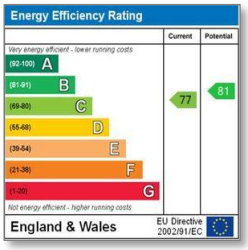
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Haringey Strategic Housing Market Assessment

Report of Findings

June 2021



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Executive Summary

Summary of key findings and conclusions

Introduction

1. Opinion Research Services (ORS) was commissioned by London Borough of Haringey to prepare a Strategic Housing Market Assessment. The Council wanted to provide a sound evidence base to inform the Council's new Housing Strategy and emerging new Local Plan (covering the period 2022 to 2037).

Government Policy

2. The Government published the original National Policy Planning Framework (the Original NPPF) in 2012. A revised version of the National Policy Planning Framework (the Revised NPPF) was published in July 2018 and was updated in February 2019 to incorporate a number of detailed changes. The Revised NPPF introduced a new definition for affordable housing. Whilst the Original NPPF identified that affordable housing should be provided for households *"whose needs are not met by the market"*, the Revised NPPF adds that this includes *"housing that provides a subsidised route to home ownership and/or is for essential local workers"*. On this basis, the needs of households able to afford market rent who aspire to but are unable to afford homeownership must now be counted.

3. For the purposes of this study we would also note that the following definitions are used for affordable rented housing and we capitalise Social and Affordable Rent when discussing specific products:

   - **Social Rented housing** is housing where the landlord is a Registered Provider, usually the Council or a housing association. Rents are significantly lower than market rents, and set in accordance with a formula set by Government.
   - **Affordable Rent** is a type of low cost rented housing, targeted at the same groups as Social Rent, but with rents set at a maximum of 80% of market rents. This tenure is no longer funded by the GLA and so is likely to become increasingly obsolete.

Assessing Housing Needs in London

4. The Strategic Planning Authority for London is the Greater London Authority, and the London Plan is the statutory spatial development strategy for London. The London Plan (2021) sets out a need for 66,000 additional homes per year in London from 2016 to 2041. This is based on the 2017 London Strategic Housing Market Assessment (SHMA). In terms of size and tenure mix, the 2017 London SHMA shows that around one third of the total need is for 1-bedroom low cost rent housing. This is because the model used in the 2017 London SHMA assumes that any single person or couple aged over 25 years who wish to occupy their own property will do so, irrespective of whether they can afford to do so or not.

5. The housing targets for London Boroughs in the London Plan sum to 52,287 dwellings per annum across London, not the nearly 66,000 housing need. The London Plan sets a 10-year housing target for net housing completions (2019/20 -2028/29). In the case of Haringey, this is 1,592 dwellings per annum. The figure of 1,592 dwellings per annum is part of the overall projected supply for London of 52,287 per annum set out in the London Plan, not the nearly 66,000 dwellings identified as need. Our modelling is therefore based upon

the role of Haringey in helping to meet London's overall need as part of a total delivery of 52,287 dwellings per annum.

Establishing Current Unmet Need for Affordable Housing

6. To assess the current need for affordable housing, we initially calculated the number of households in Haringey who are not suitably housed and who are unable to afford market housing. These include: all households that are currently homeless, those who are currently housed in temporary accommodation, concealed families living as part of another household, households overcrowded in the social or private rented sector, and people otherwise not counted who are in a reasonable preference category on the housing register. Given these categories for current need, there is a high correlation between those who are included on the housing register in Haringey and those considered to be in current need.

7. Based on a detailed review of both the past trends and current estimates, our analysis has concluded that 12,191 households are currently living in unsuitable housing and are unable to afford their own housing. Of these households, 5,501 currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing. There is a net affordable housing need of 6,689 households (12,191 less 5,501 = 6,689 rounded). **Therefore, at the start of the Local Plan we project that there will be a need for an additional 6,689 households for affordable housing. We then treat this as a backlog of need to be addressed over 15 years at an annual rate of 446 households per annum.**

Overall Need for Affordable Housing

8. In addition to those who cannot currently afford market housing, it is also necessary to consider those households who will arise in the future and also those who can afford market rents but aspire to home ownership.

9. The following table (Figure 1) summarises the overall impact for those who cannot afford market rents of:

- new households adding to housing need,
- the households no longer present reducing housing need and
- the changes in circumstances impacting existing households.

Figure 1: Annual components of Household Growth 2022-37 (Source: ORS Housing Model)

		All households	Households able to afford housing costs	Households unable to afford housing costs
All new households		12,057	8,552	3,505
All households no longer present		10,755	7,351	3,405
Change in existing households		-	-246	246
Future affordable housing need 2022-37	**Annual average**	**1,302**	**955**	**347**
	15-year Total	**19,527**	**14,319**	**5,206**

10. Overall reviewing the contribution of each element amounts **to an additional 5,206 households needing affordable housing over the 15-year period 2022-37, or a rate of 347 per annum. These represent the**

ongoing need for Haringey, and we assume that they are met on average for the period 2019-2022 to prevent the backlog of need growing before 2022.

Needs of Households Aspiring to Homeownership

11. In London, the need for home affordable home ownership products is widely recognised due to the very high costs of outright home ownership. The Mayor of London has developed the London Living Rent scheme as one which initially sees households renting their property, but with the option to eventually start buying it in the future. This type of scheme is compatible with the need for affordable housing to own and many households who cannot afford to rent privately can afford London Living Rents.

12. Based on an analysis of English Housing Survey and Haringey level household data, we can estimate that there is a total of around 13,446 households currently resident in Haringey who cannot afford to own their own home but would aspire to do so. Half of these households (52%) are aged 15-34 with the substantial majority (87%) aged under 45.

13. In addition to the current need, it is also important to consider new households that are projected to form over the period 2022-2037. Through combining this data with the aspiration data from the EHS, we can conclude that it is likely that there would be a further 10,802 households that form over the 15-year period who will be able to afford to pay market rent but unable to afford to own, despite that being their aspiration. **Overall, there are likely to be 24,248 households who aspire to homeownership but who cannot afford to buy their own home over the period 2022-37, a net annual need of 1,616 per year.**

14. Figure 2 brings together the information on assessing the unmet need for affordable housing in 2022 together with the future need for affordable housing and those aspiring to home ownership arising over the 15-year period 2022-37. This assessment has no regard for whether those aspiring can access affordable home ownership options such as First Homes, but it should be noted that all can afford London Living Rents as these are below private rents.

Figure 2: Assessing total need for affordable housing 2022-37 (Source: ORS Housing Model)

	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford housing costs	Households aspiring to home ownership	
Current housing need in 2019	6,689	13,446	20,135
Future housing need 2022-37	5,206	10,802	16,008
TOTAL HOUSING NEED	**11,895**	**24,248**	**36,143**

15. On this basis, we can conclude that the overall need for affordable housing would comprise 36,143 households over the 15-year period 2022-2037, equivalent to an average of 2,410 per annum.

16. Neither the NPPF or PPG identify that any affordability criteria should be applied to those households who aspire to homeownership but cannot afford to buy their own home. However, it is appropriate to consider the extent to which these households could plausibly afford affordable homeownership products such as First Homes if they were provided. Whilst a range of affordable homeownership products are available, each with different costs and eligibility criteria, it is unlikely that housing would be delivered at values below 60% of newbuild prices. While 70% of market house prices is the maximum price suggested for a First Home in the consultation, a larger discount can be applied. However, if too large a discount is applied then this will significantly affect the viability of many schemes and lead to a reduction in the level of affordable housing

which can be provided. Therefore, we have assumed a maximum discount of 40% on open market prices for properties which are compatible with the First Homes scheme.

17. Given this context, Figure 3 identifies those households with income that would be insufficient to afford 60% of newbuild prices at the lower quartile for the local area, and those households with savings of less than £5,000. Of the 24,248 households who can afford to rent, but who aspire to homeownership and cannot afford to buy, there would be 18,890 where the household had insufficient income to have a realistic prospect of being able to afford at 60% of open market values. Of the remaining dwellings for households with incomes above the minimum threshold, there would be 2,532 where the household had savings of less than £5,000 and were therefore unable to afford the assumed deposit in the local area. Again we would stress that all 24,248 household can afford London Living Rents, so potentially all 24,248 could be considered to be in affordable housing need.

Figure 3: Affordable homeownership housing mix by household affordability to 2022-37 (Source: ORS Housing Model)

	All households aspiring to home ownership	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	7,773	4,177	3,597	1,788	1,809
2 bedrooms	6,998	5,449	1,549	652	897
3 bedrooms	7,550	7,338	213	92	121
4+ bedrooms	1,926	1,926	0	0	0
TOTAL	**24,248**	**18,890**	**5,358**	**2,532**	**2,826**

18. On this basis, only 2,826 properties are needed for households who aspire to homeownership who have at least £5,000 in savings and incomes above the relevant threshold. It should be remembered that the 11,895 households who cannot afford market rents include some who can afford products such as London Living Rent and they represent further demand for affordable to own properties. Figure 4 provides a breakdown of the overall affordable housing need on this basis.

Figure 4: Overall need for Affordable Housing, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford housing costs	Households aspiring to home ownership	
1 bedroom	1,713	1,809	3,522
2 bedrooms	3,074	897	3,971
3 bedrooms	4,336	121	4,457
4+ bedrooms	2,771	0	2,771
TOTAL HOUSING NEED	**11,895**	**2,826**	**14,722**

19. The SHMA identifies an overall affordable housing need from 14,722 households over the 15-year period 2022-37 (981 per annum). This includes the needs from all households unable to afford to rent or own market housing and also provides for households who aspire to homeownership but who cannot afford to buy, where there is a realistic prospect of being able to purchase an affordable homeownership product.

20. It is also possible to split the needs of the 11,895 households who cannot afford market rent into different affordable tenures based upon their household income. This is done in Figure 5. This shows that over two thirds of the need for those who cannot market housing comes from households whose income are so low that they cannot afford Social Rent. We would note that 1,567 households are able to afford London Living Rent or other afford to own products despite not being able to afford market rents.

Figure 5: Overall need for Affordable Housing by Type of Housing Scheme (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing Need				Total
	Unable to afford Social Rent	Able to afford Social Rent - unable to afford Affordable Rent	Able to Afford Affordable Rent - unable to afford London Living Rent	Able to afford London Living Rent - unable to afford Private Rent	
1 bedroom	1,371	153	28	161	1,713
2 bedrooms	2,156	420	105	394	3,074
3 bedrooms	2,771	799	70	696	4,336
4+ bedrooms	1,788	460	208	316	2,771
TOTAL HOUSING NEED	**8,086**	**1,832**	**411**	**1,567**	**11,895**

21. Figure 6 brings together all this information while also converting the household figures set out above to dwellings by allowing for a vacancy rate. The figures allow for all households who cannot afford market housing, as well as those who aspire to own and have a realistic chance of doing so. The data includes 8,136 dwellings for those who are unable to afford housing costs and require Social Rent. It also includes 1,576 dwellings for households who can afford London Living Rents, but not market rents and a further 2,844 dwellings for those who can afford market rents but who aspire to own. The market housing figure contains both market rent and owned occupied dwellings. If there is not an improvement in affordability for home ownership, market rent will continue to grow in Haringey.

Figure 6: Overall Dwelling need for Market and Affordable (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing			Total Affordable Housing	Total Market Housing	Total
	Households unable to afford housing costs		Aspiring to Home Ownership - Affordable Home Ownership			
	Social Rent/ Affordable Rent	Affordable Home Ownership				
1 bedroom	1,562	162	1,820	3,544	1,276	**4,820**
2 bedrooms	2,698	396	903	3,996	2,319	**6,315**
3 bedrooms	3,663	701	121	4,485	6,132	**10,617**
4+ bedrooms	2,471	317	0	2,788	-842	**1,946**
C2 Dwellings	-	-	-	-	182	**182**
Dwelling target	**10,394**	**1,576**	**2,844**	**14,813**	**8,885**	**23,698**
1 bedroom	15.0%	10.3%	64.0%	23.9%	14.1%	20.2%
2 bedrooms	26.0%	25.1%	31.8%	27.0%	25.6%	26.4%
3 bedrooms	35.2%	44.5%	4.3%	30.3%	67.6%	44.5%

4+ bedrooms	23.8%	20.1%	0.0%	18.8%	-9.3%	8.1%
C2 Dwellings		-		-	2.0%	0.8%

Housing for Older People

22. The London Plan uses figures from the GLA Older Persons Housing Needs Assessment Report 2017. The GLA annual benchmark for Haringey 2017-2029 is a total of 110 homes. The annual total of 110 equates to 1,870 over 17 years, and this current SHMA identifies a similar level of annual need from 2022 onwards.

Housing for People with Disabilities

23. The model identifies that there will be around 43,000 households living in Haringey in 2022 with one or more persons with a limiting long-term illness or disability. In 30,000 of these households, this will not affect their housing need, but in 13,000 households an illness or disability will impact on housing need. Amongst those households where it will affect housing needs, we estimate that 1,259 households need adaptations to their current home and 1,207 households need to move to a more suitable home now.

24. Further modelling of health needs suggests that by 2037 there will be an additional 17,750 households either already experiencing health problems or likely to develop health problems within 10 years. However, not all households will want to move to new housing – some will adapt their current homes and others will move to another dwelling in the existing stock. Based on the housing mix in Haringey, it is likely that around 43% will live in dwellings that could be converted to meet the M4(2) standard. On this basis, we could assume that at least 57% of the need is for adapted housing; a total of 11,393 households.

Figure 7: Households with a long-term illness or disability in Haringey in 2019 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	TOTAL
Existing need in 2022	
Households where an existing illness or disability affects their housing need and need to move in 2022	1,207
Projected future need 2022-37	
Additional households in 2037 where illness or disability affects their housing need or will develop within 10 years	17,751
Maximum need for adapted housing 2022-37 (households)	**18,958**
Less households living in dwellings adaptable to M4(2) standard	7,565
Minimum need for adapted housing 2022-37 (households)	**11,393**

1. Introducing the Study

Background to the project

Introduction

1.1 Opinion Research Services (ORS) was commissioned by London Borough of Haringey to prepare a Strategic Housing Market Assessment. The Council wanted to provide a sound evidence base to inform the Council's new Housing Strategy and emerging new Local Plan (covering the period 2022 to 2037).

1.2 This document, alongside a Gypsy and Traveller Accommodation Assessment also produced by ORS, represents a key part of the evidence base to consider the future housing needs of the residents of Haringey.

Government Policy

1.3 The Government published the National Policy Planning Framework (the Original NPPF) in 2012. This set out the planning policies for England and how these were expected to be applied.

1.4 The Original NPPF had a presumption in favour of sustainable development, and paragraph 47 stated that Local Plans should meet *"the full, objectively assessed needs for market and affordable housing in the housing market area".* The responsibility for establishing housing need rested with the local planning authority and Paragraph 159 of the Original NPPF set out that they *"should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries".*

1.5 A revised version of the National Policy Planning Framework (the Revised NPPF) was published in July 2018. Whilst the Revised NPPF maintains the underlying theme of sustainable development, several significant changes have been introduced in relation to identifying and meeting housing needs. The Revised NPPF was updated in February 2019 to incorporate a number of detailed changes following a technical consultation. Whilst most of the changes appear relatively minor, they may have a substantial impact on identifying and meeting housing needs in some areas. The results of the consultation were summarised in the document "Government response to the technical consultation on updates to national planning policy and guidance".

1.6 Under the Revised NPPF, local planning authorities are still responsible for assessing their local housing needs; however, Paragraph 60 identifies that *"strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach"*. This represents a significant change, as the standard method sets out a formulaic approach to determine the minimum Local Housing Need (LHN) figure and prescribes the use of specific data for the calculation. Therefore, whilst the responsibility for establishing housing need continues to rest with the local planning authority, this is now constrained to a minimum figure that is determined centrally by the Government.

1.7 This focus on local area has led to a change in the Duty to Cooperate, where neighbouring authorities now have to produce Statements of Common Ground. Whilst HMAs are no longer mentioned explicitly in the Revised NPPF, Paragraph 60 identifies that *"any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for"*; and Planning Practice

Guidance (PPG) identifies that HMAs are still one of the factors which must be considered when determining the relevant cross-boundary areas for plan-making [ID 61-010-20180913].

1.8 The Revised NPPF has also introduced a new definition for affordable housing. Whilst the Original NPPF identified, (in the Glossary at Annex 2), that affordable housing should be provided for households *"whose needs are not met by the market"*, the Revised NPPF adds that this includes *"housing that provides a subsidised route to home ownership and/or is for essential local workers"*. This has led to a specific change in the PPG for assessing affordable housing need.

1.9 Under the Original NPPF, affordable housing need was based on those who could not afford to buy *or* rent in the market. Households who could afford market rent were not counted as in affordable housing need even if they would have preferred to buy and couldn't afford to do so. However, the latest PPG states that assessments must now include the needs of *"those that cannot afford their own homes, either to rent, or to own, where that is their aspiration"* [ID 2a-020-20190220]. On this basis, households able to afford market rent who aspire to but are unable to afford homeownership must now be counted as being in affordable housing need.

The Standard Method for Local Housing Need Assessment

1.10 The Original NPPF and associated PPG set out a methodology for establishing an Objectively Assessed Need for housing in a defined HMA. This methodology required that *"Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need"*, but allowed for adjustment based on local factors: *"The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends."* Adjustments could therefore be made if there were concerns around the quality of local data (e.g. inaccurate migration estimates), along with evidence-based judgements on other need elements such as market signals uplift and alignment of jobs and workers based on local circumstances.

1.11 On 14 September 2017, the Ministry of Housing, Communities and Local Government (CLG) published a consultation on potential revisions to the NPPF, including a standardised methodology for calculating the Local Housing Needs (LHN). This included a number of key proposals:

- The starting point for calculating the LHN for any area should be the most up to date household projections published by CLG;
- While, deviation from this starting point can be considered, the consultation proposals note that; *There should be very limited grounds for adopting an alternative method which results in a lower need*; and
- The household projections published by CLG should be uplifted by a fixed affordability relationship based upon the ratio of house prices to earnings. The maximum uplift for a local authority area will be 40% above its CLG household projections or current Local plan housing target.

1.12 CLG produced a spreadsheet of indicative housing needs figures which covered every local authority area in England based on the most up to date data at the time, the 2014 based household projections.

1.13 The Revised NPPF confirms that planning authorities should use the standard methodology for plan-making, though alternative methodologies which result in a higher housing need figure may still be deemed

appropriate. Therefore, the standard method identifies the minimum number of homes expected to be planned for. It does not produce a housing requirement figure. The LHN figure represents a minimum overall housing need, but local authorities can consider a higher figure for plan making if, for example, this reflects growth potential, or unmet need from elsewhere. This is confirmed by PPG, which states:

> ***When might it be appropriate to plan for a higher housing need figure than the standard method?***
>
> *The government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area. It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.*
>
> *This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan). Circumstances where this may be appropriate include, but are not limited to, situations where increases in housing need are likely to exceed past trends because of:*
>
> - *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
> - *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
> - *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;*
>
> *There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests.*
>
> **PPG Reference ID: 2a-010-20190220**

1.14 PPG also suggests that local planning authorities will need to calculate their local housing need figure at the start of the plan-making process but that this number should be kept under review and revised where appropriate. Following a review of standard method in December 2020, the current standard method figure for Haringey is 2,495 dwellings per annum, which is based upon Haringey having a plan adopted in the last 5 years. If no new plan is adopted by July 2022, this figure will rise to 3,675 dwellings per annum. However, this figure is less significant in London than it would be other parts of England because London Boroughs must also be in conformity with the London Plan. Therefore, the figure of 2,495 dwellings per annum is not used at any point to assess housing needs in this report.

Assessing Housing Needs in London

1.15 Paragraph 60 of the National Planning Policy Framework expects strategic policy-making authorities to follow the standard method in the Planning Practice Guidance for assessing local housing need.

1.16 PPG on Housing and Economic Needs Assessment (paragraph 013) sets out that local housing need assessments may cover more than one area, in particular where strategic policies are being produced jointly, or where spatial development strategies are prepared by elected Mayors. In such cases, it will be for the relevant strategic policy-making authority to distribute the total housing requirement which is then arrived at across the plan area. Where a spatial development strategy has been published, local planning authorities should use the local housing need figure in the spatial development strategy and should not seek to re-visit their local housing need figure.

1.17 The Strategic Planning Authority for London is the Greater London Authority and the London Plan is the statutory spatial development strategy for London. The GLA have produced a Greater London SHMA (2017) an SHMA Addendum in 2019, and the GLA's Housing Supplementary Planning Guidance 2016.

1.18 The Mayor's draft new London Plan was subject to examination in 2019. The Inspectors issued their report and recommendations to the Mayor on 8th October 2019 concluding that, subject to limited changes, it provides an appropriate basis for the strategic planning of Greater London. The Mayor has considered the Inspectors' recommendations and, on the 9th December 2019, issued to the Secretary of State his Intend to Publish London Plan. Following consultation between the Mayor and the Secretary of State, the Secretary of State accepted the London Plan can be published on 29th January 2021, and it was formally published on March 2nd 2021 as the London Plan 2021.

1.19 The London Plan sets out a need for 66,000 additional homes per year in London from 2016 to 2041. This is based on the 2017 London Strategic Housing Market Assessment (SHMA). The Inspectors noted that the SHMA does not follow the guidance in the PPG on assessing objectively assessed need. However, they noted that establishing future need for housing is not an exact science and the PPG acknowledges that no single approach will provide a definitive answer. The Inspectors concluded in para 133 of their report that the need for 66,000 additional homes per year identified by the SHMA is justified and has been properly calculated for market and affordable housing having regard to national policy and guidance.

1.20 In terms of size and tenure mix, the 2017 London SHMA was summarised in Table 1, which we have reproduced below as Figure 8. This shows that around one third of the total need is for 1 bedroom low cost rent housing. This is because the model used in the 2017 London SHMA assumes that any single person or couple aged over 25 years who wish to occupy their own property will do so, irrespective of whether they can afford to do so or not. The vast majority of this group require 1 bed low cost rented properties, so they generate much of the overall need.

Figure 8: Net annualised requirement for new homes in London, 2016 to 2041 (Source: 2017 London Strategic Housing Market Assessment: Mayor of London)

	Low Cost Rent	Intermediate	Market	Total
1 bedroom	21,318	4,334	10,682	36,335
2 bedrooms	5,311	3,434	2,043	10,788
3 bedrooms	2,462	2,409	4,101	8,971
4+ bedrooms	1,881	1,693	6,210	9,783
DWELLINGS	**30,972**	**11,869**	**23,037**	**65,878**

1.21 The outcome of the 2017 London SHMA is that is assumes that 65,878 dwellings are needed at an average of around 1.9 bedrooms per dwellings, so 125,000 bedrooms are needed to be provided each year. ORS provided evidence to the London Plan inquiry on behalf of both the Greater London Assembly and the West London Housing Alliance group of London Boroughs which argued for a lower number of dwellings at around 50,000 per annum, but with a larger average size of around 2.5 bedrooms per dwelling, giving a total of around 125,000 bedrooms per annum. This highlights a central issue in studies such as this one, with the need to address the accommodation requirements of a projected population offering a range of options from building many smaller properties to delivering a lower number of dwellings which are on average larger.

1.22 The London Plan sets out ten-year housing targets for individual Boroughs using a capacity-based methodology. The Inspectors found that the general approach to devising the housing targets and the contribution that large sites would make was justified. However, they found issue with the contribution expected from small sites and subsequently recommended that the contribution from small sites be reduced with the overall targets for each Borough reduced by a corresponding amount. The Mayor accepted this recommendation of the Inspectors and the housing targets for London Boroughs have subsequently been revised down in the Published London Plan.

1.23 Policy H1 of the London Plan sets the ten-year targets for net housing completions that each local planning authority should plan for. It states that Boroughs must include these targets in their Development Plan targets. For the purposes of the Plan, London is considered as a single housing market area. The supporting text (para 4.1.2) sets out the advantage of planning strategically in that it allows London to focus development in the most sustainable locations, allowing all of London's land use needs to be planned for with an understanding of how best to deliver them across the capital. Due to London's ability to plan strategically, Boroughs are not required to carry out their own housing needs assessment but must plan for, and seek to deliver, the housing targets in this Plan.

1.24 From the point of view of this study, the London Plan sets a 10-year housing target at Table 4.1 for net housing completions (2019/20-2028/29). In the case of Haringey, this is 15,920 dwellings, or 1,592 dwellings per annum. It is this figure, rather than the standard method figure of 2,495 dwellings per annum which will form the basis of the analysis in this study.

1.25 From the point of view of this study it is important that the figure of 1,592 dwellings per annum is part of the overall projected supply for London of 52,287 per annum set out in the London Plan, not the 65,878 dwellings identified as need. Our modelling for this study is therefore based upon the role of Haringey in helping to meet London's overall need while delivering 1,592 dwellings per annum as part of a total delivery of 52,287 dwellings per annum.

1.26 The London Plan contains Policy H10 Housing size mix which sets out the following requirements:

> A Schemes should generally consist of a range of unit sizes. To determine the appropriate mix of unit sizes in relation to the number of bedrooms for a scheme, applicants and decision-makers should have regard to:
>
> 1) robust local evidence of need where available or, where this is not available, the range of housing need and demand identified by the 2017 London Strategic Housing Market Assessment
>
> 2) the requirement to deliver mixed and inclusive neighbourhoods
>
> 3) the need to deliver a range of unit types at different price points across London

4) the mix of uses in the scheme

5) the range of tenures in the scheme

6) the nature and location of the site, with a higher proportion of one and two bed units generally more appropriate in locations which are closer to a town centre or station or with higher public transport access and connectivity

7) the aim to optimise housing potential on sites

8) amalgamation of existing stock

9) the role of one and two bed units in freeing up family housing

1.27 This SHMA aims to provide the localised evidence for housing needs in Haringey and the role Haringey can play in meeting the needs of London as a whole.

25. For the purposes of this study, we would also note that the following definitions are used for affordable rented housing and we capitalise Social and Affordable Rent when discussing specific products:

- **Social Rented housing** is housing where the landlord is a Registered Provider, usually the Council or a housing association, and where social rents are charged. These rents are significantly lower than market rents, and set in accordance with a formula set by Government.
- **Affordable Rent** is a type of low cost rented housing, targeted at the same groups as Social Rent, but with rents set at a maximum of 80% of market rents. This tenure is no longer funded by the GLA and so is likely to become increasingly obsolete.

Duty to Co-operate

1.28 The Duty to Co-operate was introduced in the 2011 Localism Act and is a legal obligation.

1.29 The NPPF sets out an expectation that public bodies will co-operate with others on issues with any cross-boundary impact, in particular in relation to strategic priorities such as *"the homes and jobs needed in the area"*.

Maintaining effective cooperation

24. Local planning authorities and county councils (in two-tier areas) are under a duty to cooperate with each other, and with other prescribed bodies, on strategic matters that cross administrative boundaries.

25. Strategic policy-making authorities should collaborate to identify the relevant strategic matters which they need to address in their plans. They should also engage with their local communities and relevant bodies including Local Enterprise Partnerships, Local Nature Partnerships, the Marine Management Organisation, county councils, infrastructure providers, elected Mayors and combined authorities (in cases where Mayors or combined authorities do not have plan-making powers).

26. Effective and ongoing joint working between strategic policy-making authorities and relevant bodies is integral to the production of a positively prepared and justified strategy. In particular, joint working should help to determine where additional infrastructure is necessary, and whether development needs that cannot be met wholly within a particular plan area could be met elsewhere.

27. In order to demonstrate effective and ongoing joint working, strategic policymaking authorities should prepare and maintain one or more statements of common ground, documenting the cross-boundary matters being addressed and progress in cooperating to address these. These should be produced using the approach set out in national planning guidance and be made publicly available throughout the plan-making process to provide transparency.

National Planning Policy Framework, February 2019

1.30 The manner in which councils have complied with their legal requirements under the Duty to Co-operate will be considered when plans are submitted for examination. One key issue is how any unmet development and infrastructure requirements can be provided by co-operating with adjoining authorities (subject to tests of reasonableness and sustainability).

1.31 The PPG elaborates further on the requirement for a statement of common ground (in the section on Plan-Making, updated 23 July 2019):

Maintaining effective cooperation

How are plan-making bodies expected to cooperate?

Strategic policy-making authorities are required to cooperate with each other, and other bodies, when preparing, or supporting the preparation of policies which address strategic matters. This includes those policies contained in local plans (including minerals and waste plans), spatial development strategies, and marine plans.

The National Planning Policy Framework sets out that these authorities should produce, maintain, and update one or more statement(s) of common ground, throughout the plan-making process. Local planning authorities are also bound by the statutory duty to cooperate. Neighbourhood Planning bodies are not bound by the duty to cooperate, nor are they required to produce or be involved in a statement of common ground.

PPG Reference ID: 61-009-20190315

1.32 In paragraph 61-017 entitled *"Which geographical area does a statement of common ground need to cover?"*, PPG explicitly discusses the appropriate functional geography to which the Statement of Common ground should apply: *"For example, housing market and travel to work areas, river catchments, or landscape areas*

may be a more appropriate basis on which to plan than individual local planning authority, county, or combined authority areas". It goes on to define housing market areas:

> **How can housing market areas be defined?**
>
> *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. These can be broadly defined by analysing:*
>
> *The relationship between housing demand and supply across different locations, using house prices and rates of change in house prices. This should identify areas which have clearly different price levels compared to surrounding areas.*
>
> *Migration flow and housing search patterns. This can help identify the extent to which people move to a new house within an area, in particular where a relatively high proportion of short household moves are contained, (due to connections to families, jobs, and schools).*
>
> *Contextual data such as travel to work areas, retail and school catchment areas. These can provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use).*
>
> *Suggested data sources: Office for National Statistics (internal migration and travel to work areas statistics); Land Registry House Price Index and Price Paid data (including sales); data from estate agents and local newspapers about geographical coverage of houses advertised for sale and rent; Ministry of Housing, Communities and Local Government statistics including live tables on affordability (lower quartile house prices/lower quartile earnings); and neighbourhood data from the Census.*
>
> **PPG Reference ID: 61-018-20190315**

1.33 This definition of an HMA is almost identical to that in the original PPG relating to housing need.

1.34 The identification of housing markets in London is not a new area of study. The Greater London Strategic Housing Market Assessments 2008, 2014 and 2017 effectively treat London as being a single housing market area. The 2014 Greater London SHMA notes at Table 5:

> *While the London housing market is accepted to cross the regional boundary, practical considerations including data availability and the precise identification of the market area (see chapter 2)* ***favour limiting the study to the Greater London area,*** *in line with previous such studies and with common practice both within London and in neighbouring areas.*

1.35 The identification of a single London wide housing market has been further supported by High Court judgements. London Boroughs sought to challenge the Mayor of London's policy in relation to Affordable Rent in March 2014. The claimants' case was summarised in paragraph 9 of the judgement in that:

> *'The Claimants submit that the Defendant has failed to have proper regard to the requirements of the NPPF. Indeed, he has mis-interpreted the NPPF when he claims that rent caps would undermine the deliverability of affordable housing, contrary to the objective of the NPPF.* ***He was also mistaken in treating London as a single housing market.*** *Each Borough had to assess its own needs, and develop its own targets and policies to meet them.'*

1.36 In relation to the issue of a single housing market in London the judgement concluded at paragraphs 39-41 that:

'Turning to the next issue, I accept the Defendant's submission that he was entitled to conclude, in the exercise of his planning judgment that ***London represented a single housing market.***

The term "housing market area" appears in the NPPF, but is not defined. That a "housing market area" within the meaning of the NPPF does not necessarily equate to LPA administrative boundaries is plain from paragraph 159:

> "*159. Local planning authorities should have a clear understanding of housing needs in their area. They should:*
>
> *prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. [...]"*

The view that London should be regarded as a single housing market is not new. As the reasons supporting MD1268 noted at paragraph 7.22:

> *"[...] since at least the establishment of the GLA, London has always been regarded as a single market for strategic planning purposes. Both the London Plan and the Mayor's Housing Strategy are based on this accepted approach."*

1.37 On this basis we consider it appropriate to continue treating Greater London as a single HMA which we label as the Greater London Housing Market Area (GLHMA).

Jobs and Housing

1.38 Haringey is part of the GLHMA and it is at this level that there requires to be a balance of jobs and workers. The Greater London Authority prepared the SHMA 2017 and Addendum 2019 for the GLHMA to inform the London Plan, which considers jobs and housing at the London-wide level; and LPAs in London are required to conform to the London Plan.

1.39 It is not possible to define an HMA that is smaller than Greater London that is self-contained in terms of commuting or migration – so if jobs and workers are to be in balance, the analysis must be undertaken for the whole of Greater London.

1.40 In determining the number of homes needed at Borough level, the SHMA will need to be consistent with the London Plan and the projected population/households consistent with GLA figures. By doing so, Haringey will, therefore, contribute to balancing jobs and workers across the GLHMA, consistent with the London Plan.

Overview of the SHMA

1.41 The key objective of this SHMA was to establish the need for housing (both market and affordable) in Haringey on the assumption that it provides an average 1,592 dwellings per annum from 2022-37, ensuring that this was fully compliant with the requirements of the NPPF and PPG and mindful of good practice.

1.42 This report considers the key outputs from the SHMA – namely establishing the overall balance between market and affordable housing over the 15-year period 2022-37. It is important to recognise that the information from the SHMA should not be considered in isolation, but forms part of a wider evidence base to inform the development of housing and planning policies. The SHMA does not seek to determine rigid

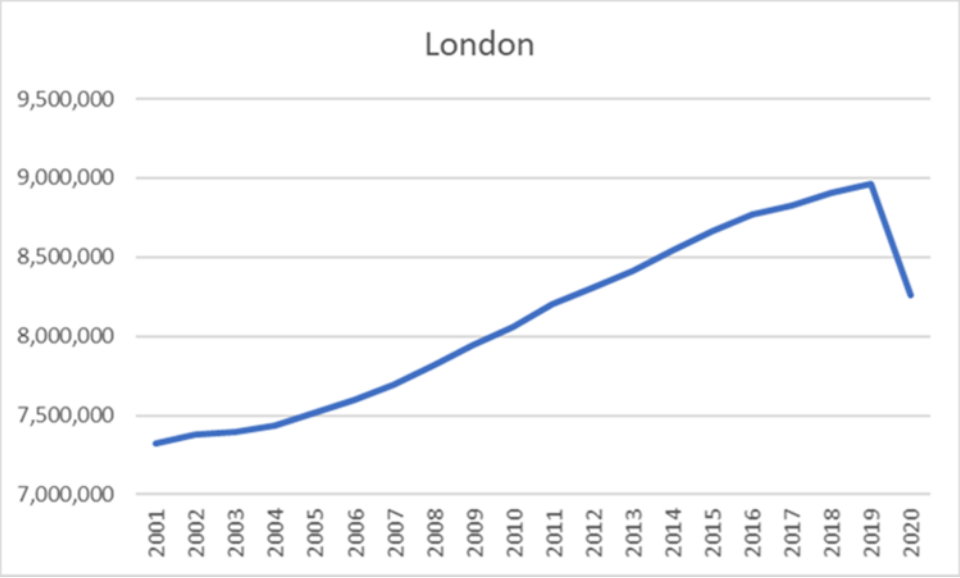
policy conclusions, but instead provides a key component of the evidence base required to develop and support a sound policy framework.

The Effects of COVID 19

1.43 The long-term impact of the COVID 19 pandemic is unknown for housing needs across the country. In the short-term the best available evidence points to a very sharp drop in the population of the UK in 2020, particularly in London. In a study produced by the Economic Statistics Centre of Excellence[1] it is estimated that the population of the UK fell by 1.3 million in 2020, with 700,000 of this drop occurring in London. The drop was caused by an out-migration of people who were not born in the UK, predominantly those born in Eastern Europe. This group would have included employees in industries such as tourism and hospitality who have left the UK to return to their places of birth during the pandemic due to a lack of employment opportunities.

1.44 The impact of this movement of population is shown in Figure 9. In the years 2001-2019 the population of London grew by close to 100,000 persons per annum, and the London Plan assumes that this continues on the future. However, a drop of 700,000 persons in 2020 would be the equivalent of 8 years' worth of population growth in London being lost in one year. There is now clearly a question of whether this population will return at the end of the pandemic because if they do not, then the need for new housing will be heavily reduced in the future. This is turn depends upon how the tourism and hospitality sectors rebound after the pandemic.

Figure 9: Population of London 2001 to 2020 (Source: Office for National Statistics and ESCoE)



1.45 Alongside the international out-migration from London, at the time of writing estate agents are reporting lower demand for properties in major cities and a greater interest in more rural locations. It is also the case that unemployment is likely to rise, with a result in falling levels of household incomes. This is likely to have an impact on the affordability of the private rented sector in London and may see a reduced demand for properties in London with the current evidence showing a drop in rental prices in 2020 of around 10%. However, all of these outcomes may prove to be a short-term implication, so we have not modelled revised SHMA outputs to consider for the impact of COVID 19. If they do continue into the future, then the overall

[1] Estimating the UK population during the pandemic - ESCoE : ESCoE

level of housing needed in London will drop, but given the land constraints in London this may just bring need levels down to match supply capacity.

The Effects of Brexit

1.46 The Report does not consider the implications for the SHMA arising from the UK's decision to leave the EU (June 2016), primarily as the final outcome is still unknown.

1.47 Arguably, the key factor which would affect SHMAs is migration – both national and international. A major potential implication of Brexit is that if the population of London has fallen in 2020 due to overseas born workers returning to their places of birth, those same workers may have lost the right to work in Britain in the future. The new rules around entry to Britain for migrant workers may place too high an income requirement for those in tourism and hospitality jobs. This is turn could leave key industries in London with difficulties in filling jobs if the tourism and hospitality sectors return to previous levels. However, any change in migration pattern is still uncertain, so again we have not sought to revise SHMA outputs to model for a Brexit impact.

2. Demographic Projections

The baseline for establishing housing need

Introduction

2.1 This chapter uses the available population projections for Haringey to explain the predicted growth of households during the plan period. All the data relates to the period before 2020, so does not consider a potential fall in the population in 2020, which in turn may only be temporary.

Official Household Projections

2.2 Planning Practice Guidance revised in February 2019 identifies that the 2014-based Household Projections provide the baseline for determining the minimum Local Housing Needs figure.

> ***Why are 2014-based household projections used as the baseline for the standard method?***
>
> *The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government's objective of significantly boosting the supply of homes.*
>
> **PPG ID 2a-005-20190220**

2.3 The first step in analysing housing needs must therefore be to identify the household projection for Haringey which is used as the basis for this report.

2.4 Figure 10 sets out a range of the various household projections from both CLG and ONS methodologies, it includes the associated outputs using the sensitivity analysis approach. The 2016 based and 2018 based population projections are shown for information only with potential implications for future revisions to the Planning Practice Guidance. The 2018 based projection in particular are based upon migration from only 2016-2018 and therefore are very unstable across England as a whole.

2.5 While PPG proposes that housing needs should be based upon the 2014 based CLG household projections, the GLA 2016 based projections were the bespoke projections developed for the Draft London Plan 2019. The Inspectors for the draft London Plan 2019 noted that establishing future need for housing is not an exact science and the PPG acknowledges that no single approach will provide a definitive answer. They concluded that the approach followed by the GLA was appropriate for London.

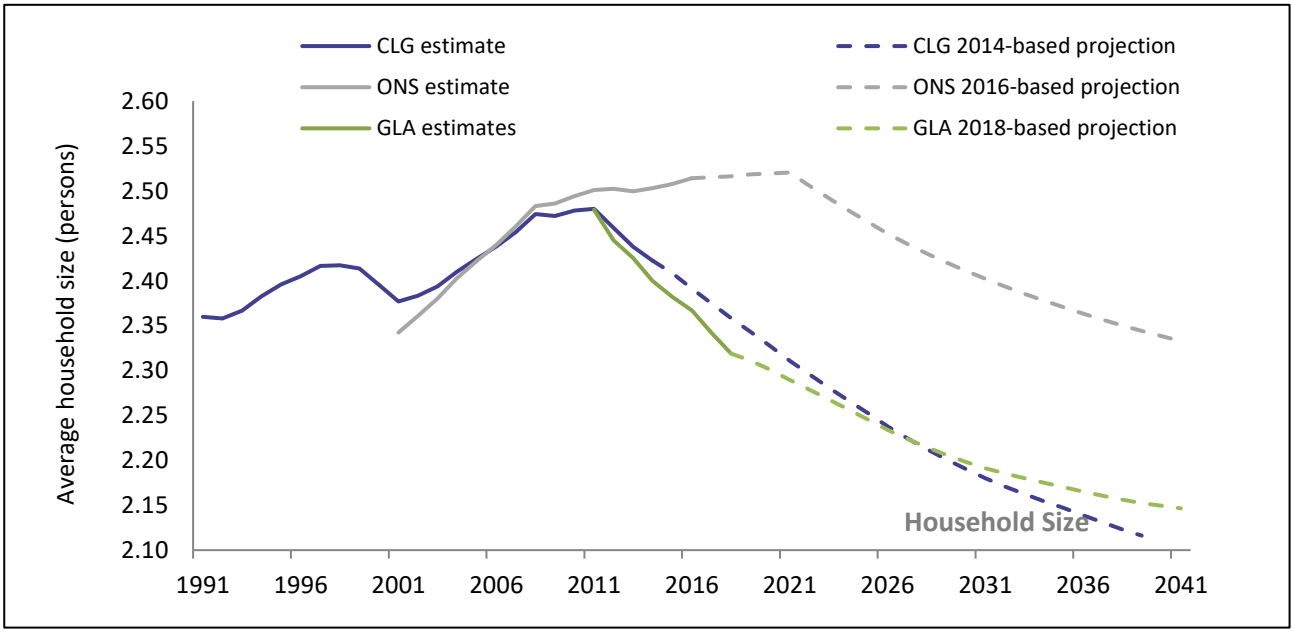
Figure 10: Household projections 2020-30 (Source: CLG, ONS, GLA, ORS; Note: All figures presented unrounded for transparency)

	Migration trends	Change in Households 2020-2030	
		10-year change	Annual average
CLG Household Projections			
2014-based projection: 2014-based population and CLG 2014-based HH formation	2009-14	+19,446	+1,945
2012-based projection: 2012-based population and CLG 2012-based HH formation	2007-12	+19,549	+1,955
ONS 2016-based Projections			
Principal projection: 2016-based population and ONS 2016-based HH formation	2011-16	+12,482	+1,248
Sensitivity analysis 1: 2014-based population and ONS 2016-based HH formation	2009-14	+15,593	+1,559
Sensitivity analysis 2: 2016-based population and CLG 2014-based HH formation	2011-16	+16,629	+1,663
ONS 2018-based Projections			
Principal projection: 2018-based population and ONS 2018-based HH formation	2016-18	+7,192	+719
GLA 2016-based Projections			
Principal projection: Long Term trend DCLG household Projection	2002-18	+14,568	+1,457

Projected Household Size

2.6 The projected household size is calculated using the population and household projections rather than being a variable used to create them. The data (Figure 11) divides the population in the area by the associated household projection.

Figure 11: Average household size estimates and projections for Haringey for the period 1991-2041 (Source: CLG 2014 based projections; ONS 2016 is 2016-based projections, GLA 2018 based projections)



2.7 As the chart shows, average household sizes rose in Haringey between 2001 and 2011 and the ONS 2016 based projections indicate that they are still rising, but will fall from 2021 onwards. However, the CLG 2014 based projections and GLA 2018 based projection both indicate that household sizes in Haringey were projected to fall after 2011 from around 2.48 per households to below 2.15 per household in 2037.

2.8 This fall in average household sizes cannot be explained by the ageing population of Haringey. The key driver for the issue of household sizes is the household representative rates (HRRs) used by CLG in producing their household projections.

2.9 HRRs provide the probability of a households being a household representative and in the 2014 based CLG which are used in the 2018 based GLA projections these drew on data from as far back as the 1971 Census. Therefore, HRRs are based upon long-term data, so the drop in household sizes projected reflects data from 1971 onwards for Haringey, not just recent data.

2.10 CLG had previously identified problems with the current approach and they had planned to improve the methodology used for the household projections. However, the Government announced in January 2017 that responsibility for these projections would be passed to ONS with immediate effect.

2.11 The ONS are now working with only data from the 2001 Census onwards. Therefore, the 2016 based projection reflect only the changes in HRRs in Haringey since 2001 and they project a much lower drop in household sizes.

Population and Household Projections for Affordable Housing Need

2.12 Although the LHN figures (discussed in more detail in Chapter 8) are informed by the trend-based household projections, the affordability adjustment means that the LHN figure is higher than the household projection-based estimate of housing need. This increase is designed to help respond to housing market pressures which may have suppressed past rates of household formation.

2.13 Given this context, delivering the number of homes that the minimum LHN identifies will yield a different population and household growth to that projected using past trends alone. In assessing the appropriate mix of housing, it is necessary to establish demographic projections to align with the number of homes identified by the standard method.

2.14 The demographic projections for this SHMA are based on the latest official projections and cover the 15-year period 2022-2037, They are informed by the latest ONS mid-year estimates,[2] and take account of the most up-to-date fertility and mortality rates and the latest migration trends. This yields a household growth over the period 2022-2037 of 19,527 households which is then reconciled with the London Plan dwelling figure in Chapter 6.

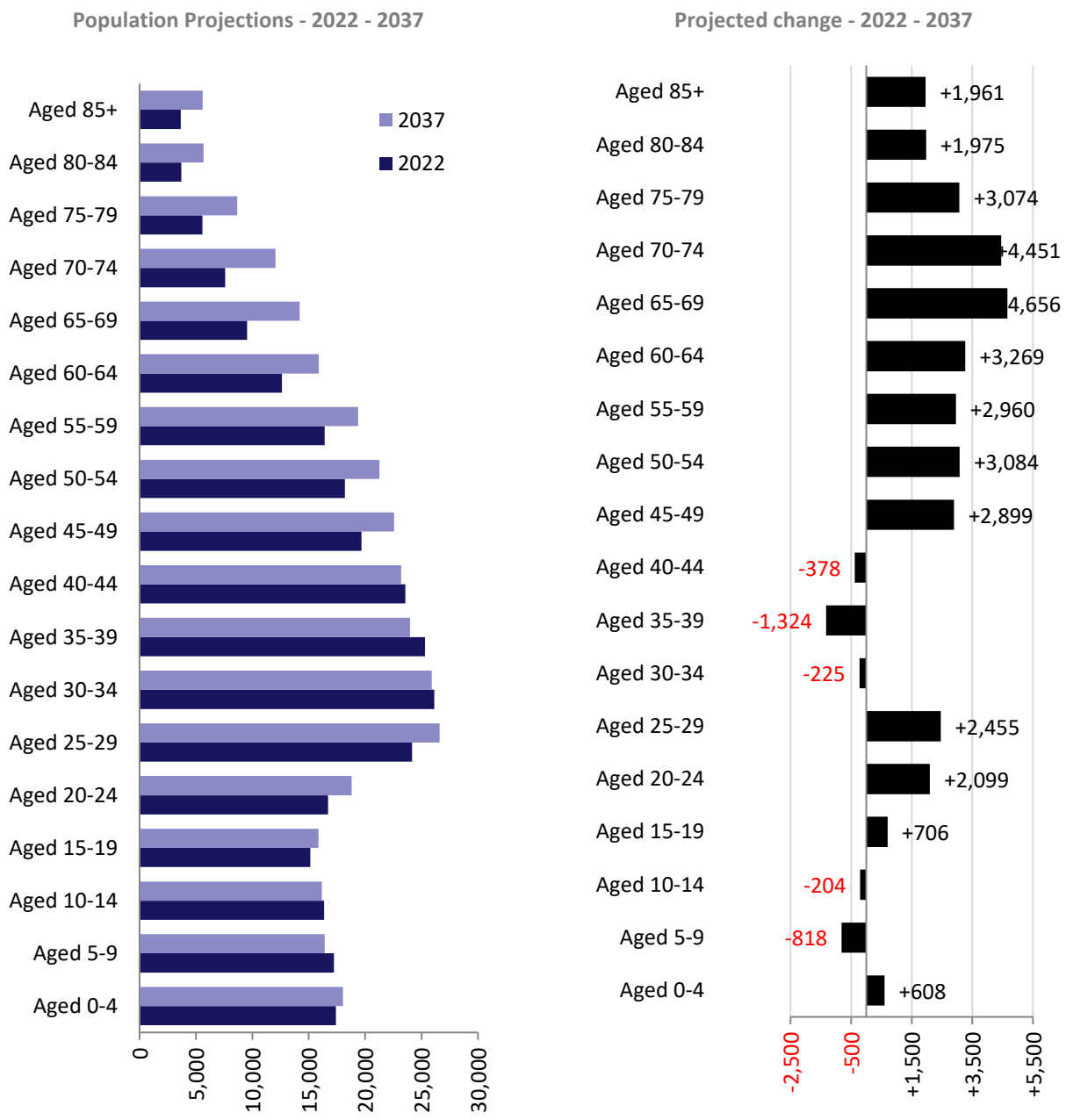
Projected Population Age Profile

2.15 The overall population is projected to grow by 31,247 from 278,988 people to 310,235 people.

2.16 Half of the growth is associated with the older population, with over 65s projected to increase by 16,117. This is a particularly important consideration when establishing the types of housing required and the need for housing specifically for older people.

[2] The ONS reissued the official estimates for mid-2012 to mid-2016 in March 2018 following methodological improvements.

Figure 12: Population projections 2022-37 by 5-year age cohort for Haringey (Source: 2019 MYE adjusted ONS sub-national projections 2016)



Household Projections by Age

2.17 An important point to understand in both the population and household growth is the extent to which growth is focused on older people and older households particularly amongst those over 65. The table below considers household projections categorised by the age of the household representative (HRP). Please note that throughout this section figures in the tables are rounded to the nearest 100 to simplify interpretation although all calculations are made using unrounded data.

Figure 13: Total projected households in Haringey for 2022 and 2037 (Note: Figures may not sum due to rounding)

	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
2022	2,600	16,200	27,200	25,100	19,400	10,800	7,000	2,800	111,100
2037	2,900	16,700	26,300	29,200	23,700	16,700	10,800	4,300	130,600
CHANGE	+300	+500	-900	+4,100	+4,300	+5,900	+3,800	+1,500	+19,500

2.18 The table shows an overall increase of 19,500 households over the 15-year period 2022-2037 with over half of this increase being households headed by somebody over the age of 65. Many of these older households will already be established and living in existing homes, they simply get older during the 15-year period.

2.19 It is important to consider household growth in relation to age cohorts. Figure 14 shows the projected number of households in each cohort, showing their age in both 2022 and 2037. Clearly, no household representatives are aged under 10 (in 2022), but children aged under 10 in 2022, or born before 2023, will be aged 15-24 in 2037, and thus will be potentially heads of a household.

Figure 14: Total projected households for 2022 and 2037 by age cohort of household representative (Note: Figures may not sum due to rounding)

	Age of Household Representative								TOTAL
Age in 2022	<10	10-19	20-29	30-39	40-49	50-59	60-69	70+	
Age in 2037	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
2022	-	1,300	9,400	21,700	26,200	22,300	15,100	15,200	111,100
2037	2,900	16,700	26,300	29,200	23,700	16,700	10,800	4,300	130,600
CHANGE	+2,900	+15,400	+16,900	+7,500	-2,400	-5,600	-4,300	-10,900	+19,500

2.20 For example, there were 21,700 households aged 30-39 in 2020 and these same households would be aged 45-54 in 2037. The trend-based projection identified that the total number of households aged 45-54 in 2037 would be 29,200. The projection shows, an extra 7,500 households: partly due to new household formations and partly due to net migration.

2.21 Based on the cohort analysis, around 42,700 extra households will be formed over the 15-year period 2022-37 by those who will be aged under 55 in 2037. These extra households are offset against a reduction of 23,200 households aged 55 or over. Most of this reduction is due to household dissolution following death (although some is due to net migration).

2.22 Whilst the overall volume increase in households is largely due to a growing older population, most of the newly forming households looking for housing will be in their twenties and thirties at the time that they form. Many of these households will buy or rent existing housing, perhaps vacated by an older existing household. New housing stock is not necessarily occupied by newly formed households.

Projected Household Types

2.23 When considering future need for different types of housing, it is important to understand that households of different ages are likely to have different needs. Similarly, households of different types (singles, couples and families) within each age group will also have different housing requirements.

2.24 Figure 15 shows the household numbers and net change for Haringey from 2022 to 2037 separated out by the age of the household representative person (HRP). This is calculated using the trend-based projections by household type and age.

Figure 15: Total projected households for 2022 and 2037 and change by household type and age of household representative (Note: Figures rounded to nearest 100; All calculations based on unrounded data. Figures may not sum due to rounding)

Household Type	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Households 2022									
Single person	400	4,000	7,300	6,700	6,900	4,200	4,000	1,800	35,200
Couple without children	400	5,000	4,600	4,400	6,900	5,000	1,900	700	28,900
Families with child(ren)	300	2,800	12,200	12,100	3,100	500	200	0	31,300
Other households	1,500	4,300	3,100	2,000	2,500	1,000	900	300	15,700
TOTAL	**2,600**	**16,200**	**27,200**	**25,100**	**19,400**	**10,800**	**7,000**	**2,800**	**111,100**
Households 2037									
Single person	100	3,300	6,900	7,600	8,300	5,800	5,300	2,300	39,500
Couple without children	500	6,200	5,400	5,000	8,400	8,600	3,600	1,500	39,200
Families with child(ren)	200	1,300	10,100	14,700	4,000	900	300	0	31,600
Other households	2,200	5,900	3,900	2,000	3,100	1,300	1,600	400	20,400
TOTAL	**2,900**	**16,700**	**26,300**	**29,200**	**23,700**	**16,700**	**10,800**	**4,300**	**130,600**
Change 2022-37									
Single person	-300	-700	-400	+900	+1,400	+1,600	+1,300	+600	+4,300
Couple without children	+100	+1,200	+800	+600	+1,400	+3,600	+1,700	+800	+10,200
Families with child(ren)	-100	-1,500	-2,100	+2,600	+900	+400	+100	+0	+300
Other households	+700	+1,600	+800	+0	+600	+300	+600	+200	+4,700
TOTAL CHANGE	**+300**	**+500**	**-900**	**+4,100**	**+4,300**	**+5,900**	**+3,800**	**+1,500**	**+19,500**

2.25 In summary over the 15-year period:

- Single person households are projected to increase by 4,300, including 1,900 with a household representative aged over 75;
- Families with dependent children make up very little of the growth: an increase of 300 households;
- Couples without dependent children are projected to rise by 10,200 households;
- The increase in "Other" households represents 4,700 households.[3]

[3] Other Households can be defined as: "multi-person households including unrelated adults sharing, student households, multi-family households and households of one family and other unrelated adults"

3. Local Housing Market

Housing trends and cost of housing in Haringey

Introduction

3.1 This chapter explores the cost of housing in Haringey and the incomes needed to rent or buy at market prices.

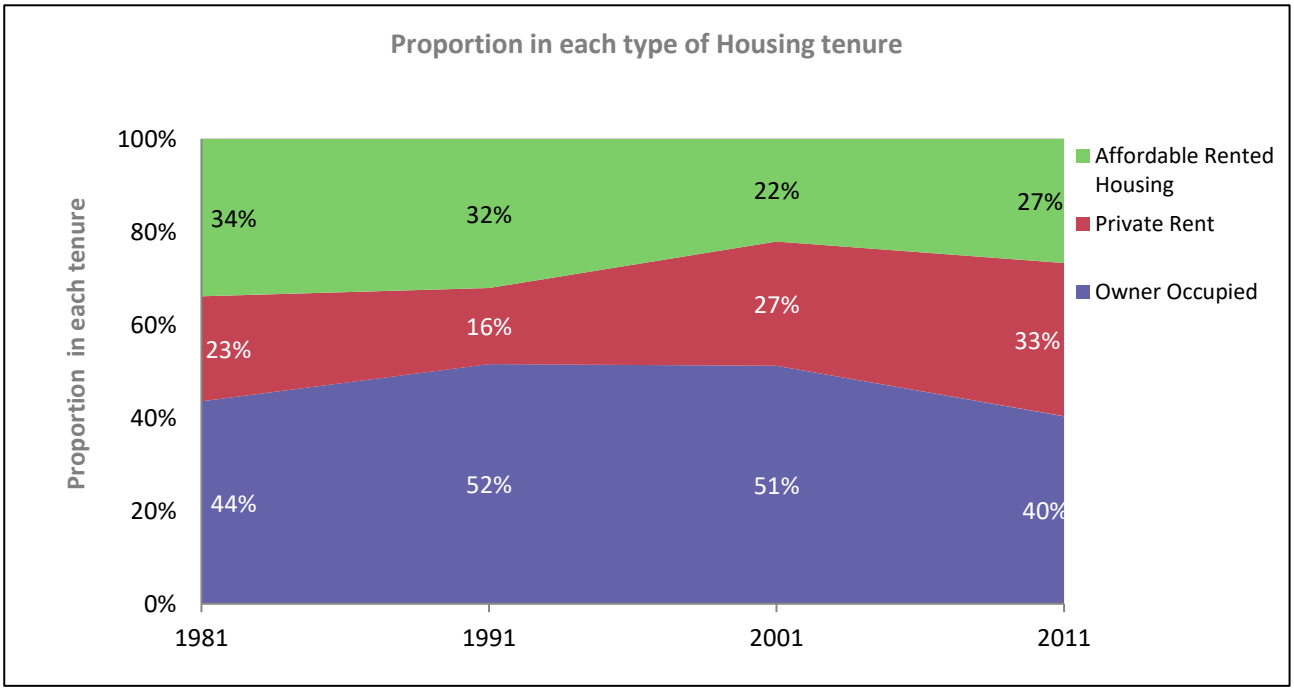
3.2 It highlights the potential income gaps and identify where and how people may fall into affordable housing need. This includes consideration of Social Rent and Affordable Rent and access to housing benefit for those in the rental sector as well as the potential impact of help-to-buy policies.

Housing Tenure Trends

3.3 When considering the local housing market, it is worth noting the changes to tenure over the past forty years. We would note the 2001 Census contained an under-estimate of housing numbers for many London Boroughs.

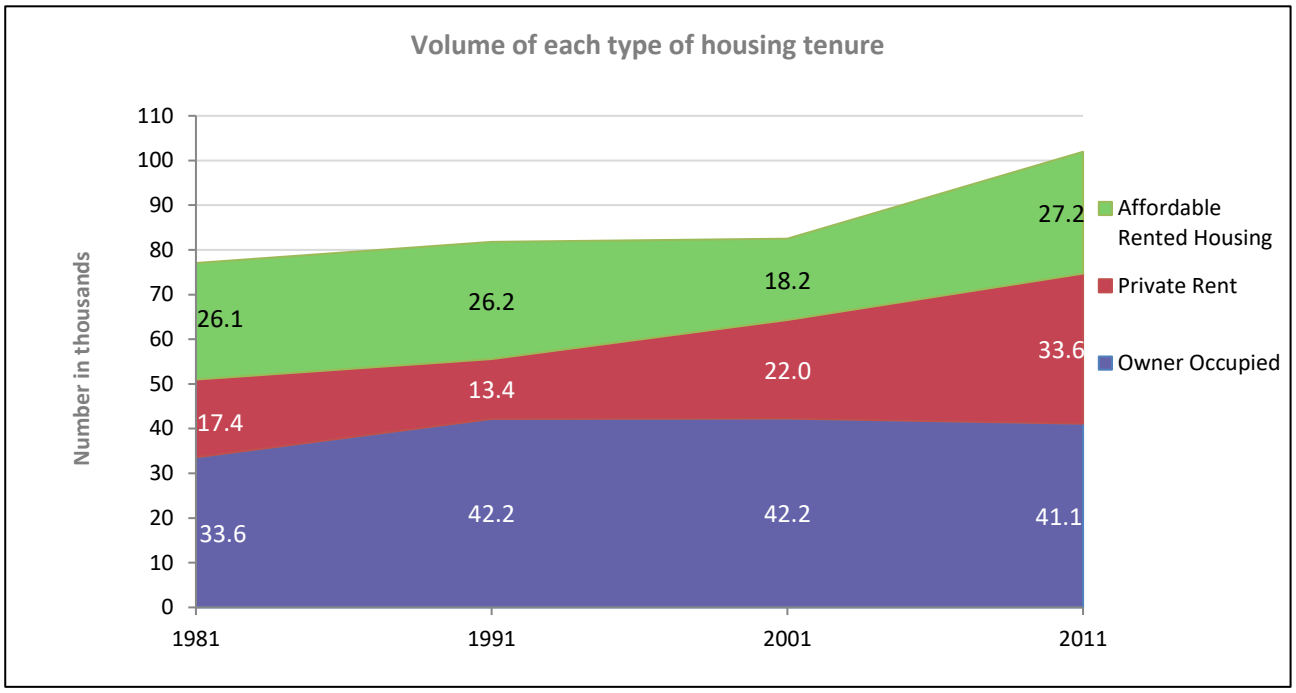
3.4 The chart below shows how the most notable change has been the decline in the proportion of people in affordable rented properties (comprising Social Rent and other affordable rented homes), which has fallen during the period (from 34% to 27%). In contrast, private rent has seen a small growth. Between 1981 and 1991 there was a strong growth in owner occupiers, partly as a consequence of the introduction of right to buy policies. This peaked at 2% and is now falling sharply again to below 1981 levels.

Figure 16: Housing tenure trends (1981 – 2011). Source: UK Census of Population



3.5 During the same period the actual volume of housing in Haringey has risen from 77,100 to 102,000 households. Importantly, the volume of households in affordable rented housing has barely changed from 26,085 to 27,242 households whilst other forms of tenure have increased in volume.

Figure 17: Housing tenure trends (1981 - 2011)



3.6 The table below provides the detailed data for the period.

Figure 18: Number of Households by Tenure 1981-2011 (Source: UK Census of Population)

	Number of Households				Net Change		
	1981	1991	2001	2011	1981-1991	1991-2001	2001-2011
Owner occupied	33,581	42,174	42,240	41,136	+8,593	+66	-1,104
Private rent	17,406	13,375	22,040	33,577	-4,031	+8,665	+11,537
Affordable Rented Housing	26,085	26,233	18,196	27,242	+148	-8,037	+9,046
TOTAL	**77,072**	**81,782**	**82,476**	**101,955**	**+4,710**	**+694**	**+19,479**

3.7 The growth in the private rented sector (PRS) in Haringey is consistent with national trends, with the English Housing Survey (EHS) 2016-17 identifying 20% (4.7 million) households renting from a private landlord, much higher than the 13% recorded 10 years ago in 2006-07.

3.8 Given this context, PPG recognises the importance of understanding the likely future role of the private rented sector.

> *Tenure data from the Office for National Statistics can be used to understand the future need for private rented sector housing. However, this will be based on past trends. The level of changes in rents, (known as "market signals"), may reflect the demand in the area for private rented sector housing. Evidence can also be sourced from the English Housing Survey, Office for National Statistics Private Rental Index, the Valuation Office Agency, HomeLet Rental Index and other commercial sources.*
>
> **Planning Practice Guidance, ID 67-002-20190722**

3.9 Growth in the sector seems likely to continue, driven by a combination of demand and supply factors:

- Increasing demand from more households;

- Recent reductions in incomes (in real terms);
- Affordability of owner occupation reducing;
- Changing Bank lending practices;
- Pensions reform: pension drawdowns invested in BTL property.

3.10 The growth of the private rented sector has been acknowledged as both a growing and long-term option for meeting the nation's housing need. CLG (with the Intermediary Mortgage Lenders Association) forecast that the private rented sector will increase in size to 35% nationally by 2032.[4] On this basis, the number of households renting privately could double again over the next twenty years.

3.11 As the PRS expands and other sectors contract, it is clear that many households who would traditionally meet their housing needs in other sectors are now renting privately. This includes many households currently unable to afford their housing costs, which can be seen from the expansion of families receiving Housing Benefit in the sector, in particular since the start of the most recent recession.

3.12 The Office for Budget Responsibility analysis of the UK's public finances for Government explicitly recognises a likely growth in the share of housing benefit claimants in the private rented sector in its Economic and Fiscal Outlook (March 2014)[5]:

> *"The share of [housing benefit] spending accounted for by the private rented sector is forecast to rise from 30 per cent in 2007-08 to 40 per cent by 2018-19… We expect the share of claimants in the private rented sector to continue rising over the forecast period, but for average awards to rise more slowly than nominal GDP per capita due to policy, including on uprating." (paragraphs 4.152-154)*

3.13 The Government sees the PRS having an important and long-term role in meeting the housing need of the nation; and although the NPPF and PPG do not mention the current or future role of housing benefit, the policy to support low-income households in the private rented sector with housing benefit is long-standing and housing benefit is explicitly factored into the long-term forecasts for public spending.

3.14 Policy by both Government and Local Authorities is focused on improving Management and Maintenance in the sector (via licensing or self-regulation schemes) and expanding supply[6] (including the Build to Rent investment scheme[7]). The Government published *"Improving the Private Rented Sector and Tackling Bad Practice: A guide for local authorities"* in March 2012[8], and the Foreword by the Minister stated:

> *"The private rented sector is an important and growing part of our housing market, housing 4.4 million households in England. The quality of housing in the sector has improved dramatically over the last decade. It is now the second largest tenure and this growth is forecast to continue growing. I am proud of this growth as it shows increasing choice, improving standards whilst helping to keep rents affordable. The Government supports a bigger and better private rented sector and wants to see this growth continue."*

[4] http://news.rla.org.uk/rpi-rent-revolution/
[5] http://cdn.budgetresponsibility.org.uk/37839-OBR-Cm-8820-accessible-web-v2.pdf
[6] https://www.gov.uk/government/publications/private-rented-homes-review-of-the-barriers-to-institutional-investment
[7] https://www.gov.uk/government/publications/build-to-rent-round-2-initial-due-diligence
[8] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/412921/Improving_private_rented_sector.pdf

3.15 It is important for local authorities to recognise the role of the private rented sector at a local level. Recent changes to letting polices and the reality of pressures on the housing stock make it less likely that single persons aged under 35 years will be allocated to a 1 bedroom Social Rented or Affordable Rented property. The private rented sector makes an important contribution towards providing affordable housing options.

3.16 It is essential for local authorities to understand the full extent of the need for affordable housing in their areas.

3.17 The Housing and Planning Act 2016 contains proposals to further the Government's policy of encouraging home ownership through promoting Starter Homes. These Starter Homes are intended to provide affordable housing for first time buyers. There are many households residing in the private rented sector in Haringey who aspire to home ownership and if affordable Starter Homes could be provided for this group it would, potentially, reduce the size of the private rented sector.

3.18 However, Starter Homes regulations that would enable these to be built have not been published. As a result, no Starter Homes have been built, and the Government are now pursuing an alternative policy entitled First Homes[9].

3.19 The Government first consulted on First Homes from February to May 2020 indicating that they will be newbuild properties built as part of wider housing developments which will be sold with a discount of at least 30%, but this could be higher. In August 2020, MHCLG confirmed that they intend to proceed with First Homes as an affordable housing product and published a consultation "Changes to the current planning system", which included proposals on the detail of changes to planning policy to deliver First Homes. First Homes will be prioritised for first-time buyers, serving members and veterans of the Armed Forces, and key workers, such as nurses, police and teachers. The reduction of at least 30% will be in perpetuity, so the buyer will not own more than 70% of the property. When they wish to sell their property, the home will be independently valued and sold to someone from a waiting list held by the local authority with the discount being applied, so the property always remains below local house prices. There will be restrictions on the use of First Homes so that they cannot be used as buy to let or holiday homes.

3.20 There are many households residing in the private rented sector in Haringey who aspire to home ownership and if affordable First Homes are provided for this group it would, potentially, reduce the size of the private rented sector. However, the funding for First Homes will be drawn from the same Section 106 funds which help to provide affordable rented homes such as Social Rent. Developers would be expected to provide a proportion all properties on larger new developments and sell these at a discount of at least 30%.

3.21 By taking part of the developer contributions funding for affordable homes into the First Homes scheme, this could reduce the supply of Social Rented or Affordable Rented homes. If this happens, then young households, for whom First Homes remain out of reach, will have few other options than to enter the private rented sector.

Cost of Renting

3.22 When considering renting in Haringey it is important to reflect on the range of rental options available together with the impact of the housing benefit levels in the area. There are a number of rates to consider. There are four key definitions to consider when looking at the cost of renting in Haringey. This includes:

[9] https://www.gov.uk/government/consultations/first-homes

- Median and lower quartile private rent;
- Local Housing Allowance (LHA) for Inner North London BRMA[10];
- Affordable Rent; based on average rents charged for existing dwellings (including any affordable rent from Build to Rent schemes); and
- Social Rents.

3.23 The Local Housing Allowance (LHA) is the maximum payment for claimants in receipt of housing benefit. These are based on broad rental market areas (BRMAs). The LHA was previously calculated on the 30th percentile private rent, however more recent increases have been based on CPI and rates were frozen in the July 2015 budget.

3.24 Figure 19 sets out the median weekly rents for different property sizes in Haringey together with the local housing allowances and the calculated affordable rent rates.

Figure 19: Weekly rent thresholds in Haringey (Source: Valuation Office Agency 2018-19; SDR 2019)

Weekly Rent £	Median Private Rent	Lower Quartile Private Rent	Local Housing Allowance Inner North London BRMA	Affordable Rent	Social Rent
1 bedroom	£291.15	£264.48	£211.84	£159.42	£103.19
2 bedrooms	£350.72	£321.97	£263.00	£192.44	£119.16
3 bedrooms	£429.83	£390.74	£324.57	£224.43	£132.31
4+ bedrooms	£534.70	£448.46	£388.65	£229.32	£149.70

3.25 Across all property sizes, the lower quartile private rent is higher than the maximum LHA in Haringey and Social Rents are always lower.

3.26 Affordable Rent is generally lower than the maximum LHA rate for the equivalent property. This means that households would currently be able to claim sufficient housing benefit to cover the full cost of Affordable Rent (where they were entitled to do so). We would note that the affordable component of Build to Rent has the same level of proposed discounts as Affordable Rent so we use them interchangeably for need, but when the local authority looks at the delivery of affordable housing they can be considered as two separate products.

3.27 Households claiming out-of-work benefits are subject to a cap of £384 per week for lone parents and couples or £257 per week for single people. This could affect the amount of housing benefit received by some households (especially those with larger families needing larger properties). However, it is important to recognise that the benefit cap does not apply to working households (i.e. those eligible for Working Tax Credit, even if the eligibility amount is £0; and those on Universal Credit with monthly earnings varying from £291 to £542 or more, depending on age) or to households that receive various disability related benefits or armed forces pensions. Given that these households are exempt from the cap, they would be able to claim housing benefit up to the Local Housing Allowance for the size of property that they need in their BRMA.

[10] This represents the maximum amount of housing benefit that can be claimed. Previously based on the 30th percentile private rent, however more recent increases are based on Consumer Price index (CPI) and rates were frozen in the July 2015 Budget.

Income Needed to Rent Housing

3.28 The income needed to rent housing will depend on the monthly rent together with the income multiplier allowed for housing costs. The previous CLG Strategic Housing Market Assessments Practice Guidance (Version 2, August 2007)[11] stated:

> *"A household can be considered able to afford market house renting in cases where the rent payable was up to 25 per cent of their **gross** household income" (page 42)*

3.29 However, this previous Guidance was rescinded in March 2014 following the publication of the NPPF and the launch of the new Planning Practice Guidance (PPG). The PPG does not propose a specific multiplier for assessing housing costs; however, it notes that "care should be taken … to include only those households who cannot afford to access suitable housing in the market" (ID 2a-024, emphasis added).

3.30 The English Housing Survey (EHS) 2015-16[12] provides information about the percentage of gross household income that households currently spend on their housing costs[13]:

- For the total gross income (excluding housing benefit) of the Household Reference Person and partner, households renting privately spent on average 48% of their income on rent, whilst the average was 40% for households in affordable rented housing; and
- For the total gross income (excluding housing benefit) from all income earners in the household, irrespective of whether they contribute to the housing cost, households renting privately spent on average 41% of their income on rent, whilst the average was 37% for those in affordable rented housing.

3.31 The EHS thus demonstrates that many households, in both private and affordable rented properties, currently pay considerably more than 25% of gross household income on their housing costs. On this basis, it would be reasonable to assume that the proportion of household income allocated to housing costs should be at least 25% but no more than 45% of gross income. This leads to our judgement that 35% of income provides a reasonable basis for calculating what households should reasonably expect to pay for their housing costs. Whilst this is notably higher than the 25% proposed by the previous guidance, it is still lower than the 41% average that households renting privately actually pay.

3.32 As an example, we can establish the income needed to rent a 1-bedroom property in the private rented sector based on a 35% income multiplier:

- The median weekly rent recorded was £82.79;
- Based on a 35% income multiplier, a weekly income of £236.54 would be needed which equates to a gross annual income of £12,343.

3.33 To rent the same property based on a 25% income multiplier would increase the gross income required to £17,220 per year whereas households with an annual income of £9,567 per year could afford the rent if 45% of their income was allocated to housing costs.

[11] https://www.gov.uk/government/publications/strategic-housing-market-assessments-practice-guidance
[12] https://www.gov.uk/government/statistics/english-housing-survey-2015-to-2016-headline-report
[13] "Annex Table 1.13: Mortgage/rent as a proportion of household income (including and excluding housing benefit) by tenure, 2010-11 to 2015-16"

3.34 Figure 20 shows the gross household incomes needed to afford median and lower quartile private rent, Affordable Rent and Social Rent if 35% is spent on housing.

Figure 20: Annual income required to afford to rent proprieties at the lower quartile and median price based on 35% income multiplier by property size in Haringey (Source: ORS based on Valuation Office Agency data April 2018 to March 2019)

Annual Income £	Private Rent		Affordable Rent (SDR 2019)	Social Rent
	Median	Lower Quartile		
1 bedroom	£43,406	£39,429	£23,767	£15,384
2 bedrooms	£52,286	£48,000	£28,689	£17,765
3 bedrooms	£64,080	£58,251	£33,458	£19,725
4+ bedrooms	£79,714	£66,857	£34,187	£22,318

3.35 Although a rental income multiplier is helpful for benchmark purposes, it does not take account of the disposable income available to households after their housing costs have been paid; and it is "*housing that is too expensive compared to disposable income*" that the PPG references in the context of assessing the need for affordable housing (ID 2a-023).

3.36 Considering some examples of disposable income:

- A single person household with a gross income of £20,000 from employment would have £16,880 (£324 per week) after income tax and national insurance contributions. Housing costs at 35% of gross income would represent 41.4% of their net income and would leave £189 per week as disposable income to cover their other living expenses.
- A couple with two children with a gross income of £20,000 from employment would have up to £19,559 (£375 per week) after income tax and national insurance contributions (assuming both earned £10,000). Therefore, housing costs at 35% of gross income would represent 35.8% of their net income and would leave £241 per week as disposable income to cover their other living expenses.

3.37 We should also consider the differing potential levels of housing benefit:

- The maximum amount of weekly income that a single person household can receive before their income starts to affect their housing benefit is currently £73.10 for those aged 25 or over and £57.90 for those aged 16-24.
- The maximum amount of weekly income that a couple with two children can receive before their income starts to affect their housing benefit is currently £248.65 (if one or both are aged 18 or over).

3.38 When assessing affordable housing need, it is not appropriate to adopt a simplistic income multiplier as this does not take into account different household circumstances. It is better to consider housing benefit eligibility criteria set by the Department for Work and Pensions, which take full account of the different amounts of disposable income for various types of household on different incomes, based on the rents for suitable housing.

3.39 Eligibility for housing benefit will differ based on the type of household and the number of bedrooms needed. Figure 21 sets out the incomes for housing benefit eligibility for different types of households.

Figure 21: Maximum income for households in receipt of housing benefit support by household type (Source: ORS based on Department for Work and Pensions data)

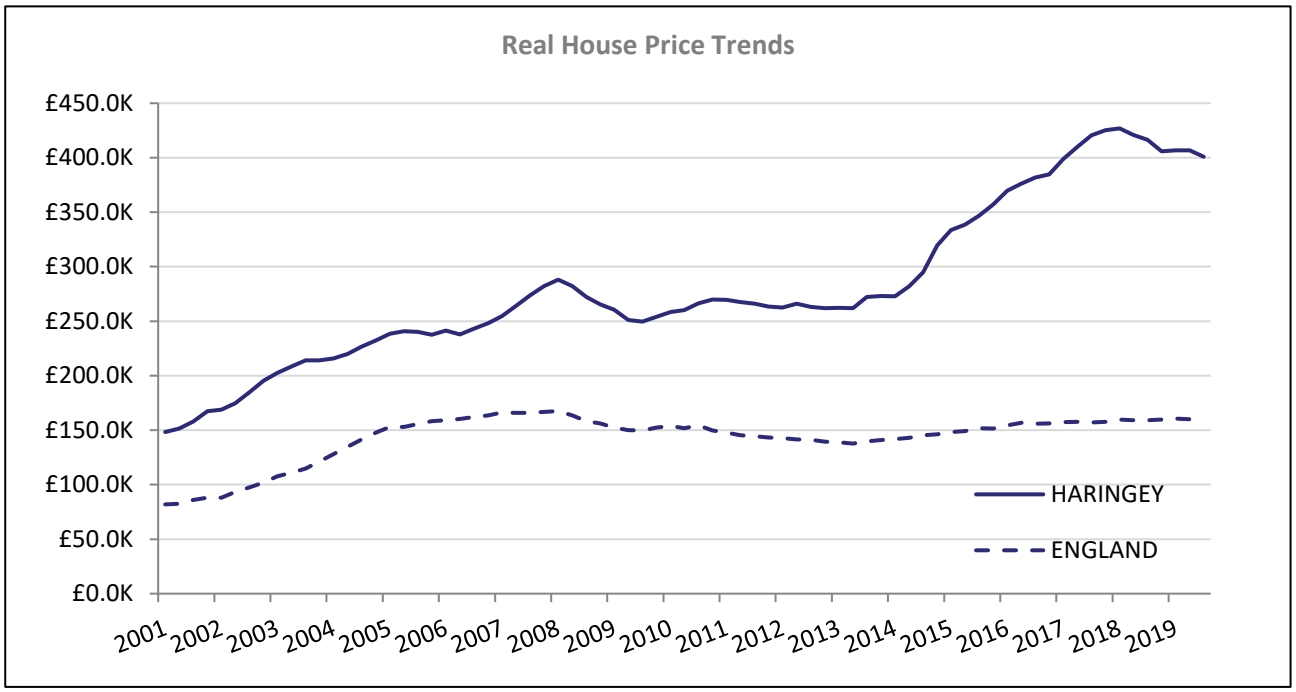
		Outer North London BRMA	Inner North London BRMA
ROOM ONLY	Single person aged 16-24	£10,297	£11,602
	Single person aged 25-34	£11,090	£12,395
1 BEDROOM PROPERTIES	Single person aged 35+	£20,820	£26,011
	Couple (both aged under 18)	£21,571	£26,762
	Couple (one or both aged 18 or over)	£22,998	£28,189
2 BEDROOM PROPERTIES	Lone parent (aged 18 or over) with 1 child	£28,417	£33,052
	Lone parent (aged 18 or over) with 2 children	£31,908	£36,543
	Couple (aged 18 or over) with 1 child	£30,596	£35,231
	Couple (aged 18 or over) with 2 children	£34,086	£38,722

Cost of Home Ownership

3.40 When considering home ownership, it is worth reflecting on house prices during the past twenty years. House price trends (2001-2019) are shown in Figure 22. This is based on lower quartile prices and data is adjusted for inflation so that values reflect real changes in house prices since 2001.

3.41 Real house prices in Haringey, whilst higher, have mirrored those in England as a whole. Overall prices increased substantially in the period 2001-2008 (from £150,000 to £282,000 at 2019 values). Values then reduced from the beginning of 2008 and fell to a low of £250,000 in 2010 since which they have grown steadily to £432,000 (Q1 2018) before dipping again to around £400,000 in 2019.

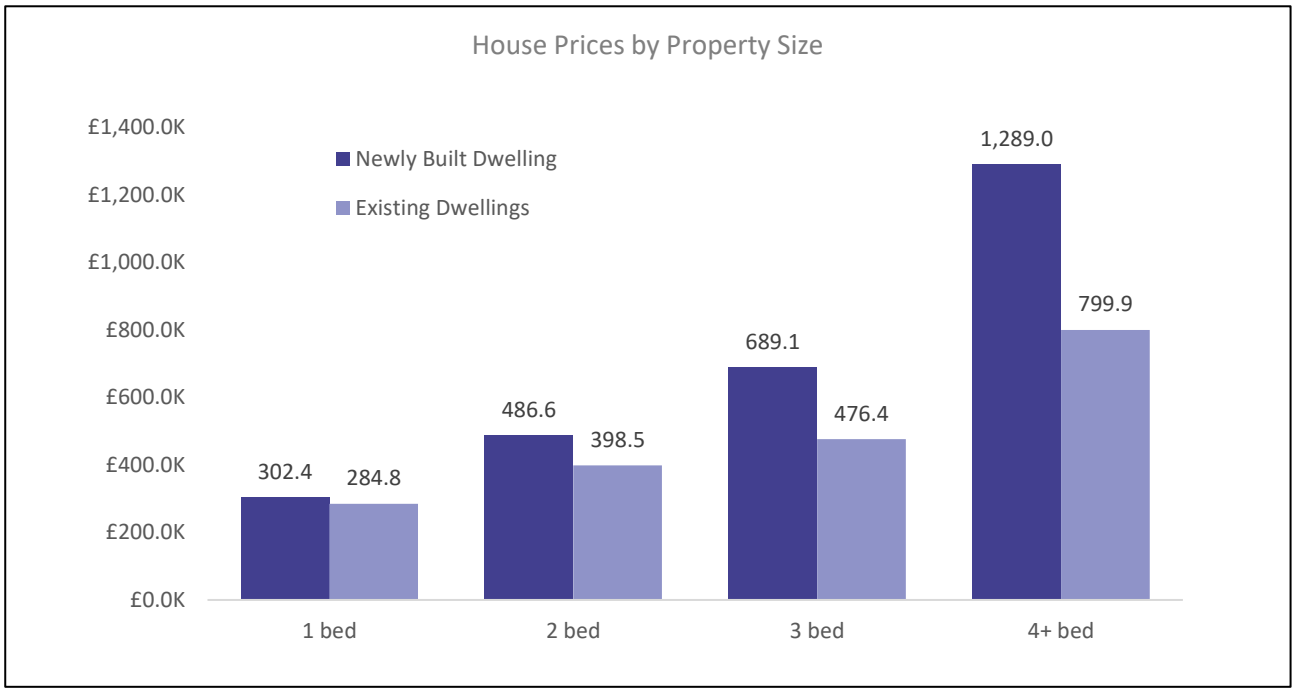
Figure 22: Real House Price Trends: Lower Quartile Prices adjusted to 2019 values using CPI (Source: ONS; Bank of England)



3.42 House prices clearly vary in accordance with a range of factors. An important component is the size of the property, with the number of bedrooms being key. Figure 23 shows lower quartile house prices in Haringey by bedroom size.

3.43 There is also a difference between existing properties and new build dwellings. New build dwellings generally attract a premium – except at the largest end of the property market. This difference is most marked for 3- and 4-bedroom dwellings.

Figure 23: Lower quartile prices (adjusted by CPI) (2019) by property size (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data)



3.44 The difference in values between new build and existing properties is likely to be down to a range of factors which include the location of new build housing, the relative size of properties, gardens, the availability of parking, comparative quality and condition of existing stock, and other intangible issues such as character.

3.45 These differences in value are relevant if we are considering the affordability of the overall housing stock alongside the affordability of new build. First time buyers are particularly likely to be newly forming households and seeking one and two bed properties.

Income Needed for Home Ownership

3.46 The income needed to purchase market housing will depend on the house price together with the mortgage income multiplier and the available deposit (or percentage loan to value).

3.47 For example, if we consider a lower quartile 2-bedroom property costing £398,500 and assume the buyer could afford a deposit of 10%. The outstanding mortgage requirement would be £358,650. Using a typical income multiple of 3.5 we can calculate an income of £102,500 would be needed (£102,500 x 3.5 = £358,650). If the buyer could only afford a 5% deposit (£19,925) then a larger mortgage and larger income would be needed. The scale of deposits required in Haringey will rule out many households from being able to buy their own home.

3.48 Whilst some households will have higher deposits available and others will seek to extend their borrowing as far as possible, the initial assumptions of a 10% deposit and a 3.5 x mortgage multiplier provides a reasonable indication of the income that first-time buyer households are likely to need in order to buy a home in the area.

3.49 Based on these assumptions, Figure 24 shows the household income levels needed to buy 1 and 2-bedroom properties in terms of both existing and newly built properties. When purchasing larger homes, households will typically have larger deposits available, often including equity from the sale of another property. On this basis, it is relatively artificial to consider incomes in isolation for larger properties.

Figure 24: Annual income needed for 1 and 2-bedroom properties at lower quartile prices (assuming 10% deposit and 3.5x mortgage multiplier) (Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)



Identifying the Gap for Affordable Home Ownership

3.50 The NPPF encourages local authorities to widen opportunities for home ownership.

3.51 When identifying the need for Affordable Home Ownership (AHO) including potentially First Homes, it is necessary to consider the housing costs for both renting and buying market housing in order to understand the relative incomes required and establish the appropriate income range for AHO products and the associated purchase costs.

3.52 Figure 25 summarises the income thresholds for the range of different housing options based on the costs for home ownership and rents in Haringey which emphasises that owner occupation is much less affordable than renting.

Figure 25: Annual income thresholds for different housing options, single bedroom and two bedroom (Source: ORS based on ONS House Price Statistics, Department for Work and Pensions, Valuation Office Agency and Land Registry Price Paid Data. Note: All figures rounded to nearest £100)

Annual Income Needed to Own at Lower Quartile Prices		Single Bedroom Properties	Two Bedroom Properties
Minimum income needed to own with 10% deposit and 3.5x mortgage	Newly built dwelling	£77,800	£125,100
	Existing dwelling	£73,200	£102,500
Minimum income needed for rent to be less than 35% in Haringey	Median private rent	£43,400	£52,300
	Lower quartile private rent	£39,400	£48,000
	Affordable Rent	£23,800	£28,700
	Social Rent	£15,400	£17,800
Maximum income for Housing Benefit support in Haringey	Upper end of range	£23,000	£34,100
	Lower end of range	£20,800	£28,400

3.53 There is large income gap between being able to afford market rent (£39,400,) and being able to afford home ownership (£73,200) which, in theory, leaves a large gap for affordable home ownership housing products (AHO's). The gap is even wider for two-bedroom properties (£48,000 - £102,500).

3.54 AHO products need to be aimed at this income gap, recognising that some households who could afford market rent would prefer to own their own home.

Low Cost Home Ownership

3.55 A range of Low-Cost Home Ownership (LCHO) products have also been developed to assist households into homeownership.

3.56 Figure 26 sets out the weekly costs associated with shared ownership properties of different sizes, taking account of the differential full market prices and based on the following assumptions:

- 40% equity share purchased by the occupier;
- 10% of the equity purchased is available as a deposit;
- Mortgage costs base based on a 30-year repayment mortgage at 4.0% interest;
- Rent based on 2.75% of the retained equity paid each year; and
- Service charge of £10 per week.

3.57 This calculation demonstrates that the weekly costs for shared ownership are higher than the equivalent median private rent for all property sizes.

Figure 26: Shared ownership costs (Note: Mortgage costs based on a 30-year repayment mortgage at 4.0% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week)

	Property Value	40% Equity Share	10% Deposit	Weekly Costs			
				Mortgage	Rent	Service Charge	TOTAL
1 bedroom	£302,372	£120,949	£12,095	£120.73	£95.68	£10.00	£226.41
2 bedrooms	£486,587	£194,635	£19,463	£194.28	£153.97	£10.00	£358.25
3 bedrooms	£689,103	£275,641	£27,564	£275.13	£218.06	£10.00	£503.19
4+ bedrooms	£1,288,988	£515,595	£51,560	£514.65	£407.89	£10.00	£932.53

3.58 Figure 27 shows the sensitivity of weekly costs to the equity share purchased and presents this relative to the equivalent local rents. This model uses a 4% interest rate for modelling purposes, if rates are lower in the future then shared ownership will be more affordable, conversely higher rates make it less affordable. As can be seen only the lowest equity share on the larger properties proves to be marginally cheaper than paying the median market rent for the same size property.

Figure 27: Total weekly costs for shared ownership based on different equity shares (Note: Mortgage costs based on a 30-year repayment mortgage at 4.0% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week. Cells highlighted in orange are above the lower quartile private rent but below median private rent, cells in red are above the equivalent median private rent.)

Total Weekly Cost £	Property Value	Equity Share					
		25%	30%	35%	40%	45%	50%
1 bedroom	£302,372	£205.06	£212.17	£219.29	£226.41	£233.53	£240.64
2 bedrooms	£486,587	£323.89	£335.35	£346.80	£358.25	£369.71	£381.16
3 bedrooms	£689,103	£454.53	£470.75	£486.97	£503.19	£519.41	£535.63
4+ bedrooms	£1,288,988	£841.51	£871.85	£902.19	£932.53	£962.87	£993.21

3.59 Meanwhile, Figure 28 sets out the weekly costs associated with First Homes properties with 70% equity, taking account of the differential full market prices and based on the following assumptions:

- 70% equity share purchased by the occupier;
- 10% of the remaining equity purchased is available as a deposit; and
- Mortgage costs base based on a 30-year repayment mortgage at 3.5% interest.

Figure 28: Total weekly costs for First Homes with 50%, 60% and 70% Equity Share (Note: Mortgage costs based on a 30-year repayment mortgage at 3.5% interest. Cells highlighted in orange are above the lower quartile private rent but below median private rent, cells in red are above the equivalent median private rent.)

Total Weekly Cost £	Property Value	First Homes with 50% equity share	First Homes with 60% equity share	First Homes with 70% equity share
1 bedroom	£302,372	£141.88	£170.26	£198.64
2 bedrooms	£486,587	£228.32	£273.99	£319.65
3 bedrooms	£689,103	£323.35	£388.02	£452.89
4+ bedrooms	£1,288,988	£604.83	£725.80	£846.77

3.60 We also considered the cost of a London Living Rent property. The estimated cost of London Living Rents in Haringey is taken from the GLA data for 2019/20[14].

Figure 29: Total weekly costs for London Living Rent (Source: GLA London Living Rents 2019/20)

Total Weekly Cost £	London Living Rent
1 bedroom	£197.53
2 bedrooms	£219.46
3 bedrooms	£235.35
4+ bedrooms	£282.11

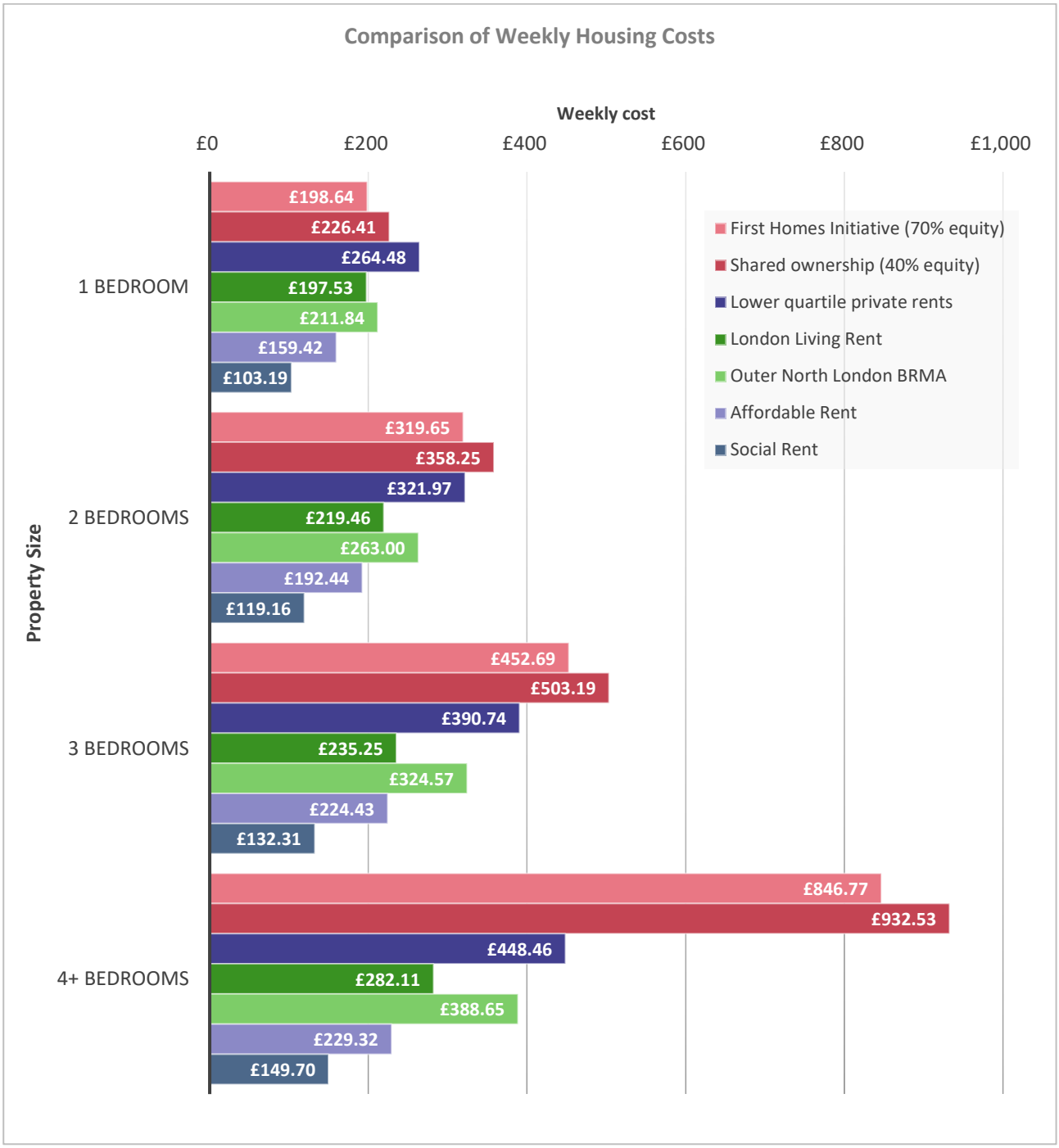
Summary of Housing Costs

3.61 This chapter has considered in some detail the cost of housing depending on tenure type and property size. Figure 30 summarises these costs for each property size (all costs are adjusted to 2019 levels, using the most

[14] London Living Rent | London City Hall

recent data available). Social Rent is significantly less expensive than any other tenure. It is found that shared ownership with a 40% equity stake is more expensive than a First Homes property with a 70% equity stake. This is unsurprising due to the lack of a rental charge on First Homes properties. Across England as a whole it is now likely that First Homes will displace Shared Ownership, except for new build Housing Association properties which are likely to allow purchases of as little as 10% equity. However, in London, the London Living Rent scheme also provide affordable to own properties and this is considerably cheaper than First Homes properties for properties larger than 1 bedroom.

Figure 30: Comparison of weekly housing costs by property size (Source: Valuation Office Agency and Land Registry Price Paid Data)



4. Affordable Housing Need

Identifying households who cannot afford market housing

Introduction

4.1 This section represents a technical exercise to comply with the requirements of the NPPF and the PPG. Demographic projections provide the basis for identifying the housing needs for all types of housing, including both market and affordable housing.

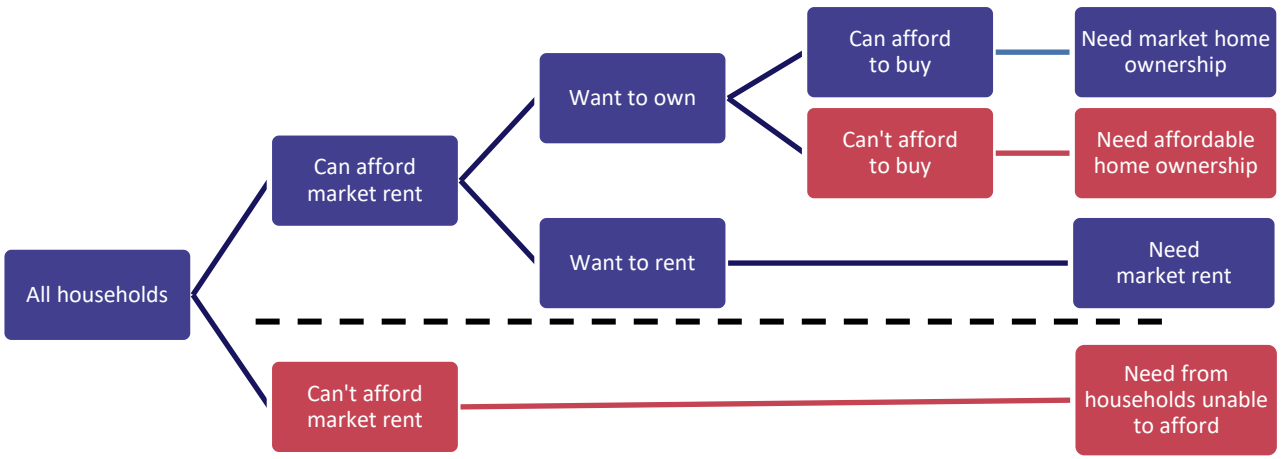
4.2 The definition of affordable housing was changed by the new National Planning Policy Framework (2018), with a specific emphasis now placed on affordable homeownership. When the NPPF was updated again in 2019 this definition did not change. Annex 2 of the Framework now defines affordable housing as being:

> *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)*
>
> **National Planning Policy Framework 2018, Annex 2**

4.3 To reflect this change, relevant paragraphs of PPG have also been updated to confirm that the types of household to be considered in housing need should include *"those that cannot afford their own homes, either to rent, or to own, where that is their aspiration"* [PPG ID 2a-020-20190220].

4.4 The assessment of affordable housing need therefore needs to consider both those who cannot afford to rent *and* those households who can afford to rent but would like to buy.

Figure 31: Establishing the need for market and affordable housing



4.5 There is a well-established method for assessing the needs of households who cannot afford to own *or* rent suitable market housing. However, PPG provides no guidance on how the needs of households who can afford to rent but would prefer to own, should be assessed.

Assessing Affordable Housing Needs

4.6 The ORS Housing Mix Model considers the need for market and affordable housing on a long-term basis that is consistent with household projections. The model uses a range of secondary data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population.

4.7 The model provides robust and credible evidence about the required mix of housing over the full planning period and recognises how key housing market trends and drivers will impact on the appropriate housing mix.

4.8 The PPG identifies that "projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need" (ID 2a-021). **The ORS Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all types of household, and that this will also differ by age.** Therefore, the appropriate proportion is determined separately for each household type and age group.

4.9 The affordability percentages in Figure 32 are calculated using detailed information from the 2011 Census alongside data published by DWP about housing benefit claimants. For each type of household in each age group, the table identifies the percentage of households unable to afford their housing costs. This is the proportion of households in each group that either occupy affordable housing or receive housing benefit to enable them to afford market housing.

Figure 32: Assessing affordability by household type and age (Source: Census 2011 and DWP)

Percentage unable to afford market housing	Under 25	25-34	35-44	45-54	55-64	65+
Single person household	39%	18%	28%	42%	48%	49%
Couple family with no dependent children	13%	3%	8%	23%	21%	25%
Couple family with 1 or more dependent children	81%	56%	39%	31%	26%	38%
Lone parent family with 1 or more dependent children	77%	96%	77%	68%	63%	69%
Other household type	15%	11%	22%	42%	36%	29%

Current Unmet Needs of Households Unable to Afford

4.10 Any exploration of housing need in an area must first give consideration to existing unmet needs. The PPG states:

> ***How should the current unmet gross need for affordable housing be calculated?***
>
> *Plan makers should establish unmet (gross) need for affordable housing by assessing past trends and recording current estimates of:*
>
> » *the number of homeless households;*
> » *the number of those in priority need who are currently housed in temporary accommodation;*
> » *the number of households in overcrowded housing;*
> » *the number of concealed households;*

> » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings);*
> » *the number of households from other tenures in need and those that cannot afford their own homes.*
>
> *Care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market.*
>
> **Planning Practice Guidance (February 2019), ID 2a-020-20190220**

4.11 Households assumed to be unable to afford housing include:

- All households that are currently **homeless**;
- All those currently housed in **temporary accommodation**; and
- People in a **reasonable preference category** on the housing register, where their needs have not already been counted.

4.12 Given this context, the model includes the needs of all these households when establishing the need for affordable housing at a base date of 2019. The evidence is predominantly derived from data collected by Haringey on homelessness or households otherwise unsuitably housed, but we also consider the needs of households who are overcrowded in both the social and private rented sector. Therefore, there is a very large overlap between those households considered to be in current need and the housing register in Haringey.

4.13 The analysis counts the needs of all households living in overcrowded rented housing when establishing the affordable housing need (which could marginally overstate the requirements) but it does not count the needs of owner occupiers living in overcrowded housing (which can be offset against any previous over-counting). Student households are also excluded, given that their needs are assumed to be transient and do not count towards the need for affordable housing in Haringey.

4.14 Concealed families are an important part of unmet housing need. However, not all concealed families want separate housing. Those with older family representatives will often be living with another family, perhaps for cultural reasons or in order to receive help or support due to poor health. However, those with younger family representatives are more likely to be experiencing affordability difficulties or other constraints (although even here not all will want to live independently).

4.15 Any concealed families in a reasonable preference category on the housing register will be counted regardless of age. The analysis also considers the additional growth of concealed families with family representatives aged under 55 (even when not on the housing register) and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home).

4.16 The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household and enabling one household to move out would simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by improving the existing housing stock, and the Council have a range of statutory enforcement powers to improve housing conditions.

4.17 Figure 33 sets out the assessment of current affordable housing need for Haringey:

Figure 33: Assessing current unmet gross need for affordable housing (Source: ORS Housing Model)

	Affordable Housing			Current unmet Housing Need
	Gross Need	Supply	Net Need	
Homeless households in priority need [Source: CLG P1E returns 2019]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	72		72	72
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	2,313		2,313	
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	519	519	0	
Households accepted as homeless but without temporary accommodation provided	0		0	0
Concealed households [Source: Census 2001 and 2011]				
Growth in concealed families with family representatives aged under 55	866		866	866
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]				
Households living in overcrowded private rented housing	3,094		3,094	
Households living in overcrowded affordable rented housing	4,698	4,698	0	
Reduction in spare rooms [Source: DWP Housing Benefit Claimant Statistics 2019]				
Households likely to move from under-occupied affordable rented housing	239	239	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG Local Authority Housing Statistics 2019]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	390	46	344	
People who need to move to a particular locality in the Borough of the authority, where failure to meet that need would cause hardship (to themselves or to others)	0	0	0	
TOTAL	**12,191**	**5,501**	**6,689**	**938**

4.18 Based on a detailed review of both the past trends and current estimates our analysis has concluded that 12,191 households are currently living in unsuitable housing and are unable to afford their own housing. This assessment is based on the criteria set out in the PPG and avoids double counting, as far as possible.

4.19 Of these households, 5,501 currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.

4.20 There is, therefore, a net affordable housing need of 6,689 households (12,191 less 5,501 = 6,689 rounded). Providing the net affordable housing need for 6,689 households will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 5,752 households (6,689 less the

938 households which are homeless or concealed and thus do not release dwellings). While the 2017 London SHMA sought to address the backlog of need over 25 years for this study we treat this as a backlog of need to be addressed over 15 years at an annual rate of 446 households per annum.

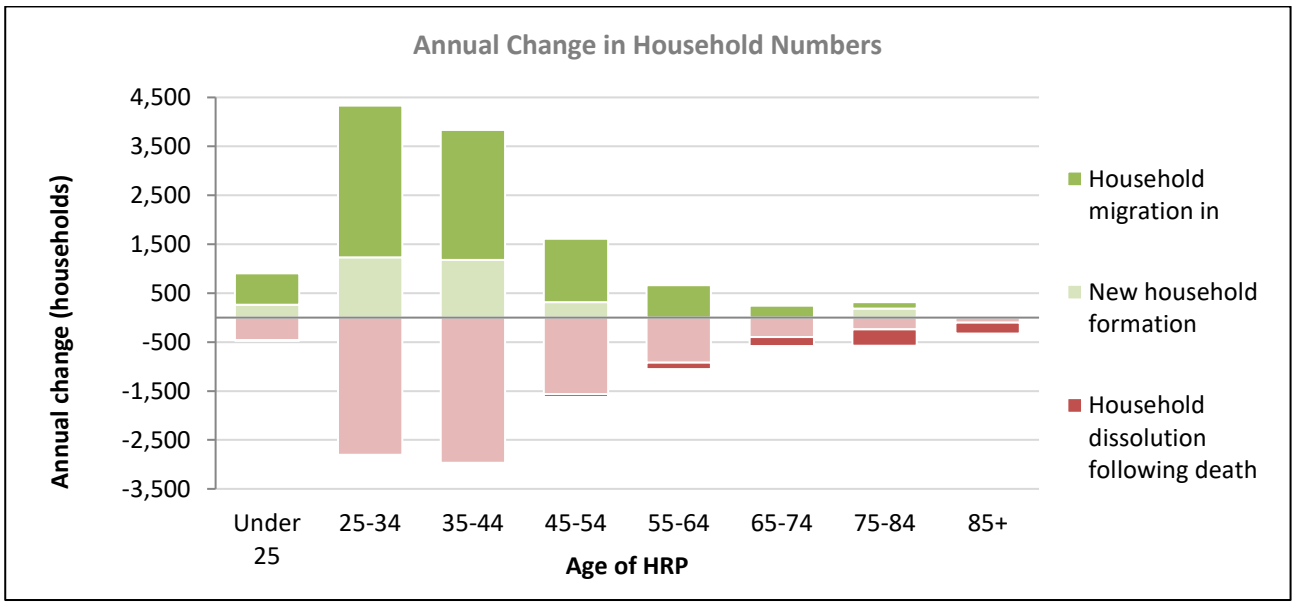
4.21 We would note that the Haringey Local Plan is likely to have a base date of 2022. The working assumption is that if Haringey meet ongoing affordable housing needs between 2019 and 2022 then the backlog will not rise in this period. We will now analyse these ongoing needs.

Projected Future Need of Households Unable to Afford

4.22 When considering the number of newly arising households likely to be in affordable housing need, the PPG recommends a *"gross annual estimate"* (ID 2a-021) suggesting that *"the total need for affordable housing should be converted into annual flows"* (ID 2a-024).

4.23 Figure 34 shows the age structure of each of the components of household change. This analysis is based on changes within each age cohort. Comparisons are based on households born in the same year and relate to their age at the end of the period. Therefore, all new households are properly counted, rather than only counting the increase in the number of households in each age group.

Figure 34: Annual change in household numbers in each age cohort by age of HRP in Haringey (Source: ORS Housing Model)



4.24 Together with information on household type, this provides a framework for the model to establish the proportion of households who are unable to afford their housing costs. The following tables looks at the impact of different types of household.

Figure 35: Annual components of Household Growth 2022-37 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	3,205	2,303	902	28%
Households migrating in to the area	8,852	6,249	2,603	29%
All new households	**12,057**	**8,552**	**3,505**	**29%**

4.25 The ORS Model identifies 3,205 new households projected to form in Haringey each year, of which 28% will be unable to afford their housing costs. This amounts to 902 households each year.

4.26 The model also considers new households migrating to the area. The projection is for 8,852 households per annum of which 29% (2,603 households) will be unable to afford their housing costs. It is completely normal for a London Borough to see more affordable housing need generated by households moving to the area than through local household formation. It should be remembered that households in affordable housing need will also leave the Borough, thus reducing need.

4.27 **This results in a total of 3,505 new households in need of affordable housing**. (Figure 35)

Figure 36: Annual components of Household Growth 2022-37 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Household dissolutions following death	1,029	636	393	38%
Households migrating out of the area	9,727	6,715	3,011	31%
All households no longer present	**10,755**	**7,351**	**3,405**	**32%**

4.28 PPG identifies that "there will be a current supply of housing stock that can be used to accommodate households in affordable housing need" and that it is necessary to establish "the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need" (ID 2a-022).

4.29 The model identifies 1,029 households are likely to dissolve following the death of all household members. Many of these households will own their homes outright, however 393 of these are likely to have been unable to afford market housing and will mostly be living in affordable rented housing.

4.30 In addition, some households that are unable to afford housing are will migrate away from the area, so their needs should be discounted to ensure consistency with the household projections. The model identifies that 9,727 households will migrate out of the area each year, including 3,011 households who are unable to afford their housing costs. A proportion of these will vacate rented affordable housing (which will become available for another household) whereas others that have not yet been allocated an affordable home will reduce the number of households waiting. (It should be noted that some might have chosen to stay if housing costs were cheaper or more affordable housing was available).

4.31 **Altogether, there are 3,405 households who will vacate affordable dwellings or will no longer be waiting for a home.** (Figure 36)

Figure 37: Annual components of Household Growth 2022-37 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Existing households falling into need	-	-1,016	+1,016	100%
Existing households climbing out of need	-	+769	-769	0%
Change in existing households	**-**	**-246**	**+246**	**-**

4.32 PPG also identifies that it is important to estimate *"the number of existing households falling into need"* (ID 2a-021). Whilst established households that continue to live in Haringey will not contribute to household growth, changes in household circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these households are counted by the model, and it is estimated that 1,016 established households will fall into need in Haringey each year.

4.33 However, established households' circumstances can also improve. For example:

- When two single person households join together to form a couple, pooling their resources may enable them to jointly afford their housing costs (even if neither could afford separately).
- Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period.

4.34 These improved circumstances can therefore reduce the need for affordable housing over time. The model identifies that the circumstances of 769 households will improve such that they become able to afford their housing costs having previously being unable to afford.

4.35 Therefore, considering the changing needs of existing households overall, **there is a net increase of 246 existing households needing affordable housing each year**. (Figure 37).

4.36 The following table (Figure 38) summarises the overall impact of:

- New households adding to housing need;
- The households no longer present reducing housing need; and
- The changes in circumstances impacting existing households.

Figure 38: Annual components of Household Growth 2022-37 (Source: ORS Housing Model)

		All households	Households able to afford housing costs	Households unable to afford housing costs
All new households		12,057	8,552	3,505
All households no longer present		10,755	7,351	3,405
Change in existing households		-	-246	246
Future affordable housing need 2022-37	**Annual average**	**1,302**	**955**	**347**
	15-year Total	**19,527**	**14,319**	**5,206**

4.37 Overall reviewing the contribution of each element amounts **to an additional 5,206 households needing affordable housing over the 15-year period 2022-37, or a rate of 347 per annum. Following the approach adopted for the backlog of need, these households represent the same annual ongoing need for Haringey of 347 per annum, and we assume that they are met on average for the period 2019-2022.**

Needs of Households Aspiring to Homeownership

Home Ownership Trends

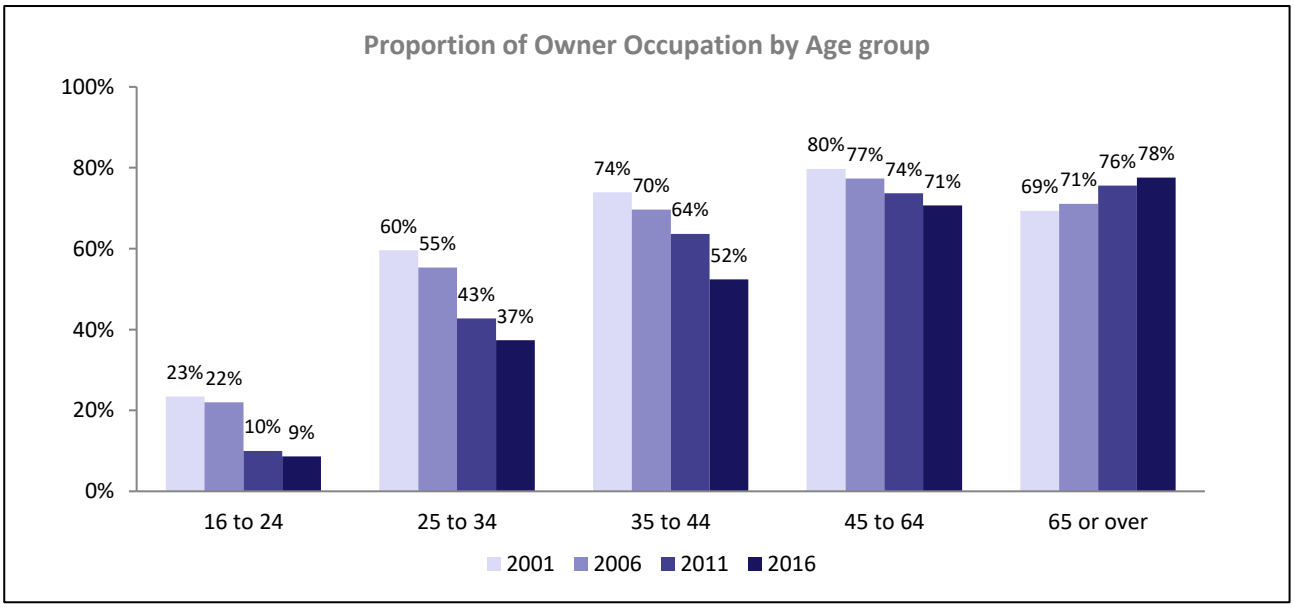
4.38 In London, the need for home affordable home ownership products is widely recognised due to the very high costs of outright home ownership. The Mayor of London has developed the London Living Rent scheme as

one which initially sees households renting their property, but with the option to eventually start buying it in the future. This type of scheme is compatible with the need to affordable housing to own.

4.39 The new emphasis on households that cannot afford to own their home reflects Government concerns that the proportion of owner occupiers has reduced nationally over the last ten to fifteen years. Estimates from the English Housing Survey suggest that the proportion of owner occupiers reduced from around 69% in 2006 to 65% in 2011 and to 63% by 2016. Over the same period, the proportion of households renting from a social landlord also reduced from 19% to 17% whilst the proportion renting privately increased from 12% to 20%.

4.40 The proportion of owner occupiers varies by age with younger age groups less likely to own their home than older households. The real change is in the extent to which younger age groups owning their property has fallen over recent years whilst at the upper end of the age scale (aged 65 or over) home ownership has been increasing (Figure 39).

Figure 39: Percentage of Owner Occupiers by Age Group 2001-2016 (Source: English Housing Survey)



Establishing the number of households aspiring to home ownership

4.41 English Housing Survey data from 2013/14 shows that, unsurprisingly, 96% of households who currently own their property wish to stay as owner occupiers in the long term. The English Housing Survey 2013/14 was the last time these questions were included in the survey. In terms of potential demand over half (54%) of households who rent privately and almost a fifth (18%) of those in affordable rented housing aspire to homeownership.

Figure 40: Long-term aspirations (Source: English Housing Survey 2013/4)

Current Tenure	Long-term Tenure Plan				
	Owner Occupier	Shared Ownership	Rent from Private Landlord	Rent from Social Landlord	Other
Owner occupied	96.1%	0.4%	0.7%	1.1%	1.6%
Private rent	53.5%	2.6%	28.8%	11.4%	3.8%
Affordable rented	18.1%	1.8%	1.9%	77.0%	1.1%

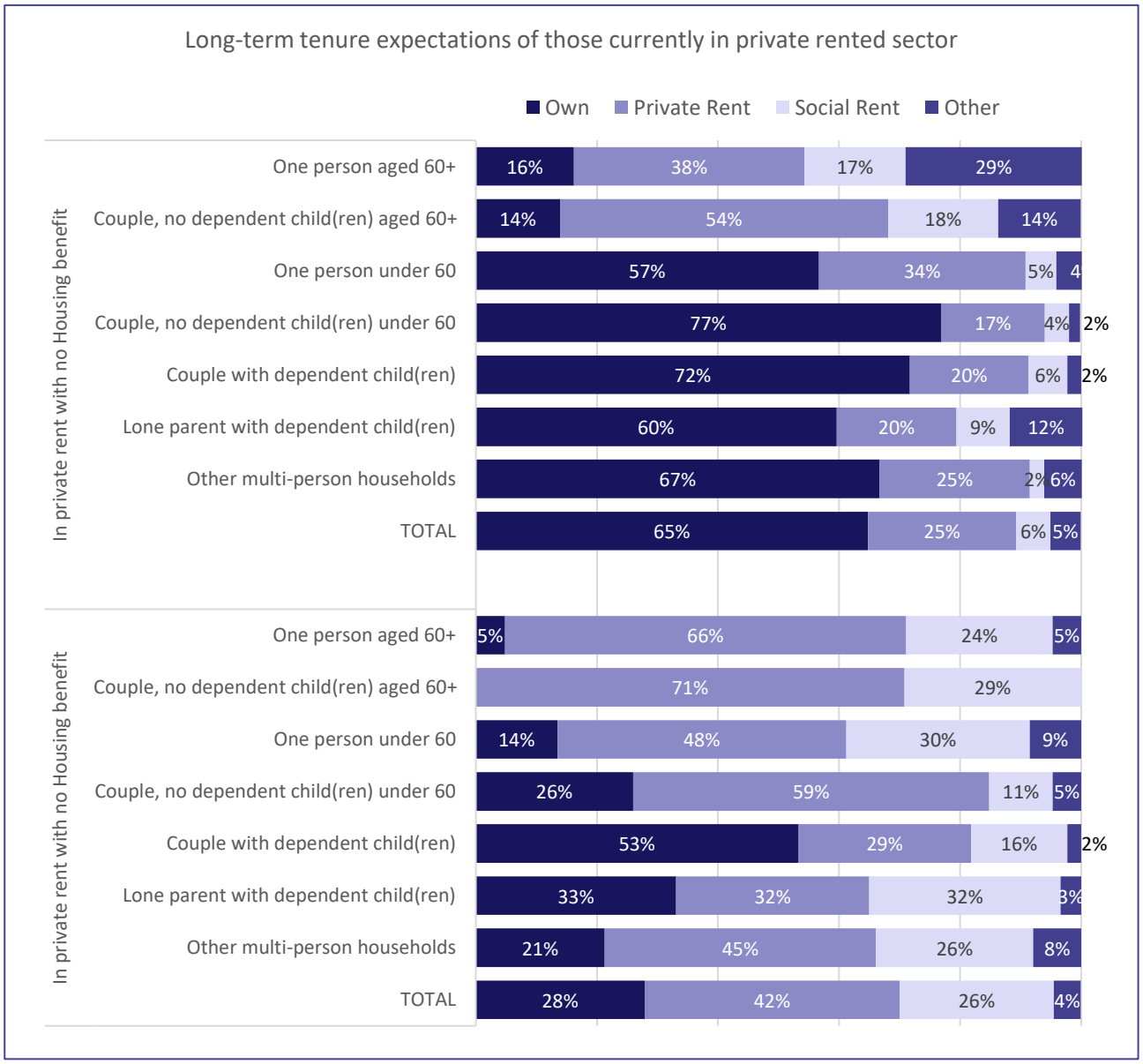
4.42 These figures relate to aspirations only and there is no test within the data as to whether this aspiration is affordable. It is therefore worth considering the responses of those currently in private rent in more detail with a view to understanding the types of household aspiring to buy.

4.43 The following chart (Figure 41) shows long-term tenure aspirations of those in private rent by household type as well as whether they are currently in receipt of housing benefit.

4.44 Almost two in three (65%) of those who are currently renting privately and NOT receiving housing benefit wish to buy their own home in the future. The proportion is much lower for those households with an HRP over 60 (averaging 15%) and slightly higher amongst couples under 60 (77% and 72% depending on whether or not there are dependent children in the household).

4.45 Just under three in ten (28%) of those households in the private rented sector and in receipt of housing benefit wish to buy their own home in the future. This increases to 53% of couples with dependent children.

Figure 41: Long-term Tenure Expectation for those in the Private Rented Sector with and without Housing Benefit support (Source: English Housing Survey 2013-14. Note: Own includes shared ownership)



Additional Need for Affordable Homeownership

4.46 Through combining data on the number of households of each type in each age group living in private rented housing and paying their own rent, with the aspiration data from the EHS 2013-14, Figure 42 establishes the number of existing households likely to aspire to home ownership that have not been counted in the affordable housing need.

Figure 42: Households currently living in the Private Rented Sector and paying their own rent that aspire to home ownership (Note: Figures may not sum due to rounding)

Household Type	Age of Household Representative						TOTAL
	15-24	25-34	35-44	45-54	55-64	65+	
Single person	88	1,135	1,635	324	122	34	3,338
Couple without children	204	2,497	1,258	317	138	53	4,468
Families with child(ren)	7	159	896	469	0	0	1,531
Other households	612	2,248	982	155	111	0	4,108
Total	**911**	**6,040**	**4,771**	**1,264**	**372**	**87**	**13,446**
Percentage of households	7%	45%	35%	9%	3%	1%	*100%*

4.47 Based on this analysis, we can estimate that there is a total of around 13,446 households currently resident in Haringey who cannot afford to own their own home but would aspire to do so. Half of these households (52%) are aged 15-34 with the substantial majority (87%) aged under 45.

4.48 As previously reported (Figure 18), Census data identified 22,040 households renting privately in 2001 compared to 33,577 households in 2011 – an increase of around +11,537 households over the decade, equivalent to an average of 1,154 households per year. More recent EHS data shows that the private rented sector has continued to grow over the years since the Census. On this basis, the number of households identified as currently renting privately that aspire to homeownership is consistent with growth of the private rented sector over a 12-year period.

4.49 In addition to the current need, it is also important to consider new households that are projected to form over the period 2022-2037. Through combining this data with the aspiration data from the EHS, we can conclude that it is likely that there would be a further 10,802 households that form over the 15-year period who will be able to afford to pay market rent but unable to afford to own, despite that being their aspiration. **Overall, there are likely to be 24,248 households who aspire to homeownership but who cannot afford to buy their own home over the period 2022-37, a net annual need of 1,616 per year. All of these households can potentially afford London Living Rents because they are cheaper than market rents.**

4.50 When identifying the need for Affordable Home Ownership (AHO) including First Homes, it is necessary to consider the housing costs for both renting and buying market housing in order to understand the relative incomes required and establish the appropriate income range for AHO products and the associated purchase costs.

Identifying the Overall Affordable Housing Need

4.51 Figure 43 brings together the information on assessing the unmet need for affordable housing in 2022 together with the future need for affordable housing and those aspiring to home ownership arising over the 15-year period 2022-37. It can be noted that this assessment has no regard for whether those aspiring can access affordable home ownership options.

Figure 43: Assessing total need for affordable housing 2022-37 (Source: ORS Housing Model)

	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford housing costs	Households aspiring to home ownership	
Current housing need in 2019	6,689	13,446	20,135
Future housing need 2022-37	5,206	10,802	16,008
TOTAL HOUSING NEED	**11,895**	**24,248**	**36,143**

4.52 On this basis, we can conclude that the overall need for affordable housing would comprise a total of 36,143 households over the 15-year period 2022-2037, equivalent to an average of 2,410 per annum. This assumes that there is no rise in the backlog of need between 2019 and 2022, which within the model would require 347 affordable to rent dwellings to be provided, or a total of 1,041 over the three-year period.

4.53 This represents more than 100% of the London Plan housing target for Haringey. This is due to a large proportion of this need being associated with the whole population as opposed to the projected new households, which is recognised by the PPG:

> ***How does the housing need of particular groups relate to overall housing need calculated using the standard method?***
>
> *The standard method for assessing local housing need identifies an overall minimum average annual housing need figure but does not break this down into the housing need of individual groups. This guidance sets out advice on how plan-making authorities should identify and plan for the housing needs of particular groups of people.*
>
> *This need may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method. How can needs of different groups be planned for?*
>
> *Strategic policy-making authorities will need to consider the extent to which the identified needs of specific groups can be addressed in the area, taking into account:*
>
> - *the overall level of need identified using the standard method (and whether the evidence suggests that a higher level of need ought to be considered);*
> - *the extent to which the overall housing need can be translated into a housing requirement figure for the plan period; and*
> - *the anticipated deliverability of different forms of provision, having regard to viability.*
>
> **Planning Practice Guidance, ID 67-001-20190722**

4.54 The size, type and tenure of homes also needs to be calculated separately from the standard method. PPG February 2019 states:

> ***How does the housing need of particular groups relate to overall housing need calculated using the standard method?***
>
> *The standard method for assessing housing need does not break down the overall figure into different types of housing. Therefore the need for particular sizes, types and tenures of homes as well as the housing needs of particular groups should be considered separately.*
>
> **Planning Practice Guidance, ID 2a-017-20190220**

4.55 Given that the need for affordable housing and affordable home ownership in particular is very high, it is necessary to consider how this need can be addressed within the overall need established.

4.56 It will be important for the local authority to plan for the needs of **all** households unable to afford to rent or own market housing if they are going to avoid the number of housing benefit claimants living in private rented housing increasing. This represents a need from 11,895 households.

4.57 It is important to recognise that the figures for those who aspire to home ownership are based upon those households who currently can afford market rent. But these households would not necessarily choose new build Affordable Home Ownership products such as London Living Rent if it was available, as some may prefer to secure full ownership in the less expensive second-hand housing market. Similarly, some households may not ultimately need affordable home ownership if their circumstances change to such a degree that they are eventually able to buy without financial assistance. It is also important to recognise that the identified demand could only be realised if Affordable Home Ownership products can be delivered at prices that are truly affordable in the area, in line with local house prices and incomes. This is the aim of London Living Rent.

4.58 Neither the NPPF or PPG identify that any affordability criteria should be applied to those households who aspire to homeownership but cannot afford to buy their own home. However, it is appropriate to consider the extent to which these households could plausibly afford affordable homeownership products such as First Homes if they were provided. Whilst a range of affordable homeownership products are available, each with different costs and eligibility criteria, it is unlikely that housing would be delivered at values below 60% of newbuild prices.[15] While 70% of market house prices is the maximum price suggested for a First Home in the consultation, a larger discount can be applied. However, if too large a discount is applied then this will significantly affect the viability of many schemes and lead to a reduction in the level of affordable housing which can be provided. Therefore, we have assumed a maximum discount of 40% on open market prices for properties which are compatible with the First Homes scheme.

4.59 Given this context, Figure 44 identifies those households with income that would be insufficient to afford 60% of newbuild prices at the lower quartile for the local area, and those households with savings of less than £5,000. This is based on further analysis of the EHS data which considers the income distribution and savings data for households that rent privately but aspire to homeownership. This data has been updated to reflect current income levels and scaled for each local area using indices from the ONS gross disposable household income (GDHI) tables.

4.60 Of the 24,248 households who can afford to rent (and who therefore can afford London Living Rents) but who aspire to homeownership and cannot afford to buy, there would be 18,890 where the household had

[15] Developers will typically receive 50-60% of open market value when delivering Social or Affordable Rented units

insufficient income to have a realistic prospect of being able to afford at 60% of open market values (Figure 44). Of the remaining dwellings for households with incomes above the minimum threshold, there would be 2,532 where the household had savings of less than £5,000 and were therefore unable to afford the assumed deposit in the local area.

Figure 44: Affordable homeownership housing mix by household affordability to 2022-37 (Source: ORS Housing Model)

	All households aspiring to home ownership	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	7,773	4,177	3,597	1,788	1,809
2 bedrooms	6,998	5,449	1,549	652	897
3 bedrooms	7,550	7,338	213	92	121
4+ bedrooms	1,926	1,926	0	0	0
TOTAL	**24,248**	**18,890**	**5,358**	**2,532**	**2,826**

4.61 On this basis, only 2,826 properties are needed for households that aspire to homeownership who have at least £5,000 in savings and incomes above the relevant threshold. These households are those who could potentially afford First Homes., while all of the 24,248 households could potentially afford London Living Rents.

4.62 It will be a policy decision as to how much of the additional need for affordable homeownership from households able to afford market rent should be provided. In theory, 24,248 households in the private rented sector can afford London Living Rents while aspiring to own, however only a much smaller number of these could afford products such as Shared Ownership and First Homes, particularly where these are 2 beds or larger. It would seem appropriate to plan for at least the needs of those 2,826 households likely to form an effective demand (i.e. those able to afford the various affordable home ownership products that will be available) in addition to the 11,895 households unable to afford. Figure 45 provides a breakdown of overall affordable housing need on this basis.

Figure 45: Overall need for Affordable Housing, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford housing costs	Households aspiring to home ownership	
1 bedroom	1,713	1,809	3,522
2 bedrooms	3,074	897	3,971
3 bedrooms	4,336	121	4,457
4+ bedrooms	2,771	0	2,771
TOTAL HOUSING NEED	**11,895**	**2,827**	**14,722**

4.63 The SHMA identifies an overall affordable housing need from 14,722 households over the 15-year period 2022-37 (981 per annum). This includes the needs from all households unable to afford to rent or own market housing and also provide for those households who aspire to homeownership but who cannot afford to buy, where there is a realistic prospect of those households being able to purchase an affordable homeownership product.

4.64 However, it is important to recognise that there are many more households who aspire to homeownership who either do not have sufficient income or savings that would enable them to realise their aspiration. It is also important to recognise that these figures assume that the number of households in receipt of housing benefit to enable them to afford market housing in the private rented sector does not change. In determining the affordable housing requirement, the Council may want to consider these households alongside those households living in private rented housing who aspire to home ownership.

4.65 It is also possible to split the needs of the 11,895 households who cannot afford market rent into different affordable tenures based upon their household income. This is done in Figure 46, which in turn is based upon Figure 45 and the housing costs set out in Figure 30. This shows that over two thirds of the need for those who cannot afford market housing comes from households whose income are so low that they cannot afford Social Rent. In these cases, their housing costs are likely to be covered by housing benefit or Universal Credit payments. We would note that a small number of households are able to afford London Living Rent or other afford to own products despite not being able to afford market rents.

4.66 Overall, the model indicated a need for all types of housing scheme, but in many cases these are theoretical or modelled needs which may not necessarily need to be met in practice. For example, many households who can afford London Living Rent may in practice have their needs met in an Affordable Rent or Social Rent property.

Figure 46: Overall need for Affordable Housing by Type of Housing Scheme (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

`	Affordable Housing Need				Total
	Unable to afford Social Rent	Able to afford Social Rent - unable to afford Affordable Rent	Able to Afford Affordable Rent - unable to afford London Living Rent	Able to afford London Living Rent - unable to afford Private Rent	
1 bedroom	1,371	153	28	161	1,713
2 bedrooms	2,156	420	105	394	3,074
3 bedrooms	2,771	799	70	696	4,336
4+ bedrooms	1,788	460	208	316	2,771
TOTAL HOUSING NEED	**8,086**	**1,832**	**411**	**1,567**	**11,895**

Future Policy on Housing Benefit in the Private Rented Sector

4.67 The analysis recognises **the importance of housing benefit and the role of the private rented sector**. It is assumed that the number of households in receipt of housing benefit in the private rented sector will remain constant; however, this is a national policy decision which is not within the Council's control.

4.68 It is important to note that private rented housing (with or without housing benefit) does not meet the NPPF definition of affordable housing. However, many tenants that rent from a private landlord can only afford their housing costs as they receive housing benefit. These households aren't counted towards the need for affordable housing (as housing benefit enables them to afford their housing costs), but if housing benefit support was no longer provided (or if there wasn't sufficient private rented housing available at a price they could afford) then this would increase the need for affordable housing.

4.69 The analysis adopts a neutral position in relation to this housing benefit support, insofar as it assumes that the number of claimants in receipt of housing benefit in the private rented sector will remain constant.

The assessment does not count any dwellings in the private rented sector as affordable housing supply; however, it does assume that housing benefit will continue to help some households to afford their housing costs, and as a consequence these households will not need affordable housing.

4.70 The baseline analysis identified 11,895 households that would be unable to afford housing costs. This assumed no change in the number of households receiving housing benefit to enable them to live in the private rented sector. There are likely to be around 8,283 households renting privately with housing benefit support at the start of the Plan period in 2022, and to also provide affordable housing for these households would increase the overall affordable housing need to around 20,178 households (this excludes those aspiring to home ownership). In this scenario, it is also important to recognise that the private rented housing currently occupied by households in receipt of housing benefit would be released back to the market, which is likely to have significant consequences on the housing market which are difficult to predict.

4.71 PPG (both the current version and the previous version) states that *"care should be taken to … include only those households who cannot afford to access suitable housing in the market"* [ID 2a-020-20190220]. Given that households in receipt of housing benefit receive a specific payment to enable them to afford suitable housing in the market, these households should only be counted as part of the affordable housing need if that payment was withdrawn. That would be a policy decision, albeit at a national level.

4.72 It is well-established that housing need should be established leaving aside policy considerations,[16] so it would be wrong to assume housing benefit was to be withdrawn from households renting privately when assessing the level of affordable housing need. The approach taken by the SHMA is policy neutral, assuming no change in the number of claimants. Evidently, it would be a policy-on position to assume that the position was going to radically change, so that could not form part of the assessment of need. However, when establishing the affordable housing requirement – i.e. a figure which also reflects any policy considerations – a local planning authority could seek to reduce the number of households rented privately in receipt of housing benefit as a policy aspiration. That wouldn't change the need, but it could influence the affordable housing policy target.

[16] Gallagher Homes v Solihull MBC; [2014] EWHC 1283 (Admin)

5. Overall Housing Need

Local Housing Need based on the Standard Method

Introduction

5.1 The NPPF confirms that planning authorities should normally use the standard methodology to establish a minimum Local Housing Need (LHN) figure. Using the process set out in Planning Practice Guidance for Housing Need Assessment [ID 2a-004-20190220] the minimum annual Local Housing Need figure for 2020 can be established as follows:

Figure 47: Establishing the minimum LHN figure for Haringey (Source: CLG, ORS; Note: All figures rounded to the nearest whole number)

	Haringey
Step 1: **Setting the baseline**	
Total households 2020	123,469
Total households 2030	142,915
10-year change 2020-2030	19,446
Annual average	1,945
Step 2: **An adjustment to take account of affordability**	
Median workplace-based affordability ratio	17.01
Adjustment factor	81.31%
Affordability uplift	1,581
Uncapped housing need	3,526
Step 3: **Capping the increase**	
Adoption date of most recent Local Plan	July - 17
Annual requirement (average)	1,320
Annual requirement (average) with 40% uplift applied plus 35% increase for large urban area	2,495
Household projection with 40% uplift applied plus 35% increase for large urban area	3,675
Local Housing Need	**2,495**

5.2 Based on these calculations, the minimum Local Housing Need figure is 2,495 dwellings per annum. This translates to 37,425 dwellings (2,495 x 15) across the fifteen-year period. However, as noted earlier in this report, this figure is not used in this report because it is superseded by the London Plan housing target.

Establishing the Housing Target

5.3 The LHN provides the starting point for establishing the final housing requirement which will be planned for through strategic policies. This is confirmed by PPG at the outset of the section on assessing housing and economic development needs:

> *Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations.*
>
> **Planning Practice Guidance, ID 2a-001-20190220**

5.4 In the context of London, the Boroughs are required to be in conformity with the London Plan. As noted earlier, PPG allows local planning authorities to depart from the LHN where there is an adopted spatial development strategy in place. On that basis, for Haringey the dwelling delivery target set out in the London Plan is 1,592 dwellings per annum, so we have proceeded with that figure as the need for the Borough.

Disaggregating the minimum Local Housing Need figure

5.5 The demographic projections for the SHMA are based on the latest official projections (not the 2014 based CLG household projections) and cover the 15-year period 2022-2037. They are informed by the latest ONS mid-year estimates,[17] and take account of the most up-to-date fertility and mortality rates and the latest migration trends. Whilst recent trends provide the starting point, the model aligns household growth with the LHN target through varying two key assumptions:

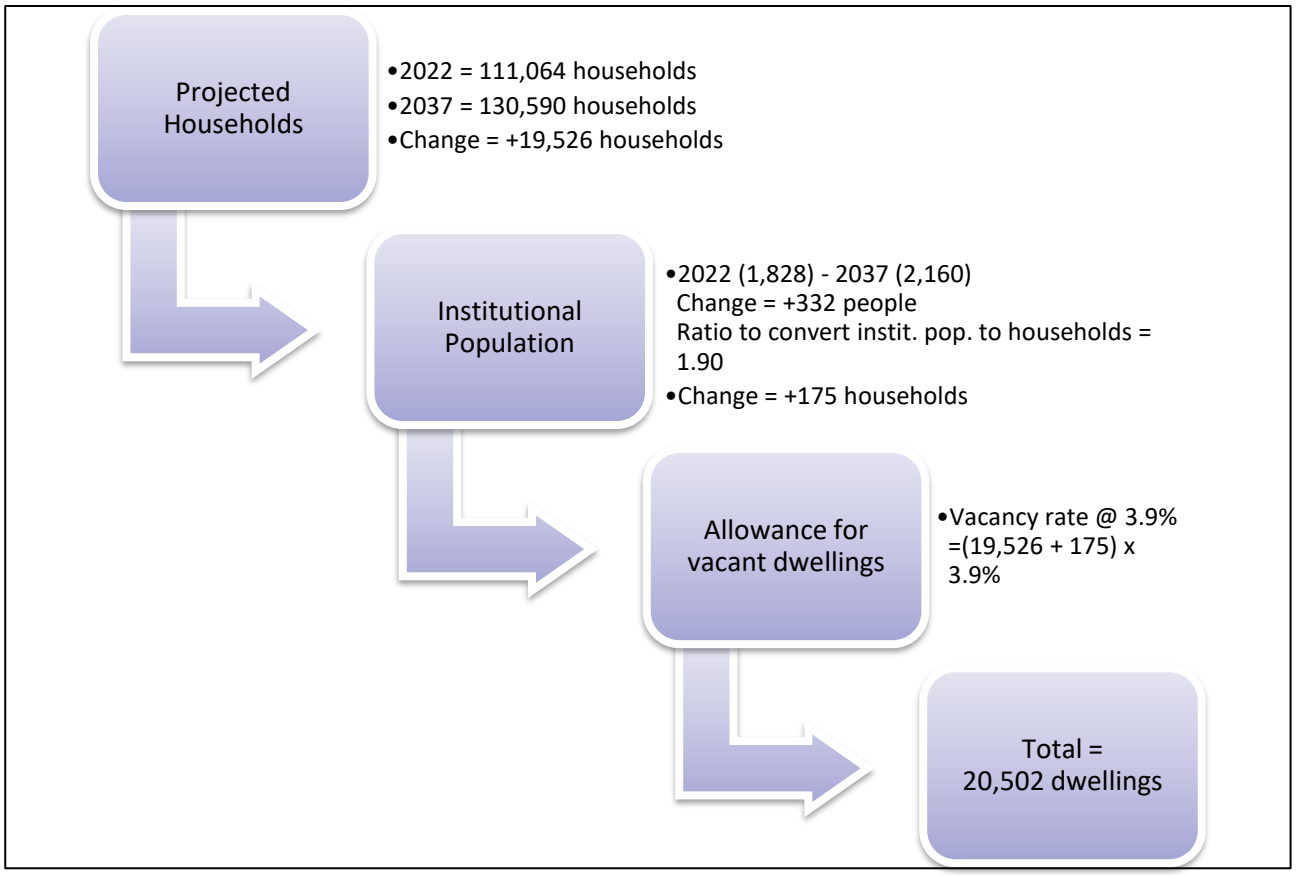
- Household formation rates for younger households are adjusted on the basis that the Government's objective of providing more homes will enable more households to form. The analysis assumes that household formation rates for all age groups under 45 will progressively increase towards the equivalent rate that was recorded in 2001, a time when the housing market was experiencing much lower levels of pressure; and
- Where household formation rates for all age groups under 45 have returned to the levels recorded in 2001, the rate of net inward migration is increased to align the overall household growth with the number of dwellings identified by the LHN target. This is not required for Haringey.

5.6 Figure 48 sets out the separate elements that will contribute to the LHN. These include:

- Households growth over the 15-year plan period calculated on trend-based projections;
- Institutional population growth over the 15-year plan period needing communal accommodation;
- Dwellings without a usually resident household (either vacant homes or second homes);
- Additional dwellings to respond to pent-up housing market pressure.

[17] The ONS reissued the official estimates for mid-2012 to mid-2016 in March 2018 following methodological improvements

Figure 48: Elements of housing need (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency)



5.7 At this point in our reporting we are referring to dwellings rather than households. A dwelling is usually occupied by a single household although in some cases two households may share a dwelling (see glossary). Importantly, we need to make an allowance for an inevitable base level of vacant properties and the word household becomes misleading.

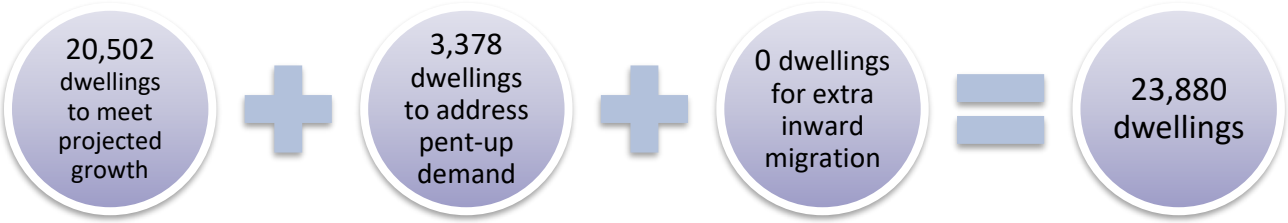
5.8 Thus, the number of dwellings needed to deal with the projected household and institutional population growth is 19,701. However, if we assume that just under 3.9%[18] of dwellings will be unoccupied at any one time this means that a total of 20,502 dwellings are required.

5.9 The local housing need has already been identified as 1,592 dwellings per annum, which translates to 23,880 dwellings (1,592 x 15) across the 15-year period. This leaves a difference between the housing need figure of 23,880 dwellings and the population projected need of 20,502 dwellings.

5.10 This additional need is made up from enabling more households to form[19] (from the pent-up housing demand) = 3,378 dwellings

[18] Based on 2011 Census data at a local authority level

[19] Based on the assumption that household formation rates for all age groups under 45 are currently constrained and allowing them to return to the equivalent rates recorded in 2001



Size and Tenure Mix based Upon LHN

5.11 It will be a policy decision as to how much of the additional need for affordable homeownership from households able to afford market rent should be provided. In theory, all households in the private rented sector can afford London Living Rents while aspiring to own, however only a much smaller number of these could afford products such as Shared Ownership and First Homes, particularly where these are 2 beds or larger. It would seem appropriate to plan for at least the needs of those households likely to form an effective demand (i.e. those able to afford the various affordable home ownership products that will be available).

5.12 Figure 49 provides a breakdown of the London Plan target of 23,880 dwellings between market and affordable housing on this basis. Figure 49 shows the result of applying the vacancy rate for affordable homes to the summary of households in Figure 45 . These affordable homes are subtracted from the overall dwelling need calculated above, disaggregating the number of market homes implied by the London Plan target.

5.13 An allowance for C2 provision has been made within the total housing need of 23,880 equivalent to 182 dwellings that would be counted against the minimum housing target; which represents over 300 bedspaces. The London Plan has a target for Haringey of 110 units of Class C2 per annum, but this is a build target, not a modelled need for the area. These are all considered to be market housing need because they are typically not provided as affordable housing.

5.14 The figures allow for all dwellings for households who cannot afford market housing, namely 9,918 who require Social Rent and 411 who require Affordable Rent. It is also the case that Affordable Rent is now no longer supported by the GLA, so schemes will no longer be developed. We would also stress again that Affordable Rent is considered as interchangeable in terms of need with the affordable component of Build to Rent because both apply the same discount to market housing.

5.15 In terms of affordable home ownership, we have included all households who potentially can afford London Living Rents but cannot afford private rents and also those who can afford private rents but who aspire to own and have a realistic prospect of doing so through schemes such as First Homes. As the First Homes scheme is now set to go ahead it is likely to absorb much of the Section 106 payments currently used for shared ownership at an England-wide level, thus replacing many of the shared ownership schemes. However, it is also likely that most new Housing Association properties will contain the option to become shared ownership properties and it is also the case in London that the London Living Rent scheme will continue to meet the definition of affordable home ownership and many more households in the private rented sector in Haringey can potentially afford London Living Rents if they were available.

5.16 The market housing figure contains both market rent and owned occupied dwellings. As noted above, the figures indicate that if there is not an improvement in affordability for home ownership, market rent will grow by around 10,800 dwellings for those who aspire to own (Figure 43), plus further potential growth from

student households and also from households receiving housing benefit in the private rented sector if insufficient affordable to rent is supplied. The number of owner occupiers in Haringey fell between 2001 and 2011 by 1,100 (Figure 18) and unless affordability improves this trend will continue.

Figure 49 Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing			Total Affordable Housing	Total Market Housing	Total
	Households unable to afford market rent		Aspiring to Home Ownership - Affordable Home Ownership			
	Social Rent/Affordable Rent	London Living Rent				
1 bedroom	1,562	162	1,820	3,544	1,276	**4,820**
2 bedrooms	2,698	396	903	3,996	2,319	**6,315**
3 bedrooms	3,663	701	121	4,485	6,132	**10,617**
4+ bedrooms	2,471	317	0	2,788	-842	**1,946**
C2 Dwellings	-	-	-	-	182	**182**
Total	**10,394**	**1,576**	**2,844**	**14,813**	**8,885**	**23,698**
1 bedroom	15.0%	10.3%	64.0%	23.9%	14.1%	20.2%
2 bedrooms	26.0%	25.1%	31.8%	27.0%	25.6%	26.4%
3 bedrooms	35.2%	44.5%	4.3%	30.3%	67.6%	44.5%
4+ bedrooms	23.8%	20.1%	0.0%	18.8%	-9.3%	8.1%
C2 Dwellings		-		-	2.0%	0.8%

5.17 Again, it is also possible to split the needs of the 11,969 households who cannot afford market rent into different affordable tenures based upon their household income. This is done in Figure 50, which in turn is based upon Figure 46 with an allowance for vacant homes.

Figure 50: Overall Dwelling need for Affordable Housing by Type of Housing Scheme (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing Need				Total
	Unable to afford Social Rent	Able to afford Social Rent - unable to afford Affordable Rent	Able to Afford Affordable Rent - unable to afford London Living Rent	Able to afford London Living Rent - unable to afford Private Rent	
1 bedroom	1,380	154	28	162	1,713
2 bedrooms	2,169	423	105	396	3,074
3 bedrooms	2,788	804	71	701	4,336
4+ bedrooms	1,799	463	210	318	2,771
TOTAL HOUSING NEED	**8,136**	**1,844**	**414**	**1,577**	**11,969**

5.18 As noted in the introductory chapter, an important consideration in our modelling for this study is that the figure of 1,592 dwellings per annum for Haringey is part of the overall projected supply for London of 52,287 per annum set out in the Published London Plan, not the 65,878 dwellings identified as need. The figures set out in Figure 49 contain the assumption that many households which are comprised of single persons aged 25-34 years will continue to occupy Houses in Multiple Occupation (HMO) 3- and 4-bedroom properties,

rather than that each will occupy a single bedroom property. However, it is possible to consider the consequences for Haringey is the modelling approach adopted in the 2017 London SHMA was to be followed for Haringey. Figure 51 represents a reworked version of Figure 49 with the following assumptions changed:

- Single persons aged 25 years or more, but under 35 years are now assumed to not share 3- and 4-bedroom properties. Instead, each is allocated to a single bedroom affordable rented property;
- The total dwelling delivery in Haringey is assumed to expand to so that every single person aged 25-34 years can have their own property; and
- Those singles who are sharing are assumed to do so because they cannot afford their own market property, so they have now been allocated to a 1-bedroom affordable rented property.

5.19 The consequences of these changes shows that the need for 1-bedroom affordable rented properties would grow by 6,283 to 7,845 dwellings. Meanwhile, the need for 3- and 4-bedroom market dwellings which are acting as HMOs would fall by over 2,000 dwellings. In total the need for dwellings in Haringey would rise by 4,208 over the 15-year period, or by 281 dwellings per annum.

5.20 It is important to understand that Figure 49 and Figure 51 are both housing exactly the same population in Haringey, but one is assuming much of the need for single persons aged 25-34 years is met in HMOs, while the other allocated each to a 1-bedroom affordable rented property. On that basis, if Haringey are to deliver 1,592 dwellings per annum then we would propose that they focus on the outputs of Figure 49. However, we would also note that the outputs of Figure 51 are more consistent with Haringey providing an affordable dwelling for everyone who is on their housing register.

Figure 51 Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size assuming singles persons are allocated to 1 bedroom affordable rented rather than HMOs (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing			Total Affordable Housing	Total Market Housing	Total
	Unable to afford housing costs		Aspiring to Home Ownership - Affordable home ownership			
	Social Rent/Affordable Rent	Affordable Home Ownership				
1 bedroom	7,845	162	1,820	9,827	1,276	**11,103**
2 bedrooms	2,698	396	903	3,996	2,319	**6,315**
3 bedrooms	3,663	701	121	4,485	4,506	**8,991**
4+ bedrooms	2,471	317	0	2,788	-1,291	**1,497**
C2 Dwellings	-	-	-	-	182	**182**
Total	**16,677**	**1,576**	**2,844**	**21,096**	**6,992**	**28,088**
1 bedroom	47.0%	10.3%	64.0%	46.6%	18.2%	39.5%
2 bedrooms	16.2%	25.1%	31.8%	18.9%	33.2%	22.5%
3 bedrooms	22.0%	44.5%	4.3%	21.3%	64.4%	32.0%
4+ bedrooms	14.8%	20.1%	0.0%	13.2%	-18.5%	5.3%
C2 Dwellings		-		-	2.6%	0.6%

Comparison with the 2014 SHMA

5.21 At this point it is useful to explore the differences in findings between this study and the previous SHMA in Haringey which was produced in 2014[20]. The Haringey SHMA 2014 was based upon an annual housing target of 1,375 per annum, compared to the 1,592 per annum in this study, so household formations were based upon different rates of growth. For the comparison below we have only looked at households who cannot afford market housing, so we have excluded the number of households who aspire to own because this is a recent policy change. However, there were also many other modelling differences which result in the outputs being different. These differences are summarised in Figure 52, below.

5.22 The previous SHMA concluded a slightly higher backlog of need at the outset by including everyone on the waiting list in Haringey. This current report takes only those households in higher priority bands, but does also include many households who may not be on the housing register such as those who are overcrowded in the private rented sector. The reason for not including everyone on the housing register as being in the backlog of need is because the total dwelling delivery is limited to 1,592 dwellings per annum and meeting the needs of everyone on the register would require a higher total dwelling delivery such as that set out in Figure 51.

5.23 The new households in need figure is quite similar between the two studies, but for this study we consider many more households will fall in to need each year and we have also considered the impact of net migration which sees household leave Haringey for other areas. In terms of supply, the SHMA 2014 allowed for 4,717 properties to be counted which were either vacant or planned newbuild, and we have not included similar figures this time. This current study also counts those climbing out of need.

Figure 52: Assessing total affordable housing need breakdown from Haringey SHMA 2014 (Source Haringey SHMA 2014, Note: Figure may sum due to rounding)

London Borough of Haringey	Affordable Housing	
	GVA 2014	ORS 2020
BACKLOG		
Total backlog	**8,364**	**6,689**
NEWLY ARISING NEED		
New households in need	11,634	13,534
Net migration	-	-6,126
Established households falling into need	4,890	15,235
TOTAL GROSS NEED	**16,525**	**22,643**
SUPPLY / OUTWARD FLOWS		
Household dissolution		5,896
Climbing out of need		11,541
Turnover of Existing affordable rented properties	8,417	
Affordable Housing in the Supply Chain	4,717	
TOTAL SUPPLY	**13,132**	**17,437**
NET NEED	**11,757**	**11,895**

[20] https://www.haringey.gov.uk/sites/haringeygovuk/files/strategic_housing_market_assessment.pdf

5.24 Overall, the levels of affordable housing need identified are very similar, but the different approaches used to calculate them also has an impact on the required size mix. The SHMA 2014 on page 8 states that:

Based on the Housing Register (for both waiting lists) there could be between 55%-70% requirement for 2 and 3 bedroom housing, which suggests this is the most significant requirement for the future distribution of affordable housing units, reflecting the need for family sized units. Approximately 61% of 2 and 3 bedroom properties could represent an appropriate level for future distribution of affordable units, accompanied by approximately 32% of 1 bedroom units and 7% of 4+ bedroom units. This takes into account the faster turnaround of smaller properties in comparison to larger properties, and a general preference for people to live in a home larger than their requirement entails. As such, the 1 bedroom percentage is reduced and the 2 & 3 and 4 bedroom percentage is increased.

5.25 However, this current study places lower weight on the overall housing register and higher weight on addressing overcrowding and the impact of future household growth. The model used by ORS considers who is likely to move to and from each size and tenure of dwelling. Overall, the new figures (Figure 49) show a need for 14% of 1-bed properties, 26% of 2 bedrooms, 37% of 3 bedrooms and 23% of 4 bedrooms plus units. Therefore, this study projects a much higher need for larger properties to address overcrowding and the needs of larger households. However, if we were to implement the figures shown in Figure 51 then the size mix for new affordable dwelling need does become closer to that found in the 2014 SHMA.

6. Needs of Different Groups

An exploration of need for target groups

Introduction

6.1 Paragraph 61 of the Revised NPPF requires that local planning authorities consider the needs of a range of groups within the population and this chapter considers the specific groups in turn. However, the needs of families with children and those who rent their homes have already been considered within earlier chapters and are therefore not repeated.

> *61. Within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes.*
>
> **Revised NPPF, paragraph 61**

Housing for Older People

6.2 The UK population is ageing, and people can expect to live longer healthier lives than previous generations. The older population is forecast to grow to 17.6m by 2035 for the over 60s, and from 1.3m (2016) to 3.6m by 2035 for the over 85s.[21]

6.3 Given this context, PPG recognises the importance of providing housing for older people. Additional PPG "Housing for older and disabled people" was published on 26th June 2019, which states:

> *The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector … Evidence from Joint Strategic Needs Assessments prepared by Health and Wellbeing Boards can also be useful. The assessment of need can also set out the level of need for residential care homes.*
>
> **Planning Practice Guidance, ID 63-004-20190626**

6.4 It is important to plan housing which is suitable for this increase in older people within the population with a key requirement being to predict the type of housing which will best meet their needs. Whilst most will remain living in the same area and many will not move from their current homes; those that do move in their later years are likely to be looking for housing suitable for older people.

6.5 This housing comes in a number of different forms and the distribution between these different types needs to be explored. The Older People housing options considered in this section follow the definitions in the

[21] ONS 2016-based sub-national population projections

2012 "Housing Our Ageing Population" report (HAPPI2).[22] This defines specialist provision as mainstream (including adapted and wheelchair homes), specialised housing (including Extra Care and sheltered housing) and Care Homes (including both Registered Nursing and Registered Care Homes).

6.6 The Housing Learning and Improvement Network (LIN) published "More Choice, Greater Voice: a toolkit for producing a strategy for accommodation with care for older people"[23] (see Appendix B) in February 2008; and subsequently published the "Strategic Housing for Older People (SHOP)" [24] resource pack in December 2011. Both the toolkit and the resource pack provide standardised rates for estimating the demand for specialist older person housing products per 1,000 people aged 75 or over. These toolkits these have informed the evidence base for many adopted Local Plans.

6.7 These rates provide a useful framework for understanding the potential demand for different forms of older person housing, but neither publication provides any detail about the derivation of the figures. There is no single correct answer when estimating the need for older person housing, however the rates provide a basis for identifying the potential levels of demand.

6.8 In this report we have chosen to use the Housing Learning and Improvement Network (Housing LIN) SHOP resource pack methodology (2012).[25] This forecasts the population and then applies a benchmark need for particular housing types per thousand people aged 75+).

Figure 53: Benchmark Figures for Specialist Older Person Housing

Form of Provision	More Choice, Greater Voice toolkit			SHOP resource pack		
	Owned	Rented	TOTAL	Owned	Rented	TOTAL
Demand per 1,000 persons aged 75+						
Leasehold Schemes for the Elderly (LSE)	75	-	**75**	120	-	**120**
Conventional Sheltered Housing	-	50	**50**	-	60	**60**
Sheltered 'plus' or 'Enhanced' Sheltered	10	10	**20**	10	10	**20**
Extra Care	12.5	12.5	**25**	30	15	**45**
Dementia	-	10	**10**	-	6	**6**
TOTAL	**97.5**	**92.5**	**180**	**160**	**91**	**251**

6.9 The population projections underlying the London Plan housing need figure for Haringey show a substantial increase in the older population during the period 2022-2037. The population aged 75+ is likely to increase by around 7,000 persons based on providing the number of homes needed to meet the local housing need.

Figure 54: Projected population aged 75+ (Source: LHN dwelling-led population projections)

	75-84	85+	TOTAL
2022	9,285	3,649	12,934
2037	14,334	5,610	19,943
CHANGE	**+5,049**	**+1,961**	**+7,010**

6.10 The data published by the Elderly Accommodation Counsel (EAC)[26] identifies that there is currently a total of 2,044 specialist Older Person homes across Haringey.

[22] http://www.housinglin.org.uk/_library/Resources/Housing/Support_materials/Other_reports_and_guidance/Housing_our_Ageing_Population_Plan_for_Implementation.pdf
[23] http://www.housinglin.org.uk/_library/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf
[24] http://www.housinglin.org.uk/_library/Resources/Housing/SHOP/SHOPResourcePack.pdf
[25] www.housinglin.org.uk/housinginlaterlife_planningtool
[26] http://www.housingcare.org/downloads/eac%20stats%20on%20housing%20for%20older%20people%20March%202015.pdf

Figure 55: Existing Stock of Specialist Older Person Housing for Haringey (Source: EAC 2015)

Property Type	Owned	Rented	TOTAL
Housing with support	44	1,847	1,891
Housing with care	0	153	153
TOTAL	**44**	**2,000**	**2,044**

6.11 The SHOP model can be used to assess that there is already a shortfall in the provision of housing for elderly people. The current population of 12,900 people aged 75+ requires 3,250 specialist homes whilst data shows that just 2,044 exist, resulting in an unmet need of 1,200 homes already in the area.

6.12 If we then consider the increase in need by 2037 by applying the SHOP formula (per 1,000) to the 7,000 additional people aged 75+ that are projected to exist in Haringey by 2037 we can calculate the additional need for elderly housing by 2037.

Figure 56: Modelled Demand for Additional Specialist Older Person Housing 2022-37 (Source: Housing LIN Toolkit)

		SHOP FORMULA rate per 1,000 persons			HARINGEY ADDITIONAL NEED		
		Owned	Rented	Total	Owned	Rented	Total
SHELTERED	Leasehold schemes for the Elderly (LSE)	120	0	120	841	-	841
	Conventional Sheltered housing	0	60	60	-	421	421
EXTRA CARE	Sheltered 'Plus' or 'Enhanced'	10	10	20	70	70	140
	Extra Care	30	15	45	210	105	315
	Dementia	0	6	6	-	42	42
Total		**160**	**91**	**251**	**1,122**	**638**	**1,759**

6.13 The toolkit identifies future need for just over 2,962 specialist older person additional housing units over the period 2022-2037.

6.14 The table below summarises the potential requirement for new specialist housing, taking account of the current stock, unmet demand and population growth for the period. As a rule, most properties have traditionally been assumed to be for 1 bedroom units, but clearly there is a potential for larger units to allow for carers or family to stay. The modelled outcome of a surplus of rented sheltered housing in 2022 is a by-product of the Housing LIN toolkit which assumes that there are 60 units per 1,000 persons aged 75 years or over in Haringey, but there are really 143 units per 1,000 persons aged 75 years or over. However, these properties are occupied currently, but the model considers that there should be a much wider range of choice available in the form of sheltered housing to own and Extra Care schemes which are currently very limited in supply if Haringey.

The EAC 'acknowledges both the rented and private sectors contain a wide range of housing types intended for older people. The social sector has traditionally distinguished these as Category 1, 2 etc., but the private sector tends to refer to them all simply as "retirement housing". This report looks only at schemes that fall within the following definition: *"a group of dwellings intended for older people and served by a resident or non-resident warden/scheme manager with specific responsibility for the group"*. It is important to note that a considerable proportion of housing intended for older people falls outside this definition and is therefore excluded. Extra Care, assisted living, and other forms of 'housing with care' are included.

Figure 57: Modelled Demand for Older Person Housing in Haringey based on Housing LIN Toolkit

		Rate per 1,000 persons aged 75+	Gross need 2022	Existing supply	Unmet need in 2022	Additional need 2022-37	Overall need
Sheltered Housing	Owned	120	1,552	44	+1,508	841	+2,349
	Rented	60	776	1,847	-1,071	421	-650
Extra Care	Owned	40	517	0	+517	280	+798
	Rented	31	401	153	+248	217	+465
TOTAL		251	3,246	2,044	1,202	1,759	+2,962

6.15 The London Plan uses figures from the GLA Older Persons Housing Needs Assessment Report 2017 [27]. Figure 3.3 sets out an indicative annualised strategic benchmark to inform local targets and performance indicators for specialist housing for older people, by local authority. The GLA annual benchmark for Haringey 2017-2029 is a total of 110 homes. The annual total of 110 equates to 1,870 over 17 years, which is effectively the same as the additional need from 2022 onwards from the Housing LIN model. The London Plan does not specify any figures in relation to the number of bedrooms per property.

6.16 It should be noted that the modelling of older people's specialist housing need is complex and subject to various other issues and variables, which can lead to differing outputs. The Housing LIN model assumes a continuation of current types of housing although it is unclear if Older People will aspire to these types of specialist housing in the future. Demand for some types of housing are already experiencing low demand, and other, newer types of provision may appear to meet changing aspirations. The policy aim of supporting people at home for longer along with assistive technology could also reduce or alter demand.

6.17 In practice, the level of delivery identified as being required at nearly 3,000 dwellings is likely to be unachievable. However, it is important to recognise that the provision of dedicated older person housing schemes will form an important part of the overall housing mix.

6.18 The delivery of specific schemes for specialist older person housing need should be considered in partnership with other agencies, in particular those responsible for older person support needs. It will be important to consider other factors and constraints in the market:

- **Demographics:** the changing health, longevity and aspirations of Older People mean people will live increasingly healthy longer lives and their future housing needs may be different from current needs;
- **New supply:** development viability of schemes, and the availability of revenue funding for care and support services, need to be carefully considered before commissioning any new scheme. It will also be important for the Council and its partners to determine the most appropriate types of specialist older person housing to be provided in the area;
- **Existing supply:** this may be either inappropriate for future households or may already be approaching the end of its life. Other forms of specialist older person housing may be more appropriate than conventional sheltered housing to rent when considering future needs;

[27] https://www.london.gov.uk/sites/default/files/gla_older_persons_housing_benchmarks_report_november_2017_0.pdf

- **Other agencies:** any procurement of existing supply needs to be undertaken with other agencies who also plan for the future needs of Older People, particularly local authority Supporting People Teams and the Health Service; and
- **National strategy and its implications for Older People:** national strategy emphasises Older People being able to remain in their own homes for as long as possible rather than specialist provision, so future need may, again, be overstated.

Housing for People with Disabilities

6.19 The Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This was reflected in the recent changes to building regulations relating to adaptations and wheelchair accessible homes that were published in the Building Regulations 2010 Approved Document Part M: Access to and use of buildings (2015 edition incorporating 2016 amendments – for use in England).[28]

6.20 Three standards are covered:

- M4(1) Category 1: Visitable dwellings – Mandatory, broadly about accessibility to ALL properties
- M4(2) Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes
- M4(3) Category 3: Wheelchair user dwellings – Optional, equivalent to wheelchair accessible standard.

6.21 In terms of new developments, Part M states that: *"Where no condition is imposed, dwellings only need to meet requirements M4(1)"* (Paragraph 0.3). Local authorities should identify the proportion of dwellings in new developments that should comply with the requirements for M4(2) Category 2 and M4(3) Category 3 as part of their Local Plan, based on the likely future need for housing for older and disabled people (including wheelchair user dwellings) and taking account of the overall impact on viability.

6.22 Planning Practice Guidance for Housing explains that local authorities are expected to plan for households with specific needs and therefore need to be able to quantify the volume of demand. It provides a summary of the data sources which should be used to inform any calculations, and this forms the basis of the approach used in this report:

> *Based on their housing needs assessment and other available datasets it will be for local planning authorities to set out how they intend to approach demonstrating the need for Requirement M4(2) (accessible and adaptable dwellings), and / or M4(3) (wheelchair user dwellings), of the Building Regulations.*
>
> *To assist local planning authorities in appraising this data the Government has produced a summary data sheet. This sets out in one place useful data and sources of further information which planning authorities can draw from to inform their assessments. It will reduce the time needed for undertaking the assessment and thereby avoid replicating some elements of the work.*
>
> **Planning Practice Guidance, ID 56-007-20150327**

[28] https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m

6.23 Local planning authorities are expected to plan for households with specific needs and therefore need to be able to quantify the volume of demand. However, the PPG recognises that there is no single source of information by which to assess demand and some limitations to the available data. Not all of those in receipt of PIPs or Attendance Allowance necessarily require home adaptations whilst DFG applications may underestimate need.

6.24 The PPG states:

> *Multiple sources of information may need to be considered in relation to disabled people who require adaptations in the home, either now or in the future. The Census provides information on the number of people with a long-term limiting illness and plan-makers can access information from the Department for Work and Pensions on the numbers of Personal Independence Payment[29] (replacing Disability Living Allowance) / Attendance Allowance[30] benefit claimants. Whilst these data sources can provide an indication of the number of disabled people, not all of the people included within these counts will require adaptations in the home. Applications for Disabled Facilities Grant[31] (DFG) will provide an indication of levels of expressed need, although this will underestimate total need, as there may be a large number of people who would want or need an adaptation but would not have applied to the DFG.*
>
> *Engagement at all levels can help plan-makers identify the housing needs of people with disabilities. This could include with occupational therapists and specialist access or inclusive design officers. Discussions with disabled people and disabled people's groups can also provide insights into the types of impairments and number of people likely to require accessible homes in the future.*
>
> **Planning Practice Guidance, ID 63-005-20190626**

Assessing need for M4(2) Category 2: Accessible and adaptable dwellings

6.25 In establishing the need for M4(2) Category 2 housing it is important to consider the population projections and health demographics of the area.

6.26 Building Regulations for M4(2) Category 2: Accessible and adaptable dwellings states that reasonable provision should be made for people to gain access to and use the facilities of the dwelling and that:

> *"The provision made must be sufficient to-*
>
> *(a) meet the needs of occupants with differing needs, including some older or disabled people, and;*
>
> *(b) to allow adaptation of the dwelling to meet the changing needs of occupants over time."*
>
> **Access to and use of buildings: Approved Document M v1, Page 10**

6.27 The English Housing Survey explores the number of households which contain someone with a limiting long-term illness (LLTI) or disability which impacts their housing need. This identifies that most (71%) of

[29] Personal Independence Payments (PIPs) started to replace the Disability Living Allowance from April 2013. They are awarded to people aged under 65 years who incur extra costs due to disability (although there is no upper age limit once awarded, providing that applicants continue to satisfy either the care or mobility conditions).

[30] Attendance Allowance contributes to the cost of personal care for people who are physically or mentally disabled and who are aged 65 or over.

[31] Disabled Facilities Grants (DFG) are normally provided by Councils and housing associations to adapt properties for individuals with health and/or mobility needs who are owner occupiers, or renting from a private landlord, housing association or council. Grants cover a range of works, ranging from major building works, major adaptations to the property and minor adaptations. It should be noted that DFGs typically relate to adaptations to the existing housing stock rather than new housing provision.

households have no limiting long-term illness (LLTI) or disability and a further fifth (20%) where illness or disability does not affect their housing need.

6.28 Overall 8.8% of households (around 1 in every 12) have one or more persons with a health problem which requires adaptations to their home. This proportion is markedly higher in affordable housing than in market housing (19.8% and 6.5% respectively - Figure 58).

Figure 58: Households with a long-term illness or disability that affects their housing needs (Source: English Housing Survey)

	Market housing	Affordable housing	TOTAL
Households without limiting long-term illness or disability	75.2%	50.2%	70.9%
Households with one or more persons with a limiting long-term illness or disability			
Does not affect their housing need	18.3%	29.9%	20.3%
Current home suitable for needs	5.4%	16.2%	7.3%
Current home requires adaptation	0.6%	1.6%	0.8%
Need to move to a more suitable home	0.5%	2.0%	0.7%
Total households where a limiting long-term illness or disability affects their housing need:	**6.5%**	**19.8%**	**8.8%**

6.29 Within this group, the substantial majority of households live in a home that is suitable for their needs (either having already moved or adapted their existing home). This leaves 1.5% of households either requiring adaptations or needing to move to a more suitable home.

6.30 The ORS model uses the national English Housing Survey together with data about relative levels of limiting long-term illness and disability in Haringey to estimate the number of households likely to require adaptations or needing to move to a more suitable home in the housing market area.

Figure 59: Households with a long-term illness or disability in Haringey in 2022 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	TOTAL
Households with one or more persons with a limiting long-term illness or disability	43,009
Does not affect their housing need	29,943
Current home suitable for needs	10,601
Current home requires adaptation	1,259
Need to move to a more suitable home	1,207
Total households where a limiting long-term illness or disability affects their housing need:	**13,066**

6.31 The model (Figure 59) identifies that there will be around 43,000 households living in Haringey in 2022 with one or more persons with a limiting long-term illness or disability. In 30,000 of these households, this will not affect their housing need, but in 13,000 households an illness or disability will impact on housing need.

6.32 Amongst those households where it will affect housing needs 10,600 households will already be living in a suitable home (having moved or made adaptations). This leaves 1,259 households needing adaptations to their current home and 1,207 households needing to move to a more suitable home. The 1,259 households needing to move represent an existing **unmet need** for M4(2) housing and some may actually be wheelchair users needing M4(3) housing.

6.33 The identified need for 1,207 adapted homes at the start of the Plan period is based on households' current needs. The M4(2) standard also requires *"the changing needs of occupants over time"* to be considered. Therefore, even without any change to the number of households in Haringey, the number of households with one or more persons with a limiting long-term illness or disability will increase over time as people get older.

6.34 Whilst around 13,000 households living in Haringey in 2022 will have a health problem that already affects their housing requirement, it is likely that a further 6,200 households will develop health problems within 10 years. These households will also require adaptations to their current home or will need to move to a more suitable home.

6.35 Based on the household projections and the overall housing need, we can establish the future need for adapted housing in the housing market area based on the projected household growth and the changing demographics of the area.

6.36 Further modelling of health needs suggests that by 2037 there will be an additional 11,550 households either already experiencing health problems or likely to develop health problems within 10 years. Some of these will be new households, but many will be existing households resident in 2022 whose health has deteriorated over the Plan period.

6.37 Therefore, considering the needs of households resident at the start of the Plan period together with the projected household growth and changing demographics (in particular the ageing population), there will be a total of 17,750 households either needing adaptations to their existing housing or suitable new housing to be provided. This is in addition to the 1,259 households needing to move and the 1,207 households needing adaptations based on their current health at the start of the Plan period.

Figure 60: Households with a long-term illness or disability in Haringey in 2022 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	TOTAL
Households where an existing illness or disability affects their housing need in 2022	
Current home suitable for needs	10,601
Current home requires adaptation	1,259
Need to move to a more suitable home	1,207
Total households where a limiting long-term illness or disability affects their housing need in 2022	**13,066**
Existing households in 2022 likely to develop health problems that affect their housing need within 10 years	6,189
Additional households in 2037 projected to experience problems or likely to develop problems within 10 years	11,562
Additional households in 2037 where illness or disability affects their housing need or will develop within 10 years	**17,751**

6.38 To provide M4(2) housing for all of the identified need would require housing for up to 18,958 households to be provided. However, not all households will want to move to new housing – some will adapt their current homes and others will move to another dwelling in the existing stock.

6.39 Although some households would prefer not to move many existing homes are not suitable for adaptation to meet the M4(2) Category 1 standard and others would require major works. Fewer dwellings would be adaptable to the M4(2) Category 2 standard given the additional requirements. Based on the housing mix in

Haringey, it is likely that around 43% will live in dwellings that could be converted to meet the M4(2) standard.

6.40 Whilst the proportion that could be converted to meet the M4(2) standard would be lower, this provides a reasonable upper estimate of the number of households likely to be able to adapt existing homes rather than move to new housing. On this basis, we could assume that at least 57% of the need is for adapted housing; a total of 11,393 households including the 1,207 households identified as needing to move at the start of the Plan period.

Figure 61: Households with a long-term illness or disability in Haringey in 2022 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

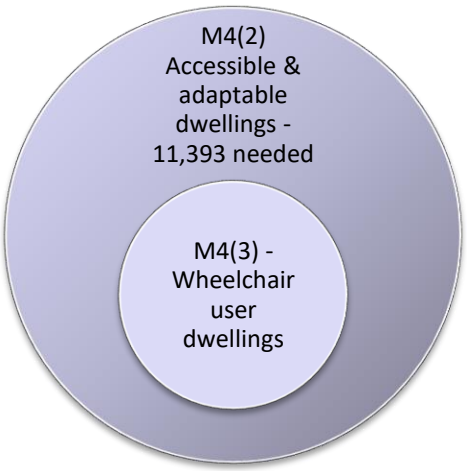
	TOTAL
Existing need in 2022	
Households where an existing illness or disability affects their housing need and need to move in 2022	1,207
Projected future need 2022-37	
Additional households in 2037 where illness or disability affects their housing need or will develop within 10 years	17,751
Maximum need for adapted housing 2022-37 (households)	**18,958**
Less households living in dwellings adaptable to M4(2) standard	7,565
Minimum need for adapted housing 2022-37 (households)	**11,393**

6.41 There is inevitably uncertainty about how many households will be able to meet their housing needs without moving and how many will move to existing homes rather than new housing. Nevertheless, the minimum of 11,400 households and maximum of 19,000 households identified in Figure 61 provide an appropriate range for the local authority to consider.

6.42 It is important to recognise that this would represent the combined need for both M4(2) Category 2 and M4(3) Category 3 housing; for households with a wheelchair user would be included within those households counted as having a health problem or disability that affects their housing need.

Housing for Wheelchair Users

6.43 The overall need calculated in the previous section represents the combined need for both M4(2) Category 2 and M4(3) Category 3 housing. Households with a wheelchair user are included within the definition of households having a health problem or disability that affects their housing need.



6.44 Building Regulations for M4(3) Category 3: Wheelchair user dwellings also states that reasonable provision should be made for people to gain access to and use the facilities of the dwelling and that:

"The provision made must be sufficient to-

(a) allow simple adaptation of the dwelling to meet the needs of occupants who use wheelchairs, or;

(b) to meet the needs of occupants who use wheelchairs." (Page 23)

6.45 In establishing the need for M4(3) Category 3 housing it is again important to consider the population projections and health demographics of the area, but with specific reference to households with wheelchair users.

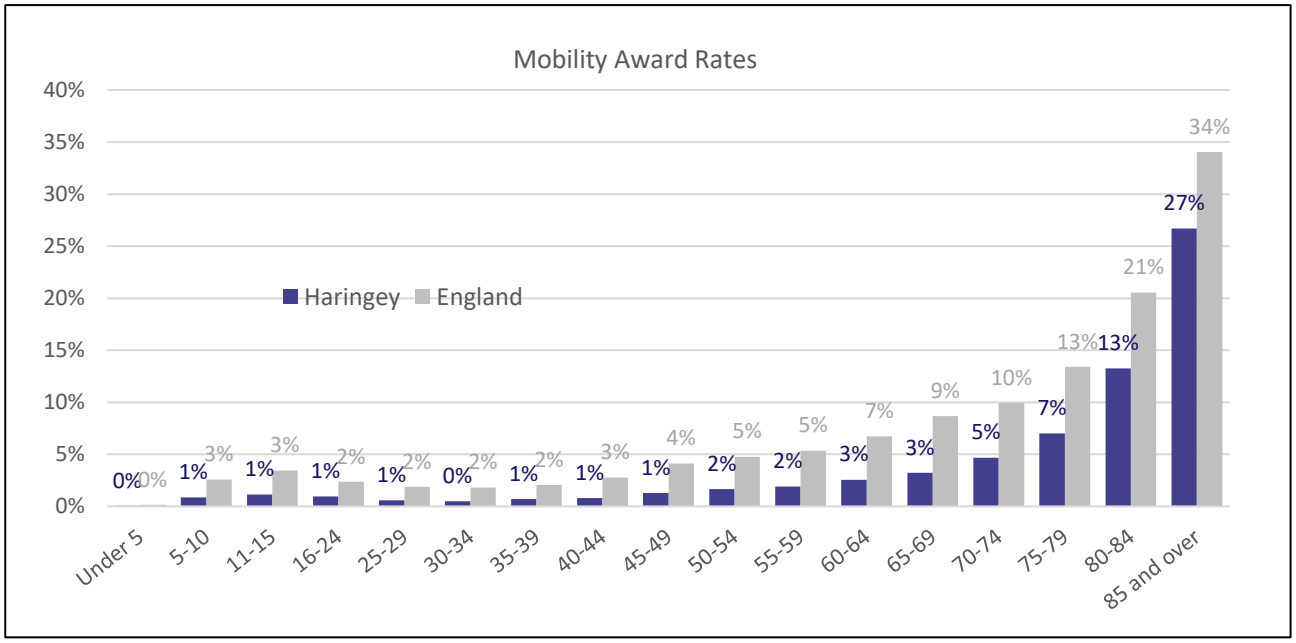
6.46 The CLG guide to available disability data[32] referenced by PPG [ID 56-007-20150327] shows that around one in thirty households in England (3.3%) currently has at least one wheelchair user, although the rate is notably higher for households living in affordable housing (7.1%). The rates are also higher for older households. Figure 62 identifies the proportion of households in England with a wheelchair user currently living in market housing and affordable housing by age of household representative.

Figure 62: Percentage of households with a wheelchair user by type of housing and age of household representative (Source: English Housing Survey 2013-14)

Housing Type	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Housing type								
Market housing	< 0.1%	0.4%	1.0%	1.6%	3.0%	4.0%	6.1%	9.3%
Affordable housing	0.3%	2.0%	2.9%	6.0%	6.0%	10.3%	12.7%	19.9%

6.47 To get a better understanding of the local Haringey data, Figure 63 compares the proportion of disability benefit claimants in receipt of mobility award (the majority of whom will be wheelchair users) for Haringey against the figures for England.

Figure 63: Disability benefit claimants in receipt of mobility award by age (Source: DWP, May 2019)



[32] https://www.gov.uk/government/publications/building-regulations-guide-to-available-disability-data

6.48 Through combining the information on local rates with the national data, we can establish the proportion of households in Haringey likely to have a wheelchair user by the age of the household representative in market housing and affordable housing (Figure 64).

Figure 64: Percentage of households with a wheelchair user by type of housing and age of household representative

Housing Type	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Market housing	< 0.1%	0.4%	0.9%	1.5%	2.8%	3.6%	5.4%	8.1%
Affordable housing	0.3%	1.9%	2.8%	5.6%	5.7%	9.5%	11.6%	17.6%

6.49 If we apply these proportions to the population and household data for the area then we can identify the net change in the number of households with a wheelchair user over the period 2022 to 2037. (Figure 65). Using this approach we calculate the number of households likely to need wheelchair adapted housing in Haringey is likely to increase by 400 over the 15-year period.

Figure 65: Households needing Wheelchair Adapted Housing (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Modelled Need for Wheelchair Adapted Housing	2022	2037	Net change 2022-37
Market housing	2,220	2,180	-40
Affordable housing	2,180	2,620	+440
Total	**4,400**	**4,800**	**+400**

6.50 Importantly, as the model has included household age, it is possible to identify that a significant proportion of this growth (50%) comes from households which are aged over 75. This can be seen in Figure 66.

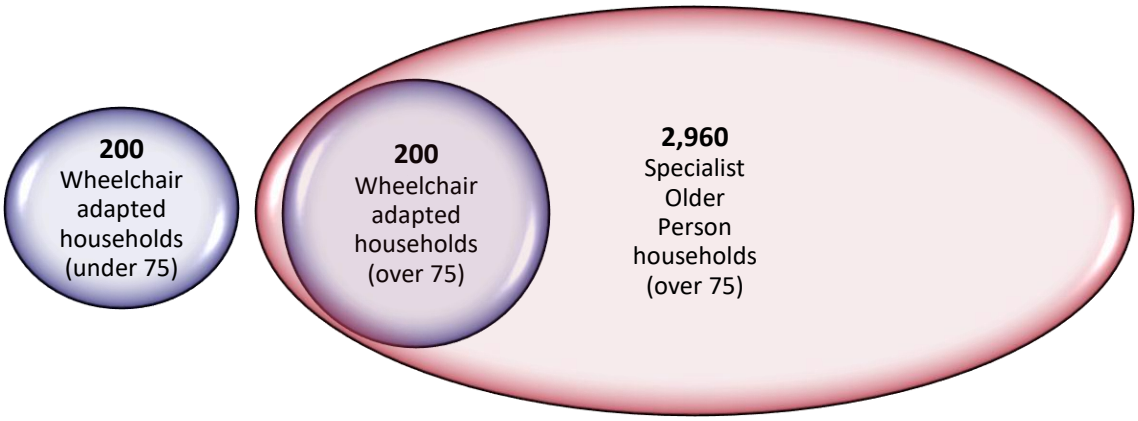
Figure 66: Households needing Wheelchair Adapted Housing by age (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+		
	2022	2037	Net change 2022-37	2022	2037	Net change 2022-37
Market housing	1,620	1,530	-80	610	650	+40
Affordable housing	1,680	1,960	+280	490	660	+160
Total	**3,300**	**3,500**	**200**	**1,100**	**1,300**	**200**

6.51 This means that there are likely to be some people who are identified in both categories – Wheelchair adapted housing and specialist older person housing.

6.52 Earlier analysis of housing for older people identified a need for 2,960 specialist older person housing units for households aged 75 or over in Haringey. Whilst not all over 75 households needing wheelchair adapted housing will live in specialist older person housing, it is likely that around a tenth of those living in specialist older housing will need wheelchair adapted homes. It is also likely that some older households will progress to using a wheelchair whilst living in specialist housing due to a deterioration in their health.

Figure 67: Relationship between households needing Wheelchair Adapted Housing and Specialist Older Person Housing Need (Source: ORS Housing Model)



6.53 On this basis, it may be appropriate to adopt higher targets for specialist accommodation for older people that is also wheelchair accessible. This could reduce the proportion of general needs housing that would need to meet the M4(3) Category 3 requirements.

Studio Apartments and Co-Housing

6.54 A studio apartment can be defined as:

> *"an apartment with only one room, a bathroom, and a kitchen area"*[33]

6.55 Figure 49 identifies a need for around 1,300 market 1-bedroom properties in Haringey over the period 2022-37. However, this assumes that there is continuation of household formation trends in the Borough which will see the majority of these small market dwellings being identified for older person households.

6.56 One very startling statistic from the demographic data for Haringey is that while the number of persons aged 25-29 years is projected to rise by nearly 2,500 (Figure 12), single person households aged 25-34 years are projected to fall by 700 in the period to 2037 (Figure 15). At the same time, the number of 'Other' households headed by someone aged 25-34 years is projected to rise by 1,600 households in the same timeframe. Therefore, there is going to be a significant decline in headship rates for single persons aged 25-34 years in Haringey. At the heart of this issue is that many recent graduates will not form their own household immediately, but will instead share properties with other young adults. The increasing pressures for social housing and rising private rents have seen fewer young households living on their own and more living in HMO type accommodation.

6.57 One type of dwelling which may address this issue is shared housing-with small purpose-built units with shared amenity spaces such as high-quality purpose-built co-housing rather than traditional HMOs. A succinct definition of co-housing is:

> *"Co-housing, a generic term, covers various forms of housing, owned and rented, that are developed and/or owned and/or managed by their residents as a distinct community"*[34]

6.58 While more specifically, the definition of co-housing that we are using here is:

[33] https://dictionary.cambridge.org/dictionary/english/studio-apartment
[34] http://www.cih.org/resources/PDF/Wales%20Events/older_peoples_housing/Jon%20Stevens.pdf

"the practice of living with other people in a group of homes that include some shared facilities[35]

6.59 This study works to the definition above so as to be clear what is meant by the term co-housing without tying it in to any particular model. Nevertheless, co-housing or co-living can involve a greater level of community involvement:

"Co-living is a type of intentional community providing shared housing for people with shared intentions. This may simply be coming together for activities such as meals and discussion in the common living areas, yet may extend to shared workspace and collective endeavours such as living more sustainably"[36].

6.60 Given that Haringey is projected to see a decline in single young person households, then the household projections would envisage little role for this type of dwelling, and this is reflected in our modelled size and tenure mix. However, as a policy led response to the increasing lack of housing for younger people in the area the schemes offer greater opportunities for groups such as recent graduates looking to establish themselves in Haringey as an alternative to living in HMOs.

6.61 At the same time, the PRS is an important tenure that has grown since 1991 to house a significant proportion of other households. It may be that dwellings are currently being built as family housing but are being occupied by sharing young households. In the future these properties could be re-used as family housing if high quality purpose built co-living schemes could be developed for single person or couples housing.

6.62 It is difficult to project a need for studio apartments or co-housing schemes because it may be that many young people prefer to share and save for their own property rather than have their own more expensive separate unit. However, the scale of the student numbers in Haringey would suggest that there is a market for post-student self-contained units and that this is likely in turn to reduce the need for larger market properties to be converted to HMOs. However, as with any active policy, there are risks of an over-supply of small dwellings which would exclude the ability of families to form in the area.

Student Housing

6.63 PPG includes specific reference to identifying the needs of students:

> *Strategic policy-making authorities need to plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus … They will also need to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements.*
>
> **Planning Practice Guidance, ID 2a-017-20190220**

6.64 The largest higher education body based in Haringey is The College of Haringey, Enfield and North East London. However, in London it is common for students to attend a university in one Borough while residing in a different one. At the time of the 2011 Census there were a total of 475 private households comprising only students living in the private rented sector in the Borough.

[35] https://dictionary.cambridge.org/dictionary/english/co-living
[36] https://en.wikipedia.org/wiki/Coliving

6.65 Current Council records indicate that a total of 312 properties in the Borough have Class M council tax exemptions, indicating that they are halls of residences and a further 917 properties have Class N exemptions, indicating that they are private households entirely composed of students. Therefore the number of private households comprising of only students has nearly doubled since 2011.

6.66 On this basis, there has been a very significant growth in the number of students occupying private sector dwellings in Haringey, which will have increased the pressure on the housing stock of the Borough particularly as there has also been a growth in households renting privately.

6.67 In the London Plan, Policy H15 considers the need for Purpose-built student accommodation and there is an expectation that student provision will grow across the city, but with only a small amount of this in Haringey, so this does not require an active planning process to deliver additional bed spaces.

6.68 It will be necessary to consider how the supply of any *additional* student bedspaces will be counted within the overall housing supply. The Greater London SHMA 2017 assumes that 3 additional bedspaces equates to the provision of 1 additional dwelling and there would appear to be no reason to diverge from this for Haringey.

Service Families

6.69 Paragraph 61 of the Revised NPPF identifies that local planning authorities should plan for the needs of different groups in the community, including service families. Local planning authorities should:

> *Within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes*
>
> **National Planning Policy Framework February 2019, Paragraph 61**

6.70 Haringey does not contain a military base, so Armed Forces personnel represent a minimal impact on the housing market of the area.

People Wishing to Build their Own Homes

6.71 People wishing to build their own homes are required to be considered and PPG states:

> ***How can self-build and custom housebuilding needs be assessed?***
>
> *Most local planning authorities (including all Borough councils and National Park Authorities) are now required to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in their area in order to build their own home. The Self-build and Custom Housebuilding (Register) Regulations 2016 set out these requirements. For further details, see guidance on self-build and custom housebuilding registers.*
>
> *To obtain a robust assessment of demand for this type of housing in their area, local planning authorities should assess and review the data held on registers. This assessment can be supplemented with the use of existing secondary data sources such as building plot search websites, 'Need-a-Plot' information available from the Self Build Portal and enquiries for building plots from local estate agents.*
>
> **Planning Practice Guidance, ID: 67-003-20190722**

6.72 Over half of the population (53%) say that they would consider building their own home[37] (either directly or using the services of architects and contractors); but it's likely that this figure conflates aspiration with effective market demand. Self-build currently represents only around 10% of housing completions in the UK, compared with rates of around 40% in France and 70 to 80% elsewhere in Europe.

6.73 "*Laying the Foundations – a Housing Strategy for England*" (HM Government, 2011)[38] redefined self-build as 'Custom Build' and aimed to double the size of this market, creating up to 100,000 additional homes over the decade. "*Build-it-yourself? Understanding the changing landscape of the UK self-build market*" (University of York, 2013) subsequently set out the main challenges to self-build projects and made a number of recommendations for establishing self-build as a significant contributor to housing supply. The previous Government also established a network of 11 Right to Build 'Vanguards' to test how the 'Right to Build' could work in practice in a range of different circumstances.

6.74 In the Budget 2014, the Government announced an intention to consult on creating a new 'Right to Build', giving 'Custom Builders' a right to a plot from councils. The Self-Build and Custom Housebuilding Act[39] 2015 places a duty on local planning authorities to:

- Keep a register (and publicise this) of eligible prospective 'custom' and self-build individuals, community groups and developers;
- Plan to bring forward sufficient serviced plots of land, probably with some form of planning permission, to meet the need on the register and offer these plots to those on the register at market value; and
- Allow developers working with a housing association to include self-build and custom-build as contributing to their affordable housing contribution.

[37] Building Societies Association Survey of 2,051 UK consumers 2011
[38] https://www.gov.uk/government/publications/laying-the-foundations-a-housing-strategy-for-england--2
[39] http://services.parliament.uk/bills/2014-15/selfbuildandcustomhousebuilding.html

6.75 The 2015 Act was amended by the Housing and Planning Act 2016[40] which placed a duty on local planning authorities to authorities to provide serviced sites which have planning permission that allows for self or custom build:

> *An authority to which this section applies must give suitable development permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority's area arising in each base period.*
>
> **Housing and Planning Act 2016 Section 2(a)(2)**

6.76 The Council launched its Self & Custom Build Register in April 2016. Haringey's self-build and custom housebuilding register is divided into two parts:

- Part 1 keeps track of local demand for self-build and custom housebuilding which must be met via the grant of sufficient development permissions for serviced plots of land;
- Part 2 keeps track of general demand for self-build and custom build, with no requirement to grant sufficient development permissions for serviced plots of land to meet this demand.

6.77 In August 2020 there was only one registration on Part 1 of the register. It should also be remembered that many small housing schemes contribute to self and custom build provision and that these will continue to arise as windfall schemes in the future. The Council's main duty in this area is not to find plots for applicants, but it is instead to ensure that there is a supply of sites suitable for self and custom builders to use. Given the scale of interest, this will not require a significant amount of land, but the Council should seek to work with developers, particularly of small sites, to ensure that some plots come forward.

Essential Local Workers

6.78 Annex 2 of the Revised NPPF also includes the needs of essential local workers:

> *Essential local workers: Public sector employees who provide frontline services in areas including health, education and community safety and can include NHS staff, teachers, police, firefighters and military personnel, social care and childcare workers.*
>
> **NPPF – Annex 2**

6.79 It is notable that the definition provided by the revised NPPF is similar to the definition of Key Workers which was utilised prior to the adoption of the original 2012 NPPF. Under this definition, being classified as an essential worker in need correlates directly with being unable to afford home ownership.

6.80 Therefore, these households will already be counted in the affordable housing need because they cannot afford market rents, or because they wish to own their own property but cannot afford to do so. Because of this, the needs from this group will not add to the total need for affordable housing, but they are likely to require separate consideration on the housing register and it may be appropriate to consider whether or not some affordable properties should be set aside solely for essential local workers.

[40] http://services.parliament.uk/bills/2015-16/housingandplanning.html

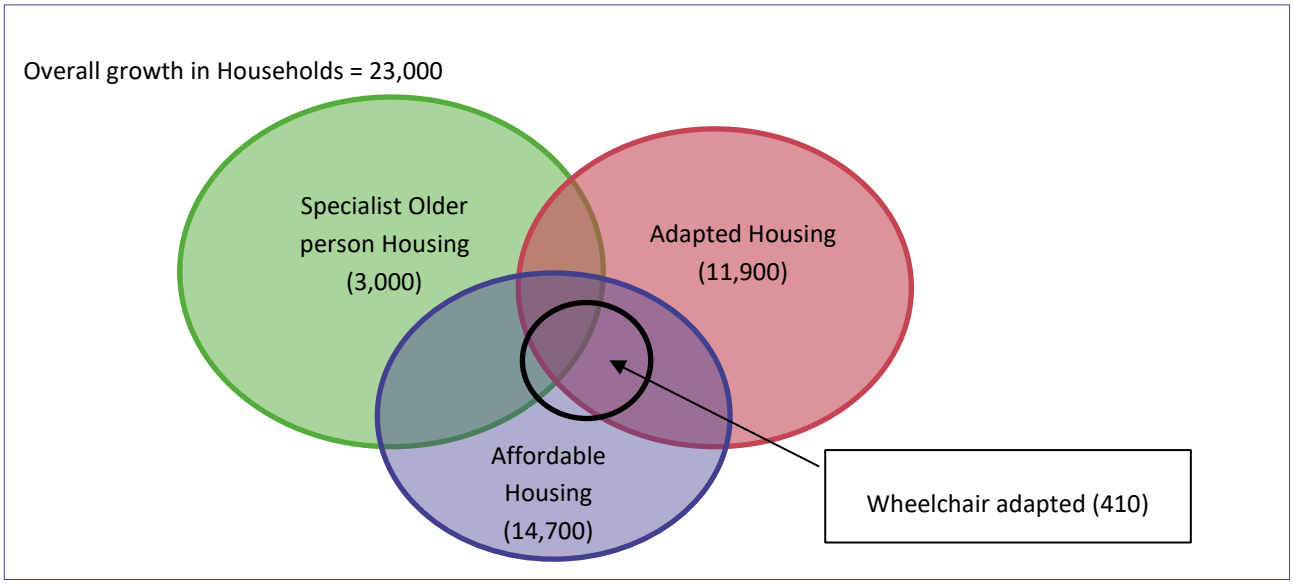
Summary of Housing Needs

6.81 The 23,880 dwellings minimum housing need calculated is sufficient to cover all the projected household growth and needs of special groups discussed in earlier chapters using the ORS housing model. This consists of 29,600 additional households which should include an overlapping combination of 3,000 specialist older persons households, 11,900 adapted homes and 14,700 affordable homes.

6.82 As has been highlighted these specialist groups overlap with much of the adapted housing need falling amongst the over 75s and thus part of the older person housing need. Wheelchair adapted housing is a subset of the overall adapted housing figure and also has high levels of overlap with specialist older person housing.

6.83 Affordable housing is required within all sectors.

Figure 68: Venn Diagram of Housing Need



Appendix A

Glossary of Terms

Definitions

Affordability is a measure of whether housing may be afforded by certain groups of households.

Affordable housing includes affordable rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. For the purpose of this report we have used the definition in the National Planning Policy Framework 2012

Affordable Rent is a type of low cost rented housing, targeted at the same groups as Social Rent, but with rents set at a maximum of 80% of market rents.

Affordable rented housing is provided by social landlords and rented for less than would be paid if renting privately and included both Affordable Rent and Social Rent.

Category 2 and 3 are classifications of wheelchair accessible housing. They refer to building regulations Approved Document M (2015) which introduced three categories of accessible dwellings. Category 1 (visitable dwellings) relates to accessibility of all properties and, being mandatory, is not assessed in the SHMA. Category 2 (accessible and adaptable dwellings) is optional and similar to Lifetime Homes. Category 3 (wheelchair user dwellings) is optional and equivalent to wheelchair accessible standard.

Census Output Area is the smallest area for which UK Census of Population statistics are produced. Each Census Output Area had a population of around 250 people with around 100 dwellings at the time of the 2001 Census.

Concealed families are defined as; "family units or single adults living within other households, who may be regarded as potential separate households which may wish to form given appropriate opportunity"[41].

A Dwelling as a single self-contained household space (an unshared dwelling) or two or more household spaces at the same address that are not self-contained, but combine to form a shared dwelling that is self-contained. In most cases, a single household space will be an unshared dwelling.

Equity is the difference between the selling price of a house and the value of the outstanding mortgage.

Headship rates are defined by CLG as: "*the proportion of people in each age group and household type who are the 'head' of a household*"[42]

A household is one person living alone, or two or more people living together at the same address who share at least one meal a day together or who share a living room.

Household formation refers to the process whereby individuals in the population form separate households. 'Gross' or 'new' household formation refers to households that form over a period of time, conventionally one year. This is equal to the number of households existing at the end of the year that did not exist as separate households at the beginning of the year (not counting 'successor' households, when the former head of household dies or departs). 'Net' household formation is the net growth in households resulting from new households forming less the number of existing households dissolving (e.g. through death or joining up with other households).

[41] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf
[42] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/182417/MethodologyFinalDraft.pdf

A Housing Association or **Registered Provider** is an independent not-for-profit body that primarily provides low-cost "social or affordable housing" for people in housing need.

Housing demand is the quantity of housing that households are willing and able to buy or rent.

Household income includes all salaries, benefits and pensions, before deductions such as tax and National Insurance.

Household Representative (HRP) is a person chosen for statistical reasons by virtue of economic activity, age and/or sex as the representative of a household

House in Multiple Occupation are currently defined by the Housing Act 2004 as:

- an entire house or flat which is let to three or more tenants who form two or more households and who share a kitchen, bathroom or toilet;
- a house which has been converted entirely into bedsits or other non-self-contained accommodation and which is let to three or more tenants who form two or more households and who share kitchen, bathroom or toilet facilities;
- a converted house which contains one or more flats which are not wholly self-contained (i.e. the flat does not contain within it a kitchen, bathroom and toilet) and which is occupied by three or more tenants who form two or more households; and
- a building which is converted entirely into self-contained flats if the conversion did not meet the standards of the 1991 Building Regulations and more than one-third of the flats are let on short-term tenancies.

Housing market areas are geographical areas in which a substantial majority of the employed population both live and work and where those moving to a new house without changing employment choose to stay.

Housing need is the quantity of housing required for households who are unable to access suitable housing without financial assistance.

Housing requirements encompasses both housing demand and housing need and is therefore the quantity of housing necessary for all households to have access to suitable housing, irrespective of their ability to pay.

Housing type refers to the type of dwelling, for example, flat, house, specialist accommodation.

Intermediate affordable housing is housing at prices and rents above those of affordable rented housing, but below market price or rents, and which meet the criteria for affordable housing set out above. These include shared equity products (e.g. HomeBuy), other low cost home ownership products and intermediate rent.

Lending multiplier is the number of times a household's gross annual income a mortgage lender will normally be willing to lend. The most common multipliers quoted are 3.5 times income for a one-income household and 2.9 times total income for dual income households.

Low cost home ownership or **Shared ownership** is intermediate affordable housing designed to help people who wish to buy their own home but cannot afford to buy outright (with a mortgage). Through this type of scheme, you buy a share in the property with a Housing Association or other organisation.

Lower quartile means the value below which one quarter of the cases falls. In relation to house prices, it means the price of the house that is one-quarter of the way up the ranking from the cheapest to the most expensive.

Lower Super Output Area is a group of around 5-6 Census Output Areas and is the smallest geography for many Government statistics. Each Lower Super Output Area had a population of around 1,250 people with around 500 dwellings at the time of the 2001 Census.

Market housing is private housing for rent or for sale, where the price is set in the open market.

Market signals are indicators that supply and demand are not in balance for a local housing market. Possible market signals are listed in PPG and the following are the most pertinent; house prices, private sector rents, affordability, rate of development and overcrowding.

Migration is the movement of people between geographical areas. In this context it could be either local authority Boroughs, or wider housing market areas. The rate of migration is usually measured as an annual number of individuals, living in the defined area at a point in time, who were not resident there one year earlier. Gross migration refers to the number of individuals moving into or out of the authority. Net migration is the difference between gross in-migration and gross out-migration.

A projection of housing needs or requirements is a calculation of numbers expected in some future year or years based on the extrapolation of existing conditions and assumptions. For example, household projections calculate the number and composition of households expected at some future date(s) given the projected number of residents, broken down by age, sex and marital status, and an extrapolation of recent trends in the propensity of different groups to form separate households.

Registered Social Landlord/Registered Provider see Housing Association.

Secondary data is existing information that someone else has collected. Data from administrative systems and some research projects are made available for others to summarise and analyse for their own purposes (e.g. Census, national surveys).

Shared ownership see Low Cost Home Ownership.

Social Rented housing is housing where the landlord is a Registered Provider, usually the Council or a housing association, and where social rents are charged. These rents are significantly lower than market rents, and set in accordance with a formula set by Government.

Specialised housing refers to specially designed housing (such as mobility or wheelchair accommodation, hostels or group homes) or housing specifically designated for particular groups (such as retirement housing).

Acronyms and Initials

AHC	Affordable Housing Commission
AHO	Affordable Homeownership
BRMA	Broad Rental Market Area
CLG	Department for Communities and Local Government (now MHCLG)
CPI	Consumer Prices Index
DFG	Disable Facilities Grant
DWP	Department of Work and Pensions
EHS	English Housing Survey
HB	Housing Benefit
HMA	Housing Market Area
HPSSA	House Price Statistics for Small Areas
LA	Local Authority
LHA	Local Housing Allowance
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LLTI	Limiting Long-Term Illness
LPA	Local Planning Authority
LQ	Lower Quartile
LRR	Local Reference Rent
LSE	Leasehold Schemes for the Elderly
MHCLG	Ministry for Housing, Communities and Local Government
MSOA	Middle-layer Super Output Area
NPPF	National Planning Policy Framework
OAN	Objectively Assessed [Housing] Need
OBR	Office for Budget Responsibility
ONS	Office for National Statistics
ORS	Opinion Research Services
PPG	Planning Practice Guidance
PPTS	Planning Policy for Traveller Sites
PRS	Private Rental Sector
RSL	Registered Social Landlord
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

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