary schools, and one secondary school. Finally, Thame is a well-connected town, having at least three bus operators - Arriva, Z&S, and Carousel - with routes running through the area, making it a convenient place to travel within and to nearby cities and towns. The closest railway station is Haddenham and Thame Parkway, which lies just outside of the NA boundary.
27. The NA boundary was identified from Oxfordshire County Council's 'Oxfordshire Administrative Areas Map'<sup>1</sup>.
28. For Census purposes, the NA is made up, like the rest of England, of statistical units called Output Areas (OAs). The NP area equates to the following OAs, which have been used throughout as a statistical proxy for the NA boundary and which can be interrogated for data from both the 2001 and the 2011 Censuses:
- MSOA South Oxfordshire 001 - E02005958
  - MSOA South Oxfordshire 003 - E02005960
29. The statistics show that in the 2011 Census the NA had a total of 11,561 residents, formed into 4,723 households and occupying 4,875 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2020 population estimate for Thame is 12,747– indicating population growth of around 1,186 individuals since 2011. It is worth noting that this figure is an

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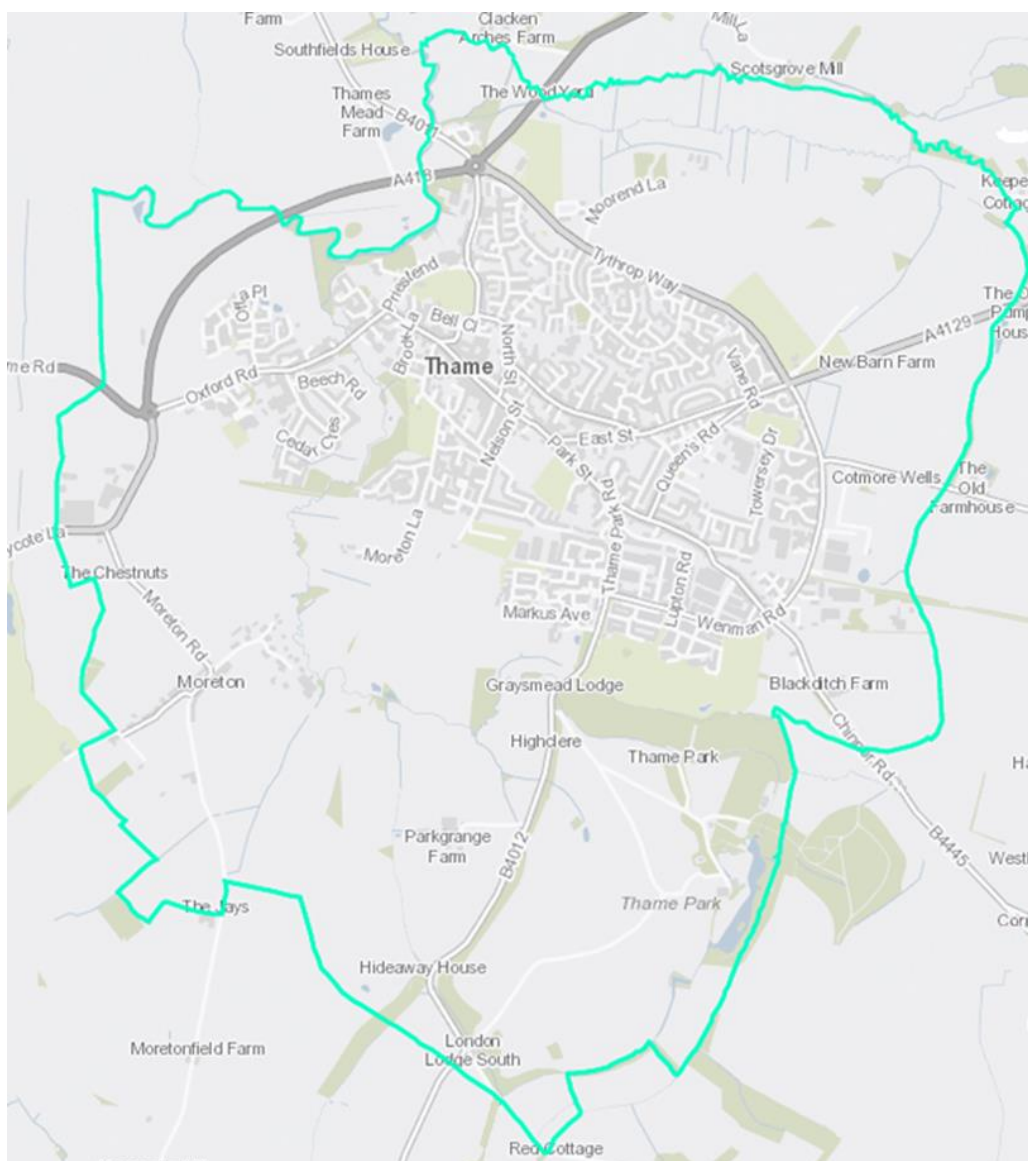
<sup>1</sup> <https://oxfordshire.maps.arcgis.com/apps/webappviewer/index.html?id=242cf7dfe3164d358a5429832fdf27b3>

estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.

30. Comparing 2011 Census dwellings data to a more up-to-date dwelling estimates like the 2021 Valuation Office Agency (VOA) data reveals that the number of dwellings in Thame has increased from 4,875 to around 5,730, a gain of around 855 units. Data provided by South Oxfordshire District Council (SODC) confirmed this trajectory of development, revealing that since April 2011 there have been 930 housing completions within Thame. The growth rates of the population and the housing stock are well-aligned.

31. A map of the NA appears below in Figure 2-1.

**Figure 2-1: Map of the Thame Neighbourhood Area<sup>2</sup>**



Source: Oxfordshire County Council

<sup>2</sup> Available at <https://oxfordshire.maps.arcgis.com/apps/webappviewer/index.html?id=242cf7dfe3164d358a5429832df27b3>

## Planning policy context

32. Neighbourhood plans are required to be in general conformity with the strategic policies in the adopted local plan<sup>3</sup>. In the case of Thame, the relevant adopted Local Plan (and relevant housing update documents) for South Oxfordshire consists of:

- ‘South Oxfordshire Local Plan 2011-2035’ (SOLP)<sup>4</sup>, adopted in 2020. The SOLP provides an overarching strategic framework for growth and the management of change for South Oxfordshire.
- ‘Joint Housing Delivery Strategy 2018-2028 For South Oxfordshire and Vale of White Horse’ (JHDS)<sup>5</sup>. The JHDS works alongside the SOLP and further outlines how the two districts will meet housing development targets.
- ‘First Home Guidance Note October 2021’ (FHGN)<sup>6</sup> – a document that outlines the impact of the new First Home legislation on SO’s housing policy.

33. In March 2021 SODC and Vale of White Horse District Council (VWHDC) approved the Joint Local Development Scheme, and are now working on a ‘Joint Local Plan 2041’ (JLP)<sup>7</sup>. The JLP will eventually replace the SOLP once adopted and will be the first local plan to cover both districts. Given the early stage of development of this document, there are no draft policies in the public domain and the JLP therefore cannot be reviewed here.

## Policies in the adopted Local Plan

34. Table 2-1 below summarises adopted Local Plan policies that are relevant to housing need and delivery in Thame.

**Table 2-1: Summary of relevant adopted policies in the South Oxfordshire Local Plan 2011-2035**

Policy / Document	Provisions
STRAT2: South Oxfordshire Housing and Employment Requirements (SOLP)	<p>STRAT2 sets a minimum housing requirement of 18,600 homes to be built in SO between 1 April 2011 and 31 March 2035 – an average of 774 homes per year.</p> <p>It should be noted that STRAT2 has not set an even annual minimum housing delivery target between all the years within its plan period. Instead, the plan divides its adoption period of 2011 to 2035 into three phases – 2011/12 to 2025/26, 2026/27 to 2031/2032, 2032/33 to 2034/35 – with annual minimum housing targets for SO increasing with each phase.</p>
STRAT5: Residential Densities (SOLP)	Higher density development sites are expected to be located within/near to ‘existing towns and villages and served by public transport or with good accessibility by foot or bicycle to the town centres of Didcot, Henley, Thame and Wallingford or a district centre within Oxford City’.
Policy H1: Delivering New Homes (SOLP)	Housing allocations outside of sites allocated in the Development Plan will be permitted in certain cases, such as for affordable housing or specialist housing for older people in appropriate locations.

<sup>3</sup> 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>

<sup>4</sup> Available at: <https://www.southoxon.gov.uk/wp-content/uploads/sites/2/2021/02/SODC-LP2035-Publication-Feb-2021.pdf>

<sup>5</sup> Available at: <http://democratic.whitehorsedc.gov.uk/documents/s47424/Appendix%201.pdf>

<sup>6</sup> Available at: <https://www.southoxon.gov.uk/south-oxfordshire-district-council/planning-and-development/local-plan-and-planning-policies/local-plan-2035/first-homes/>

<sup>7</sup> See: <https://www.southoxon.gov.uk/south-oxfordshire-district-council/planning-and-development/local-plan-and-planning-policies/local-plan-2041/>

Policy / Document	Provisions
Policy H3: Housing in the Towns of Henley-on-Thames, Thame and Wallingford (SOLP)	<p>Based on the current housing stock and future growth projections, Thame has been set a minimum target of 1,518 new homes to be built between 2011 and 2037. As of 1 April 2020, 1,179 houses have been marked as ‘completions and commitments’, leaving a minimum of 339 homes needing allocation.</p> <p>Policy H3 also states that Neighbourhood Development Plans should ‘seek to meet demonstrable local needs, for example for specialist or affordable housing, even where this would result in housing provision in excess of the outstanding requirement’.</p>
Policy H9: Affordable Housing (SOLP)	<p>Policy H9 outlines that SO’s 40% Affordable Housing policy will come into effect for all developments ‘with a net gain of 10 or more dwellings’. For sites within an Area of Outstanding Natural Beauty (AONB), the 40% Affordable Housing policy will come into effect on sites of a ‘net gain of five or more dwellings or where the site has an area of 0.5 hectares or more’.</p> <p>Policy H9 also states that an expected tenure mix of ‘40% affordable rented, 35% social rented and 25% other affordable routes to home ownership’ shall be delivered on new Affordable Housing developments. This split has now been updated in response to new First Homes policy (see FHGN below).</p>
Policy H10: Exception Sites and Entry Level Housing Schemes (SOLP)	<p>Policy H10 outlines the terms under which housing developments may be approved on exemption sites that fall outside or adjacent to existing settlements.</p>
Policy H11: Housing Mix (SOLP)	<p>H11 requires that future housing developments should deliver a mix of housing types and sizes.</p>
Policy H13: Specialist Housing for Older People (SOLP)	<p>H13 specifies that the construction of specialist housing for older people will be encouraged if the proposed locations have ‘good access to public transport and local facilities’. H13 also discusses that provision for specialist housing for older people should come from Thame’s 1,518 housing development allocation.</p>
JHDS 2018-2028	<p>The JHDS outlines the strategy that will be used to tackle the question of ‘how?’ the housing policy will be delivered by SO and VWHDC.</p> <p>A noteworthy point within the JHDS is that whilst ‘the vast majority of housing delivery in South and Vale is associated with large and medium sized developers and provision of affordable rented and intermediate housing by Registered Providers...[however,] South and Vale will also consider policies that are supportive of the other routes by which new homes may be provided’. An example of these other routes is ‘Development of specialist housing for older people’.</p>
FHGN	<p>The previous tenure split for new Affordable Housing in SO was:</p> <ul style="list-style-type: none"> <li>– Social Rent: 35%</li> <li>– Affordable Rent: 40%</li> <li>– Other routes to affordable home ownership: 25%</li> </ul> <p>The updated tenure split for new Affordable Housing (as of 28<sup>th</sup> June 2021) is as follows:</p> <ul style="list-style-type: none"> <li>– First Homes: 25%</li> <li>– Social Rent: 35%</li> <li>– Affordable Rent: 25%</li> <li>– Other routes to affordable home ownership: 15%</li> </ul>

Sources: South Oxfordshire Local Plan 2011-2035; Joint Housing Delivery Strategy 2018-2028 For South Oxfordshire and Vale of White Horse; First Home Guidance Note October 2021

## Quantity of housing to provide

35. 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 NP period.
36. Within the SOLP, SODC has fulfilled that requirement by providing Thame with a minimum figure of 1,518 dwellings to be accommodated within Thame by the end of the SOLP in 2035 (two years earlier than the end of the NP). As confirmed by SODC in December 2021, there have been 930 completions and 268 commitments towards the 1,518 figure since April 2011. This leaves 320 units yet to be allocated.
37. With regard to the 320 remaining outstanding housing allocations, Thame Town Council (TTC) have specified that 'speculative development...is likely to have reduced the outstanding housing requirement to below 200, and therefore the NP group may need to go on to allocate homes in addition to LP requirements'.
38. An updated figure from February 2022, provided by TTC and awaiting confirmation from SODC, indicates that the number of remaining units yet to be allocated in Thame has fallen from 320 to 92.
39. It should be noted that the need estimates for sub-sections of the market calculated here, namely for Affordable Housing and specialist housing for older people, are independent from one another and have an unspecified degree of overlap with the overall target provided by SODC. The various figures do not necessarily justify higher housing delivery overall and stand alone for a number of reasons.
40. Most importantly, the overall need for housing is determined using a top-down approach (starting with a nationally-mandated process known as the Standard Method for understanding need at local authority scale), while the estimates of potential demand included here take a bottom-up approach that is more locally specific but also not limited by questions of land supply, the adequacy of services, and the appropriate distribution of development across a given local authority area. The need figures included in this report represent the potential future demand unconstrained by those factors, rather than any kind of minimum target. They are a starting point, which should be followed by discussions with the local authority and community about how far they should be met and what status they should have in relation to the overall target.
41. Planning inspectors have made clear that the question of how far to meet affordable housing needs when they are high in relation to overall needs (a common issue) is a policy decision for local authorities and does not necessitate higher overall targets unless other exceptional issues and market pressures are at work. Local Authorities are responsible for the delivery of affordable housing and need to take strategic decisions about a balance of factors and how delivery should be distributed to meet identified needs in an appropriate way. This is generally not an area of decision making at neighbourhood level, although policy H3 of the adopted SOLP places a higher than usual degree of onus on Neighbourhood Plans in this area.
42. AECOM recommends that neighbourhood areas in this position will be able to meet excess affordable housing needs more effectively through direct development of affordable housing, for example through exception sites, given that mainstream developments will only contain an element of affordable housing and reliance upon them may result in more development than is needed overall or development that is otherwise not appropriate.



43. In relation to the affordable housing need estimates presented here it is important to stress that only the estimate relating to affordable rented housing should be considered potential need. While a surplus has been identified it is still recommended that provision is made in order to address the existing backlog and future-proof the stock. Conversely, the estimate for affordable home ownership is an expression of potential demand from those who may wish to buy but cannot currently afford to. These households are already adequately housed and therefore not in need in the strict sense, and may also not be able in practice to afford the routes to ownership that can be provided in Thame's high value market. As explained in the relevant section of the report, the focus here should primarily be on those in need of affordable rented housing.
44. Similarly, the estimated range of potential need for specialist housing for older people should be understood with a number of caveats in mind. These include: the potential for the assessed need for age-limited / sheltered accommodation to be met by adaptations to the existing and pipeline housing stock; the relative suitability of Thame and its available sites for older people's development in terms of access to services, availability of staff, gradient and other factors (beyond the scope of this study); the degree to which existing older households are suitably accommodated; and changes in lifestyle and demand patterns.
45. It is also relevant to note the existence of a household survey which, while not having a full rate of return from the community, indicates lower needs than put forward in this study. For these reasons it should be emphasised that the figures provided in this report provide a helpful starting point and an indication of the broad scale of need for various types of housing in Thame, rather than firm requirements. It is a policy decision for the Neighbourhood Plan, with the support of the community through consultation and SODC, how far they should be implemented.

## 3. Approach

### Research Questions

46. The following research questions were formulated at the outset of the research through discussion with Thame Town Council. They serve to direct the research and provide the structure for the HNA.

### Tenure and Affordability

47. The neighbourhood planning group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.

48. This evidence will allow Thame to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

49. The neighbourhood planners are interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

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

### Type and Size

50. The neighbourhood planning group is seeking to determine the type, size, and tenure of market housing and Affordable Housing that would be best suited to the local community. There is also interest in the demand for housing for older people.

51. The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.

52. While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.

53. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

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

## Specialist Housing for Older People

54. 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

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

- Office of National Statistics (ONS) population and household projections for future years;
- Other ONS datasets providing more up-to-date demographic information;
- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from Home.co.uk;
- Local Authority housing completions and waiting list data; and
- Oxfordshire Strategic Housing Market Assessment April 2014

56. It should be noted that because the most recent SHMA document was produced over five years ago it is considered relatively dated and therefore drawn on to a lesser degree.

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

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

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

### Introduction

58. 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 NP period. The scale of need for these homes can justify planning policies to guide new development.
59. 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.
60. The definition of Affordable Housing set out in the NPPF 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. As part of this effort, the Government has recently introduced a new product called First Homes.<sup>8</sup>
61. Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:
- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
  - The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
  - After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;
  - 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;

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<sup>8</sup> 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>.

- 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

62. The current tenure profile is a key feature of the 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.
63. Table 4-1 compares housing tenure data (from the 2011 Census, which is the most recent available source of this information) in Thame with South Oxfordshire (SO) and England.
64. Table 4-1 presents that Thame has a much higher proportion of its housing stock in ownership when compared to the national average, and a slightly higher proportion compared to the district average. This higher proportion of properties in ownership is offset by Thame having a comparatively lower proportion of social and private rent tenures. The proportion of households in Shared Ownership in Thame is around the same as the district and national figures.
65. There is no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, it is interesting to observe the change recorded between the 2001 and 2011 Census: in Thame the private rented sector expanded by 102% in that period, a rate of growth that was higher than the district and national averages of 79% and 82%, respectively.

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

Tenure	Thame	South Oxfordshire	England
Owned; total	76.2%	72.9%	63.3%
Shared Ownership	0.7%	0.8%	0.8%
Social rented; total	10.0%	11.4%	17.7%
Private rented; total	12.1%	13.3%	16.8%

Sources: Census 2011, AECOM Calculations

66. According to SODP data, there have been 930 new builds in Thame between 2011 and 2021, with around 290 available at Affordable Housing tenures. Therefore, since 2011 the tenure split for new builds in Thame is around 69% market tenures, and 31% Affordable Housing tenures.

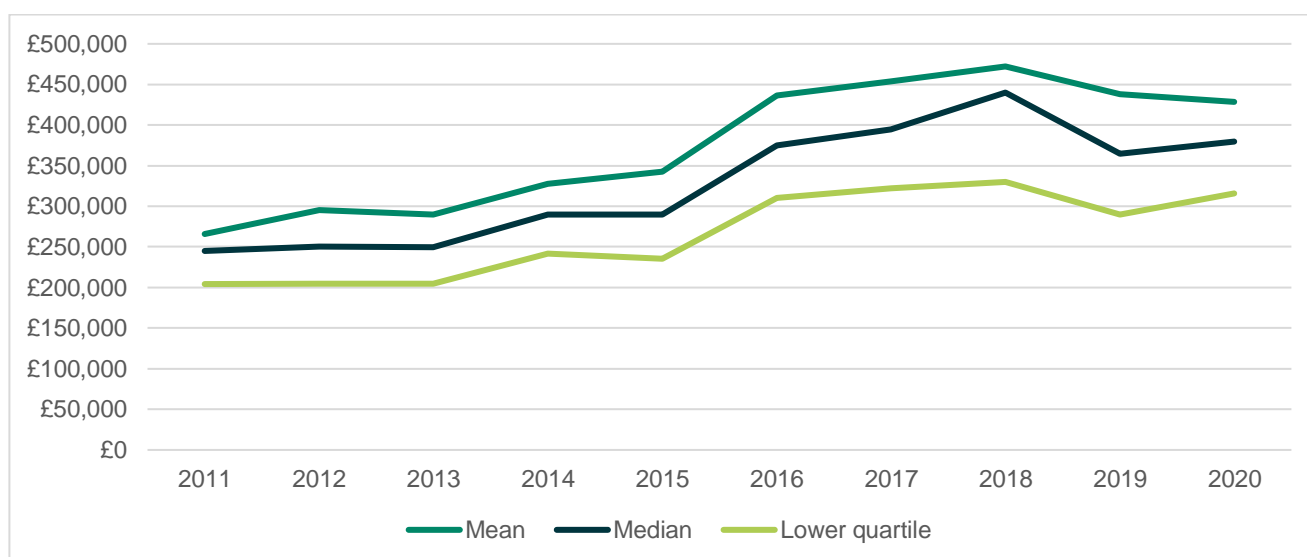
# Affordability

## House prices

67. 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.

68. Figure 4-1 below looks at the change in mean (the average), median (the middle value), and lower quartile (the value below which the lowest 25% of values fall) of house prices in Thame. Over the 10-year period examined in the graph, house prices across all featured measures have increased in value, with the average house price increasing by 62%. Whilst there has been an overall positive trend over the observed period, prices in 2020 have slightly dipped from their peak in 2018. These overall trends find the 2020 mean house price at around £428,361, the median price at £380,000, and the lower quartile at £315,750.

**Figure 4-1: House prices by quartile in Thame, 2011-2020**



Source: Land Registry PPD

69. Table 4-2 below breaks down house prices by type, presenting the median within each type. It shows that all house types have increased in their value between 2011 to 2020, on average by 55%. Looking closer at specific housing types reveals that detached housing saw the most growth, with the average prices increasing by around 70%. The average price of all the other housing types still grew over the observed period, although at a slightly lower rate of growth at around 50%.

**Table 4-2: Median house prices by type in Thame, 2011-2020**

Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Growth
Detached	£347,500	£445,000	£390,000	£409,975	£499,950	£557,500	£557,000	£515,000	£655,000	£590,000	69.8%
Semi-detached	£255,625	£268,750	£270,000	£302,500	£350,000	£376,250	£378,000	£410,000	£370,000	£382,000	49.4%
Terraced	£230,000	£237,600	£229,250	£250,000	£280,000	£313,500	£328,000	£330,000	£320,000	£348,000	51.3%
Flats	£155,000	£157,500	£145,000	£165,000	£190,000	£277,086	£234,000	£240,000	£220,000	£230,000	48.4%
<b>All Types</b>	<b>£244,998</b>	<b>£250,000</b>	<b>£249,950</b>	<b>£290,000</b>	<b>£290,000</b>	<b>£375,000</b>	<b>£395,000</b>	<b>£440,000</b>	<b>£365,000</b>	<b>£380,000</b>	<b>55.1%</b>

Source: Land Registry PPD

## Income

70. 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.
71. The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average total household income before housing costs locally was £56,750 in 2018 (this figure is the average income between the two MSOAs that make the Thame NA). A map of the area to which this data applies is provided in Appendix A.
72. 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. SO's gross individual lower quartile annual earnings were £18,569 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £37,138.
73. 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

74. 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.
75. AECOM has determined thresholds for the income required in Thame 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.
76. 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 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.
77. Table 4-3 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The 'Income Required' column assumes the household already has access to a deposit (which we have

assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.

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

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

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £56,750	Affordable on LQ earnings (single earner)? £18,569	Affordable on LQ earnings (2 earners)? £37,138
<b>Market Housing</b>						
Median House Price	£342,000	-	<b>£97,714</b>	No	No	No
LA New Build Mean House Price	£387,000		<b>£110,571</b>	No	No	No
LQ/Entry-level House Price	£284,175	-	<b>£81,193</b>	No	No	No
Average Market Rent	-	£13,632	<b>£45,440</b>	Yes	No	No
Entry-level Market Rent	-	£13,128	<b>£43,760</b>	Yes	No	No
<b>Affordable Home Ownership</b>						
First Homes (-30%)	£237,084	-	<b>£67,738</b>	No	No	No
First Homes (-40%)	£203,215	-	<b>£58,061</b>	Marginal	No	No
First Homes (-50%)	£169,346	-	<b>£48,385</b>	Yes	No	No
Shared Ownership (50%)	£169,346	£4,704	<b>£64,065</b>	No	No	No
Shared Ownership (25%)	£84,673	£7,056	<b>£47,713</b>	Yes	No	No
Shared Ownership (10%)	£33,869	£8,467	<b>£37,901</b>	Yes	No	Marginal
<b>Affordable Rented Housing</b>						
Affordable Rent	-	£9,013	<b>£30,014</b>	Yes	No	Yes
Social Rent	-	£5,867	<b>£19,536</b>	Yes	No	Yes

Source: AECOM Calculations

79. 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 NP 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

80. 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 72% higher than the current average, and 43% higher to afford an entry-level house.

81. Private renting is generally only affordable to average earners. Households made up of two lower quartile earners 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**

82. There is a relatively large group of households in Thame who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £43,760 per year (at which point entry-level rents become affordable) and £81,193 (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.
83. 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.
84. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels.
85. For these calculations, demonstrated in Table 4-3, the data suggests that a 50% (and sometimes 40%) discount would reduce house prices to within affordable levels for average earners in the area. However, even with the maximum 50% discount, households made up of two lower quartile earners would still be unable to afford First Homes in the area.
86. Table 4-4 shows the discount required for First Homes to be affordable to the three income groups. Because it is not possible to estimate the cost of a typical First Home due to a lack of data on new build entry-level house prices in the NA, it is worth considering the discounts required for some additional price benchmarks. The table above uses median house prices in the NA as the best proxy for the cost of a newly built entry-level home in the area, because this reflects the local market and accounts for the price premium usually associated with newly built housing (which would bring the price closer to the price of median existing homes than existing entry-level homes). However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, and of entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.

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

<b>Tenure/product</b>	<b>Mean Income</b>	<b>LQ Income x1</b>	<b>LQ Income x2</b>
NA Median house price	42%	81%	62%
LA New build median house price	49%	83%	66%
NA Entry-level house price	30%	77%	54%

Source: Land Registry PPD; ONS MSOA total household income

87. In general, Shared Ownership appears to be more affordable than First Homes, especially for Shared Ownership at 10% equity (which the Government has recently announced as

the new minimum equity share for shared ownership<sup>9</sup>). If this is delivered in the NA, it will make Shared Ownership easier to access for more people, offering an affordable option that is £10,000 cheaper than the most affordable First Home offering (at the maximum 50% discount). 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. 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.

88. At 25% equity, Shared Ownership is around the same level of affordability as First Homes at 50% discount. The cost of the final package available (Shared Ownership at 50% equity) exceeds the average earners' affordability threshold.
89. The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. On that basis, First Homes and Shared Ownership are less affordable options.
90. These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.
  - First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
  - Shared Ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
  - Shared Ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.
  - Rent to buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.
91. In conclusion, all of these products would provide value to different segments of the local population, with Shared Ownership at a 25% equity share or lower 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 (at 50%, and sometimes 40%) may provide a better long-term investment to those who can afford to access it.

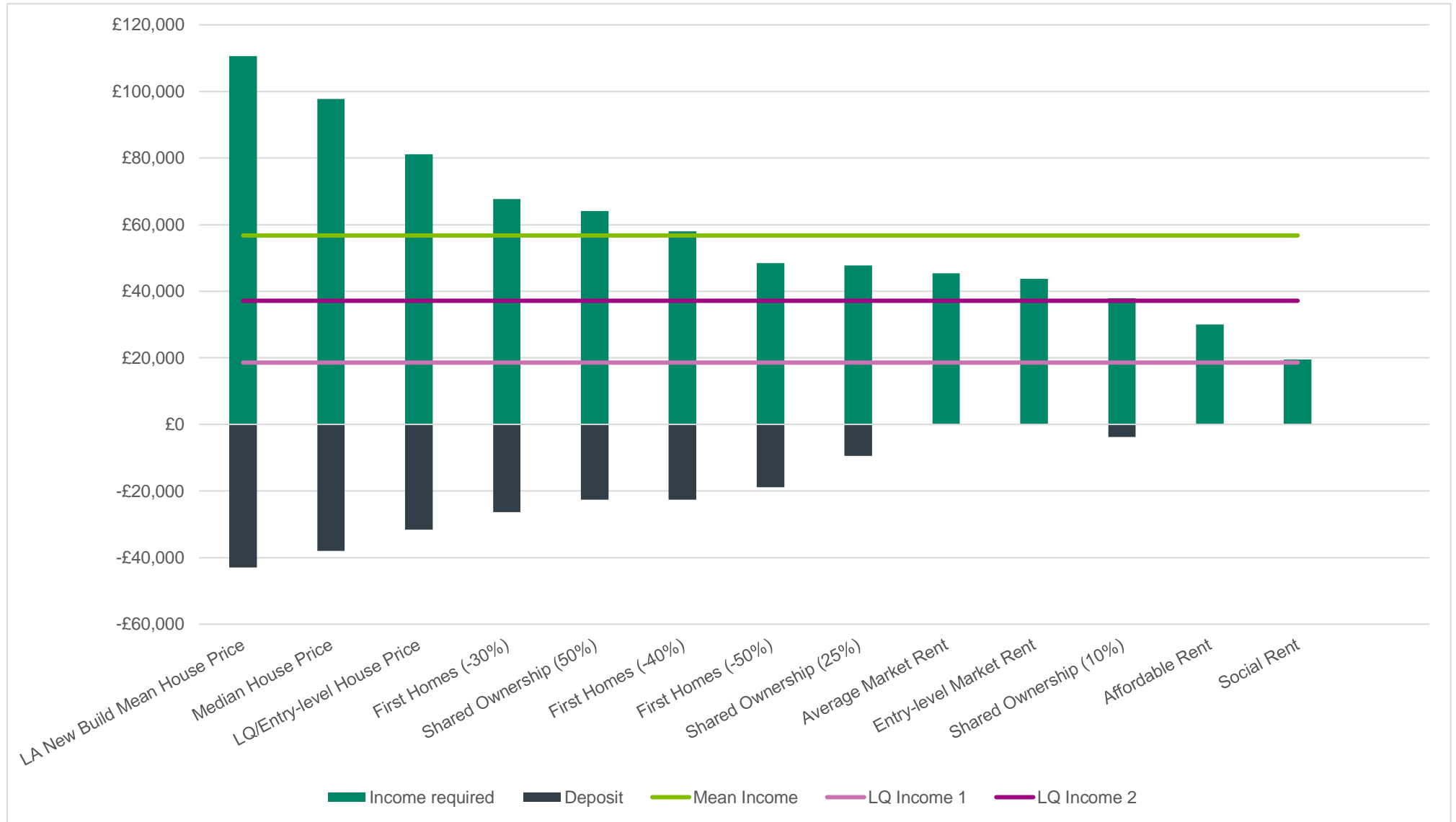
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<sup>9</sup> The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced 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>.

### **Affordable rented housing**

92. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered, including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling, require additional subsidy through Housing Benefit to access housing.
93. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Thame 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 mean 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 Thame, income required (additional cost of deposit in black)**



Source: AECOM Calculations

## Affordable housing- quantity needed

94. The starting point for understanding the need for affordable housing in Thame is the relevant Strategic Housing Market Assessment (SHMA). A SHMA was undertaken for Oxfordshire in 2014. This study estimates the need for affordable housing in the District based on analysis of the Council's waiting list and analysis of other data sets in line with PPG at the time. The SHMA identifies the need for 610 additional affordable homes each year in SO. This need is largely for social/affordable rent as it relates to households who live in unsuitable housing and who cannot afford to access market rents.
95. When the SHMA figures are pro-rated to Thame based on its fair share of the population (9% of the SO's population based on 2011 Census data), this equates to 55 homes per annum (predominately for social/affordable rent) or 825 homes over the NP period 2022-2037. As the SHMA is relatively dated, these figures are included for reference but will not be used in the calculations within this report. Instead, we have based our calculations on more up-to-date data provided by SODC (see below).
96. A snapshot of the current need can be observed from the 2022 HNSR, which found that 49 households have expressed a need for Affordable Housing.
97. In Table 4-5 below we have calculated, using PPG as a starting point<sup>10</sup>, an estimate of the total need for affordable rented housing in Thame over the NP period. It should, however, be noted that the accuracy of the findings generated by the model is only as strong as the evidence we have available to us. For example, Census 2011 data is increasingly out-of-date. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out here are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.
98. It should also be noted that figures in Table 4-5 are largely dependent on information provided by SODC in its capacity as manager of the local housing waiting list. As of March 2022, SODC have confirmed the following figures:
- The current waiting list for Thame as a 1<sup>st</sup> choice for Affordable Housing: 210 households. This figure does not specify whether these households already have an address in or local connection to Thame, however they will still be used as a proxy as this is the best estimate available. Therefore, it may be that this figure is an overestimate.
  - The average number of Affordable Housing lettings (both new and re-lets) per year in Thame since 2016: 330 over six years, at an average of 55 per year.
99. Regarding the second bullet point above - our calculations require the average number of Affordable re-lets only because it is not appropriate to incorporate previous rates of delivery when estimating future need. To work this figure out we have subtracted the approximate number of new Affordable Housing rents since 2016 (again, sourced from completions data from SODC) from the total Affordable Housing lettings data, and then divided by six (years). The calculations are as follows:  $(330-121) \div 6 = 35$ .

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<sup>10</sup> Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

100. In addition to the SODC figure of 210 households currently unable to access affordable rented homes, Table 4-5 suggests that over the NP period, 68 additional households in Thame will fall into need. However, a high turnover of stock is expected to accommodate this need over the NP period, with Table 4-5 suggesting that there will be an overall surplus of 247 affordable rented homes by the end of the NP period.
101. This result may initially be surprising since there is understood to be a current backlog of need (approximately 210 households). So, of the 556 units of affordable rented accommodation existing currently, it can be expected that around 35 will come vacant in any given year as their current occupants move to a new location, pass away or cease to be eligible as their circumstances change. This satisfies the projected newly arising need as well as some of the backlog, which is effectively spread out over the 15-year period to produce an annualized figure.
102. An important caveat to this finding is that there many households currently in need in the NA, and to 'spread them out' over the NP period suggests that some of them can be accommodated in 15 years' time once a sufficient surplus has been built up through new supply and turnover of the existing stock. While possible, this is not favourable to the individuals involved. In practice, it would be better to frontload any future affordable rented provision to meet those needs as soon as possible, leaving newly arising need in future to be met by turnover in the existing stock.
103. A further caveat worth emphasizing is that one unit of Affordable Housing does not necessarily service one household worth of need, since the unit might have 2 bedrooms while the applicant household might require 4 bedrooms, may be located in an inappropriate location, or be otherwise unsuitable.
104. As such, it is recommended that Thame considers encouraging the delivery of some affordable rented housing, particularly early in the NP period, with the understanding that if this results in oversupply in future years, the vacancies created when existing occupants leave their properties may need to satisfy new need from elsewhere in the district.

**Table 4-5: Estimate of need for Affordable Housing for rent in Thame**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current households in need	210.0	Data provided by SODC in December 2021.
1.2 Per annum	14.0	Step 1.1 divided by the NP period to produce an annualised figure.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	400.6	DLUHC 2018-based household projections for the LA between start and end of plan period. % increase applied to NA.
2.2 Proportion of new households unable to rent in the market	16.9%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in NA.
2.2.1 Current number of social renters in parish	555.8	2011 Census social rented occupancy + LA % increase.
2.2.2 Number of private renters on housing benefits	93.3	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	67.8	Step 2.1 x Step 2.2.
2.4 Per annum	4.5	Step 2.3 divided by plan period.
<b>STAGE 3: TURNOVER OF AFFORDABLE HOUSING</b>		
3.1 Supply of social/affordable re-lets (including transfers)	35.0	Re-lets calculated based on completions and letting data provided by SODC in December 2021.
<b>NET SHORTFALL (OR SURPLUS) OF RENTED UNITS PER ANNUM</b>		
Overall shortfall (or surplus) per annum	-16.5	Step 1.2 + Step 2.4 - Step 3.2
Overall shortfall (or surplus) over the NP period	-247.2	(Step 1.1 + Step 2.3) - Step 3.2 * plan period

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

105. Table 4-6 estimates the potential demand in Thame. This model aims to estimate the number of households that may 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.

106. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This assumption is based on consistent results for surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership.<sup>11</sup> No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.

<sup>11</sup> <http://www.ipsos-mori-generations.com/housing.html>

107. The result of the calculation is 30 households per annum may be interested in affordable home ownership (or 448 for the entirety of the NP period).
108. Again, this assumes a rate of turnover in the existing stock will satisfy some need, though this is extremely minimal because of the lack of shared ownership in the NA currently.
109. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.



**Table 4-6: Estimate of the potential demand for affordable housing for sale in Thame**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current number of renters in parish	696.0	Census 2011 number of renters x national % increase to 2018.
1.2 Percentage renters on housing benefit in LA	13.4%	% of renters in 2018 on housing benefit.
1.3 Number of renters on housing benefits in parish	93.3	Step 1.1 x Step 1.2.
1.4 Current need (households)	452.1	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. <sup>12</sup>
1.5 Per annum	30.1	Step 1.4 divided by plan period.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	400.6	LA household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	10.3%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	41.1	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	3.2	Step 2.3 divided by plan period.
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of affordable housing	69.4	Number of shared ownership homes in parish (Census 2011 + LA new build to 2018/19 pro rated to NA).
3.2 Supply - intermediate resales	3.5	Step 3.1 x 5% (assumed rate of re-sale).
<b>NET SHORTFALL (OR SURPLUS) PER ANNUM</b>		
Overall shortfall (or surplus) per annum	29.8	(Step 1.5 + Step 2.4) - Step 3.2.
Overall shortfall (or surplus) over the NP period	447.5	(Step 1.4 + Step 2.3) - Step 3.2 * number of years to end of plan period

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

110. There is no policy or legal obligation on the part either of the Local Authority or NP to meet affordable housing needs in full, though there are tools available to Thame Town Council 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).

111. It is also important to remember that even after the NP is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all

<sup>12</sup> 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 LHNA and SHMA. 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.

remain the responsibility of the Local Authority rather than the neighbourhood planning group.

## **Affordable Housing policy guidance**

112. SO's adopted policy on this subject (Policy H9) requires 40% of all new housing to be affordable. Given that Affordable Housing made up just 31% ( $290 \div 930 = 0.31$  – the approximate number of Affordable Housing completions divided by the total number of completions since 2011 according to SODC data) of new housing in Thame over the last decade, it is understood that this target is not usually met on sites in the NA.
113. The overall proportion of housing that must be affordable is not an area of policy that a NP 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.
114. 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 updated tenure split for new housing developments is 25% First Homes, 25% affordable rent, 35% social rent, and 15% 'Other routes to affordable home ownership', according to the FHGN.
115. The HNA can supply more localised evidence, and this section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Thame specifically.
116. 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 Thame requires 0 units of affordable rented housing and 448 units of affordable home ownership over the NP period.

However, this estimation is based on the continuation of historical trends of high letting turnover of Affordable Housing, and assumes that the current need within Thame will be filled in over the 15-year NP period (however this is not recommended as many of those who are currently in need will have to wait years for new re-lets to become available). Therefore, it is still recommended that affordable rents are built and prioritised especially in the early years of the NP so that the current need is addressed. It should also be underlined that the figures for renting and ownership 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.

The importance of renting housing is further highlighted by the expected newly arising need for renting and ownership over the NP period. According to data in section 2.3 in Table 4-5 and Table 4-6, there is a

greater arising need for rents than ownership in Thame (68 to 41, a ratio of around 2:1). Again, it is worth noting that the figures of renting need are absorbed by the future re-lets, however this does not account for the immediacy of the current need, and also relies on past figures that are not guaranteed to be carried forward into the future.

On a separate note, regarding affordability, Table 4-3 indicates that all forms of Affordable Housing appear to be valuable in bringing ownership and renting tenures to within affordable levels for average earners, and renting to within affordable levels for households of two lower quartile earners.

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

If the SOLP target of 40% were achieved on every site, up to around 607 affordable homes might be expected in the NA by 2035. If the majority of Thame's HRF is expected to come forward in the form of small infill developments, those schemes are unlikely to be large enough to meet the threshold of 10 dwellings, above which the Affordable Housing policy applies. If that is the case, the potential delivery of Affordable Housing is likely to be lower still. Depending on the extent of small infill housing, it may be that this is not sufficient to satisfy the total potential demand for Affordable Housing identified here.

As a result, affordable rented housing should have a higher weighting in the tenure mix to ensure that the most acute needs are met as a priority. But given the current need levels it is reasonable to assume that supply will be limited and affordable rented accommodation should be prioritised. The FHGN tenure split may offer an appropriate benchmark.

- C. Government policy (eg NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in SO, where 40% of all housing should be affordable, 25% of Affordable Housing should be for affordable ownership. This does comply with the guideline tenure split sought in the FHGN.

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 Thame would prejudice the provision of much needed affordable rented homes.

- D. Local Plan policy:** As noted above, the adopted FHGN tenure split is 25% First Homes, 25% affordable rent, 35% social rent, and 15% 'Other routes to affordable home ownership'.
- E. First Homes policy:** the Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.

This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing.

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. The remaining units should then be allocated to other tenure products in the relative proportions set out in the SOLP. This process has been undertaken by SODC in the FHGN document.

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

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the SOLP 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 Thame:** According to the 2011 Census data, Thame is dominated by ownership tenures, accounting for 76% of tenures. Private rent was 12% of tenures, social rent was 10%, and Shared Ownership was <1%.

Since 2011, new build completions data suggests that around 31% of houses fell under Affordable Housing tenures. Overall, however, ownership and market tenures still dominate Thame's housing stock in the present day. 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 Thame and/or the wider district. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.

117. On the basis of the considerations above, Table 4-7 proposes an indicative Affordable Housing tenure mix that might be sought through NP policy.
118. The indicative tenure mix of 65% rent to 35% ownership broadly follows the FHGN guideline mix, prioritising renting tenures for those who are most in need and to address the backlog of need in the early years of the NP. This mix differs from the FHGN as it moves five percentage points from ownership to rent.
119. The Affordable Homes ownership allocation of 35% has been split into 25% First Homes, 5% to Shared Ownership and 5% to Rent to Buy. The First Homes allocation has been chosen to comply with the minimum national requirements, and the other two have been given a small allocation with the intent of offering a range of tenure options in the Thame area. Even without national requirements making First Homes 25% of Affordable Housing, the allocation of First Homes would remain much higher than the alternative options as it as all three offerings have broadly the same affordability threshold (with the exception of Shared Ownership at 10%) but offers much better value for money than the others.
120. It is recommended that priority is given to building rents in the early years of the NP to accommodate the immediate needs, and giving more weight to ownership properties towards the later years of the NP period.
121. 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, and in particular the views and objectives of the community.
122. Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the FHGN – 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 SODC to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
123. Another option when developing NP policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

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

Tenure	Indicative mix	Considerations and uncertainties
<b>Routes to home ownership, of which</b>	<b>35%</b>	
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	5%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
<b>Affordable Housing for rent, of which</b>	<b>65%</b>	
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

124. Beginning with housing tenures, this chapter finds that Thame has a relatively high proportion of ownership tenures when compared to the national and district average. The high proportion of ownership tenures come at the expense of a lower proportion of social and private rent tenures when making the same comparisons. Overall, the high rate of ownership tenures, in combination with a high average house price (which has risen on average 62% since 2011) has resulted in Thame becoming a challenging area to get onto the ownership property ladder. For market ownership tenures, average income households would need to earn 43% more to fall within the affordability threshold of entry-level housing, and 72% more to afford median prices housing. Households on average income will, however, be able to afford market rent. In contrast, there are no market options that would fall under the affordability threshold of lower quartile earners, meaning they must rely on a form of Affordable Housing to live in the area.

125. An offering of Affordable Housing tenures will be necessary in Thame to bring housing within attainable prices for many households of varying home ownership/renting aspirations. First Homes at 50% is the only way that home ownership can be brought to within the affordability threshold for average earners

(40% discount may also be useful in scenarios where a 50% discount cannot be agreed). Shared Ownership, at 10% would also be a useful product to offer for those interested, being a relatively cheaper option than First Homes at 50%, and also offers households of two lower quartile earners an opportunity to purchase home ownership if they are willing to stretch their budget. Shared Ownership at 25% may also be appropriate for Thame, however its affordability threshold is almost the same as First Homes at 50% discount, so it is recommended that the latter would be prioritised for new builds as it provides more value in the long term for the homeowner. Both Affordable Rent and Social Rent packages will also prove valuable in housing lower quartile earning households, who without these discounts would be priced out of the area.

126. According to SODC data, there are currently 210 applicants on the housing register who have placed Thame as their 1<sup>st</sup> choice. Over the NP period, our calculations suggest that a further 68 households will fall into need. Overall, this creates a demand of 278 households over the NP period. However, due to a historically high number of affordable housing re-lets per year (an average of 35 per year in the past six years), our calculations suggest that this demand would be accommodated within the current housing stock in Thame by 2037. In contrast, 448 households are expected to be in demand of Affordable Housing ownership options. Whilst the disparity in demand between the two figures may be confusing, the reason for such a difference is the historically high re-let rate in Thame. Our model assumes that the historical rate of 35 re-lets per year continues into the future, thus satisfying the Affordable rent demand. However, this rate of re-letting may not be as high in the future. In addition, even if the 35 re-lets per year do continue, the Affordable Housing need would only be satisfied towards the later years of the NP period, thus leaving many households waiting years for a suitable dwelling to be offered to them.
127. It is therefore recommended that Affordable Housing renting tenures should still be built and be given a higher proportion of the Affordable Housing tenure mix compared to Affordable Housing ownership tenures. As such, a 65% renting to 35% ownership split is suggested for the new Affordable Housing in the area, with building priority given to rents in the early years of the NP, and consequently building the majority of the ownership allocation towards the later years of the NP period.
128. Table 4-8 summarises Thame's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the NP period. This exercise simply applies the housing requirement figure for the area to the SOLP policy expectation and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the NP (e.g. if the group plan for more housing (and therefore more affordable housing) than the SOLP, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

**Table 4-8: Estimated delivery of Affordable Housing in Thame**

	<b>Step in Estimation</b>	<b>Expected delivery</b>
A	Provisional capacity figure	92 – the minimum number of units yet to be allocated in the SOLP (note this target is for 2035 – the LP end date- rather than 2037 - the NP proposed end date)
B	Affordable housing quota (%) in LPA's Local Plan	40%
C	Potential total Affordable Housing in NA (A x B)	37
D	Rented % (e.g. social/ affordable rented)	65%
E	Rented number (C x D)	24
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	35%
G	Affordable home ownership number (C x F)	13

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

129. Based on the remaining commitments and unallocated housing figures, the need for Affordable Housing on rented tenures in Thame over the NP period (279) would be satisfied if the target of 40% Affordable housing was achieved and the historical number of re-lets continue into the future. However, the need for Affordable Housing on ownership tenures would not be satisfied by the end of the NP period – although this is less of a priority compared to rented need, as households in need of ownership tenures are usually already housed in rented accommodation.
130. It is recommended that the policy requirement be met wherever possible, and for further and for further avenues for delivering greater quantities of Affordable Housing (such as exception sites) to be explored. If the group considers exceeding the Local Plan policy requirement in the NP 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, furthermore, 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 SODC in the first instance.
131. Policy H3 in the SOLP states that in market towns such as Thame, it may be appropriate to '*seek to meet demonstrable local needs, for example for specialist or affordable housing, even where this would result in housing provision in excess of the outstanding requirement*' (p93). Therefore, there is an option to explore allocating additional Affordable Housing units on the basis of these calculations, however, the decision as to whether this allocation is extended is also beyond the scope of this HNA, and should be decided upon by TTC, SODC, and planning inspectors.



[NA Name]

132. It is understood that TTC have been exploring exception sites to address the Affordable Housing need in Thame and have identified a suitable location.
133. Alternative routes to boost the supply of affordable housing include using community development orders and developing community land trusts.

## 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 Neighbourhood Area over the Neighbourhood Plan period?***

### Introduction

134. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Thame 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.
135. It is worth emphasising that this evidence assumes that existing demographic and occupation patterns will persist into the future. It can therefore be thought of as the baseline or default scenario, into which the community may wish to intervene – for example to attract a different or more balanced demographic. The recommendations in this chapter, particularly the final suggested size mix, are a starting point that may be adjusted in light of other community objectives and primary evidence (such as the HNSR, which comments on size mix for Affordable and specialist housing).

### Background and definitions

136. 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.
137. 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.
138. 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.
139. 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.

140. There is no perfect data source for the current mix of dwellings in the NA. Consequently, the sections below rely on a combination of Census and VOA data. Census data will be used to provide a baseline figure from 2011, and VOA data is used for present day figures.
141. It should be noted that VOA data is not perfect, with the following caveats needing to be acknowledged:
- data is rounded to the nearest ten for each dwelling category.
  - the data includes records of properties with an unknown number of rooms.
  - the newest data available is for March 2021 – which misses any homes completed since then.
142. 112. Combining the 2011 Census baseline with the most up-to-date council completion data would be the best-case scenario, however the data provided by SODC does not have a complete breakdown for either housing type or housing size.

## Dwelling type

143. Table 5-1 presents the recorded dwelling type mix in Thame using 2011 Census data and 2021 VOA data. Before analysing the table, it should be acknowledged that the data cannot be used to fully understand the changes between 2011 and 2021 because Census data counts bungalows within each of the other categories rather than independently (hence the apparent decline in the number of flats, semi-detached, and detached properties).

**Table 5-1: Accommodation type, Thame, 2011 and 2021**

Dwelling type	2011 (Census)	2021 (VOA)
Bungalow	-	390
Flat	773	970
Terrace	1,347	1,660
Semi-detached	1,410	1,330
Detached	1,346	1,370
Unknown/other	-	10
Total	4,876	5,730

Source: ONS 2011, VOA 2021, AECOM Calculations

144. The salient information presented in Table 5-1 comes from the current mix of dwelling types within Thame, found in the VOA column. It shows mostly well-balanced type mix, with terrace, semi-detached, and detached all taking up similar proportions in the overall mix. Compared to the previously discussed accommodation types, there are a moderate number of flats, and a relatively low number of bungalows in the area, thus leaving potential to increase their position in the overall mix.
145. Note that the apparent decrease in semi-detached units between 2011 and 2021 can be explained by the inclusion of bungalows as a separate category.

146. To understand the mix further, it is useful to look at the percentage breakdown of accommodation types, and compare these to the wider district and country, provided in Table 5-2.

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

Dwelling type	Thame	South Oxfordshire	England
Bungalow	6.8%	10.3%	9.4%
Flat	16.9%	12.1%	23.0%
Terrace	29.0%	20.7%	26.4%
Semi-detached	23.2%	27.0%	23.8%
Detached	23.9%	27.7%	15.9%
Unknown/other	0.2%	2.2%	1.4%

Source: VOA 2021, AECOM Calculations

147. The data in Table 5-2 confirms that the current housing mix in Thame is fairly well distributed. This is certainly the case when compared to the figures for SO, which has a much higher weighting towards less dense housing types like detached and semi-detached, at the expense of flats and terraces. Compared to the national average Thame's distribution for terrace, semi-detached, and bungalows are comparable, however the proportion of detached is notably higher, coming at the expense of flats. This places Thame's proportional mix in-between the district and national average, which is a suitable balance to achieve given Thame's size and location.

148. The high proportion of flats in Thame compared to SO might make the area popular within the district for young individuals at the bottom of the property ladder.

## Dwelling size

149. Table 5-3 and Table 5-4 present Census and VOA data for the size of properties within Thame.

**Table 5-3: Dwelling size (bedrooms), Thame, 2011 and 2021**

Number of bedrooms	2011 (Census)	2021 (VOA)
Studio	8	-
1	422	520
2	1,230	1590
3	1,798	2330
4+	1,265	1270
Unknown	-	0
Total	4723	5710

Source: ONS 2011, VOA 2021, AECOM Calculations

150. Table 5-3 shows that housing developments between 2011 and 2021 have prioritised dwellings of two or three bedrooms. According to the data in the table, houses at both ends of the size range (1-bedroom and 4+ bedroom) have shown small growth, whereas 2-bedroom and 3-bedroom dwellings have increased on a significantly larger scale.

151. Based on these trends, it can be inferred that development within Thame in the past 10 years has focussed on provision for smaller and mid-sized households,

thereby addressing the needs of the population in very young and very old households.

152. It should be noted that the difference between the 2011 and 2021 number of 4+ bedroom dwellings in Table 5-3 is almost certainly an underestimate. This is based on data provided by SODC which suggests that developments at Thame NDP Site F and Thame NDP Site D have 60 and 43 new 4+ bedroom completions, respectively. It is therefore unlikely that these developments have been included in the VOA figure. Given some of the completions are as recent as 2020, it may be that they would not be included the VOA data, since it comes from council tax reporting and there may not yet be people living in the homes.
153. Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country.

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

Number of bedrooms	Thame	South Oxfordshire	England
1	9.1%	7.4%	12.3%
2	27.8%	25.4%	28.1%
3	40.8%	43.4%	43.4%
4+	22.2%	23.8%	16.1%

Source: VOA 2021, AECOM Calculations

154. According to Table 5-4, the proportions of Thame's dwelling size mix broadly follow the same percentages for the district, with all dwelling sizes within 3 percentage points of each other. Compared to the national distribution, Thame has a similar mix at the intermediate dwelling sizes (2-bedroom and 3-bedroom), but has a higher 4+ dwelling size proportion, at the expense of a lower 1-bedroom size proportion.

## Age and household composition

155. Having established the current stock profile of Thame 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

156. Table 5-5 shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. Between 2011 and 2020, Thame's total population has experienced growth of around 9%. Over this same period the proportion that each age band account for in the total population has stayed at around the same distribution. The age band that saw the most growth was the 65-84 band, increasing its stake in the mix by 4.6 percentage points. The growth in the 65-84 age band has been paid with small decreases in the proportion of all but one of the age bands below it.
157. Table 5-5 also demonstrates that Thame's population has a fairly even distribution between the observed age bands, with only the 16-24 and 85 and over age brackets having a proportion below 10% of the mix.

158. 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.

159. 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.

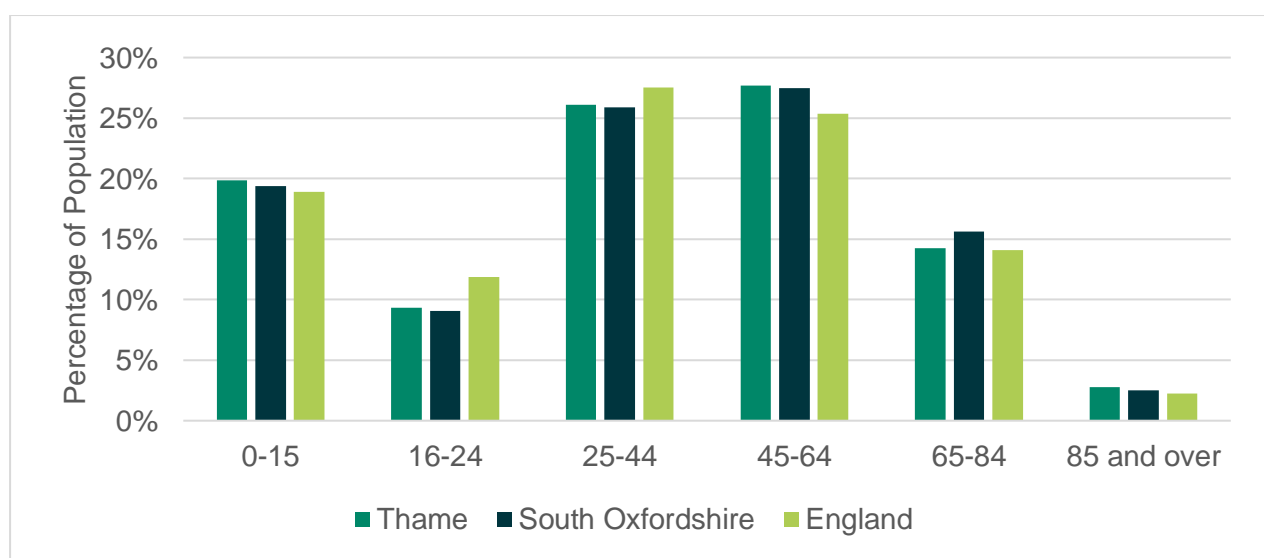
**Table 5-5: Age structure of Thame population, 2011 and 2020**

Age group	2011 (Census)		2020 (ONS, estimated)	
0-15	2296	19.9%	2538	19.9%
16-24	1079	9.3%	1032	8.1%
25-44	3020	26.1%	2951	23.2%
45-64	3199	27.7%	3427	26.9%
65-84	1648	14.3%	2377	18.6%
85 and over	319	2.8%	422	3.3%
Total	11,561		12,747	

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

160. For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 5-1 below (using 2011 Census data) shows that Thame’s population age distribution is very similar to the district and national average. The category that shows the most deviation from the national average proportion is the 16-24 category, at a decrease of around 3 percentage points for both Thame and SO when compared to the national figure. The reason for this may be explained by students in this age group leaving the area for university.

**Figure 5-1: Age structure in Thame, 2011**



Source: ONS 2011, AECOM Calculations

## Household composition

161. 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 NP period. Table 5-6 shows that the proportions held by each household type in Thame and SO are very similar, with around 68% of households in both areas composed of one family. This figure is slightly higher than the national average of around 62%. The higher family household proportion for Thame and SO, when compared to England, is offset by a lower percentage of one person households and 'other' household types.
162. Within the family household category for Thame, the subcategory with the highest proportion is households of one family 'with dependent children' at around 29% of the total mix. Whilst this household type holds the majority, it is useful to note that this category was the only one that decreased between 2001-2011, declining by 4.2%. Over that same period, it was the 'all children non-dependent' category that increased the most, rising by 21% (a growth rate that was double the district and national average) - enough to make this category slightly above the national average at 10.1% of the total household composition in the 2011 Census data. If the same trend of 'with dependent children' decreasing, and 'all children non-dependent' increasing is continued into the present day, it may indicate that house prices are becoming out of reach. A marked increase the latter category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and from their own households.

**Table 5-6: Household composition, Thame, 2011**

Household composition		Thame	South Oxfordshire	England
<b>One person household</b>	<b>Total</b>	<b>26.3%</b>	<b>25.4%</b>	<b>30.2%</b>
	Aged 65 and over	13.1%	12.1%	12.4%
	Other	13.2%	13.2%	17.9%
<b>One family only</b>	<b>Total</b>	<b>68.0%</b>	<b>68.8%</b>	<b>61.8%</b>
	All aged 65 and over	9.1%	10.5%	8.1%
	With no children	19.9%	20.5%	17.6%
	With dependent children	28.8%	28.2%	26.5%
	All children non-dependent <sup>13</sup>	10.1%	9.6%	9.6%
<b>Other household types</b>	<b>Total</b>	<b>5.7%</b>	<b>5.8%</b>	<b>8.0%</b>

Source: ONS 2011, AECOM Calculations

### Occupancy ratings

163. 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

<sup>13</sup> Refers to households containing children who are older than 18 e.g students or young working people living at home.

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.

164. The occupancy rating data, presented in Table 5-7, reveals an overall trend of underoccupancy in Thame, with around 73% of households having at least one unused bedroom. The 'Family 65+' and 'Family under 65 – no children' households are most likely to have a +2 occupancy rating. These statistics point towards the possibility that larger housing within Thame is being occupied by the people with the most wealth and/or by older people who have remained within family homes after children have moved out to smaller properties.

**Table 5-7: Occupancy rating by age in Thame, 2011**

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	67.5%	22.7%	9.8%	0.0%
Single person 65+	36.7%	32.3%	31.1%	0.0%
Family under 65 - no children	63.1%	28.7%	8.2%	0.0%
Family under 65 - dependent children	19.4%	42.9%	33.9%	3.9%
Family under 65 - adult children	24.1%	44.0%	28.0%	3.9%
Single person under 65	38.9%	42.1%	19.0%	0.0%
<b>All households</b>	<b>36%</b>	<b>37%</b>	<b>25%</b>	<b>2%</b>

Source: ONS 2011, AECOM Calculations

## Dwelling mix determined by life-stage modelling

### The SHMA findings

165. To begin with, it is useful to observe the SHMA suggested mix for the whole of SO.

166. The SHMA provides a target size mix for market housing and Affordable Housing individually. Beginning with market housing, the SHMA suggests the following dwelling requirement mix for market housing:

- 1-bedroom: 5.7%
- 2-bedroom: 26.7%
- 3-bedroom: 43.4%
- 4+ bedroom: 24.2%

167. For Affordable Housing, the SHMA suggests the following dwelling requirement mix:

- 1-bedroom: 32.6%
- 2-bedroom: 35.5%
- 3-bedroom: 29.3%
- 4+ bedroom: 2.7%

168. It is also worth noting that the SHMA states that between 2011 and 2031 'around 63% of the requirement is for homes with one- or two-bedrooms with around 37% of the requirement being for larger homes with three or more bedrooms' for the Oxfordshire county.



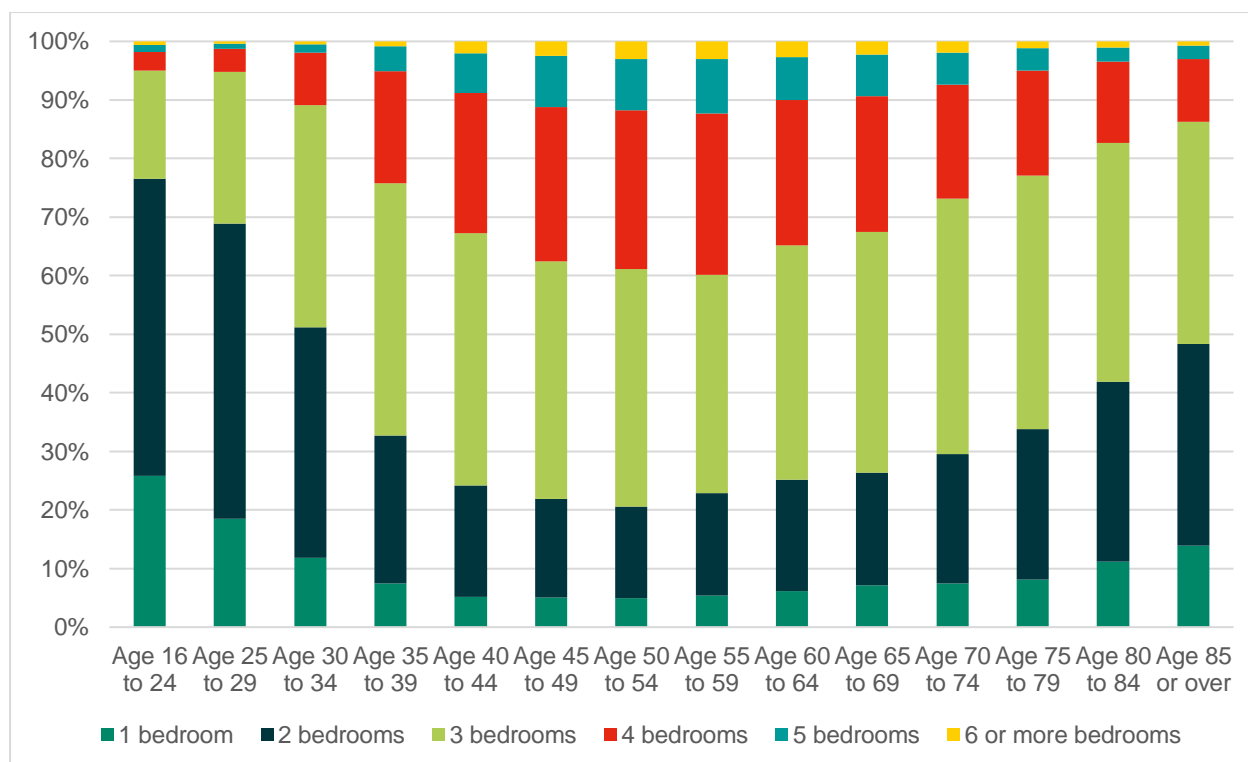
## **Suggested future dwelling size mix**

169. As noted previously, 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 NP 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 Thame 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 NP 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.

170. 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.
171. 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.
172. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.
173. The first, given as Figure 5-2 below, sets out the relationship between household life stage and dwelling size for SO in 2011. This shows how 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.

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



Source: ONS 2011, AECOM Calculations

174. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Thame households in 2011 and the

updated estimates of household numbers described in the bullets above. Table 5-8 below makes clear that population growth can be expected to be driven by the oldest households. On one hand, it can be expected that all household age bands younger than 55-64 will decline by 2037. On the other hand, the household age bands at or older than 55-64 are expected to increase, especially for households over 65 which are forecast to increase by 61%.

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

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	60	558	1,969	844	1,292
2037	51	523	1,832	926	2,079
% change 2011-2037	-15%	-6%	-7%	10%	61%

Source: AECOM Calculations

175. The final result of this exercise is presented in Table 5-9 below. The model suggests that the current mix in Thame is already close to the optimum proportions that is expected to be needed in 2037. Therefore, it is recommended that there does not need to be any significant changes in the current mix of housing, and that future housing developments should aim to preserve the current mix. Small increases to the percentage of 3-bedroom and 5+ bedroom dwellings are recommended, however each category of dwelling will only need to move a few percentage points to reach an optimum mix. The balance of how new housing developments should be split by size is found in the final column of Table 5-9, with 3-bedroom dwelling being a notable priority, ideally accounting for just over 50% of future development.

**Table 5-9: Suggested dwelling size mix (for both affordable and market tenures) to 2037, Thame**

Number of bedrooms	Current mix (2011)	Target mix (2037)	Balance of new housing to reach target mix
1 bedroom	8.9%	8.0%	1.6%
2 bedrooms	26.0%	24.0%	9.5%
3 bedrooms	38.1%	40.1%	53.5%
4 bedrooms	21.4%	20.3%	12.9%
5 or more bedrooms	5.4%	7.6%	22.6%

Source: AECOM Calculations

176. 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.

177. For example, the preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that

homes come forward which are of an appropriate size, type and density for local residents' budgets. Continuing to provide mid-sized homes would help to address this situation.

178. Furthermore, the young starter families and downsizing older households mentioned above may both need 'mid-sized' homes, but are likely to have extremely different requirements and degrees of purchasing power. There is limited scope for Neighbourhood Planning policy to influence the more detailed characteristics of new housing, but additional guidance and prioritisation could be informed by further primary research.
179. To best meet the needs of the large cohort of older households expected to be present by the end of the NP period, it should be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms.
180. That said, 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. There may be a strong justification to continue supplying larger homes despite their abundance because a different kind of larger home is needed to accommodate growing families with less buying power. This is too speculative to quantify in a percentage size mix, but is among the good reasons not to inhibit any size of dwelling entirely.
181. More generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to mid-sized 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 - Type and Size**

182. 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.

183. Beginning with housing type, this chapter finds that Thame's mix is well-balanced, with detached, semi-detached, and terraces all accounting for between 20% and 30% of the total mix. The proportion of flats and bungalows are relatively lower (at around 17% and 7%, respectively), so there is room to increase their proportions in the overall mix. The mix of flats and bungalows, however, are broadly in line with the district and national average, with bungalows broadly the same for both, and flats the same at district level and around 5 percentage points fewer than the national average.
184. This chapter also finds that Thame's size mix is well-balanced in relation to its population's needs, with 3-bedroom dwellings dominating the mix, followed by 2-beds and 4+beds – following a distribution similar to the district and country overall.
185. As with most areas in the UK, Thame's population has aged over time, but remains balanced in the present. The ageing population is, however, expected to increase into the future, with Thame's household age bands at 55-64 expected to grow 10%, and 65+ household age band expected to grow 61%. All other household age bands featuring ages below 55 are expected to decrease from their current levels.
186. The most common household type in Thame is 'one family with dependent children'. Whilst this was the case, this category was also the only one in decline for the period of 2001-2011. The household composition that saw the most growth was families with non-dependent (older) children. The growth in this household type may be an indicator that supports the previous chapter's conclusions of high house prices in the area limiting the ability of younger people and new families to get onto the property ladder. It may also mean that there are not enough smaller housing units in the area to accommodate the proportion of older households who want to downsize – a conclusion that may be supported by a trend of underoccupancy throughout the parish, with 73% of dwellings having at least one unused bedroom.
187. To conclude, it is a recurring theme of this chapter that the type and size of Thame's housing stock is generally well-balanced. This is reflected in report's future dwelling size mix, which has been recommended to remain around the same levels it is currently at, with all housing sizes already within 2% of the ideal estimated future mix. To achieve this target mix, new homes should focus on the middle part of the size range. The same can be said for the housing type mix, which should also be preserved in similar proportions to the current mix, with the only recommended change being a slight increase in the proportion of flats in the area.

## 6. RQ 3: Specialist Housing for Older People

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

### Introduction

189. This chapter considers in detail the specialist housing needs of older and disabled people in Thame. 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.

190. 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.

191. 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.

192. 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,<sup>14</sup> which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.

193. 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

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<sup>14</sup> 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.<sup>15</sup>

194. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).<sup>16</sup> Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for the elderly) 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**

195. 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>.

196. Table 6-1 counts a total of 346 specialist housing units for older and disabled people in Thame, with around half of the units falling under Affordable Housing tenures, and the remaining half being market leaseholds. Most of the units available are flats, except for 11 bungalows at Horton Close and 15 houses at The Homestead.

197. In addition, there are currently 71 care home units (highlighted in grey in the table). According to data provided by Thame Town Council, 68 more care home units have been approved, and a further 145 units are in the application stages. It should be noted that care home units do not make up a part of the 346 figure above as they are not considered to be self-contained residential properties in the census.

198. ONS 2020 population estimates suggest that there are currently around 1,385 individuals aged 75 or over in Thame. This suggests that current provision is in the region of 250 units per 1,000 of the 75+ population (a common measure of specialist housing supply).

199. It should be noted that TTC have suggested that Thame is near or at its maximum capacity for the number of older people it can take in due to the pressure on services – notably GPs – from the current older population in Thame. With the older population expected to grow in Thame, it is not just dwellings that will be needed, but also the appropriate social infrastructure, such as GPs, if a larger population is to be adequately served. It has also been noted that doubts have been raised about the ability of Thame to attract the staff that would be required to operate care services for specialist housing schemes due to the unaffordability of the town and its commuting radius.

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<sup>15</sup> See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

<sup>16</sup> For a full description of Planning Use Classes, please refer to [https://www.planningportal.co.uk/info/200130/common\\_projects/9/change\\_of\\_use](https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use)

**Table 6-1: Existing specialist housing for the elderly in Thame**

Name	Description	Bed spaces	Tenure	Type
Yeats Lodge	Retirement housing	41	Market leasehold	Flats
Lee Court	Retirement housing	48	Affordable Rent	Flats
Playford Court	Retirement housing	12	Affordable Rent	Flats
Horton Close	Retirement housing	11	Affordable Rent	Bungalows
Croft Court	Retirement housing	8	Affordable Rent	Flats
Seymour Court	Age exclusive housing	21	Market Leasehold	Flats
Windmill Place	Extra care housing	40	Affordable Rent and Shared Ownership	Flats
Summersbee Court	Retirement housing	14	Market Leasehold	Flats
Pearce Court	Retirement housing	52	Affordable Rent	Flats
Rooks Court	Retirement housing	12	Market Leasehold	Flats
Sharman Beer Court	Retirement housing	60	Market Leasehold	Flats
Playford Court	Retirement housing	12	Affordable Rent	Flats
The Homestead	Age exclusive housing	15	Market Freehold	Houses
OSJCT Meadowcroft	Care home offering residential care, nursing care, and dementia care.	71	Leasehold	Care Home Flats

Source: <http://www.housingcare.org/>; Thame Town Council data

## Tenure-led projections

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

201. The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the NP period to 2037. 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.



202. According to Table 6-2 below, most households within the 55-75 age bracket outright own their homes, at a proportion of around 60%. A further 24% of households own their home through mortgages/shared ownership schemes. This leaves around 16% of households in the 55-75 age bracket having a renting tenure.

**Table 6-2: Tenure of households aged 55-75 in South Oxfordshire, 2011**

All owned	Owned outright	Owned with a mortgage or loan or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
83.7%	59.9%	23.8%	16.3%	9.8%	5.3%	1.3%

Source: Census 2011

203. The next step is to project how the overall number of older people in Thame is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for SO at the end of the NP 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 below.

204. The data in Table 6-3 reinforces conclusions made throughout this report that suggest that the future population of Thame will grow older towards the end of the NP period. This is demonstrated in the data, with individuals aged 75 and over expected to almost double in size between 2011 and 2037, and also take up a larger share of the population demographics, increasing by 6.6 percentage points.

**Table 6-3: Modelled projection of elderly population in Thame by end of Plan period**

Age group	2011		2037	
	Thame (Census)	South Oxfordshire (Census)	Thame (AECOM)	South Oxfordshire (ONS SNPP 2018)
All ages	11,561	134,257	12,733	147,866
75+	1,016	11,340	1,960	21,877
%	8.8%	8.4%	15.4%	14.8%

Source: ONS SNPP 2016, AECOM Calculations

205. 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).

206. The people whose needs are the focus of the subsequent analysis are therefore the additional 944 individuals expected to join the 75+ age group by the end of the NP 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 SO in 2011

(the smallest and most recent dataset to capture households). In 2011 there were 11,340 individuals aged 75+ and 7,986 households headed by a person in that age group. The average household size is therefore 1.4, and the projected growth of 944 people in Thame can be estimated to be formed into around 674 households.

207. The next step is to multiply this figure by the percentages of 55-75 year-olds occupying each tenure (shown in Table 6-2 above). This is set out in Table 6-4 below. This provides a breakdown of which tenures those households are likely to need.

**Table 6-4: Projected tenure of households aged 75+ in Thame to the end of the Neighbourhood Plan period**

Owned	Owned outright	Owned with a mortgage or loan or shared ownership	All rented	Social rented	Private rented	Living rent free
564	404	160	110	66	36	8

Source: Census 2011, ONS SNPP 2013, AECOM Calculations

208. 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 Thame 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 Thame, 2011**

Tenure	All categories: Long-term health problem or disability	Day-to-day activities limited a lot	Day-to-day activities limited a little	Day-to-day activities not limited			
<b>All categories: Tenure</b>	<b>1,917</b>	<b>374</b>	<b>19.5%</b>	<b>481</b>	<b>25.1%</b>	<b>1,062</b>	<b>55.4%</b>
<b>Owned or shared ownership: Total</b>	<b>1,588</b>	<b>274</b>	<b>17.3%</b>	<b>383</b>	<b>24.1%</b>	<b>931</b>	<b>58.6%</b>
Owned: Owned outright	1,416	245	17.3%	340	24.0%	831	58.7%
Owned: Owned with a mortgage or loan or shared ownership	172	29	16.9%	43	25.0%	100	58.1%
<b>Rented or living rent free: Total</b>	<b>329</b>	<b>100</b>	<b>30.4%</b>	<b>98</b>	<b>29.8%</b>	<b>131</b>	<b>39.8%</b>
Rented: Social rented	253	80	31.6%	79	31.2%	94	37.2%
Rented: Private rented or living rent free	76	20	26.3%	19	25.0%	37	48.7%

Source: DC3408EW Health status

209. 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 NP period is 300.

210. These findings are set out in the table below, 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 Thame by the end of the Neighbourhood Plan period**

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	Multiply the number of people 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 people across all owner-occupied housing by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	<b>131</b>
	33	97	
Adaptations, sheltered, retirement living or	Multiply the number of people 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 people across all owned housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	<b>169</b>
	33	136	
<b>Total</b>	<b>66</b>	<b>233</b>	<b>300</b>

Source: Census 2011, AECOM Calculations (totals may not sum due to rounding)

## Housing LIN-recommended provision

211. 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 below 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 NP period, and how these should be split into the different tenures.

212. 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+. This is extremely similar to the rate of provision in Thame currently (250), suggesting that the current population is well accommodated and confirming that focus should be paid to the future growth of relevant demographic groups.

**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) <sup>36</sup>	20
Extra care housing for rent	15
Extra care housing for sale	30
Housing based provision for dementia	6

Source: Housing LIN SHOP Toolkit

213. As Table 6-3 shows, Thame is forecast to see an increase of 944 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 =  $60 \times 0.944 = 57$
- Leasehold sheltered housing =  $120 \times 0.944 = 113$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) =  $20 \times 0.944 = 18.88$
- Extra care housing for rent =  $15 \times 0.944 = 14.16$
- Extra care housing for sale =  $30 \times 0.944 = 28.32$
- Housing based provision for dementia =  $6 \times 0.944 = 5.66$

214. This produces an overall total of 237 specialist dwellings which might be required by the end of the NP period.

215. Table 6-8 below sets out the HLIN recommendations in the same format as Table 6-7 previously. 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 Thame by the end of the Neighbourhood 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	<b>67</b>
	29	38	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	<b>170</b>
	57	113	
<b>Total</b>	<b>86</b>	<b>151</b>	<b>237</b>

Source: Housing LIN, AECOM calculations

## HNSR Findings

216. The Thame and Surrounding Communities Housing Needs Survey Report (2022) (HNSR) – a primary data survey – identified 50 households who had a need for specialist housing for older people. Of that figure, 38 households were in SO, with 33 households meeting the criteria for Strong Local Connection.

217. The low figure identified in the HNSR may be influenced by the wealth of the current population in Thame. It may be that many of the older residents in Thame have benefitted from the rise in house prices demonstrated in previous chapters, and therefore may be more financially able to make adaptations to their dwelling to accommodate their needs as they age and therefore less dependent on moving to different accommodation.

## SHMA findings

218. The SHMA expects that the demands of the projected future population will lead to an 'increased requirement for specialist housing options moving forward' (p146) across the county.

219. At the time of writing for the SHMA, SO was the only district in the county that had a higher offering of market specialist housing for older people compared to the equivalent affordable offering (523 to 91, respectively) (p146). However, as noted earlier in this chapter, Thame's current offering is around 50% market to 50% affordable.
220. The SHMA sets a target of 170 specialist units per 1,000 people by 2031 – the current estimate for Thame of 250 units per 1000 is higher than this target.

## **Conclusions- Specialist Housing for the Older People**

221. To begin with, this chapter has found that there are 346 specialist housing units for older and disabled people in Thame, with around a 50% market and 50% affordable tenures. The most recent data available estimates that Thame's 75+ population is 1385 - this results in Thame having a suitable offering of around 250 units per 1,000 of the 75+ population. In the latest SHMA (although now relatively dated), the Oxfordshire county target for this figure is 170 units per 1,000 of the 75+ population, so Thame is currently achieving this target.
222. Whilst the provision of specialist units in the present day is at a suitable level, this chapter also determines that future development of specialist units will be needed to keep the offering at similar rate to 250 per 1,000 of the 75+ population, with future population growth in Thame expected to be driven by the older population age bands (a theme that was also identified in the previous 'Type and Size' chapter). Specifically, the number of 75+ individuals in Thame is expected to double by 2037, and account for around 6.6 more percentage points of the total population compared to current levels.
223. 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.
224. These two methods of estimating the future need in Thame produce a range of 237 to 300 specialist accommodation units that might be required during the NP 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.
225. A snapshot of the current need can be observed from the HNSR, which found that 38 households have expressed a need for specialist housing for older people, of which 33 meet the criteria for Strong Local Connection. This may contradict the assumptions of the calculations in this report - that older people living in the NA currently are already suitably accommodated. These figures are therefore not included in the calculations above, and it is up to TTC as to whether they would add these additional numbers to the calculated figures in their future policy.

226. With regard to the tenure of new specialist housing units (which, as stated above, is currently around 50% to 50% market to affordable), the NP may not be able set the proportion that should be affordable, and therefore the tenure split should align with the SOLP (a 60% market to 40% affordable split) – this would ultimately leave Thame with a slightly higher proportion of market specialist units compared to affordable specialist units, if the total NP need is addressed.
227. Given that there is unlikely to be a large volume of additional specialist supply during the NP period, another avenue open to the NP is therefore to require standards of accessibility and adaptability in new development to be met at more ambitious levels than those mandated in the SOLP, and to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged the NP may have less influence over changes to the existing stock).
228. The SOLP policies H1 and H3 provide explicit encouragement for development to accommodate specific groups such as older people. 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 evidence gathered here would appear to justify building housing for older people the NP if this avenue has the support of the SODC.
229. It is relatively common for Local and Neighbourhood 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 falling into this category and/or evidence from a household survey.
230. 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.
231. 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 elderly housing needs arising from a number of different locations and/or neighbourhood plan areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
232. It is considered that Thame 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 Thame (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Thame in other suitable locations near to but outside the NP area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Thame's boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for Thame itself.

233. However, TTC have suggested that Thame is near or at its maximum capacity for the number of older people it can take in due to the pressure on services – notably GPs – from the current older population in Thame. Whilst Thame is a suitable area to build additional specialist dwellings, these will need to be delivered hand-in-hand with the appropriate social infrastructure, such as GPs, if a larger population is to be adequately served. It has also been noted that doubts have been raised about the ability of Thame to attract the staff that would be required to operate care services for specialist housing schemes due to the unaffordability of the town and its commuting radius.

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



## 7. Conclusions

### Overview

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

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

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing tenure and affordability	<p>Beginning with housing tenures, this chapter finds that Thame has a relatively high proportion of ownership tenures when compared to the national and district average. The high proportion of ownership tenures come at the expense of a lower proportion of social and private rent tenures when making the same comparisons. Overall, the high rate of ownership tenures, in combination with a high average house price (which has risen on average 62% since 2011) has resulted in Thame becoming a tough area to get onto the ownership property ladder. For market ownership tenures, average income households would need to earn 43% more to fall within the affordability threshold of entry-level housing, and 72% more to afford median prices housing. Households on average income will, however, be able to afford market rent. In contrast, there are no market options that would fall under the affordability threshold of lower quartile earners, meaning they must rely on a form of Affordable Housing to live in the area.</p> <p>According to SODC data, there are currently 210 applicants on the housing register who have placed Thame as their 1st choice. Over the NP period, our calculations suggest that a further 68 households will fall into need. Overall, this creates a demand of 278 households over the NP period. However, due to a historically high number of affordable housing re-lets per year (an average of 35 per year in the past six years), our calculations suggest that this demand would be accommodated within the current housing stock in Thame by 2037. In contrast, 448 households are expected to be in demand of Affordable Housing ownership options. Whilst the disparity in demand between the two figures may be confusing, the reason for such a difference is the historically high re-let rate in Thame. Our model assumes that the historical rate of 35 re-lets per year continues into the future, thus satisfying the Affordable rent demand. However, this rate of re-letting may not be as high in the future. In addition, even if the 35 re-lets per year do continue, the Affordable Housing need would only be satisfied towards the later years of the NP period, thus leaving many households waiting years for a suitable dwelling to be offered to them.</p>	<p>An offering of Affordable Housing packages will be necessary in Thame to bring the housing market to within attainable prices for many households of varying home ownership/renting aspirations.</p> <p>First Homes at 50% is the only way that full home ownership can be brought to within the affordability threshold for average earners. A 40% discount may also be useful for households earning slightly above average. Thus, these two packages are recommended to be offered.</p> <p>Shared Ownership at 10% would also be a useful package to offer, with it being a relatively cheaper than First Homes at 50%. Shared Ownership at 25% may also be appropriate for Thame, however its affordability threshold is almost the same as First Homes at 50% discount, so it is recommended that the latter would be prioritised for new builds as it provides more value in the long term for the homeowner.</p> <p>Both Affordable Rent and Social Rent packages will also prove valuable in housing lower quartile earning households, who without these discounts would be priced out of the area.</p> <p>Regarding Thame's future tenure split for Affordable Housing, this report recommends a 65% renting to 35% ownership split. Ideally, during the early years of the NP, priority should be given to building rents, and consequently building the majority of its ownership allocation towards the later years of the NP period.</p> <p>Based on the remaining commitments and unallocated housing figures, the need for Affordable Housing on rented in Thame over the NP period (279) would be satisfied if the target of 40% Affordable housing was achieved and the historical number of re-lets continue into the future. The need for Affordable Housing on ownership tenures would not be satisfied by the end of the NP. Therefore, it is recommended that the policy requirement be met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing (such as exception sites) to be explored.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
<p>Housing type and size</p>	<p>This report finds that Thame’s current housing type mix is well-balanced, with detached, semi-detached, and terrace all accounting for between 20% and 30% of the total mix. The proportion of flats and bungalows are relatively lower (at around 17% and 7%, respectively), so there is room to increase their proportions to the overall mix. The mix of flats and bungalows, however, are broadly in line with the district and national average, with bungalows broadly the same for both, and flats the same at district level and around 5 percentage points fewer than the national average.</p> <p>Thame’s current size mix is also well-balanced in relation to its population’s needs, with 3-bedroom dwellings dominating the mix, followed by 2-beds and 4+beds. Thame’s size mix is very similar to the district size mix, and is mostly similar to the national mix too - Thame has a slightly lower percentage of 1-bedroom dwellings in place of a slightly higher proportion of 4+ bedroom dwellings.</p> <p>As with most areas in the UK, Thame’s population has aged over time, but remains balanced in the present. The ageing population is, however, expected to increase into the future, with Thame’s household age bands at 55-64 expected to grow 10%, and 65+ household age band expected to grow 61%. All other household age bands featuring ages below 55 are expected to decrease from their current levels.</p> <p>The most common household type in Thame is ‘one family with dependent children’. Whilst this was the case, this category was also the only one in decline for the period of 2001-2011. The household composition that saw the most growth was ‘one family households with all children non-dependent’. The growth in this household type may be an indicator that supports other conclusions within this report of high house prices in the area limiting the ability of younger people to get onto the property ladder. It may also mean that there are not enough smaller housing units in the area to accommodate the proportion of older households who want to downsize – a conclusion that may be supported by a trend of underoccupancy throughout the parish, with 73% of dwellings having at least one unused bedroom.</p>	<p>The type and size of Thame’s current housing stock is well-balanced and has no major concerns that need addressing relating to these variables.</p> <p>The demands of the future projected population of Thame are not expected to alter the current housing size mixes within Thame, with AECOM’s calculations suggesting that housing sizes are already within 2% of the ideal estimated future mix. The same sentiment can be said for the housing type mix, which should also be preserved in similar proportions to the current mix, with the only recommended change being a slight increase in the proportion of flats in the area.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Specialist housing for older people	<p>There are 346 specialist housing units for older and disabled people in Thame, split around 50% affordable and 50% market tenures. The most recent data available estimates that Thame's 75+ population is 1385 - this results in Thame having a suitable offering of around 250 units per 1,000 of the 75+ population. In the latest SHMA (although now relatively dated), the Oxfordshire county target for this figure is 170 units per 1,000 of the 75+ population, so Thame is currently achieving this target.</p> <p>Whilst the provision of specialist units in the present day are at a suitable level, this chapter also determines that future development of specialist units will be needed to keep the offering at similar rate to 250 per 1,000 of the 75+ population, with future population growth in Thame expected to be driven by the older population age bands. Specifically, the number of 75+ individuals in Thame is expected to double by 2037, and account for around 6.6 more percentage points of the total population compared to current levels.</p> <p>A snapshot of the current need can be observed from the HNSR, which found that 38 households have expressed a need for specialist housing for older people, of which 33 meet the criteria for Strong Local Connection.</p> <p>The potential need for specialist housing with some form of additional care for older people has been 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 has also been sense-checked using a toolkit based on national research and assumptions.</p>	<p>The two methods used to estimate the future specialist housing need in Thame produced a recommended range of 237 to 300 units that might be required during the NP period.</p> <p>With regard to the tenure of new specialist housing units (which, as stated above, is currently around 50% to 50% market to affordable), the NPS can't set the proportion that should be affordable, and therefore the tenure split should align with the SOLP (a 60% market to 40% affordable split).</p> <p>Given that there is unlikely to be a large volume of additional specialist supply during the NP period, another avenue open to the NP is therefore to require standards of accessibility and adaptability in new development to be met at more ambitious levels than those mandated in the SOLP, and to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged the NP may have less influence over changes to the existing stock).</p> <p>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.</p> <p>TTC have suggested that Thame is near or at its maximum capacity for the number of older people it can take in due to the pressure on services – notably GPs – from the current older population in Thame. Whilst Thame is a suitable area to build additional specialist dwellings, these will need to be delivered hand-in-hand with the appropriate social infrastructure, such as GPs, if a larger population is to be adequately served. It has also been noted that doubts have been raised about the ability of Thame to attract the staff that would be required to operate care services for specialist housing schemes due to the unaffordability of the town and its commuting radius.</p>

## Recommendations for next steps

236. This NP housing needs assessment aims to provide Thame 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 SO 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 NP to be in general conformity with the strategic policies of the adopted development plan;

- The views of SO;
- 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 SO.

237. 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.

238. Bearing this in mind, it is recommended that the NP steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, SO or any other relevant party and review the NP accordingly to ensure that general conformity is maintained.

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

# Appendix A : Calculation of Affordability Thresholds

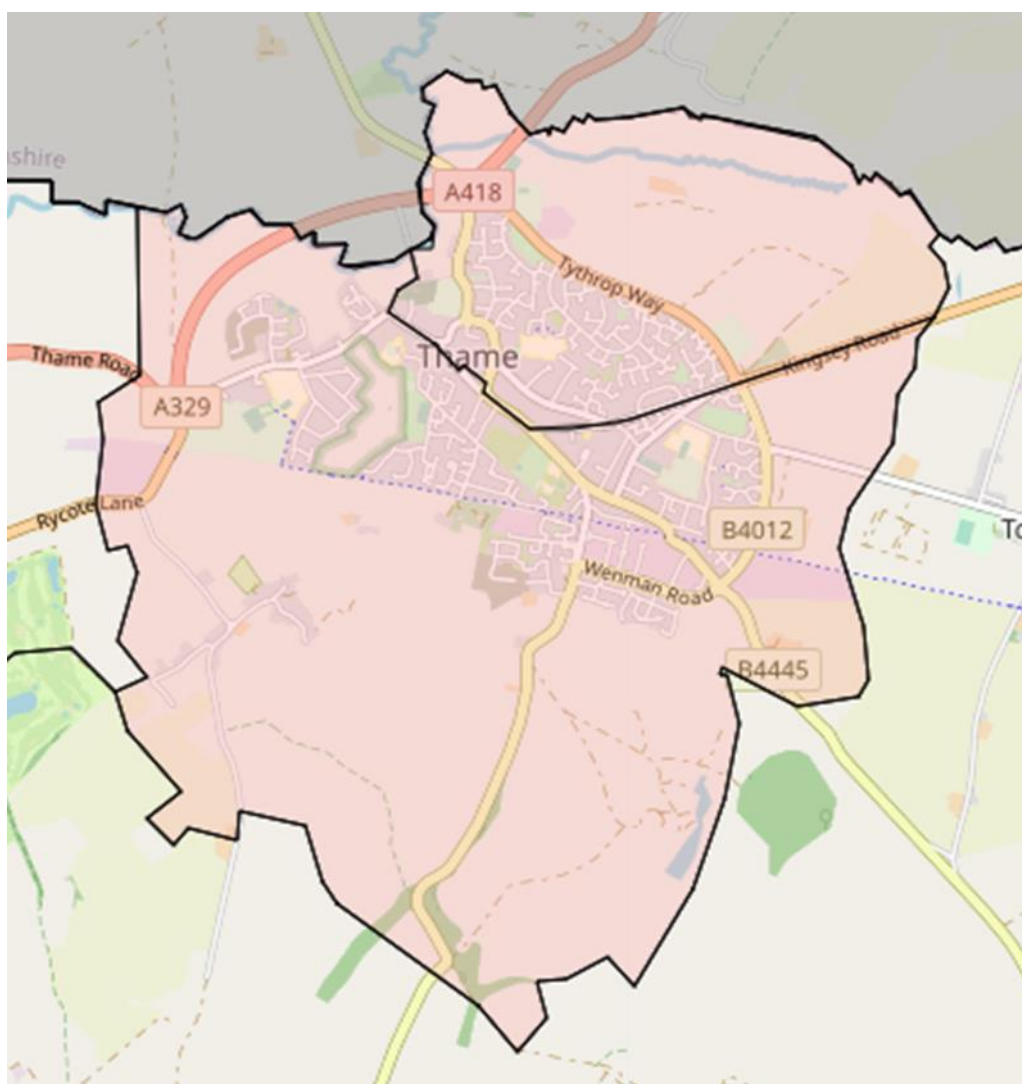
## A.1 Assessment geography

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

241. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for Thame. In the case of Thame, it is considered that a combination of data for MSOAs E02005958 and E02005960 is the closest realistic proxy for Thame's boundary – when combined, their geographical area is the same as the Thame parish boundary.

242. A map of MSOAs E02005958 and E02005960 appears below in Figure 7-1.

**Figure 7-1: MSOAs E02005958 and E02005960 used as a best-fit geographical proxy for the Neighbourhood Area**



Source: ONS

## A.2 Market housing

243. Market housing is not subsidised, and tends to be primarily accessible to people on higher incomes.
244. 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

245. 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.
246. 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 Thame, 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.
247. The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2020) = £380,000;
  - Purchase deposit at 10% of value = £38,000;
  - Value of dwelling for mortgage purposes = £342,000;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £97,714.
248. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2020 was £315,750, and the purchase threshold is therefore £81,193.
249. Finally, it is worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records 30 sales of new build properties in the NA in 2020, with the average sale price across all house types coming to £403,416. Terraces may be the best representation of average new Affordable Housing in the area - of the 30 sales of Affordable Houses in 2020, 12 were terraced, selling at an average of £376,324. This figure will therefore be used to calculate the affordability thresholds for Affordable Housing ownership options.

## **ii) Private Rented Sector (PRS)**

250. 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.
251. 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.
252. The property website Home.co.uk shows rental values for property in the Thame.
253. According to Home.co.uk, there were 11 properties for rent at the time of search in December 2021, with an average monthly rent of £1,136. There were eight 2-bedroom properties listed, with an average price of £1,094 per calendar month.
254. The calculation for the private rent income threshold for entry-level (2-bedroom) dwellings is as follows:
- Annual rent = £1,094 x 12 = £13,128;
  - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £43,760.
255. The calculation is repeated for the overall average to give an income threshold of £45,440.

## **A.3 Affordable Housing**

256. 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**

257. 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.
258. 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

Thame. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for SO in the table below.

259. 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	£99.11	£108.99	£120.86	£137.97	<b>£112.82</b>
Annual average	£5,154	£5,667	£6,285	£7,174	<b>£5,867</b>
Income needed	£17,162	£18,873	£20,928	£23,891	<b>£19,536</b>

Source: Homes England, AECOM Calculations

## ii) Affordable rent

260. 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).

261. 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%.

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

263. Comparing this result with the average 2-bedroom annual private rent above indicates that affordable rents in Thame are actually closer to 65% 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	£133.63	£164.49	£201.79	£255.48	<b>£173.33</b>
Annual average	£6,949	£8,553	£10,493	£13,285	<b>£9,013</b>
Income needed	£23,139	£28,483	£34,942	£44,239	<b>£30,014</b>

Source: Homes England, AECOM Calculations



### **iii) Affordable home ownership**

264. 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.

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

#### **First Homes**

266. 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.

267. The starting point for these calculations is therefore the estimated cost of new build housing in Thame noted above of £376,324.

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

- Value of a new home (NA average) = £376,324;
- Discounted by 30% = £263,427;
- Purchase deposit at 10% of value = £26,343;
- Value of dwelling for mortgage purposes = £237,084;
- Divided by loan to income ratio of 3.5 = purchase threshold of £67,738.

269. 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 £58,061 and £48,385 respectively.

270. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.

271. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2-bedroom home (assuming 70 sq m and a build cost of £1,500 per sq m) would be around £105,000. This cost excludes any land value or developer profit. This would not appear to be an issue in Thame.

## Shared ownership

272. 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'.
273. 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.
274. 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).
275. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £376,324 is £94,081;
  - A 10% deposit of £9,408 is deducted, leaving a mortgage value of £84,673;
  - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £24,192;
  - Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £282,243;
  - The estimated annual rent at 2.5% of the unsold value is £7,056;
  - This requires an income of £23,520 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
  - The total income required is £47,713 (£24,192 plus £23,520).
276. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £37,901 and £64,065, respectively. Therefore, Shared Ownership options at 10%, 25%, and 50% equity are all below the £80,000 income threshold cap.

### **Rent to buy**

277. 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)**

278. 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.

279. 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 methods<sup>17</sup>.

## **Age-Restricted General Market Housing**

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

## **Annual Monitoring Report**

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

## **Basic Conditions**

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

## **Backlog need**

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

## **Bedroom Standard<sup>18</sup>**

The bedroom standard is a measure of occupancy (whether a property is overcrowded or under-occupied, based on the number of bedrooms in a property and the type of household in residence). The Census overcrowding data is based on occupancy rating (overcrowding by number of rooms not including bathrooms and hallways). This tends to produce higher levels of overcrowding/ under occupation. A detailed definition of the standard is given in the Glossary of the EHS Household Report.

## **Co-living**

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

## **Community Led Housing/Community Land Trusts**

Housing development, provision and management that is led by the community is very often driven by a need to secure affordable housing for local people in the belief that

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<sup>17</sup> The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

<sup>18</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

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

### **Community Right to Build Order<sup>19</sup>**

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)<sup>20</sup>**

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

### **Equity Loans/Shared Equity**

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

### **Extra Care Housing or Housing-With-Care**

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

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<sup>19</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>20</sup> See [http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776\\_350282.pdf](http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf)

## **First Homes**

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

## **Habitable Rooms**

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

## **Household Reference Person (HRP)**

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

## **Housing Market Area**

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

The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate.

## **Housing Needs**

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

## **Housing Needs Assessment**

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

## **Housing Products**

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

## **Housing Size (Census Definition)**

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

## **Housing Type (Census Definition)**

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

## **Housing Tenure (Census Definition)**

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

## **Income Threshold**

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

## **Intercensal Period**

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

## **Intermediate Housing**

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

## **Life Stage modelling**

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

## **Life-time Homes**

Dwellings constructed to make them more flexible, convenient adaptable and accessible than most 'normal' houses, usually according to the Lifetime Homes



Standard, 16 design criteria that can be applied to new homes at minimal cost: <http://www.lifetimehomes.org.uk/>.

### **Life-time Neighbourhoods**

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

### **Local Development Order**

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

### **Local Enterprise Partnership**

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

### **Local housing need (NPPF definition)**

The number of homes identified as being needed through the application of the standard method set out in national planning guidance (or, in the context of preparing strategic policies only, this may be calculated using a justified alternative approach as provided for in paragraph 60 of this Framework).

### **Local Planning Authority**

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

### **Local Plan**

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

### **Lower Quartile**

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

### **Lower Quartile Affordability Ratio**

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

## **Market Housing**

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

## **Mean (Average)**

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

## **Median**

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

## **Median Affordability Ratio**

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

## **Mortgage Ratio**

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years<sup>21</sup>, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

## **Neighbourhood Development Order (NDO)**

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

## **Neighbourhood plan**

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

## **Older People**

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

## **Output Area/Lower Super Output Area/Middle Super Output Area**

An output area is the lowest level of geography for publishing statistics, and is the core geography from which statistics for other geographies are built. Output areas were created for England and Wales from the 2001 Census data, by grouping a number of

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<sup>21</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

### **Overcrowding**

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

### **Planning Condition**

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

### **Planning Obligation**

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

### **Purchase Threshold**

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

### **Proportionate and Robust Evidence**

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

### **Private Rented**

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

## **Retirement Living or Sheltered Housing**

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

## **Residential Care Homes and Nursing Homes**

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

## **Rightsizing**

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

## **Rural Exception Sites**

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

## **Shared Ownership**

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

## **Sheltered Housing<sup>22</sup>**

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.

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<sup>22</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

### **Strategic Housing Land Availability Assessment**

A Strategic Housing Land Availability Assessment (SHLAA) is a document prepared by one or more local planning authorities to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the NP 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 NP period. Sometimes SHMAs are combined with Economic Development Needs Assessments to create documents known as HEDNAs (Housing and Economic Development Needs Assessments).

### **Specialist Housing for the Elderly**

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

### **Social Rented Housing**

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.<sup>23</sup>

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<sup>23</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>



# Thame

Housing Needs Assessment (HNA)

Addendum

February 2024

## Quality information

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## Revision History

Revision	Revision date	Details	Authorised	Name	Position
1.1	February 2024	Addendum draft	PA	Paul Avery	Principal Housing Consultant
1.2	February 2024	Internal review	KP	Kerry Parr	Associate Director

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# HNA Addendum

## Context

1. AECOM produced a Housing Needs Assessment (HNA) for Thame Town Council in March 2022. As the Thame Neighbourhood Plan has proceeded toward submission, South Oxfordshire District Council (SODC) have provided comments regarding the robustness of the HNA.
2. This addendum serves to respond to those comments in general terms, provide assurance of the HNA's continued utility, and identify any additional datapoints that could be used as supplementary evidence to support relevant Neighbourhood Plan policies.

## Comments on the 2022 HNA

3. The key concerns of SODC regarding the HNA can be summarised as follows:
  - That it may no longer accurately reflect the current housing position or future housing needs of the parish given the time elapsed since its production. Important changes arising since that time include:
    - The release of 2021 Census data;
    - The production of a new Joint Housing Needs Assessment for South Oxfordshire and Vale of White Horse District Councils in November 2023; and
    - Broader economic shifts relating to rental prices and other housing costs linked to interest rates, cost-of-living issues, and trends following the Covid-19 pandemic.
  - That the data inputs for the HNA's estimates of Affordable Housing need, drawn from the SODC housing register, are no longer representative of the current picture of need or turnover in the existing stock and could be interpreted differently.
  - That the HNA does not sufficiently acknowledge the possibility that these Affordable Housing estimates might underestimate true need.
  - That the HNA considers Thame's housing needs in isolation rather than as part of a district-wide picture, particularly with regard to the management of Affordable Housing need and homelessness.

## AECOM Response

4. In response to the comments received, AECOM would emphasise the following overarching points:
  - Evidence base documents are always a snapshot in time. This does not mean that they are automatically invalidated by the release of newer data or wider contextual changes.
  - Updated information, however, presents a valuable source of additional evidence that can help to inform and justify Neighbourhood Plan policies. In this instance, this could be referenced or presented alongside the outputs of the HNA to further support policy choices, add nuance, or explain why a different policy direction is taken.
5. Detailed responses to the main strands of SODC's comments are provided below.

### **Data validity**

6. The 2022 HNA was finalised prior to the release of 2021 Census data (which was released in phases, primarily during 2023, and has still not yet been released in full). In its absence, the HNA does not rely solely on 2011 Census data, but includes a range of alternative sources, such as ONS parish-level population estimates for 2020, Valuation Office Agency data on the dwelling type and size mix for 2021, and various up-to-date indicators of housing costs, local incomes, and other metrics. It therefore remains a sufficiently up-to-date and representative picture of housing need.
7. Only some of the Census inputs that have a direct bearing on the HNA's key outputs lacked a suitable alternative in 2022 and could now be meaningfully updated. In AECOM's experience of interrogating the latest Census data, its impact is a matter of degree rather than of kind. As such, observing that, for example, an ageing trend has continued to accelerate or affordability has further declined, tends to further validate the conclusions derived from previous data releases. In the unlikely event that trends have reversed in Thame in recent years, this can be highlighted to soften or change the policy direction taken.
8. Though not referenced in SODC's comments specifically, the 2023 Joint Housing Needs Assessment represents a useful and up-to-date source of additional evidence at District scale, which could be used to supplement the HNA evidence for Thame specifically when devising or justifying relevant policies. Key outputs can be scaled down to the Neighbourhood Area (NA) using population statistics or used to establish the broader context of need to which the NA might wish to contribute. However, the existence of new local authority evidence is generally not sufficient cause to update or disregard Neighbourhood level HNAs.
9. Housing affordability has undoubtedly become more challenging, both nationwide and in Oxfordshire specifically, in recent years. The HNA concluded that affordability represents an immense challenge in Thame, and made considered judgements about what policy responses might be appropriate to address this. The continued worsening of affordability further reinforces this point and the

associated policy suggestions: rather than requiring a change of direction, any more recent data can help to further justify this position. Note that the relationship between interest rates (which are subject to change) and housing price statistics is subject to a significant lag. In the current fast-changing environment, a snapshot in early 2024 would be slightly more (though not completely) up-to-date, and would become dated equally quickly in the context of a Neighbourhood Plan that looks ahead to 2037.

### **Affordable Housing estimates**

10. In their comments SODC have provided a number of more recent datapoints from their housing register and helpful ways of thinking about how need arises and is recorded in practice. The thrust of this evidence is that both recent trends and limitations in the original data point to the future need for affordable rented housing being higher than is estimated in the HNA. The impact of this is that the newly arising need in Thame is likely to outstrip turnover rather than being broadly in balance with it – as was the result of the HNA model.
11. This advice adds weight to the HNA's conclusion that, despite the result of the relevant calculation, there are good reasons to continue to encourage the delivery of affordable rented tenures in Thame wherever possible, to the extent that this should continue to be prioritised in the Affordable Housing tenure mix over affordable routes to home ownership. The Town Council could use the further inputs provided by SODC to strengthen any policy provisions in this area or to seek more ambitious levels of Affordable Housing delivery if this is in line with the objectives of the community.
12. For the avoidance of doubt it should be clarified that the HNA outputs considered here (and summarised in paragraph 4 of the HNA executive summary) are not intended to represent the volume of future applications to SODC's housing register. They instead relate to the number of households who are likely unable to afford any other options in the market (notably private rents).
13. The number of re-lets in the existing affordable rented housing stock is another key input to the calculation in question. This allows the rate of turnover in future years to be estimated. Turnover in the existing stock is theoretically able to accommodate a proportion of newly arising needs – and in Thame's case appears potentially able to accommodate all of it due to the size of the social rented housing stock at present.
14. For this step in the calculation, AECOM used the six-year average rate of affordable housing re-lets in Thame, using data provided by SODC. A multi-year average was sought in order to smooth out the impact of short-term fluctuations. While it could be updated, this approach continues to provide a long-term view and is not necessarily invalidated by an additional year or two of data (which SODC suggest could be made available). However, if the most recent data suggests that the historic rate of turnover has since decreased, this would point to higher future needs than were identified at the time of the HNA, and further support its suggested policy approach (to promote the delivery of affordable rented housing).

15. SODC also offer an alternative approach to determining turnover rates and calculating overall needs that offers a potentially useful additional source of evidence to support a more ambitious stance toward the delivery of affordable rented housing in Thame. However, without the detailed calculations and underpinning assumptions, AECOM has not been able to specifically validate that approach.
16. Regarding SODC's sense that the HNA considers Thame's needs in isolation from the wider District context, it is acknowledged that the HNA indeed primarily investigates housing needs at the scale of the NA specifically. The Joint Local Housing Need Assessment (and Strategic Housing Market Assessment before it) supply the relevant evidence at District scale. However, it should be clarified that the HNA also fully acknowledges that Thame has fluid and complex relationships with a wider functional housing market. Specifically, it does not dispute the fact that Affordable Housing is managed centrally by SODC depending on the urgency of need and a range of other factors beyond the current address of applicants. Thame is not responsible for managing its own waiting list or homelessness initiatives, and no such assumption underpins the HNA's conclusions.

## Summary

17. AECOM acknowledge that the 2022 HNA does not provide the most up-to-date possible picture of housing need in Thame, given that it was produced nearly two years ago. However, measures taken to use alternative data sources and explain the limitations of its findings mean that it remains a sufficiently accurate snapshot of housing needs for the purpose of Neighbourhood Planning.
18. AECOM agree that newly released data and additional points raised by SODC provide valuable supporting evidence for the Neighbourhood Plan, and can be used to support or to caveat any findings of the HNA which are used to justify its policies.
19. The key finding of the HNA that could beneficially be qualified in this way is its estimate of the future need for affordable rented housing. The views and additional datapoints provided by SODC suggest that the HNA calculation underestimates future needs due to the limitations of some of its main inputs and changes occurring since. This lends further support to the HNA's recommendation that affordable rented housing should continue to be secured even though the estimated need for Thame itself appeared limited at the time of the assessment. Further, AECOM acknowledge in the HNA that Thame is likely to provide a wider strategic role in meeting needs across the District.

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