



JULY 2021

Housing Market Area Needs Assessment

Final Report

Iceni Projects Limited on behalf of
Herefordshire Council

July 2021

ICENI PROJECTS LIMITED
ON BEHALF OF
HEREFORDSHIRE COUNCIL

Iceni Projects

London: Da Vinci House, 44 Saffron Hill, London, EC1N 8FH
Glasgow: 177 West George Street, Glasgow, G2 2LB
Manchester: 68 Quay Street, Manchester, M3 3EJ

t: 020 3640 8508 | w: iceniprojects.com | e: mail@iceniprojects.com
linkedin: [linkedin.com/company/iceni-projects](https://www.linkedin.com/company/iceni-projects) | twitter: [@iceniprojects](https://twitter.com/iceniprojects)

Housing Market Area Needs
Assessment
FINAL REPORT

CONTENTS

1. EXECUTIVE SUMMARY.....	1
2. INTRODUCTION.....	10
3. POLICY CONTEXT.....	14
4. HOUSING STOCK & MARKET DYNAMICS.....	21
5. OVERALL HOUSING NEED.....	45
6. AFFORDABLE HOUSING NEED.....	72
7. NEEDS OF OLDER PERSONS & THOSE WITH DISABILITIES.....	92
8. NEED FOR DIFFERENT SIZES OF HOMES.....	103
9. RURAL, COMMUNITY-LED, SELF-BUILD AND AGRICULTURAL HOUSING.....	113
10. HEREFORD HOUSING MARKET AREA.....	131
11. LEOMINSTER HOUSING MARKET.....	146
12. ROSS-ON-WYE HOUSING MARKET.....	159
13. LEDBURY HOUSING MARKET.....	172
14. BROMYARD HOUSING MARKET.....	185
15. KINGTON HOUSING MARKET.....	197
16. GOLDEN VALLEY HOUSING MARKET.....	209
17. CONCLUSIONS AND RECOMMENDATIONS.....	223

APPENDICES

- A1. LOCAL HOUSING MARKET AREA GEOGRAPHIES
- A2. MODELLED HOUSING MIX OUTPUTS BY OCCUPANCY PATTERNS

1. EXECUTIVE SUMMARY

- 1.1 Herefordshire Council has commissioned a consultancy team led by Icen Projects Limited (“Icen”) to prepare a new Housing Market Area Needs Assessment (HMANA) for Herefordshire looking over the period from 2020 to 2041.
- 1.2 The HMANA is intended to provide a robust evidence base regarding the need for housing for each of the 7 housing market areas across Herefordshire, to allow the Council to be able to develop policies to create balanced communities, create relevant housing pathways of choice and to support economic regeneration in both urban and rural parts of Herefordshire.
- 1.3 The Herefordshire Core Strategy 2011-31 was adopted by the Council in October 2015. Policy SS2 set out a minimum housing requirement for delivery of 16,500 homes across Herefordshire between 2011-31, which is equivalent to 825 dwellings per annum (dpa).
- 1.4 The Core Strategy housing requirement was based on an assessment of the County’s objectively-assessed housing need (“OAN”) following the approach set out in the 2012 NPPF and associated 2014 Planning Practice Guidance.
- 1.5 The Government has implemented a standard method for assessing housing need which takes 2014-based Household Projections and applies an upward adjustment based on the median house price to earnings ratio. Applying the standard method in Herefordshire results in a minimum local housing need for 846 homes per annum.
- 1.6 The report provides local level outputs on local housing need for the seven HMAs with an urban/rural distinction between each HMA. The analysis is drawn from a scenario which looks at trends in population growth in each HMA over the 2011-18 period (the longest time series for which we have reasonable data) and projects these trends forward.
- 1.7 Linking to the local housing need at a Herefordshire level of 846 homes per annum, our approach is that if a location has seen 10% of the growth, then it is projected that the area will see around 10% of population growth moving forward. In addition, adjustments are made at a local level to take account of the communal population and also household structures by age. The outputs are set out in the Table below.

Table 1.1 Estimated Household Change by Sub-Area

	Housing Need	% of Need
Bromyard: Urban	24	2.8%
Bromyard: Rural	22	2.6%

	Housing Need	% of Need
Bromyard Total	47	5.5%
Golden Valley	19	2.2%
Hereford: Urban	244	28.9%
Hereford: Rural	150	17.7%
Hereford Total	394	46.6%
Kington: Urban	9	1.0%
Kington: Rural	27	3.2%
Kington Total	36	4.2%
Ledbury: Urban	53	6.2%
Ledbury: Rural	40	4.7%
Ledbury Total	93	11.0%
Leominster: Urban	69	8.1%
Leominster: Rural	57	6.7%
Leominster Total	125	14.8%
Ross: Urban	64	7.6%
Ross: Rural	69	8.1%
Ross Total	133	15.7%
Herefordshire	846	100.0%

Note: numbers for urban/rural vs total may not be equal due to rounding

- 1.8 It will ultimately be for the Council to develop a spatial strategy which will include consideration of where sites are suitable and available alongside consideration of constraints as well as local priorities. It is however noteworthy that the trend based projections do show a broadly similar distribution to the adopted Core Strategy.

Affordable Housing Need

- 1.9 The report includes an updated assessment of affordable housing need which responds to the widened definition of affordable housing set out in the 2019 NPPF. This includes households who might be able to rent a home in the private sector without financial support but aspire to own a home and require support to do so.
- 1.10 The assessment of affordable housing per annum is set out in the Table below, broken down by HMA and tenure – rented provision (including social and affordable) as well as affordable home ownership. An urban and rural split for each HMA has also been calculated and is set out in the main body of the report as well as the report's conclusions.

Table 1.2 Total Affordable Housing Need by HMA (p.a.)

	Rented	%	AHO	%	Total
Hereford HMA	196	71%	79	29%	275
Leominster HMA	55	73%	20	27%	75
Ross HMA	75	68%	35	32%	110
Ledbury HMA	40	70%	17	30%	57
Bromyard HMA	22	73%	8	27%	30
Kington HMA	22	76%	7	24%	29
Golden Valley HMA	13	59%	9	41%	22
Herefordshire	422	72%	175	28%	597

Note: figures for each sub-area may not equal the total due to rounding

- 1.11 The affordable housing need figures identified above include needs arising from not just new households, but households who need an alternative size of type of home. A significant proportion of those identified in affordable housing need will be living within the private rented sector, and by providing an affordable home ownership product which such households can move into, in many cases an existing property will be released for another household.
- 1.12 In bringing together evidence through the new Local Plan, the Council needs to consider the evidence of need, the relative acuteness of the need, issues of residential development viability and other actions which can be taken to support affordable housing delivery.
- 1.13 Across Herefordshire as a whole, the evidence indicates that of the total need for 597 affordable homes per year with 422 homes per annum for rented affordable housing and 175 per annum for affordable home ownership products. A detailed breakdown of affordable housing need is also provided for each of the seven HMAs in the respective sections in the main report as well as the conclusions.
- 1.14 The need for affordable home ownership housing could be met through both various affordable home ownership products, as identified in the NPPF Glossary, as well as the Government's Help-to-Buy Scheme. The priority need is however for rented affordable housing which arises from households who do not have other housing options.
- 1.15 Icenl recommend that 75% of affordable housing is sought as rented provision as a guiding policy for Herefordshire as a whole, within which the Council are justified in continuing to prioritise securing affordable housing at social rent levels. The delivery of social rented housing is needed to provide homes in the County for low income working households in particular. The remaining 25% of affordable housing should be low cost home ownership homes. The variances in each HMA should also be considered in developing policies on affordable housing.

-
- 1.16 Overall, it is important to recognise that there is a clear and acute need for rented affordable housing from lower income households. It is important that the supply of rented affordable housing is maintained to meet the needs of this group, including those to which the authority have a statutory housing duty.
- 1.17 In respect of the form of affordable home ownership as it comes forward, Icenl recognises that both discounted market sale, shared ownership and the Council's own low cost home market housing – which is detailed in the main report - all have a role in the market in Herefordshire as 'low cost home ownership' options.
- 1.18 Future policy development regarding the level and tenure split of affordable housing will need to take account of the needs evidence herein, as well as viability evidence which takes account of other plan policies in informing the emerging Local Plan.
- 1.19 As a final point, it should be recognised that the need for affordable housing to the overall housing need cannot be directly compared as it is not simply a proportion of overall need. In simple terms, affordable housing need and local housing need do not measure the same thing and in interpreting the affordable need figure, consideration needs to be given to the fact that many households already live in housing, and do not therefore generate an overall net need for an additional home.
- 1.20 In addition, issues arise as the need for affordable housing is complex and additionally the extent of concealed and homeless households needs to be understood as well as the role played by the private rented sector.
- 1.21 The evidence in this report demonstrates that there is a notable need for affordable housing and it is clear that the provision of new affordable housing is an important and pressing issue in Herefordshire. The amount of affordable housing required through policy should be informed by a separate viability assessment; however, the evidence in this report demonstrates the need for affordable housing and confirms that affordable delivery should be maximised where opportunities arise.

Older Persons Housing Needs

- 1.22 The analysis in this report has shown a notable growth in the population of older persons aged 65+ in Herefordshire over the period to 2041 with the number of people expected to grow by 20,400 equal to 42% growth. This reflects the demographic projections inked with the current standard method.
- 1.23 A growing older population is expected to result in the growth in the population with mobility problems by 4,800 to 2041 and with dementia by 2,170. The Council would therefore be justified through policy in requiring new homes to be delivered as 'accessible and adaptable' homes as defined in Part M4(2) of Building Regulations.

- 1.24 Growth in older persons, particularly in the older age groups, will also generate a need for provision of housing with support and housing with care. The assessment indicates a need for around 3,500 housing units with support (sheltered/retirement housing), particularly in the market sector; a need for around 1,400 additional housing units with care (e.g., extra-care), around 43% in the affordable sector; as well a need for additional care home bedspaces to 2041.

Table 1.3 Herefordshire Specialist Housing Needs – SHOP@ Assumptions, 2020-41

2019 36	Market	Affordable	Total
Age Exclusive	125	59	184
Housing with Support	2,111	1,357	3,468
Housing with Care	782	588	1,370
Residential Care Beds	-	-	762
Nursing Care Beds	-	-	689

- 1.25 It is important that the council's planning policies support the delivery of specialist housing, in particular extra care schemes. A notable by-product of doing so will be the release of existing mainstream housing, including family housing, for other groups within the population.
- 1.26 In addition, a need for around 800 dwellings for wheelchair users, meeting technical standard M4(3) is identified. This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing.
- 1.27 As a starting point given the evidence, the Council could consider requiring all dwellings in all tenures to meet the M4(2) standards and at least 5% of homes meeting M4(3) – wheelchair user dwellings.
- 1.28 Where the authority has nomination rights M4(3) would be wheelchair accessible dwellings (constructed for immediate occupation) and in the market sector they should be wheelchair user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user). It should however be noted that there will be cases where this may not be possible (e.g., due to viability or site-specific circumstances) and so any policy should be applied flexibly.
- 1.29 The Council should also consider if a different approach is prudent for market housing and affordable homes, recognising that Registered Providers may already build to higher standards, and that households in the affordable sector are more likely to have some form of disability.
- 1.30 A breakdown of specialist housing needs has been provided for each of the seven HMAs in the respective sections in the main report as well as the conclusions. The analysis at a County and HMA level should be treated as parameters for housing need.

Need for Different Sizes of Homes

- 1.31 This report has considered the need for homes of different sizes, taking account of the existing housing profile, future demographic trends and analysis of local market dynamics. At a strategic level, our analysis has recommended the following mix of homes of different sizes, expressed as a range:

Table 1.4 Herefordshire: Recommended Mix of Homes of Different Sizes

	1 bed	2 bed	3 bed	4+ bed
Social/ Affordable Rented	30-40%	30-40%	20-30%	0-10%
Affordable Home Ownership	15-25%	35-45%	30-40%	0-10%
Market Housing	0-10%	20-30%	45-55%	15-25%

- 1.32 These strategic conclusions should be brought together with the evidence in the report addressing the needs and the specific recommendations for the size of homes needed in each of the individual HMAs, together with consideration of the existing housing mix in the settlement, and where appropriate evidence of the profile of households on the Housing Register in an area or needs shown through local survey evidence produced by Parish Councils, where appropriate.
- 1.33 The broad recommendations at County-level alongside the specific recommendations at HMA level can be used as a set of guidelines to consider the appropriate mix on larger development sites.

Student Housing Needs

- 1.34 According to Census data in 2011, there were 3,853 full-time students aged 18 to 74 within Herefordshire which equates to 2% of the total population. Herefordshire currently has one higher education establishment and one further education establishment which offers further education courses. The former is the New Model Institute of Technology and Engineering (“NMITE”) which was due to open in September 2020 but has been delayed by Covid-19. The latter is the Hereford College of Arts.
- 1.35 Icenl have engaged with a range of stakeholders, establishing that Herefordshire currently has a limited supply of student accommodation in the form of halls of residence. Purpose-built accommodation is however forthcoming, and the understanding is that there is currently an adequate supply of homes in multiple occupation (“HMO”) in the private rented sector to accommodate new students.
- 1.36 Looking forward, there are ambitious student growth plans for the next five to ten years at both institutions. As a result, the need for student housing will significantly increase over this period. There is inevitable pressure that the growth in student numbers will lead to an imbalance between

the number of students and the provision of purpose-built student accommodation and the availability of HMOs in the private rented sector.

- 1.37 The University has an ambition to provide over 1,000 rooms of student accommodation within Hereford centre over the period to 2025. There is also potential for further purpose-built student accommodation at the Berrington Street Regeneration Area; however, this has not been confirmed.
- 1.38 These plans could provide a significant boost to the availability of student accommodation in the near future; however, the Council should continue to monitor the position going forward within Herefordshire to ensure that student growth does not outstrip the provision of purpose-built student accommodation which will in turn lead to pressure on the availability of family housing in and around Hereford.

Build to Rent

- 1.39 Build to Rent development is currently a relatively embryonic market outside of London. At the time of writing there is currently no build-to-rent development which has come forward in Herefordshire which is common for areas away from the major cities. The private rented sector is also relatively modest in size in Herefordshire.
- 1.40 In preparing a new Local Plan, the Council might however seek to include a policy on Build-to-Rent development in order to set out parameters regarding how schemes would be considered if they are submitted, and how affordable housing policies would be applied.

Self and Custom-Build Housing

- 1.41 Self-build and custom housebuilding is a growing sector of the housing market, and one which has potential to contribute to housing delivery. Since the introduction of the Council's Self-Build Register on 1st April 2016, there have been a total of 530 expressions of interest in serviced plots of land.
- 1.42 There are around 1,350 people registered on the Buildstore's Custom Build Register and around 2,000 subscribers to PlotSearch as of August 2020 which point towards the potential for a higher level of demand than that gathered from the Council's self-build register. There is also the National Custom and Self Build Association research which shows that interest in serviced plots in Herefordshire is strong.
- 1.43 The PPG sets out clearly that relevant authorities should consider how they can best support self-build and custom housebuilding in their area including developing policy and working with self-builders to maximise opportunities.

-
- 1.44 In response to the PPG’s requirements, the Council should continue to support the submission and delivery of self-build and custom housebuilding sites where opportunities for land arise and where such schemes are consistent and do not conflict with other national and local planning policies.

Rural and Community-Led Housing

- 1.45 Icenis’s research points to the current policy framework and access to land providing barriers to the delivery of community-led housing. A policy supportive of housing development on non-allocated sites where it is brought forward by or supported by a local community-land trust or parish council should be considered within a new local plan, which should be developed through liaison with community-led housing stakeholders.
- 1.46 Consideration will also need to be given in reviewing planning policies to setting out policies regarding how entry-level or first-homes exception sites should be implemented. The evidence points to greater potential for these, and rural exception sites, to contribute to housing delivery in the county.
- 1.47 Any proposed development for community-led housing should be balanced with the need and priority to identify and provide suitable development sites for affordable housing; and ensure that these schemes are consistent with policies elsewhere in the Local Plan.

The Need for Housing for Agricultural Workers

- 1.48 This report has considered the housing needs of agricultural workers in Herefordshire which is a fundamental employment sector reflecting the rural nature of the County. The Framework (paragraph 83) is clear that planning policies and decisions should enable the development and diversification of agricultural and other land-based rural businesses and provides opportunities for housing in the countryside where there is an essential need for a rural workers to live permanently at or near their place of work.
- 1.49 In Herefordshire, seasonal workers are typically housed in on-site accommodation – principally mobile homes or temporary structures and caravans – whilst permanent workers either live locally or live in fixed accommodation on-site. The importance of quality housing to farmers and businesses being able to recruit quality staff has been made clear by all stakeholders that Icenis has engaged with.
- 1.50 The Herefordshire Core Strategy under Policy RA4 ‘Agricultural, Forestry and Rural Enterprise Dwellings’ seeks to address the need for accommodation for temporary agricultural and horticultural workers.
- 1.51 Through our consultation with local stakeholders and the NFU, it appears that although there is policy support, challenges remain with regards to justifying the “essential functional need” for agricultural

housing, the cost implications of submitting a planning application and from a more technical point of view, property size limitations.

- 1.52 Icení would recommend that the Council consider developing additional, supporting planning guidance which can be factored into revisions to Policy RA4 through the Core Strategy Update, and reduce the post-submission timescales associated with planning applications. This could provide greater clarity on what is necessary to justify a sustained essential functional need for agricultural housing and clarify design requirements – which could recognise the role of larger family-sized housing for permanent workers.

2. INTRODUCTION

2.1 Herefordshire Council has commissioned a consultancy team led by Icen Projects Limited (“Icen”) to prepare a new Housing Market Area Needs Assessment (“HMANA”) for Herefordshire. The Assessment is intended to provide a robust evidence base regarding the need for housing for each of the 7 housing market areas across Herefordshire, to allow the Council to be able to develop policies to create balanced communities, create relevant housing pathways of choice and to support economic regeneration in both urban and rural parts of Herefordshire.

Purpose of the Local Housing Market Assessment

2.2 The Assessment considers the current housing stock, the future need and demand for housing, and gaps in housing provision – both for market rent, sale and affordable housing – in the 7 housing market areas across Herefordshire. It also considers the housing needs of different groups within Herefordshire’s population – including older persons, those with disabilities, students, current or former forces personnel, and gypsies and travellers. The Assessment also provides an evidence base regarding the need for specific types of housing, including affordable housing, specialist housing for older people, student accommodation, and self- and custom-build housing.

2.3 It is intended to inform the review of planning policies in Herefordshire, including the preparation of a new Local Plan, the updating of the Council's Affordable Housing Supplementary Planning Document (SPD), together with the preparation of a new Housing Strategy.

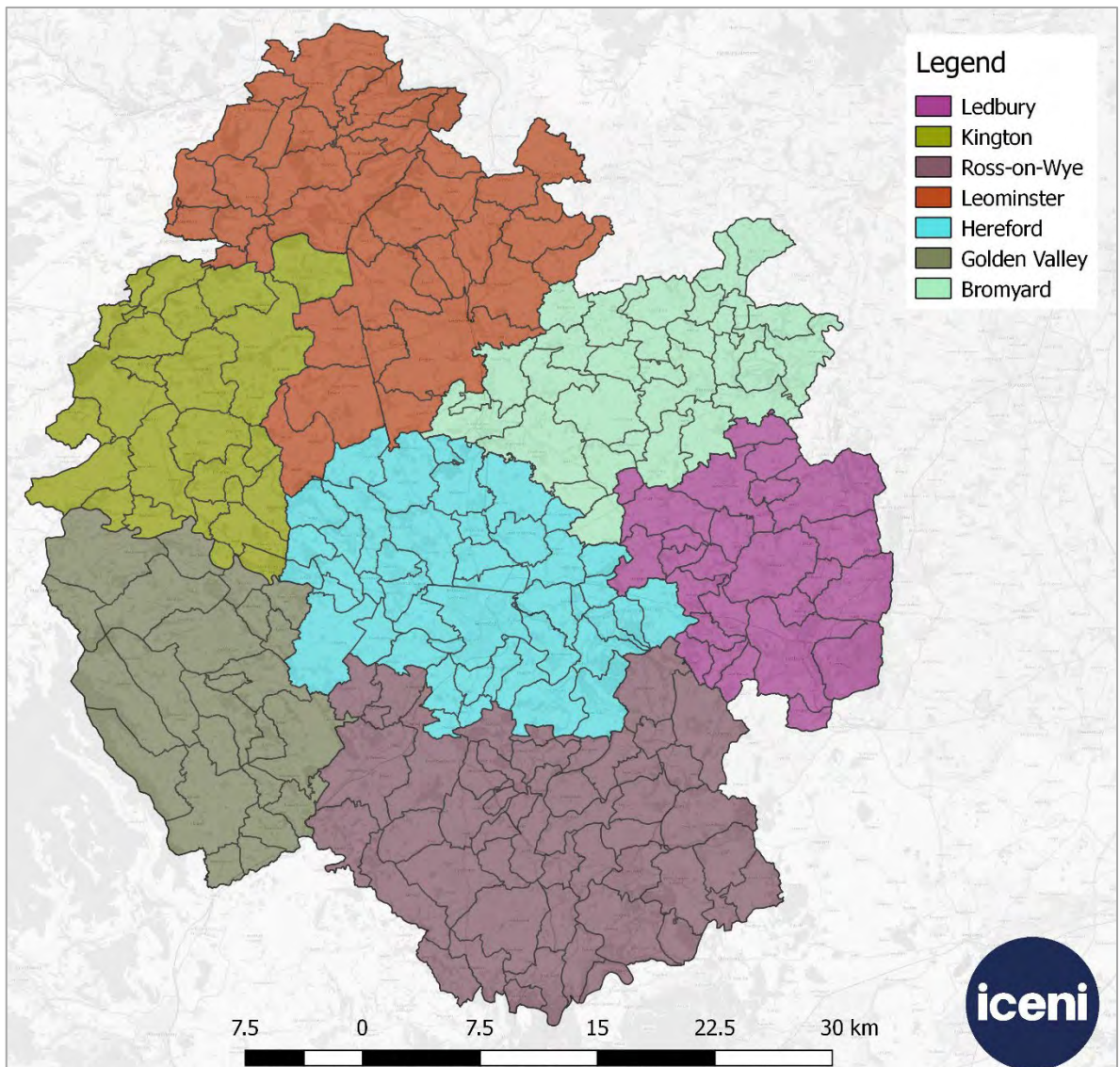
2.4 This report updates and replaces a Local Housing Market Assessment which was prepared in 2013. It takes account of more recent housing market conditions; demographic dynamics; and policy changes at both the national and local levels.

Geography of Local Housing Market Areas in Herefordshire

2.5 The Assessment considers housing needs across the seven local housing market areas in Herefordshire. These were originally defined in the 2008 Strategic Housing Market Assessment for Herefordshire and Shropshire and are focused on the main settlements of Hereford City, Bromyard, Kington, Ledbury, Leominster and Ross-on-Wye, along with the Golden Valley area. In this report the precise boundaries of Local Housing Market Area (LHMA) have been aligned to parish boundaries based on discussions between Icen and Herefordshire Council.

2.6 The geography of Local Housing Market Areas is set out in Figure 2.1. The parishes contained within each area are set out in **Appendix A1**.

Figure 2.1: Herefordshire Local Housing Market Area Geography



2.7 Drilling into these areas further, the Figure below shows the key settlements within each of the LHMA's in Herefordshire.

Figure 2.2: Herefordshire Key Settlements



Report Status and Structure

2.8 The report is structured into two stages. **The Part A** assessment provides an overview of housing market dynamics, housing market drivers and methodology. **Part B** then profiles housing needs and provides key outputs for each of the seven local housing market areas.

2.9 The remainder of the report is thus structured as follows:

Part A: Housing Market Dynamics, Drivers and Methodology

- Section 3: Policy Context
- Section 4: Housing Stock & Market Dynamics
- Section 5: Overall Housing Need
- Section 6: Affordable Housing Need
- Section 7: Needs of Older Persons & those with Disabilities
- Section 8: Need for Different Sizes of Homes
- Section 9: Rural, Community-led and Self-Build Housing

Part B: Housing Need in each Local Housing Market Area

- Section 10: Hereford Housing Market
- Section 11: Leominster Housing Market
- Section 12: Ross-on-Wye Housing Market
- Section 13: Ledbury Housing Market
- Section 14: Bromyard Housing Market
- Section 15: Kington Housing Market
- Section 16: Golden Valley Housing Market
- Section 17: Conclusions and Recommendations

3. POLICY CONTEXT

3.1 This section sets out an overview of the key national planning policy and guidance underpinning the preparation of this Local Housing Market Area Needs Assessment which applies at time of writing. There are potential implications for this assessment arising from the national policy proposals set out in the Government's White Paper: Planning for the Future (August 2020). The changes proposed in the White Paper have been considered throughout the main body of our assessment, where necessary.

National Planning Policy Framework (February 2019)

3.2 The latest version of the National Planning Policy Framework (NPPF) was published by Government on 19th February 2019. Paragraph 7 in the NPPF states that the purpose of planning is to contribute to the achievement of sustainable development. It sets out that planning policies and decisions should play an active role in guiding development towards sustainable solutions, but in doing so should take local circumstances into account, to reflect the character, needs and opportunities of each area.

3.3 The development plan must include strategic policies to address each local planning authority's priorities for the development and use of land in its area. Plans should apply a presumption in favour of sustainable development and for plan-making, this means that plans should positively seek opportunities to meet the development needs of their area and be sufficiently flexible to adapt to rapid change and strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring authorities, where it is sustainable to do so.

3.4 In order to support the Government's objective of significantly boosting the supply of homes, Paragraph 59 in the NPPF states it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay.

3.5 Paragraph 60 sets out that in order to determine the minimum number of homes needed, 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 which also reflects current and future demographic trends and market signals.

3.6 Paragraph 61 goes on to set out that 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, people who rent their homes and people wishing to commission or build their own homes.

3.7 Paragraphs 62 – 64 address affordable housing provision. They set out that where an affordable housing need is identified, planning policies should specify the type of affordable housing required and expect it to be met on-site unless off-site provision or a financial contribution in lieu can be robustly justified, or the agreed approach contributes to the objectives of creating mixed and balanced communities.

3.8 Para 63 states provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas. It should be noted that Herefordshire, despite being one of the most rural counties in England, is not a designated rural area.

3.9 Para 64 sets out that where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups. In addition, other exemptions to this 10% requirement include instances where a site or proposed development:

- Provides solely for Build to Rent homes;
- Provides specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students);
- Is proposed to be developed by people who wish to build or commission their own homes; or
- Is exclusively for affordable housing, an entry-level exception site or a rural exception site.

3.10 The NPPF's Glossary (Annex 2) provides an updated definition of affordable housing; as well as definitions of Build to Rent development, local housing need, old people; and self-build and custom housebuilding.

Planning Policy Guidance

3.11 Government's Planning Practice Guidance includes a number of sections which are relevant to the assessment of housing need.

-
- 3.12 Guidance on *Housing and economic needs assessments*¹ sets out that housing need is “an unconstrained assessment of the number of homes needed in an area” and should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations. Details of the standard method calculations for Herefordshire and consideration of whether exceptional circumstances exist to deviate from this are addressed in Section 5 of this report.
- 3.13 Guidance in *Housing needs of different groups*² sets out how affordable housing need can be assessed, as well as the needs of students, and how planning policies can support rural communities. It makes clear that the housing needs of individual groups may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method, as these will often be calculated having consideration to the whole population as opposed to new households.
- 3.14 Councils will need to take into account these needs including the need for affordable housing - having regard to the overall housing need identified, the extent to which this can be translated into a housing requirement figure over the plan period, and the anticipated deliverability of different forms of provision, having regard to viability.
- 3.15 The Guidance section for *Housing for older and disabled people*³ sets out that the need to provide housing for older people is critical, as people are living longer, and the older population is increasing. It sets out that the health, lifestyle and housing needs of older people will differ greatly with housing needs ranging from accessible and adaptable general needs housing to specialist housing with high levels of care and support.
- 3.16 It provides guidance on how the housing needs of older and disabled people can be assessed, which IcenI has had regard to in this report, and sets out that this should inform clear policies within plans which may include specific site allocations to provide greater certainty to developers. Separate guidance is provided on Optional technical standards including for accessible and adaptable housing, use of national space standards and wheelchair-accessible housing.
- 3.17 Separate Guidance sections have also been prepared which address *Build to Rent*⁴ and *Self-Build and Custom Housebuilding*⁵. The Build-to-Rent Guidance requires authorities to assess need, and

¹ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

² <https://www.gov.uk/guidance/housing-needs-of-different-groups>

³ <https://www.gov.uk/guidance/housing-for-older-and-disabled-people>

⁴ <https://www.gov.uk/guidance/build-to-rent>

⁵ <https://www.gov.uk/guidance/self-build-and-custom-housebuilding>

where a need is identified to include a plan policy setting out the circumstances and locations where build-to-rent development will be encouraged.

- 3.18 The Self-Build Guidance section sets the requirements of the Self-Build and Custom Housebuilding Act 2015 (as amended) including the requirements on Councils to maintain a Register of those interested in self-build housing and to grant consents to meet the need shown. It also sets out that needs assessments can consider other secondary data sources.

Housing and Social Care Legislation

- 3.19 Wider legislation affecting housing need includes the 1996 Housing Act (as amended), the Housing and Social Care Act 2012, the 2014 Care Act and 2017 Homelessness Reduction Act.
- 3.20 The 2014 Care Act sets out local authorities' duties in relation to assessing people's needs and their eligibility for publicly funded care and support. Under the Act, local authorities must carry out an assessment of anyone who appears to require care and support and focus the assessment on the person's needs and how they impact on their wellbeing, and the outcomes they want to achieve. Local authorities must also consider other things besides care services that can contribute to the desired outcomes (e.g., preventive services, community support and specialised housing needs).
- 3.21 The Homelessness Reduction Act 2017 places new legal duties on English councils so that everyone who is homeless or at risk of homelessness will have access to meaningful help. Local Authorities have a duty to produce homelessness strategies to prevent homelessness in their respective areas.

Current Planning Policies in Herefordshire

Herefordshire Local Plan Core Strategy 2011- 2031

- 3.22 The Herefordshire Core Strategy was adopted in 2015 and sets out the intended distribution of development across Herefordshire, strategic urban extensions, and development management policies.
- 3.23 Policy SS2 sets out a housing requirement for the delivery of a minimum of 16,500 homes in Herefordshire between 2011 and 2031 to meet market and affordable housing need. It outlined a distribution of development across the County, which sought to focus development at Hereford (providing 6,500 dwellings); followed by the market towns of Bromyard, Kington, Ledbury, Leominster and Ross on Wye (4,700 dwellings), with more limited development in rural settlements (5,300 dwellings). The intended distribution of development by location is shown in Table 3.1 below.
- 3.24 The Core Strategy Update may influence the future level and distribution of development, and this report is intended to feed into this.

Table 3.1 Core Strategy Housing Distribution to Main Settlements

Area	Housing Provision, 2011 31	Per Annum
Hereford	6,500	325
Bromyard	500	25
Kington	200	10
Ledbury	800	40
Leominster	2,300	115
Ross-on-Wye	900	45
Rural Area	5,300	265
Herefordshire	16,500	825

Source: 2015 Core Strategy

3.25 A number of major urban extensions were proposed to Hereford including to the north of the city (500 dwellings), west (1,000 dwellings) and south (1,000) together with 800 dwellings within the City Centre. Urban extensions were also proposed to a number of the market downs including Bromyard (250 dwellings), Ledbury (625 dwellings), south west of Leominster (1,500 dwellings) and south-east of Ross-on-Wye (200 dwellings).

3.26 The distribution of the 5,300 homes to the rural areas was split by HMA as follows:

Table 3.2 Core Strategy Distribution to Rural Areas by LHMA

HMA	Housing Provision, 2011 31	Indicative Housing Growth
Bromyard	364	15
Golden Valley	304	12
Hereford	1,870	18
Kington	317	12
Ledbury	565	14
Leominster	730	14
Ross-on-Wye	1150	14
Total	5,300	-

Source: Herefordshire Core Strategy, 2015

3.27 Policy H1 seeks affordable housing provision on schemes of over 10 dwellings/ 1000 sq. m. The target for affordable housing provision varies, based on viability evidence, as follows:

- 35% affordable housing provision on sites in the Hereford, Hereford Northern and Southern Hinterlands, and Kington and West Herefordshire housing value areas;
- 40% affordable housing provision on sites in the Ledbury, Ross and Rural Hinterlands; and Northern Rural housing value areas (which includes Bromyard);
- 25% affordable housing provision on sites in the Leominster housing value area.

-
- 3.28 Policy H3 seeks to ensure that new residential developments provide a range and mix of housing units which can contribute to the creation of balanced and inclusive communities. In particular on larger housing sites of more than 50 dwellings developers will be expected to: provide a range of house types and sizes to meet the needs of all households, including younger single people; provide housing capable of being adapted for people in the community with additional needs; and provide housing capable of meeting the specific needs of the elderly population.

Herefordshire Traveller Sites Development Plan Document (2019)

- 3.29 This DPD gives regard to ensuring the provision of good quality and a sufficient supply of accommodation for Gypsy and Travellers which is key to helping to address the inequalities Gypsy and Travellers face. The study concludes there is a total need for 83 pitches, which includes both cultural and PPTS need across the County in the Local Plan Period to 2030/31.
- 3.30 This DPD provides for a five year supply of pitches for those travellers that meet the definition as set out in *Planning Policy for Traveller Sites 2015*. It confirms that the Core Strategy Update will consider the longer term unmet needs of those meeting the definition within the Planning Policy for Traveller Sites as well the needs of travellers outside of the definition. This will be informed by the updated analysis of gypsy and traveller needs undertaken as part of the preparation of this Assessment. This will be published separately and at a later date owing to delays caused by the COVID-19 pandemic.

Housing Strategy and Homelessness Policies

Herefordshire Interim Housing Strategy 2016–2020 and Draft Housing Strategy 2021-2026

- 3.31 The Interim Housing Study 2016 - 2020, is an overarching document. It connects to a number of other housing related strategic documents and plans that, taken together, provide the framework through which our housing and housing related priorities will be achieved. The strategy sets out three priorities: improving housing supply and access to housing; housing support and housing standards.
- 3.32 The delivery of affordable housing is also an increasing Council priority. The engagement undertaken to inform the Council's recent County Plan identified that 79% of local stakeholders supported the Council in investing more money in affordable housing development; as well as supporting the provision of additional care and extra care provision and retirement villages to address Herefordshire's ageing population and seek to manage the impacts of this on the Council's resources.
- 3.33 The Council have updated their housing strategy and have consulted on it online. The Strategy reaffirms key challenges ranging from welfare reforms to funding programmes to COVID-19. The Council has updated its priorities and has established five priorities for the next five years, summarised as follows:

-
- maximising affordable housing delivery,
 - improving health through housing,
 - improving the quality and accessibility of existing homes,
 - reducing the negative impact that homes have on the environment; and
 - working in partnership to assess and deliver solutions to identified housing need.

3.34 These underpin the Council's housing vision to effectively meet the housing needs of people living in Herefordshire, promote independence and create healthy and sustainable communities.

Herefordshire Homelessness Prevention and Rough Sleeping Strategy 2020 - 2025

3.35 The Council's Homelessness Strategy outlines three main ambitions of Herefordshire to minimise homelessness within the County, to: further develop our engagement and relationship with private sector landlords, focusing on providing support and advice to help reduce the level of terminations of tenancy in this tenure.

3.36 It sets out the Council's aim to continue to develop close collaborative working with voluntary and statutory sector partners in support of homelessness prevention. And to explore the potential for expanding the Registered Provider portfolio of private rented sector tenancies in Herefordshire through new build or property purchase.

4. HOUSING STOCK & MARKET DYNAMICS

- 4.1 This section provides an overview of the profile of housing stock, supply trends and housing market dynamics across Herefordshire.

The Geography of Herefordshire

- 4.2 Hereford is a predominantly rural county covering 842 square miles situated in the south-west corner of the West Midlands region bordering Wales. Population density is low. The City of Hereford is the centre of the County for employment, administration, health, education and shopping facilities. The other principal locations are the five market towns (in descending order of size) of Leominster, Ross-on-Wye, Ledbury, Bromyard and Kington.



- 4.3 Herefordshire has limited access to the motorway network via the M50, which starts near Ross-on Wye and joins the M5 north of Tewkesbury in Gloucestershire; and the M5 at Worcester. The other main road links, which all pass through Hereford City, are the A49 (running from north to south), the A438 (running from east to west) and the A4103 to Worcester.
- 4.4 Within Herefordshire, Hereford City, Ledbury and Leominster have railway stations, although many of the lines through the county are single track.

Housing Offer

Tenure Profile

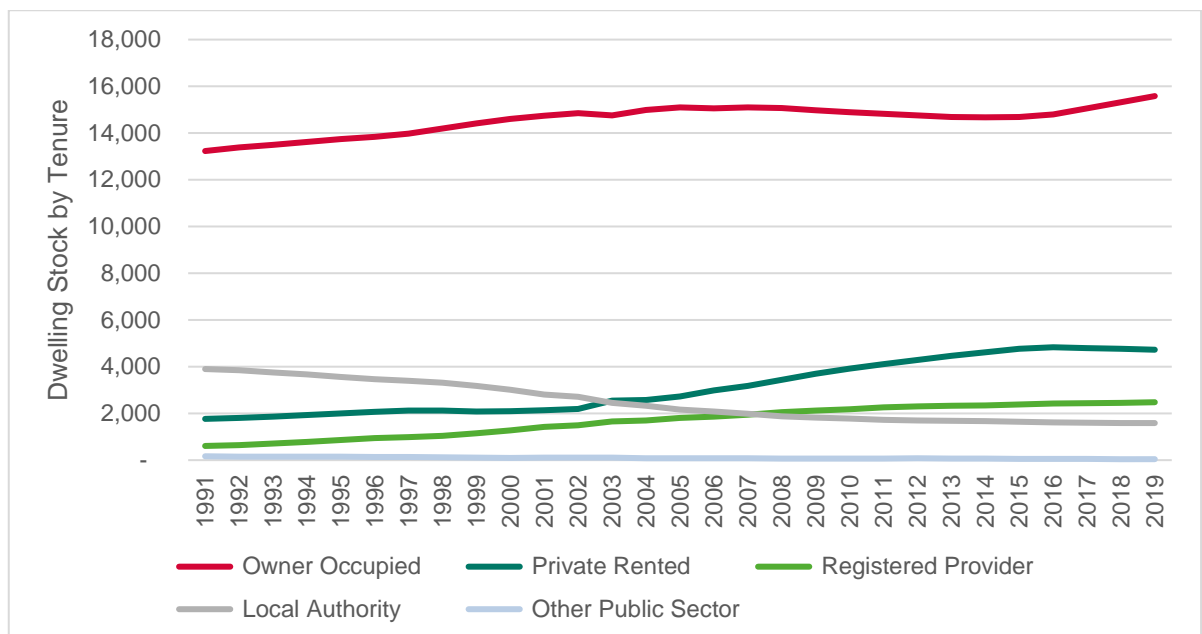
- 4.5 Herefordshire has a total dwelling stock of 85,995 dwellings in April 2019⁶. Of this 86.5% is in private sector ownership and 13.1% by Registered Providers, and 0.4% by other public sector bodies.

⁶ MHCLG Live Tables, Table 100

Private sector ownership is above the England average (82.6%). Over the period since 2011, whilst levels of both affordable and market housing have grown, the strongest growth has been in market housing resulting in growth in the proportion of market housing rising from 85.8% to 86.5% of the stock; with a corresponding 0.7pp reduction in affordable housing as a proportion of the stock.

- 4.6 A detailed profile of the split of market housing between owner occupied, private renting and shared ownership is not commonly available. The 2011 Census showed that 68.7% of households were owner occupiers in 2011 in Herefordshire compared to 65.6% across the West Midlands and 64.2% across England.
- 4.7 The social rented sector accommodated a lower proportion of households in 2011 at 13.1% compared to 19.0% across the West Midlands and 13.9% across England. Within Herefordshire private renting accommodated 15.2% of households across the County in 2011, compared to 14.0% across the West Midlands region and 16.8% across England.
- 4.8 As Figure 4.1 shows, over the last 30 years we have seen particular growth in the size of the Private Rented Sector nationally; together with a shift in ownership of affordable housing from local authorities towards registered providers. Home ownership declined in absolute and relative terms between 2008-2016 but has since begun to rise. Dynamics within the Private Rented Sector correlate with this; the Sector having seen strong growth from the early 2000s to 2016 influenced by the attractiveness of housing as an investment together with growth in demand from tenants (influenced by a combination of limited growth in social stock and the rising costs of market housing for sale).

Figure 4.1: Tenure Changes – England



Source: IcenI analysis of MHCLG Table 104

- 4.9 The ONS has published estimates of changes in the dwelling stock by tenure at a local level. These are research outputs not official statistics. These suggest that there has been a modest decline in the affordable stock from 13.7% to 13.5% of total dwellings. Relative to the 2011 Census figure of 15.2%, the proportion of private rented homes grew initially over the period to 2015 but has since fallen back with estimates suggesting it remains around 15.3% of the housing stock. They suggest that home ownership has grown since 2015.

Table 4.1 Estimated Tenure Changes in Herefordshire, 2012-18

	2012	2013	2014	2015	2016	2017	2018
Owned occupied	57,750	57,549	57,869	58,297	59,383	60,571	60,731
	69.7%	69.3%	69.4%	69.5%	70.4%	71.6%	71.2%
Private rented	13,740	14,101	14,071	14,203	13,507	12,529	13,079
	16.6%	17.0%	16.9%	16.9%	16.0%	14.8%	15.3%
Affordable/Public	11,372	11,412	11,478	11,416	11,405	11,453	11,520
	13.7%	13.7%	13.8%	13.6%	13.5%	13.5%	13.5%
Total Dwellings	82,862	83,062	83,418	83,916	84,295	84,553	85,330
% Stock Growth		0.2%	0.4%	0.6%	0.5%	0.3%	0.9%

Source: ONS Tenure Estimates & MHCLG Table 100

- 4.10 The available data does not let us provide an up-to-date tenure profile at a more local level for the 7 HMAs. The individual HMA sections set out the tenure profile based on 2011 Census data.

House Type

- 4.11 The profile of homes of different types in Herefordshire is biased towards larger detached and semi-detached properties. Detached properties represented 42.7% of the housing stock in the County compared to 23.7% across the West Midlands and 22.6% across England and Wales. Semi-detached properties represent 28%. Conversely flatted and terraced properties are less well represented. Flat/maisonettes represented a notably smaller proportion of housing stock within the County at 12.1% compared to 16.2% housing stock in the West Midlands and 21.6% within the England and Wales.
- 4.12 It is typical for predominantly rural areas to have higher proportions of larger properties, and a housing offer focused on family homes. This can be seen in the table below, whereby the Hereford HMA (and Hereford City within this) has a higher proportion of smaller, terraced and flatted properties. County-wide, the strong focus of the stock profile towards larger properties contributes to affordability issues in Herefordshire.

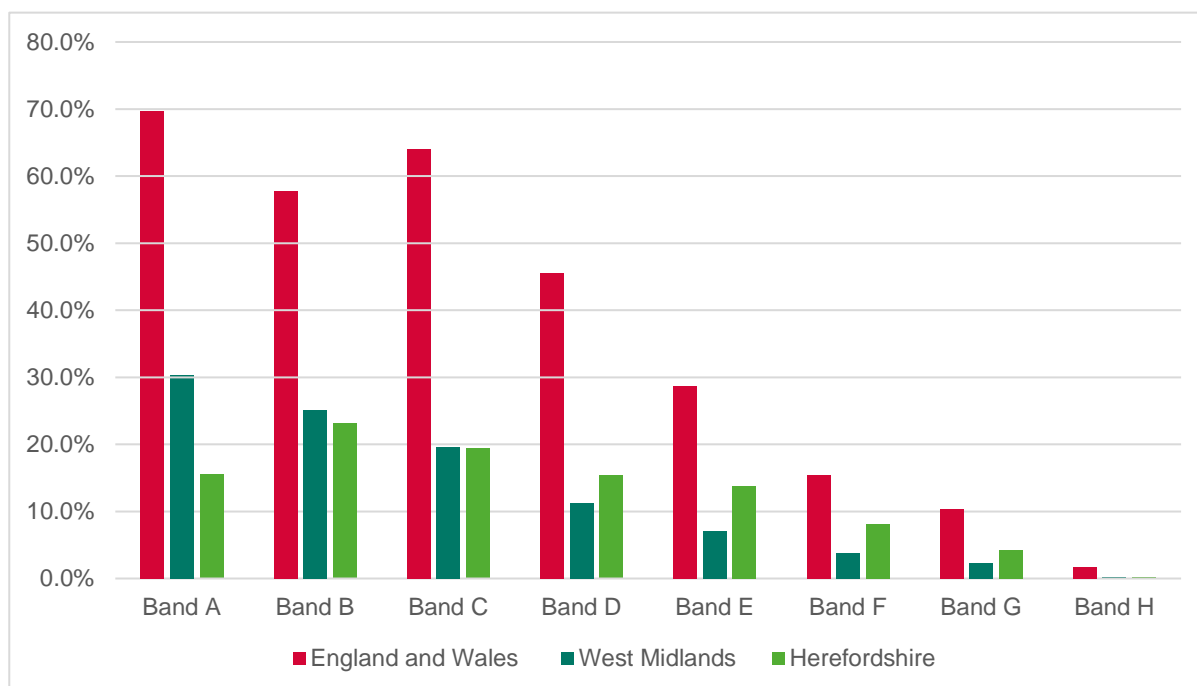
Table 4.2 Dwellings by Type in HMAs, 2011

	Detached	Semi	Terraced	Flats
Bromyard HMA	53.8%	22.1%	12.7%	9.9%
Golden Valley HMA	70.6%	18.4%	7.5%	2.8%
Hereford HMA	29.7%	31.5%	22.4%	15.7%
Kington HMA	55.7%	24.6%	12.6%	6.8%
Ledbury HMA	47.9%	26.3%	15.0%	10.3%
Leominster HMA	45.5%	28.4%	16.7%	8.6%
Ross on Wye HMA	54.7%	21.5%	11.0%	10.5%
Herefordshire	42.7%	27.7%	17.5%	12.2%

Source: Icen analysis of 2011 Census data

- 4.13 The County has a higher proportion of properties in Council Tax Bands E-H than the regional or national profile. These bands accommodate 26.3%⁷ of properties in Herefordshire in 2019 compared to 19.2% nationally. There are a low proportion of cheaper properties in Band A in particular.

Figure 4.2: Housing Stock by Council Tax Band, 2019



Source: VOA, 2019

⁷ VOA, Council Tax Stock of Properties, 2019

House Sizes

- 4.14 The 2011 Census data showed a profile of homes of different sizes which is focused more on larger properties, consistent with the dwelling type profile. Just over two thirds of the County's housing stock comprises family-sized housing with three or more bedrooms. A higher proportion of smaller stock is the Hereford HMA (as might be expected) as well as in the Ledbury and Leominster HMAs.

Table 4.3 Dwellings by Size in HMAs, 2011

	Studio	1 bed	2 bed	3 bed	4+ bed
Bromyard HMA	0.1%	8.1%	23.4%	41.0%	27.4%
Golden Valley HMA	0.1%	4.1%	21.1%	42.3%	32.4%
Hereford HMA	0.2%	11.1%	23.6%	44.2%	21.0%
Kington HMA	0.1%	5.3%	23.8%	44.4%	26.5%
Ledbury HMA	0.1%	7.0%	26.3%	37.8%	28.8%
Leominster HMA	0.2%	7.3%	25.5%	43.4%	23.6%
Ross on Wye HMA	0.1%	8.5%	23.1%	38.0%	30.2%
Herefordshire	0.2%	9.0%	23.9%	42.1%	24.7%

Source: Icen analysis of 2011 Census data

Housing Supply Trends

- 4.15 Tables 4.4 and 4.5 shows net completions in each of the housing market areas over the period since 2011. The strongest absolute volume of housing delivery has been in the Hereford HMA, accounting for 48% of the County total. This is followed by delivery in the Ross-on-Wye and Leominster HMAs.
- 4.16 We have benchmarked housing completions relative to the existing housing stock. The Hereford HMA and Ross-on-Wye HMA have seen the strongest relative rate of housing completions (0.7% pa). These areas have seen more than twice the rate of stock growth in the Golden Valley HMA (0.3% pa).

Table 4.4 Net Completions by Local Housing Market Area, 2011-20

HMA	2011 12	2012 13	2013 14	2014 15	2015 16	2016 17	2017 18	2018 19	2019 20
Bromyard	6	0	6	38	11	78	52	42	98
Golden Valley	4	0	3	11	6	4	12	10	35
Hereford	166	93	193	326	126	183	430	355	413
Kington	16	5	9	43	12	15	45	41	27
Ledbury	16	32	35	46	36	30	18	34	47
Leominster	85	23	31	79	41	17	95	85	111
Ross-on-Wye	48	48	54	231	95	78	124	99	173
Herefordshire	341	201	331	774	327	405	776	666	904

Source: Icenis analysis of monitoring data

Table 4.5 Total Completions and Implied Stock Growth, 2011-20

HMA	Total Net Completions	% County Total	Housing Stock 2020	Implied Stock Growth pa
Bromyard	331	7%	5,570	0.7%
Golden Valley	85	2%	2,918	0.3%
Hereford	2285	48%	39,025	0.7%
Kington	213	5%	4,741	0.5%
Ledbury	294	6%	8,866	0.4%
Leominster	567	12%	11,555	0.6%
Ross-on-Wye	950	20%	15,114	0.7%
Herefordshire	4725	100%	87,274	0.6%

Source: Icenis analysis of monitoring data

- 4.17 Over the March 2011 – April 2020 period, a total of 1,139 affordable dwellings have been delivered. This compares with total (gross) housing delivery of 5,084 dwellings implying an average of 22% of homes delivered over this period have been affordable housing.
- 4.18 Data on commitments set out in the Council’s 2020 Authority Monitoring Report indicated that a greater proportion of commitments in Ross-on-Wye, Ledbury and Golden Valley in relative terms (compared to stock); and a lower proportion in Hereford. This perhaps reflects the impacts of uncertainty regarding the delivery of the Hereford and South Wye Transport Packages and how this may have influenced the granting of planning consents at Hereford. Total commitments for 5,166 dwellings (net) were shown as of April 2020.

Population and Socio-Economic Profile

- 4.19 Herefordshire had an estimated population in mid-2019 of 192,800 persons. The County's population grew more strongly than was the case across the West Midlands region or nationally between 1999-2009, but over the 2009-19 decade has grown more slowly increasing by 5.7% compared to 6.0% in the previous decade. Over the last decade, population growth has been below the national average.

Table 4.6 Population Growth, 1999-2019

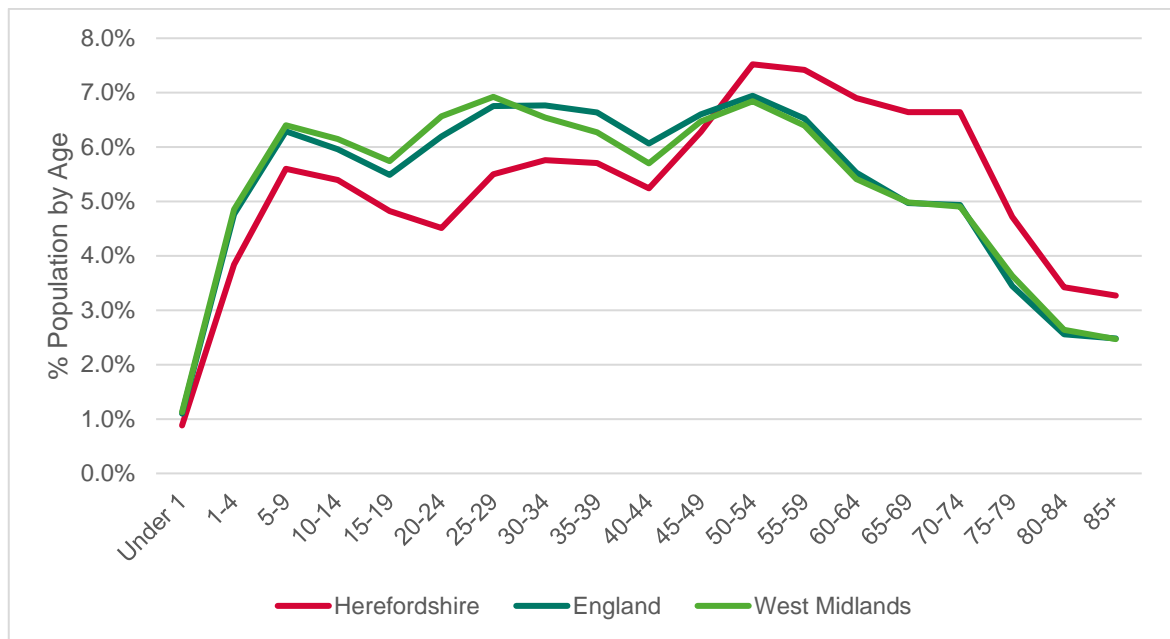
	Herefordshire	West Midlands	England and Wales
1999	171,997	5,272,000	51,933,471
2009	182,400	5,528,000	54,809,100
2019	192,800	5,934,000	594,39,840
% change 1999-2019	6.0	4.9	5.5
% change 2009-2019	5.7	7.3	8.4

Source: ONS Mid-Year Population Estimates

- 4.20 The 2011 Census showed that 93.7% of the County's population was of White British origin. ONS estimates of the population by ethnic group in 2016⁸ showed a similar profile with 93% White British, 6% White Other, 1% Asian/Asian British and 1% Mixed Ethnic. It is evident that the County's population is not particularly diverse.
- 4.21 The population structure in Herefordshire in 2019 has an above average proportion in all age groups over 50 and a particularly low proportion aged 20-39 relative to the regional and national profiles.

⁸ [ONS Population Estimates by Ethnic Group and Religion](#)

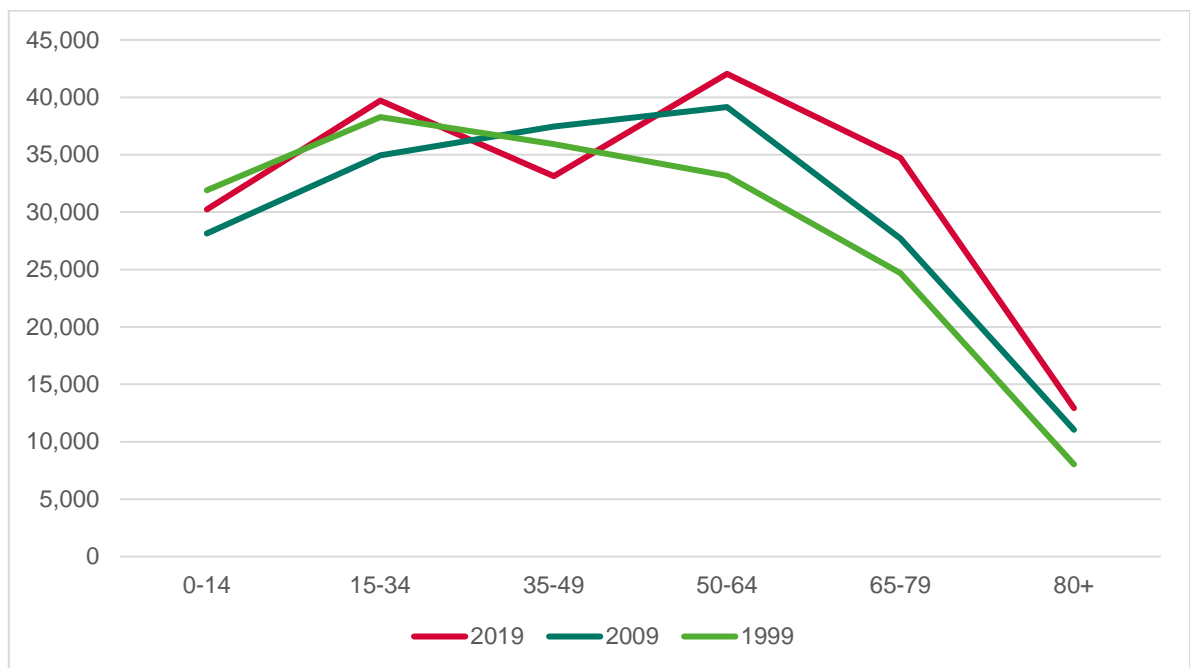
Figure 4.3: Population Structure, 2019



Source: ONS Mid-Year Population Estimates

4.22 Over the last 20 years, the proportion of the population aged over 50 in particular has been increasing. Within this the strongest growth has been in the population aged 50-64. However, over the 2009-19 period, there was also an increase in the population aged 15-34.

Figure 4.4: Changes in Population Structure – Herefordshire, 1999-2019



Source: ONS Mid-Year Population Estimates

4.23 Table 4.7 below sets out the population size and composition by LHMA. The Hereford HMA is both the largest and has the youngest population structure with 62% of the population being of working

age. This is followed by the Ross-on-Wye HMA. In contrast, the Golden Valley HMA, Bromyard HMA and Kington HMAs have a population structure which is much more strongly focused on those of pensionable age.

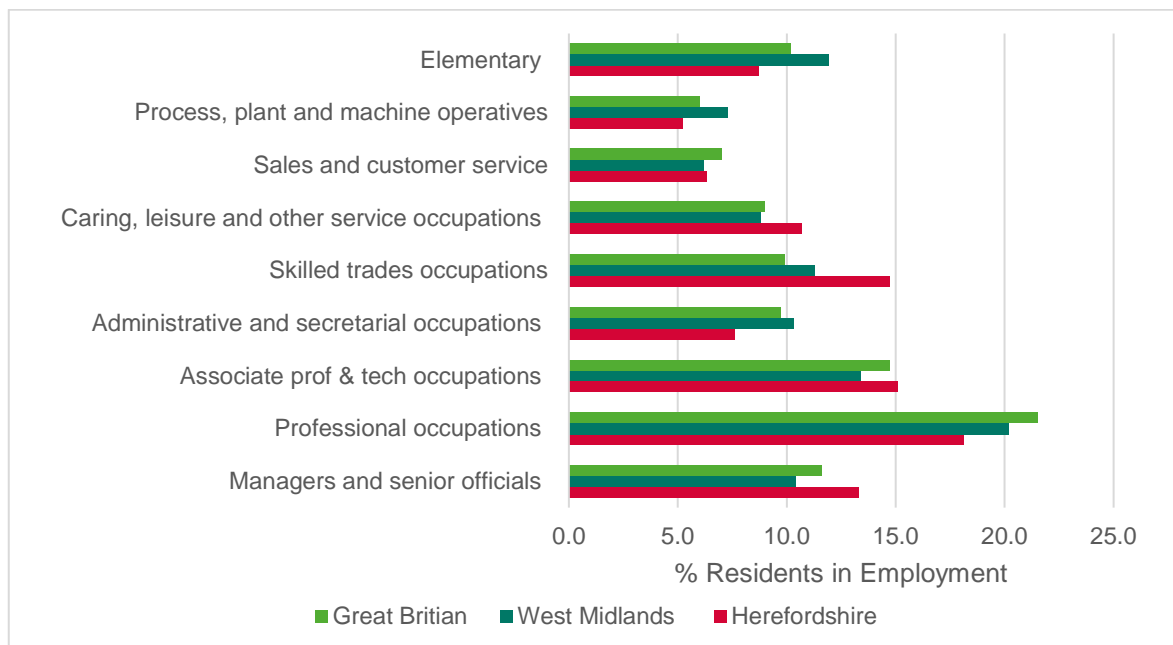
Table 4.7 Population Size and Structure by Local HMA, 2018

	Total Population	% County Total	Total Working Age	% Population	Total Pensionable Age	% Population
Bromyard HMA	11,786	6.1%	6,620	56.2%	3,416	29.0%
Golden Valley HMA	6,176	3.2%	3,367	54.5%	1,799	29.1%
Hereford HMA	87,624	45.6%	53,984	61.6%	17,579	20.1%
Kington HMA	9,775	5.1%	5,394	55.2%	2,903	29.7%
Ledbury HMA	19,540	10.2%	11,002	56.3%	5,613	28.7%
Leominster HMA	24,785	12.9%	13,901	56.1%	6,784	27.4%
Ross on Wye HMA	32,421	16.9%	18,644	57.5%	8,888	27.4%
Herefordshire	192,107	100.0%	112,913	58.8%	46,981	24.5%

Source: Icen analysis of ONS 2018 Small Area Population Estimates

4.24 Of those in work within the County, there are a particularly high proportion of people who are employed in skilled trade occupations (14.7%). The numbers of those employed in care/leisure occupations (10.7%) and managerial occupations (13.3%) is also above average. In contrast, the numbers employed in professional occupations (18.1%) is notably below regional and national averages. Up-to-date data is not available at a more local level on the occupational profile.

Figure 4.5: Occupational Profile – Herefordshire, 2019-20



Source: Annual Population Survey, April 2019 - March 2020.

Economic Dynamics

- 4.25 Herefordshire's economy generated total Gross Value Added (GVA) of £3.9 billion in 2018. It generated GVA per head of £20,461 which was 15% below the West Midlands average and 29% below the national average.⁹ This indicates an economy focused on lower value/paid economic activities with below average productivity.
- 4.26 This is borne out in earnings. Gross weekly pay in 2019 at £519 for full-time workers was 5.7% below average for the region (£471) and 24% below the national average (£587)¹⁰. Between 2009-2019 gross weekly wages in the County have risen 21% whilst they have grown by 18% at both the regional and national levels (albeit that the County's base value is lower). The focus on lower skilled jobs with lower earnings contributes to affordability issues in Herefordshire.
- 4.27 The low value economy is partly a function of the County's economic structure. There are a high proportion of jobs in manufacturing (accounting for 14.9% of employee jobs compared to 11.9% across the West Midlands and 8.1% across Great Britain in 2018), but these are primarily in low and medium technology activities including food and beverage production, rather than higher value added activities.
- 4.28 The wholesale, retail and vehicle repair sector is also strongly represented (accounting for 17.6% of employee jobs compared to 16.7% across the West Midlands). Employee jobs in health and social work, at 16.2% is also high, relative to 12.8% across the West Midlands. There is a low level of employment in finance and insurance (1.1%) and information and communication (1.2%), and more generally in knowledge-based activities.
- 4.29 A key feature of the economic structure is a low representation of higher-value private sector businesses: this is a structural economic weakness which partly reflects the County's relative 'peripherally' in a national or regional context, together with the size of its population and key centre and the strength (or weakness) of the road and rail links.
- 4.30 Evidence of the skills profile tends to suggest that the qualifications levels are reasonable: with 35.8% of the working-age population being qualified to NVQ Level 4 or above (equivalent to degree level) which is above with the West Midlands average, 34.1%, although below average nationally (40.3%)¹¹. The level with NVQ3 and above is also similar to the regional average. This suggests that

⁹ ONS Regional GVA Estimates, 2018

¹⁰ ONS Annual Survey of Hours and Earnings, 2019

¹¹ ONS Annual Population Survey, January 2019 – December 2019

skills are not constraining the local economy (not withstanding skills shortages in particular sectors or occupations).

- 4.31 Total employment increased in Herefordshire in the period 2009 – 2019 faster than growth in the resident working age population, resulting in an increase in the jobs density from 0.83 to 0.93. This is a function of more people moving into retirement than joining the workforce. The current level exceeds the regional average of 0.93 and suggests overall a good balance between jobs and workers.
- 4.32 There is a high level of self-employment in the County which at 16.3%, according to the Annual Population Survey in 2019-20, is substantially above the 9.9% across the West Midlands and 10.8% across Great Britain. Levels of part time working are above average at 36.5% compared to 32.4% nationally. Part-time employment has stayed consistent over the last few years.
- 4.33 There are a notable number of seasonal workers in the agricultural sector. Herefordshire Council undertook a survey of farms in 2010 to estimate employment of overseas seasonal workers. This survey of 23 farms identified seasonal employment of around 4,600 of which 50% were aged 25-34 and 27% 18-24.
- 4.34 Seasonal employees were mainly from Bulgaria, Poland and Romania. However, 20 of the 23 farms surveyed reported that they provided accommodation for all of the workers. Nonetheless, consultation with estate and letting agents has indicated that there is some impact from agricultural employment on demand within the Private Rented Sector in Herefordshire.
- 4.35 Levels of economic participation are strong. Economic activity in Herefordshire stood at 82.9% (as a proportion of the population aged 16-64) in 2019/20 which was above both the regional and national averages (77.8% and 79.1% respectively). The employment rate at 80.9% represented levels of near full employment.¹²
- 4.36 Economic conditions however turned in Spring 2020, driven by the onset of the Covid-19 pandemic, and this may lead to rising unemployment in the short-term. Claimant unemployment claimants stood at 2,045 persons in February 2020 (1.8%) but have since risen relatively sharply to 4,935 (4.4%) in July 2020.
- 4.37 Government data indicates that there were 24,800 claimants on the Government's Coronavirus Job Retention Scheme in August 2020 representing 31% of employees. Whilst this is marginally below the West Midlands average of 34%, it remains very significant. In addition, 72% of those self-

¹² Data from Annual Population Survey through [nomisweb.co.uk](https://www.nomisweb.co.uk)

employed had taken up Self-Employment Income Support from Government. As the support mechanisms come to an end there is potential for both further increase in unemployment and in homelessness levels.

Recent Housing Market Dynamics

House Prices

- 4.38 The median value of house sales across Herefordshire in 2019 was £236,250. This was 21% 597 (£41,250) above the West Midlands average; but 3% (£7,700) below the England average. Relative to the national and regional average, prices for semi-detached properties in Herefordshire are relatively stronger (pointing to stronger relative demand). In contrast, values for flatted properties are weaker, pointing to a weak market for flats in the County overall.

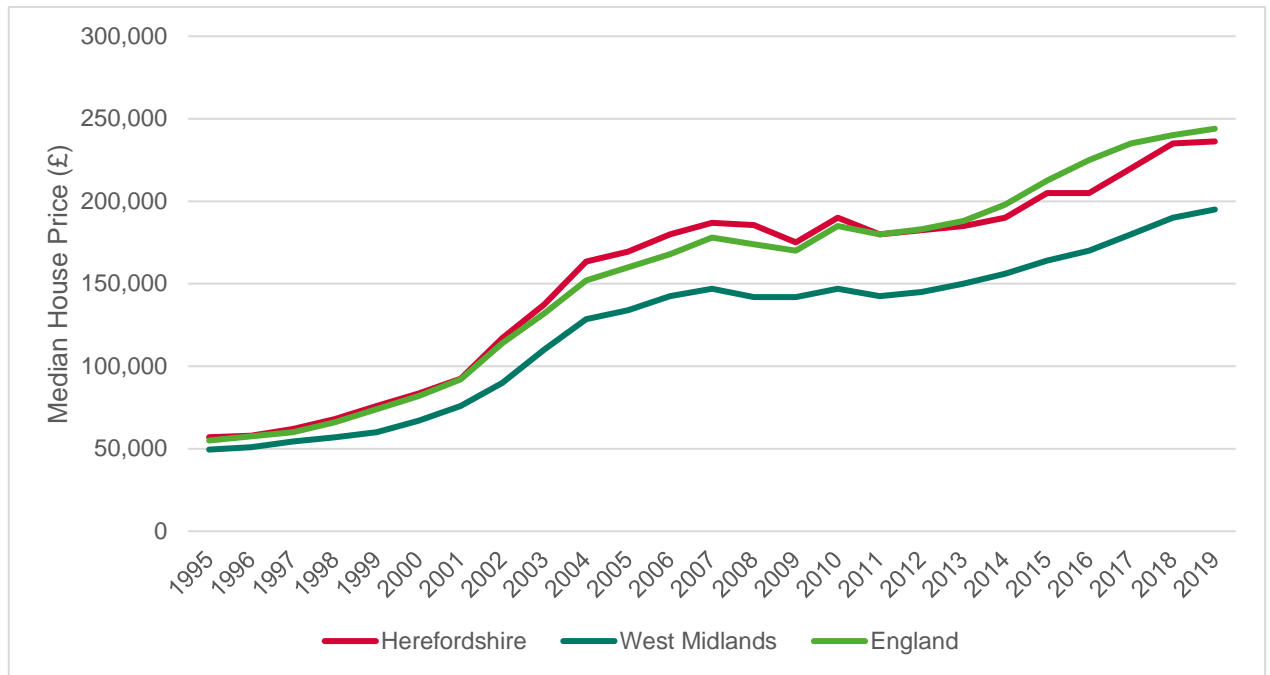
Table 4.8 Median House Prices, 2019

	Detached	Semi Detached	Terraced	Flat/ Maisonette	All Sales
Herefordshire	£325,000	£213,000	£170,000	£120,000	£236,250
West Midlands	£315,000	£187,000	£155,000	£130,000	£195,000
Differential	£10,000	£26,000	£15,000	-£10,000	£41,250
England	£345,000	£218,000	£190,000	£215,000	£243,950
Differential	-£20,000	-£5,000	-£20,000	-£95,000	-£7,700

Source: Icen analysis of ONS Small Area House Price Statistics

- 4.39 The figure below charts growth in the median house price over the period since 1995. House prices in Herefordshire have closely followed the national trend across England over time, with slightly stronger price growth in Herefordshire between 2003-4, weaker growth between 2013-14 but a stronger increase, recovering the lost ground, between 2016-18.

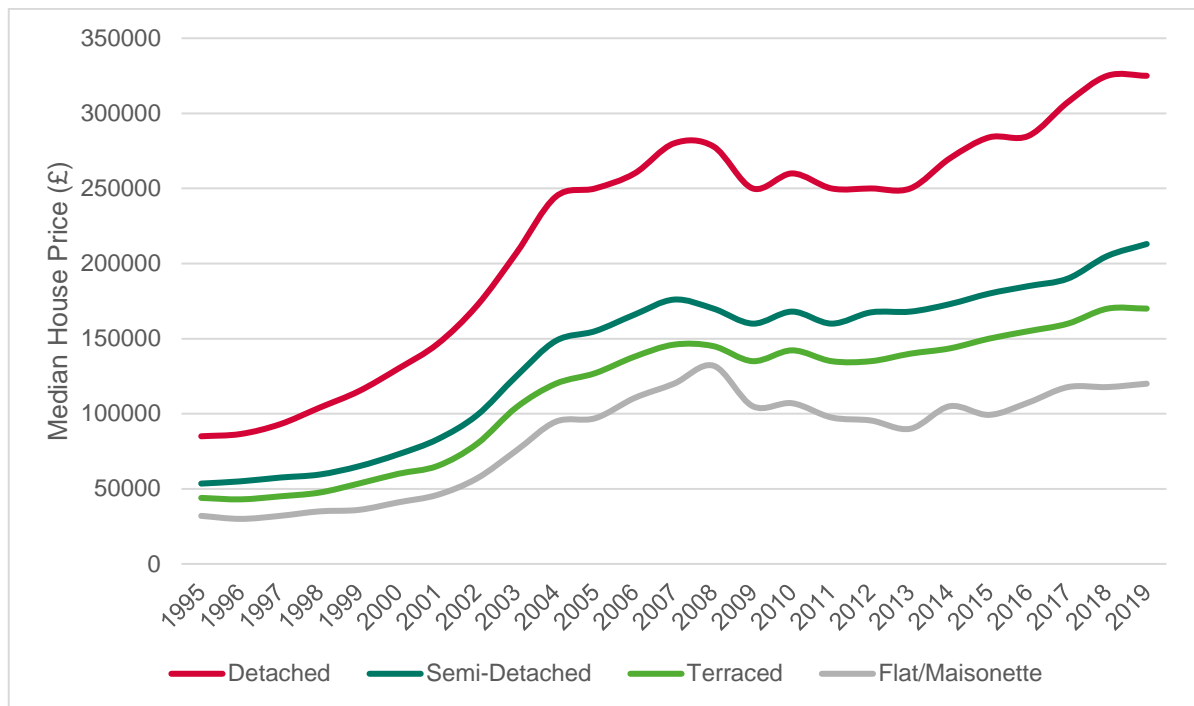
Figure 4.6: Median House Prices, 1995-2009



Source: Icen analysis of ONS Small Area House Price Statistics

- 4.40 Trends in the values of different types of properties in Herefordshire are shown in Figure 4.7 below. It shows that in the longer-term, the strongest value growth has been for detached properties; and that whilst the premium on values of detached properties fell between 2008-2013, it has grown again since. This is a market signal of stronger relative demand for detached homes.
- 4.41 In contrast, the values of flatted properties peaked in 2008 at £132,000 in Herefordshire; but have not recovered to the pre-recession peak and stood at £120,000 in 2019. This points to relatively weak market for flatted homes in Herefordshire over the last decade.
- 4.42 Terraced and semi-detached properties have seen similar trends in value growth over time. Values in 2019 were £24,000 above the 2007 peak for terraced homes, £37,000 for semi-detached homes and £45,000 for detached homes.

Figure 4.7: Trends in Median Price by Property Type, Herefordshire



Source: IcenI analysis of ONS Small Area House Price Statistics

4.43 An analysis of changes in the median house price over time shows the cyclical nature of the market. Prices grew by 4.5% per annum between 2014-19, which is significantly greater than the growth seen between 2009-14 (1.7%) or between 2004-9 (1.4%). The strongest growth in absolute and percentage terms over the last 10 years has been in values of detached and semi-detached properties. This contrasts with trends prior to 2009 where lower value properties saw the greatest relative growth.

Table 4.9 Annual Growth in House Prices in Herefordshire over Different Time Periods

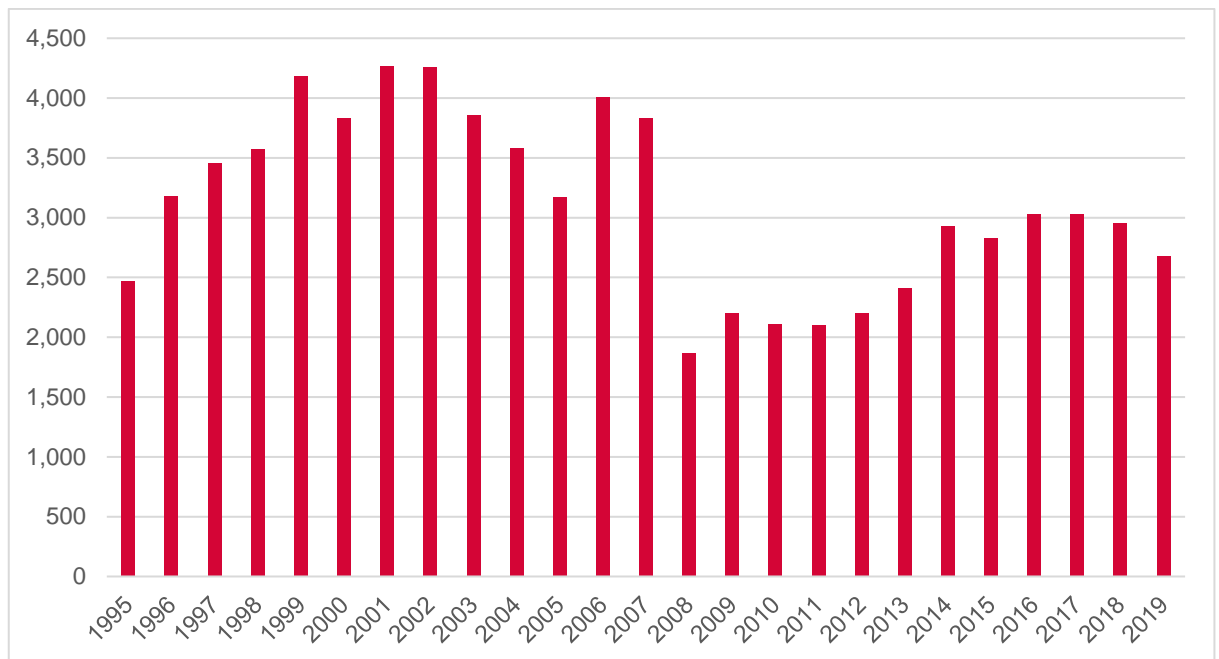
	2014 19		2009 14		2004 9	
	PA	CAGR	PA	CAGR	PA	CAGR
Detached	£11,000	3.8%	£4,000	1.6%	£1,100	0.4%
Semi-Detached	£8,005	4.3%	£2,595	1.6%	£2,300	1.5%
Terraced	£5,300	3.4%	£1,700	1.2%	£3,000	2.4%
Flat/Maisonette	£3,000	2.7%	£0	0.0%	£2,060	2.1%
All Sales	£9,250	4.5%	£3,000	1.7%	£2,300	1.4%

Source: IcenI analysis of ONS Small Area House Price Statistics

Sales

4.44 Transaction levels (sales) reflect the relative buoyancy of the market and provide an indication of ‘effective demand’ for market housing. Sales volumes average 3,450 per annum over the 15 year period to 2009. They fell dramatically as a result of the ‘credit crunch’ before picking up from 2013 onwards as availability of mortgage finance improved and as a result of Government support for the housing market. Sales of market housing in Herefordshire have however been falling since 2017.

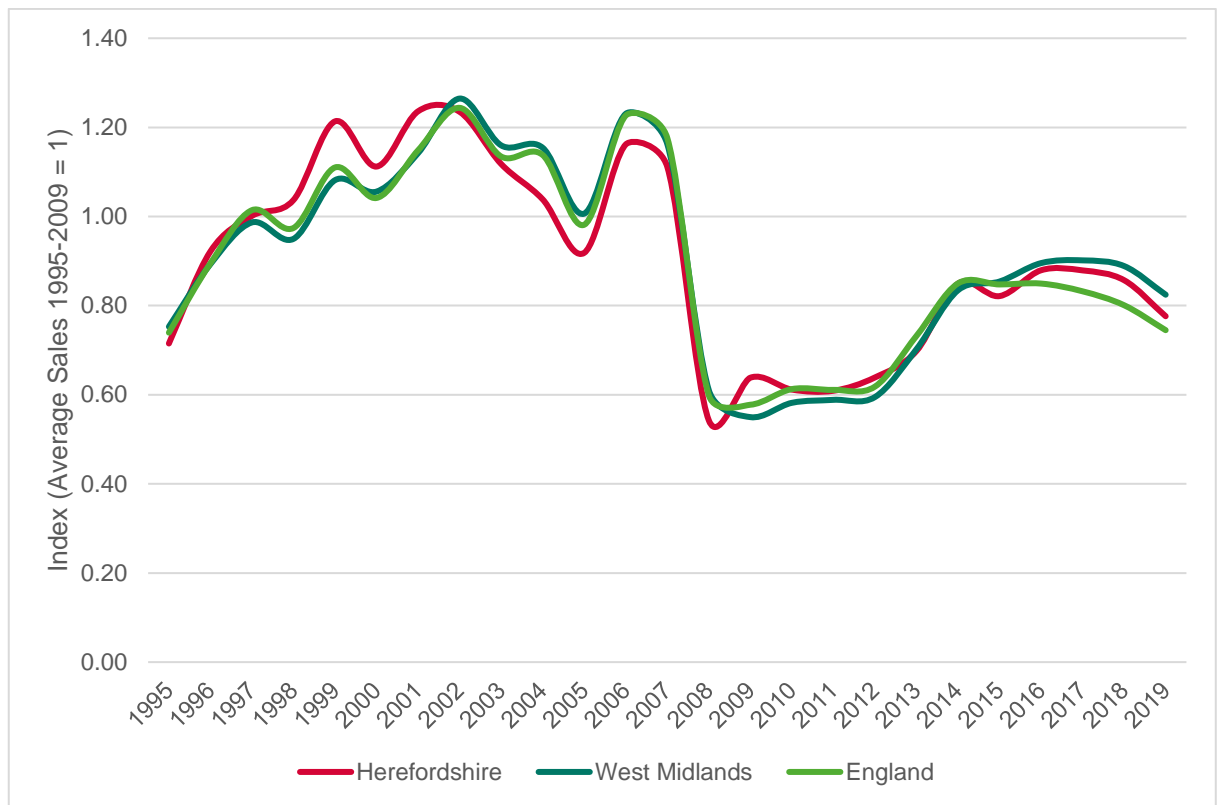
Figure 4.8: Sales of Market Housing in Herefordshire, 1995-2009



Source: Icen analysis of ONS Small Area House Price Statistics

- 4.45 Structural issues with the housing market have inhibited a recovery in sales volumes to pre-2008 levels. Access to mortgage finance is more restricted with lower availability of mortgages on high loan to value ratios and requirements for 'stress testing' which includes assessing the ability of households to pay higher interest rates than the current level.
- 4.46 A growing older population which typically moves less often has also restricted housing market activity and chains, with fewer older households moving in part because of a compression of prices between 2- and 3-bed properties according to analysis from UK Finance. A consistent low inflation environment has less reduction in the real value of debt.
- 4.47 The growth in house prices has created affordability issues which serve both to restrict the ability of non-homeowners to purchase a home and has led to significant rises in Stamp Duty which mean that the 'transactional cost' of moving is now significant, with many households looking to extend homes rather than move. It is this combination of issues which underlies lower market housing sales and transactional activity over the last decade.
- 4.48 The analysis below benchmarks sales trends relative to average over the 1995-2009 period. It shows a strong correlation between sales trends in Herefordshire and nationally indicating that these national trends are equally affecting the market in Herefordshire.

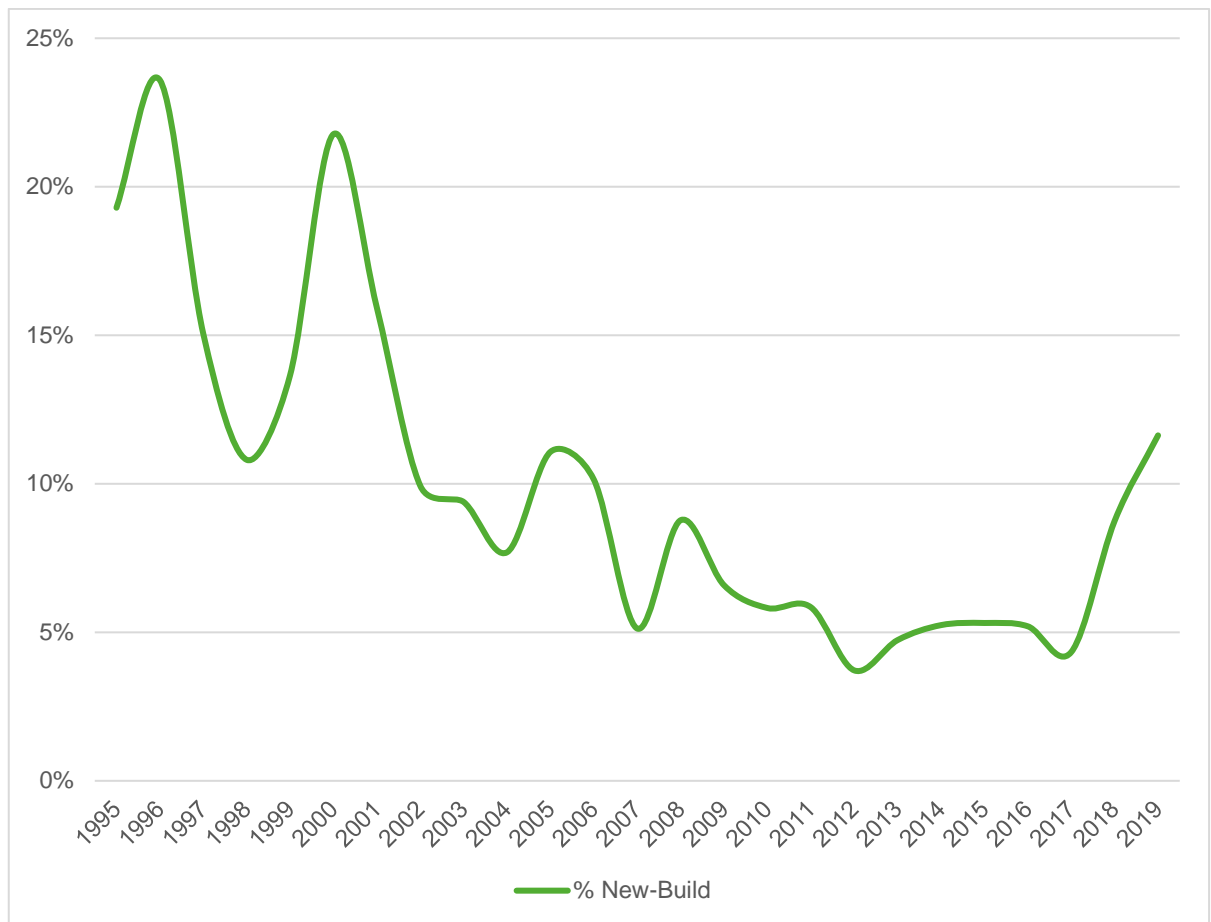
Figure 4.9: Comparative Analysis of Long-term Trends in Sales of Market Housing



Source: Icen analysis of ONS Small Area House Price Statistics

- 4.49 The drop in sales volumes seen since 2016 is likely to have been influenced by the effects of macro-economic uncertainty on the market (linked to Brexit) coupled with changes to mortgage interest relief which have affected the buy-to-let market.
- 4.50 Influenced by Government support for the housing market, in many areas we have seen growth in the proportion of sales accounted for by new-build properties. However, an analysis of trends in Herefordshire indicates a general downward trend in new-build sales from 1995-2012, but with some recovery since 2017. New-build sales in 2019 accounted for 12% of total sales; but the evidence would suggest potential for this to grow further.

Figure 4.10: New-Build Sales Trends in Herefordshire



Source: Icenis analysis of ONS Small Area House Price Statistics

4.51 Our analysis suggests that new-build sales volumes have been strongly supported by the Government’s Help-to-Buy Equity Loan Scheme, which has supported an average of 41% of new-build sales over the 2014-19 period.

Table 4.10 Market Support from Help-to-Buy Equity Loan

	2013	2014	2015	2016	2017	2018	2019	5 Year Total
Total New-Build Sales	109	146	143	150	126	238	279	936
Sales with HTB Equity Loan	7	56	54	80	67	86	93	380
% Supported by HTB	6%	38%	38%	53%	53%	36%	33%	41%

Source: Icenis Analysis of HTB Equity Loan Statistics and New-Build Sales (from ONS Small Area House Price Statistics)

Private Rental Values

4.52 We have also reviewed current private rents in Herefordshire against the relevant comparators. The data is drawn from the Valuation Office Agency (“VOA”) Private Rental Market Statistics. Median monthly rents vary from £412 for a Room and £380 for a Studio to £995 for 4+ bed properties in Herefordshire.

Table 4.11 Monthly Rents in Herefordshire, Year to March 2020

	Count of rents	Lower quartile	Median	Upper quartile
Room	50	£381	£412	£475
Studio	40	£350	£380	£425
1-bed	460	£425	£495	£525
2-bed	800	£550	£600	£650
3-bed	440	£675	£750	£800
4+ bed	170	£875	£995	£1,200
All Lettings	1,960	£500	£600	£725

Source: IcenI analysis of ONS Private Rental Market Statistics

- 4.53 Whilst the median rent for all properties is 7% below the West Midlands average, rents in Herefordshire for rooms in particular, and for 3-bed properties are above the regional average as the Table below shows. As Figure 4.10 however shows, the profile of lettings is focused on properties with between 1-3 bedrooms, with the strongest level of lettings for 2-bed stock.

Table 4.12 Monthly Rents vs. Wider Comparators, Year to March 2020

	Herefordshire	West Midlands	England
Room	£412	£355	£351
Studio	£380	£425	£550
1-bed	£495	£500	£625
2-bed	£600	£625	£695
3-bed	£750	£715	£795
4+ bed	£995	£1,043	£1,300
All Lettings	£600	£645	£700

Source: IcenI analysis of ONS Private Rental Market Statistics

- 4.54 We have sought to consider rental trends over the last 5 years to provide a relative indication of where there is a supply/demand imbalance. The evidence indicates that over this period rents have grown by an average of 9%. The strongest growth has however been seen for rooms and studios followed by 1-bed properties. This points to some need for growth in the stock of smaller properties and the room letting market, particularly in more urban locations in Herefordshire.

Table 4.13 Rental Growth in Herefordshire, 2014/15 – 2019/20

	2014/15	2019/20	Change	% Change
Room	£325	£412	£87	27%
Studio	£320	£380	£60	19%
1-bed	£440	£495	£55	13%
2-bed	£550	£600	£50	9%
3-bed	£675	£750	£75	11%
4+ bed	£895	£995	£100	11%
All Lettings	£550	£600	£50	9%

Source: Icenii analysis of ONS Private Rental Market Statistics

Build to Rent and the Private Rented Sector

- 4.55 The Government has sought to encourage Build-to-Rent housing, which the NPPF defines as “purpose-build housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses but should be on the same site and/or contiguous with the main development.
- 4.56 Schemes will usually offer longer tenancy agreements of three years or more and will typically be professionally managed stock in single ownership or management control. It represents development which is constructed with the intention that it will be let rather than sold.
- 4.57 The benefits of Build- to- Rent are strong and are best summarised in the Government’s A Build to Rent Guide for Local Authorities which was published in March 2015. The Guide notes the benefits are which ranging but can include:
- Helping local authorities to meet demand for private rented housing whilst increasing tenant’s choice “as generally speaking tenants only have the option to rent from a small-scale landlord”.
 - Retaining tenants for longer and maximising occupancy levels as Build to Rent investment is an income focused business model;
 - Helping to increase housing supply, particularly on large, multiple phased sites as it can be built alongside build for sale and affordable housing; and
 - Utilising good design and high-quality construction methods which are often key components of the Build-to-Rent model.
- 4.58 The Framework now recognises the emergence of the strength of the Private Rented Sector. The Framework (paragraph 61) says the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies including those people who rent their homes (as separate from those in affordable housing need). The Framework’s Glossary

also introduces a definition for Build to Rent development (as defined above), thus recognising it as a sector.

- 4.59 Over recent years there has been a rapid growth in the Build-to-Rent sector backed by domestic and overseas institutional investment. BTR accounted for 8.7% of new housing starts in 2016/17 whilst latest research from Savills (2018) for the 12 month period to Q4 2018 indicates a 29% increase in BTR unit completions (over 29,400), over 43,300 units under construction (a 39% increase) and 66,700 in a substantial planning pipeline (10% increase).
- 4.60 Taken together, this total of 139,500 units accounts for a 22% increase since Q4 2017. In terms of age profile, research by JLL¹³ focused on BTR case studies identified tenants typically in the 25-35 age bracket with an average tenant age of 31 and occupiers who were above average earners, seeking apartments or flats in urban conurbations, together with 'satellite' towns near to or commutable to the centres of employment.
- 4.61 At the time of writing there is currently no build-to-rent development which has come forwards in Herefordshire. This is common for areas away from the major cities. To sustain purpose-build schemes requires a critical mass of private rented tenants. Within Herefordshire, the private rented sector is relatively modest in size at about 15% of the housing stock and this, and rents which are below the regional and national average, are likely to limit developer interest in Build-to-Rent schemes in the short-term.
- 4.62 In preparing a new Local Plan, the Council might however seek to include a policy on Build-to-Rent development in order to set out parameters regarding how schemes would be considered, and how affordable housing policies would be applied.
- 4.63 Given that this is a relatively embryonic sector, we would recommend that the Council is not overly prescriptive on the mix of dwelling sizes within new Build-to-Rent development. The NPPF definition of Build-to-Rent development sets out that schemes will usually offer tenancy agreements of three or more years and will typically be professionally managed stock in single ownership and management control. It would be appropriate for the Council to adopt a consistent definition.
- 4.64 The Council will need to consider affordable housing policies specifically for the Build-to-Rent sector across the County. The viability of Build-to-Rent development will however differ from that of a typical mixed tenure development: returns from the BTR development are phased over time whereas for a typical mixed tenure scheme, capital receipts are generated as the units are completed. There is

¹³ JLL Research (2018) Build to Rent

potential for a proportion of build-to-rent units to be delivered as ‘affordable private rent’ housing. Planning Practice Guidance¹⁴ states that:

“The National Planning Policy Framework states that affordable housing on build to rent schemes should be provided by default in the form of affordable private rent, a class of affordable housing specifically designed for build to rent. Affordable private rent and private market rent units within a development should be managed collectively by a single build to rent landlord.

20% is generally a suitable benchmark for the level of affordable private rent homes to be provided (and maintained in perpetuity) in any build to rent scheme. If local authorities wish to set a different proportion, they should justify this using the evidence emerging from their local housing need assessment and set the policy out in their local plan. Similarly, the guidance on viability permits developers, in exception, the opportunity to make a case seeking to differ from this benchmark.

National affordable housing policy also requires a minimum rent discount of 20% for affordable private rent homes relative to local market rents. The discount should be calculated when a discounted home is rented out, or when the tenancy is renewed. The rent on the discounted homes should increase on the same basis as rent increases for longer-term (market) tenancies within the development”.

- 4.65 The Council should have regard to the specific Planning Practice Guidance on Build-to-Rent development; with the starting point therefore that 20% affordable private rented homes at a discount of 20% to local market rents should be included within a development scheme.

Local Intelligence from Sales and Letting Agents

- 4.66 Icenl have undertaken market research speaking to local estate agents and letting agents within the different housing market areas of Herefordshire to understand local market dynamics in August 2020. This included a selection of agents across the County including Hereford City, Bromyard, Kington, Ledbury, Leominster and Ross-on-Wye. This provides an assessment of housing market dynamics at the point in time of the assessment (August 2020).

Rental Market

- 4.67 Agents indicated the rental market across the County is extremely active with a particular peak in demand since the Covid-19 restrictions were lifted. This has led to a shortage in rental property stock

¹⁴ ID: 60-002-20180913

compared to the amount of people interested in the rental market. Agents also suggested rental properties are being let on a faster basis than previously before Covid-19.

- 4.68 More generally the market is varied with people of all ages renting with the County however there is a definite trend of couples and young families looking to rent within the area. Agents referred to an even split between those seeking rental properties coming from within Herefordshire and those coming from further afield, although there is a trend of more rural areas attracting those from outside Herefordshire and Hereford City attracting more local renters. Some renters are moving out of cities and larger urban areas, including Worcester and Birmingham who are looking for a more rural life. The effects of this should be kept under review looking over the long-term.
- 4.69 Agents referred to the effect of Covid-19 being some people have less job security and would therefore prefer to rent rather than buy a property at the moment. Some agents in east of the County suggested there is a trend of people renting in this area to utilise the transport connections and commute out to surrounding employment centres. Herefordshire currently has a small student rental population, although there is planned growth in the number of students in Herefordshire in the next five to ten years, This is considered further in Section 10 which looks specifically at the Hereford HMA and the potential need for student accommodation in the HMA.

Sales Market

- 4.70 Icenis's engagement with sales agents indicates that residential market is very buoyant at the current time (August 2020) with a wide mix of buyers. The market has seen an influx of interest after Covid-19 restrictions have been lifted.
- 4.71 The County generally attracts buyers of all ages although there are currently less first-time buyers due to the 5 percent and 10 percent deposit mortgage schemes being withdrawn as a result of Covid-19. This is common to other areas of the country as well. In Herefordshire there is a trend for purchasers coming from areas surrounding the County into the County to inhabit the more rural areas, although there is still a trend of people relocating within the County.
- 4.72 There is a general demand for family sized 3 or 4-bedroom properties within the more rural areas within the County. Agents state there is less of a demand for flats as people would like to have gardens - this is also the case in Hereford City. Agents suggested buyers are taking advantage of the Stamp Duty Land Tax holiday and therefore seeking higher value properties.
- 4.73 Many agents highlighted a need for bungalows and retirement housing within Herefordshire. There is particular interest from elderly people on these types of properties and currently there is not enough stock on the housing market. The need for specialist housing for older people is considered later in this report at Section 7.

-
- 4.74 There is some investor interest in the area particularly for flats, although this is not a major part of the housing market.
- 4.75 Agents in Herefordshire have limited involvement in new build sales as there only a small proportion of new builds in the area which are marketed by their developer. All agents suggested there is interest in self build plots within the HMAs, there are not enough plots of land in the County to accommodate this interest.
- 4.76 Agents suggested overall demand is greatest for middle range value properties around the £250,000 to £300,000 price mark within more rural areas. People often currently own lower value properties and are looking to move homes and increase the amount spent on a property.
- 4.77 The recent effect of Covid-19 and the subsequent Stamp Duty Land Tax holiday is there more buyers of all ages looking to buy in Herefordshire, hence the market is very buoyant.
- 4.78 All agents agree the residential sales market in the County is performing well and since Covid-19 restrictions have been reduced there has been an influx of stock onto the market to supply this demand although properties are being sold particularly quickly compared to the pre Covid-19 housing market, hence this supply may not be able to keep up with demand.
- 4.79 House prices have increased marginally over the past few years and there are currently no major spikes in house prices due to Covid-19. However, due to less stock on the market compared to potential buyers some agents have suggested properties are being put on the market at higher asking prices compared to pre Covid-19.

Market Housing Affordability

- 4.80 The median house price-to-earnings ratio in Herefordshire in 2019 at 11.9 is significantly higher than both the West Midlands and national averages, at 6.2 and 7.1 respectively, pointing to stronger relative affordability pressures. This is based on workplace-based earnings.
- 4.81 Residents' earnings are higher than workplace-based earnings, by an average of £1,000 per year. The median house price is therefore a lower figure of 9.0 times earnings.

Table 4.14 Median House Price to Earnings Ratio in Herefordshire, 2019

	Residence based	Workplace based
Median House Price, Yr to Sept 2019	235,000	235,000
Median Annual Earnings, 2019	26,247	25,249
Median House Price-to-Income Ratio	8.95	11.91

Source: ONS House Price to Earnings Ratios

4.82 Over the last 15 years the median house price-to-earnings ratio has increased by almost 4 points, from 8.0 in 2003 to 11.9 in 2019. It has seen significantly greater comparative growth than has been evident across the West Midlands or nationally pointing to a stronger comparative deterioration in affordability in the County. Much of this increase (60%) has occurred over the last 5 year period (2014-19). As affordability is an input into the standard method, this influences future housing needs.

Table 4.15 Trend in Workplace-based House Price-to-Earnings Ratio

	2004	2009	2014	2019	5 Year Change	15 Year Change
Herefordshire	8.36	8.66	9.10	9.31	0.21	0.95
West Midlands	6.02	5.84	6.21	6.83	0.62	0.81
England	6.60	6.39	7.09	7.83	0.74	1.23

Source: ONS House Price to Earnings Ratios

5. OVERALL HOUSING NEED

- 5.1 This section considers overall housing need across Herefordshire. It considers the basis of the current Core Strategy housing requirement; and then considers what current and emerging national policy means regarding the (unconstrained) local housing need in Herefordshire.
- 5.2 Development constraints – including environmental designations and infrastructure provision – are considered, bringing together wider evidence, as part of the plan-making process in determining a housing requirement.

Core Strategy Housing Requirement

- 5.3 The Herefordshire Core Strategy 2011-31 was adopted by the Council in October 2015. Policy SS2 set out a minimum housing requirement for delivery of 16,500 homes across Herefordshire between 2011-31, which is equivalent to 825 dwellings per annum (dpa).
- 5.4 The Core Strategy housing requirement was based on an assessment of the County's objectively-assessed housing need (OAN) following the approach set out in the 2012 NPPF and associated 2014 Planning Practice Guidance.
- 5.5 The 16,500 figure was derived from the 2014 Local Housing Requirements Study Update¹⁵ which derived an OAN of between 15,400 – 16,200 homes. This used a staged approach to considering housing need. It considered the need based on demographic dynamics concluding this to be for between 735-765 dpa; the lower end of the range being based on the ONS 2012-based Sub-National Population Projections and the higher end based on longer-term migration trends. In both cases the modelling included upward adjustments made to household formation rates to improve affordability.
- 5.6 The Study also considered economic growth projections, including forecasts of growth in employment of between 7,500 – 9,000 additional jobs over the 2011-31 plan period based. It showed that taking account of changes in the population age structure this would imply require above-trend in-migration to Herefordshire requiring provision of between 721 - 775 dpa.
- 5.7 However, taking account of the economic policies of the Plan implied a need for a higher level of housing provision of 16,200 homes; and the housing requirement was set taking this into account

¹⁵ <https://www.herefordshire.gov.uk/downloads/file/1645/local-housing-requirements-study-update-2014>

and the need for some flexibility and in order to ensure the alignment of the housing and economic strategies.

- 5.8 The NPPF in Para 33 sets out that policies in local plans should be reviewed at least once every five years and should then be updated where necessary.¹⁶ The NPPF directs that where strategic policies are more than five years' old and have not been 'reviewed and found not to require updating,' housing need should be considered using the standard method in Planning Practice Guidance and this should form the basis for assessing five year housing land supply and housing delivery.
- 5.9 For the Council to consider whether the Core Strategy housing requirement needs updating or not, it is necessary to consider the latest evidence on housing need. This would also form the basis of considering housing need in the preparation of a new Local Plan. We therefore turn to this next.

Standard Method for Calculating Local Housing Need

- 5.10 In 2018 the Government amended the NPPF and released new Planning Practice Guidance to introduce the 'standard method' for calculating Local Housing Need. This replaced the approach to defining OAN set out in the 2014 Planning Practice Guidance, and which informed the Core Strategy. The Government's intention in doing so was to introduce a standardised approach using consistent data sources for all local authorities nationally to calculate housing need. Its ambitions were to make the process of doing so simpler, quicker and more transparent, with the intention of speeding up plan-making.
- 5.11 The 2019 NPPF now sets out in Para 60 that to determine the minimum number of homes needed, *"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 approach¹⁷ which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any need that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for."*

The Standard Method

- 5.12 The standard method set out at the time of writing in the Planning Practice Guidance adopts a four stage approach. The four-step process is set out in the Figure 5.2 below.

¹⁶ This is a legal requirement as set out in Regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012.

¹⁷ The glossary definition of Local Housing Need in the NPPF sets out that use of a justified alternative approach can only be taken forwards in the context of preparing strategic policies.

Figure 5.2 Overview of the Current Standard Method for Calculating Local Housing Need



- 5.13 Step One in considering housing need against the standard method is to establish a demographic baseline. This baseline is drawn from the 2014-based Household Projections and should be the annual average household growth over a ten year period, with the current year being the first year i.e., 2020 to 2030.
- 5.14 Step Two is to consider the application of an affordability uplift to the demographic baseline, to take account of market signals (i.e., relative affordability of housing). The adjustment increases the housing need where house prices are high relative to workplace incomes. It uses the published ONS workplace-based median house price to median earnings ratio for the most recent year for which data is available. The latest (workplace-based) affordability data is currently for 2019 and was published by ONS in March 2020.
- 5.15 The PPG states that for each 1% increase in the ratio of house prices to earnings, where the ratio is above 4, the average household growth should be increased by a quarter of a per cent, with the calculation being as follows:

$$\text{[Adjustment Factor} = ((\text{local affordability ratio} - 4)/4) \times 0.25\text{]}$$

- 5.16 Step Three is to consider whether a cap should be applied to the affordability adjustment to ensure that the figure which arises through the first two steps does not exceed a level which can be delivered. There are two situations where a cap is applied:
- The first is where an authority has reviewed its plan (including developing an assessment of housing need) or adopted a plan within the last five years. In this instance the need may be capped at 40% above the requirement figure set out in the plan. This will not be applicable in Herefordshire beyond October 2020.

- The second situation affects plans and evidence that are more than five years old. In such circumstances a cap may be applied at 40% of the higher of the projected household growth or the housing requirement in the most recent plan, where this exists.

5.17 A final step - step four - was introduced by the Government through an amendment to the standard method as set out in the PPG on 16th December 2020. This additional step applies only to Cities and urban centres which fall within the top 20 largest in England and it is therefore not relevant for the purpose of assessing housing need in Herefordshire. By way of context, the fourth step would see an uplift of the figure generated by steps 1 to 3 by 35%.

5.18 The table below outlines the calculation of the minimum Local Housing Need using the methodology above, as set out currently in the PPG. A minimum LHN of 846 dpa is derived based on household growth of 636 per annum, taking from the 2014-based Household Projections, with an affordability uplift of 33% applied to this based on the 2019 affordability ratio.

Table 5.1 Minimum Local Housing Need using Standard Method, March 2021

Local Authority	Herefordshire
Setting the Baseline:	
Household Growth pa over next 10 years, 2020-30	636
Affordability Adjustment:	
Median workplace-based affordability ratio, 2018	9.31
Adjustment factor	33%
Step 2 housing need figure	846
Cap:	
Date of plan adoption	16/10/2015
Plan more than 5 years old	Yes
Housing requirement in last adopted plan	825
Cap @ 40% above Step 2 LHN	890
Cap @ 40% above Last Adopted Plan	1155
Cap figure to be applied	1155
Step 2 LHN above Cap	No
Minimum Local Housing Need (dpa):	846

5.19 The minimum local housing need generated by the current LHN methodology is 2.5% above the annualised Core Strategy housing requirement. This is a very modest difference.

5.20 Over the 2011-20 period, total net completions of 4,725 homes have been delivered in the County (equivalent to an average of 525 pa).¹⁸ The residual Core Strategy requirement is therefore to deliver 11,775 dwellings over the remainder of the plan period which is equivalent to 1,070 dpa.

5.21 The minimum LHN calculated using the standard method, which the PPG sets out takes account of historical delivery through the affordability adjustment, therefore represents a lower level of housing need than the residual requirement to deliver the Core Strategy.

Distribution of Housing Need across Herefordshire HMAs

5.22 This sub-section provides local level outputs on local housing need for the seven HMAs with an urban/rural distinction between each HMA. In order to consider the distribution of housing need across the HMAs, we have developed a scenario which looks at trends in population growth in each HMA over the 2011-18 period (the longest time series for which we have reasonable data) and projects these trends forward. For information, the table below shows estimates of population change over the 2011-18 period.

Table 5.2 Estimated Population Change by Sub-Area 2011-18

	2011	2018	Change	% Change	% of Change
Bromyard: Urban	4,230	4,465	235	5.6%	2.8%
Bromyard: Rural	7,158	7,321	163	2.3%	1.9%
Bromyard Total	11,388	11,786	398	3.5%	4.7%
Golden Valley	6,067	6,176	109	1.8%	1.3%
Hereford: Urban	53,564	55,955	2,391	4.5%	28.2%
Hereford: Rural	29,817	31,669	1,852	6.2%	21.8%
Hereford Total	83,381	87,624	4,243	5.1%	50.0%
Kington: Urban	3,243	3,283	40	1.2%	0.5%
Kington: Rural	6,213	6,492	279	4.5%	3.3%
Kington Total	9,456	9,775	319	3.4%	3.8%
Ledbury: Urban	9,289	9,758	469	5.0%	5.5%
Ledbury: Rural	9,391	9,782	391	4.2%	4.6%
Ledbury Total	18,680	19,540	860	4.6%	10.1%
Leominster: Urban	11,686	12,406	720	6.2%	8.5%
Leominster: Rural	11,831	12,379	548	4.6%	6.5%
Leominster Total	23,517	24,785	1,268	5.4%	14.9%
Ross: Urban	9,571	10,273	702	7.3%	8.3%
Ross: Rural	21,559	22,148	589	2.7%	6.9%
Ross Total	31,130	32,421	1,291	4.1%	15.2%

¹⁸ Source: 2020 Annual Monitoring Report

	2011	2018	Change	% Change	% of Change
Herefordshire	183,619	192,107	8,488	4.6%	100.0%

5.23 Linking to the local housing need at a Herefordshire level of 846 homes per annum, our approach is that if a location has seen 10% of the growth, then it is projected that the area will see around 10% of population growth moving forward. In addition, adjustments are made at a local level to take account of the communal population and also household structures by age. The outputs are set out in the Table below.

Table 5.3 Estimated Household Change by Sub-Area

	Housing Need	% of Need
Bromyard: Urban	24	2.8%
Bromyard: Rural	22	2.6%
Bromyard Total	47	5.5%
Golden Valley	19	2.2%
Hereford: Urban	244	28.9%
Hereford: Rural	150	17.7%
Hereford Total	394	46.6%
Kington: Urban	9	1.0%
Kington: Rural	27	3.2%
Kington Total	36	4.2%
Ledbury: Urban	53	6.2%
Ledbury: Rural	40	4.7%
Ledbury Total	93	11.0%
Leominster: Urban	69	8.1%
Leominster: Rural	57	6.7%
Leominster Total	125	14.8%
Ross: Urban	64	7.6%
Ross: Rural	69	8.1%
Ross Total	133	15.7%
Herefordshire	846	100.0%

Note: numbers for urban/rural vs total may not be equal due to rounding

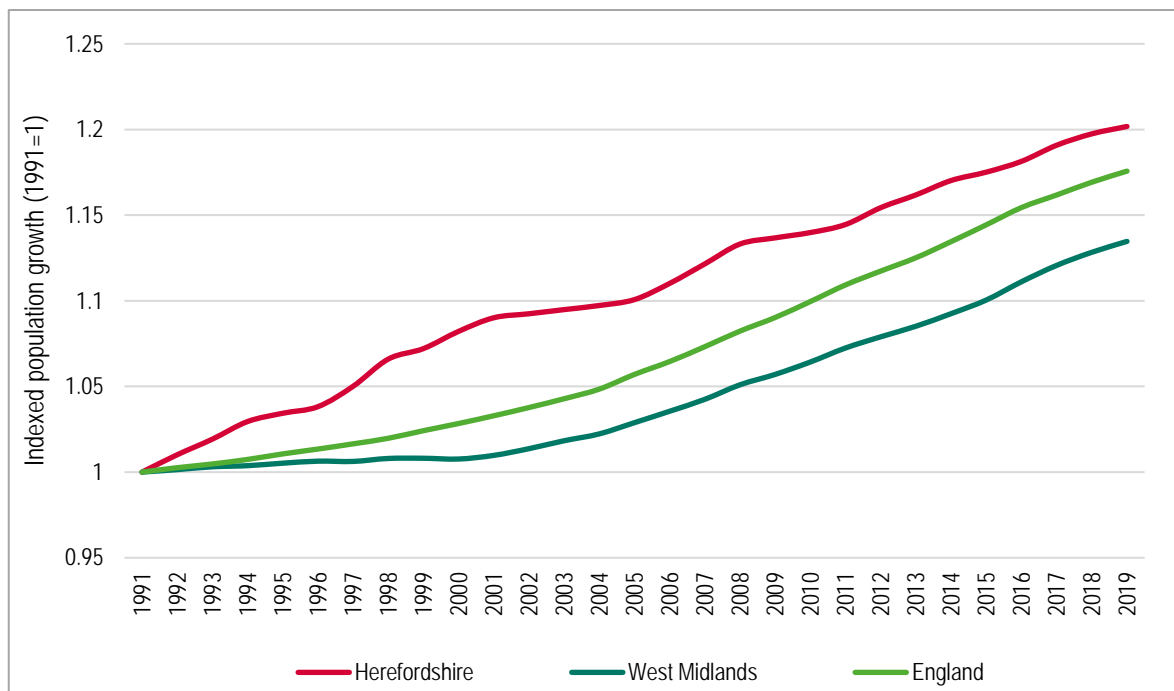
5.24 It will ultimately be for the Council to develop a spatial strategy which will include consideration of where sites are suitable and available alongside consideration of constraints as well as local priorities. It is however noteworthy that the trend based projections do show a broadly similar distribution to the adopted Core Strategy.

Appropriateness of the Demographic Projections

Demographic Trends

- 5.25 The figure below considers population growth in the period from 1991 to 2019. The analysis shows over this period that the population of Herefordshire has risen strongly in comparison with other locations. In 2019, it was estimated that the population of the County had risen by 20% from 1991 levels, this is in contrast with a 13% rise across the region and an 18% increase nationally.

Table 5.4 Indexed Population Growth, 1991-2019



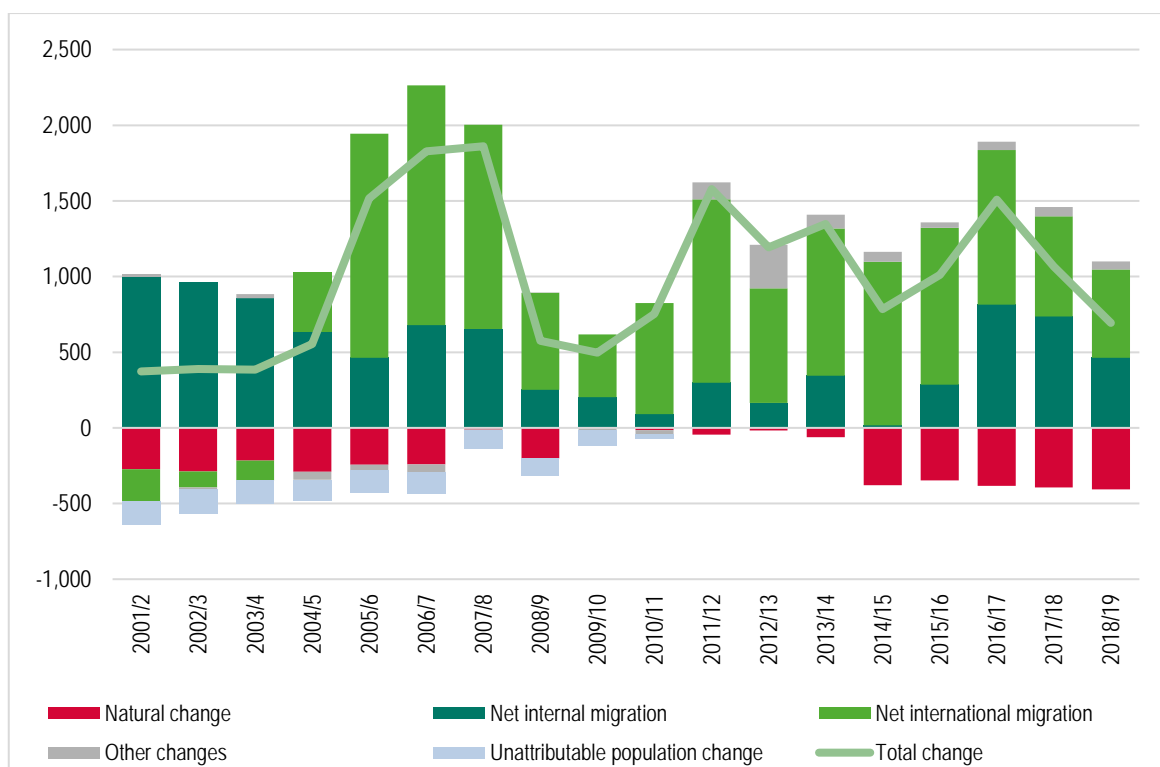
Source: ONS Mid-Year Population Estimates

- 5.26 The main components of change are natural change (births minus deaths), net migration (internal/domestic and international) and other changes. There is also an Unattributable Population Change (UPC) which is a correction made by ONS upon publication of Census data if population has been under- or over-estimated.
- 5.27 The data shows a varying level of natural change throughout the period, although all year's show negative figures (i.e., more deaths than births). Generally, natural change is a relatively small component of all population change in any given year. Given levels of natural change, it can be seen that population growth is largely driven by net in-migration, and in particular international migration, although for all years, the County has also seen net in-migration from the rest of the UK. For the last four years the data shows a particularly large level of net internal in-migration (of about 575 people per annum). Over the last five years, net internal migration has averaged 463 people per annum.

5.28 International migration is also a positive component of population growth, with a positive number of people moving to the County from abroad in all years since 2004. Over the past five years international migration has averaged 878 people per annum (net).

5.29 The data also shows a negative level of UPC, suggesting that between 2001 and 2011, ONS may have overestimated population growth within population estimates (and this was corrected once Census data had been published). If this overestimation of population growth is a systematic problem with ONS data, then it could be the case that population estimates to 2019 are also over-estimated although it should be clarified that levels of UPC are relatively modest in the context of the overall population of the County.

Figure 5.4: Components of Population Change, mid 2001 – mid 2019 – Herefordshire



Source: ONS Mid-Year Population Estimates

5.30 The analysis above has focussed on data from the ONS mid-year population estimates (MYE). It is possible to contrast estimates of population growth in this source with other measures – the main one being the Patient Register (“PR”). The table below shows estimated population growth in both the MYE and the PR – data is shown for Herefordshire, the West Midlands region and England.

5.31 For Herefordshire, the PR source is particularly interesting as it suggests a slightly lower level of population growth than the MYE (4.4% compared with 5.0%). This finding is at odds with equivalent regional and national data where the PR suggests notably higher levels of population growth.

5.32 Whilst this information is mainly included for reference purposes, it is the case that if anything population growth in the County is likely to have been over-estimated in the past 7-years. This would then feed into future projections (which are trend based) and potentially show future levels of population growth that are higher than true trends would suggest.

5.33 For the avoidance of doubt, it should be highlighted that the PR feeds into the MYE amongst other data sources. Considered in isolation, the PR as a source is not sufficiently robust enough to just a shift away from the MYE and in any event, the margin of difference is so insignificant in Herefordshire at 0.6% that the ONS MYE should continue to be the primary data source.

Table 5.5 Comparing ONS Mid-Year Population Estimates with Patient Register

		2011	2019	Change	% change
Herefordshire	MYE	183,640	192,830	9,190	5.0%
	Patient Register	184,170	192,240	8,070	4.4%
West Midlands	MYE	5,608,680	5,934,060	325,380	5.8%
	Patient Register	5,807,710	6,308,510	500,800	8.6%
England	MYE	53,107,200	56,286,990	3,179,790	6.0%
	Patient Register	55,312,750	60,288,290	4,975,540	9.0%

Source: ONS

2018-based Sub-National Population Projections

5.34 The latest (2018-based) set of subnational population projections (SNPP) were published by ONS in March 2020 (replacing a 2016-based release). The projections provide estimates of the future population of local authorities, assuming a continuation of recent local trends in fertility, mortality and migration which are constrained to the assumptions made for the 2018-based national population projections.

5.35 The 2018-based SNPP contain a number of assumptions that have been changed from the 2016-based version, these assumptions essentially filtering down from changes made at a national level. The key differences are:

- ONS' long-term international migration assumptions have been revised upwards to 190,000 per annum compared to 165,000 in the 2016-based projections. This is based on a 25-year average;
- The latest projections assume that women will have fewer children, with the average number of children per woman expected to be 1.78 compared to 1.84 in the 2016-based projections; and
- Life expectancy increases are less than in the 2016-based projections as a consequence of the continued limited growth in life expectancy over the last two years.

-
- 5.36 As well as providing a principal projection, ONS has developed a number of variants. In all cases the projections use the same fertility and mortality rates with differences being applied in relation to migration. The key variants in terms of this assessment can be described as:
- Principal projection
 - an alternative internal migration variant
 - a 10-year migration variant
- 5.37 In the principal projection, data about internal (domestic) migration uses data for the past 2-years and data about international migration from the past 5-years. The use of 2-years data for internal migration has been driven by ONS changing their methodology for recording internal moves, with this data being available from 2016 only.
- 5.38 The alternative internal migration variant uses data about migration from the last 5-years (2013-18), as well as also using 5-years of data for international migration. This variant is closest to replicating the methodology used in the 2016-based SNPP although it does mean for internal migration that data used is collected on a slightly different basis.
- 5.39 The 10-year migration variant (as the name implies) uses data about trends in migration over the past decade (2008-18). This time period is used for both internal and international migration.
- 5.40 The table below shows the outputs from each of these three variant scenarios along with comparisons from the 2016- and 2014-based SNPP. This shows that the 2018-based principal projection shows projected population growth of 11.8%, with the alternative internal migration scenario being lower than this (8.0%) – both of these are higher than the 10-year trend variant.
- 5.41 Population growth in the 2016-based projections sits at the bottom end of this range whilst the 2014-based projections sit within the middle of the range shown from the 2018-based figures. It should be noted that the 2014-based data only goes up to 2039 and so an estimate for 2041 has been provided based on adding a further two years of population growth (estimated to be the same as in the 2037-39 period). The comparison with the 2014-based SNPP is particularly important as it underpins the 2014-based SNHP which is used in the Standard Method.

Table 5.6 ONS Projections for Herefordshire's Population

	Population 2020	Population 2041	Change in population	% change
2018 (principal)	195,189	218,203	23,015	11.8%
2018 (alternative internal)	194,385	209,878	15,493	8.0%
2018 (10-year trend)	194,249	206,813	12,564	6.5%
2016-based	193,178	205,784	12,606	6.5%
2014-based	193,363	209,834	16,471	8.5%

Source: ONS

- 5.42 In looking at the rate of population growth shown in latest SNPP it is arguable that the current Standard Method, which uses 2014-based Household Projections, is potentially on the low side. However, given that internal migration in the 2018-based SNPP principal projection is only based on two years' of data there are question marks about the robustness of this projection. The alternative internal variant (which uses broadly the same methodology as previous SNPP releases) shows a very similar level of population growth, and although not modelled here, the level of population growth being similar to that in the 2014-based SNHP would potentially lead to a similar level of household growth (which in turn would lead to a similar need if a consistent affordability adjustment were applied).
- 5.43 Additionally, as noted previously, data from the Patient Register would suggest that past population growth in the Council may have been over-estimated. If this is the case then one knock-on effect could be to inflate future projections; however, as noted, the PR as a source on its own is not sufficiently robust enough to just a shift away from the MYE. In any event, the margin of difference is so insignificant in Herefordshire at 0.6% that the ONS MYE should continue to be the primary data source.
- 5.44 Icenis has considered various scenarios around the level of local housing need, and it is our conclusion that there is no firm evidential basis for moving away from the standard method. It should be noted that this study does not seek to arrive at a housing requirement – this will be established through the plan-making process involving consideration of any policy-on factors such as physical and environmental constraints.
- 5.45 As noted, the 2018-based SNPP has three main scenarios and rather than provide data from all three, the analysis below looks at a preferred scenario. In this case it is considered that the alternative internal migration variant is likely to be the most robust in a local context in providing a demographic trend-based projection from which future demographic changes can be considered. This has been chosen as it is considered that the principal SNPP has too short a data period when looking at internal migration whilst the 10-year alternative is not thought likely to reflect recent changes seen in Herefordshire (such as an uplift in housing completions).

5.46 With the overall change in the population will also come changes to the age profile. The table below summarises findings for key (5 year) age groups. The largest growth will be in people aged 65 and over. In 2041 it is projected that there will be 67,200 people aged 65 and over. This is an increase of 18,900 from 2020, representing growth of 39%. The population aged 85 and over is projected to increase by an even greater proportion, 81%. Looking at the other end of the age spectrum the data shows that there is projected to be a decrease in the number of children (those aged Under 15), with modest increases or decreases shown for adult age groups.

Table 5.7 Population change 2020 to 2041 by five-year age bands – Herefordshire (2018-based SNPP – alternative internal migration assumptions)

	Population 2020	Population 2041	Change in population	% change from 2020
Under 5	9,130	9,195	65	0.7%
5-9	10,730	9,727	-1,003	-9.3%
10-14	10,630	10,064	-566	-5.3%
15-19	9,268	9,669	401	4.3%
20-24	8,586	8,371	-214	-2.5%
25-29	10,631	10,444	-187	-1.8%
30-34	11,349	11,058	-291	-2.6%
35-39	10,986	10,526	-460	-4.2%
40-44	10,363	11,189	825	8.0%
45-49	11,679	12,319	640	5.5%
50-54	14,145	13,280	-865	-6.1%
55-59	14,912	13,316	-1,596	-10.7%
60-64	13,631	13,509	-122	-0.9%
65-69	12,843	14,170	1,327	10.3%
70-74	12,917	15,791	2,874	22.3%
75-79	9,457	14,707	5,250	55.5%
80-84	6,647	10,836	4,189	63.0%
85+	6,480	11,707	5,226	80.6%
Total	194,385	209,878	15,493	8.0%

Source: ONS

5.47 The analysis below summarises the above information by assigning population to three broad age groups (which can generally be described as a) children, b) working-age and c) pensionable age). This analysis emphasises the projected increase on the population aged 65 and over, of the total projected population increase of 15,500 people, over 100% is projected to be in the 65+ age group.

Table 5.8 Population change 2020 to 2041 by broad age bands – Herefordshire (2018-based SNPP – alternative internal migration assumptions)

	Population 2020	Population 2041	Change in population	% change from 2020
Under 16	32,520	31,024	-1,496	-4.6%
16-64	113,521	111,644	-1,877	-1.7%
65 and over	48,344	67,209	18,866	39.0%
Total	194,385	209,878	15,493	8.0%

Source: ONS

5.48 As noted previously, the Government decided to amend the Standard Method so that the most recent (2018-based at the time of writing) SNHP are disregarded in favour of using the 2014-based version as a start point. There is some good logic for this as the 2018-based projections do seem to potentially be building in additional suppression of household formation (discussed below), however, it is considered that the 2018-based SNPP (i.e., the population data) should not be so readily disregarded – this is particularly because of the changes made to fertility and mortality rates which reflect recently observed trends.

5.49 Therefore, in moving the analysis forward, it is suggested that the most suitable approach is to maintain the 2018-based SNPP as a baseline projection (the alternative internal migration assumptions) and amend migration estimates so that the level of need matches that previously suggested (i.e., for 846 dwellings per annum across the County area). Further adjustments are made to household formation to ensure a consistent projection with the housing need.

Trends in Household Formation

5.50 Having studied the population size, the next step in the process of developing demographic projections is to convert this information into estimates of the number of households in the area. To do this the concept of household representative rates (HRR) is used. HRRs can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)).

5.51 The latest HRRs are as contained in the ONS 2018-based subnational household projections (SNHP). It would be fair to say that recent SNHP (since the 2016-based release) have come under some criticism, this is largely because they are based only on data in the 2001-11 Census period which would suggest that it builds in the suppression of household formation experienced in that time.

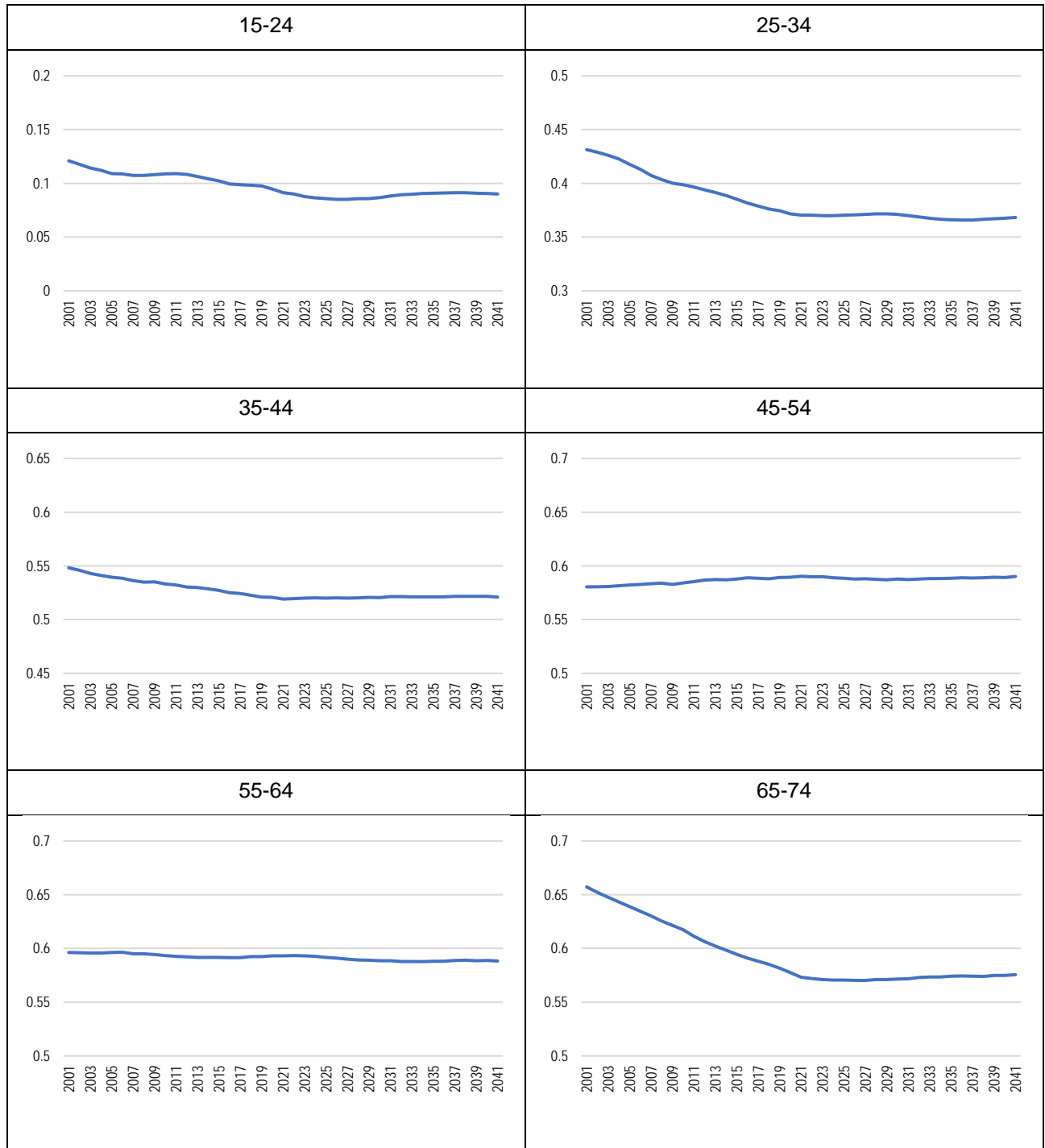
5.52 This suppression can be seen in the figure below, and particularly for the 25-34 age group where there was a notable drop in formation rates from 2001 to 2011, and ONS are projecting this forward as far as 2021 (following which the rate is held broadly stable). Given this apparent suppression, the

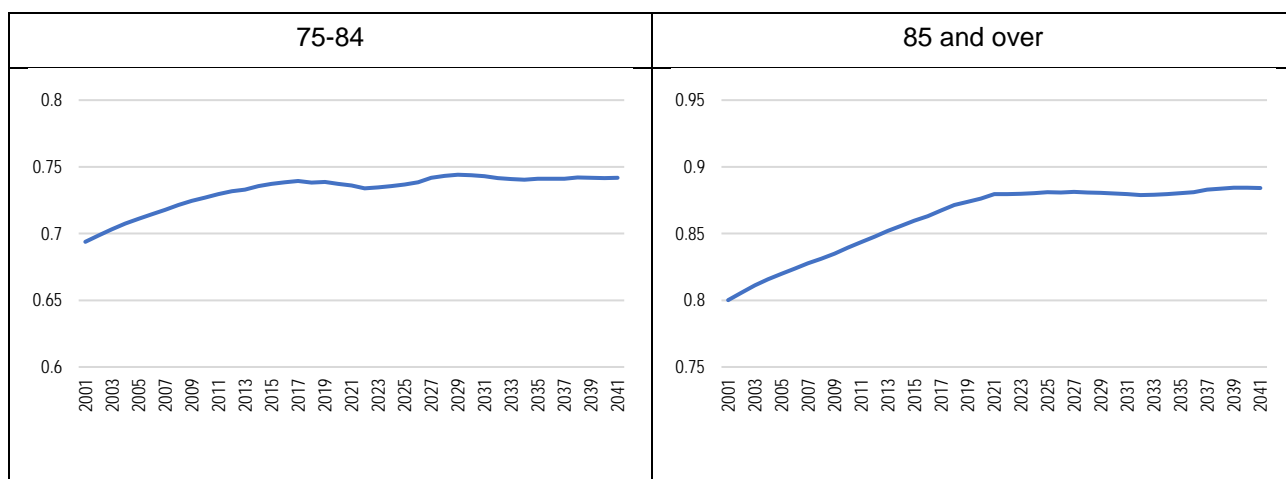
SNHP data has been used to create a scenario where the reduction in the HRR for the 25-34 age group is reversed so that between 2021 and 2031 it returns to the level seen in 2001 (a time when this age group was arguably less constrained).

5.53 Therefore, rather than rejecting the 2018-based SNHP due to the potential for the projections to include a degree of suppression, the data has been used to build a scenario where the suppression is reversed. Two scenarios are modelled:

- Using 2018-based SNHP where data from the SNHP is used as published (2018-SNHP); and
- Using the 2018-based SNHP with an adjustment to the 25-34 age group to 'correct' for apparent suppression in household formation (2534-adjust)

Figure 5.5: Projected Household Representative Rates by age of head of household – Herefordshire (2018-based SNHP)





Source: Derived from ONS and CLG data

5.54 The table below shows estimates of household growth with each of the two HRR scenarios, the table also shows an estimate of the number of additional dwellings this might equate to. All of the figures link to population growth in the 2018-based SNPP (alternative internal migration variant).

5.55 To convert households into dwellings the analysis includes an uplift to take account of vacant homes. For the purposes of analysis, it has been assumed that the number of vacant homes in new stock would be 3% higher than the number of occupied homes (which is taken as a proxy for households), and hence household growth figures are uplifted by 3% to provide an estimate of housing need. This figure is a fairly standard assumption when looking at vacancy rates in new stock and will allow for movement within the housing stock.

5.56 The analysis below shows the housing need outputs when linked to the 2018-based SNPP (alternative internal migration scenario for illustrative purposes). This shows an overall housing need for 582 dwellings per annum (dpa) across the County when using the 2018-based SNHP as the underlying household projection. This figure increases to 651 dpa with an adjustment to the formation rates of households aged 25-34.

Table 5.9 Projected housing need – range of household representative rate assumptions – Herefordshire (linked to 2018-based SNPP)

	Households 2020	Households 2041	Change in households	Per annum	Dwellings (per annum)
2018-SNHP	83,613	95,480	11,868	565	582
Adjusted Headship	83,613	96,893	13,280	632	651

Source: Demographic Projections

5.57 The adjusted headship scenario is useful in understand trend-based household growth. It is not suitable for use in the standard method as the method includes adjustments to affordability which

support higher household formation. Based on the evidence, Icení find no basis for making adjustments to the demographic inputs to the standard method.

Wider Considerations in assessing Housing Need

5.58 The PPG sets out that the standard method does not predict the impact that future Government policies, changing economic circumstances or other factors may have. The Guidance¹⁹ states that there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates. It outlines the circumstances where this may be appropriate, which include:

- Where funding is in place to promote and facilitate additional growth (i.e., Housing Deals, City Growth Deals, etc.); or
- Where strategic infrastructure improvements 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.

5.59 The PPG also requires consideration to be given to the inter-relationship with the assessed need for affordable housing. It sets out that *“The total affordable housing need [once assessed] can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by eligible market housing led developments. An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.”*²⁰

Growth Funding and Strategic Infrastructure

5.60 The Marches Local Enterprise Partnership (LEP) has negotiated a Growth Deal with Government which includes investment to bring forward transport and infrastructure improvements, and investment to support innovation and skills development. £75 million was committed from the Local Growth Fund in the original Growth Deal in 2014 covering projects across the area which includes Herefordshire and Shropshire. This included £33.5 million investment in the Hereford City Transport Package and an investment of £34.1 million South Wye Transport Package and support for a Local

¹⁹ Paragraph: 010 Reference ID: 2a-010-20190220

²⁰ PPG ID: 2a-024-20190220

Growth Hub. A second round of funding (£7.7 million across the LEP area) focused entirely on supporting the rollout of superfast broadband.

- 5.61 The major component of the Hereford and South Wye Transport Packages was delivery of a Hereford Western Bypass and Southern Link Road, together with associated improvements to public transport and walking and cycling infrastructure. The projects were intended to divert traffic away from the A49 through the City, provide an alternative crossing of the River Wye, and support delivery of both housing, employment and educational development. Delivery of strategic growth allocated in the Core Strategy – specifically 6,500 homes at Hereford – will have to be supported by evidence from strategic developers that allows it to come forward in the absence of this infrastructure.
- 5.62 Herefordshire Council declared a climate emergency and determined in October 2019 to review the Hereford and South Wye Transport Package. This review has now been completed and on 3rd December 2020, the Cabinet resolved to no longer proceed with the Western Bypass or Southern Link Road. The decision not to proceed was agreed at Full Council on the 2nd February 2021.
- 5.63 The Transport Package was devised to support delivery of the Core Strategy housing numbers and the strategy for growth at Hereford therein. It sought to address issues associated with the local highway network and accessibility, and whilst this may have affected the distribution of housing provision within Herefordshire, there is no clear evidence that this would have seen an increase in the level of housing need at a county level. The outcome of the decision to no longer proceed with the major components of the Package will be clarified in due course.
- 5.64 Separate Growth Deal funding was awarded in March 2017 with a focus on projects which supported innovation and skills. This included an award of £2.7 million funding to fund Phase 1 of the New Model Institute in Technology and Engineering (NMITE) supporting 250 undergraduates and creating 37 jobs. It also included £3 million funding for support the development of a £3 million Midlands Centre for Cyber Security at the Hereford Enterprise Zone site (Rotherwas) which has now been delivered.
- 5.65 The Marches LEP published a new Strategic Economic Plan in 2019. This set out its ambition – at a LEP level – to grow economic output to £23.8 billion by 2038 (from £14.3 billion), create 5,200 new businesses and approximately 58,700 new jobs, and build 54,000 jobs across the LEP area. This however appears to be an ‘ambition’ rather than evidence-based and no breakdown to individual local authorities is provided.

-
- 5.66 The Council's revised Economic Development Strategy²¹ sets out a number of private sector investment opportunities and what the public sector can do, in an enablement role, to create the conditions to encourage economic growth. It identifies key challenges as including low wages and levels of productivity, with low knowledge-focused economic activity; the need to further develop the skills base; and to improve infrastructure including broadband, housing, employment sites and road infrastructure. It targets creating 10,000 new jobs over the period to 2031 aligned to the delivery of 16,500 homes over the Local Plan period (2011-31).
- 5.67 In considering whether these various initiatives and investments generate a need for additional housing, it is relevant that historically there has been public investment in infrastructure and supporting economic growth.
- 5.68 The evidence does not point to a scale of investment which would represent a 'step change' from that seen historically or draw additional people to Herefordshire relative to historical trends such as because of improvements to infrastructure enabling labour market dynamics with areas outside of Herefordshire to extend further into the County; or because the scale of investment will necessitate additional above-trend migration.
- 5.69 Icenl note that there is no indication in the Growth Deals with Government that the investments would generate additional housing need over and above that which would have been planned for. We therefore do not find clear evidence necessitating an uplift in housing need above the standard method LHN figures.

Affordable Housing Need

- 5.70 The affordable housing needs evidence, as set out in Section 6, points to a need for 422 rented affordable homes per year, and 175 affordable home ownership homes per year, indicating a total affordable housing need for 597 affordable homes per year. A significant proportion of this need is existing households who are resident in Herefordshire but need (or aspire to) a live in a different tenure.
- 5.71 Core Strategy Policy H1 sets out an affordable housing target of 25% in the Leominster housing value area; 35% in Hereford and surrounding areas and West Herefordshire value area; and 40% in Ledbury, Ross-on-Wye and the Rural Hinterlands and the Northern Rural value area on eligible sites of over 10 dwellings/ 1000 sq. m.

²¹ <https://councillors.herefordshire.gov.uk/documents/s50042029/Appendix%201%20REVISED%20-%20Economic%20Development%20Strategy.pdf>

-
- 5.72 Affordable housing delivery over the 2011-20 period has averaged 23% of completions. If this would maintain, total affordable housing provision of 2,595 homes a year would be needed to meet the affordable housing need in full. If 35% affordable housing delivery was achieved, total housing provision of 1,705 homes per year would be needed.
- 5.73 The affordable housing need provides some basis therefore for considering whether higher housing provision should be sought, particularly relative to the current standard method requirement. However, the scale of housing provision notionally required to meet the affordable housing need in full is unlikely to be achieved. This is consistent to the position accepted through the Core Strategy Local Plan Examination.²²
- 5.74 It is inappropriate however to use a mechanical relationship to consider how affordable housing provision and overall housing need relate to one another. The affordable housing need is a point-in-time assessment based on current housing costs relative to earnings and takes account of current supply. Many households with an affordable housing need, including those who aspire to own a home, are existing households living in the Private Rented Sector.
- 5.75 By providing an alternative home for these households, existing dwellings would be released. It is thus only concealed and homeless households who would generate a net additional need for additional homes, and the numbers of such households (which number 885 households) in quantitative terms are captured within the affordability adjustment in the standard method (which raises the housing need by 3,150 households over a 15 year period).
- 5.76 Furthermore, the intention behind the affordability uplift in the standard method is to improve the affordability of market housing over time. This envisages reducing the cost of market housing relative to earnings, and in doing so would reduce the affordable housing need.

²² See Core Strategy Inspector's Report Para 32.

Demographic Implications of the Standard Method Scenarios for Housing Need

- 5.77 The standard method indicates a minimum local housing need for 846 additional homes per annum. It can be seen from the analysis above that even by taking a fairly positive approach to HRRs there would not quite be the level of household growth required to fill this number of homes. Therefore, final scenarios have been developed which increase migration to the County (as well as building in some improvement to household formation) such that there is sufficient population for 846 additional homes each year.
- 5.78 Bespoke demographic modelling has therefore been developed that both improves household formation and increases migration to project how population and household structures might change with average delivery of 846 homes each year (2020-41). This approach is consistent with that set out in the PPG (2a-006).
- 5.79 Within the modelling, migration assumptions have been changed so that across the County the increase in households matches the housing need (including the 3% vacancy allowance). The changes to migration have been applied on a proportionate basis; the methodology assumes that the age/sex profile of both in- and out-migrants is the same as underpins the 2018-based SNPP with adjustments being consistently applied to both internal (domestic) and international migration. Adjustments are made to both in- and out-migration (e.g., if in-migration is increased by 1% then out-migration is reduced by 1%). In summary the method includes the following assumptions:
- Base population in 2019 from the latest mid-year population estimates;
 - Population rolled forward to 2020 by estimating likely population growth set against dwelling completions;
 - Household representative rates from the 2018-based SNHP with an adjustment for suppression in the 25-34 age group; and
 - The migration profile (by age and sex) in the same proportions as the 2018-based SNPP (alternative internal migration variant)
- 5.80 In developing this projection, a higher level of population growth is derived (25,900 additional people compared with 15,500 in the SNPP as published). The age structure of the two projections is also slightly different, with the projection linked to 846 dpa showing stronger growth in what might be considered as 'working-age' groups and children. This arises due to the fact that ONS data shows that migrants are heavily concentrated in those age groups.

Table 5.10 Population change 2020 to 2041 by five-year age bands – Herefordshire

	Population 2020	Population 2041	Change in population	% change from 2020
Under 5	9,099	9,952	853	9.4%
5-9	10,672	10,450	-222	-2.1%
10-14	10,603	10,668	65	0.6%
15-19	9,264	10,153	889	9.6%
20-24	8,647	8,990	343	4.0%
25-29	10,580	11,229	648	6.1%
30-34	11,345	12,013	668	5.9%
35-39	10,967	11,463	497	4.5%
40-44	10,399	12,055	1,656	15.9%
45-49	11,684	12,921	1,237	10.6%
50-54	14,135	13,810	-325	-2.3%
55-59	14,888	13,736	-1,152	-7.7%
60-64	13,561	13,938	377	2.8%
65-69	12,853	14,557	1,704	13.3%
70-74	12,976	16,221	3,245	25.0%
75-79	9,505	15,090	5,584	58.7%
80-84	6,655	11,044	4,389	66.0%
85+	6,498	11,967	5,469	84.2%
Total	194,333	220,257	25,925	13.3%

Source: Demographic Projections

- 5.81 The table below summarises this information into three broad age bands. This confirms that increases in the older person population are still projected to be the most significant component of change, although the change in the population aged 65 and over now represents 79% of all population change, compared with over 100% in the SNPP.

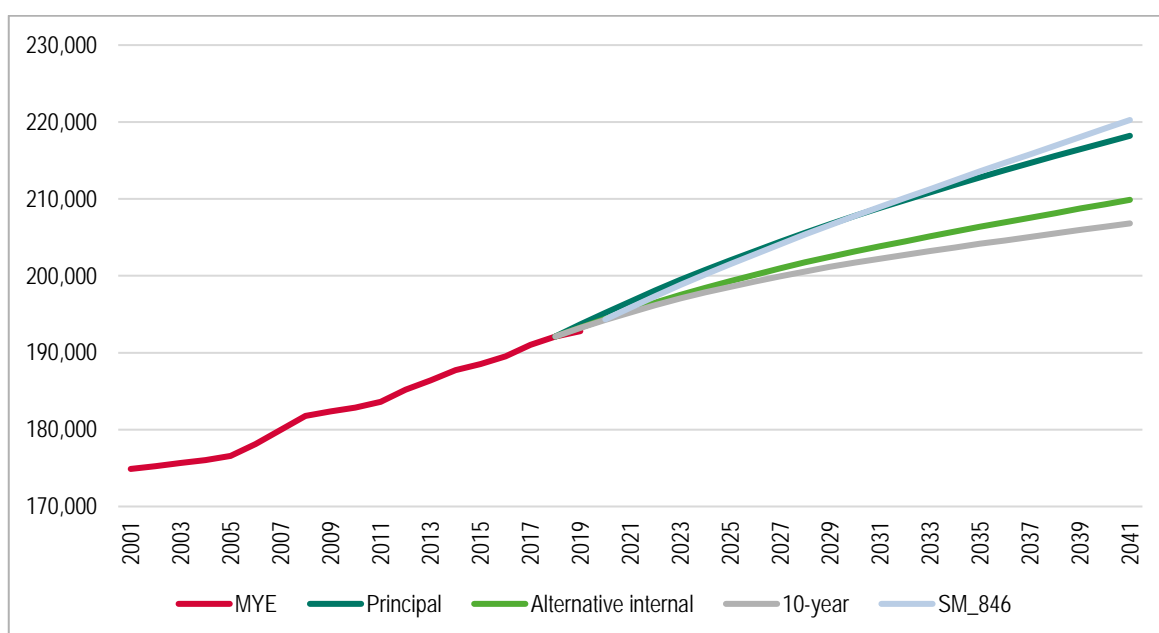
Table 5.11 Population change 2020 to 2041 by broad age bands – Herefordshire

	Population 2020	Population 2041	Change in population	% change from 2020
Under 16	32,398	33,212	814	2.5%
16-64	113,447	118,167	4,720	4.2%
65 and over	48,488	68,879	20,391	42.1%
Total	194,333	220,257	25,925	13.3%

Source: Demographic Projections

5.82 The figure below plots past estimates of population growth along with various projections (from the 2018-based SNPP) and also when linking to the standard method. This analysis would suggest that the standard method linking to 846 dwellings per annum is a reasonable trend based position.

Figure 5.6: Past and Projected Population Growth – Herefordshire



Source: Derived from ONS data & Demographic Projections

Implied Workforce Growth

- 5.83 Before the Standard Method, and under the previous PPG, it was conventional for assessments such as this to consider the link between housing and economic growth. This generally took the form of establishing likely future job growth and then testing what level of population growth (and hence household growth/housing need) would be required for the two to be aligned.
- 5.84 Whilst this step is not necessary for the purposes of standard method, it is of interest to estimate what level of job growth the projections might support to inform other parts of a local plan evidence base.

5.85 To look at estimates of the job growth to be supported, a series of stages are undertaken. These can be summarised as:

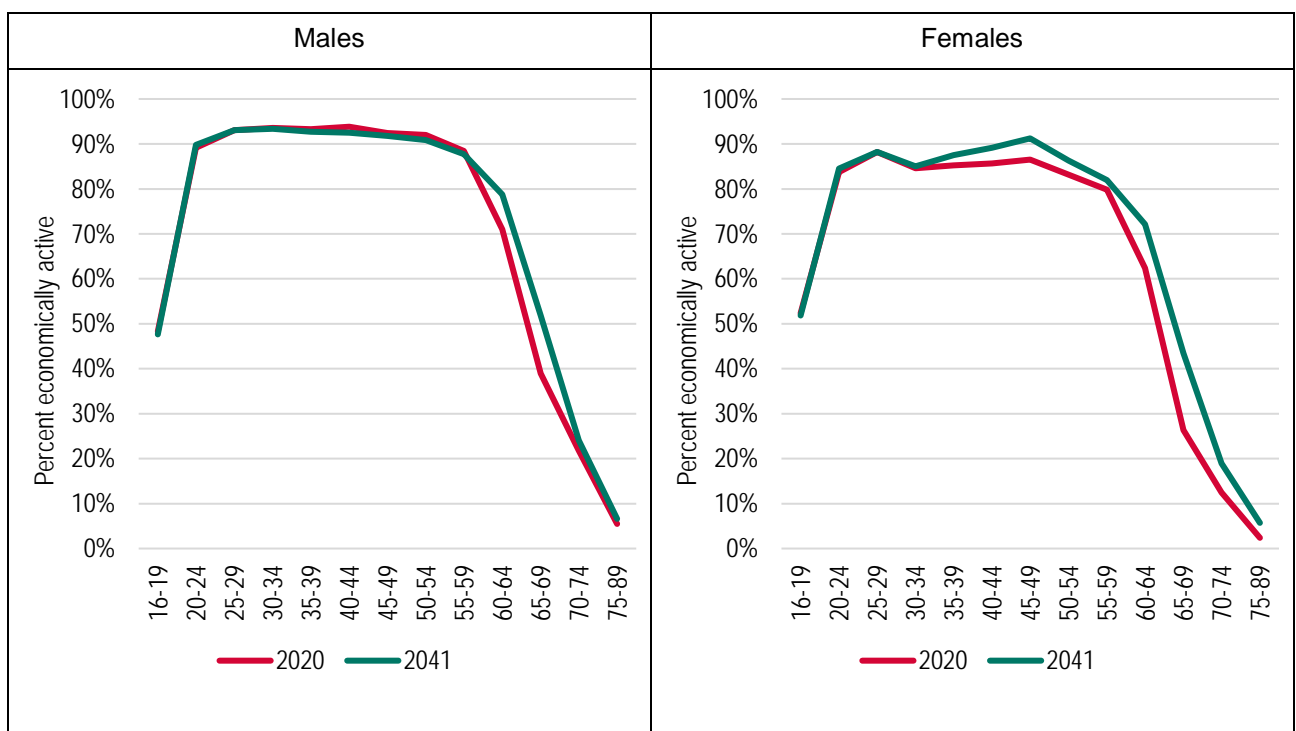
- Estimate changes to the economically active population (this provides an estimate of the change in labour-supply)
- Overlay information about commuting patterns, double jobbing (i.e., the fact that some people have more than one job) and potential changes to unemployment.
- Bringing together this information will provide an estimate of the potential job growth supported by the population projections.

Growth in Resident Labour Supply

5.86 The approach taken in this report is to derive a series of age and sex specific economic activity rates and use these to estimate how many people in the population will be economically active as projections develop. This is a fairly typical approach with data being drawn in this instance from the Office for Budget Responsibility (OBR) – July 2018 (Fiscal Sustainability Report).

5.87 The figure and table below show the assumptions made. The analysis shows that the main changes to economic activity rates are projected to be in the 60-69 age groups – this will to a considerable degree link to changes to pensionable age, as well as general trends in the number of older people working for longer (which in itself is linked to general reductions in pension provision).

Figure 5.7: Projected changes to Economic Activity Rates (2020 and 2041) – Herefordshire



Source: Based on OBR and Census (2011) data

Table 5.12 Projected changes to Economic Activity Rates (2020 and 2041) – Herefordshire

	Males			Females		
	2020	2041	Change	2020	2041	Change
16-19	48.3%	47.7%	-0.6%	52.3%	51.8%	-0.5%
20-24	89.1%	89.8%	0.6%	83.8%	84.5%	0.8%
25-29	93.0%	93.0%	0.0%	88.2%	88.2%	0.0%
30-34	93.6%	93.4%	-0.2%	84.6%	85.1%	0.4%
35-39	93.3%	92.7%	-0.6%	85.2%	87.5%	2.3%
40-44	93.8%	92.5%	-1.3%	85.7%	89.1%	3.4%
45-49	92.4%	91.8%	-0.6%	86.5%	91.2%	4.7%
50-54	92.0%	90.8%	-1.1%	83.2%	86.3%	3.1%
55-59	88.4%	87.8%	-0.7%	79.8%	82.0%	2.1%
60-64	71.0%	78.7%	7.8%	62.4%	72.1%	9.7%
65-69	38.9%	51.8%	12.9%	26.4%	43.4%	17.1%
70-74	21.8%	24.1%	2.3%	12.5%	19.0%	6.5%
75-89	5.5%	6.6%	1.1%	2.4%	5.7%	3.3%

Source: Based on OBR and Census (2011) data

5.88 Working through an analysis of age and sex specific economic activity rates it is possible to estimate the overall change in the number of economically active people in the County – this is set out in the table below. The analysis shows that there would be a notable increase in the economically active population for all of the demographic scenarios; linking to the standard method (846 dwellings per annum) the analysis shows a potential increase of 11,200 economically active residents (a 11% increase over 21-years).

Table 5.13 Estimated change to the economically active population (2020-41) – Herefordshire

	Economically active (2020)	Economically active (2041)	Total change in economically active
2018-SNPP	101,515	106,701	5,186
SM_846dpa	101,481	112,640	11,159

Source: Derived from demographic projections

Potential Scale of Jobs Supported

5.89 The analysis above has set out potential scenarios for the change in the number of people who are economically active. However, it is arguably more useful to convert this information into an estimate of the number of jobs this would support. The number of jobs and resident workers required to support these jobs will differ depending on three main factors:

- Commuting patterns – where an area sees more people out-commute for work than in-commute it may be the case that a higher level of increase in the economically active population would be required to provide a sufficient workforce for a given number of jobs (and vice versa where there is net in-commuting);
- Double jobbing – some people hold down more than one job and therefore the number of workers required will be slightly lower than the number of jobs; and
- Unemployment – if unemployment were to fall then the growth in the economically active population would not need to be as large as the growth in jobs (and vice versa).

5.90 2011 Census data shows that the County sees a small level of out-commuting for work with the number of people resident in the area who are working being about 3.5% higher than the total number who work in the area, generating a commuting ratio of 1.035. Our modelling holds this constant. Data from the ONS Annual Population Survey suggests across the County that typically between about 4.2% of workers have a second job.²³ For the purposes of this assessment it has been assumed that around 4.2% of people will have more than one job moving forward.

5.91 Since 2016, the number of people unemployed has dropped notably – by 2019, the number of unemployed people was back close to the level observed in 2004 and near conditions of full employment. This would indicate that there may be limited scope for further improvements and for the purposes of analysis in this report it has been assumed that there are no changes to the number of people who are unemployed moving forward from 2020 to 2041. Indeed, unemployment may rise in the short-term.

5.92 The table below shows how many additional jobs might be supported by population growth under each of the demographic scenarios. For all scenarios, the number of jobs supported would be positive. Looking at linking to an LHN of 846 dwellings per annum, it is concluded that around 11,300 additional jobs could be supported.

Table 5.14 Potential Jobs supported by the Standard Method – Herefordshire, 2020-40

	Total change in economically active	Allowance for net out commuting	Jobs Supported
2018-SNPP	5,186	5,012	5,234
SM_846dpa	11,159	10,785	11,262

²³ Average 2004-19

5.93 The overall conclusion from this analysis should be that the projected levels of population growth would support a notable increase in jobs. However, caution should be exercised when looking at the precise figures due to the number of assumptions being made. The analysis is essentially a 'business as usual' scenario (particularly with regard to holding commuting patterns constant at 2011 levels) and does not take account of any significant changes that might happen in the future.

6. AFFORDABLE HOUSING NEED

- 6.1 This section provides an assessment of the need for affordable housing in Herefordshire with separate sections providing key outputs for the seven HMAs in Section 11 to 17.
- 6.2 The analysis follows the PPG [Sections 2a-018 to 2a-024] to provide an assessment of the annual need for affordable housing. The section provides two main outputs, linked to Annex 2 of the NPPF: this is firstly an assessment of the need for social/affordable rented housing; and secondly to consider the need for affordable home ownership products.

Methodology Overview

- 6.3 The method for studying the need for affordable housing has been enshrined in Government practice guidance for many years, with an established approach to look at the number of households who are unable to afford market housing (to either rent or buy). The methodology considers the following:
- **Current affordable housing need:** an estimate of the number of households who have a need now, at the point of the assessment, based on a range of data modelled from local information – this figure is then annualised so as to meet the current need over a period of time;
 - **Projected newly forming households in need:** using demographic projections to establish gross household formation, and then applying an affordability test to estimate numbers of such households unable to afford market housing;
 - **Existing households falling into need:** based on studying past trends in the types of households who have accessed social/affordable rented housing; and
 - **Supply of affordable housing:** an estimate of the likely number of lettings that will become available from the existing social/affordable housing stock.
- 6.4 The first three bullet points above are added together to identify a gross need, from which the supply of relets of existing properties is subtracted to identify a net annual need for additional affordable housing. For the purposes of this assessment, this analysis is used to identify the overall net need for social/affordable rented housing.
- 6.5 This approach has traditionally been used to consider the needs of households who have not been able to afford market housing (either to buy or to rent). As the income necessary to afford to rent homes without financial support is typically lower than that needed to buy, the ability of households to afford private rents has influenced whether or not they are in need of affordable housing.

-
- 6.6 The NPPF and associated guidance has expanded the definition of those in affordable housing need to include households who might be able to rent without financial support but who aspire to own a home and require support to do so. Such households are now considered to have an affordable housing need.
- 6.7 The PPG on *Housing and Economic Needs Assessments* includes households that “cannot afford their own homes, either to rent, or to own, where that is their aspiration” as having an affordable housing need. This expanded definition has been introduced by national Government to support increased access to home ownership, given evidence of declining home ownership and growth in private renting over the last 10-15 years.
- 6.8 Planning Practice Guidance does not however provide specific guidance on how the needs of such households should be assessed. Icenis and Justin Gardner Consulting (“JGC”) have therefore adopted a broadly consistent methodology to that identified in the PPG; and considers a current need; a newly-arising need on an annual basis; existing households falling into need; and an annual estimate of supply.
- 6.9 For some of the analysis in this section it has been necessary to draw on other sources of data (applied to local information) to make estimates of the need. The approach is consistent with the PPG on Housing and Economic Needs Assessments [see 2a-020 for example] and includes linking local Census data to national changes (as evidenced in national surveys such as the English Housing Survey).
- 6.10 Additionally, information drawn from local surveys previously undertaken by JGC across the country have been used to look at potential prevalence rates for some elements of need where comprehensive local data is lacking. This includes considering what proportion of households in the private rented sector might have a need due to potential loss of accommodation (e.g., tenancies ending) although again such rates are applied to local information about the size of the sector.
- 6.11 This approach is considered to provide a reasonable view about likely local needs and is an approach that has been accepted through a range of Local Plan Examinations over the past five or more years. Our analysis of affordable housing need is therefore structured to consider the need for rented affordable housing, and separately the need for affordable home ownership, which when added together gives the total affordable housing need. The overall need is expressed as an annual figure, which can then be compared with likely future delivery as required by the PPG [2a-024].
- 6.12 Whilst the need for social/affordable rented housing and affordable home ownership are analysed separately, there are a number of pieces of information that are common to both assessments. In particular this includes an understanding of local housing costs, incomes and affordability. The sections below therefore look at these factors.

Local Prices and Rents

- 6.13 An important part of the affordable needs model is to establish the entry-level costs of housing to buy and rent. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an 'affordable housing need'.
- 6.14 For the purposes of establishing affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes), establishing, in numerical terms, the overall need for affordable housing.
- 6.15 The analysis below considers the entry-level costs of housing to both buy and rent across the seven HMAs. The approach has been to analyse Land Registry and ONS data to establish lower quartile prices and rents. Using a lower quartile figure is consistent with the PPG on Housing and Economic Needs Assessments and reflects the entry-level point into the market recognising that the very cheapest properties are often of sub-standard quality.
- 6.16 Data from the Land Registry for the year to March 2020 (i.e., Q2-Q4 of 2019 and Q1 of 2020) shows estimated lower quartile property prices in the County by dwelling type. The data shows that entry-level costs to buy are estimated to start from about £100,000 for a flat and rising to £260,000 for a detached home. Looking at the lower quartile price across all dwelling types the analysis shows a lower quartile 'average' price of £178,000.
- 6.17 The analysis is also split between newly-built and existing dwellings which shows higher prices for new homes. For the purposes of analysis in this section, the main focus is on the pricing of existing homes within the County.

Table 6.1 Lower Quartile House Prices by Type, Year to March 2020

	Existing dwellings	Newly built dwellings	All dwellings
Flats	£91,000	£126,000	£99,000
Terraced	£148,000	£112,000	£147,000
Semi-Detached	£184,000	£212,000	£185,000
Detached	£258,000	£276,000	£260,000
All Homes	£177,000	£193,000	£178,000

Source: Land Registry

- 6.18 It is also useful to provide estimates of property prices by the number of bedrooms in a home. Analysis for this draws together Land Registry data with an internet search of prices of homes for sale (using sites such as Rightmove).

Table 6.2 Lower Quartile House Prices by Size, Year to March 2020

	Lower Quartile Price
1-Bedroom	£77,000
2-Bedroom	£150,000
3-Bedroom	£197,000
4-Bedrooms	£282,000
All Homes	£177,000

Source: Land Registry

- 6.19 A similar analysis has been carried out for private rents using ONS data – this covers a 12-month period to March 2020. For the rental data, information about dwelling sizes is provided (rather than types); the analysis shows an average lower quartile cost (across all dwelling sizes) of £500 per month.

Table 6.3 Lower Quartile Market Rents, Year to March 2020

	Lower Quartile Rent
Room	£381
Studio	£350
1-Bedroom	£425
2-Bedroom	£550
3-Bedroom	£675
4-Bedrooms	£875
All Homes	£500

Source: ONS

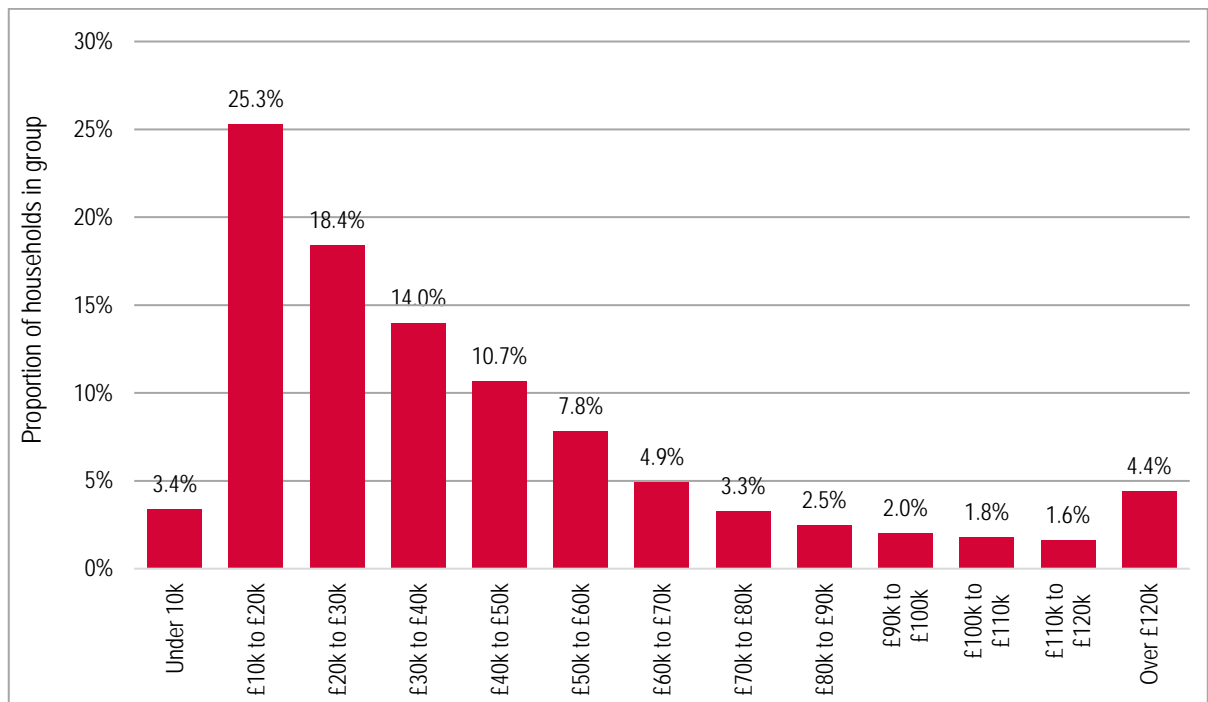
Household Incomes

- 6.20 The affordability of housing is influenced by housing costs and incomes, which affect households' ability to afford different housing products. In this section we consider housing affordability, in terms of the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy.
- 6.21 The data about total household income has been modelled on the basis of a number of different sources of information to provide both an overall average income and the likely distribution of income. The key sources of data include:
- ONS modelled income estimates (published in April 2018 with a 2015/16 base) – this information is provided for middle layer super output areas (MSOA) and is therefore used to build up to larger areas (e.g., local authorities);
 - English Housing Survey (EHS) – to provide information about the distribution of incomes; and

- Annual Survey of Hours and Earnings (ASHE) – to assist in looking at how incomes have changed since the ONS base date.

6.22 Drawing all of this data together an income distribution for the whole Council area has been constructed for 2019. The figure below shows that around 29% of households have incomes below £20,000 with a further third in the range of £20,000 to £40,000. Overall, the average (mean) income is estimated to be around £41,900, with a median income of £31,800; the lower quartile income of all households is estimated to be £18,400.

Figure 6.1: Distribution of Household Income, 2019



Affordability Thresholds

6.23 To assess affordability two different measures are used; firstly, to consider what income levels are likely to be needed to access private rented housing (this establishes those households in need of social/affordable rented housing) and secondly to consider what income level is needed to access owner occupation (this, along with the first test helps to identify households in the 'gap' between renting and buying).

6.24 This analysis therefore brings together the data on household incomes with the estimated incomes required to access private sector housing. Additionally, different affordability tests are applied to different parts of the analysis depending on the group being studied (e.g., recognising that newly forming households are likely on average to have lower incomes than existing households).

-
- 6.25 A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a particular percentage of gross income. The choice of an appropriate threshold is an important aspect of the analysis – the PPG on Housing and Economic Needs Assessments does not provide any guidance on this issue. MHCLG SHMA guidance prepared in 2007 suggested that 25% of income is a reasonable start point, it also noted that a different figure could be used.
- 6.26 Analysis of current letting practice suggests that letting agents typically work on a threshold of 40%. Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40%+ (depending on household characteristics).
- 6.27 The threshold of income to be spent on housing should be set by asking the question ‘what level of income is expected to be required for a household to be able to access market housing without the need for a subsidy?’ The choice of an appropriate threshold is therefore judgement based. The key consideration to understand here is that local income levels are not setting the threshold but are simply being used to assess how many can or can’t afford market housing. It is important to consider what residual income is left, after households have paid for housing.
- 6.28 At £500 per calendar month, lower quartile rent levels in Herefordshire are relatively low in comparison to those seen nationally (lower quartile rent of £550 for England in the year to March 2020). This would suggest that a proportion of income to be spent on housing could be towards the bottom end of the range (the range being from 25% to 40%).
- 6.29 Across England the lowest lower quartile rents are around £400 per month (areas with rents at or below this level include Hull and Burnley and there were a total of 12 local authorities with lower quartile rents not exceeding £400 per month). If these areas are considered to be at the bottom end of the range (i.e., 25% of income to be spent on housing) then this would leave a residual income of £1,200 per month. With the same residual income applied to Herefordshire, the gross household income required to afford a £500 PCM lower quartile rent would be £1,700 and so the percentage spent on housing would be 29%.
- 6.30 However, it needs to be considered that the cost of living in different areas will vary, and it is likely that areas where rents are higher will also generally have higher living costs. Therefore, a pragmatic approach to determining a reasonable proportion of income has been to take a midpoint between the bottom (25%) and the equivalent residual income figure (29% if looking at Herefordshire). In this example a threshold of 27% would therefore be considered as reasonable.
- 6.31 In reality, many households may well spend a higher proportion of their income on housing and therefore would have less money for other living costs – for the purposes of this assessment these

households would essentially be assumed as ideally having some form of subsidised rent so as to ensure a sufficient level of residual income.

- 6.32 Generally, the income required to access owner-occupied housing is higher than that required to rent and so the analysis of the need for social/affordable rented housing is based on the ability to afford to access private rented housing. However, local house prices (and affordability) are important when looking at the need for affordable home ownership.
- 6.33 For the purposes of this assessment, the income thresholds for owner-occupation assume a household has a 10% deposit and can secure a mortgage for four times their salary. These assumptions are considered to be broadly in line with typical lending practices although it is recognised that there will be differences on a case by case basis.
- 6.34 The table below shows the estimated incomes required to both buy and rent (privately) across the whole of the County. This shows a notable 'gap' in incomes, suggesting the potential for there to be a number of households able to rent a home but not buy.

Table 6.4 Estimated Household Income Required to Buy & Rent Privately

	To Buy	To Rent (Privately)	Income Gap
Herefordshire	£39,800	£22,100	£17,800

Source: Based on Housing Market Cost Analysis

Need for Rented Affordable Housing

- 6.35 The sections below work through the various stages of analysis to estimate the need for social/affordable housing in each local authority. Final figures are provided as an annual need (including an allowance to deal with current need). As per the PPG on Housing and Economic Needs Assessments [2a-024], this figure can then be compared with likely delivery of affordable housing.

Current Need

- 6.36 In line with PPG on Housing and Economic Needs Assessments [2a-020], the current need for affordable housing has been based on considering the likely number of households with one or more housing problems. The table below sets out the categories in the PPG and the sources of data being used to establish numbers. The PPG also includes a category where households cannot afford to own despite it being their aspiration – this category is considered separately in this report (under the title of the need for affordable home ownership).

Table 6.5 Main Sources for Assessing the Current Unmet Need for Affordable Housing

	Source	Notes
Homeless households (and those in temporary accommodation)	MHCLG Live Table 784	Total where a duty is owed but no accommodation has been secured PLUS the total in temporary accommodation
Households in overcrowded housing	Census table LC4108EW	Analysis undertaken by tenure and updated by reference to national changes (from the English Housing Survey (EHS))
Concealed households	Census table LC1110EW	Number of concealed families
Existing affordable housing tenants in need	Modelled data linking to past survey analysis	Excludes overcrowded households – tenure estimates updated by reference to the EHS
Households from other tenures in need	Modelled data linking to past survey analysis	

Source: PPG [2a-020]

6.37 It should be noted that there may be some overlap between categories (such as overcrowding and concealed households, whereby the overcrowding would be remedied if the concealed household moved). The data available does not enable analysis to be undertaken to study the impact of this and so it is possible that the figures presented include a small element of double counting (although this is likely to be small). Additionally, some of the concealed households may be older people who have moved back in with their families and might not be considered as in need.

6.38 The table below shows the initial estimate of the number of households within the study area with a current housing need. These figures are before any ‘affordability test’ has been applied to assess the ability of households to meet their own housing needs; and has been termed ‘the number of households in unsuitable housing’. Overall, the analysis estimates that there are currently around 5,900 households living in unsuitable housing or without housing.

Table 6.6 Estimated Number of Households Living in Unsuitable Housing

	Homeless/ Concealed Households	Households in Overcrowded Housing	Existing affordable housing tenants in need	Households from other tenures in need	Total
Herefordshire	885	2,788	246	1,940	5,859

Source: MHCLG Live Tables, Census 2011 and Data Modelling

- 6.39 In taking this estimate forward, the data modelling next estimates housing unsuitability by tenure. From the overall number in unsuitable housing, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise).
- 6.40 The analysis also excludes 90% of owner-occupiers under the assumption (which is supported by analysis of survey data) that the vast majority of existing owner occupiers will be able to afford housing within the private sector without subsidy once savings and equity are taken into account. A very small adjustment is also made to take account of student households in the private rented sector.
- 6.41 Once these households are removed from the analysis, the remainder are taken forward for affordability testing. The table below shows it is estimated that there were 3,400 households living in unsuitable housing (excluding current social tenants and the majority of owner-occupiers).

Table 6.7 Unsuitable Housing by Tenure and No. to Take Forward into Affordability Modelling

	In Unsuitable Housing	No. to Take Forward for Affordability Testing
Owner-Occupied	1,382	138
Affordable Housing	1,224	0
Private Rented	2,368	2,359
No Housing (Homeless/Concealed)	885	885
Total	5,859	3,383

Source: MHCLG Live Tables, Census 2011 and Data Modelling

- 6.42 Having established this figure, it needs to be considered that a number of these households might be able to afford market housing without the need for subsidy. To consider this, the income data has been used, with the distribution adjusted to reflect a lower average income amongst households living in unsuitable housing.
- 6.43 To inform the modelling, an income distribution that reduces the average household income to 88% of the figure for all households has been used to identify the proportion of households whose needs could not be met within the market (for households currently living in housing). A lower figure of 42% has been used to apply an affordability test for the concealed/homeless households who do not currently occupy housing.
- 6.44 These two percentage figures have been based on a consideration of typical income levels of households who are in unsuitable housing (based mainly on estimates in the private rented sector)

along with typical income levels of households accessing social rented housing (for those without accommodation).

- 6.45 The figures have been based on analysis of the English Housing Survey (mainly looking at relative incomes of households in each of the private and social rented sectors) as well as consideration of similar information collected through household surveys across the country by JGC. These modelling assumptions are considered reasonable and have not been challenged through the Local Plan process in other locations (where the same assumptions have been used).
- 6.46 Overall, around half of households with a current need are estimated to be likely to have insufficient income to afford market housing and so the estimate of the total current need is from 1,700 households in the County.

Table 6.8 Estimated Current Affordable Housing Need for Social/Affordable Rented

	In unsuitable housing (taken forward for affordability test)	% Unable to Afford Market Housing (without subsidy)	Revised Gross Need (including Affordability)
Herefordshire	3,383	49.3%	1,669

Source: MHCLG Live Tables, Census 2011 and Data Modelling

- 6.47 The estimated figure shown above at 1,669 represents the number of households with a need currently. For the purposes of analysis, it is assumed that the local authority would seek to meet this need over a period of time.
- 6.48 Given that this report typically looks at needs in the period to 2041, the need is annualised by dividing by 21 to give an annual need for 79 dwellings across all areas²⁴. This does not mean that some households would be expected to wait 21-years for housing as the need is likely to be dynamic, with households leaving the current need as they are housed but with other households developing a need over time.

Newly Forming Households

- 6.49 The number of newly forming households has been estimated through demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below, 5 years previously, to provide an estimate of gross household formation.

²⁴ 1,669 divided by 21 equals 79 per annum.

- 6.50 The number of newly-forming households is limited to households forming who are aged under 45 – this is consistent with MHCLG guidance from 2007 which notes after age 45 that headship (i.e., household formation) rates ‘plateau’. There may be a small number of household formations beyond age 45 (e.g., due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.
- 6.51 The number of newly forming households has been estimated through demographic modelling (linked to 2016-based SNPP and 2014-based SNHP). This is considered to provide the best view about trend-based household formation, but without building in any additional constraints to household formation.
- 6.52 In assessing the ability of newly forming households to afford market housing, data has been drawn from previous surveys undertaken nationally by JGC. This establishes that the average income of newly forming households is around 84% of the figure for all households. This figure is remarkably consistent across areas (and is also consistent with analysis of English Housing Survey data at a national level).
- 6.53 The analysis has therefore adjusted the overall household income data to reflect the lower average income for newly forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this it is possible to calculate the proportion of households unable to afford market housing. For the purposes of the need for social/affordable rented housing this will relate to households unable to afford to buy OR rent in the market.
- 6.54 The assessment suggests that overall, around two-fifths of newly forming households will be unable to afford market housing (i.e., unable to rent privately) and this equates to a total of 518 newly forming households having a need per annum on average. This is shown in the Table below.

Table 6.9 Estimated Need for Social/Affordable Rented Housing from Newly Forming Households (p.a.)

	Number of New Households	% Unable to Afford	Annual Newly Forming Households Unable to Afford to Rent Privately
Herefordshire	1,230	42.1%	518

Source: Projection Modelling/Affordability Analysis

Existing Households Falling into Affordable Housing Need

- 6.55 The second element of newly arising need is existing households falling into need. To assess this, information about past lettings in social/affordable rented has been used. The assessment looked at households who have been housed in general need housing over the past three years – this group

will represent the flow of households onto the Housing Register over this period. From this, newly forming households (e.g., those currently living with family) have been discounted as well as households who have transferred from another social/affordable rented property. An affordability test has also been applied.

- 6.56 This method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says on page 46 that 'Partnerships should estimate the number of existing households falling into need each year by looking at recent trends'. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless household applicants).
- 6.57 Following the analysis through suggests a need arising from 181 existing households each year which should be added to the overall calculation.

Supply of Social/Affordable Rented Housing through Re-Lets

- 6.58 The future supply of affordable housing through relets is the flow of affordable housing arising from the existing stock that is available to meet future need. This focusses on the annual supply of social/affordable rent relets.
- 6.59 The PPG on Housing and Economic Needs Assessments suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. Information from CoRe (Continuous Recording) and Local Authority Housing Statistics (LAHS) has been used to establish past patterns of social housing turnover.
- 6.60 The figures are for general needs lettings but exclude lettings of new properties and also exclude an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock.
- 6.61 On the basis of past trend data it has been estimated that 356 units of social/affordable rented housing are likely to become available each year moving forward for occupation by newly forming households and existing households falling into need from other tenures.
- 6.62 The PPG model also includes the bringing back of vacant homes into use and the pipeline of affordable housing as part of the supply calculation. These have however not been included within the modelling in this report. Firstly, there is no evidence of any substantial stock of vacant homes (over and above a level that might be expected to allow movement in the stock).
- 6.63 Secondly, with the pipeline supply, it is not considered appropriate to include this as to net off new housing would be to fail to show the full extent of the need, although in monitoring it will be important to net off these dwellings as they are completed.

Net Need for Social/Affordable Rented Housing

6.64 The table below shows the overall calculation of affordable housing need for social/affordable rented housing. The analysis shows that there is a need for 422 dwellings per annum to be provided within the study area. The net need is calculated as follows:

$$\text{Net Need} = \text{Current Need (allowance for)} + \text{Need from Newly-Forming Households} + \text{Existing Households falling into Need} - \text{Supply of Affordable Housing (Re-let Supply)}$$

6.65 The results are shown in the Table below relating to the 2020 to 2041 period.

Table 6.10 Estimated Need for Social/Affordable Rented Housing (p.a.)

	Current Need	Newly Forming Households	Existing Households Falling into Need	Total Gross Need	Re let Supply	Net Need
Herefordshire	79	518	181	778	356	422

Source: Census 2011, CoRe, Projection Modelling and Affordability Analysis

The Balance of Social and Affordable Rented Housing

6.66 The analysis above has studied the overall need for social and affordable rented housing with a focus on households who cannot afford to rent in the market. These households will therefore have a need for some form of rented housing at a cost below typical market rates. Typically, there are two main types of rented affordable accommodation - social and affordable rented.

6.67 An analysis has been undertaken to compare the income distribution of households with the cost of different products. Data about average social and affordable rents has been taken from the Regulator of Social Housing ("RSH") and this is compared with lower quartile and median market rents (from ONS data). This analysis shows that social rents are generally lower than affordable rents (1-bedroom homes being an exception); the analysis also shows that affordable rents are less than both lower quartile and median market rents.

Table 6.11 Comparison of Rent Levels for Different Products

	Social Rent	Affordable Rent (AR)	LQ Market Rent	Median Market Rent	AR as % of LQ	AR as % of Median
1-bedroom	£320	£362	£425	£495	85%	73%
2-bedrooms	£375	£439	£550	£600	80%	73%
3-bedrooms	£418	£523	£675	£750	77%	70%
4-bedrooms	£468	£623	£875	£995	71%	63%
All	£388	£453	£500	£600	91%	76%

Source: CoRe and ONS

6.68 For the affordability test, the overall average rent for each product has been used and some caution should be noted as the different profile of tenures clearly has some impact on housing costs. The table below suggests that around 8% of households who cannot afford to rent privately could afford an affordable rent, with a further 13% being able to afford a social rent but not an affordable one. A total of 79% of households would need some degree of benefit support to be able to afford their housing - regardless of the tenure.

Table 6.12 Estimated Need for Affordable Rented Housing

	% of Households Able to Afford
Afford affordable rent	8%
Afford social rent	13%
Need benefit support	79%
All unable to afford market	100%

Source: Affordability Analysis

6.69 In terms of a prioritisation of social or affordable rented products, many households who will need to access rented accommodation will be benefit dependent and as such could technically afford an affordable rent. Indeed, the analysis in Table 6.12 does identify around 80% of households as being likely to need benefit support.

6.70 There are benefits to providing for a greater proportion of affordable rents when considering the balance between the cost of housing and the amount that can be viably provided; as it is likely that affordable rented housing is more viable, and therefore a greater number of units could be provided.

6.71 On the other hand, providing more housing at social rents may enable households to return to work more easily, as a lower income would potentially be needed to afford the lower social rent, rather than affordable rent.

6.72 In Herefordshire, the Council are unable to access grant funding for social rent as there is little difference between affordable rents and social rents in terms of housing people; and as a result, the Council have an established precedent of seeking to secure social rent through Section 106 Agreements as the preferred rented affordable tenure. The Council has followed this approach in line with the recommendations of the last Local Housing Market Assessment, published in November 2013.

6.73 Moving forward, it is not recommended that the Council has a rigid policy for the split between social and affordable rented housing, although it is clear from the analysis that the Council are justified in continuing to prioritise securing rented affordable housing at social rent levels. Doing so would ensure that affordable homes are delivered for those on the lowest incomes – particularly for larger family-sized homes where opportunities arise.

Establishing a Need for Affordable Home Ownership

6.74 The PPG on Housing and Economic Needs Assessments confirms a widening definition of those to be considered as in affordable need; now including 'households which can afford to rent in the private rental market but cannot afford to buy despite a preference for owning their own home'. However, at the time of writing, there is no guidance about how the number of such households should be measured.

6.75 The methodology used in this report therefore draws on the current methodology, and includes an assessment of current needs, and projected need (newly forming and existing households). The key difference is that in looking at affordability an estimate of the number of households in the 'gap' between buying and renting is used. There is also the issue of establishing an estimate of the supply of affordable home ownership homes – this is considered separately below.

Gross Need for Affordable Home Ownership

6.76 The first part of the analysis seeks to understand what the gap between renting and buying actually means in the study area – in particular establishing the typical incomes that might be required. The information about incomes required to both buy and rent has already been provided earlier in this section and so the discussion below is a broad example.

6.77 Using the income distributions developed (as set out earlier in this section) along with data about price and rents, it has been estimated that of all households living in the private rented sector, around 30% already have sufficient income to buy a lower quartile home, with 30% falling in the rent/buy 'gap'.

6.78 The final 40% are estimated to have an income below which they cannot afford to rent privately (i.e., would need to spend more than the calculated threshold of their income on housing costs) although

in reality it should be noted that many households will spend a higher proportion of their income on housing.

6.79 These figures have been based on an assumption that incomes in the private rented sector are around 88% of the equivalent figure for all households (a proportion derived from the English Housing Survey) and are used as it is clear that affordable home ownership products are likely to be targeted at households living in or who might be expected to access this sector (e.g., newly forming households).

6.80 The Table below shows an estimate of the proportion of households living in the private rented sector who are able to afford different housing products.

Table 6.13 Estimated Proportion of Households living in Private Rented Sector Able to Buy and/or Rent

	Can Afford to Buy a LQ Home	Can Afford to Rent but Not Buy	Cannot Afford to Buy or Rent
Herefordshire	30%	30%	40%

Source: Derived from Housing Market Cost Analysis and Affordability Testing

6.81 The finding that a significant proportion of households in the private rented sector are likely to have an income that would allow them to buy a home is also noteworthy and suggests that for many households, barriers to accessing owner-occupation are less about income/the cost of housing and more about other factors (which could for example include the lack of a deposit or difficulties obtaining a mortgage (for example due to a poor credit rating or insecure employment)). However, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household's life stage (e.g., if moving locations with employment).

6.82 To study current need, an estimate of the number of household living in the private rented sector has been established, with the same (rent/buy gap) affordability test (as described above) then applied. The start point is the number of households living in private rented accommodation; as of the 2011 Census there were some 12,100 households living in the sector across the County. Data from the English Housing Survey ("EHS") suggests that since 2011, the number of households in the private rented sector has risen by about 22% - if the same proportion is relevant to the County, then the number of households in the sector would now be around 14,800.

6.83 Additional data from the EHS suggests that 60% of all private rented sector households expect to become an owner at some point (8,900 households if applied to the study area) and of these some 25% (2,200 households) would expect this to happen in the next 2-years. The figure of 2,200 is therefore taken as the number of households potentially with a current need for affordable home ownership before any affordability testing.

- 6.84 As noted above, on the basis of income it is estimated that around 30% of the private rented sector sit in the gap between renting and buying (depending on location). Applying this proportion to the 2,200 figure would suggest a current need for around 650 affordable home ownership units which is equal to 31 per annum if annualised over a 21-year period. This is the figure shown for *current need* in the Table below.
- 6.85 In projecting forward, the analysis can consider newly forming households and also the remaining existing households who expect to become owners further into the future. Applying the same affordability test - albeit on a very slightly different income assumption for newly forming households - suggests an annual need from these two groups of around 452 dwellings which is comprised of 359 from *newly forming households* and 93 from *existing households falling into need* in the private rented sector. These figures are shown in the Table below.
- 6.86 Bringing together the above analysis suggests that there is a gross need for around 483 affordable home ownership homes per annum priced for households able to afford to rent but not buy. This is before any assessment of the potential supply of housing is considered.

Table 6.14 Estimated Gross Need for Affordable Home Ownership (p.a.)

	Current Need	Newly Forming Households	Existing Households Falling into Need	Total Gross Need
Herefordshire	31	359	93	483

Source: Range of Sources as Discussed

Potential Supply of Housing to Meet the Affordable Home Ownership Need

- 6.87 As with assessing the need for affordable home ownership, it is the case that at present the PPG on Housing and Economic Needs Assessments does not include any suggestions about how the supply of housing to meet these needs should be calculated. The analysis below therefore provides a general discussion.
- 6.88 By definition, a quarter of all homes sold will be priced at or below a lower quartile level. According to the Land Registry, there were a total of 2,328 resales (i.e., excluding newly-built homes) in the last year (year to March 2020) and therefore around 582 would be priced below the lower quartile. This is 582 homes that would potentially be affordable to the target group for affordable home ownership products and is a potential supply that is in excess of the level of need calculated.
- 6.89 However, it is the case that market housing is not allocated in the same way as social/affordable rented homes (i.e., anyone is able to buy a home as long as they can afford it and it is possible that a number of lower quartile homes would be sold to households able to afford more, or potentially to investment buyers).

6.90 In the absence of any guidance about how to deal with the supply of affordable home ownership, a broad further assumption has been used that around half of the lower quartile homes would be available to meet the needs of households with an income in the gap between buying and renting – this amounts to around 291 dwellings per annum.

6.91 In addition, data from CoRe about resales of affordable housing (likely to mainly be shared ownership) shows an average of around 17 resales per annum (based on data for the 2015-18 period). These properties would also potentially be available for these households and can be included within the potential supply. Therefore, a total supply of 308 dwellings per annum is estimated.

6.92 The Table below therefore brings together an estimate of the need for affordable home ownership, across the study area. This shows a need for 175 affordable home ownership products per annum in Herefordshire. This figure is somewhat lower than the estimated need for rented affordable homes at 422 homes per annum.

Table 6.15 Estimated Need for Affordable Home Ownership (p.a.)

	Total Gross Need	Resale Supply (50% of LQ)	LCHO Supply	Total Supply	Net Need
Herefordshire	483	291	17	308	175

Source: Range of Sources as Discussed

Implications of the Analysis

6.93 Given the analysis above, it would be reasonable to conclude that there is a need to provide housing under the NPPF definition of affordable home ownership (“AHO”). However, it does need to be noted **that the estimated need for rented affordable products is about two and a half times higher than the estimated need for affordable home ownership homes.**

6.94 It does seem that there are many households in Herefordshire who are being excluded from the owner-occupied sector. This can be seen by analysis of tenure change, which saw the number of households living in private rented accommodation increasing by 57% from 2001 to 2011.

6.95 Over the same period, the number of owners with a mortgage dropped notably by 15%. That said, some households will choose to rent privately, as it may be viewed as a more flexible option that can be more suitable for a particular household’s life stage (e.g., if moving locations with employment).

6.96 On this basis, and as previously noted, it seems likely in Herefordshire that access to owner-occupation is being restricted by access to capital (e.g., for deposits, stamp duty, legal costs) as well as potentially some mortgage restrictions (e.g., where employment is temporary) rather than just being due to the cost of housing to buy.

-
- 6.97 The NPPF (paragraph 64) at the time of writing indicates that for major development equal to 10 units or more, at least 10% of homes should be available for affordable home ownership unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups. The 10% figure is applied to total housing provision and forms part of the overall affordable housing contribution from the site.
- 6.98 There are also additional exemptions to the 10% requirement in instances where the site or proposed development:
- Provides solely for Build to Rent homes;
 - Provides specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students);
 - Is proposed to be developed by people who wish to build or commission their own homes; or
 - Is exclusively for affordable housing, an entry-level exception site or a rural exception site.
- 6.99 For the avoidance of doubt, the above mentioned exemptions refer only to the requirement to provide for a minimum of 10% of all housing as affordable home ownership. In the list above, affordable housing considerations still apply more broadly – the nature of which will depend on the nature of the proposed development and indeed the site-specific circumstances.

Securing Affordable Housing

- 6.100 The affordable housing targets set out in Core Strategy Policy H1 range from 25% to 40% affordable housing provision but does not specify specifically what types of affordable housing are required. At 25% affordable housing provision meeting the current NPPF requirement would imply a 60/40 split between rented and LCHO housing; whereas at 35% provision it would imply nearer a 30/70 split.
- 6.101 The Government's consultation on *Changes to the current planning system* however proposes to change national policy such that policy compliant planning applications would be expected to deliver a minimum of 25% affordable housing as First Homes, with the likelihood that the Council would be able to specify the requirement for the remaining affordable housing. This would replace the minimum 10% figure in the NPPF for affordable home ownership homes.
- 6.102 The Council is currently active in securing low cost market housing (i.e., discounted market sale) in Herefordshire which allows for a broadly similar discount to the Government's First Homes proposals. The Council takes account of incomes and entry-level house prices to determine what is affordable and then calculates a discount based on the average value of properties in the relevant area of the County.

-
- 6.103 As a result, the level of discount varies around the County with the lowest discount at around 25% rising to 45% depending on the affordability of the area. This product plays a key role in enabling a range of households to access the purchase market in Herefordshire whilst ensuring that they are able to own 100% of the property.
- 6.104 It is important to recognise that some households will have insufficient savings to be able to afford to buy a home on the open market - particularly in terms of the ability to afford a deposit. As a result, low cost home ownership homes including shared ownership and discounted market sale products will therefore continue to play a role in supporting some households in this respect. This will also ensure the Council is in a position to offer choices to households across Herefordshire.
- 6.105 Overall, the evidence points to a clear and acute need for rented affordable housing from lower income households, and it is important that a supply of rented affordable housing is maintained to meet the needs of this group including those to which the authorities have a statutory housing duty. Such housing is notably cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments). Notably, social rents also enable access to employment for lower income families.
- 6.106 As a final point, it should be recognised that the need for affordable housing to the overall housing need cannot be directly compared as it is not simply a proportion of overall need. In simple terms, affordable housing need and local housing need do not measure the same thing and in interpreting the affordable need figure, consideration needs to be given to the fact that many households already live in housing, and do not therefore generate an overall net need for an additional home.
- 6.107 In addition, issues arise as the need for affordable housing is complex and additionally the extent of concealed and homeless households needs to be understood as well as the role played by the private rented sector.
- 6.108 The evidence in this report demonstrates that there is a notable need for affordable housing and it is clear that the provision of new affordable housing is an important and pressing issue in Herefordshire. The amount of affordable housing required through policy should be informed by a separate viability assessment; however, the evidence in this report demonstrates the need for affordable housing and confirms that affordable housing delivery should be maximised where opportunities arise.

7. NEEDS OF OLDER PERSONS & THOSE WITH DISABILITIES

- 7.1 This section studies the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability; however, we also provide outputs in this section for younger adults (i.e., those aged under 65) with long-term health problems and disabilities.
- 7.2 This section responds to Planning Practice Guidance on *Housing for Older and Disabled People* published by Government in June 2019. It includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).
- 7.3 Data is provided from projections linking to delivery of 846 in the 2020-41 period, these figures being based on the current standard method for assessing housing need.

Understanding the Implications of Demographic Changes

- 7.4 The population of older persons is increasing, driven by demographic changes including increasing life expectancy. This is a key driver of the need for housing which is capable of meeting the needs of older persons.

Current Population of Older People

- 7.5 The tables below provide baseline population data about older persons in the study area and compare this with other areas. The population data has been taken from the published 2019 ONS mid-year population estimates (“MYE”).
- 7.6 The first table shows that Herefordshire has a relatively old age structure in terms of older people (for the purposes of this report generally considered to be people aged 65 and over), with 25% of the population being aged 65 and over in 2019. This compares with about 18% regionally and nationally.

Table 7.1 Older Persons, 2019

	Herefordshire	West Midlands	England
Under 65	75.3%	81.4%	81.6%
65-74	13.3%	9.9%	9.9%
75-84	8.1%	6.3%	6.0%
85+	3.3%	2.5%	2.5%
Total	100.0%	100.0%	100.0%
Total 65+	24.7%	18.6%	18.4%
Total 75+	11.4%	8.7%	8.5%

Source: ONS 2018 Mid-Year Population Estimates

Projected Future Change in the Population of Older People

- 7.7 Population projections can next be used to provide an indication of how the numbers of older persons and younger adults might change in the future compared with other areas.
- 7.8 Herefordshire is projected to see a notable increase in the older person population, with the total number of people aged 65 and over projected to increase by 42% over the 21-years to 2041. This compares with overall population growth of 13% and a more modest increase in the Under 65 population of 4%.
- 7.9 In total population terms, the projections show an increase in the population aged 65 and over of 20,400 people. This is against a backdrop of an overall increase of 25,900 – population growth of people aged 65 and over therefore accounts for 79% of the total projected population change.

Table 7.2 Projected Change in Population of Older Persons, 2020 to 2041

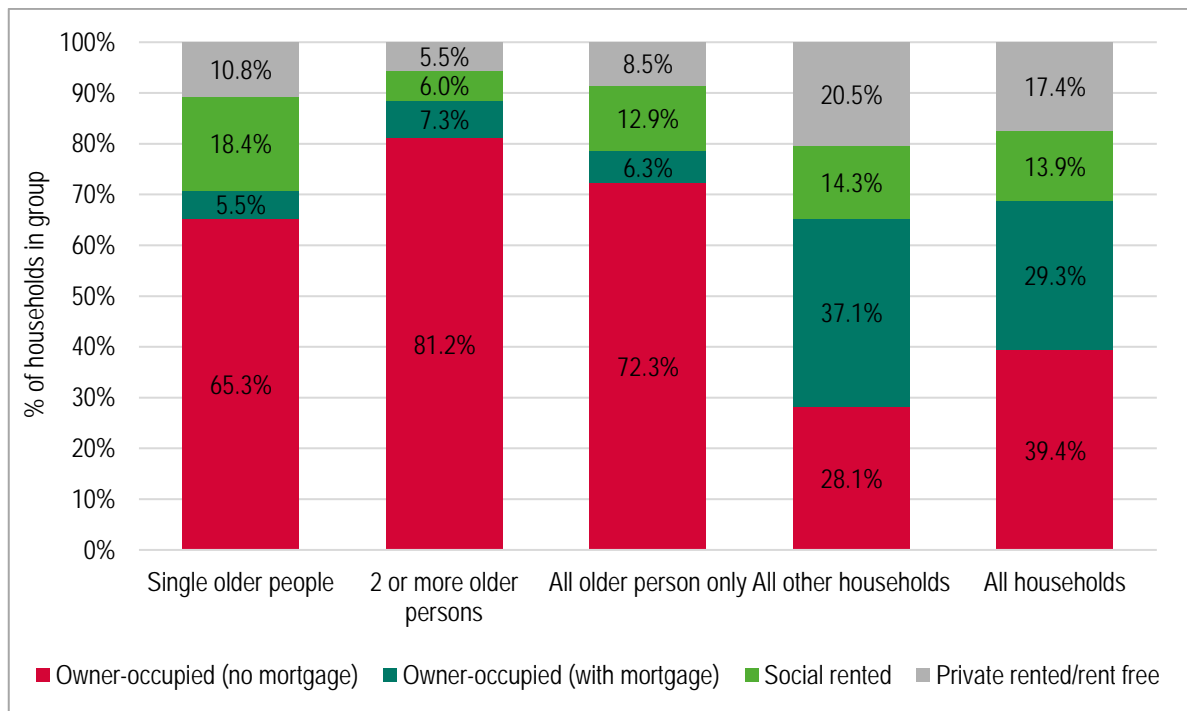
	2020	2041	Change	% Change
Under 65	145,844	151,378	5,534	3.8%
65-74	25,830	30,778	4,949	19.2%
75-84	16,160	26,134	9,973	61.7%
85+	6,498	11,967	5,469	84.2%
Total	194,333	220,257	25,925	13.3%
Total 65+	48,488	68,879	20,391	42.1%
Total 75+	22,658	38,101	15,442	68.2%

Source: Demographic Projections

Characteristics of Older Person Households

- 7.10 The tenures in which older persons currently live provides a useful indication of the potential tenure profile of demand for new-build development for this group.
- 7.11 The Figure below shows the tenure of older person households. The data has been split between single older person households and those with two or more older people (which will largely be couples). The data shows that the majority of older persons households (79%) are owner occupiers, and indeed 72% are owner occupiers with no mortgage and thus potentially have significant equity which can be put towards the purchase of a new home. Some 13% of older persons households across the County live in the social rented sector. The proportion of older person households living in the private rented sector is relatively low (about 8%).
- 7.12 There are also notable differences for different types of older person households with single older people having a lower level of owner-occupation than larger older person households – this group also has a much higher proportion living in the social rented sector.

Figure 7.1: Tenure of Older Persons Households, 2011



Source: 2011 Census

Prevalence of Disabilities

7.13 The Table below shows the proportion of people with a long-term health problem or disability (“LTHPD”) drawn from 2011 Census data, and the proportion of households where at least one person has a LTHPD. The data suggests that some 34% of households contain someone with a LTHPD. This figure is slightly lower than that seen across the region but higher than the national average (33% for the whole of England). The figures for the population with a LTHPD again show a similar pattern in comparison with other areas (an estimated 19% of the population of the study area having a LTHPD).

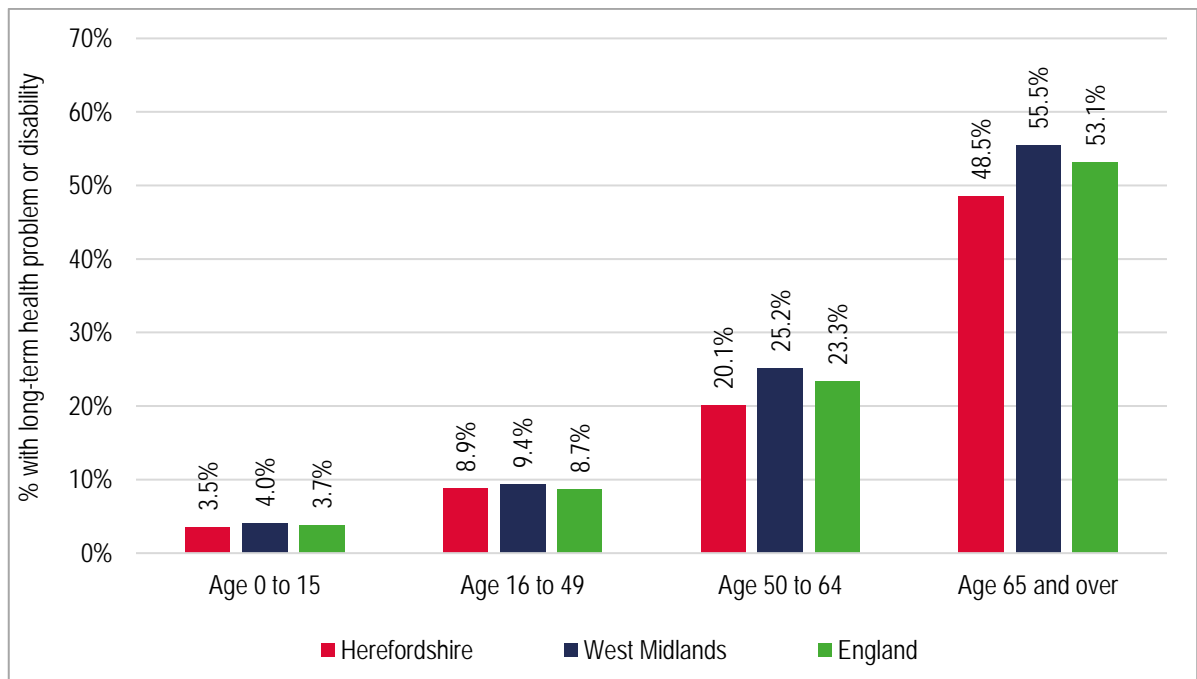
Table 7.3 Households and people with a Long-Term Health Problem or Disability, 2011

	Households containing someone with a health problem		Population with a health problem	
	Number	%	Number	%
Herefordshire	26,448	33.8%	34,364	18.7%
West Midlands	810,722	35.3%	1,062,064	19.0%
England	7,217,905	32.7%	9,352,586	17.6%

Source: 2011 Census

7.14 It is likely that the age profile will impact upon the numbers of people with a LTHPD, as older people tend to be more likely to have a LTHPD. The figure below shows the age bands of people with a LTHPD. It is clear from this analysis that those people in the oldest age bands are more likely to have a LTHPD. The analysis also shows typically lower levels of LTHPD in most age bands within Herefordshire when compared with other areas.

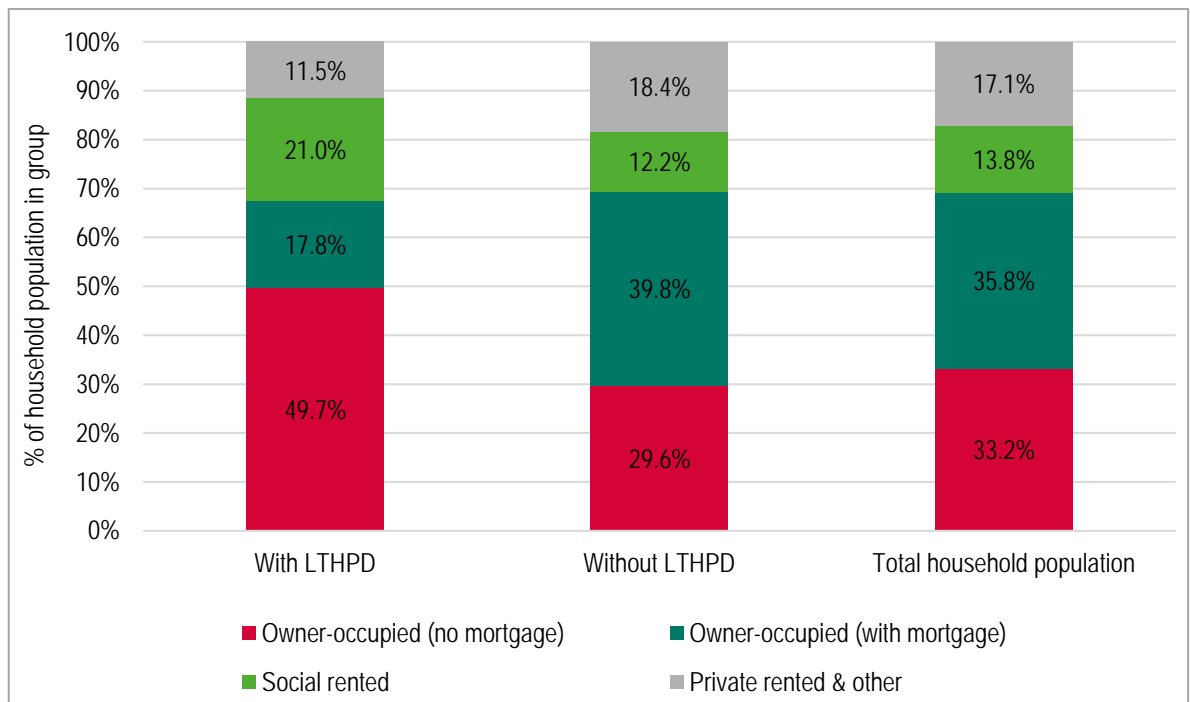
Figure 7.2: Population with a Long-Term Health Problem or Disability by Age



Source: 2011 Census

- 7.15 The figure below shows the tenures of people with a LTHPD – it should be noted that the data is for 'population living in households' rather than 'households'. The analysis clearly shows that people with a LTHPD are more likely to live in social rented housing or are also more likely to be outright owners (this will be linked to the age profile of the population with a disability).
- 7.16 Given that typically the lowest incomes are found in the social rented sector, and to a lesser extent for outright owners (many of whom are retired), the analysis would suggest that the population/households with a disability are likely to be relatively disadvantaged when compared to the rest of the population in terms of income levels and therefore the ability to afford goods and services (as well as to access the housing market in many instances).

Figure 7.3: Tenure of People with LTHPD vs those without a LTHPD, 2011



Source: 2011 Census

- 7.17 In addition, data taken from the same source as above suggests that 27% of all people living in the social rented sector have a LTHPD, compared with 16% of people in other tenures.

Health Related Population Projections

- 7.18 The incidence of a range of health conditions is an important component in understanding the potential need for care or support for a growing older population.
- 7.19 The analysis undertaken covers both younger and older age groups and draws on prevalence rates from the PANSI (Projecting Adult Needs and Service Information) and POPPI (Projecting Older People Population Information) websites. In all cases the analysis links to estimates of population growth linked to the standard method.
- 7.20 Of particular note are the large increases in the number of older people with dementia (increasing by 64% from 2020 to 2041) and mobility problems (55% increase over the same period). Changes for younger age groups are smaller, reflecting the fact that projections are expecting older age groups to see the greatest proportional increases in population. When related back to the total projected change to the population, the increase of 4,900 people with a mobility problem represents 21% of the total projected population growth.

7.21 It should be noted that there will be an overlap between categories (i.e., some people will have both dementia and mobility problems). Hence the numbers for each of the illnesses/disabilities should not be added together to arrive at a total.

Table 7.4 Projected Changes to Population with a Range of Disabilities

Disability	Age Range	2020	2041	Change	% Change
Dementia	65+	3,361	5,527	2,166	64.5%
Mobility problems	65+	8,849	13,731	4,882	55.2%
Autistic Spectrum Disorders	18-64	1,097	1,137	40	3.7%
	65+	459	657	198	43.2%
Learning Disabilities	18-64	2,807	2,928	121	4.3%
	65+	1,010	1,425	414	41.0%
Challenging behaviour	61+	52	54	2	4.2%
Impaired mobility	65+	6,720	6,789	69	1.0%

Source: POPPI/PANSI and Demographic Projections

7.22 The table below shows the same information for the higher of the projections developed which relates to the Government's proposed revisions to the Standard Method. This shows a higher projected increase in the number of people with disabilities, particularly in some of the younger age groups.

Table 7.5 Projected Changes to Population with a Range of Disabilities

Disability	Age Range	2020	2041	Change	% Change
Dementia	65+	3,361	5,732	2,371	70.5%
Mobility problems	65+	8,849	14,253	5,404	61.1%
Autistic Spectrum Disorders	18-64	1,097	1,236	139	12.7%
	65+	459	683	225	49.0%
Learning Disabilities	18-64	2,807	3,192	385	13.7%
	65+	1,010	1,482	471	46.7%
Challenging behaviour	61+	52	59	7	13.5%
Impaired mobility	65+	6,720	7,255	535	8.0%

Source: POPPI/PANSI and Demographic Projections

7.23 The growth shown in those with disabilities provides clear evidence justifying delivering 'accessible and adaptable' homes as defined in Part M4(2) of Building Regulations. The Council should ensure that the viability of doing so is also tested as part of drawing together its evidence base.

Need for Specialist Accommodation for Older Persons

- 7.24 Given the ageing population and higher levels of disability and health problems amongst older people, there is likely to be an increased requirement for specialist housing options moving forward. The box below considers different types of older persons housing.

Definitions of Different Types of Older Persons' Accommodation

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

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

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

Residential care homes and nursing homes ("care bedspaces"): These have individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

Source: Planning Practice Guidance [63-010] with Icenii Adjustments

- 7.25 The need for specialist housing for older persons is typically modelled by applying prevalence rates to current and projected population changes and considering the level of existing supply. There are a number of 'models' for doing this, but they all essentially work in the same way. The model results are however particularly sensitive to the prevalence rates applied, which typically describe the proportion of people aged over 75 who could be expected to live in different forms of specialist housing.

7.26 Icenl and JGC have drawn on some data from the Housing Learning and Information Network (Housing LIN) Shop@ online toolkit (SHOP@ toolkit). This data is considered alongside demographic projections to provide an indication of the potential level of additional specialist housing that might be required for older people in the future. Through discussions with Housing LIN, it is however clear that:

- Housing LIN consider that the prevalence rates used should be assessed taking account of an authority's strategy for delivering specialist housing for older people. The degree for instance which the Council want to require extra care housing as an alternative to residential care provision would influence the relative balance of need.
- The Housing LIN model has been influenced by existing levels of provision and their view on what future level of provision might be reasonable taking account of how the market is developing, funding availability etc. There is a degree to which the model and assumptions within it do not fully capture the growing recent private sector interest and involvement in the sector.

7.27 What Icenl has therefore done is to consider the Housing LIN methodology first of all, to compare it with other alternative sources; and then to make some judgements on how these might be applied to Herefordshire.

7.28 Housing LIN's SHOP@ Toolkit sets out a series of baseline rates which form a starting point for assessing appropriate prevalence rates to apply. These baseline rates are:

- Housing with Support (retirement/sheltered housing) – Housing LIN suggests a base level of 125 units per 1,000 population aged 75 and over and it is considered that this is a reasonable starting point. Adjustments are made to this figure to reflect local levels of health in the older person population. The suggested tenure split is for 50% of homes to be market housing in more deprived areas up to 67% in less deprived locations;
- Housing with Care (enhanced sheltered and extra-care housing) – Housing LIN suggests a base level of 45 units per 1,000 population aged 75 and over. It is considered that this level of provision is a reasonable longer-term aim but that this is quite a high figure in the context of current supply (estimated nationally to be around 18 units per 1,000 population aged 75 and over).

Therefore, the baseline modelling sets a need figure of 25 units per 1,000 initially, rising to 45 by the end of the projection period. Again, adjustments are made to this figure to reflect local levels of health in the older person population. The tenure split is taken to be the same as for housing with support (again adjusted depending on levels of deprivation; and

- Residential care bedspaces (residential and nursing care) – Housing LIN suggests a base level of 65 units (bedspaces) per 1,000 population aged 75 and over. This figure is considered to be a reasonable start point. However, given that the analysis seeks to increase the need for extra-

care housing it seems reasonable to expect that there might be some reduction in the need for residential care. Therefore, the analysis looks at reducing the need for this accommodation type down to 45 per 1,000 by the end of the projection period. Again, adjustments are made to this figure to reflect local levels of health in the older person population. Residential care bedspaces do not have an associated tenure; and

- Nursing care bedspaces – Housing LIN suggests a base level of 45 units (bedspaces) per 1,000 population aged 75 and over and this is considered reasonable as both a current need estimate and projecting forward. Again, adjustments are made to this figure to reflect local levels of health in the older person population and there is no associated tenure.

7.29 Following the Housing LIN methodology, an initial adjustment has then been made to these rates to reflect the relative health of the local older person population applied to all groups apart from age-restricted housing.

7.30 This has been based on Census data about the proportion of people aged 65 and over who have a long-term health problem or disability compared with the England average. In Herefordshire, the data shows slightly better health in the older person population and so the prevalence rates used have been decreased slightly (by an average of about 9%). This figure is based on comparing the proportion of people aged 65 and over with a LTHPD in Herefordshire (48.5%) with the equivalent figure for England (53.1%).

7.31 A second local adjustment has been to estimate a tenure split for the housing with support and housing with care categories. This again draws on suggestions in the Shop@ toolkit which suggests that less deprived local authorities could expect a higher proportion of their specialist housing to be in the market sector.

7.32 Using 2019 Index of Multiple Deprivation (“IMD”) data, the analysis suggests Herefordshire is the 137th most deprived local authority in England (out of 317). This suggests a lower need for market homes for older people in Herefordshire than would be assumed in an area sitting more in the middle of the deprivation index. To be clear this is market housing within the categories described above (e.g., housing with support and housing with care).

7.33 The table below shows estimated needs for different types of housing linked to the population projections. The analysis is separated into the various different types and tenures although it should be recognised that there could be some overlap between categories (i.e., some households might be suited to more than one type of accommodation).

Table 7.6 Specialist Housing Need using adjusted SHOP@ Assumptions, 2020-41

		Housing demand per 1,000 75+		Current Supply	Current Demand	Current Shortfall	Additional Demand to 2041	Shortfall by 2041
		Start	Finish					
Age-Exclusive	Market	5	5	66	113	47	77	125
	Affordable	25	25	894	566	-328	386	59
Total Age-Exclusive		30	30	960	680	-280	463	184
Housing with support	Market	65	65	379	1,481	1,102	1,009	2,111
	Affordable	49	49	497	1,103	606	752	1,357
Total Housing with Support		114	114	876	2,584	1,708	1,761	3,468
Housing with care	Market	13	24	114	296	182	600	782
	Affordable	10	18	80	221	141	447	588
Total Housing with Care		23	41	194	517	323	1,047	1,370
Residential care bedspaces		59	41	802	1,344	542	221	762
Nursing care bedspaces		41	41	875	930	55	634	689
Total bedspaces		100	82	1,677	2,274	597	854	1,451

Source: Derived from Demographic Projections and Housing LINEAC. Note that numbers may not always be equal due to rounding.

7.34 The provision of a choice of attractive housing options to older households is a component of achieving good housing mix. The availability of such housing options for the growing older population may enable some older households to downsize from homes which no longer meet their housing needs or are expensive to run. The availability of housing options which are accessible to older people will also provide the opportunity for older households to 'rightsize' which can help improve their quality of life.

7.35 The tables above should be considered as providing a set of parameters for housing need. The ultimate level of provision the Council seeks to support will be influenced by its broader strategy for older persons housing and care.

Wheelchair User Housing

7.36 Information about the need for housing for wheelchair users is difficult to obtain (particularly at a local level). National data within a research report by Habinteg Housing Association and London South Bank University, supported by the Homes and Communities Agency entitled *Mind the Step: An estimation of housing need among wheelchair users in England* (2010) has therefore been used. This report provides information at a national and regional level although there are some doubts about the validity even of the regional figures; hence the focus herein is on national data.

- 7.37 The report identifies that around 84% of homes in England do not allow someone using a wheelchair to get to and through the front door without difficulty and that once inside, it gets even more restrictive. Furthermore, it is estimated, based on English House Condition Survey data, that just 0.5% of homes meet criteria for ‘accessible and adaptable’, while 3.4% are ‘visitable’ by someone with mobility problems (information from the MHCLG Guide to available disability data (taken from the English Housing Survey) puts the proportion of ‘visitable’ properties at a slightly higher 5.3%).
- 7.38 Overall, the report estimates that there is an unmet need for wheelchair user dwellings equivalent to 3.5 per 1,000 households. Moving forward, the report estimates a wheelchair user need from around 3% of households.

Table 7.7 Estimated Need for Wheelchair User Homes, 2020-2041

	Current Need	Projected Need (2020-41)	Total
Herefordshire	293	517	810

Source: Derived from Demographic Projections and Habinteg Prevalence Rates

- 7.39 Information in the CLG Guide to available disability data also provides some historical national data about wheelchair users by tenure (data from the 2007/8 English Housing Survey). This showed around 7.1% of social tenants to be wheelchair users, compared with 2.3% of owner-occupiers (there was insufficient data for private renting, suggesting that the number is low).
- 7.40 This may impact on the proportion of different tenures that should be developed to be for wheelchair users (although it should be noted that the PPG [56-009] states that ‘Local Plan policies for wheelchair accessible homes should be applied only to those dwellings where the local authority is responsible for allocating or nominating a person to live in that dwelling’). For market housing, policy can however require delivery of wheelchair-adaptable dwellings, this being a home that can easily be adapted to meet the needs of a household including wheelchair users.

8. NEED FOR DIFFERENT SIZES OF HOMES

- 8.1 This section draws together analysis in the preceding sections to consider the appropriate mix of housing across Herefordshire having due regard to opportunities for larger and more aspirational housing, family housing and smaller units to diversify the market.
- 8.2 This section looks at a range of statistics in relation to families (generally described as households with dependent children) before moving on to look at how the numbers are projected to change moving forward. The analysis considers the mix of housing across the whole of Herefordshire (covering all household groups and tenures).

The Need for Family Housing

- 8.3 The number of families in the County (defined for the purpose of this assessment as any household which contains at least one dependent child) totalled 20,700 as of the 2011 Census, accounting for 26% of households. This proportion is lower than that seen across the region and nationally, with the proportion of lone parent households being particularly low.

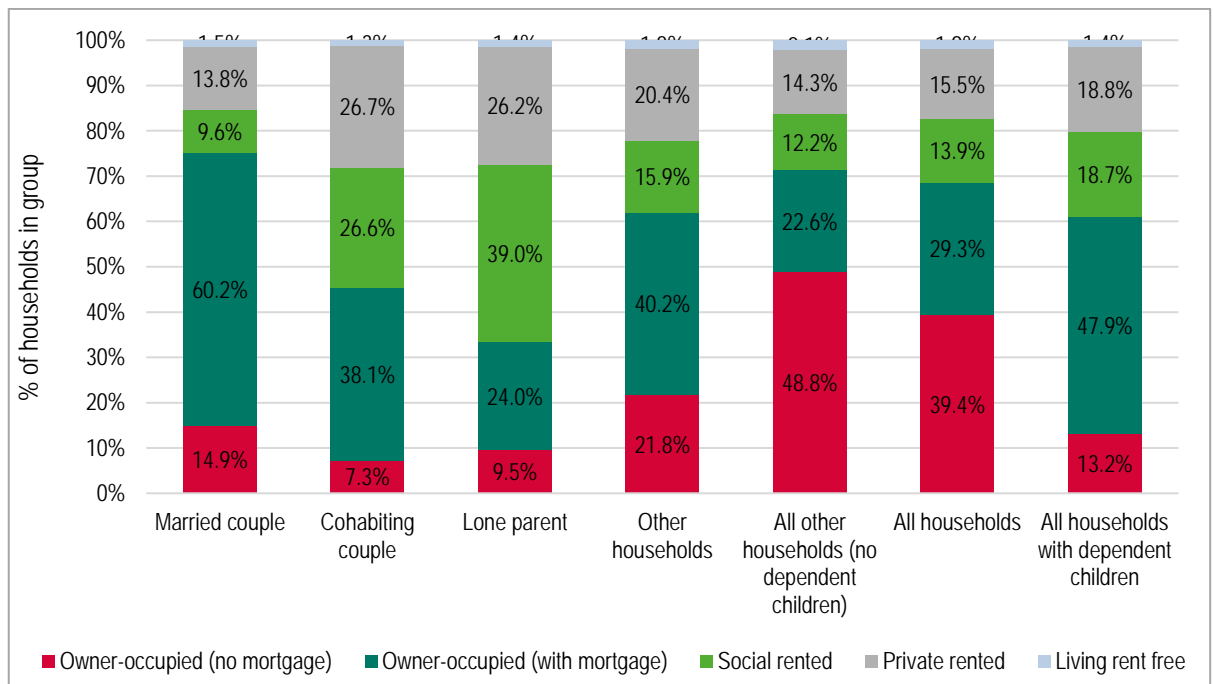
Table 8.1 Household Composition, 2011

	Herefordshire	(%)	West Midlands	England
Married Couple	11,754	15.0%	15.4%	15.3%
Cohabiting Couple	3,065	3.9%	4.3%	4.0%
Lone Parent	4,274	5.5%	7.5%	7.1%
Other Household	1,620	2.1%	2.9%	2.6%
All Other Households	57,606	73.6%	69.8%	70.9%
Total	78,319	100.0%	100.0%	100.0%
Total w dependent children	20,713	26.4%	30.2%	29.1%

Source: 2011 Census

- 8.4 The figure below shows the current tenure of households with dependent children. There are some considerable differences by household type with lone parents having a very high proportion living in the social rented sector and also in private rented accommodation. Only 33% of lone parent households are owner-occupiers compared with 75% of married couples with children.

Figure 8.1: Tenure of Households with Dependent Children



Source: 2011 Census

8.5 Household projections have been developed, linked to the standard method to estimate growth in family households over the period to 2041. The detailed profile of these is set out in the table below; and show growth of 10%, equal to around 2,100 family households.

8.6 The proportional projected increase in family households is below the overall level of household growth projected and accounts for 12% of all projected growth. The majority of the increase in family households is projected to be households with two dependent children.

Table 8.2 Projected Change in Family Households, 2020-41

	2020	2041	Change in Households	% Change
Households with one dependent child	9,931	10,513	582	5.9%
Households with two dependent children	7,802	8,950	1,148	14.7%
Households with three dependent children	2,925	3,264	340	11.6%
All other households	63,013	78,192	15,179	24.1%
Total Households	83,670	100,919	17,249	20.6%
Total households with dependent children	20,657	22,727	2,069	10.0%

Source: Demographic Projections

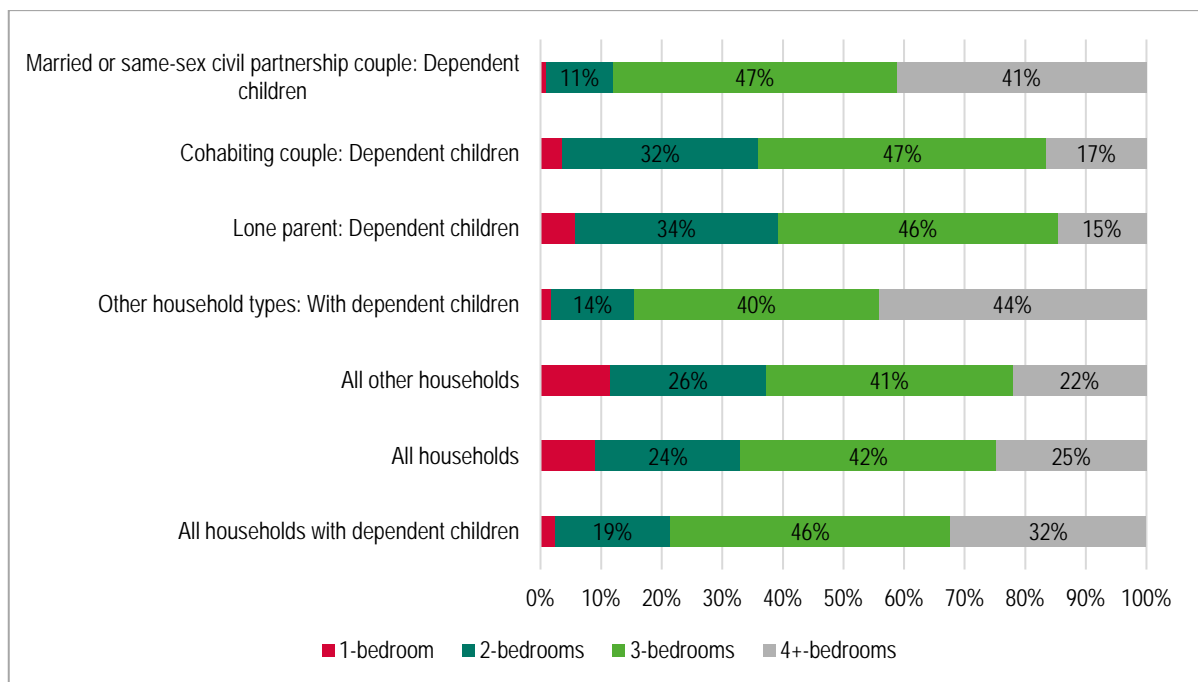
8.7 The level of growth in family households does not automatically translate into an equivalent need for family-sized accommodation, not least as many older households will continue to live in family-sized

properties that offer space for friends and relatives to come and stay. Older households typically move less often, and Icenis's engagement with estate and letting agents indicates that a substantial proportion of market demand is focused on family-sized accommodation.

8.8 The figure below shows the number of bedrooms for family households at the point of the 2011 Census. The analysis shows the differences between married, cohabiting and lone parent families. Across the County, the tendency is for family households (irrespective of household composition) to occupy 3+-bedroom housing with varying degrees of 2-bedroom properties depending on the household composition.

8.9 The data also, unsurprisingly, highlights the small level of 1-bed stock occupied by families across the board. As a result, we could expect continued demand for 3+-bedroom properties; although, given the affordable housing need profile, and the projected growth in smaller family households, a greater balance of homes of medium sized properties should also be factored into any recommendations.

Figure 8.4: Number of Bedrooms by Family Household Type, 2011



Source: 2011 Census

8.10 The delivery of family sized housing remains a requirement in both urban and rural locations of the County. This includes providing family housing in the widest possible choice and mix of housing locations including town centres, and through the sustainable expansion of rural and smaller settlements (particularly helping to support economic and social vitality).

8.11 It is important to deliver a range of housing sizes and to actively promote this through appropriate planning policies and consideration of the operation of the market. There may still be limitations as to the affordability of larger properties in the context of continued growth in sales prices evident across the County in recent years.

8.12 In more rural areas of Herefordshire, the opportunity to broaden and secure a choice and mix of family sized accommodation alongside smaller accommodation should be explored in order to diversify the market and provide for local housing demand. Whilst in the City and market towns, subject to the availability of land, the provision of family-sized accommodation should be supported.

The Mix of Housing

8.13 A model has been developed that starts with the current profile of housing in terms of size (bedrooms) and tenure. Within the data, information is available about the age of households and the typical sizes of homes they occupy. By using demographic projections linked to the local housing need calculated through the standard method, it is possible to see which age groups are expected to change in number, and by how much.

8.14 On the assumption that occupancy patterns for each age group (within each tenure) remain the same, it is therefore possible to assess the profile of housing needed is over the assessment period to 2041.

8.15 An important starting point is to understand the current balance of housing in the area. The table below profiles the sizes of homes in different tenure groups and how this compares with the regional and national position. Some key points with regard to Herefordshire include:

- Owner-occupied stock in the County is relatively large with a notably higher proportion of homes with 4+-bedrooms compared with the regional and national;
- The social rented stock is generally similar to other areas, but with a very slightly lower proportion of 1- and 2-bedroom homes; and
- The private rented sector is considered to be fairly balanced; whilst the proportion of 1-bedroom homes looks to be low in a national context it should be noted that the figures for England are to some degree influenced by the stock profile of London.

8.16 The finding of a low proportion of a particular size of home in a particular tenure does not necessarily point towards a shortage of that type of housing. To some extent the profile of stock will reflect the role and function of different areas. For example, the extent to which Herefordshire has traditionally been an area that is attractive to established family households may partly explain the larger stock

in the owner-occupied sector. Observations about the current mix feed into conclusions about future mix later in this section.

Table 8.3 Number of Bedrooms by Tenure, 2011

		Herefordshire	West Midlands	England
Owner-occupied	1-bedroom	3%	2%	4%
	2-bedrooms	19%	20%	23%
	3-bedrooms	46%	54%	48%
	4+-bedrooms	32%	24%	25%
	Total	100%	100%	100%
Social rented	1-bedroom	28%	29%	31%
	2-bedrooms	33%	34%	34%
	3-bedrooms	35%	33%	31%
	4+-bedrooms	3%	4%	4%
	Total	100%	100%	100%
Private rented	1-bedroom	18%	18%	23%
	2-bedrooms	36%	37%	39%
	3-bedrooms	33%	36%	28%
	4+-bedrooms	12%	10%	10%
	Total	100%	100%	100%

Source: 2011 Census

Overview of Methodology

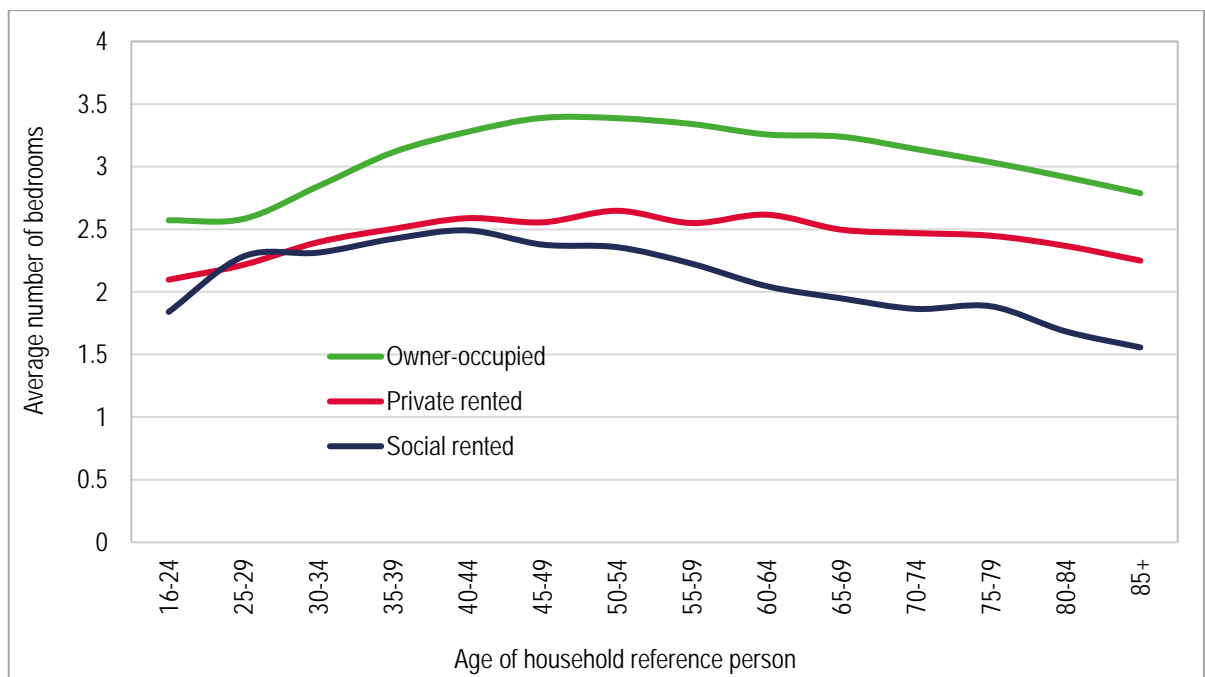
- 8.17 The method to consider future housing mix looks at the ages of the Household Reference Persons and how these are projected to change over time. The sub-sections to follow describe some of the key analysis.

Understanding How Households Occupy Homes

- 8.18 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector, households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.
- 8.19 The size of housing which households occupy relates more to their wealth and age than the number of people they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a 4-bedroom home as long as they can afford it, and hence projecting an increase in single person households does not automatically translate into a need for smaller units.

- 8.20 That said, issues of supply can also impact occupancy patterns, for example it may be that a supply of additional smaller bungalows (say 2-bedrooms) would encourage older people to downsize but in the absence of such accommodation these households remain living in their larger accommodation.
- 8.21 The issue of choice is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) where households are allocated properties which reflect the size of the household, although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to under-occupy housing (e.g., those who can afford to pay the ‘bedroom tax’).
- 8.22 The approach used is to interrogate information derived in the projections about the number of household reference persons (HRPs) in each age group and apply this to the profile of housing within these groups. The data for this analysis has been formed from a commissioned table by ONS (Table CT0621 which provides relevant data for all local authorities in England and Wales from the 2011 Census).
- 8.23 The Figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group for Herefordshire. In the owner-occupied sector the average size of accommodation rises over time to typically reach a peak around the age of 50; a similar pattern (but with smaller dwelling sizes) is seen in both the social and private rented sector. After peaking, the average dwelling size decreases – as typically some households downsize as they get older.

Figure 8.1: Average Bedrooms by Age and Tenure



Source: Derived from ONS Commissioned Table CT0621

8.24 Replicating the existing occupancy patterns at a local level would however result in the conclusions being skewed by the existing housing profile. On this basis a further model has been developed that applies regional occupancy assumptions for the West Midlands region. Assumptions are applied to the projected changes in Household Reference Person by age discussed below.

8.25 The analysis has been used to derive outputs for three broad categories. These are:

- **market housing** - which is taken to follow the occupancy profiles in the owner-occupied sector.
- **affordable home ownership** - which is taken to follow the occupancy profile in the private rented sector (this is seen as reasonable as the Government's desired growth in home ownership looks to be largely driven by a wish to see households move out of private renting); and
- **affordable rented housing** - which is taken to follow the occupancy profile in the social rented sector. The affordable sector in the analysis to follow would include affordable rented housing.

Changes to Household Types

8.26 The table below presents the projected change in households by age of household reference person, this clearly shows particularly strong growth as being expected in older age groups (and to some extent some younger age groups e.g., 25-34). Households headed by someone aged 50-59 are projected to see a decrease in household numbers.

Table 8.4 Projected Change in Household by Age of HRP

	2020	2041	Change in Households	% Change
16-24	1,468	1,507	38	2.6%
25-29	3,164	4,146	981	31.0%
30-34	4,862	5,811	949	19.5%
35-39	5,434	5,655	221	4.1%
40-44	5,567	6,445	878	15.8%
45-49	6,648	7,382	734	11.0%
50-54	8,443	8,258	-185	-2.2%
55-59	8,973	8,212	-761	-8.5%
60-64	7,816	7,982	166	2.1%
65-69	6,864	7,698	834	12.2%
70-74	7,976	9,930	1,953	24.5%
75-79	6,488	10,341	3,853	59.4%
80-84	5,107	8,508	3,401	66.6%
85 & over	4,859	9,043	4,185	86.1%
Total	83,670	100,919	17,249	20.6%

Source: Demographic Projections

Modelled Outputs

- 8.27 By following the methodology set out above and drawing on the sources shown, a series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures for the whole County. Two tables are provided, considering both local and regional occupancy patterns. The data linking to local occupancy will to some extent reflect the role and function of the local area, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different sizes/tenures of homes when considered in a wider context.
- 8.28 The analysis for rented affordable housing can also draw on data from the local authority Housing Register with regards to the profile of need. The data has been taken from Local Authority Housing Statistics (“LAHS”) and dates to April 2019.
- 8.29 This shows a pattern of need which is focussed on 1- and 2-bedroom homes but also showing approaching a fifth of those registered as requiring 3+- bedroom homes (including 4% in the 4+- bedroom category – analysis of current stock suggested only 3% of socially rented homes in the County have 4- or more bedrooms.

Table 8.5 Size of Social/Affordable Rented Housing – Housing Register Information

	Number of Households	% of Households
1-bedroom	524	48%
2-bedrooms	357	33%
3-bedrooms	165	15%
4+-bedrooms	46	4%
Total	1,092	100%

Source: Local Authority Housing Statistics, 2019

- 8.30 The tables below show that for most tenures the modelled outputs of need are similar regardless of the choice of modelling assumptions. The key differences between the analyses is a lower need for 4+-bedroom market accommodation when using regional data. For other tenures the findings are broadly consistent across sources. This data is used, along with a general understanding of the current stock (and the Housing register information) to draw conclusions about a suitable mix of housing for the County.

Table 8.6 Modelled Mix of Housing by Size and Tenure (Local Occupancy)

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	4%	26%	47%	23%
Affordable home ownership	20%	39%	32%	9%
Affordable housing (rented)	35%	33%	30%	2%

Table 8.7 Modelled Mix of Housing by Size and Tenure (Regional Occupancy)

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	3%	27%	55%	15%
Affordable home ownership	21%	37%	35%	7%
Affordable housing (rented)	37%	32%	29%	3%

Indicative Targets for Different Sizes of Properties by Tenure

Social/Affordable Rented Housing

- 8.31 Bringing together the above, a number of factors are recognised. This includes recognising that it is unlikely that all affordable housing needs will be met and that it is likely that households with a need for larger homes will have greater priority (as they are more likely to contain children). There is however a recognition that 1-bedroom homes are the largest category on the Housing Register.
- 8.32 Furthermore, the Housing Register data is based on a strict determination of need based on a bedroom standard and there will be some households able to afford a slightly larger home or who can claim benefits for a larger home than they strictly need (i.e., are not caught by the 'bedroom tax' – this will include older person households).
- 8.33 In taking account of the modelled outputs, the Housing Register and the discussion above, it is suggested that the following mix of social/affordable rented housing would be appropriate:
- 1-bedroom: 30-40%
 - 2-bedrooms: 30-40%
 - 3-bedrooms: 20-30%
 - 4+-bedrooms: 0-10%

Affordable Home Ownership

- 8.34 In the affordable home ownership and market sectors a profile of housing that more closely matches the outputs of the modelling is suggested. It is considered that the provision of affordable home ownership should be more explicitly focused on delivering smaller family housing for younger households. Based on this analysis, it is suggested that the following mix of affordable home ownership would be appropriate:

-
- 1-bedroom: 15-25%
 - 2-bedrooms: 35-45%
 - 3-bedrooms: 30-40%
 - 4+-bedrooms: 0-10%

8.35 Whilst the need for affordable home ownership properties is focused on younger households, the conclusions also recognise the particular affordability challenges for family housing.

Market Housing

8.36 Finally, in the market sector, a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile (as well as observations about the current mix when compared with other locations). This sees a slightly larger recommended profile compared with other tenure groups. The following mix of market housing is suggested:

- 1-bedroom: 0-10%
- 2-bedrooms: 20-30%
- 3-bedrooms: 45-55%
- 4+-bedrooms: 15-25%

8.37 Although the analysis has quantified this on the basis of the market modelling and an understanding of the current housing market, it does not necessarily follow that such prescriptive figures should be included in the plan making process. The 'market' is to some degree a better judge of what is the most appropriate profile of homes to deliver at any point in time, and demand can change over time linked to macro-economic factors and local supply. Policy aspirations could also influence the mix sought.

8.38 Whilst this report does not suggest that prescriptive figures necessarily need to be included within planning policies/ guidance, it is the case that the figures can be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area.

8.39 The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites, and the Council should expect justification for a housing mix on such sites which significantly differs from that modelled herein. Site location and area character are also however relevant considerations the appropriate mix of market housing on individual development sites.

9. RURAL, COMMUNITY-LED, SELF-BUILD AND AGRICULTURAL HOUSING

- 9.1 This section considers the need for and recommend approach to rural and community-led housing in Herefordshire. It also consider the need for self- and custom-build development and the need for housing for agricultural workers.

Community-Led Housing

- 9.2 As part of diversifying the housing market, there is potential for community-led housing schemes, including co-living/buying schemes to come forward, and to contribute positively to housing delivery in Herefordshire and to addressing affordability issues. There are various sub-categories to this form of housing, which we consider in turn below.

Co-Living

- 9.3 The concept of co-living in its modern form of housing is relatively new, and whilst it is not specifically defined in the Framework, it is often used as part of a wider definition relating to a type of intentional community where residents share living space and a set of interests, values and/or intentions. Traditionally co-living has ranged from the coming together of space, time and resources for activities (for example meals and discussion in the common living areas) through to shared workspace and collective endeavours such as living more sustainably (such as eco-centred villages).
- 9.4 Over recent years, media interest in co-living has in part been driven by the pressures faced by the millennial generation and the potential to provide communal living driven by affordability and a transient, social oriented young professional resident in high cost locations. Traditionally the idea of co-living through sharing of rented housing is not a new idea and has long operated across the country. In this context, co-living can encompass many structural forms.
- 9.5 In its current form, modern co-living in the UK tends to be urban focused and integrated into a single building, house, or apartment, a sharing of amenities, and a demographic trend towards 20 to 30 something professionals. As a market segment, this is most well developed currently in London where companies such as The Collective, Roam, Fizzy Living and Lyvly are actively adopting a 'WeWork' style model to housing based on a new renting approach for the Capital that offers private bedrooms, shared common spaces and community events, and an all-inclusive rent.
- 9.6 It remains to be seen whether this housing concept has any realistic potential beyond the larger, higher cost urban centres such as London, with a recognition that the modern concept of co-living is often viewed as an extension of managed student accommodation for younger professionals without dependents.

-
- 9.7 Many of the existing co-living examples tend to be large city schemes with studies indicating that whilst the sharing of space is deemed more acceptable, especially by city dwellers, the model of co-living needs to carefully consider the scale of provision balanced alongside personal space needs and privacy.
- 9.8 Icen consider that this form of housing provision has potential in Herefordshire but is likely in the short-to-medium term to be of small scale. A development scheme for co-housing has been approved in Herefordshire for 20 co-living style homes and a community building [application no 192979] in Much Birch, Hereford. The proposals incorporate access to shared facilities and resources and include 2, 3 and 4 bedroom houses as well as 1 and 2 bed flats.
- 9.9 The typical co-living business model and characteristics draw on a large base of transient younger, high skilled professional households and individuals (particularly those without dependents) which is not currently a predominant characteristic of household growth in Herefordshire; however, there is evidence of developer interest.

Co-Buying

- 9.10 The increased costs of housing and associated affordability challenges have led to a growth in co-buying over recent years whereby a pooling of resources allows for individuals, typically friend(s) or family member(s), to collectively purchase a property which ordinarily would likely not have been possible.
- 9.11 A number of national financial lenders have launched relevant group mortgage products to support buyers get a foot on the property ladder. It is increasingly an option for millennials and those already in a house sharing rental environment.
- 9.12 It remains however relatively uncommon with certain lenders limiting the number of people, typically two, to a group mortgage; however, the model is not without its risks, including where a co-buyer seeks to move on. The concept is likely to remain an attractive option for some although overall there are considered limited implications if any from a planning or housing policy perspective.

Community-led Housing

- 9.13 The concept of Community-Led Housing is not a new concept. There are case studies of community groups forming over a decade ago to drive forward community-led housing development. The Government has since reacted; with the enactment of the Localism Act 2011 which introduced new rights for communities and set the Government's context for the recent growth in community-led housing.
- 9.14 There have also been funding packages announced by the Government, including the Government's Community Housing Fund, first announced in March 2016 and extended in 2017, which has since

distributed £60 million a year to local authorities across the country as at 2018/19 to support community-led housing.

9.15 Community-led housing are typically housing schemes through which:

- a local community group or organisation owns, manages or stewards the homes as they chose;
- benefits to the local area and/or a specified community of interest are achieved which are clearly defined and protected in perpetuity via a legal asset lock; and
- community engagement and consent is embedded throughout the process, which may involve the community initiating/managing the development process or building the homes.

9.16 The term 'Community-Led Housing' is therefore a broad one and it is considered that no community-led housing project is ever the same. The projects can be delivered in a number of ways which often overlap with each other to include:

- Community Land Trusts (CLTs) provide affordable homes for local people in need, for rent or shared ownership, through the acquisition of land which is held as a community asset in perpetuity;
- Cooperative housing - groups of people who provide/collectively manage, via a democratic membership basis, affordable homes for their use as tenants or shared owners;
- Co-housing - groups of like-minded individuals who come together and provide self-contained private homes for their use but share management and activities, often in a communal space;
- Self-help housing – based on small, community-based organisations bringing empty properties back into beneficial use (often with a strong focus on construction skills/training/support);
- Community self-build - groups of local people building their homes with external support and managing the process collectively (individual self-build is not typically regarded as community-led housing).
- Tenant management organisations – collective responsibility for social housing tenants to manage and maintain the homes (via agreement with their council or housing association landlord).

9.17 Community-led housing is typically characterised by relatively small scale schemes, often of less than 20-25 units in rural areas, although many schemes in urban areas are significantly larger, with schemes set up and run as not for profit community based organisation driven by local volunteers

and often supported by external organisations, for example housing associations, local authorities or regional and national support organisations.

- 9.18 The schemes can provide affordable homes for rent, shared ownership or sale, typically on sites which are less attractive to the development industry; and ensure the long-term protection for local people in housing need through legal and/or financial controls.
- 9.19 Over recent years, community-led housing has been driven by CLTs with over 320 registered in England and Wales and encouraged by government funding.
- 9.20 The Hereford Centre for Community-led Housing (HCCLH) was launched in 2018 to provide an independent service to advise groups in the County who were interested in setting up collective housing initiatives, supported by an allocation from the Government's Community Housing Fund. This has since been expanded to cover the Marches LEP area.
- 9.21 From discussions with the Marches CLH Hub, Iceni understands that one of the main barriers to the delivery of community-led housing in Herefordshire is the lack of explicit policy support for it within the Core Strategy. It should however be highlighted that the availability of land and access to finance are also barriers.
- 9.22 There are clear benefits from community ownership of housing in terms of supporting affordability and long-term stewardship of the asset. Iceni understands that the Hub is currently working with around 12 groups across Herefordshire which are at different stages with some progressing to development; whilst others are at an early stage or dormant.
- 9.23 A Hereford CLT has been established to deliver low-cost homes for sale and rent in the Hereford area, with the aim of bringing forwards exemplar community projects. There are a number of other CLT trusts elsewhere in the County, and there is a funded CLT coordinator who helps groups get established and provides advice and support in bringing forward schemes.
- 9.24 In recognition of the level of interest and demand for community-led housing projects in Herefordshire, it is recommended that the Council develop a policy which explicitly supports community-led housing where these reinforce a settlement's role and function, meet a community need or realise local community aspirations.
- 9.25 In East Cambridgeshire's Local Plan, a specific planning policy is set out for community-led housing; with the District Council expressing general support of community-led development; with the role of CLTs acknowledged in the supporting policy text.

-
- 9.26 A new standalone planning policy which seeks to encourage and support the contribution and role of community-led housing could be developed along these lines. However, any proposed development for community-led housing should be balanced with the need and priority to identify and provide suitable development sites for affordable housing; and ensure that these schemes are consistent with policies elsewhere in the Local Plan.

Rural and Entry-Level Exception Sites

- 9.27 This sub-section considers the role of rural exception site development and the new 'entry level exception sites' which have a role to play in helping younger households and family households to secure suitable housing.
- 9.28 Para 71 in the NPPF identifies that local planning authorities should support the development of entry-level exception sites, suitable for first time buyers (or those looking to rent their first home), unless such needs are already being met within the authority's area.
- 9.29 The paragraph requires that such sites should not be on land already allocated for residential development and should comprise affordable housing as defined in the Framework's Glossary. It also states that such entry-level exception sites should be adjacent to existing settlements and proportionate in size to them. In this respect Footnote 33 indicates that entry-level sites should not be larger than 1 ha or exceed 5% of the size of the existing settlement.
- 9.30 Rural exceptions sites are different to entry-level exception sites; and are addressed in the Glossary and paragraph 77. Annex 2 of the Framework defines rural exception sites as: "Small sites used for affordable housing in perpetuity where sites would not normally be used for housing."
- 9.31 Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. A proportion of market homes may be allowed on the site at the local planning authority's discretion, for example where essential to enable the delivery of affordable units without grant funding".
- 9.32 Paragraph 77 in the NPPF confirms that local planning authorities should support opportunities to bring forward rural exception sites that will provide affordable housing to meet identified local needs and also to consider whether some market housing on such sites would help facilitate this. The purpose of rural exception site development is to recognise that more rural communities need new housing to help maintain their vitality and also to assist residents to find accommodation that meets their changing needs.
- 9.33 For younger individuals and households this includes offering genuine opportunities to secure affordable housing in the area where they have grown up. Rural exception housing therefore offers

-
- a policy and financial mechanism by which the choice and mix of accommodation available to younger age groups can help support access to appropriate housing. Rural exception sites do also offer opportunities for the ageing population; with the ability to provide for individuals wishing to downsize amongst other avenues.
- 9.34 Rural exception sites have the advantage of giving people with a local connection and where there is an identified local housing need, a priority in the affordable housing allocation process. Homes are offered first and foremost to households in the parish within which it is located. The development and occupancy of rural exception sites is controlled through a S106 legal agreement. This agreement ensures that the dwellings on the exception site are affordable in perpetuity and have occupancy clauses.
- 9.35 The affordable housing provided on rural exception sites should only be used to meet a clearly identified local housing need and a community will need to demonstrate through a local housing needs survey that there is a localised need. The results of the survey should demonstrate that there are people living in the parish/village who are in housing need and are unable to compete in the general housing market (to rent or buy) due to the low level of their income.
- 9.36 In contrast on 'entry level exception sites' there is no requirement for an applicant to demonstrate a local need. What is required is evidence that there is an unmet need for entry-level housing to rent or buy at the local authority level. Entry-level schemes must however deliver 100% of homes as affordable housing.
- 9.37 Core Strategy Policy H2 addresses rural exception sites and envisages a significant proportion of affordable housing provision with a requirement for viability evidence to justify any market housing.
- 9.38 Monitoring data supplied by the Council points to a relatively modest level of update of rural exception sites, with 4 sites completed in 2014 and 2015, which each delivered between 8-14 dwellings, but no delivery of rural exception sites since. From what we are aware, there has been no delivery of entry-level exception sites in the County. This may be because these routes result in a lower land value relative to general mixed-tenure development schemes.
- 9.39 The Government's consultation on Changes to the Current Planning System (MHCLG, August 2020) sets out the Government's ambition to introduce a First Homes Exception Sites Policy encouraging delivery of First Homes at a minimum 30% discount to open market values. This will replace the Entry-Level Exception Sites Policy.
- 9.40 This amended policy will allow a small proportion of other affordable homes to be delivered on these sites; together with a small proportion of market homes to ensure viability. Government proposes to amend the site size threshold but retain the requirement related to settlement size.

Housing Needs of Service Families

- 9.41 According to the Ministry of Defence, there are approximately 202,150 army personnel stationed in the UK in 2019²⁵ of which 1,950 are located in Herefordshire (0.9%). 1,660 of these personnel are army personnel and 290 are civilian personnel.
- 9.42 All the service personnel located within Herefordshire are located at Pontrilas Army Training Area, near Pontrilas, which is located in the Golden Valley HMA. The number of service personnel has seen an uplift of approximately 20 percent within Herefordshire in the last five years. An increase in service personnel is projected to continue for over the next five years although a slower level of growth is expected to be maintained over this period.
- 9.43 The Pontrilas Army Training Area is currently being expanded to provide further training facilities and there are potential plans in place to add accommodation to accommodate more service personnel in the later phases of this extension. Currently the training area contains single living campus accommodation and there are four locations within Herefordshire City which accommodate service personnel family housing.
- 9.44 In general, the service family accommodation is considered to be appropriate and well maintained, although it has been suggested some of the accommodation could be upgraded. In more recent years the Ministry of Defence has started purchasing properties within Herefordshire to use as service personnel accommodation instead of renting accommodation from private landlords. The aim of this scheme is for the Ministry of Defence to own all accommodation used by service personnel, some of purchased properties are to be used as Houses of Multiple Occupation to accommodate a group of service personnel not necessarily service families.
- 9.45 Due to this purchasing of properties the Ministry of Defence used to rent approximately 150 properties in Herefordshire, it currently only rents approximately 50 properties. This frees up the rental market for the population outside of the service personnel going forward within the area.
- 9.46 This purchasing of accommodation and the proposed extension to Pontrilas Army Training Area provides an uplift in the quality and quantity accommodation for service personnel in Herefordshire, hence there is now a sufficient amount of accommodation for the existing and future service personnel in Herefordshire.
- 9.47 It is recommended the Council continue to monitor the Ministry of Defence housing needs going forward; however, due to the initiatives being brought forward by the Ministry of Defence, it is not

²⁵ MOD – Annual Location Statistics, 2019

expected that the Council will have to intervene in respect of housing provision for service personnel over the plan period to 2041.

Self-Build and Custom Housebuilding

- 9.48 The Self-Build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) (“the 2015 Act”) provides a legal definition of ‘self-build and custom housebuilding’ which are where individuals or associations of individuals (or persons working with or for individuals or associations of individuals) build houses to be occupied as homes for those individuals.
- 9.49 The Government has long had a clear agenda for supporting and promoting the self-build and custom building sector. In *Laying the Foundations: a Housing Strategy for England* (November 2011), the Coalition Government set out plans to enable more people to build or commission their own home.
- 9.50 The Housing and Planning Act 2016 (“the 2016 Act”), which received Royal Assent on 12th May 2016, formally introduced the ‘Right to Build’ at Chapter 2. This 2016 Act under the ‘duty to grant planning permissions etc. has placed a legal duty on the relevant authority to grant enough planning permissions to meet the demand for self-build housing as identified through its register in each base period. The Self-Build and Custom Housebuilding Regulations 2016 subsequently came into force on 31st October 2016, amending the 2015 Act and implementing Chapter 2 of the 2016 Act.
- 9.51 In the Government’s Housing White Paper²⁶ (paragraph 3.14) in January 2017, the commitment to support the self-build and custom housebuilding sector was reasserted, the Government stating that “*alongside smaller firms, the Government wants to support the growth of custom built homes*” in recognition of the fact that custom build homes are generally built more quickly, built to a higher quality and tend to use more productive and modern methods of construction.
- 9.52 In addition, the Government highlighted that “*fewer homes are custom built in England than many other countries, but there is evidence of more demand for them including from older people*”. According to successive Ipsos MORI polls at the time of the Paper’s publication, more than a million people across the UK expected to buy a building plot, secure planning permission or start/complete construction work on their new home.
- 9.53 On the other side of the argument however, the Government (paragraph 3.15) did acknowledge that there are barriers to self-build and custom housebuilding, including access to finance – as “*mortgages for custom and self-built homes represent a very small proportion of the overall lending*

²⁶ Fixing our Broken Housing Market (DCLG, February 2017)

market”; the planning process and variations to local authority approaches and crucially, land supply and procurement.

Herefordshire Self-Build Register

- 9.54 As of 1st April 2016, and in line with the 2015 Act and the Right to Build, relevant authorities in England are required to have established and publicised a self-build and custom housebuilding register which records those seeking to acquire serviced plots of land in the authority’s area in order to build their own self-build and custom houses.
- 9.55 The Herefordshire Self-Build and Custom Housebuilding Register was introduced in April 2016 and there has now been five full base periods up to 30th October 2020. Over the four and a half year period from 1st April 2016 to 30th October 2020, there has been a total of 530 registered expressions of interest in a serviced plot of land.
- 9.56 At present, the authority does not have a Local Connection Test in place; however, the Council has introduced a Local Connection Test for the sixth base period beginning on 31st October 2020.
- 9.57 In accordance with the 2016 Act, the Council will now be required to have two parts to the register whereby all individuals or groups who apply for entry on the register and meet all the eligibility criteria will be entered on Part 1. Those who met all the eligibility criteria except for a Local Connection Test must be entered on Part 2 of the register. The entries to date have not been subject to this Local Connection Test and the register includes individuals from areas beyond Herefordshire.
- 9.58 The Table below provides a breakdown of those who have expressed demand for serviced plots of land in Herefordshire over the base periods to date. In respect of the first base period, which is a level of demand expected to have been met through permissions by 30th October 2019 in accordance with the 2016 Act; there were 174 expressions of interest. Additional permissions to enable the provision of an additional 139 serviced plots required by 30th October 2020 have also been met.

Table 9.1 Serviced Plot Demand by Base Period in Herefordshire County

	Total
Base Period 1 (1 st April 2016 to 30 th October 2016)	174
Base Period 2 (31 st October 2016 to 30 th October 2017)	139
Base Period 3 (31 st October 2017 to 30 th October 2018)	76
Base Period 4 (31 st October 2018 to 30 ^h October 2019)	82
Base Period 5 (31 st October 2019 to 30 th October 2020)	59
Total	530

-
- 9.59 However, it is worth highlighting that an Ipsos Mori poll²⁷ undertaken for the *National Custom and Self-Build Association* (“NaCSBA”) in 2016 found that only one in eight people interested in self-build were aware of the introduction of Right to Build Registers in England.
- 9.60 As a result, the number of expressions of interest on a local authority’s self-build register may underestimate demand. However, the Council works with Community Land Trusts (“CLT”) who wish to become involved in site assembly for self-build on sites and has discussed the general demand characteristics displayed on the register with them.
- 9.61 The Council’s planning officers are of the view, from determining planning applications that a significant proportion of self and custom build has always taken place in the county, particularly through new single dwellings, both prior to and since the introduction of the legislation. Therefore, it has maintained that it has met the demand of the register by initially including a proportion of the permissions for single dwellings.
- 9.62 However, in order to provide further evidence on this approach, the Council has analysed all permissions for dwellings granted between 31st October 2016 and 30th October 2020 to identify those applications that can be classified as being for self and custom build.
- 9.63 In summary, the following points demonstrate how the self and custom build permissions have been identified:
- All those with self or custom build in the title and all those ticking self-build on the planning application form (nb the latter tick box has only recently been introduced);
 - Evidence in the design and access statement/planning statement / other supporting information or correspondence relating to the planning application;
 - Planning Officer’s knowledge from discussion with agent and or applicant; and
 - Building plots for sale with outline planning permission that provide an opportunity for self and custom house builders to design their home to their own specifications through reserved matters. They are sometimes advertised as opportunity for self-builders.

²⁷ ‘Survey of Self Build Intentions 2016’ – this survey questioned nearly 2,000 people about their self-build ambition and activity.

9.64 The council considers that this is a fair and reasonable approach and that these meet the legislative requirements. The supporting information provided in the design and access statements reflects the reasons given by some registrants for wanting to build their own homes. These reasons include:

- Design to meet particular requirements of family;
- To build an energy efficient / sustainable home;
- To meet economic needs of their employment or business including farming. However only those permissions where it is clear that the applicants are intending to live in the home themselves, as opposed to being for a farm employee, have been included;
- Requirement to downsize from larger family home;
- To create an affordable home; and
- Own home in a rural location with replacement dwellings providing the opportunity to achieve this.

9.65 The Council does not consider that the legislation requires unilateral undertakings to confirm whether a permission is for self and custom build housing. Therefore, this is not a determinant of whether a proposal meets the definition of self and custom build.

Broader Demand Evidence

9.66 In order to supplement the data from the Council's own register, we have looked to a number of secondary sources as recommended by the PPG including *the Buildstore* and NaCSBA. It should be highlighted however that, although a material consideration, secondary sources of data are not directly comparable to demand identified through a Council's Self-Build Register.

9.67 The Buildstore is a private company who own and manage the largest national database relating to the demand and supply for self and custom build properties in the UK have provided us with further information on potential demand. The Buildstore hold two databases, including:

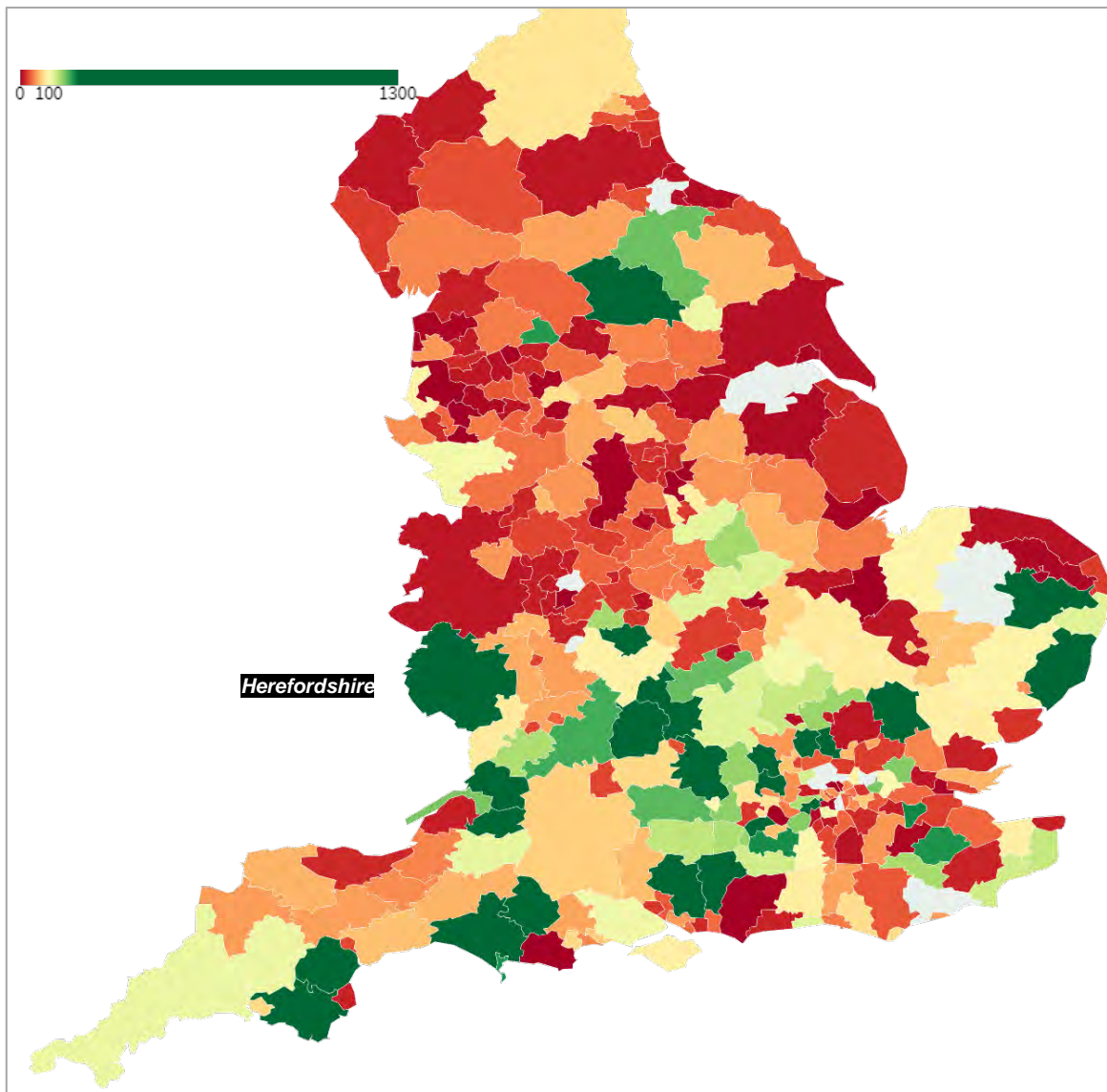
- The Buildstore Custom Build Register: this is the UK's longest running record of demand for self-build and custom build homes. It is marketed as a register that will be used to evidence demand for custom build across the UK and demonstrate the scale of need and types of homes those registered, would like to design and create for themselves and their families; and
- The Buildstore PlotSearch service: this is a free to subscribe PlotSearch service which records opportunities for those looking to find a serviced plot of land to build on.

-
- 9.68 Having engaged with Buildstore directly, they have informed us that there are around 1,350 people are registered as looking to build in Herefordshire on their Custom Build Register with a separate figure of around 2,000 subscribers to their Plotsearch service which tracks self-build land opportunities.
- 9.69 This suggests there is potentially additional demand for serviced plots for self-build and custom housebuilding which hasn't yet been reflected on the Council's own self-build register; with a potential 800 additional registrants on the Buildstore's register. This is largely due to the extensive promotion and marketing from the Buildstore of their own Register. However, it is important to note that those on the Buildstore's register can apply from areas outside of Herefordshire, as they can on the Council's own register – although those subscribed to the Plotsearch register are all located within Herefordshire.
- 9.70 Furthermore, NaCSBA has undertaken primary research with Ipsos Mori at a national level which indicate that 1 in 50 of the adult population²⁸ across the country want to purchase a Custom or Self-Build Home over the next 12 months.
- 9.71 If this is applied to the working population²⁹ of Herefordshire, this would point to an aspiration for around 2,258 plots across the two areas. Although research-based and more focussed on a desire to build rather than necessarily a serious intention, this again points to the potential for a greater level of interest in self-build housing than is currently expressed by the Council's self-build register.
- 9.72 NaCSBA has also recently published a series of maps with commentary titled "Mapping the Right to Build" (2019) which allows us to better understand the demand for serviced plots as a proportion of total population relative to all other local authorities across England. One of the key maps within the report highlights the areas of strongest demand and this is shown in the Figure below.

²⁸ Those aged 15 or over; weighted to the known population profile.

²⁹ 112,913 persons aged 15 or over on the basis of the 2018 Mid-Year Population Estimates

Figure 9.1: Overall Demand for Self-Build Plots per 100,000 of Population



Source: NaCSBA "Mapping the Right to Build" (2019)

9.73 The map demonstrates that Herefordshire has very high overall demand per 100,000 of the population. The data which sits behind the map shows that there is demand from 316 persons per 100,000 in Herefordshire which ranks the County in the top 10 authorities in England. This shows the strength of interest for serviced plots in Herefordshire.

Supporting the Self-Build and Custom Housebuilding

9.74 It is clear that there is a strong level of demand for self-build and custom housebuilding serviced plots of land in Herefordshire. Over the last five base periods, there has been a total of 530 expressions of interest in serviced plots of land.

9.75 However, in respect of secondary sources, there are around 1,350 people registered on the Buildstore's Custom Build Register and around 2,000 subscribers to PlotSearch as of August 2020

which points to the potential for a higher level of desire to build in the County. It is important to note that those on the Buildstore's register can apply from areas outside of Herefordshire, as is the case with the Council's own register – although those subscribed to the Plotsearch register are all located within Herefordshire. There is also NaCSBA research which shows that interest in serviced plots in Herefordshire is strong.

9.76 The Self-Build and Custom Housebuilding PPG³⁰ sets out clearly that relevant authorities should consider how they can best support self-build and custom housebuilding in their area. There are a number of measures which can be used to support self-build and custom housebuilding including:

- developing a planning policy which supports self-build and custom housebuilding;
- promoting and encouraging submissions of land which are suitable for self-build and custom housebuilding through the Call for Sites process;
- using local authority-owned land if available and suitable for self-build and custom housebuilding and marketing it to those on the register; and
- working with custom build developers to maximise opportunities for self-build and custom housebuilding.

9.77 An increasing number of local planning authorities have adopted specific self-build and custom housebuilding policies to encourage delivery, promote and boost housing supply. These policies vary in how they are prepared across the country depending on the nature of the County in respect of the type and size of housing schemes which typically come forward. In Herefordshire, it is likely that the majority of serviced plots will come through from small and single plot sites.

9.78 Icenl consider that in order to respond to the high level of demand in the sector in both areas, and in response to the PPG's requirements, the Council should continue to support the submission and delivery of self-build and custom housebuilding sites where opportunities for land arise and where such schemes are consistent and do not conflict with other national and local planning policies.

The Need for Housing for Agricultural Workers

9.79 It is important to consider the housing needs of agricultural workers in Herefordshire. Agriculture and horticulture is a fundamental employment sector reflecting the rural nature of the County. The Framework (paragraph 83) is clear that planning policies and decisions should enable the development and diversification of agricultural and other land-based rural businesses and provides

³⁰ Paragraph: 025 Reference ID: 57-025-201760728

opportunities for housing in the countryside where there is an essential need for a rural workers to live permanently at or near their place of work.

9.80 It is important to understand housing issues in the rural parts of the District, considering the profile of housing; affordability issues; and the role which housing can play in supporting rural sustainability and the rural economy. Iceni has engaged with a number of key stakeholders including farmers in Herefordshire as well as the National Farmers Union (West Midlands Region) and commentary is reflected throughout this sub-section.

9.81 The Herefordshire County Employment Land Study 2012 recognised that the Herefordshire economy is more dependent upon agriculture and manufacturing than any other economy in the West Midlands or the UK. The forecast through to 2031 indicated agriculture and manufacturing would continue to be significant sources of employment.

9.82 For context, the proportion of employees in the key sectors relating to horticulture, agriculture and food production is shown in the Table below set against a national average – demonstrating the importance of these sectors to the economy in the County. In total, Herefordshire accounts for 50% of the whole of the West Midlands horticultural production.

Table 9.2 Total Employment by Broad Sector, 2019

	Employees	% of All Employees	National Average (%)
Agriculture, Forestry and Fishing	6,000	7.4%	0.7%
Manufacturing	12,000	14.8%	8.0%
Accommodation and Food	8,000	9.9%	7.6%
Total	26,000	32.1%	16.3%

9.83 According to the West Midlands Farmsteads and Landscapes Project, in 2010 there were around 3,092 farms across Herefordshire. On these farms, there are two types of agricultural/horticultural worker, common with other rural areas – (a) permanent workers and (b) seasonal workers. Over a long period of time, seasonal agricultural workers – principally workers from overseas - have been employed on these farms in Herefordshire.

9.84 Through our engagement with stakeholders, in addition to permanent employment on-site on farms across the County, it is estimated that 6,000 to 7,000 seasonal workers are needed within Herefordshire, although this figure may be higher as a record has not been formally published in recent years.

-
- 9.85 It is clear through our engagement with stakeholders and in considering circumstances more-widely that the future prospects for the sector are threatened by the ability to recruit seasonal workers – a key implication arising from Brexit and subsequently the impacts of Covid-19.
- 9.86 The Government has introduced a seasonal workers Pilot Scheme as part of the Brexit negotiations which allows fruit and vegetable farmers to employ up to 10,000 non-EU seasonal workers in 2020. Importantly, this is on a national scale and therefore has resulted in a significant shortage of workers. From 1st January 2021, the UK’s immigration system will be transformed when freedom of movement ends with the same rules for EU and non-EU citizens being applied.
- 9.87 The 10,000 employment “cap” for non-EU workers is notably low when set in context. The NFU states that around 70,000 seasonal workers will be needed when the EU Freedom of Movement ends on 1st January 2021.
- 9.88 Overall, employers within Herefordshire have found it increasingly difficult to recruit sufficient numbers of seasonal workers over the past few years. Related to this, it has become more apparent that without suitable accommodation for workers, farms in Herefordshire are less likely to be in a position to recruit the quantity or quality of workers they need.
- 9.89 In some instances, planning permission is not required for temporary accommodation – such as the provision of a caravan site during a particular season. However, in most cases it is. This includes instances where workers are housed for longer than a normal season, where caravans and related buildings are to be kept on site permanently, if a change of use is required or if hardstanding has to be required.

Housing Provision

- 9.90 In terms of housing provision, stakeholders have made it clear that suitable housing for workers is crucial in being able to recruit labour and therefore run a successful business. Farms without suitable accommodation will not be able recruit both permanent and seasonal workers therefore compromising the success of the business.
- 9.91 In Herefordshire, seasonal workers are typically housed in on-site accommodation – principally mobile homes or temporary structures and caravans – whilst permanent workers either live locally or live in fixed accommodation on-site.
- 9.92 In respect of seasonal workers, farms will typically offer a range of services including translators, welfare officers and transport into local towns as well as low-cost weekly rents. There are a small proportion of seasonal workers who opt to live in houses of multiple occupation within the local town; however, this is more expensive and less attractive.

9.93 In respect of permanent workers (e.g., managerial positions such as a site manager with a family), it is often the case that housing will be included as part of a package. Opportunities are however limited with alternatives unaffordable for many families (i.e., home ownership nearby) or unsustainable with longer commuting distances.

9.94 The Herefordshire Core Strategy under Policy RA4 'Agricultural, Forestry and Rural Enterprise Dwellings' seeks to address the need for accommodation for temporary agricultural and horticultural workers. The policy states that:

"Proposals for dwellings associated with agriculture, forestry and rural enterprises will be permitted where it can be demonstrated that there is a sustained essential functional need for the dwelling and it forms an essential part of a financially sustainable business, and that such need cannot be met in existing accommodation. Such dwellings should:

- Demonstrate that the accommodation could not be provided in an existing building(s);
- Be sited so as to meet the identified functional need within the unit or in relation to other dwellings; and
- Be of a high quality, sustainable design which is appropriate to the context and makes a positive contribution to the surrounding environment and rural landscape."

9.95 Through our consultation with local stakeholders and the NFU, it appears that although there is policy support, challenges remain with regards to justifying the "essential functional need" for agricultural housing, the cost implications of submitting a planning application and from a more technical point of view, property size limitations.

9.96 IcenI understands that often farmers and businesses will receive temporary planning permission and will then need to reapply. The challenges raised are a particular issue for smaller scale farmers where only one or two caravans or mobile homes are required. The Council could consider setting out clearer guidance through the Core Strategy Update on what is deemed to be suitable with regards to justification.

9.97 It is also our understanding that issues are raised through the design process for planning applications for permanent homes with a tendency to favour smaller dwellings which are less suitable for families. This can reduce the attractiveness for prospective employees, limiting the quality of staff and therefore overall success of the farm as a business.

9.98 IcenI would recommend that the Council consider developing additional, supporting planning guidance which can be factored into revisions to Policy RA4 through the Core Strategy Update, and reduce the post-submission timescales associated with planning applications. This could provide

greater clarity on what is necessary to justify a sustained essential functional need for agricultural housing and clarify design requirements – which could recognise the role of larger family-sized housing for permanent workers.

10. HEREFORD HOUSING MARKET AREA

Geography

- 10.1 The Hereford Local Housing Market is located in the centre of the County, centred on Hereford City. It is the largest of the local housing markets, with a population of around 86,960 in mid-2018 (about 45% of the population of Herefordshire) – primarily reflecting the substantial size of Hereford relative to the County’s other towns.
- 10.2 The HMA includes the City of Hereford with a population of approximately 63,900 (2018) and surrounding areas.³¹ Several of the villages are large enough to be considered as rural service centres, namely Bartestree, Lugwardine, Canon Pyon, Credenhill, Madley, Marden, and Wellington. Rural settlements within the Hereford HMA are Moreton on Lugg, Withington, Sutton St. Nicholas, and Stretton Sugwas. Fownhope could also be viewed as a local service centre.
- 10.3 Hereford is the largest settlement within the County and has a wide range of services and facilities including a range of supermarkets, schools, a train station, bus station, Hereford County Hospital and a range of religious centres.

Current Housing Offer

- 10.4 The HMA contained 39,025 properties in March 2020 representing 44% of total properties in Herefordshire. Notably, only 0.3% of properties were second homes, a rate which is half the County average.
- 10.5 The tenure profile of housing in 2011 in the Hereford HMA showed higher levels of social renting (16.5%) and private renting (16.0%) than other areas, reflecting the location of the City within this HMA. 65% of households were owner occupiers.
- 10.6 Detached and semi-detached housing are the predominant house types, based on 2011 Census data, however relative to other parts of Herefordshire, this HMA contains a lower proportion of

³¹ The Hereford HMA includes the following parishes: Bartestree, Bishopstone, Breinton, Bridge Sollers, Brinsop and Wormsley, Burghill, Byford, Callow, Canon Pyon, Clehonger, Credenhill, Dewsall, Dinedor, Dinmore, Dormington, Eaton Bishop, Fownhope, Grafton, Hampton Bishop, Haywood, Holme Lacy, Holmer & Shelwick, Kenchester, King's Pyon, Lower Bullingham, Lugwardine, Madley, Mansell Gamage, Mansell Lacy, Marden, Mordiford, Moreton on Lugg, Pipe and Lyde, Preston Wynne, Stoke Edith, Stretton Sugwas, Sutton, Tarrington, Wellington, Westhide, Weston Beggard, Withington, Yazor, Belmont Rural and Hereford

detached housing and higher proportion of other house types. 22.4% of the housing stock was terraced in 2011 and 15.7% flats.

10.7 3-bedroom properties make up a large proportion of housing stock within the Hereford HMA at 44.2%, but levels of smaller 1-bed properties (11.3) are higher than the County average. Levels of larger properties with 4+ bedrooms were below other areas, as might be expected given the inclusion of the largest urban area in Herefordshire.

10.8 Over the 2011-20 period, total net completions of 2,285 dwellings have been delivered. This has supported housing stock growth of 0.7% per annum which is marginally above the County average. Levels of affordable housing delivery have been strong, with 34% of completions of affordable housing which is the highest in Herefordshire.

Table 10.1 : Overview of Hereford HMA Housing Offer and Supply Trends

HMA	Hereford HMA		Herefordshire		
Total Dwellings, 2020	39,025		87,274		
Second Homes, 2019	114	0.3%	0.6%		
Net Completions, 2011-20	2,285		4,725		
Stock Growth pa	0.7%		0.6%		
% Affordable Housing Delivery	34%		23%		

Tenure Mix in 2011	Owner Occupied	Shared Ownership	Social Rented	Private Rented	Living Rent Free
Hereford HMA	64.8%	1.2%	16.5%	16.0%	1.5%
Herefordshire	67.7%	1.0%	13.9%	15.5%	1.9%

Dwellings Mix in 2011	Studio	1 bed	2 bed	3 bed	4+ bed
Hereford HMA	0.2%	11.1%	23.6%	44.2%	21.0%
Herefordshire	0.2%	9.0%	23.9%	42.1%	24.7%

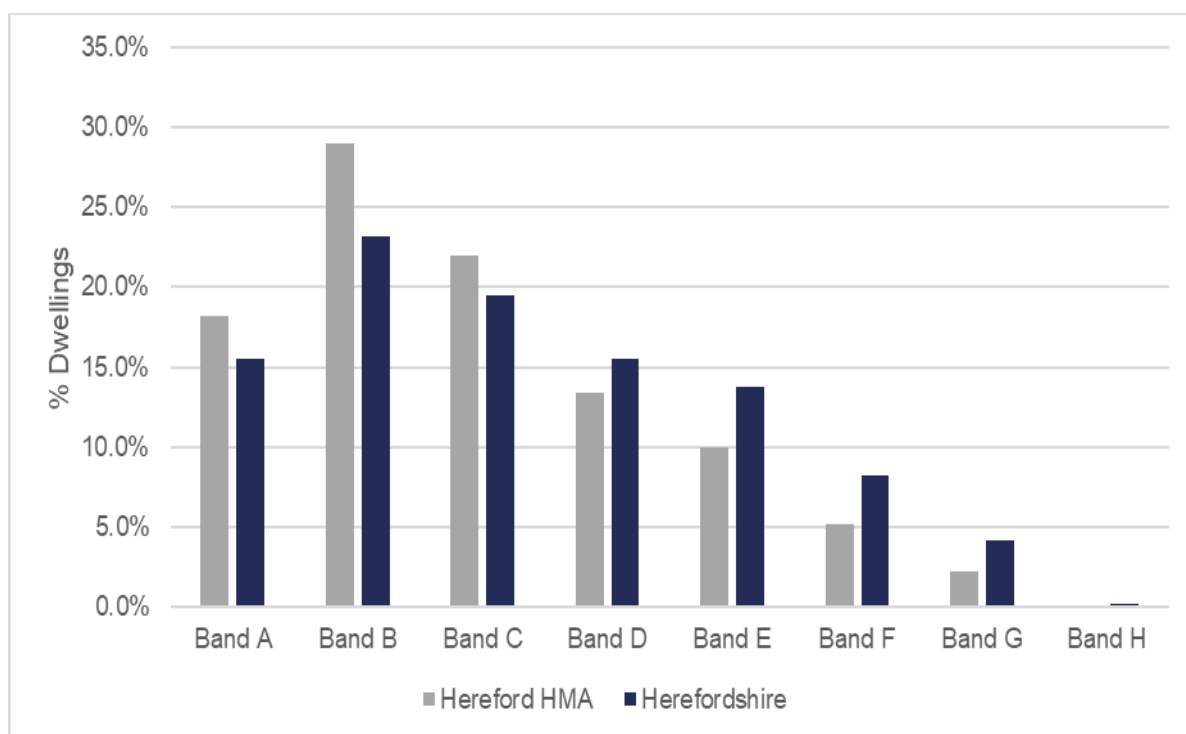
House Type Mix in 2011	Detached	Semi	Terraced	Flat/Maisonette
Hereford HMA	29.7%	31.5%	22.4%	15.7%
Herefordshire	42.7%	27.7%	17.5%	12.2%

Sources: Council Tax Data, Census 2011, Housing Completions Monitoring

10.9 The City's housing stock is varied ranging from Victorian and Edwardian properties of varying sizes to areas dominated by semi-detached and terraced housing – some of which is of a poorer quality, reinforced concrete construction – through to some modern flats and terraced housing around the City Centre.

10.10 The HMA has a lower proportion of properties in Council Tax Bands E to H than the regional or national profile. These bands accommodates 17.4%³² of properties in Herefordshire in 2019 compared to 19.2% nationally. A higher proportion of properties are in Bands A to C.

Figure 10.1: Profile of Housing in Hereford HMA by Council Tax Band, 2019



Source: Council Tax Data

Socio Economic Characteristics

10.11 The Hereford HMA had an estimated population of 87,600 in 2018 of which 56,000 (64%) falls within the City of Hereford.³³ The Hereford HMA population makes up the 46% of the total Herefordshire population.

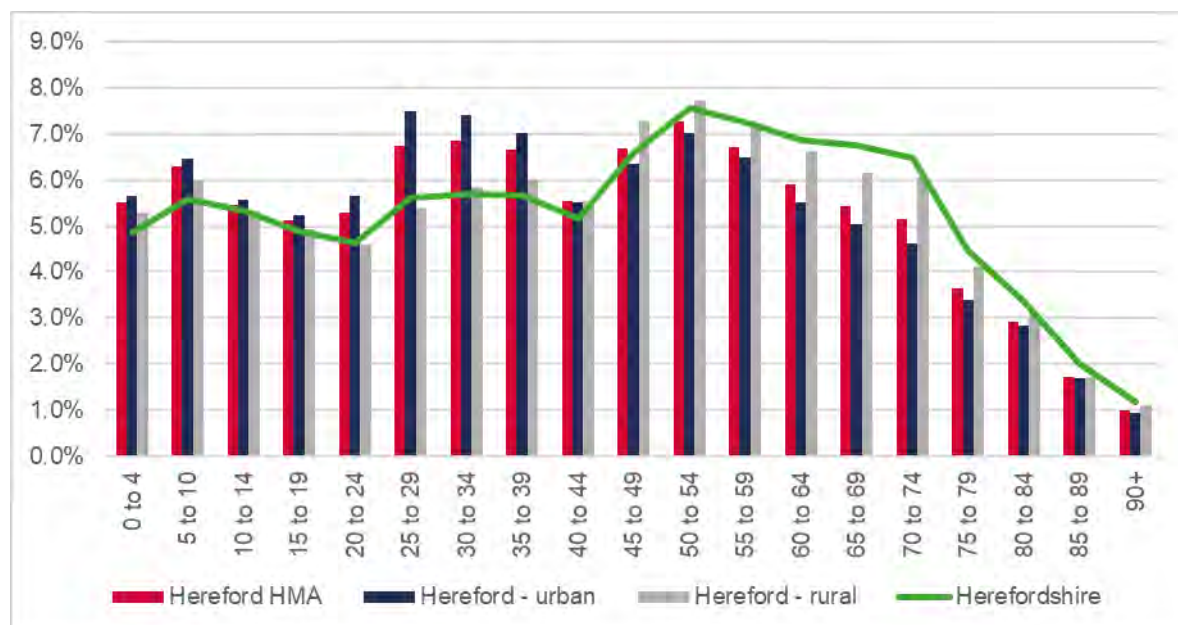
10.12 The Hereford urban area has a higher population aged under 40 with a particular concentration of those aged 25-44. As a result, is also has higher numbers of children than the Herefordshire average, contributing to stronger demand for family housing. A lower proportion of the population are aged over 50.

³² Council Tax Data, 2020

³³ Based on ONS Small Area Population Estimates

- 10.13 The population profile in the rural area in this HMA quite closely mirrors that across Herefordshire. Those aged between 45-74 are more strongly represented than other age groups.

Figure 10.2: Age Structure, 2018



Source: ONS Mid-Year Population Estimates

- 10.14 The Hereford HMA has the highest proportion of people of working-age in the County at 54,000 in 2018. This accounts for 62% of the population. 20% of the population (17,600 persons) are of pensionable age. The working-age population is more focused towards the City, where it accounts for 77% of those aged 16 and over. However, it is still higher in the rural part of this HMA than in other parts of Herefordshire at 73%. This is a function of the concentration of jobs opportunities in the Hereford area.
- 10.15 In the years 2011 to 2018 the Hereford HMA has seen a 5.1% increase in its population. This is slightly higher than population growth across Herefordshire at 4.6%. Drilling into the HMA, population growth has actually been stronger in the rural area (6.2%) than in the urban area (4.5%) in part as larger urban extensions have been slow to progress or have been constrained by infrastructure delivery.

Table 10.2 Table: Hereford HMA Population Growth, 2011- 2018

	Population, 2011	Population, 2018	Change
Hereford - Urban	53,564	55,955	4.5%
Hereford - Rural	29,817	31,669	6.2%
Hereford HMA	83,381	87,624	5.1%
Herefordshire	183,619	192,107	4.6%

Source: ONS Small Area Mid-Year Population Estimates

-
- 10.16 The Hereford HMA has a similar profile of employment by occupation to the West Midlands region. There is marginally smaller proportion of people working as Managers, Directors and Senior Officials in the Hereford HMA 9.6% compared to 10.1% in the region.
- 10.17 There is also a slightly higher percentage of people working within skilled trade occupations compared to the region with 13.7% in the Hereford HMA and 12.2% in the West Midlands. In general, the Hereford HMA sees a slightly lower proportion of professional occupations compared to the West Midlands and a marginally higher proportion of trade and elementary occupations when compared to the region.
- 10.18 Hereford is the County's largest employment centre with a total of around 29,000³⁴ employee jobs in the City in 2018 and a total of around 41,000 across the HMA. Hereford - partly linked to its size - is the prime location for business within the County and attracts a mix of international, national and regional companies.
- 10.19 The City contains some notable concentrations of deprivation. Four of the City's LSOAs fall within the 20% most income-deprived in England using the 2019 Index of Deprivation, concentrated in the Hunderton area in the South of the City.

Housing Market Performance

- 10.20 HM Land Registry price paid data³⁵ indicates that the average house price paid for standard property in Hereford over the last three years (2017 to 2019) was £232,800: 6.4% below the County average (£257,500). The average price in the last 12 months (to July 2020) was £238,300.
- 10.21 The Hereford HMA has the lowest median price out of the 7 HMAs with the average house price in 2019 in the HMA being 6.4% below the Herefordshire average. House prices in the City are cheaper than in any of the other market towns, or in the rural areas.

³⁴ Analysis of BRES data at ward level for 2018

³⁵ HM Land Registry, Price Paid Data, 2020

Table 10.3 House Price Dynamics – Hereford HMA

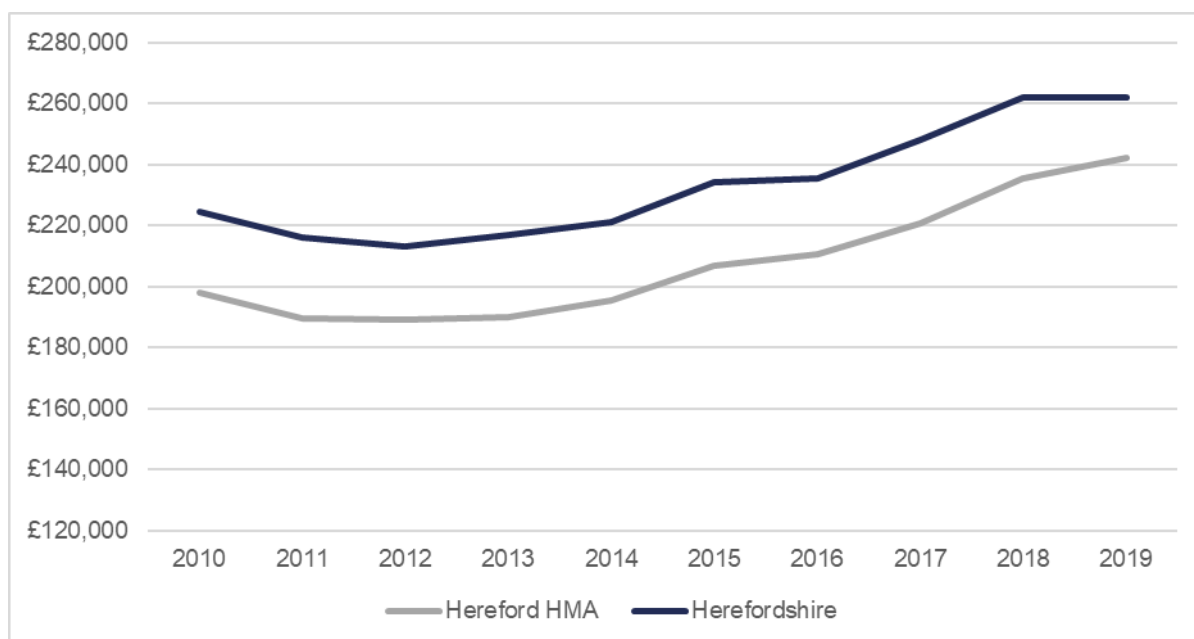
Hereford HMA	Detached	Semi Detached	Terraced	Flat/ Maisonette	All Sales
Current Vales, 2019	£336,944	£215,740	£175,848	£137,520	£242,061
5 Year Change: Actual	£49,723	£18,136	£33,615	£24,210	£46,454
5 Year Change: %	17%	18%	16%	15%	24%

Herefordshire	Detached	Semi Detached	Terraced	Flat/ Maisonette	All Sales
Current Vales, 2019	£354,325	£222,855	£178,679	£132,938	£262,047
5 Year Change: Actual	£51,041	£17,824	£37,122	£21,689	£40,683
5 Year Change: %	17%	20%	14%	15%	18%

Source: Icen Analysis of HM Land Registry Price Paid Data

10.22 The Hereford HMA has seen growth in house prices of £45,500 over the last five years (24%), which is above the Herefordshire average. The strongest growth in values has been for detached properties, followed by semi-detached properties. The longer-term trend since 2010 is shown below and indicates that house prices in the HMA have broadly tracked the County-wide trend.

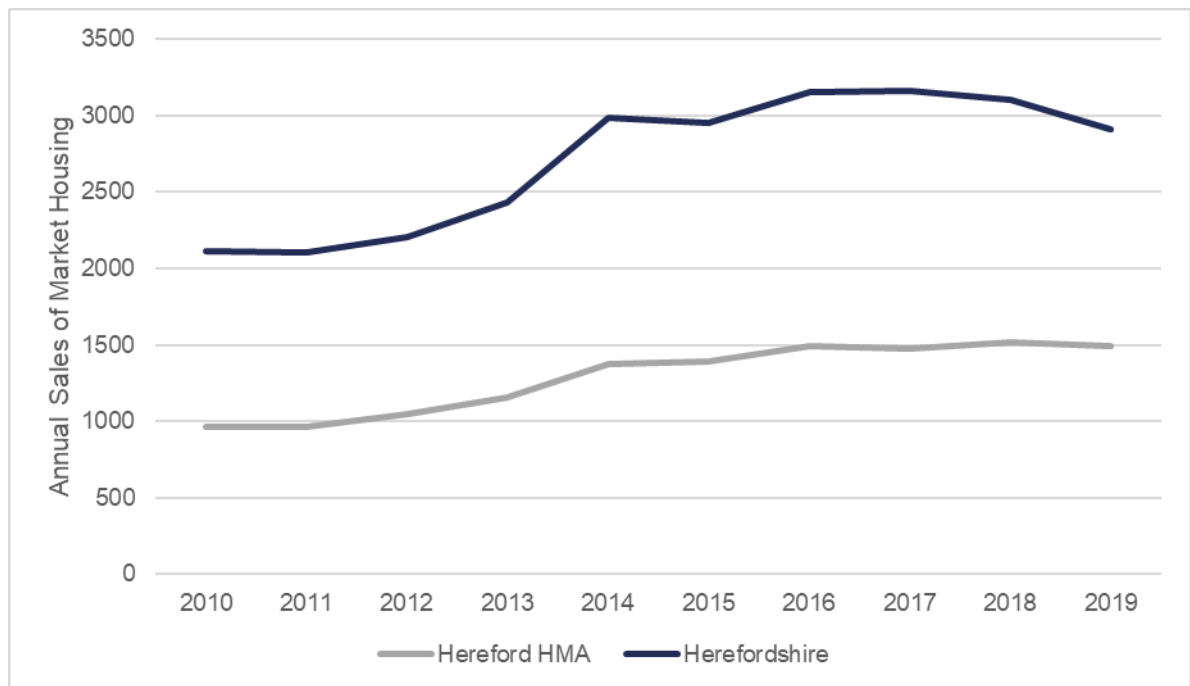
Figure 10.3: Average House Price Growth, 2010-2020



Source: Icen Analysis of HM Land Registry Price Paid Data

10.23 Icen has analysed the distribution of sales in the HMA over the last decade. Average sales over the last 5 years (2014-19) have been just under 1,500 per year. Market activity is slightly higher than in other HMAs which is to be expected given the younger population profile (as younger households typically move more often). The sales trend is shown below. Market housing sales in this HMA have accounted for around 48% of the County total over the last 5 years.

Figure 10.4: Sales Trend – Hereford HMA, 2010-19



Source: Icen Analysis of HM Land Registry Price Paid Data

10.24 The sales profile (2019 and Q1 2020) shows a relatively broad distribution across different house types, with the greatest proportion for detached and semi-detached properties (36% and 30% respectively), but higher proportions of flatted sales (11%) than in other HMAs. Higher flatted and terraced sales are typical of larger urban areas.

10.25 Semi-detached dwellings have seen the greatest increase at 18% over the 2014-19 period. This is marginally lower than the County average of 20% increase on semi-detached dwellings. Flats / maisonettes saw the smallest increase in house prices over the previous five years at 15% which matched the County average.

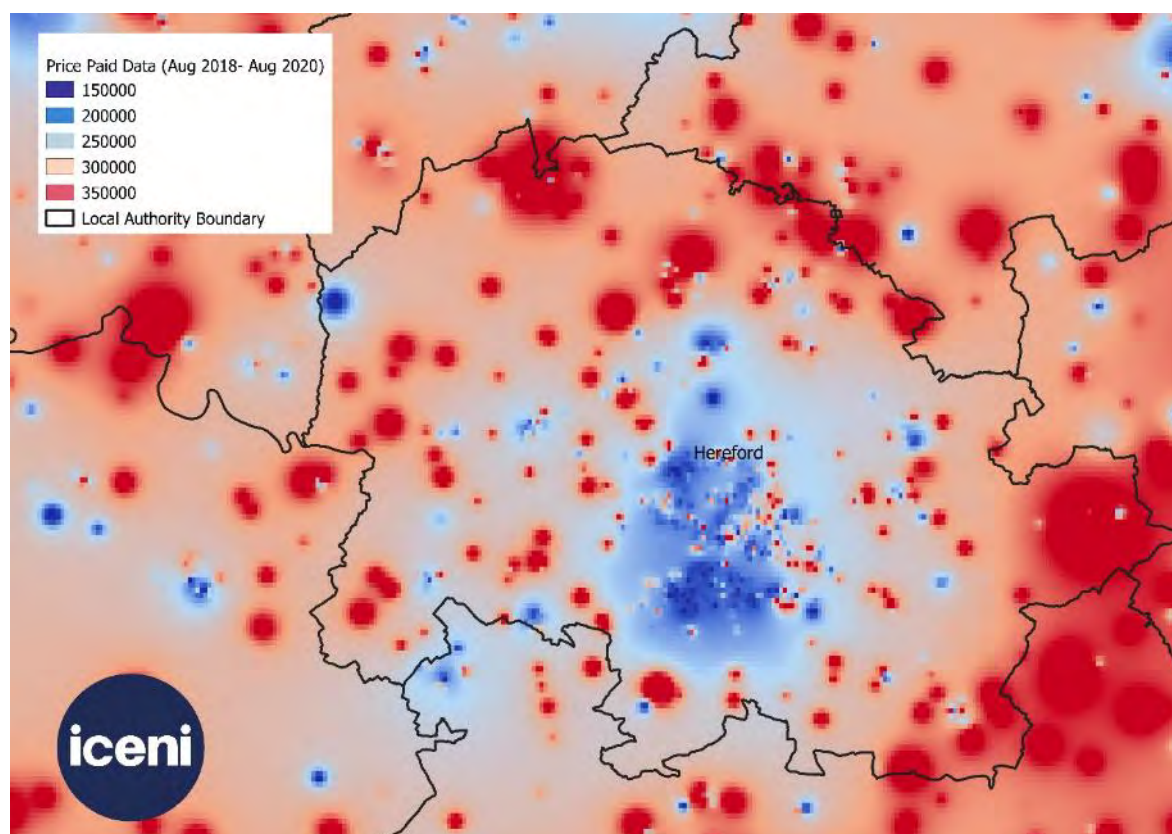
Table 10.4 House Price Changes – Hereford HMA, 2014-19

	Detached	Semi Detached	Terraced	Flat/ Maisonette	Total
Hereford	£49,723	£33,615	£24,210	£18,136	£46,454
% Change	17.3%	16.0%	15.2%	18.5%	23.7%
Herefordshire	£51,041	£37,122	£21,689	£17,824	£40,683
% Change	16.8%	13.8%	15.5%	20.0%	18.4%

Source: Icen Analysis of HM Land Registry Price Paid Data

- 10.26 There are notably lower house prices in Hereford, particularly in the southern part of the City, with higher values in and around the City in settlements such as Hampton Bishop, Lugwardine and Burghill

Figure 10.5: House Price Heat Map



Engagement with Estate and Letting Agents

- 10.27 The Hereford HMA is currently very active with greater demand than supply. Agents referred to the rural areas being more expensive compared to the city within the HMA, this HMA commands the lowest average house prices compared the other HMAs in the County. Many families look to buy within the HMA, usually for 2- and 3-bedroom semi-detached and detached properties, however agents referred to a range of buyers of all different ages. As the Hereford HMA is more affordable than the surrounding HMAs it attracts a higher level of first-time buyers.
- 10.28 Estate agents referred to the rural areas surrounding Hereford being the most sort after as purchasers appreciate more outside space. The Hereford HMA attracts a higher proportion of purchasers moving from outside the County, particularly those moving to the rural area. A key driver behind this often purchasers have come from areas with higher house prices across the UK so larger more rural properties are available to them within the Hereford HMA, also applies to other HMAs.

-
- 10.29 Estate agents also describe a strong sales market pre Covid-19, the demand has increased since covid-19 leading to not enough housing stock being on the sales market currently. House prices have seen a small increase in the last few years, particularly in rural areas. Agents suggested there is strong market for bungalows within the HMA to accommodate older households.
- 10.30 Letting agents in the Hereford HMA describe a popular rental market with a demand from people of all ages with a greater demand from younger people with younger families seeking 2 and 3 bedroom properties in particular.
- 10.31 However, all sizes are popular on the rental market. There is no definite trend of renters wanting a rural or urban location, the key driver is more on the needs of the person renting and the rental prices. The north of the city commands higher rents compared to the southern parts of the HMA, and more rural areas also command higher rents compared to the more urban areas. Rental properties with larger gardens are highly sort after.
- 10.32 The Hereford HMA attracts a higher proportion of renters moving from within the County compared to the other HMAs with an agent describing approximately 80 percent of people looking to rent within the Hereford HMA are already currently residing in the County. The Hereford HMA has a limited market for older people or students renting within the area.
- 10.33 Letting agents suggest the demand for rental properties has increased since covid-19 leading to a current undersupply of properties on the rental market. Rental values have increased slightly in the last few years particularly in rural area with some rents seeing increases of £50 to £60 per calendar month.
- 10.34 Covid-19 currently hasn't influenced rental prices although if the under supply in rental properties continues it is anticipated that landlords may increase rents due to increased demand. The average prices for a 3-bed property in the Hereford HMA is £750- £800 per calendar month.

Assessing Affordability of Market Housing

- 10.35 The Table below shows estimates of lower quartile house prices and rents by size of accommodation and location (urban/rural); figures are contrasted with those for the whole of the County.
- 10.36 The analysis shows across the HMA that prices start from around £75,000 for a 1-bedroom home and rising to £276,000 for a home with 4-bedrooms – prices were found to be higher in the rural parts of the HMA. When looking at rents, the analysis suggests that housing costs are marginally lower than those seen across the County with rental values in rural areas being higher than seen in urban locations.

Table 10.5 Entry-Level (Lower Quartile) Market Housing Costs

Lower Quartile Market Rent (PCM)	Hereford urban	Hereford rural	HMA	County
1-bedroom	£415	£425	£420	£425
2-bedrooms	£535	£550	£545	£550
3-bedrooms	£655	£670	£665	£675
4-bedrooms	£845	£870	£860	£875
All properties	£450	£550	£475	£500
Lower Quartile Purchase Price	Hereford urban	Hereford rural	HMA	County
1-bedroom	£73,000	£76,000	£75,000	£77,000
2-bedrooms	£143,000	£149,000	£147,000	£150,000
3-bedrooms	£188,000	£195,000	£193,000	£197,000
4-bedrooms	£269,000	£279,000	£276,000	£282,000
All properties	£161,000	£195,000	£169,000	£177,000

Source: Land Registry, ONS and Internet Price Search

10.37 The figure below shows the estimated income distribution for the whole HMA, with the table flowing splitting the median income data down by urban/rural locations. Overall, it is estimated that the average (mean) household income in the HMA is £41,200, with a median income of £31,200 and a lower quartile figure of £18,100. Incomes were found to be higher in rural areas whilst the overall HMA figure is above the County average.

Figure 10.6: Distribution of Household Income, 2019

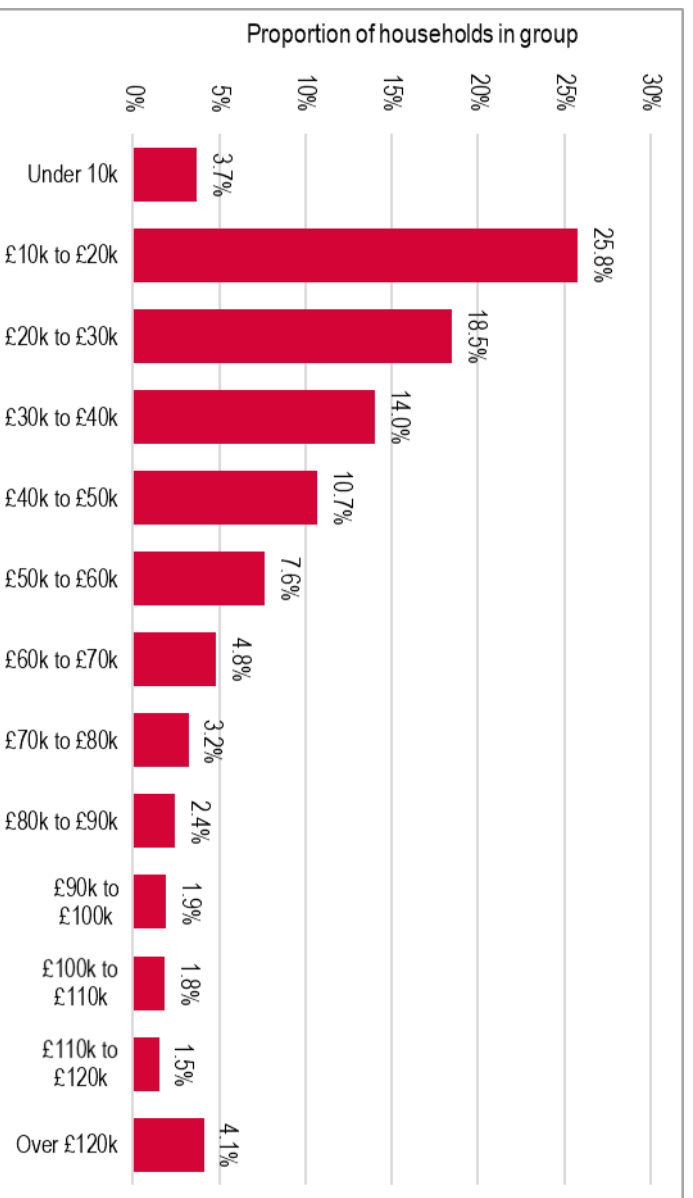


Table 10.6 Estimated Household Income, 2019

	Median income	As a % of County
Hereford urban	£29,800	94%
Hereford rural	£34,200	108%
HMA	£31,200	98%
County	£31,800	-

Source: Range of Sources Described in Methodology

Local Housing Need

- 10.38 Linking to the local housing need at a Herefordshire level of 846 homes per annum, our approach is that if a location has seen 10% of the growth, then it is projected that the sub-area will see around 10% of population growth moving forward. In addition, adjustments are made at a local level to take account of the communal population and also household structures by age. This is explained in greater detail from paragraphs 5.22 to 5.24.
- 10.39 The outputs for Hereford are set out in the Table below.

Table 10.7 Estimated Household Change as a Proportion of Overall Need, Hereford

	Housing Need	% of Need
Hereford: Urban	244	28.9%
Hereford: Rural	150	17.7%
Hereford Total	394	46.6%
Herefordshire Total	846	100.0%

Affordable Housing Need

- 10.40 Following the same methodology used to consider the future housing mix at a County level as set out in Section 6, we have considered the level of affordable housing need in each HMA. The Tables below show the estimated need for affordable housing in the HMA – the first table looks at needs for social/affordable rented housing and the second considers needs for affordable home ownership (“AHO”) products.
- 10.41 Overall, the analysis suggests a need for 196 units of rented affordable housing per annum moving forward, with a greater portion of need identified in the City equal to 116 homes per annum.

Table 10.8 Estimated Need for Social/Affordable Rented Housing (p.a.)

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Hereford urban	27	168	80	274	158	116
Hereford rural	11	86	16	113	33	80
HMA	38	253	96	387	191	196

Source: Range of Sources as Discussed

- 10.42 The analysis also identifies a potential need for AHO – particularly in the City with a total of 79 homes per annum and 53 homes per annum in the City. It is however notable that the need for AHO is somewhat lower than the need for affordable rented housing.

Table 10.9 Estimated Need for Affordable Home Ownership (p.a.)

	Total Gross Need	Resale Supply (50% of LQ)	LCHO Supply	Total Supply	Net Need
Hereford urban	146	87	6	92	53
Hereford rural	83	55	3	58	26
HMA	229	141	9	150	79

Source: Range of Sources as Discussed

Older Persons Housing Need

- 10.43 Icen and JGC has also sought to consider the need for specialist accommodation at an HMA level following broadly the same approach to County-wide needs but with the current need being determined on a pro-rata basis linked to the local household population.
- 10.44 The HMA method is also slightly different in that it does not use data on local supply. However, by only looking at a current need based on the household population we are to some extent taking account of where supply is.
- 10.45 In order to establish the need for specialist housing, we have used the current (i.e., 2020) non-institutional population aged 75 and over to estimate current needs. Looking forward, we have considered the population change of people 75 and over the period to 2020-41 for future needs. The need for specialist accommodation – broken down by type and type - is shown in the Table below.

Table 10.10 Specialist Housing Need using adjusted SHOP@ Assumptions, 2020-41

		Current	Additional	Net Need to 2041
		Shortfall/Surplus	Demand to 2041	
Age-Exclusive	Market	19	31	49
	Affordable	-128	154	25
Total Age-Exclusive		-110	184	74
Housing with support	Market	432	401	833
	Affordable	238	299	536
Total Housing with Support		670	700	1,370
Housing with care	Market	71	239	310
	Affordable	55	178	233
Total Housing with Care		127	416	543
Residential care bedspaces		212	88	300
Nursing care bedspaces		22	252	274
Total bedspaces		234	340	574

Source: Derived from Demographic Projections and Housing LIN/EAC

- 10.46 The provision of a choice of attractive housing options to older households is a component of achieving good housing mix. The availability of such housing options for the growing older population may enable some older households to downsize from homes which no longer meet their housing needs or are expensive to run. The availability of housing options which are accessible to older people will also provide the opportunity for older households to 'rightsize' which can help improve their quality of life.
- 10.47 The Table above should be considered as providing a set of parameters for housing need in the HMA. The ultimate level of provision the Council seeks to support in the Hereford HMA will be influenced by its broader strategy for older persons housing and care at a County-wide level as well as at a local level.

Housing Mix

- 10.48 It is recognised that within Herefordshire and within each HMA there are spatial differences and therefore a different mix of housing may be more appropriate. Following the same methodology used to consider the future housing mix at a County level as set out in Section 8, we have worked through the key analysis to arrive a recommended housing mix for Hereford HMA.
- 10.49 A series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures for the whole HMA as well as the urban and rural area. A key part of this is occupancy patterns and detailed tables are provided at Appendix A2 which consider both local and regional occupancy patterns for the HMA.
- 10.50 The data linking to local occupancy will to some extent reflect the role and function of the local area, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different

sizes/tenures of homes when considered in a wider context. These have been brought together to provide a recommended housing mix, defined as a range, in the Table below.

Table 10.11 Hereford HMA Recommend Housing Mix by Tenure by Size

		1 Bedroom	2 Bedrooms	3 Bedrooms	4+Bedrooms
Urban	Market	5%	25%	55%	15%
	Affordable home ownership	25%	40%	30%	5%
	Affordable rented housing	35%	30%	30%	5%
Rural	Market	5%	20%	50%	25%
	Affordable home ownership	20%	35%	35%	10%
	Affordable rented housing	35%	30%	30%	5%
HMA	Market	5%	25%	50%	20%
	Affordable home ownership	20%	35%	35%	10%
	Affordable rented housing	35%	30%	30%	5%

Source: Housing Market Model and Modelled Outputs, Appendix A2

Student Housing Needs

- 10.51 According to Census data in 2011, there were 3,853 full-time students aged 18 to 74 within Herefordshire which equates to 2% of the total population.
- 10.52 Herefordshire currently has one higher education establishment and one further education establishment which offers further education courses:
- (1) New Model Institute of Technology and Engineering (“NMITE”) which was due to open in September 2020 but has been delayed by Covid-19; and
 - (2) Hereford College of Arts (“HCA”) is also located within Hereford. This college offers higher education courses.
- 10.53 Icenis have engaged with the higher education institutions within Herefordshire and the Councils development partner ENGIE - specifically City Heart Partnership - who are development partner of ENGIE to provide student accommodation in Herefordshire. From this engagement it was established Herefordshire currently has a limited supply of student accommodation in the form of halls of residence. Miller House and Gardener House provide a total of 33 bedrooms.
- 10.54 A new hall of residence is due to open which will be known as Station Approach. This development will provide 178 bedrooms for students studying at HCA and NMITE. The understanding is that there is currently an adequate supply of houses in multiple occupation (“HMO”) in order to accommodate the incoming students who will not live in halls of residence.

-
- 10.55 NMITE and HCA both have ambitious growth plans for the next five to ten years. NMITE is projecting a student population of 5,000 by 2031 whilst HCA produced a Growth Strategy Overview 2018-2033 which describes a plan to increase the number of students at HCA to 470 students by 2023.
- 10.56 Given these planned increases in student numbers at both institutions the need for student housing will significantly increase in next five to ten years. There is inevitable pressure that the growth in student numbers will lead to an imbalance between the number of students and the provision of purpose-built student accommodation and the availability of HMOs in the private rented sector.
- 10.57 There are plans in place in conjunction with the Council and Herefordshire Tertiary Trust to provide over 1,000 rooms of student accommodation within Hereford centre over the period to 2025. There are also discussions regarding the provision of further purpose-built student accommodation at the Berrington Street Regeneration Area.
- 10.58 These plans will provide a significant boost to the availability of student accommodation in the near future; however, the Council should continue to monitor the position going forward within Herefordshire to ensure that student growth does not outstrip the provision of purpose-built student accommodation which will in turn lead to pressure on the availability of family housing in and around Hereford.

11. LEOMINSTER HOUSING MARKET

Geography

- 11.1 The Leominster Housing Market Area includes the market town to the south and stretches northward to the border with Shropshire. With a population of 24,785 (mid-2018) it has the third largest population out of the HMAs.
- 11.2 The HMA includes the town of Leominster with a population of approximately 11,630 (2018) and surrounding areas. The parishes that make up the Leominster HMA are located in the footnotes³⁶. There are several villages within the HMA that provide day to day services namely, Weobley which contains supermarkets, doctors, churches and schools.
- 11.3 Leominster is the most substantial town within the County and there has a wider range of services and facilities including a range of supermarkets, schools, train station, bus station and range of religious centres.

Current Housing Offer

- 11.4 The HMA contained 11,555 properties in March 2020 representing 13% of total properties in Herefordshire. Second homes represented 0.7% of properties compared to the Herefordshire average of 0.6%.
- 11.5 The tenure profile of housing in 2011 in the Leominster HMA showed higher levels of private renting (16.7%) than any other HMA partly reflecting the urban area's status as the largest market town in Herefordshire. 67.1% of households were owner occupiers which is comparatively low whilst 13.1% were social renters.
- 11.6 Similar to elsewhere in Herefordshire, detached and semi-detached housing are the predominant house types in the Leominster HMA accounting for around three quarters (73.8%) of all housing at

³⁶ Parishes: Adforton, Aymestrey, Birley with Upper Hill, Brampton Bryan, Brimfield, Buckton and Coxall, Burrington, Byton, Combe, Croft and Yarpole, Dilwyn, Downton, Eardisland, Elton, Eye, Moreton and Ashton, Eyton, Kimbolton, Kingsland, Kinsham, Laysters, Leinthall Starkes, Leintwardine, Leominster, Lingen, Little Hereford, Lucton, Luston, Middleton on the Hill, Monkland and Stretford, Orleton, Pipe Aston, Richards Castle (Hereford), Stapleton, Walford, Letton and Newton, Weobley, Wigmore Willey

the point of the 2011 Census. 16.7% of the housing stock was terraced and 8.6% flats with the latter representing a comparatively low proportion of housing.

11.7 In respect of property size, 3-bedroom properties make up a large proportion of housing stock within the HMA at 43.4%, there is a significantly lower proportion of 1 bed properties which aligns with the relatively low proportion of flatted stock.

11.8 Over the 2011-20 period, total net completions of 567 dwellings have been delivered. This has supported housing stock growth of 0.6% per annum which is in line with the County average. Levels of affordable housing delivery have been relatively strong, with 23% of all completions as affordable housing which is the second highest in Herefordshire.

Table 11.1 Overview of Hereford HMA Housing Offer and Supply Trends

HMA	Leominster HMA		Herefordshire
Total Dwellings, 2020	11,555		87,274
Second Homes, 2019	77	0.7%	0.6%
Net Completions, 2011-20	567		4,725
Stock Growth pa	0.6%		0.6%
% Affordable Housing Delivery	23%		23%

Tenure Mix in 2011	Owner Occupied	Shared Ownership	Social Rented	Private Rented	Living Rent Free
Leominster HMA	67.1%	0.9%	13.1%	16.7%	2.1%
Herefordshire	67.7%	1.0%	13.9%	15.5%	1.9%

Dwellings Mix in 2011	Studio	1 bed	2 bed	3 bed	4+ bed
Leominster HMA	0.2%	7.3%	25.5%	43.4%	23.6%
Herefordshire	0.2%	9.0%	23.9%	42.1%	24.7%

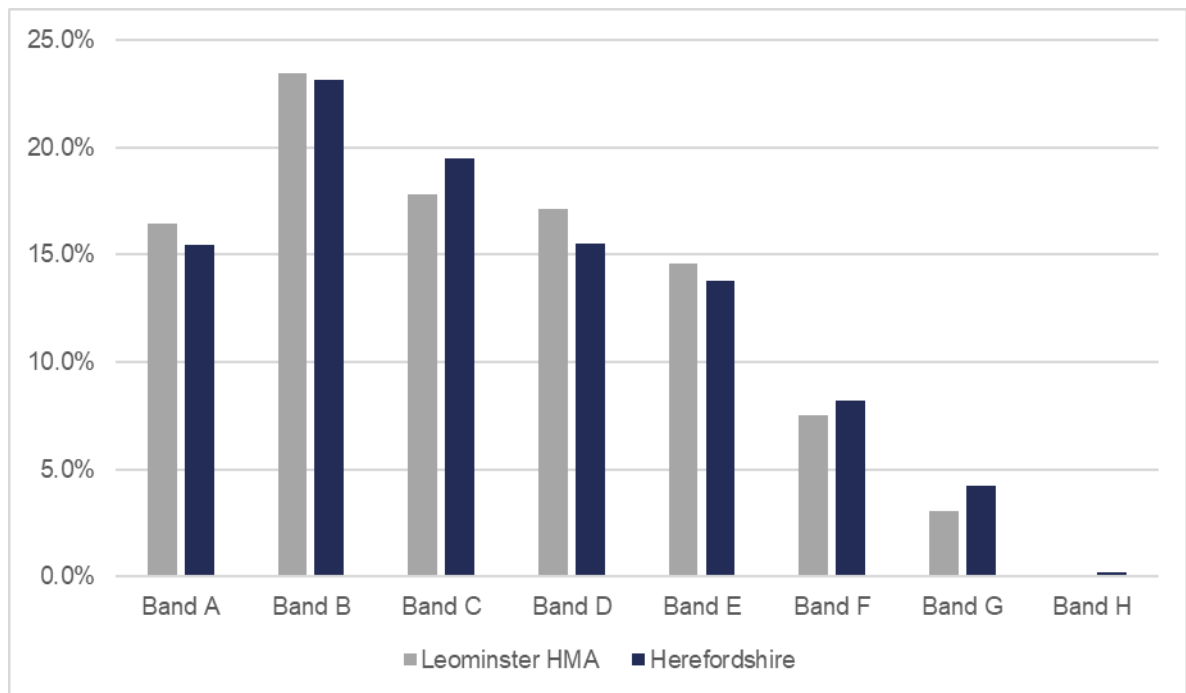
House Type Mix in 2011	Detached	Semi	Terraced	Flat/Maisonette
Leominster HMA	45.5%	28.4%	16.7%	8.6%
Herefordshire	42.7%	27.7%	17.5%	12.2%

Sources: Council Tax Data, Census 2011, Housing Completions Monitoring

11.9 The HMA has a high proportion of properties in Council Tax Bands E to H compared with the regional or national profile. These bands accommodate 25.3%³⁷ of properties in the Leominster HMA in 2019 compared to 19.2% nationally although the proportion of properties in the higher bands fall below the County average. The highest proportion of properties are in Bands A to D in the HMA.

³⁷ Council Tax Data, 2020

Figure 11.1: Profile of Housing in Leominster HMA by Council Tax Band, 2019

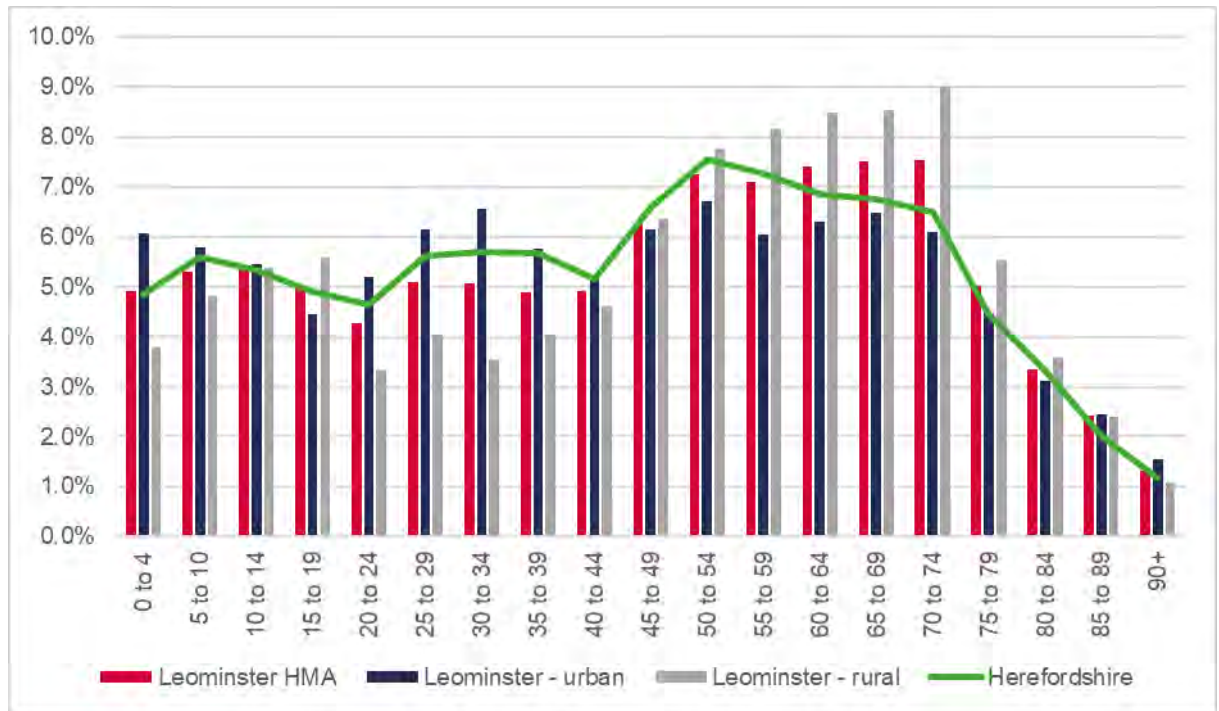


Source: Council Tax Data

Socio Economic Characteristics

- 11.10 The Leominster HMA had an estimated population of 24,785 in 2018 of which around 12,400 (equal to 50%) falls within the market town. The Leominster HMA population makes up around 13% of the total Herefordshire population.
- 11.11 Overall, the HMA has a higher population aged over 60 with a particular concentration of those aged between 60 and 70 years old. This is particularly apparent in the rural areas of the HMA with 38% of the population aged 60 and over compared with a County average of 31%.
- 11.12 In the urban area of the HMA, there is a shift towards a greater proportion of those aged 20 to 44 with a higher number of younger children aged 10 or below in comparison with the Herefordshire average, contributing to stronger demand for family housing in the town.

Figure 11.2: Leominster HMA Population Age Structure, 2018



Source: ONS Mid-Year Population Estimates

11.13 The Leominster HMA has an estimated working-age population of around 13,900 in 2018. This accounts for 56% of the population. In comparison, 27% of the population (6,800 persons) are of pensionable age. The working-age population is more focused towards the town, where it accounts for 70% of those aged 16 and over. However, it is still higher in the rural part of this HMA than in other parts of Herefordshire at 73%. This is a function of the concentration of jobs opportunities in the town and the town’s reasonable connectivity.

11.14 In the years 2011 to 2018 the Leominster HMA has seen a 5.4% increase in its population. This is slightly higher than population growth across Herefordshire at 4.6%. Drilling into the HMA, population growth has been stronger in the urban area (6.2%) than in the rural area (4.6%).

Table 11.2 Leominster HMA Population Growth, 2011- 2018

	Population, 2011	Population, 2018	Change
Leominster - urban	11,686	12,406	6.2%
Leominster - rural	11,831	12,379	4.6%
Leominster HMA	23,517	24785	5.4%
Herefordshire	183,619	192,107	4.6%

Source: ONS Small Area Mid-Year Population Estimates

11.15 The Leominster HMA has a higher proportion of people working as Managers, Directors and Senior Officials at 11.0% compared to 10.1% in the region. There is also a slightly higher percentage of people working within skills trade occupations compared to the region with 13.7% in the Hereford HMA and 12.2% in the West Midlands.

Housing Market Performance

- 11.16 HM Land Registry price paid data³⁸ indicates that the average house price paid for standard property in Leominster over the last three years (2017 to 2019) was £250,000 which is 2.9% below the County average (£257,500). The average price in the last 12 months (to July 2020) was £284,750.
- 11.17 The Leominster HMA has the second lowest median price out of the 7 HMAs with the average house price in 2019 in the HMA being marginally below the Herefordshire average by 1.6%.

Table 11.3 House Price Dynamics – Leominster HMA

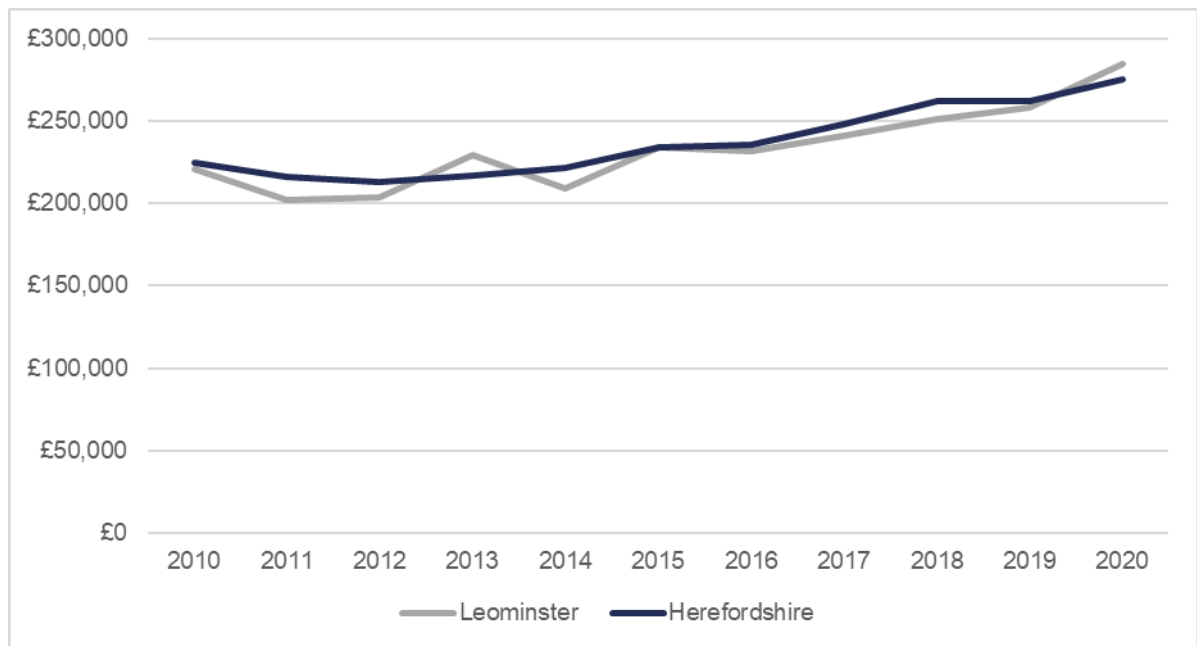
Leominster HMA	Detached	Semi Detached	Terraced	Flat/ Maisonette	All Sales
Current Vales, 2019	£330,570	£218,734	£164,187	£109,167	£257,921
5 Year Change: Actual	£54,606	£59,279	£6,755	£29,417	£48,463
5 Year Change: %	20%	37%	4%	37%	23%
<hr/>					
Herefordshire	Detached	Semi Detached	Terraced	Flat/ Maisonette	All Sales
Current Vales, 2019	£354,325	£222,855	£178,679	£132,938	£262,047
5 Year Change: Actual	£51,041	£17,824	£37,122	£21,689	£40,683
5 Year Change: %	17%	20%	14%	15%	18%

Source: Icen Analysis of HM Land Registry Price Paid Data

- 11.18 The Leominster HMA has seen growth in house prices of £48,500 over the last five years (23%), which is above the Herefordshire average. The strongest absolute growth in values has been for semi-detached properties, followed by detached properties. The longer-term trend since 2020 is shown below and indicates that house prices in the HMA have broadly tracked the County-wide trend albeit with greater fluctuation in the short-term post-recession.

³⁸ HM Land Registry, Price Paid Data, 2020

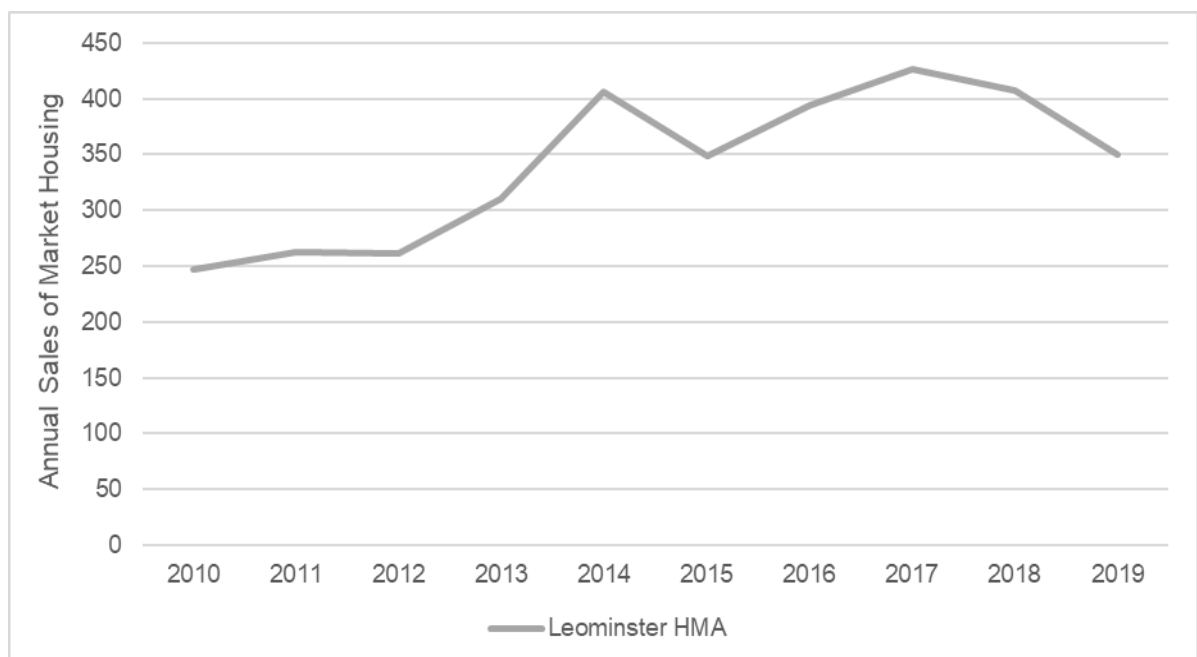
Figure 11.3: Average House Price Growth, 2010-2020



Source: IcenI Analysis of HM Land Registry Price Paid Data

11.19 IcenI has analysed the distribution of sales in the HMA over the last decade. Average sales over the last 5 years (2014-19) have been around 385 per year. The Leominster HMA is the third most active market in Herefordshire supported by the largest town in the County, the area’s reasonable connectivity and employment opportunities in the area. Market housing sales in this HMA have accounted for around 12.5%% of the County total over the last 5 years and the sales trend over the last decade is shown in the Figure below.

Figure 11.4: Sales Trend – Leominster HMA, 2010-19



Source: IcenI Analysis of HM Land Registry Price Paid Data

11.20 The sales profile (2019 and Q1 2020) is focussed towards detached and semi-detached properties which account for over three-quarters (50% and 26% respectively) followed by terraced sales (21%) and a relatively low proportion of flatted sales at 4%.

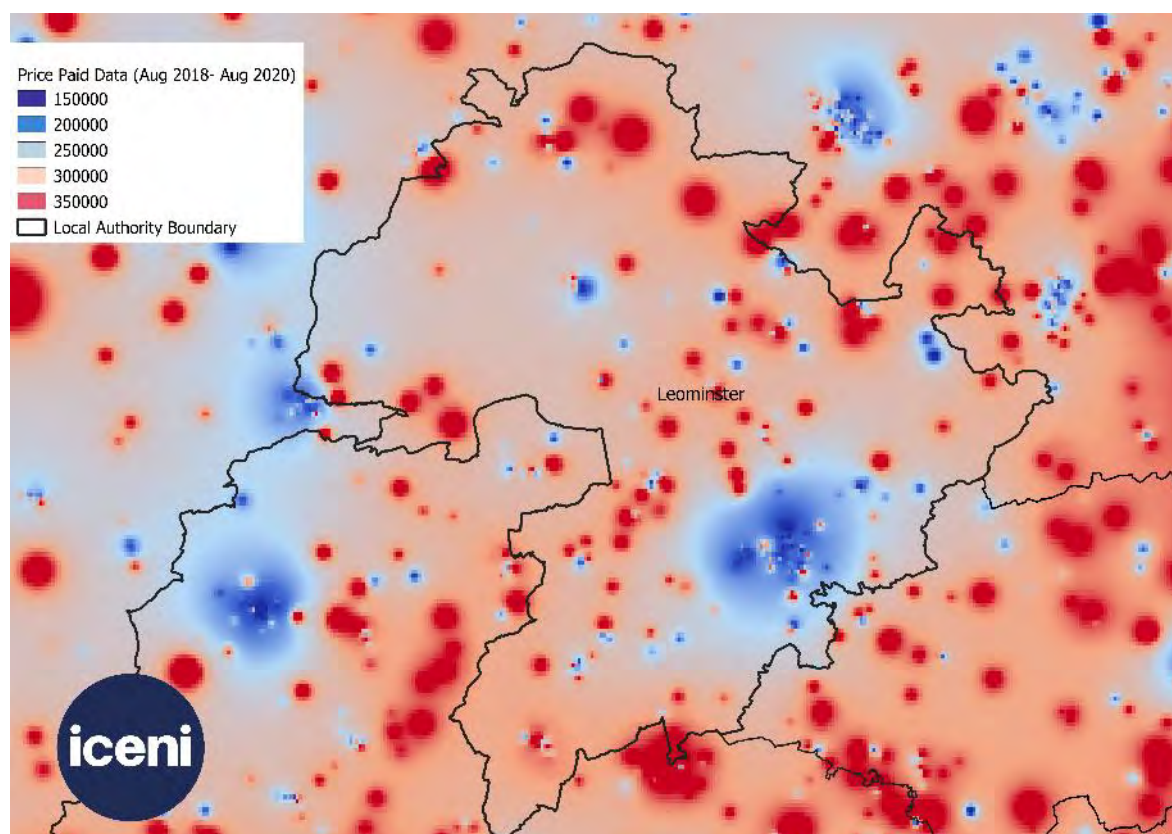
11.21 Semi-detached dwellings have seen the greatest increase at 37% over the 2014-19 period. This is marginally lower than the County average of 20% increase on semi-detached dwellings. Flats/maisonettes saw the smallest increase in house prices over the previous five years at 15% which matched the County average.

Table 11.4 House Price Changes – Leominster HMA, 2014-19

	Detached	Semi Detached	Terraced	Flat/ Maisonette	Total
Leominster	£54,606	£59,279	£6,755	£29,417	£48,463
% Change	20%	37%	4%	37%	23%
Herefordshire	£51,041	£37,122	£21,689	£17,824	£40,683
% Change	17%	20%	14%	15%	18%

Source: IcenI Analysis of HM Land Registry Price Paid Data

Figure 11.5: House Price Heat Map – Leominster HMA



Engagement with Estate and Letting Agents

11.22 The Leominster HMA also have a very buoyant property sales market. It attracts more first-time buyers and young families, agents suggested approximately 15 percent of buyers within the HMA

are first time buyers, this is attributed to lower house prices within this HMA compared to the southern HMAs.

- 11.23 Although estate agents did refer to the heightened difficulty for first time buyers to purchase a property due to the 5 percent and 10 percent deposit mortgage schemes being withdrawn as a result of covid-19. Agents suggested there is no trend of purchasers wanting town or village locations, although properties with gardens are always sort after. The Leominster HMA attracts purchasers from within the County and from outside the County.
- 11.24 Despite the sales market within the Leominster HMA is currently performing well, agents referred to Covid-19 artificially increasing house prices within the HMA as agents are increasing asking prices on properties due to increased competition. Average house prices in Leominster are generally lower when compared to the southern parts of the County.
- 11.25 Estate agents in Leominster describe an acute demand for 3- and 4-bedroom properties around the price range of 250,000- £300,000, this has been a consistent trend for the past few years. Agents indicated there is strong demand for plots of land for self-build properties within the HMA, when self-build plots of land do come onto the sales market they are sell particularly quickly.
- 11.26 Letting agents in Leominster describe a busy rental market with not enough stock to fill the demand from renters. The HMA attracts families looking for 2- or 3-bedroom properties in the £550 - £600 per calendar month rental prices, although agents suggested a variety of renters are attracted to this HMA including the elderly. The HMA attracts a greater proportion of renters who are already currently residing with the County.
- 11.27 Agents suggested the there is an even split of people wanting to live within towns or villages, although often where people can rent is dictated by price, there a less rural properties, hence these properties command higher rental prices. Rental prices have stayed static within the previous few years and currently covid-19 had not affected rental prices within the HMA. The average prices for a 3- bedroom property in the HMA is £700 - £750 per calendar month.

Assessing Affordability of Market Housing

- 11.28 The Table below shows estimates of lower quartile house prices and rents by size of accommodation and location (urban/rural); figures are contrasted with those for the whole of the County.
- 11.29 The analysis shows across the HMA that prices start from around £69,000 for a 1-bedroom home and rising to £253,000 for a home with 4-bedrooms – prices were found to be higher in the rural parts of the HMA. When looking at rents, the analysis suggests that housing costs are below those seen across the County with rental values in rural areas being higher than seen in urban locations.

Table 11.5 Entry-Level (Lower Quartile) Market Housing Costs

Lower Quartile Market Rent (PCM)	Leominster urban	Leominster rural	HMA	County
1-bedroom	£395	£440	£405	£425
2-bedrooms	£490	£575	£515	£550
3-bedrooms	£600	£705	£630	£675
4-bedrooms	£765	£920	£810	£875
All properties	£410	£645	£485	£500
Lower Quartile Purchase Price	Leominster urban	Leominster rural	HMA	County
1-bedroom	£63,000	£83,000	£69,000	£77,000
2-bedrooms	£123,000	£161,000	£135,000	£150,000
3-bedrooms	£162,000	£211,000	£177,000	£197,000
4-bedrooms	£232,000	£303,000	£253,000	£282,000
All properties	£144,000	£220,000	£166,000	£177,000

Source: Land Registry, ONS and Internet Price Search

11.30 The figure below shows the estimated income distribution for the whole HMA, with the table flowing splitting the median income data down by urban/rural locations. Overall, it is estimated that the average (mean) household income in the HMA is £39,600, with a median income of £30,000 and a lower quartile figure of £17,400. Incomes were found to be higher in rural areas whilst the overall HMA figure is above the County average.

Figure 11.6: Distribution of Household Income, 2019

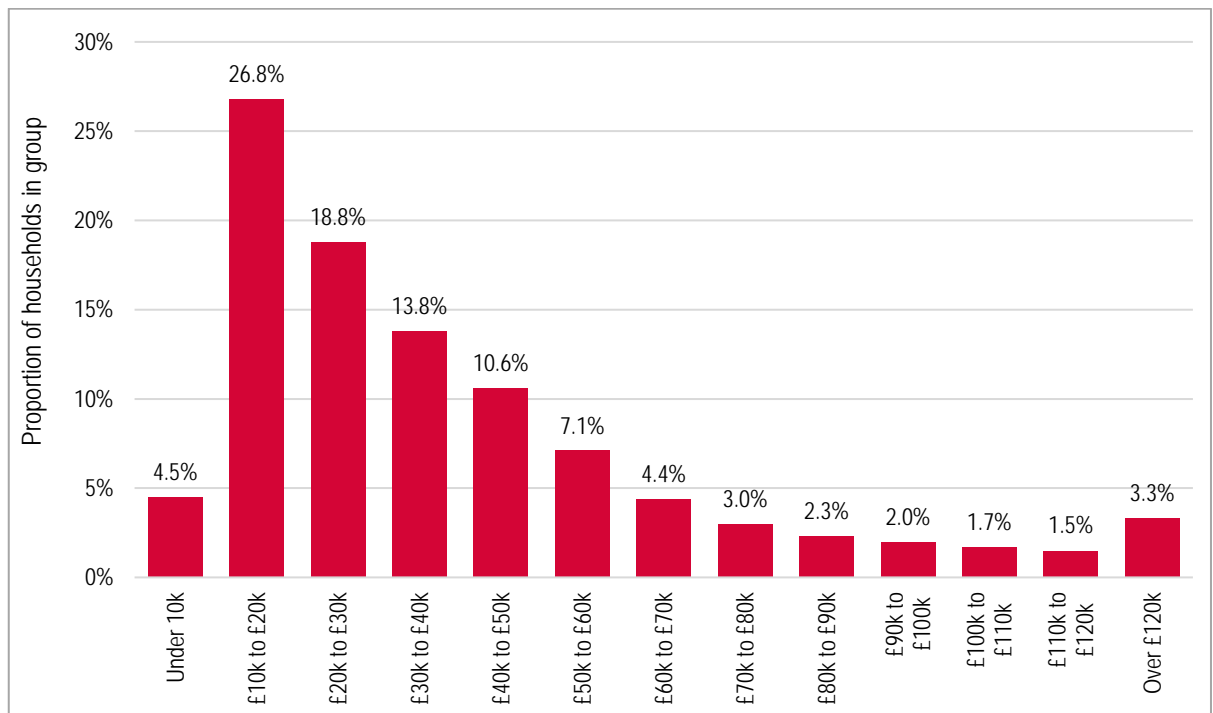


Table 11.6 Estimated Household Income, 2019

	Median income	As a % of County
Leominster urban	£27,800	87%
Leominster rural	£32,500	102%
HMA	£30,000	94%
County	£31,800	-

Source: Range of Sources Described in Methodology

Local Housing Need

- 11.31 Linking to the local housing need at a Herefordshire level of 846 homes per annum, our approach is that if a location has seen 10% of the growth, then it is projected that the sub-area will see around 10% of population growth moving forward. In addition, adjustments are made at a local level to take account of the communal population and also household structures by age. This is explained in greater detail from paragraphs 5.22 to 5.24.
- 11.32 The outputs for Leominster are set out in the Table below.

Table 11.7 Estimated Household Change as a Proportion of Overall Need, Leominster

	Housing Need	% of Need
Leominster: Urban	69	8.1%
Leominster: Rural	57	6.7%
Leominster Total	125	14.8%
Herefordshire Total	846	100.0%

Affordable Housing Need

- 11.33 Following the same methodology used to consider the future housing mix at a County level as set out in Section 6, we have considered the level of affordable housing need in each HMA. The Tables below show the estimated need for affordable housing in the HMA – the first table looks at needs for social/affordable rented housing and the second considers needs for affordable home ownership (“AHO”) products.
- 11.34 Overall, the analysis suggests a need for 55 units of rented affordable housing per annum moving forward, with a greater proportion of need in the rural area beyond the market town.

Table 11.8 Estimated Need for Social/Affordable Rented Housing (p.a.)

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Leominster urban	5	35	16	56	31	24
Leominster rural	5	32	7	43	13	30
HMA	10	66	23	99	44	55

Source: Range of Sources as Discussed

- 11.35 The analysis also identifies a potential need for AHO – particularly in the rural area of the HMA with a total of 20 homes per annum.

Table 11.9 Estimated Need for Affordable Home Ownership (p.a.)

	Total Gross Need	Resale Supply (50% of LQ)	LCHO Supply	Total Supply	Net Need
Leominster urban	28	18	1	19	9
Leominster rural	30	18	1	19	11
HMA	58	36	2	38	20

Source: Range of Sources as Discussed

Older Persons Housing Need

- 11.36 Icen and JGC has also sought to consider the need for specialist accommodation at an HMA level following broadly the same approach to County-wide needs but with the current need being determined on a pro-rata basis linked to the local household population.
- 11.37 The HMA method is also slightly different in that it does not use data on local supply. However, by only looking at a current need based on the household population we are to some extent taking account of where supply is.
- 11.38 In order to establish the need for specialist housing, we have used the current (i.e., 2020) non-institutional population aged 75 and over to estimate current needs. Looking forward, we have considered the population change of people 75 and over the period to 2020-41 for future needs. The need for specialist accommodation – broken down by type and type - is shown in the Table below.

Table 11.10 Specialist Housing Need using adjusted SHOP@ Assumptions, 2020-41

		Current	Additional	Net Need to 2041
		Shortfall/Surplus	Demand to 2041	
Age-Exclusive	Market	7	11	18
	Affordable	-47	56	9
Total Age-Exclusive		-40	67	27
Housing with support	Market	158	146	304
	Affordable	87	109	196
Total Housing with Support		245	255	500
Housing with care	Market	26	87	113
	Affordable	20	65	85
Total Housing with Care		46	152	198
Residential care bedspaces		78	32	110
Nursing care bedspaces		8	92	100
Total bedspaces		86	124	209

Source: Derived from Demographic Projections and Housing LIN/EAC

- 11.39 The provision of a choice of attractive housing options to older households is a component of achieving good housing mix. The availability of such housing options for the growing older population may enable some older households to downsize from homes which no longer meet their housing needs or are expensive to run. The availability of housing options which are accessible to older people will also provide the opportunity for older households to 'rightsize' which can help improve their quality of life.
- 11.40 The Table above should be considered as providing a set of parameters for housing need in the HMA. The ultimate level of provision the Council seeks to support in Leominster HMA will be influenced by its broader strategy for older persons housing and care at a County-wide level as well as at a local level.

Housing Mix

- 11.41 It is recognised that within Herefordshire and within each HMA there are spatial differences and therefore a different mix of housing may be more appropriate. Following the same methodology used to consider the future housing mix at a County level as set out in Section 8, we have worked through the key analysis to arrive a recommended housing mix for Leominster HMA.
- 11.42 A series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures for the whole HMA as well as the urban and rural area. A key part of this is occupancy patterns and detailed tables are provided at Appendix A2 which consider both local and regional occupancy patterns for the HMA.
- 11.43 The data linking to local occupancy will to some extent reflect the role and function of the local area, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different

sizes/tenures of homes when considered in a wider context. These have been brought together to provide a recommended housing mix, defined as a range, in the Table below.

Table 11.11 Leominster HMA Recommend Housing Mix by Tenure by Size

		1 Bedroom	2 Bedrooms	3 Bedrooms	4+Bedrooms
Urban	Market	5%	30%	50%	15%
	Affordable home ownership	20%	45%	30%	5%
	Affordable rented housing	35%	30%	30%	5%
Rural	Market	5%	25%	50%	20%
	Affordable home ownership	15%	40%	35%	10%
	Affordable rented housing	35%	30%	30%	5%
HMA	Market	5%	25%	50%	20%
	Affordable home ownership	20%	40%	35%	5%
	Affordable rented housing	35%	30%	30%	5%

Source: Housing Market Model and Modelled Outputs, Appendix A2

12. ROSS-ON-WYE HOUSING MARKET

Geography

- 12.1 The Ross-on-Wye HMA forms the southern part the county, bordering Worcestershire and Gloucestershire. With a population of 36,015 in mid-2018, it has the second largest population out of the HMAs.
- 12.2 The HMA includes the town of Ross-on-Wye with a population of approximately 11,350 (2018) and surrounding areas. The parishes that make up the Ross-on-Wye HMA are located in the footnotes³⁹. Within the HMA there are several villages that act as Rural Service Centres namely, Kingston and Lea which contains supermarkets, doctors, churches and schools.
- 12.3 Ross-on-Wye the most substantial town within the County and there has a wider range of services and facilities including a range of supermarkets, schools, train station, bus station and range of religious centres.

Current Housing Offer

- 12.4 The HMA contained 15,114⁴⁰ properties in March 2020 representing 17.1% of total properties in Herefordshire. Second homes represented 0.8% of properties (113 properties total) compared to 0.6% across Herefordshire which is the third highest of the HMAs.
- 12.5 The tenure profile of housing in 2011 in the Ross-on-Wye HMA showed higher levels of home ownership than other areas outside of Golden Valley with 71.2% of households being owner occupiers. The HMA had lower than average levels of social renters (10.7%) and an average level of private renters (14.7%).

³⁹ Parishes: Aconbury, Allensmore, Aston Ingham, Ballingham, Bolstone, Brampton Abbots, Bridstow, Brockhampton (Old Gore Ward), Foy, Ganarew, Garway, Goodrich, Harewood, Hentland, Hope Mansell, How Caple, Kenderchurch, Kentchurch, Kilpeck, Kings Caple, Kingstone, Lea, Linton (Penyard Ward), Little Birch, Little Dewchurch, Llandinabo, Llangarron, Llanrothal, Llanwarne, Marstow, Much Birch, Much Dewchurch, Much Marcle, Orcop, Pencoyd, Peterstow, St. Devereux, St. Weonards, Sellack, Sollers Hope, Thrupton, Tretire with Michaelchurch, Treville, Upton Bishop, Walford, Welsh Bicknor, Welsh Newton, Weston under Penyard, Whitchurch, Woolhope, Wormbridge, Yatton, Ross-on-Wye

⁴⁰ Council Tax Data, 2020

- 12.6 Detached housing was the predominant house type based on the 2011 Census. This HMA sees the second highest proportion of detached houses within the County below the Golden Valley HMA with around 55% of all housing being detached followed by semi-detached (21.5%).
- 12.7 The Ross-on-Wye HMA also contains the second lowest proportion of terraced housing relative to other HMAs; although it is notable that the second highest proportion of flats (10.5% of all housing) which is principally due to the nature and built form of the market town's high street being largely three storey development.
- 12.8 In respect of the size of properties, 3 bedroom and 4 bedroom properties make up a large proportion of housing stock within the HMA at 59.7%. The HMA contains the second highest proportion of 1 bedroom properties (8.5%) correlating with the relatively high proportion of flats; whilst the high number of detached properties also drives up the number of 4 or more bedroom properties (30.2%).
- 12.9 Over the 2011-20 period, total net completions of 950 dwellings have been delivered. This has supported housing stock growth of 0.7% per annum which is marginally above the County average. Levels of affordable housing delivery has however been relatively poor with 11% of all completions being delivered as affordable housing which is the second lowest in Herefordshire above Golden Valley.

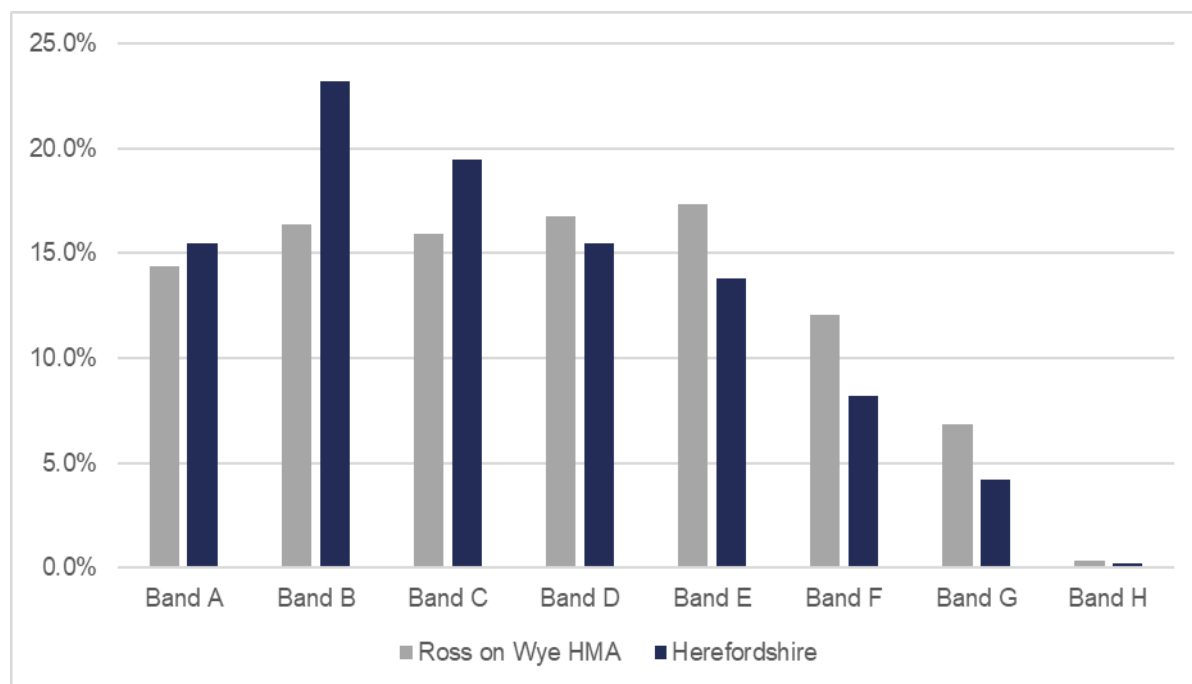
Table 12.1 Overview of Ross-on-Wye HMA Housing Offer and Supply Trends

HMA	Ross on Wye HMA		Herefordshire		
Total Dwellings, 2020	15,114		87,274		
Second Homes, 2019	113	0.8%	0.6%		
Net Completions, 2011-20	950		4,725		
Stock Growth pa	0.7%		0.6%		
% Affordable Housing Delivery	11%		23%		
Tenure Mix in 2011	Owner Occupied	Shared Ownership	Social Rented	Private Rented	Living Rent Free
Ross-on-Wye HMA	71.7%	0.6%	10.7%	14.7%	2.2%
Herefordshire	67.7%	1.0%	13.9%	15.5%	1.9%
Dwellings Mix in 2011	Studio	1 bed	2 bed	3 bed	4+ bed
Ross-on-Wye HMA	0.1%	8.5%	23.1%	38.0%	30.2%
Herefordshire	0.2%	9.0%	23.9%	42.1%	24.7%
House Type Mix in 2011	Detached	Semi	Terraced	Flat/Maisonette	
Ross-on-Wye HMA	54.7%	21.5%	11.0%	10.5%	
Herefordshire	42.7%	27.7%	17.5%	12.2%	

Sources: Council Tax Data, Census 2011, Housing Completions Monitoring

12.10 The HMA has a notably higher proportion of properties in Council Tax Bands E to H than the regional or national profile. These bands accounted for 36.6%⁴¹ of properties in the Ross-on-Wye HMA in 2019 compared to 19.2% nationally. This is also notably higher than the Herefordshire average at 26.4%.

Figure 12.1: Profile of Housing in Ross-on-Wye HMA by Council Tax Band, 2019



Source: Council Tax Data

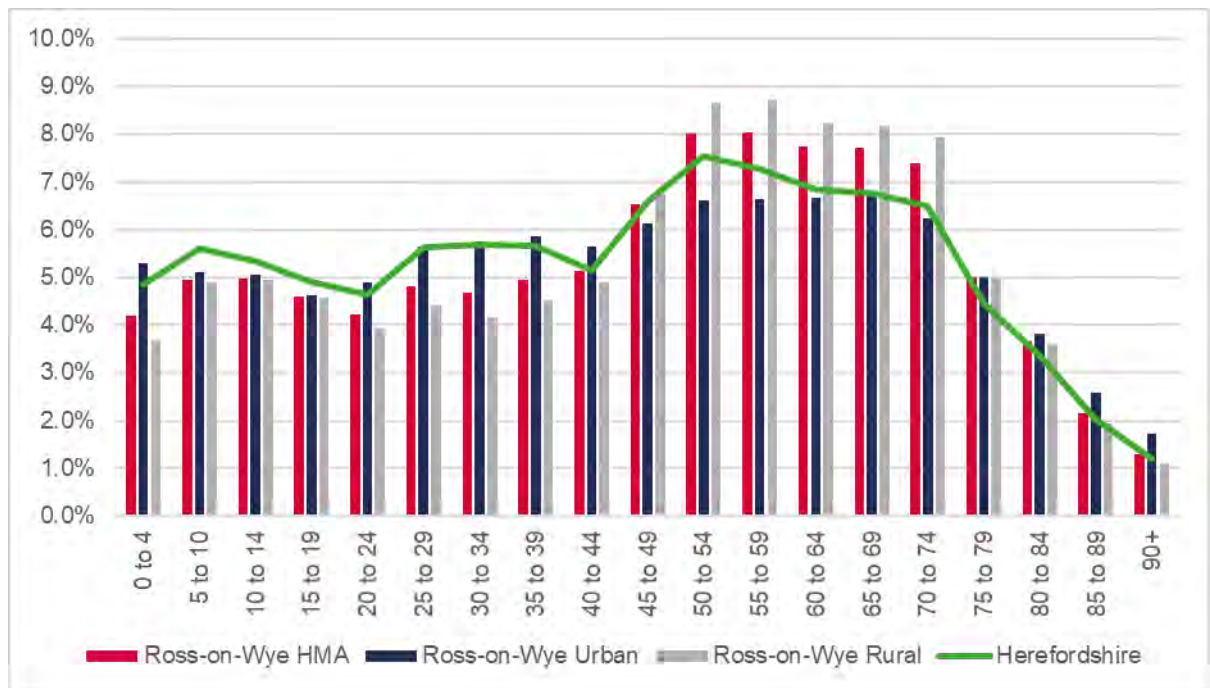
Socio Economic Characteristics

12.11 The Ross-on-Wye HMA had an estimated population of 32,400 in 2018 of which 10,250 falls within the market town of Ross-on-Wye. The Ross-on-Wye HMA population makes up the 17% of the total Herefordshire population; however, the majority of this is found within the rural area of the HMA.

12.12 The age structure of Ross-on-Wye HMA as a whole is focussed more so on an older population with a particular concentration of those aged over 50 in the rural area of the HMA in comparison to the Herefordshire average. The profile of the population in the market town is characterised by younger age groups of those aged 20-40 in line with the County as a whole.

⁴¹ Council Tax Data, 2020

Figure 12.2: Age Structure, 2018



Source: ONS Mid-Year Population Estimates

12.13 The proportion of the HMA's population which is of working-age is in line with the County average with 57.5% of the population aged between 16 and 64 compared to the County average of 58.6% in 2018. There is consequently a higher proportion of those at retirement age (27% compared to 24.7%) with the vast majority living in the rural area of the HMA.

12.14 In the years 2011 to 2018, the Ross-on-Wye HMA has seen a 4.1% increase in its population. This is slightly lower than population growth across Herefordshire at 4.6%. Drilling into the HMA, population growth has been stronger in the urban area (7.3%) than in the rural area (2.7%) which has been supported by the build out of a number of development schemes in and around the market town.

Table 12.2 Ross-on-Wye HMA Population Growth, 2011- 2018

	Population, 2011	Population, 2018	Change
Ross-on-Wye Urban	9,571	10,273	7.3%
Ross-on-Wye Rural	21,559	22,148	2.7%
Ross-on-Wye HMA	31,130	32,421	4.1%
Herefordshire	183,619	192,107	4.6%

Source: ONS Small Area Mid-Year Population Estimates

- 12.15 In employment terms, the HMA supported around 12,000⁴² employee jobs in 2018 of which around 5,000 are concentrated in the market town. It is thus an important employment centre in the County on a similar standing with Leominster as secondary areas for employment and job opportunities. However, employment is still higher in the rural part of this HMA.
- 12.16 The Ross-on-Wye HMA profile of employment is defined more so by residents working as Managers, Directors and Senior Officials than any other HMA in the County with a proportion of 14.7% of its residents holding these occupational positions compared with 11.7% across the County and 10.1% across the region.

Housing Market Performance

- 12.17 HM Land Registry price paid data⁴³ indicates that the average house price paid for standard property in Ross-on-Wye over the last three years (2017 to 2019) was £289,346 which is 12.4% above the County average (£257,500). The average price in the last 12 months (to July 2020) was £302,450.
- 12.18 The Ross-on-Wye HMA is an area with one of the highest median price out of the 7 HMAs with the average house price in 2019 being 11.7% above the Herefordshire average.

Table 12.3 House Price Dynamics – Ross-on-Wye HMA

Ross on Wye HMA	Detached	Semi Detached	Terraced	Flat/ Maisonette	All Sales
Current Vales, 2019	£383,573	£235,466	£197,666	£119,417	£292,601
5 Year Change: Actual	£69,514	£26,299	£37,937	£4,995	£44,565
5 Year Change: %	22%	13%	24%	4%	18%
Herefordshire	Detached	Semi Detached	Terraced	Flat/ Maisonette	All Sales
Current Vales, 2019	£354,325	£222,855	£178,679	£132,938	£262,047
5 Year Change: Actual	£51,041	£17,824	£37,122	£21,689	£40,683
5 Year Change: %	17%	20%	14%	15%	18%

Source: Icen Analysis of HM Land Registry Price Paid Data

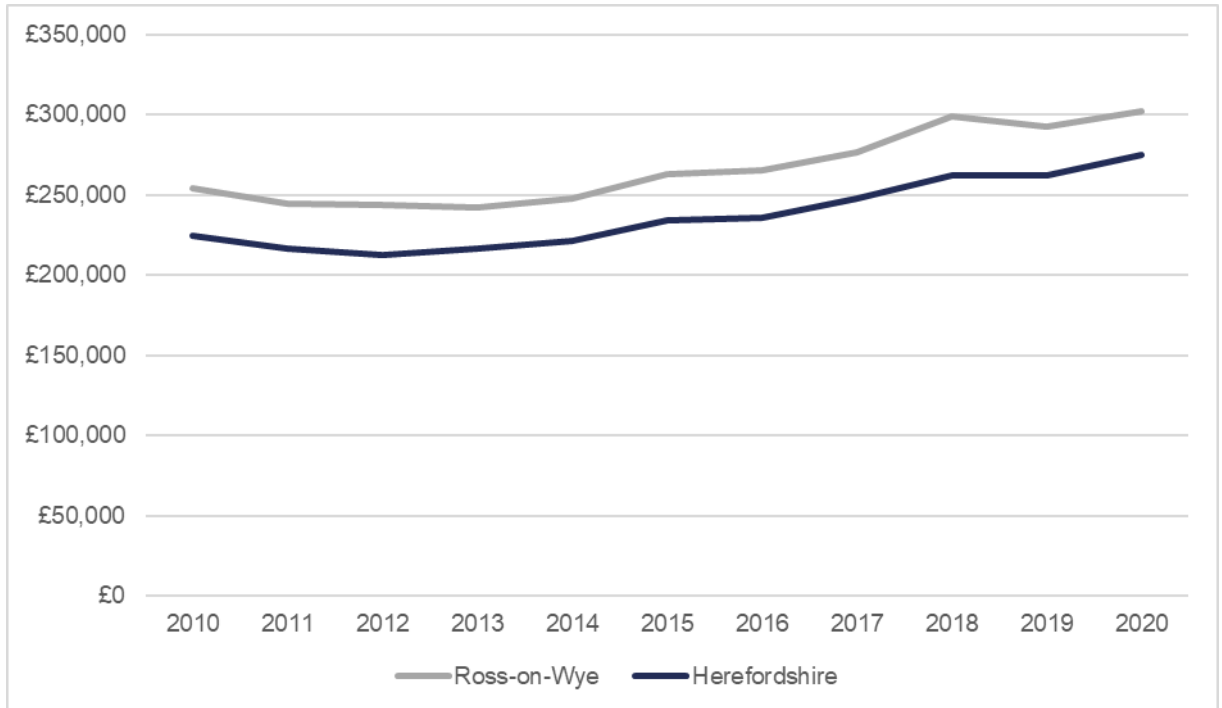
- 12.19 The Ross-on-Wye HMA has seen growth in house prices of £44,500 over the last five years (24%), which is above the Herefordshire average in absolute terms. The strongest growth in values has been for terraced properties equal to 24% growth followed by detached properties. The longer-term

⁴² BRES, 2018

⁴³ HM Land Registry, Price Paid Data, 2020

trend since 2020 is shown below and indicates that house prices in the HMA have largely mirrored the County-wide trend.

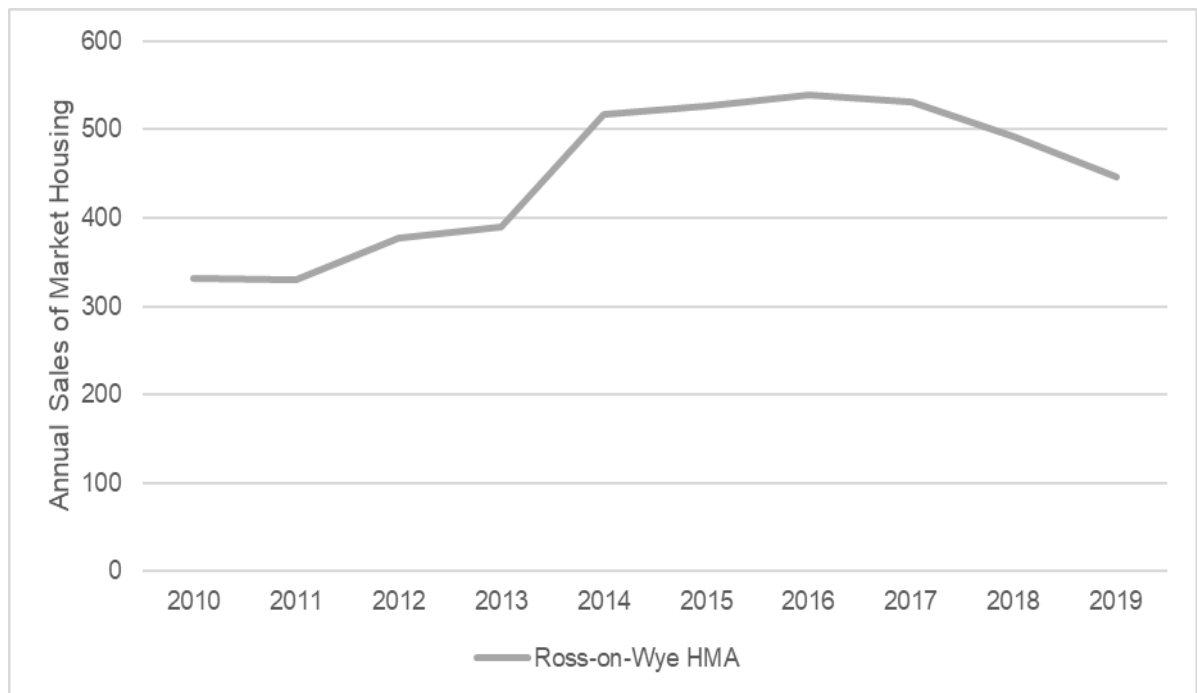
Figure 12.3: Average House Price Growth, 2010-2020



Source: Icen Analysis of HM Land Registry Price Paid Data

12.20 Icen has analysed the distribution of sales in the HMA over the last decade. Average sales over the last 5 years (2014-19) have been just over 500 per year which accounts for 16.6% of all sales and is therefore the second most active market in the County after Hereford. The sales trend over the last decade is shown below demonstrating a rise and subsequent flattening of sales in the post-recessionary period.

Figure 12.4: Sales Trend – Ross-on-Wye HMA, 2010-19



Source: IcenI Analysis of HM Land Registry Price Paid Data

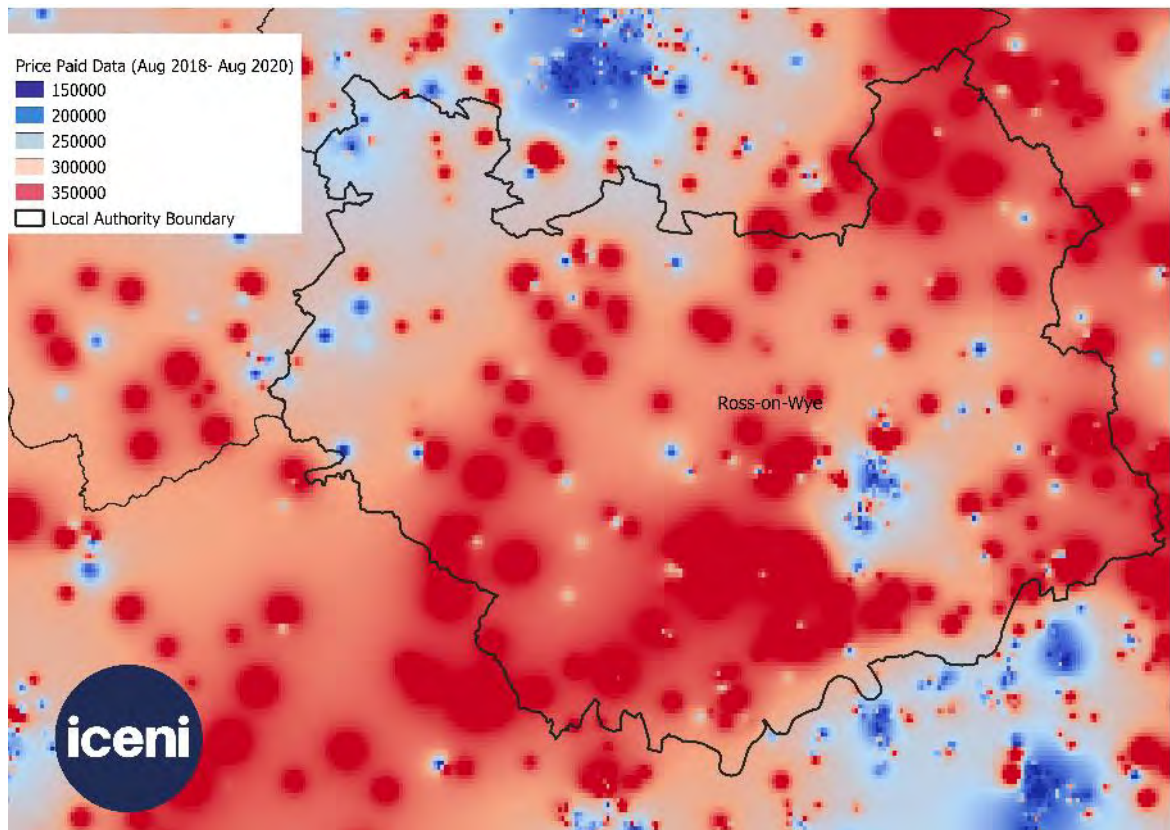
- 12.21 The sales profile (2019 and Q1 2020) is dominated by non-terraced housing with over half of sales for detached properties (52%) and around a quarter of sales (23%) for semi-detached properties. The HMA sees the second highest proportions of flatted sales (11%) influenced by the stock profile in the market town.
- 12.22 In values terms, noting terraced sales accounted for a relatively low proportion of all sales, terraced properties have seen a 24% increase over the 2014-19 period. This is substantially above the County's average increase of 14% for this property type.

Table 12.4 House Price Changes – Ross-on-Wye HMA, 2014-19

	Detached	Semi Detached	Terraced	Flat/ Maisonette	Total
Ross-on-Wye	£69,514	£26,299	£37,937	£4,995	£44,565
% Change	22%	13%	24%	4%	18%
Herefordshire	£51,041	£37,122	£21,689	£17,824	£40,683
% Change	17%	20%	14%	15%	18%

Source: IcenI Analysis of HM Land Registry Price Paid Data

Figure 12.4: House Price Heat Map – Ross-on-Wye HMA



Engagement with Estate and Letting Agents

- 12.23 Estate agents in Ross on Wye also suggested a very active sales market within the HMA, with a range of purchases from first time buyers to investors. Agents referred to the current sales market being particularly active due to purchasers utilising due to the stamp duty land tax holiday as a result of covid-19. Hence, this level of activeness within the market may not be sustained once the Stamp Duty Land Tax holiday ends.
- 12.24 Due to the Ross-on-Wye HMA location in the south of the County it attracts potential purchasers from nearby cities including Gloucester and Cheltenham, agents referred to a trend of people from cities buying second homes within the HMA. Average house prices in Herefordshire are lower than the national average hence, purchasers can afford second homes within the County. Agents also suggested there is demand from purchasers within the County too.
- 12.25 The Ross-on-Wye HMA commands higher average house prices compared to the northern parts of County. Agents describe a steady increase in house prices over recent years and the effect of covid-19 is that properties are selling at their asking price, agents haven't seen a particular increase in house prices in the HMA as a result of covid-19.

- 12.26 Estate agents suggest there is continued trend in popularity of 3 to 4-bedroom family homes in the prices £350,000- £400,000, purchasers are often looking for this type of property hence when they come on the sales market they are purchased quickly. There is also an active market of bungalow sales within the area as well as a demand for self-build plots in the HMA.
- 12.27 Letting agents in Ross-on-Wye provided similar analysis to Leominster it has a busy rental market with not enough properties on the market to fulfil this demand. Agents suggested the most popular type of property is a 3-bedroom rural property with garden, although agents did suggest there is still a popular rental market in more urban locations. This demand comes from young families looking to rent within the area, agents suggested the majority of people renting within HMA are aged between 25 and 50, hence there is a limited market for elderly rental accommodation within the HMA.
- 12.28 Letting agents further suggested going forward the HMA may start to see a trend of renters wanting more rural location as the impact of the Covid-19 may result in less commuting and therefore travel links are not as important when property searching.
- 12.29 There has been a slight increase of rental prices within the HMA over the previous few years, but agents suggested landlords are beginning to take advantage of low stock on the rental market and therefore increasing rental prices in the HMA. Renters in the HMA tend to commit to longer term lets of 2 years and over. The average prices for a 3- bedroom property in the HMA is £900 - £950 per calendar month.

Assessing Affordability of Market Housing

- 12.30 The Table below shows estimates of lower quartile house prices and rents by size of accommodation and location (urban/rural); figures are contrasted with those for the whole of the County.
- 12.31 The analysis shows across the HMA that prices start from around £84,000 for a 1-bedroom home and rising to £306,000 for a home with 4-bedrooms – prices were found to be higher in the rural parts of the HMA. When looking at rents, the analysis suggests that housing costs are slightly above those seen across the County with rental values in rural areas being notably higher than seen in urban locations.

Table 12.5 Entry-Level (Lower Quartile) Market Housing Costs

Lower Quartile Market Rent (PCM)	Ross on Wye urban	Ross on Wye rural	HMA	County
1-bedroom	£425	£450	£440	£425
2-bedrooms	£550	£600	£580	£550
3-bedrooms	£675	£745	£710	£675
4-bedrooms	£875	£970	£930	£875
All properties	£410	£685	£525	£500

Lower Quartile Market Rent (PCM)	Ross on Wye urban	Ross on Wye rural	HMA	County
Lower Quartile Purchase Price	Ross on Wye urban	Ross on Wye rural	HMA	County
1-bedroom	£77,000	£89,000	£84,000	£77,000
2-bedrooms	£150,000	£173,000	£163,000	£150,000
3-bedrooms	£197,000	£228,000	£214,000	£197,000
4-bedrooms	£282,000	£326,000	£306,000	£282,000
All properties	£149,000	£251,000	£189,000	£177,000

Source: Land Registry, ONS and Internet Price Search

12.32 The figure below shows the estimated income distribution for the whole HMA, with the table flowing splitting the median income data down by urban/rural locations. Overall, it is estimated that the average (mean) household income in the HMA is £43,900, with a median income of £33,300 and a lower quartile figure of £19,300. Incomes were found to be higher in rural areas whilst the overall HMA figure is above the County average.

Figure 12.6: Distribution of Household Income, 2019

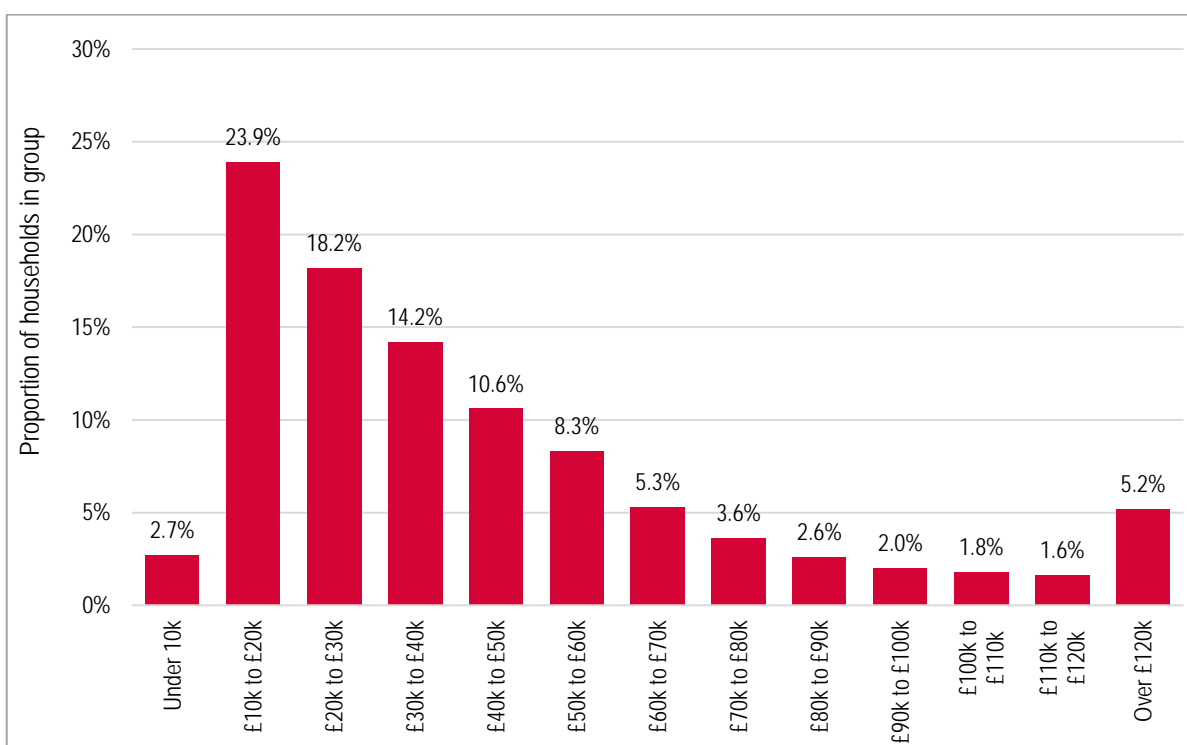


Table 12.6 Estimated Household Income, 2019

	Median income	As a % of County
Leominster urban	£30,700	97%
Leominster rural	£34,700	109%
HMA	£33,300	105%
County	£31,800	-

Source: Range of Sources Described in Methodology

Local Housing Need

- 12.33 Linking to the local housing need at a Herefordshire level of 846 homes per annum, our approach is that if a location has seen 10% of the growth, then it is projected that the sub-area will see around 10% of population growth moving forward. In addition, adjustments are made at a local level to take account of the communal population and also household structures by age. This is explained in greater detail from paragraphs 5.22 to 5.24.
- 12.34 The outputs for Ross-on-Wye are set out in the Table below.

Table 12.7 Estimated Household Change as a Proportion of Overall Need, Ross

	Housing Need	% of Need
Ross: Urban	64	7.6%
Ross: Rural	69	8.1%
Ross Total	133	15.7%
Herefordshire Total	846	100.0%

Affordable Housing Need

- 12.35 Following the same methodology used to consider the future housing mix at a County level as set out in Section 6, we have considered the level of affordable housing need in each HMA. The Tables below show the estimated need for affordable housing in the HMA – the first table looks at needs for social/affordable rented housing and the second considers needs for affordable home ownership (“AHO”) products.
- 12.36 Overall, the analysis suggests a need for 75 units of rented affordable housing per annum moving forward, with over two-thirds of this need found in the rural area beyond the market town.

Table 12.8 Estimated Need for Social/Affordable Rented Housing (p.a.)

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Ross-on-Wye urban	4	28	11	43	24	20
Ross-on-Wye rural	9	57	12	78	23	55
HMA	13	84	23	121	46	75

Source: Range of Sources as Discussed

- 12.37 The analysis also identifies a relatively high need for AHO almost all of which falls within the rural area of the HMA with a total of 35 AHO homes needed per annum.

Table 12.9 Estimated Need for Affordable Home Ownership (p.a.)

	Total Gross Need	Resale Supply (50% of LQ)	LCHO Supply	Total Supply	Net Need
Ross-on-Wye urban	26	20	1	21	5
Ross-on-Wye rural	59	27	1	28	31
HMA	84	47	2	49	35

Source: Range of Sources as Discussed

Older Persons Housing Need

- 12.38 Icení and JGC has also sought to consider the need for specialist accommodation at an HMA level following broadly the same approach to County-wide needs but with the current need being determined on a pro-rata basis linked to the local household population.
- 12.39 The HMA method is also slightly different in that it does not use data on local supply. However, by only looking at a current need based on the household population we are to some extent taking account of where supply is.
- 12.40 In order to establish the need for specialist housing, we have used the current (i.e., 2020) non-institutional population aged 75 and over to estimate current needs. Looking forward, we have considered the population change of people 75 and over the period to 2020-41 for future needs. The need for specialist accommodation – broken down by type and type - is shown in the Table below.

Table 12.10 Specialist Housing Need using adjusted SHOP@ Assumptions, 2020-41

		Current Shortfall/Surplus	Additional Demand to 2041	Net Need to 2041
Age-Exclusive	Market	8	14	22
	Affordable	-58	70	12
Total Age-Exclusive		-49	84	34
Housing with support	Market	195	183	377
	Affordable	107	136	243
Total Housing with Support		302	319	620
Housing with care	Market	32	109	141
	Affordable	25	81	106
Total Housing with Care		57	190	247
Residential care bedspaces		96	40	136
Nursing care bedspaces		10	115	125
Total bedspaces		105	155	260

Source: Derived from Demographic Projections and Housing LIN/EAC

- 12.41 The provision of a choice of attractive housing options to older households is a component of achieving good housing mix. The availability of such housing options for the growing older population

may enable some older households to downsize from homes which no longer meet their housing needs or are expensive to run. The availability of housing options which are accessible to older people will also provide the opportunity for older households to 'rightsize' which can help improve their quality of life.

12.42 The Table above should be considered as providing a set of parameters for housing need in the HMA. The ultimate level of provision the Council seeks to support in Ross-on-Wye HMA will be influenced by its broader strategy for older persons housing and care at a County-wide level as well as at a local level.

Housing Mix

12.43 It is recognised that within Herefordshire and within each HMA there are spatial differences and therefore a different mix of housing may be more appropriate. Following the same methodology used to consider the future housing mix at a County level as set out in Section 8, we have worked through the key analysis to arrive a recommended housing mix for Ross-on-Wye HMA.

12.44 A series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures for the whole HMA as well as the urban and rural area. A key part of this is occupancy patterns and detailed tables are provided at Appendix A2 which consider both local and regional occupancy patterns for the HMA.

12.45 The data linking to local occupancy will to some extent reflect the role and function of the local area, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different sizes/tenures of homes when considered in a wider context. These have been brought together to provide a recommended housing mix, defined as a range, in the Table below.

Table 12.11 Ross-on-Wye HMA Recommend Housing Mix by Tenure by Size

		1 Bedroom	2 Bedrooms	3 Bedrooms	4+Bedrooms
Urban	Market	5%	30%	50%	15%
	Affordable home ownership	25%	35%	35%	5%
	Affordable rented housing	40%	30%	25%	5%
Rural	Market	5%	25%	50%	20%
	Affordable home ownership	20%	35%	35%	10%
	Affordable rented housing	35%	30%	30%	5%
HMA	Market	5%	25%	50%	20%
	Affordable home ownership	20%	40%	35%	5%
	Affordable rented housing	40%	30%	25%	5%

Source: Housing Market Model and Modelled Outputs, Appendix A

13. LEDBURY HOUSING MARKET

Geography

- 13.1 The Ledbury HMA is on the eastern side of the County. It benefits from better transport links than a number of the other HMAs, including proximity to the M50 which links to the M5, and from a Rail Service. The HMA has a population of 19,540 in mid-2018.
- 13.2 The HMA includes the town of Ledbury with a population of approximately 9,200 (2018) and surrounding areas. The parishes that make up the Ledbury HMA are located in the footnotes.
- 13.3 Ledbury is the most substantial town within the County and there has a wide range of services and facilities including a range of supermarkets, schools, train station, bus station. Ledbury also accommodates Lyden Business Park.

Current Housing Offer

- 13.4 The HMA contained 8,866⁴⁴ properties in March 2020 representing 10% of total properties in Herefordshire. Second homes represented 0.7% of properties (67 properties total) compared to 0.6% across Herefordshire and is therefore broadly in line with the average.
- 13.5 The tenure profile of the HMA in 2011 was principally characterised by an above average level of home ownership (70.7%) and a relatively low level of social renting (11.9%) in comparison to other HMAs and the County as a whole. The level of private renting was low set against higher levels in Hereford and Leominster.
- 13.6 The type of properties in the HMA was broadly consistent with balance of properties across Herefordshire as a whole with a greater proportion of detached (47.9%) and semi-detached (26.3%) followed by terraced (15.0%) and then flatted properties (10.3%). The HMA's profile was however characterised more so by detached properties than the County average of 42.7%.
- 13.7 The Ledbury HMA sees the highest proportion of 2 bedroom properties (26.3%) across the 7 HMAs in Herefordshire with the lowest proportion of 3 bedroom properties albeit family-sized housing is still the predominant house type across the area.

⁴⁴ Council Tax Data, 2020

- 13.8 Over the 2011-20 period, total net completions of 294 dwellings have been delivered. This has supported housing stock growth of around 0.4% per annum which is below the County average. The provision of affordable housing delivery has been relatively poor with 11% of all completions delivered as affordable housing which is only above Golden Valley HMA's record of affordable delivery.

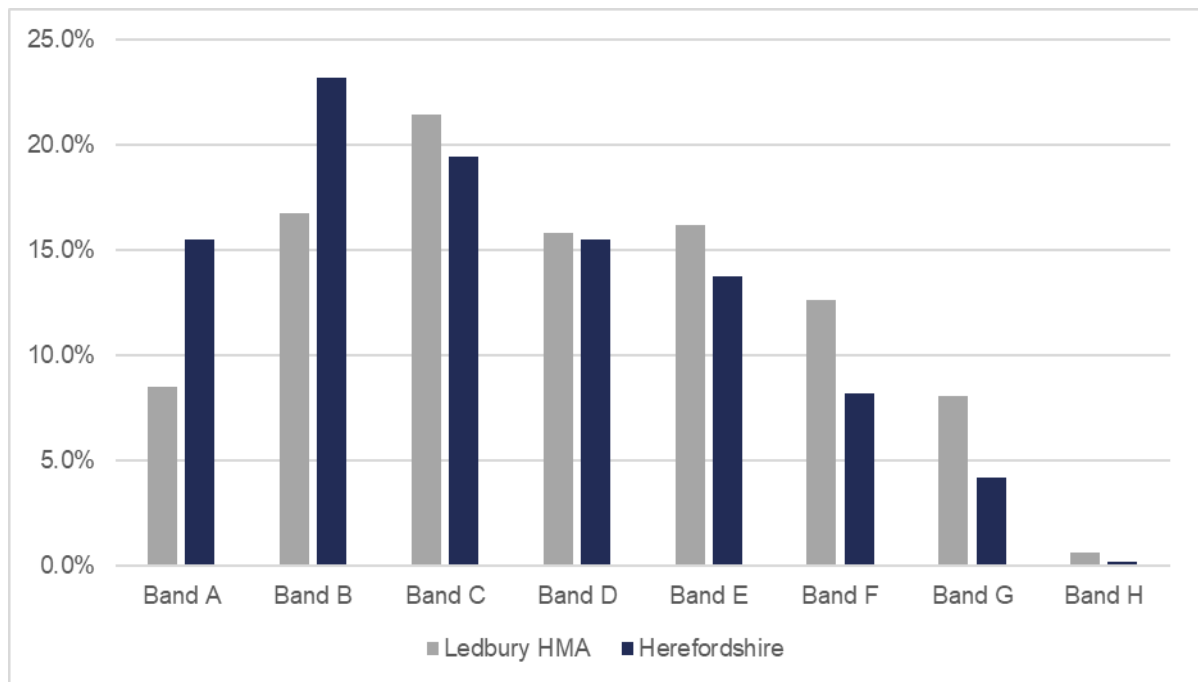
Table 13.1 Overview of Ledbury HMA Housing Offer and Supply Trends

HMA	Ledbury HMA		Herefordshire		
Total Dwellings, 2020	8,866		87,274		
Second Homes, 2019	67	0.7%	0.6%		
Net Completions, 2011-20	294		4,725		
Stock Growth pa	0.4%		0.6%		
% Affordable Housing Delivery	11%		23%		
Tenure Mix in 2011	Owner Occupied	Shared Ownership	Social Rented	Private Rented	Living Rent Free
Ledbury HMA	70.7%	1.3%	11.9%	14.4%	1.7%
Herefordshire	67.7%	1.0%	13.9%	15.5%	1.9%
Dwellings Mix in 2011	Studio	1 bed	2 bed	3 bed	4+ bed
Ledbury HMA	0.1%	7.0%	26.3%	37.8%	28.8%
Herefordshire	0.2%	9.0%	23.9%	42.1%	24.7%
House Type Mix in 2011	Detached	Semi	Terraced	Flat/Maisonette	
Ledbury HMA	47.9%	26.3%	15.0%	10.3%	
Herefordshire	42.7%	27.7%	17.5%	12.2%	

Sources: Council Tax Data, Census 2011, Housing Completions Monitoring

- 13.9 The HMA has a notably higher proportion of properties in the higher Council Tax Bands of E to H than the regional or national profile. These bands accounted for 37.6% of properties in the Ledbury HMA in 2019 compared to 19.2% nationally. This is also notably higher than the Herefordshire average at 26.4%.

Figure 13.1: Profile of Housing in Ledbury HMA by Council Tax Band, 2019

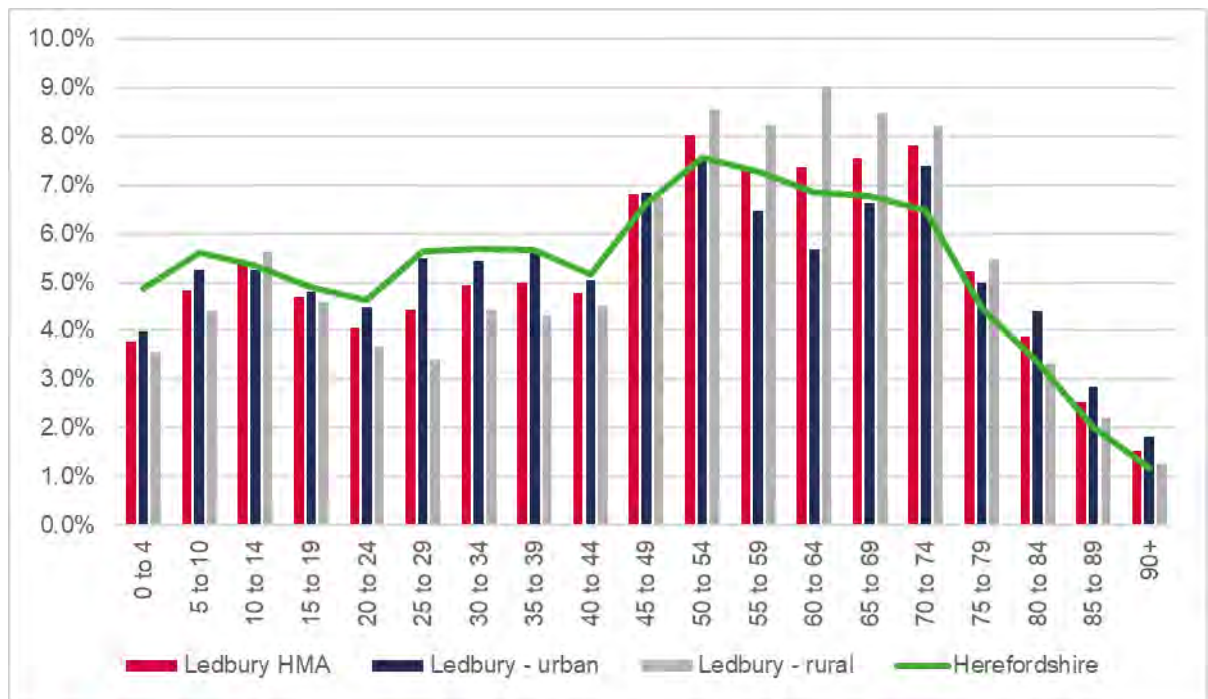


Source: Council Tax Data

Socio Economic Characteristics

- 13.10 The Ledbury HMA had an estimated population of 19,540 in 2018 of which 11,600 falls within the market town of Ledbury. The Ledbury HMA population makes up 10.2% of the total Herefordshire population which is evenly split between the market town and the rural area of the HMA.
- 13.11 The population's age structure across the HMA as a whole is focussed more so on an older population with a particular concentration of those aged 50 and over in the rural area in comparison to the Herefordshire average. The profile of the population in the urban area of the HMA is characterised by younger families with an average proportion of children, young adults and middle aged adults living in the town.

Figure 13.2: Age Structure, 2018



Source: ONS Mid-Year Population Estimates

13.12 As at 2018, the Ledbury HMA has a lower proportion of its population as working-age (56.3%) compared to the County average (58.6%) with an even split of half the working population residing in the market town and half residing in the rural area of the HMA. The proportion of its population which has reached retirement age is notable above the County average (28.7% compared to 24.7%).

13.13 In the years 2011 to 2018 the Ledbury HMA has seen a 4.6% increase in its population. This is slightly higher than population growth across Herefordshire at 4.6%. Drilling into the HMA, population growth has been marginally stronger in the urban area (5.0%) compared to the rural area (4.2%) with the distribution of the population now almost aligned.

Table 13.2 Ledbury HMA Population Growth, 2011- 2018

	Population, 2011	Population, 2018	Change
Ledbury Urban	9,289	9,758	5.0%
Ledbury Rural	9,391	9,782	4.2%
Ledbury HMA	18,680	19,540	4.6%
Herefordshire	183,619	192,107	4.6%

Source: ONS Small Area Mid-Year Population Estimates

13.14 The Ledbury HMA has a particularly high proportion of residents in positions as Managers, Directors and Senior Officials with 14.3% of residents occupying these roles in the HMA compared to 11.7% in Herefordshire and 10.1% across the region. The proportion of residents in Professional occupations (18.2%) is also particularly high compared to the rest of the County (14.4%).

Housing Market Performance

- 13.15 HM Land Registry price paid data⁴⁵ indicates that the average house price paid for standard property in the Ledbury HMA over the last three years (2017 to 2019) was £308,200 which is a substantial 19.7% above the County average of £257,500 over this period. The average price in the last 12 months (to July 2020) was £326,550.
- 13.16 The Ledbury HMA had the highest median price of the 7 HMAs in 2019 with the average house price across all sales at £296,350. This is shown in the Table below and is 11.7% above the Herefordshire average of £262,000 in the same year.

Table 13.3 House Price Dynamics – Ledbury HMA

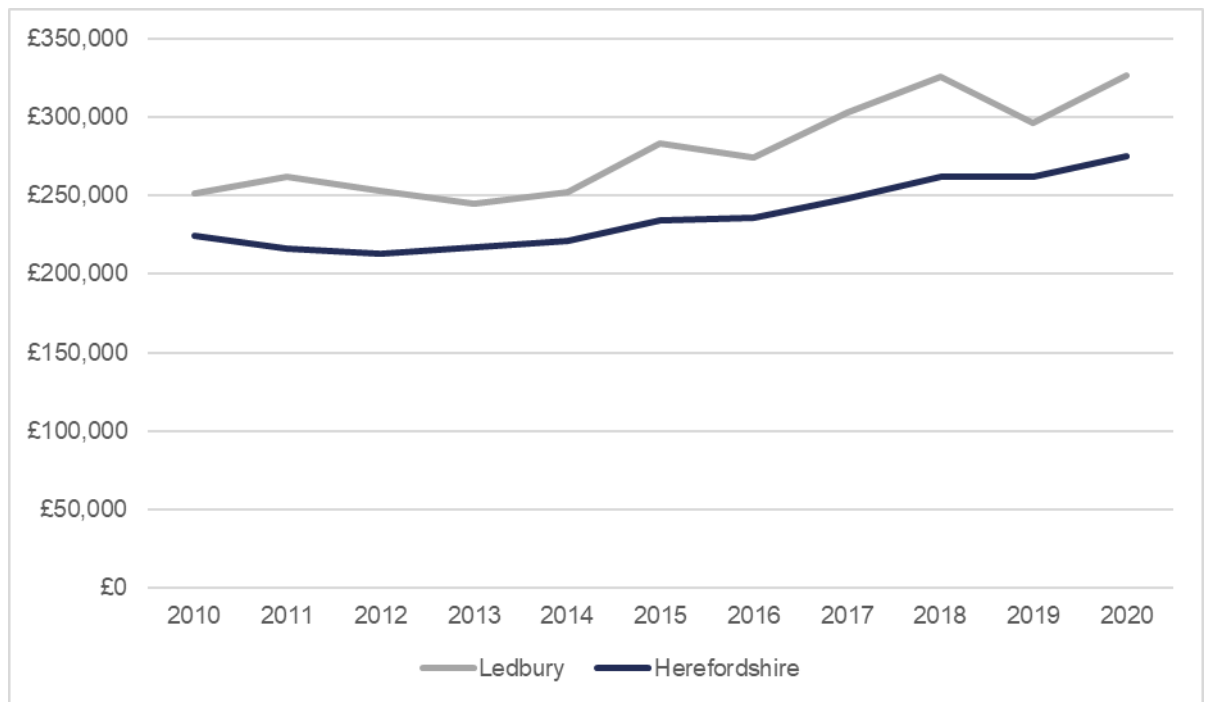
Ledbury HMA	Detached	Semi Detached	Terraced	Flat/ Maisonette	All Sales
Current Vales, 2019	£392,705	£254,465	£204,211	£176,222	£296,340
5 Year Change: Actual	£69,728	£48,330	£14,602	£64,929	£43,940
5 Year Change: %	22%	23%	8%	58%	17%
Herefordshire	Detached	Semi Detached	Terraced	Flat/ Maisonette	All Sales
Current Vales, 2019	£354,325	£222,855	£178,679	£132,938	£262,047
5 Year Change: Actual	£51,041	£17,824	£37,122	£21,689	£40,683
5 Year Change: %	17%	20%	14%	15%	18%

Source: Icen Analysis of HM Land Registry Price Paid Data

- 13.17 The Ledbury HMA has seen growth in house prices of £43,950 over the last five years (17%), which is in line with the Herefordshire average. The strongest growth in values has been for flatted properties which has seen substantial percentage and absolute growth of 58% and £65,000 respectively over the last five years. The longer-term trend since 2020 is shown below and indicates that house prices in the HMA have been subject to greater degrees of fluctuation in the post-recessionary period.

⁴⁵ HM Land Registry, Price Paid Data, 2020

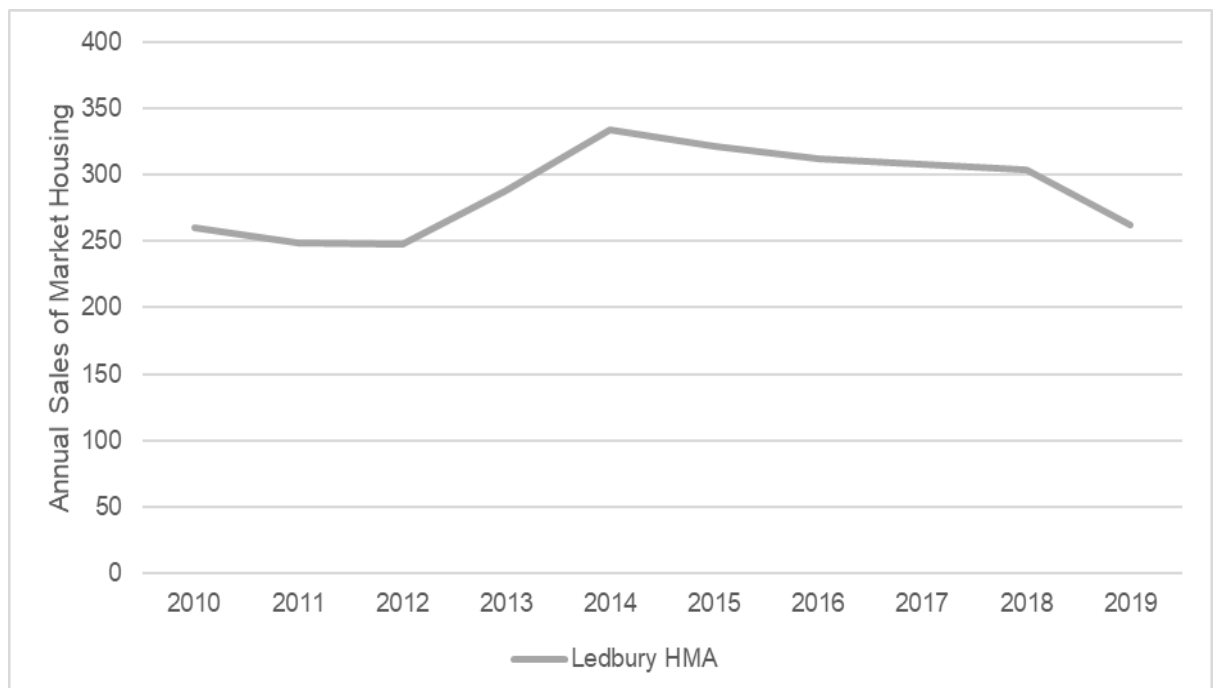
Figure 13.3: Average House Price Growth, 2010-2020



Source: IcenI Analysis of HM Land Registry Price Paid Data

13.18 IcenI has analysed the distribution of sales in the HMA over the last decade. Average sales over the last 5 years (2014-19) have been just over 300 per year which accounts for around 10% of the County's average annual sales figures. The level of market activity has been declining since the post-recession spike in 2013 which is shown in the longer-term sales trend in the Figure below.

Figure 8.4: Sales Trend – Ledbury HMA, 2010-19



Source: IcenI Analysis of HM Land Registry Price Paid Data

13.19 The sales profile (2019 and Q1 2020) shows a relatively broad distribution across different house types particularly in comparison to all HMAs outside of Hereford HMA. The greatest proportion of sales is for detached and semi-detached properties (44% and 29% respectively) with a higher proportion of semi-detached sales than other HMAs. Terraced sales accounted for 21% and flatted sales accounted for 6%.

13.20 In respect of values, flatted dwellings have seen the greatest increase at 58% over the 2014-19 period which is significantly above the County average. The HMA also seen an above average increase in non-terraced housing in percentage and absolute terms.

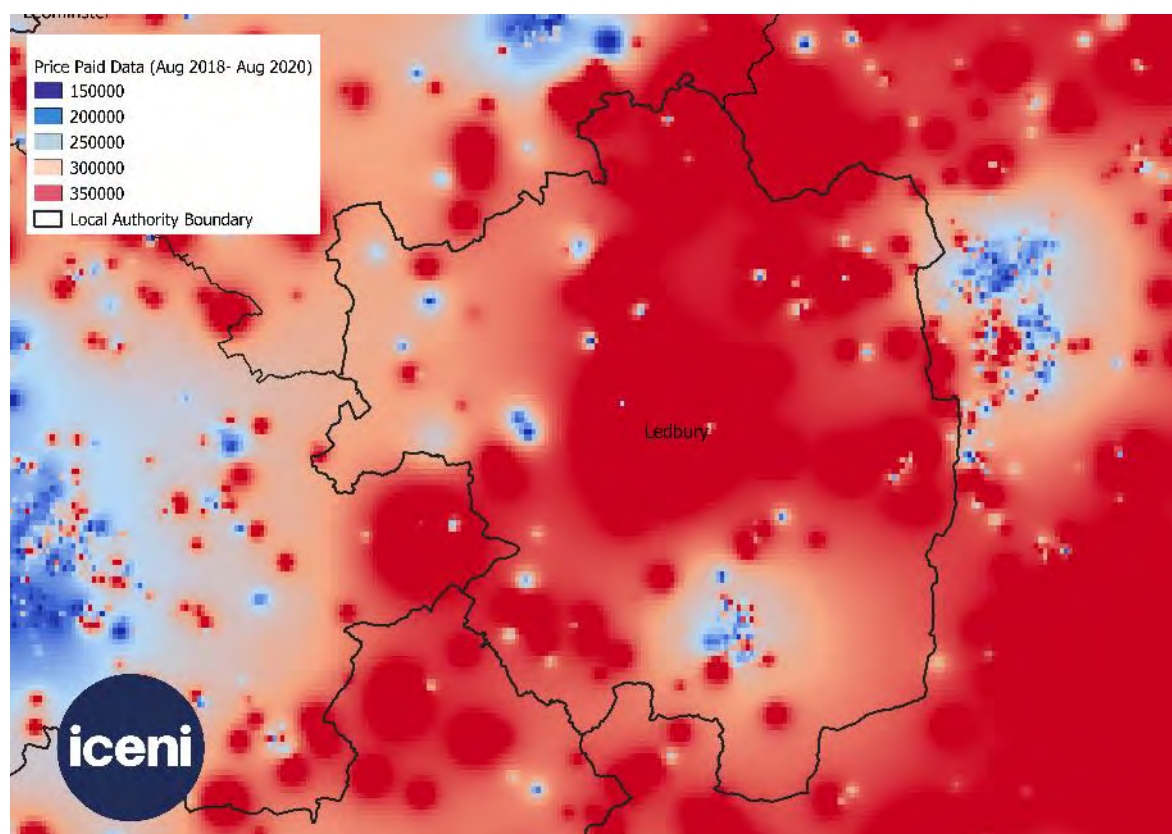
Table 13.4 House Price Changes – Ledbury HMA, 2014-19

	Detached	Semi Detached	Terraced	Flat/ Maisonette	Total
Ledbury HMA	£69,728	£48,330	£14,602	£64,929	£43,940
% Change	22%	23%	8%	58%	17%
Herefordshire	£51,041	£37,122	£21,689	£17,824	£40,683
% Change	17%	20%	14%	15%	18%

Source: Icen Analysis of HM Land Registry Price Paid Data

13.21 The map below provides a heat map showing variation in house prices across the HMA.

Figure 13.4: House Prices within Ledbury HMA



Engagement with Estate and Letting Agents

- 13.22 Estate agents in the Ledbury HMA describe a very active sales market with a significant amount of properties on the market, agents attributed this to the Stamp Duty Land Tax holiday. Agents suggested the Ledbury HMA attracts a higher proportion of potential purchasers from outside the County due its commuter links to Worcester and Birmingham.
- 13.23 This is reflected in the house prices within Ledbury, the HMA sees some of the highest average house prices within the County. There is general demand for more rural properties within the HMA hence these properties are more expensive, although potential buyers do not want to be too far from towns. House prices within the HMA have been increasing steadily over the last few years but agents report there hasn't been any significant increase in house prices as a result of covid-19.
- 13.24 Many families look to buy in this area, usually for 3- and 4-bedroom properties, although a mix of properties on the market do sell. Agents suggested there is a gap in the market for affordable homes for first time buyers and there is constant demand for properties suitable for elderly households.
- 13.25 The Ledbury HMA has an active rental market with one letting agent having described that properties are being let within a week of being put on the market. The HMA attracts a variety of renters, although agents referred to a particular demand from younger single people, couples and families. Agents suggested rents are higher in the more rural areas as these areas offer larger properties with gardens.
- 13.26 Although rental properties within close proximity to the railway station command higher values due to their convenient location. Agents suggested there is a fairly even proportion of potential renters within the HMA being current residents of Herefordshire and those coming from outside of the County.
- 13.27 Letting agents describe 2 and 3-bedroom properties are the most sought-after rental properties with less of a market for flats. There is a limited market for elderly people renting within the HMA, and very limited demand for student rentals in the HMA. Generally, tenants stay within rental properties for the longer term, yet agent suggested there are some shorter term lets for people waiting to purchase a property within the HMA. The average prices for a 3- bedroom property in the HMA is £950- £1,000 per calendar month.

Assessing Affordability of Market Housing

- 13.28 The Table below shows estimates of lower quartile house prices and rents by size of accommodation and location (urban/rural); figures are contrasted with those for the whole of the County.

13.29 The analysis shows across the HMA that prices start from around £90,000 for a 1-bedroom home and rising to £328,000 for a home with 4-bedrooms – prices were found to be higher in the rural parts of the HMA. When looking at rents, the analysis suggests that housing costs are higher than those seen across the County with rental values in rural areas being higher than seen in urban locations.

Table 13.5 Entry-Level (Lower Quartile) Market Housing Costs

Lower Quartile Market Rent (PCM)	Ledbury urban	Ledbury rural	HMA	County
1-bedroom	£440	£480	£455	£425
2-bedrooms	£580	£660	£605	£550
3-bedrooms	£715	£815	£745	£675
4-bedrooms	£930	£1,075	£975	£875
All properties	£515	£725	£590	£500
Lower Quartile Purchase Price	Ledbury urban	Ledbury rural	HMA	County
1-bedroom	£84,000	£102,000	£90,000	£77,000
2-bedrooms	£163,000	£199,000	£174,000	£150,000
3-bedrooms	£215,000	£261,000	£229,000	£197,000
4-bedrooms	£307,000	£373,000	£328,000	£282,000
All properties	£188,000	£267,000	£215,000	£177,000

Source: Land Registry, ONS and Internet Price Search

13.30 The figure below shows the estimated income distribution for the whole HMA, with the table flowing splitting the median income data down by urban/rural locations. Overall, it is estimated that the average (mean) household income in the HMA is £45,100, with a median income of £34,200 and a lower quartile figure of £19,800. Incomes were found to be higher in rural areas whilst the overall HMA figure is above the County average.

Figure 13.5: Distribution of Household Income, 2019

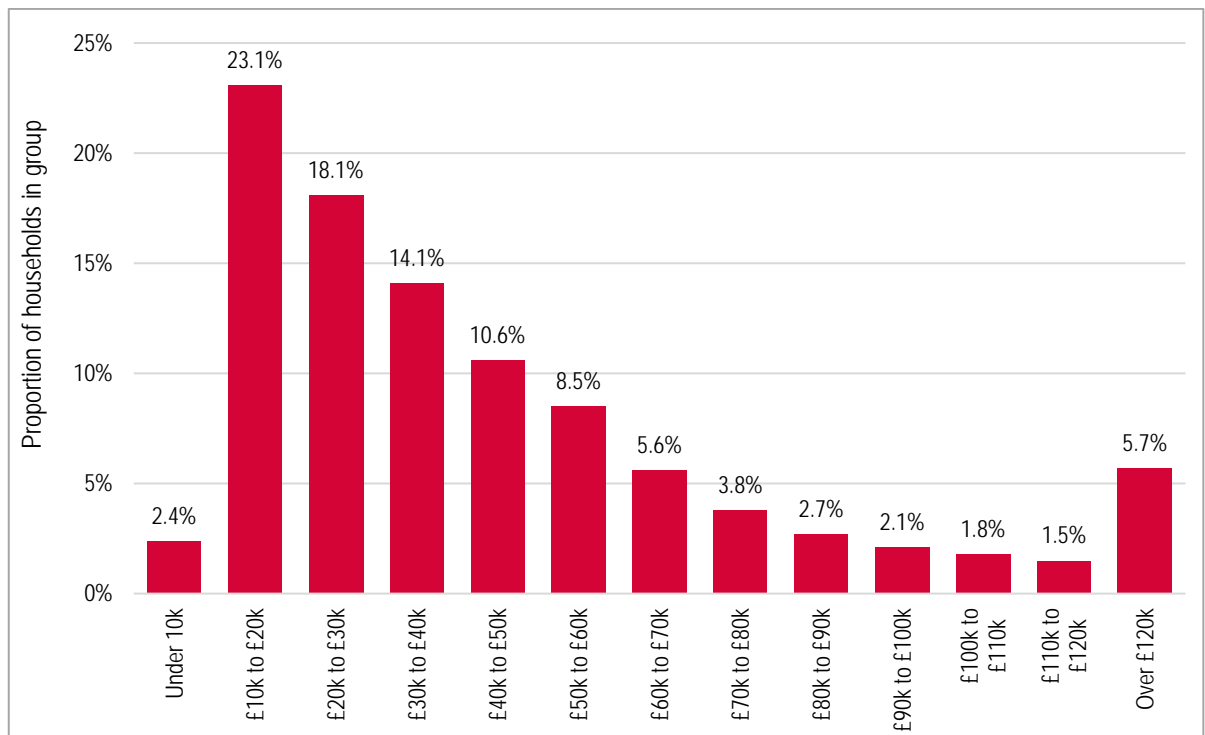


Table 13.6 Estimated Household Income, 2019

	Median income	As a % of County
Ledbury urban	£32,100	101%
Ledbury rural	£36,600	115%
HMA	£34,200	108%
County	£31,800	-

Source: Range of Sources Described in Methodology

Local Housing Need

13.31 Linking to the local housing need at a Herefordshire level of 846 homes per annum, our approach is that if a location has seen 10% of the growth, then it is projected that the sub-area will see around 10% of population growth moving forward. In addition, adjustments are made at a local level to take account of the communal population and also household structures by age. This is explained in greater detail from paragraphs 5.22 to 5.24.

13.32 The outputs for Ledbury are set out in the Table below.

Table 13.7 Estimated Household Change as a Proportion of Overall Need, Ledbury

	Housing Need	% of Need
Ledbury: Urban	53	6.2%
Ledbury: Rural	40	4.7%
Ledbury Total	93	11.0%

	Housing Need	% of Need
Herefordshire Total	846	100.0%

Affordable Housing Need

- 13.33 Following the same methodology used to consider the future housing mix at a County level as set out in Section 6, we have considered the level of affordable housing need in each HMA. The Tables below show the estimated need for affordable housing in the HMA – the first table looks at needs for social/affordable rented housing and the second considers needs for affordable home ownership (“AHO”) products.
- 13.34 Overall, the analysis suggests a need for 40 units of rented affordable housing per annum moving forward, with an even split between the urban and rural locations.

Table 13.8 Estimated Need for Social/Affordable Rented Housing (p.a.)

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Ledbury urban	4	26	10	39	19	20
Ledbury rural	3	22	7	32	12	20
HMA	7	48	16	71	32	40

Source: Range of Sources as Discussed

- 13.35 The analysis also identifies a potential need for AHO – particularly in the rural area of the HMA with a total of 17 homes per annum. Taken together, across the HMA, there is a total need for 57 affordable homes per annum with a proportionate split of 70% for rented affordable and 30% for affordable home ownership homes.

Table 13.9 Estimated Need for Affordable Home Ownership (p.a.)

	Total Gross Need	Resale Supply (50% of LQ)	LCHO Supply	Total Supply	Net Need
Ledbury urban	26	19	2	21	5
Ledbury rural	25	12	0	12	12
HMA	50	31	2	33	17

Source: Range of Sources as Discussed

Older Persons Housing Need

- 13.36 Icenl and JGC has also sought to consider the need for specialist accommodation at an HMA level following broadly the same approach to County-wide needs but with the current need being determined on a pro-rata basis linked to the local household population.
- 13.37 The HMA method is also slightly different in that it does not use data on local supply. However, by only looking at a current need based on the household population we are to some extent taking account of where supply is.
- 13.38 In order to establish the need for specialist housing, we have used the current (i.e., 2020) non-institutional population aged 75 and over to estimate current needs. Looking forward, we have considered the population change of people 75 and over the period to 2020-41 for future needs. The need for specialist accommodation – broken down by type and type - is shown in the Table below.

Table 13.10 Specialist Housing Need using adjusted SHOP@ Assumptions, 2020-41

		Current Shortfall/Surplus	Additional Demand to 2041	Net Need to 2041
Age-Exclusive	Market	6	9	15
	Affordable	-42	46	4
Total Age-Exclusive		-36	56	20
Housing with support	Market	141	121	263
	Affordable	78	90	168
Total Housing with Support		219	212	431
Housing with care	Market	23	72	96
	Affordable	18	54	72
Total Housing with Care		41	126	167
Residential care bedspaces		69	27	96
Nursing care bedspaces		7	76	83
Total bedspaces		77	103	179

Source: Derived from Demographic Projections and Housing LIN/EAC

- 13.39 The provision of a choice of attractive housing options to older households is a component of achieving good housing mix. The availability of such housing options for the growing older population may enable some older households to downsize from homes which no longer meet their housing needs or are expensive to run. The availability of housing options which are accessible to older people will also provide the opportunity for older households to 'rightsize' which can help improve their quality of life.
- 13.40 The Table above should be considered as providing a set of parameters for housing need in the HMA. The ultimate level of provision the Council seeks to support in Ledbury HMA will be influenced by its broader strategy for older persons housing and care at a County-wide level as well as at a local level.

Housing Mix

- 13.41 It is recognised that within Herefordshire and within each HMA there are spatial differences and therefore a different mix of housing may be more appropriate. Following the same methodology used to consider the future housing mix at a County level as set out in Section 8, we have worked through the key analysis to arrive a recommended housing mix for Ledbury HMA.
- 13.42 A series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures for the whole HMA as well as the urban and rural area. A key part of this is occupancy patterns and detailed tables are provided at Appendix A2 which consider both local and regional occupancy patterns for the HMA.
- 13.43 The data linking to local occupancy will to some extent reflect the role and function of the local area, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different sizes/tenures of homes when considered in a wider context. These have been brought together to provide a recommended housing mix, defined as a range, in the Table below.

Table 13.11 Ledbury HMA Recommend Housing Mix by Tenure by Size

		1 Bedroom	2 Bedrooms	3 Bedrooms	4+Bedrooms
Urban	Market	5%	30%	50%	15%
	Affordable home ownership	20%	45%	30%	5%
	Affordable rented housing	40%	30%	25%	5%
Rural	Market	5%	25%	45%	25%
	Affordable home ownership	15%	40%	35%	10%
	Affordable rented housing	35%	30%	30%	5%
HMA	Market	5%	25%	50%	20%
	Affordable home ownership	20%	40%	30%	10%
	Affordable rented housing	40%	30%	25%	5%

Source: Housing Market Model and Modelled Outputs, Appendix A2

14. BROMYARD HOUSING MARKET

Geography

- 14.1 The Bromyard HMA is in the north-east of the County, bordering Worcestershire. It is the 5th largest of the 7 HMA's with a population in mid-2018 of 11,785 which is nearly twice the size of that in the HMA with the lowest population (Golden Valley HMA) but is just 14% of the size of the Hereford HMA.
- 14.2 The HMA includes the town of Bromyard with a population of approximately 4,300 (2018) and surrounding areas. The parishes that make up the Bromyard HMA are located in the footnotes⁴⁶.
- 14.3 The local housing market is primarily a rural area, with a low population density. Bromyard is the main town within the HMA, with a population of 4,700. As would be expected in a predominantly rural area, access to services is poorer than for Herefordshire as a whole: 69% of households are within 2km of a post office (82.8% for Herefordshire).

Current Housing Offer

- 14.4 The HMA contained 5,570⁴⁷ properties in March 2020 representing 6.6% of total properties in Herefordshire. Second homes represented 0.4% of properties (331 properties total) compared to 0.6% across Herefordshire. This is the second lowest of any of the HMAs.
- 14.5 The tenure profile of housing in 2011 in the Bromyard HMA was principally characterised by an above average level of home ownership (70.4%) and a relatively low level of social renting (12.7%) in comparison to the County as a whole which has proportions of 67.7% and 13.9% respectively. The level of private renting (14.1%) was comparatively low when set against higher levels in Hereford and Leominster.
- 14.6 The type of housing seen in the HMA is typically non-terraced housing with a particularly high proportion of detached housing (53.8%) relative to other parts of Herefordshire and the County as a

⁴⁶ Parishes: Avenbury, Bodenham, Bredenbury, Brockhampton (Bromyard Bringsty Ward), Bromyard and Winslow, Collington, Docklow and Hampton Wafer, Edvin Loach and Saltmarshe, Edwyn Ralph, Felton, Ford and Stoke Prior, Grendon Bishop, Hampton Charles, Hatfield and Newhampton, Hope under Dinmore, Humber, Linton (Bromyard Bringsty Ward), Little Cowarne, Newton (Queenswood Ward), Norton, Ocle Pychard, Pencombe with Grendon Warren, Pudleston, Stoke Lacy, Tedstone Delamere, Tedstone Wafer, Thornbury, Ullingswick, Upper Sapey, Wacton, Whitbourne, Wolferlow

⁴⁷ Council Tax Data, 2020

whole (42.7%). This HMA contains a relatively high proportion of flats (9.9%) which are principally situated around the northern side of the town centre.

14.7 The size profile of the Bromyard HMA's housing stock follows a broadly similar pattern to the Herefordshire average. The number of 3 bedroom properties account for the highest proportion of all dwellings in the HMA at 41.0% followed by four bedroom properties. This is shown in the Table below.

14.8 Over the 2011-20 period, total net completions of 331 dwellings have been delivered. This has supported housing stock growth of 0.7% per annum which is marginally above the County average. The provision of affordable housing delivery has been below average with 17% of all completions providing affordable housing which is below the County average of 23%.

Table 14.1 Overview of Bromyard HMA Housing Offer and Supply Trends

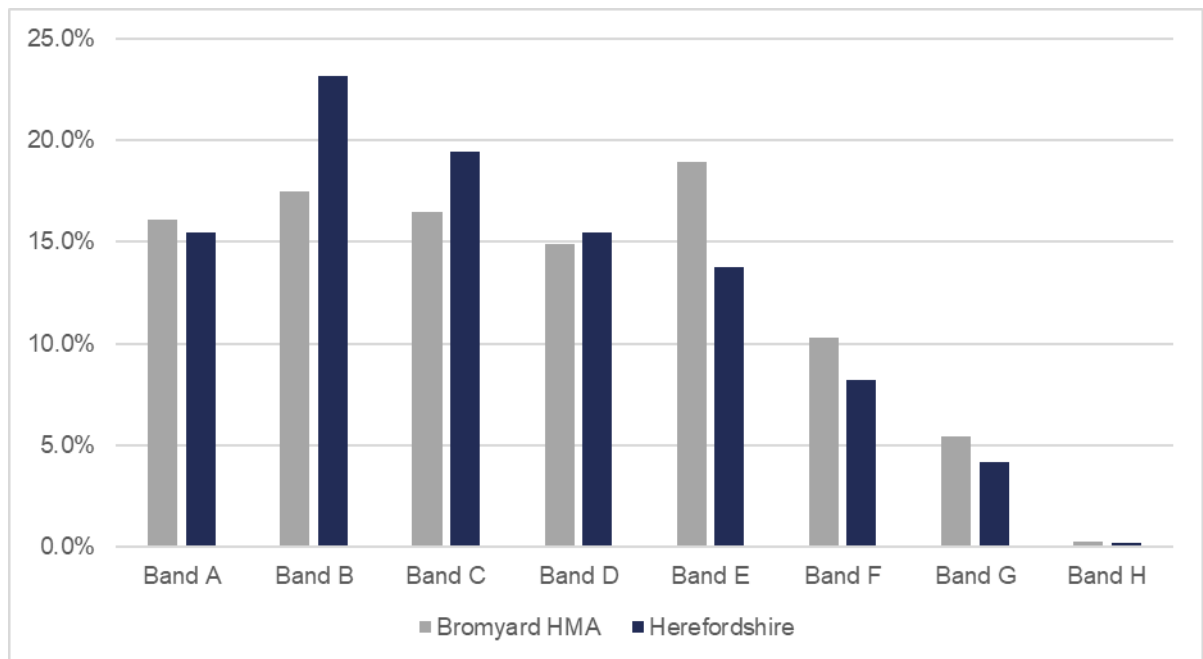
HMA	Bromyard HMA		Herefordshire		
Total Dwellings, 2020	5,570		87,274		
Second Homes, 2019	17	0.4%	0.6%		
Net Completions, 2011-20	331		4,725		
Stock Growth pa	0.7%		0.6%		
% Affordable Housing Delivery	17%		23%		
Tenure Mix in 2011	Owner Occupied	Shared Ownership	Social Rented	Private Rented	Living Rent Free
Bromyard HMA	70.4%	0.6%	12.7%	14.1%	2.2%
Herefordshire	67.7%	1.0%	13.9%	15.5%	1.9%
Dwellings Mix in 2011	Studio	1 bed	2 bed	3 bed	4+ bed
Bromyard HMA	0.1%	8.1%	23.4%	41.0%	27.4%
Herefordshire	0.2%	9.0%	23.9%	42.1%	24.7%
House Type Mix in 2011	Detached	Semi	Terraced	Flat/Maisonette	
Bromyard HMA	53.8%	22.1%	12.7%	9.9%	
Herefordshire	42.7%	27.7%	17.5%	12.2%	

Sources: Council Tax Data, Census 2011, Housing Completions Monitoring

14.9 The HMA has a notably higher proportion of properties in Council Tax Bands E to H than the regional or national profile. These bands accounted for 35.0%⁴⁸ of properties in the Bromyard HMA in 2019 compared to 19.2% nationally. This is also notably higher than the Herefordshire average at 26.4%.

⁴⁸ Council Tax Data, 2020

Figure 14.1: Profile of Housing in Bromyard HMA by Council Tax Band, 2019

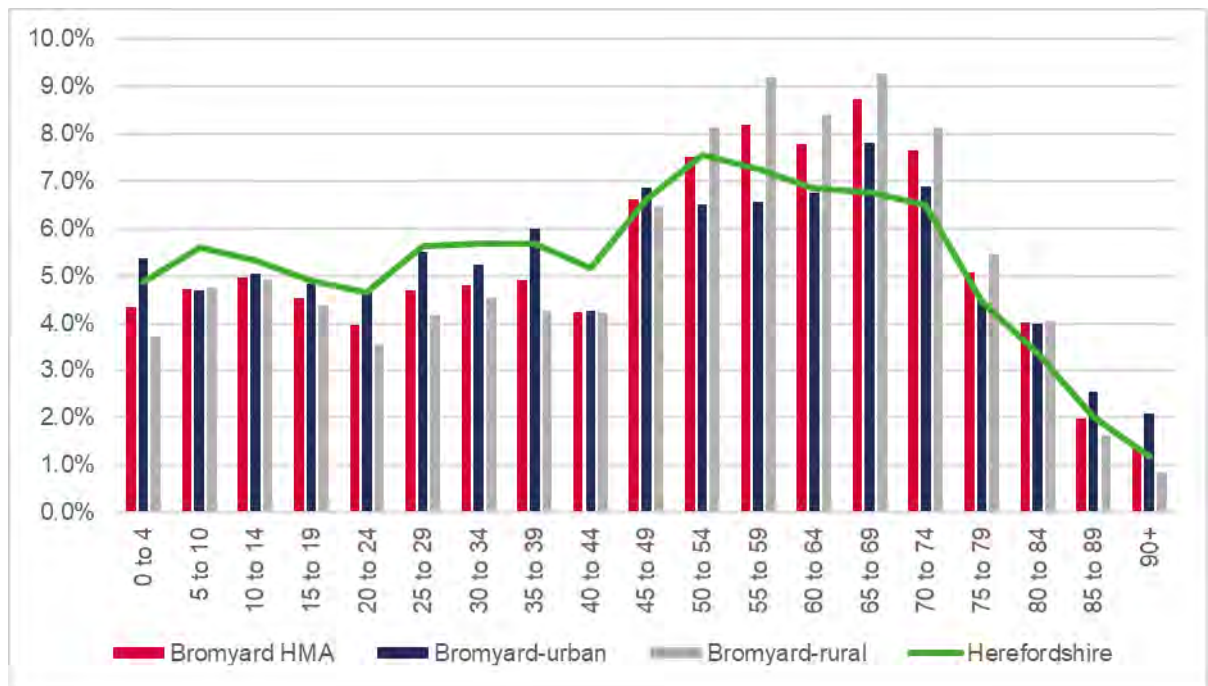


Source: Council Tax Data

Socio Economic Characteristics

- 14.10 The Bromyard HMA had an estimated population of 11,785 in 2018 of which 4,320 falls within the market town of Bromyard. The HMA population makes up only around 6% of the total Herefordshire population with the majority of its residents living in the rural area of the HMA.
- 14.11 The population's age structure across the HMA as a whole is focussed more so on an older population with a particular concentration of those aged 50 and over in the rural area in comparison to the Herefordshire average. The profile of the population in the urban area of the HMA is also characterised by an older population; however, there is also a clear concentration of younger families living in Bromyard town.

Figure 14.2: Age Structure, 2018



Source: ONS Mid-Year Population Estimates

14.12 As at 2018, the Bromyard HMA has a higher proportion of its population as working-age (60.3%) compared to the County average (58.6%) with almost two-thirds (62.2%) of the working-age population residing in the rural area of the HMA. The proportion of its population which has reached retirement age is similar to the County average (24.4% compared to 24.7%).

14.13 In the years 2011 to 2018 the Bromyard HMA has seen only a 3.5% increase in its population which is below population growth seen across Herefordshire at 4.6%. However, drilling into the HMA, population growth has actually been stronger in the urban area (5.6%) with the rural area seeing limited growth (2.6%).

Table 14.2 Bromyard HMA Population Growth, 2011- 2018

	Population, 2011	Population, 2018	Change
Bromyard Urban	4,230	4,465	5.6%
Bromyard Rural	7,158	7,321	2.3%
Bromyard HMA	11,388	11,786	3.5%
Herefordshire	183,619	192,107	4.6%

Source: ONS Small Area Mid-Year Population Estimates

14.14 In employment terms, the HMA supported around 3,500⁴⁹ employee jobs in 2018 of which around 2,500 are in found Ledbury town demonstrating the town's role as a smaller employment centre in within the County.

14.15 The Bromyard HMA has a particularly high proportion of people working within skilled trade occupations compared to the region with 20.4% in the HMA compared with 16.4% across Herefordshire and 12.2% in the West Midlands.

Housing Market Performance

14.16 HM Land Registry price paid data⁵⁰ indicates that the average house price paid for standard property in the Bromyard HMA over the last three years (2017 to 2019) was £265,000 which is marginally above the County average of £257,500 by around 3%. The average price in the last 12 months (to July 2020) was £333,450.

14.17 As is shown in the Table below, the Bromyard HMA median house price in 2019 was £281,350 which was 7.4% above the Herefordshire average in the same year; although it should be noted that this was the third lowest in comparison to the other 7 HMAs in Herefordshire.

Table 14.3 House Price Dynamics – Bromyard HMA

Bromyard HMA	Detached	Semi Detached	Terraced	Flat/ Maisonette	All Sales
Current Vales, 2019	£353,725	£215,420	£184,543	£86,278	£281,344
5 Year Change: Actual	£25,587	£26,453	£41,216	-£38,722	£31,667
5 Year Change: %	8%	14%	29%	-31%	13%
Herefordshire	Detached	Semi Detached	Terraced	Flat/ Maisonette	All Sales
Current Vales, 2019	£354,325	£222,855	£178,679	£132,938	£262,047
5 Year Change: Actual	£51,041	£17,824	£37,122	£21,689	£40,683
5 Year Change: %	17%	20%	14%	15%	18%

Source: Icen Analysis of HM Land Registry Price Paid Data

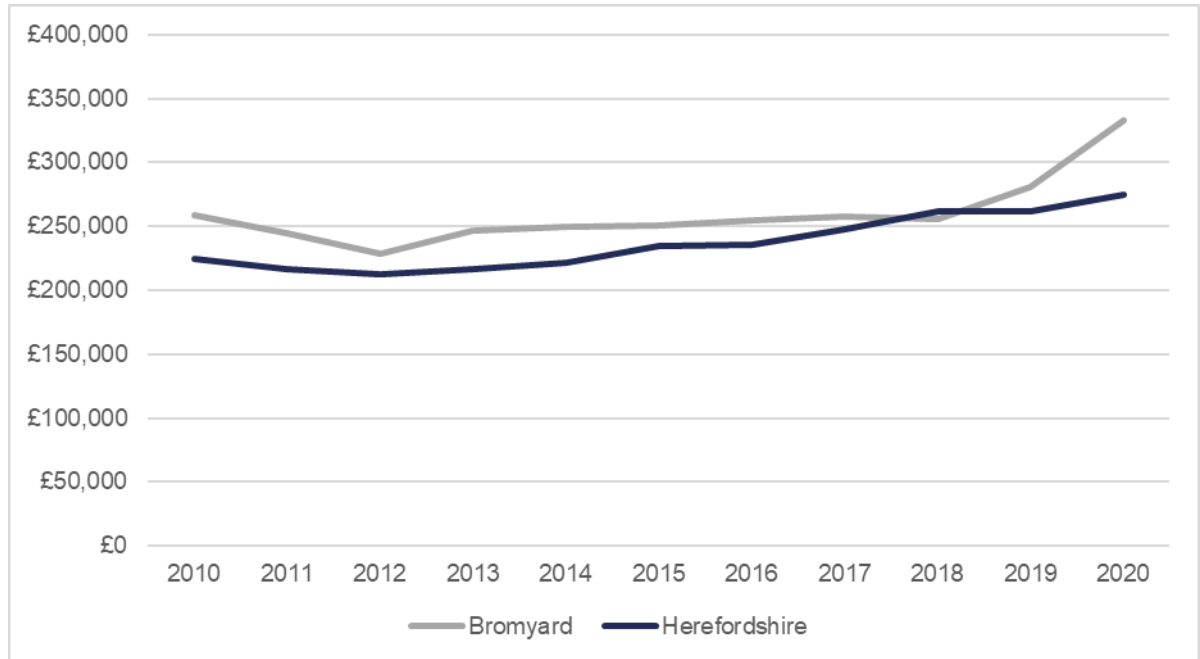
14.18 The Bromyard HMA has seen growth in house prices of £31,650 over the last five years (13%), which is below the Herefordshire average. The strongest growth in values has been for terraced properties followed by semi-detached properties with a notable fall in the value of flatted properties at a 31%

⁴⁹ BRES, 2018

⁵⁰ HM Land Registry, Price Paid Data, 2020

reduction in values. The longer-term trend since 2020 is shown below and indicates that house prices in the HMA have seen a sharp increase away from the County average since 2018.

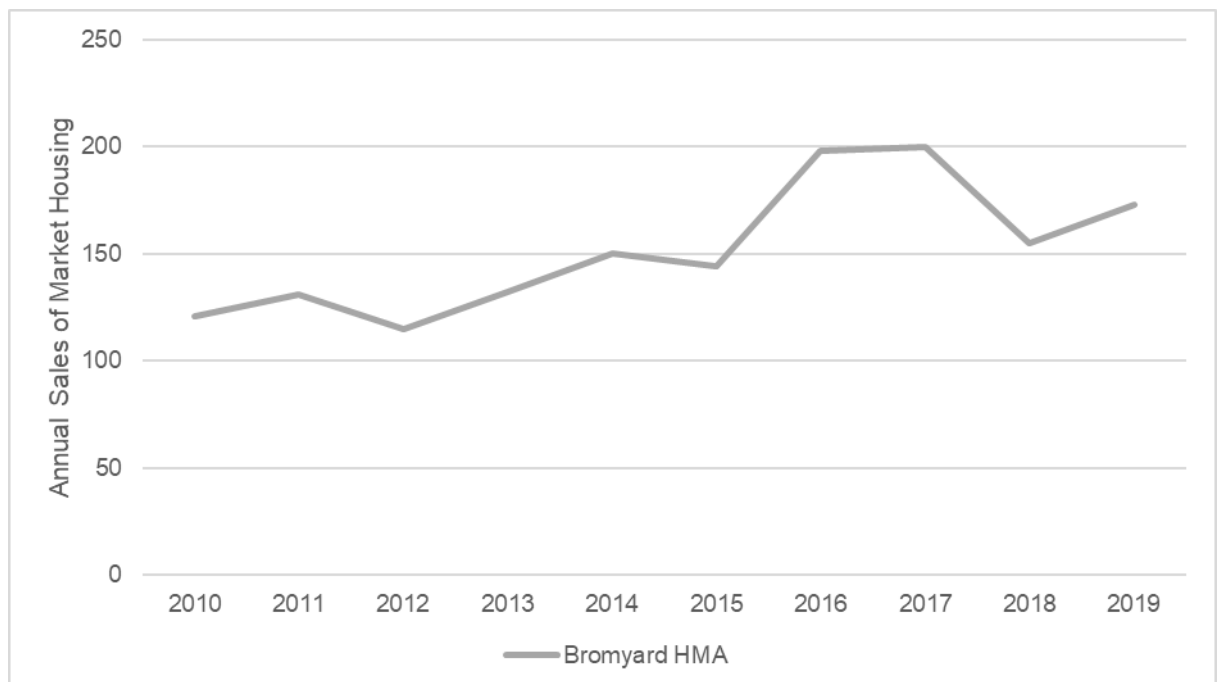
Figure 14.4: Average House Price Growth, 2010-2020



Source: IcenI Analysis of HM Land Registry Price Paid Data

14.19 IcenI has analysed the distribution of sales in the HMA over the last decade. Average sales over the last 5 years (2014-19) have been just under 175 per year which accounts for around 5.7% of all sales in Herefordshire. A longer-term sales trend is shown in the Figure below.

Figure 14.5: Sales Trend – Bromyard HMA, 2010-19



Source: Icen Analysis of HM Land Registry Price Paid Data

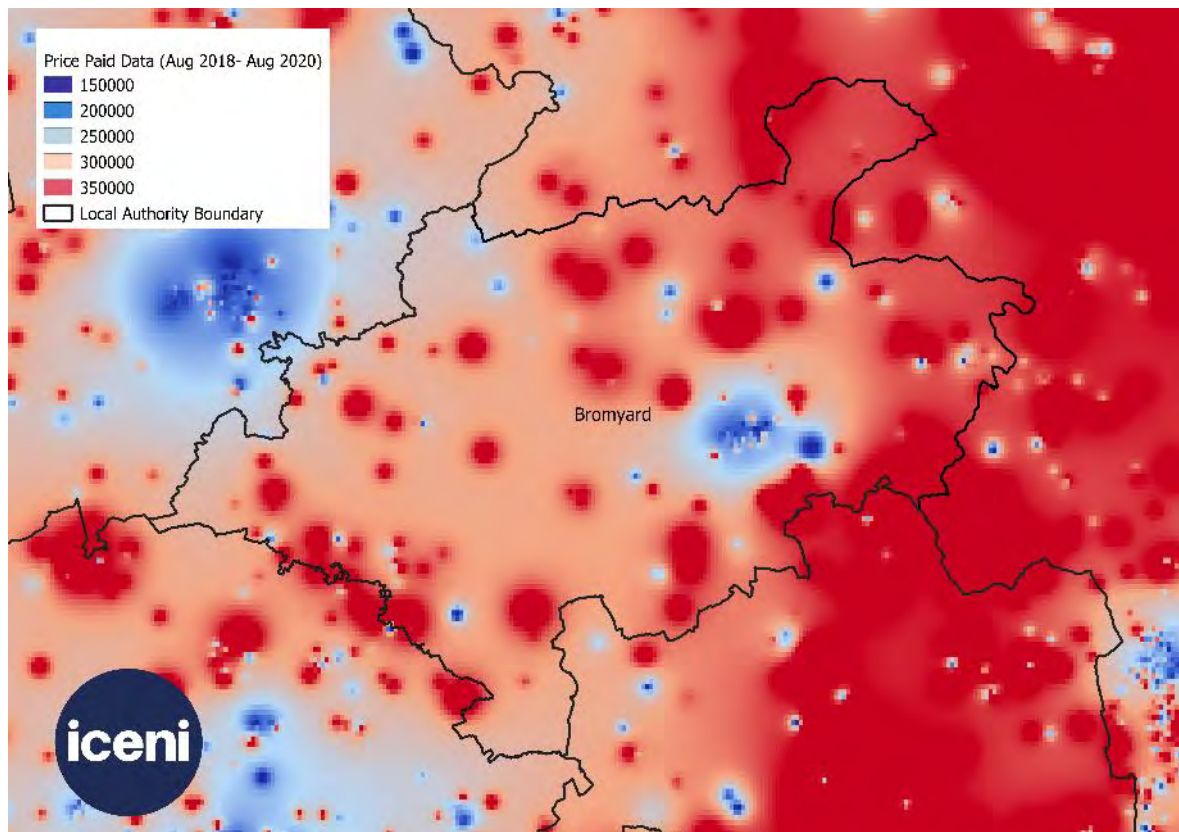
- 14.20 The sales profile (2019 and Q1 2020) is dominated by non-terraced housing (81% of all sales) with over half of sales for detached properties (57%) and around a quarter of sales (24%) for semi-detached properties. The proportion of detached sales is the highest in the County.
- 14.21 In values terms, detached dwellings experienced an 8% increase in the HMA over the five year period compared with 17% County-wide. The flats / maisonettes saw the greatest decrease over the five year period at a 38% reduction. Values across all house types increased by 13% which is below the Herefordshire average.

Table 14.4 House Price Changes – Bromyard HMA, 2014-19

	Detached	Semi Detached	Terraced	Flat/ Maisonette	Total
Bromyard HMA	£25,587	£26,453	£41,216	-£38,722	£31,667
% Change	8%	14%	29%	-31%	13%
Herefordshire	£51,041	£37,122	£21,689	£17,824	£40,683
% Change	17%	20%	14%	15%	18%

Source: Icen Analysis of HM Land Registry Price Paid Data

Figure 14.6: House Price Heat Map – Bromyard HMA



Engagement with Estate and Letting Agents

- 14.22 Letting agents within the Bromyard HMA confirmed the rental market is strong, with a variety of renters from single people, renters to families and the elderly. There is market for elderly people renting in the area and agents suggest new-build retirement housing would be popular within the HMA.
- 14.23 There is no trend of renters wanting to live in the urban or rural areas although renters prefer to be closer to amenities. Agents suggest rental properties have been increasing in the HMA over the few years with suggested figures of £25 - £35 increases on average per calendar month.
- 14.24 Agents describe no general trend in short and long term lets, there are short term renters and longer more permanent renters in the area. The average prices for a 3- bedroom property in the HMA is £800 - £850 per calendar month.

Assessing Affordability of Market Housing

- 14.25 The Table below shows estimates of lower quartile house prices and rents by size of accommodation and location (urban/rural); figures are contrasted with those for the whole of the County.
- 14.26 The analysis shows across the HMA that prices start from around £77,000 for a 1-bedroom home and rising to £282,000 for a home with 4-bedrooms – prices were found to be higher in the rural parts of the HMA. When looking at rents, the analysis suggests that housing costs are very similar to those seen across the County with rental values in rural areas being higher than seen in urban locations.

Table 14.5 Entry-Level (Lower Quartile) Market Housing Costs

Lower Quartile Market Rent (PCM)	Bromyard urban	Bromyard rural	HMA	County
1-bedroom	£410	£450	£425	£425
2-bedrooms	£525	£605	£550	£550
3-bedrooms	£640	£745	£675	£675
4-bedrooms	£825	£975	£875	£875
All properties	£420	£715	£510	£500
Lower Quartile Purchase Price	Bromyard urban	Bromyard rural	HMA	County
1-bedroom	£71,000	£89,000	£77,000	£77,000
2-bedrooms	£138,000	£174,000	£150,000	£150,000
3-bedrooms	£181,000	£228,000	£197,000	£197,000
4-bedrooms	£259,000	£327,000	£282,000	£282,000
All properties	£154,000	£260,000	£184,000	£177,000

Source: Land Registry, ONS and Internet Price Search

14.27 The figure below shows the estimated income distribution for the whole HMA, with the table flowing splitting the median income data down by urban/rural locations. Overall, it is estimated that the average (mean) household income in the HMA is £42,500, with a median income of £32,300 and a lower quartile figure of £18,700. Incomes were found to be slightly higher in rural areas whilst the overall HMA figure is very slightly above the County average.

Figure 14.7: Distribution of Household Income, 2019

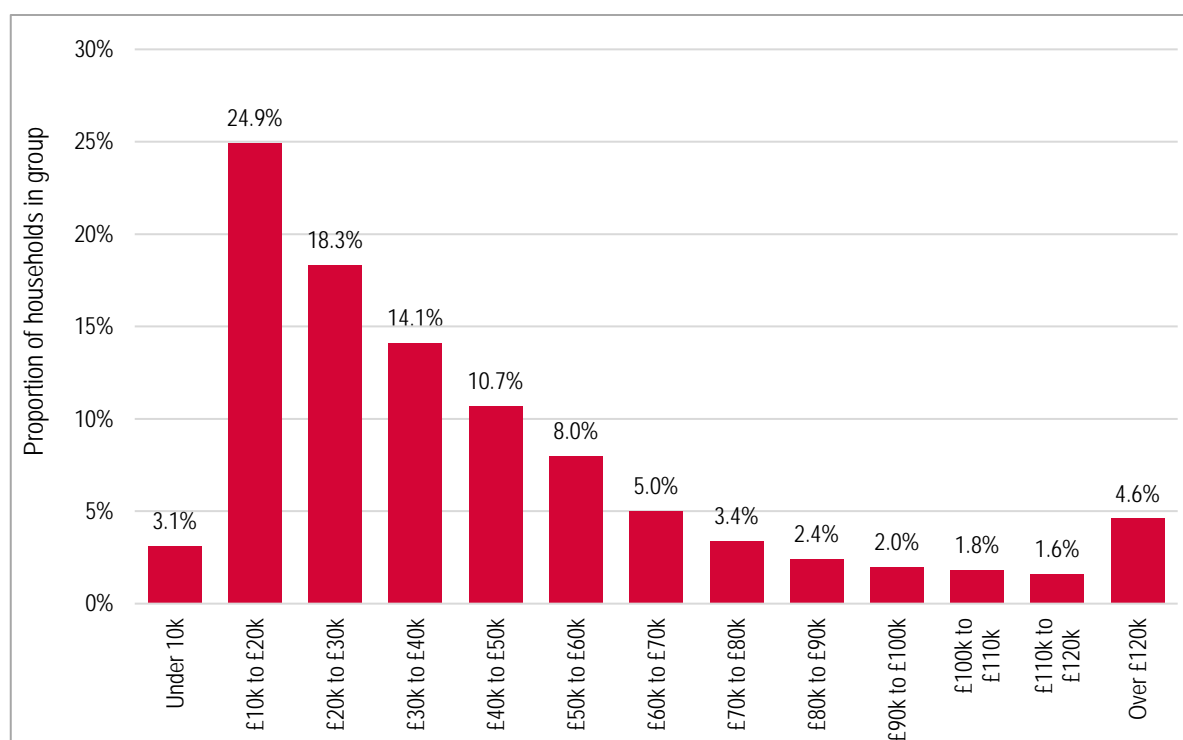


Table 14.6 Estimated Household Income, 2019

	Median income	As a % of County
Bromyard urban	£30,500	96%
Bromyard rural	£33,500	106%
HMA	£32,300	102%
County	£31,800	-

Source: Range of Sources Described in Methodology

Local Housing Need

14.28 Linking to the local housing need at a Herefordshire level of 846 homes per annum, our approach is that if a location has seen 10% of the growth, then it is projected that the sub-area will see around 10% of population growth moving forward. In addition, adjustments are made at a local level to take account of the communal population and also household structures by age. This is explained in greater detail from paragraphs 5.22 to 5.24.

14.29 The outputs for Bromyard are set out in the Table below.

Table 14.7 Estimated Household Change as a Proportion of Overall Need, Bromyard

	Housing Need	% of Need
Bromyard: Urban	24	2.8%
Bromyard: Rural	22	2.6%
Bromyard Total	47	5.5%
Herefordshire Total	846	100.0%

Affordable Housing Need

- 14.30 Following the same methodology used to consider the future housing mix at a County level as set out in Section 6, we have considered the level of affordable housing need in each HMA. The Tables below show the estimated need for affordable housing in the HMA – the first table looks at needs for social/affordable rented housing and the second considers needs for affordable home ownership (“AHO”) products.
- 14.31 Overall, the analysis suggests a need for 22 units of rented affordable housing per annum moving forward, with a particularly high need being seen in rural locations.

Table 14.8 Estimated Need for Social/Affordable Rented Housing (p.a.)

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Bromyard urban	1	9	6	17	13	4
Bromyard rural	4	17	4	25	8	18
HMA	5	27	10	42	20	22

Source: Range of Sources as Discussed

- 14.32 The analysis also identifies a potential need for AHO – albeit the need for this type of housing is somewhat lower than the need for rented accommodation.

Table 14.9 Estimated Need for Affordable Home Ownership (p.a.)

	Total Gross Need	Resale Supply (50% of LQ)	LCHO Supply	Total Supply	Net Need
Bromyard urban	9	8	0	8	2
Bromyard rural	17	10	0	11	6
HMA	26	18	1	18	8

Source: Range of Sources as Discussed

Older Persons Housing Need

- 14.33 Icen and JGC has also sought to consider the need for specialist accommodation at an HMA level following broadly the same approach to County-wide needs but with the current need being determined on a pro-rata basis linked to the local household population.
- 14.34 The HMA method is also slightly different in that it does not use data on local supply. However, by only looking at a current need based on the household population we are to some extent taking account of where supply is.
- 14.35 In order to establish the need for specialist housing, we have used the current (i.e., 2020) non-institutional population aged 75 and over to estimate current needs. Looking forward, we have considered the population change of people 75 and over the period to 2020-41 for future needs. The need for specialist accommodation – broken down by type and type - is shown in the Table below.

Table 14.10 Specialist Housing Need using adjusted SHOP@ Assumptions, 2020-41

		Current Shortfall/Surplus	Additional Demand to 2041	Net Need to 2041
Age-Exclusive	Market	3	5	8
	Affordable	-22	26	3
Total Age-Exclusive		-19	31	12
Housing with support	Market	75	67	143
	Affordable	41	50	92
Total Housing with Support		117	118	234
Housing with care	Market	12	40	53
	Affordable	10	30	39
Total Housing with Care		22	70	92
Residential care bedspaces		37	15	52
Nursing care bedspaces		4	42	46
Total bedspaces		41	57	98

Source: Derived from Demographic Projections and Housing LIN/EAC

- 14.36 The provision of a choice of attractive housing options to older households is a component of achieving good housing mix. The availability of such housing options for the growing older population may enable some older households to downsize from homes which no longer meet their housing needs or are expensive to run. The availability of housing options which are accessible to older people will also provide the opportunity for older households to 'rightsize' which can help improve their quality of life.
- 14.37 The Table above should be considered as providing a set of parameters for housing need in the HMA. The ultimate level of provision the Council seeks to support in Bromyard HMA will be influenced by its broader strategy for older persons housing and care at a County-wide level as well as at a local level.

Housing Mix

- 14.38 It is recognised that within Herefordshire and within each HMA there are spatial differences and therefore a different mix of housing may be more appropriate. Following the same methodology used to consider the future housing mix at a County level as set out in Section 8, we have worked through the key analysis to arrive a recommended housing mix for Bromyard HMA.
- 14.39 A series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures for the whole HMA as well as the urban and rural area. A key part of this is occupancy patterns and detailed tables are provided at Appendix A2 which consider both local and regional occupancy patterns for the HMA.
- 14.40 The data linking to local occupancy will to some extent reflect the role and function of the local area, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different sizes/tenures of homes when considered in a wider context. These have been brought together to provide a recommended housing mix, defined as a range, in the Table below.

Table 14.11 Bromyard HMA Recommend Housing Mix by Tenure by Size

		1 Bedroom	2 Bedrooms	3 Bedrooms	4+Bedrooms
Urban	Market	5%	30%	50%	15%
	Affordable home ownership	25%	40%	30%	5%
	Affordable rented housing	45%	35%	15%	5%
Rural	Market	5%	25%	50%	20%
	Affordable home ownership	20%	35%	40%	5%
	Affordable rented housing	30%	30%	35%	5%
HMA	Market	5%	25%	50%	20%
	Affordable home ownership	20%	40%	35%	5%
	Affordable rented housing	35%	35%	25%	5%

Source: Housing Market Model and Modelled Outputs, Appendix A2

15. KINGTON HOUSING MARKET

Geography

- 15.1 The Kington HMA is in the north west of the county, bordering Wales. It has a population of 11,785 (mid-2011), the second smallest of the HMA's after Golden Valley.
- 15.2 The HMA includes the town of Kington with a population of approximately 2,700 (2018) and surrounding areas. The parishes that make up the Kington HMA are located in the footnotes⁵¹.
- 15.3 The local housing market is primarily a rural area, with a low population density. Kington is the main town within the HMA, with a population of 2,700. Access to services in the rural areas is limited but Kington town is a rural service centre and contains facilities including a range of supermarkets, schools, train station, bus station.

Current Housing Offer

- 15.4 The HMA contained 4,741⁵² properties in March 2020 representing around 5% of total properties in Herefordshire which is the second smallest proportion of any of the HMAs above the Golden Valley HMA. Second homes represented 1.4% of properties (67 properties total) compared to 06% across Herefordshire. This is the second highest of any of the HMAs again only below Golden Valley HMA.
- 15.5 The tenure profile of housing in 2011 in the Kington HMA showed higher levels of private renting (16.2%) than other areas including Hereford and only behind Leominster. 67.6% of households were owner occupiers which is in line with the average across Herefordshire (67.7%) and closer to the profile of the main urban areas of Hereford and Leominster. The level of social renting was below average at 12.1%.
- 15.6 The Kington HMA had the second highest proportion of detached dwellings (55.7%) in the County in 2011 with non-terraced housing combining to comprise 80.2% of the dwelling stock which is above

⁵¹ Parishes: Almeley, Brilley, Brobury with Monnington on Wye, Eardisley, Huntington, Kington, Kington Rural, Kinnersley, Knill, Letton, Lower Harpton, Lyonshall, Norton Canon, Pembridge, Rodd, Nash and Little Brampton, Sarnesfield, Shobdon, Staunton on Arrow, Staunton on Wye, Titley, Whitney-on-Wye Willersley and Winforton

⁵² Council Tax Data, 2020

the County average of 70.4%. The proportion of flats / maisonettes was second lowest in the County only to Golden Valley HMA.

- 15.7 The Kington HMA largely follows the County average of a high proportion of 3 bedroom (44.4%) and 4 or more bedroom (26.5%) properties. The HMA contains a higher proportion of 3-bedroom properties than any other HMA in Herefordshire. The proportion of 1 bedroom properties was second lowest reflective of the lower proportion of flatted stock.
- 15.8 Over the 2011-20 period, total net completions of 213 dwellings have been delivered. This has supported housing stock growth of 0.5% per annum which is marginally below the County average. The provision of affordable housing has been relatively poor with 15% of all housing completions in the HMA delivered as affordable housing.

Table 15.1 Overview of Kington HMA Housing Offer and Supply Trends

HMA	Kington HMA		Herefordshire		
Total Dwellings, 2020	4,471		87,274		
Second Homes, 2019	67	1.4%	0.6%		
Net Completions, 2011-20	213		4,725		
Stock Growth pa	0.5%		0.6%		
% Affordable Housing Delivery	14%		23%		

Tenure Mix in 2011	Owner Occupied	Shared Ownership	Social Rented	Private Rented	Living Rent Free
Kington HMA	67.6%	0.9%	12.1%	16.2%	3.3%
Herefordshire	67.7%	1.0%	13.9%	15.5%	1.9%

Dwellings Mix in 2011	Studio	1 bed	2 bed	3 bed	4+ bed
Kington HMA	0.1%	5.3%	23.8%	44.4%	26.5%
Herefordshire	0.2%	9.0%	23.9%	42.1%	24.7%

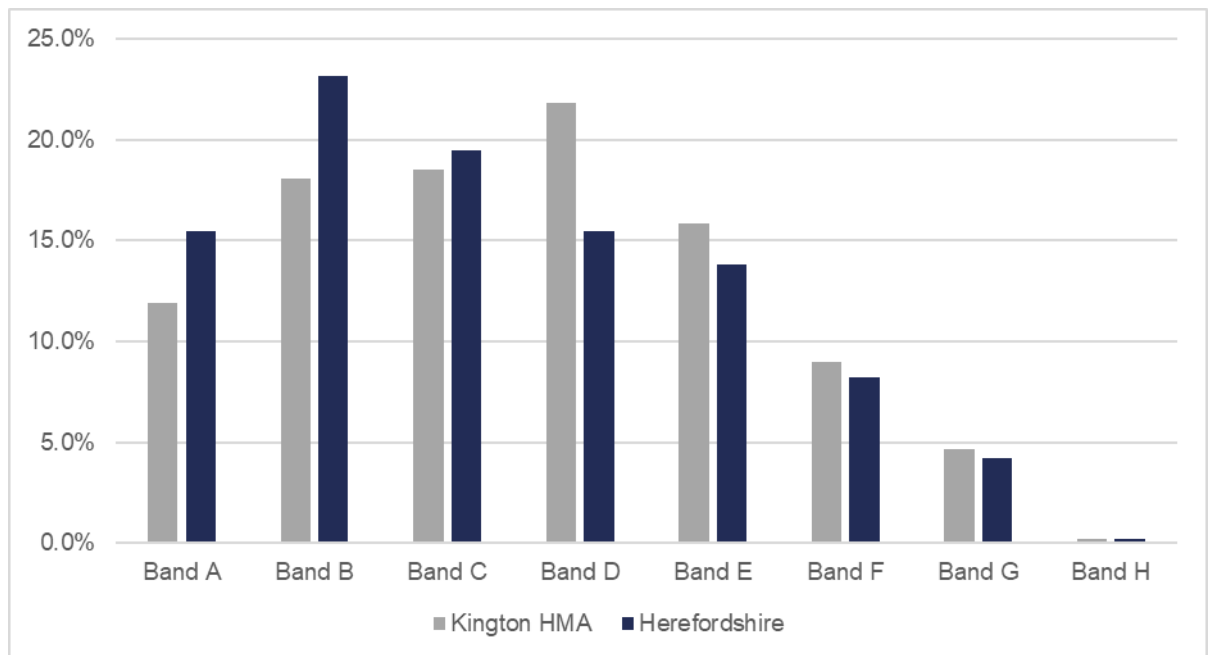
House Type Mix in 2011	Detached	Semi	Terraced	Flat/Maisonette
Kington HMA	55.7%	24.6%	12.6%	6.8%
Herefordshire	42.7%	27.7%	17.5%	12.2%

Sources: Council Tax Data, Census 2011, Housing Completions Monitoring

- 15.9 The HMA has a higher than average proportion of housing stock in the mid-range Council Tax bands of D to E which accounts for 37.7%⁵³ of properties in the HMA compared with the County average of 29.3%. A higher proportion of properties are in Bands A to C comprising almost half (48.5%) of all stock.

⁵³ Council Tax Data, 2020

Figure 15.1: Profile of Housing in Kington HMA by Council Tax Band, 2019

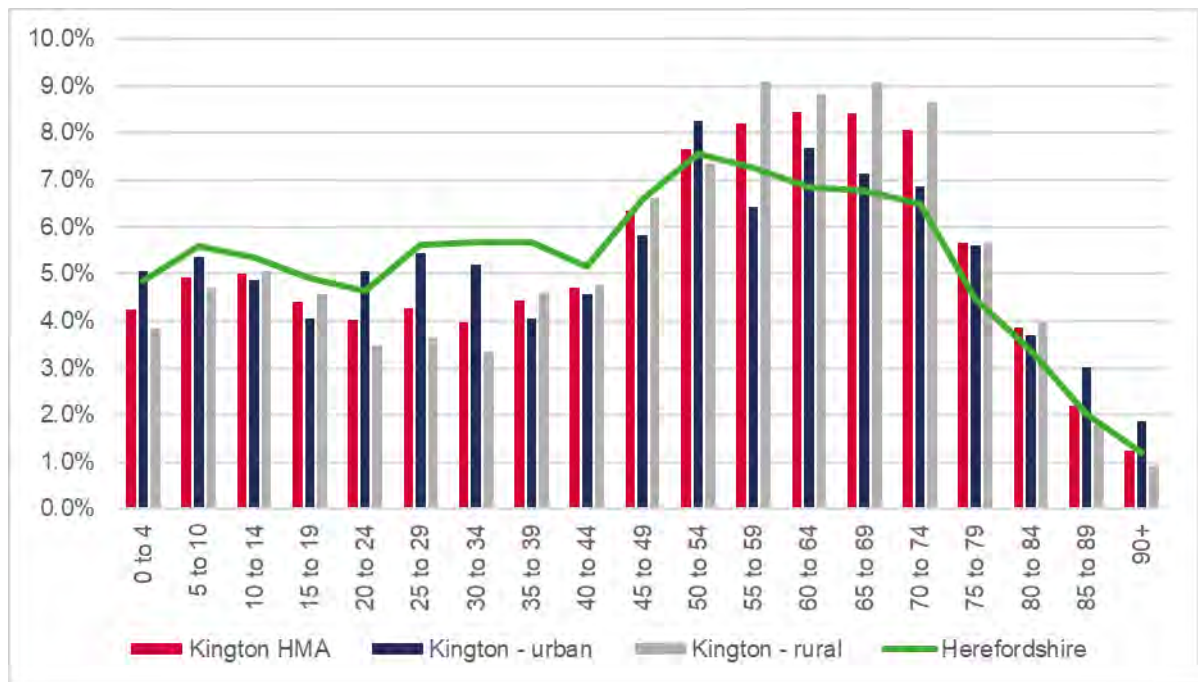


Source: Council Tax Data

Socio Economic Characteristics

- 15.10 The Kington HMA had an estimated population of 11,785 in 2018 of which 3,283 falls within the urban area of the HMA containing the market town of Kington. The HMA's population accounts for 5.1% of the County's population which is the second smallest proportion above the Golden Valley HMA. Around two-thirds of the population resides in the rural area of the HMA.
- 15.11 The population's age structure across the HMA is characterised more so by an older population with the proportion of those aged 50 and over in exceeding the Herefordshire average. This is particularly apparent in the rural area of the HMA with those aged 65 and over accounting for around 30% of the rural population which is the highest in the County. The profile of the population in the urban area is also relatively older; however, there is a proportion of younger adults (aged 20-29) living in the market town which is in line with the average across Herefordshire.

Figure 15.2: Age Structure, 2018



Source: ONS Mid-Year Population Estimates

15.12 The Kington HMA has the second lowest proportion of people of working-age in the County at 5,394 in 2018 which accounts for 55.2% of the population. The Kington HMA also has the highest proportion of retirement age population at 29.7% which is above County average of 24.7%. The working-age population is more focussed towards the town where it accounts for 66% of those aged 16 and over in the HMA.

15.13 In the years 2011 to 2018, the Bromyard HMA has seen a 3.4% increase in its population. This is below the level of population growth across Herefordshire at 4.6%. Drilling into the HMA, population growth has actually been stronger in the rural area (4.5%) than in the urban area (1.2%).

Table 15.2 Kington HMA Population Growth, 2011- 2018

	Population, 2011	Population, 2018	Change
Kington - Urban	3,243	3,283	1.2%
Kington - Rural	6,213	6,492	4.5%
Kington HMA	9,456	9,775	3.4%
Herefordshire	183,619	192,107	4.6%

Source: ONS Small Area Mid-Year Population Estimates

15.14 In employment terms, the HMA supported around 2,500⁵⁴ employee jobs in 2018 of which approximately 900 are in Kington town. The town of Kington is a significantly smaller employment centre within the County.

15.15 The Kington HMA has the highest proportion of residents working in skills trade occupations with almost a quarter (23.3%) doing so compared to Herefordshire as a whole at 16.4% and the West Midlands at 12.2%. In general, the Kington HMA sees a lower proportion of professional occupations compared the other HMAs in Herefordshire.

Housing Market Performance

15.16 HM Land Registry price paid data⁵⁵ indicates that the average house price paid for standard property in Kington over the last three years (2017 to 2019) was £278,650 which is 8.2% above the County average of £257,500 over this period. The average price in the last 12 months to July 2020 was £290,600 in the HMA.

15.17 The Kington HMA recorded an average house price in 2019 at just under £291,000. This is shown in the Table below and is 11% above the Herefordshire average of £262,000 in the same year.

Table 15.3 House Price Dynamics – Kington HMA

Kington HMA	Detached	Semi Detached	Terraced	Flat/ Maisonette	All Sales
Current Vales, 2019	£380,499	£215,640	£162,133	£87,750	£290,922
5 Year Change: Actual	£83,983	£45,631	£1,502	£-3,750	£35,008
5 Year Change: %	28%	27%	1%	-4%	14%
Herefordshire	Detached	Semi Detached	Terraced	Flat/ Maisonette	All Sales
Current Vales, 2019	£354,325	£222,855	£178,679	£132,938	£262,047
5 Year Change: Actual	£51,041	£17,824	£37,122	£21,689	£40,683
5 Year Change: %	17%	20%	14%	15%	18%

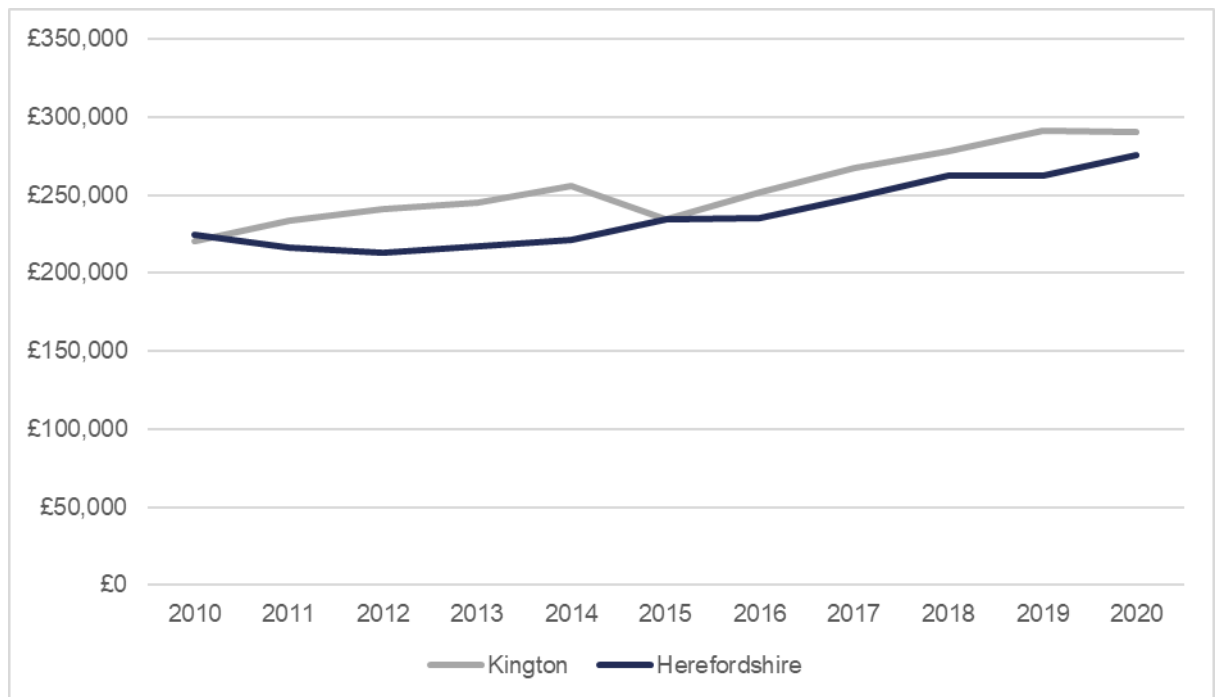
Source: Icen Analysis of HM Land Registry Price Paid Data

15.18 The Kington HMA has seen growth in house prices of £35,000 over the last five years (14%), which is below the Herefordshire average. The strongest growth in values has been for detached properties (28%), followed by semi-detached (27%) properties. The longer-term trend over the last decade is shown in the Figure below and indicates that house prices in the HMA have outperformed the County.

⁵⁴ BRES, 2018

⁵⁵ HM Land Registry, Price Paid Data, 2020

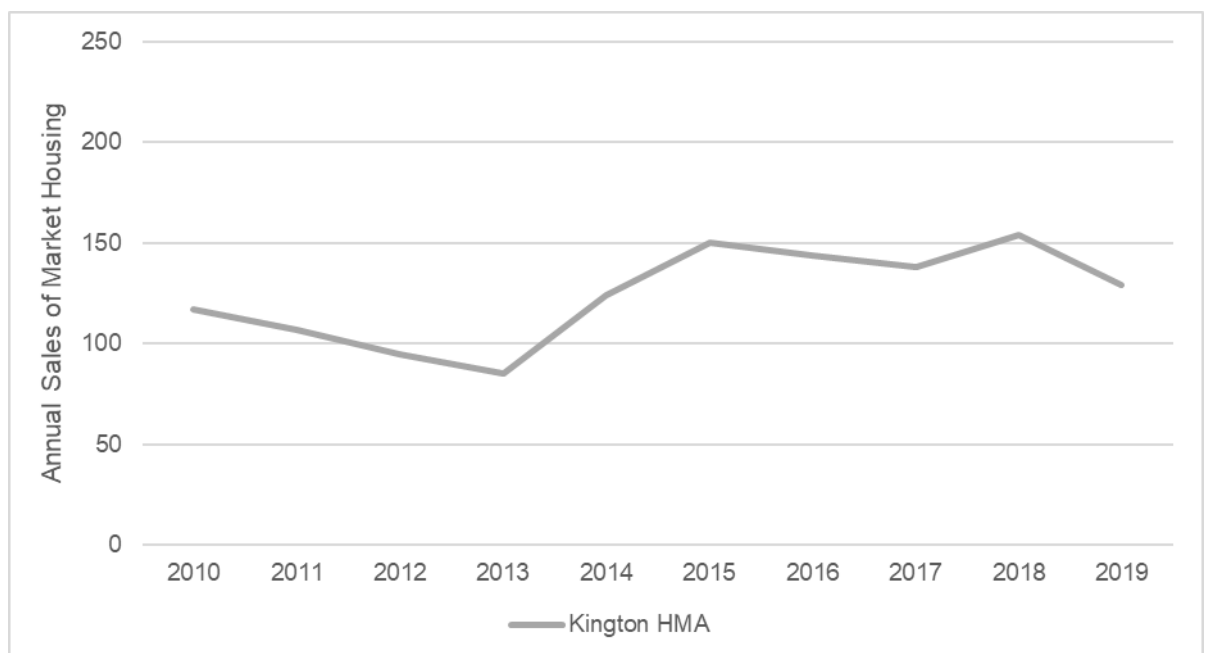
Figure 15.4: Average House Price Growth, 2010-2020



Source: IcenI Analysis of HM Land Registry Price Paid Data

15.19 IcenI has analysed the distribution of sales in the HMA over the last decade. Average sales over the last 5 years (2014-19) have been just under 145 per year. The level of market activity is partly influenced by the lower level of housing stock compared with other HMAs and the higher proportion of older persons who tend to move less. The longer-term sales trend is shown below over the last decade which has seen a gradual increase in the post-recessionary period with a recent decline.

Figure 15.5: Sales Trend – Kington HMA, 2010-19



Source: IcenI Analysis of HM Land Registry Price Paid Data

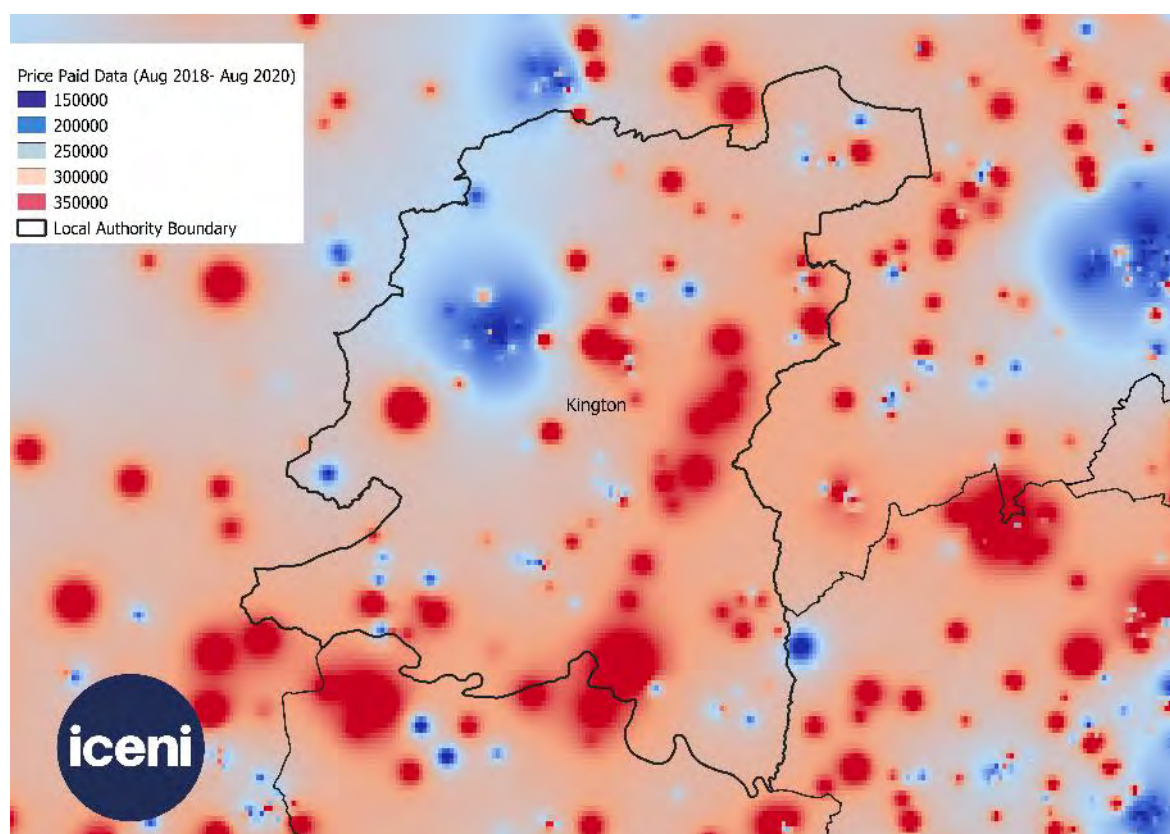
15.20 The sales profile (2019 and Q1 2020) shows that the majority of sales have been for detached properties with detached sales accounting for 55% of all sales followed by semi-detached (22%) and terraced (20%). The increase in detached and semi-detached values in the HMA has been well above the County average over the last five years, as is shown in the Table below.

Table 15.4 House Price Changes – Kington HMA, 2014-19

	Detached	Semi Detached	Terraced	Flat/ Maisonette	Total
Kington HMA	£83,983	£45,631	£1,502	-£3,750	£35,008
% Change	28%	27%	1%	-4%	14%
Herefordshire	£51,041	£37,122	£21,689	£17,824	£40,683
% Change	17%	20%	14%	15%	18%

Source: Icen Analysis of HM Land Registry Price Paid Data

Figure 15.6: House Price Heat Map – Kington HMA



Engagement with Estate and Letting Agents

15.21 Estate agents within the Kington HMA described a particularly active sales market, this was attributed for the Stamp Duty Land Tax holiday and purchasers wanting to relocate ahead of the financial instability caused by covid-19.

- 15.22 There is a variety of purchasers within the HMA although there is a particular demand from families looking for 3 and 4-bedroom properties with gardens. Given this demand agents described a gap in the market of this type of property as they are put on the market and purchased particularly quickly compared to other properties.
- 15.23 The HMA attracts purchasers from outside of the County, agents referred to a trend in purchasers coming from the south east of the England as they are attracted by Herefordshire's lower average house prices, hence they can afford larger properties in the HMA.
- 15.24 Estate agents described local residents on lower wages often cannot afford properties within the HMA, this particularly effects first time buyers. House prices have increased slightly over the last few years within the HMA.

Assessing Affordability of Market Housing

- 15.25 The Table below shows estimates of lower quartile house prices and rents by size of accommodation and location (urban/rural); figures are contrasted with those for the whole of the County.
- 15.26 The analysis shows across the HMA that prices start from around £71,000 for a 1-bedroom home and rising to £262,000 for a home with 4-bedrooms – prices were found to be substantially higher in the rural parts of the HMA. When looking at rents, the analysis suggests that housing costs are lower than those seen across the County with rental values in rural areas markedly higher than seen in urban locations.

Table 15.5 Entry-Level (Lower Quartile) Market Housing Costs

Lower Quartile Market Rent (PCM)	Kington urban	Kington rural	HMA	County
1-bedroom	£390	£430	£410	£425
2-bedrooms	£480	£565	£525	£550
3-bedrooms	£585	£695	£645	£675
4-bedrooms	£745	£900	£830	£875
All properties	£385	£680	£530	£500
Lower Quartile Purchase Price	Kington urban	Kington rural	HMA	County
1-bedroom	£61,000	£80,000	£71,000	£77,000
2-bedrooms	£119,000	£156,000	£139,000	£150,000
3-bedrooms	£156,000	£205,000	£183,000	£197,000
4-bedrooms	£223,000	£294,000	£262,000	£282,000
All properties	£130,000	£234,000	£182,000	£177,000

Source: Land Registry, ONS and Internet Price Search

15.27 The figure below shows the estimated income distribution for the whole HMA, with the table flowing splitting the median income data down by urban/rural locations. Overall, it is estimated that the average (mean) household income in the HMA is £39,400, with a median income of £29,900 and a lower quartile figure of £17,300. Incomes were found to be higher in rural areas whilst the overall HMA figure is above the County average.

Figure 15.7 : Distribution of Household Income, 2019

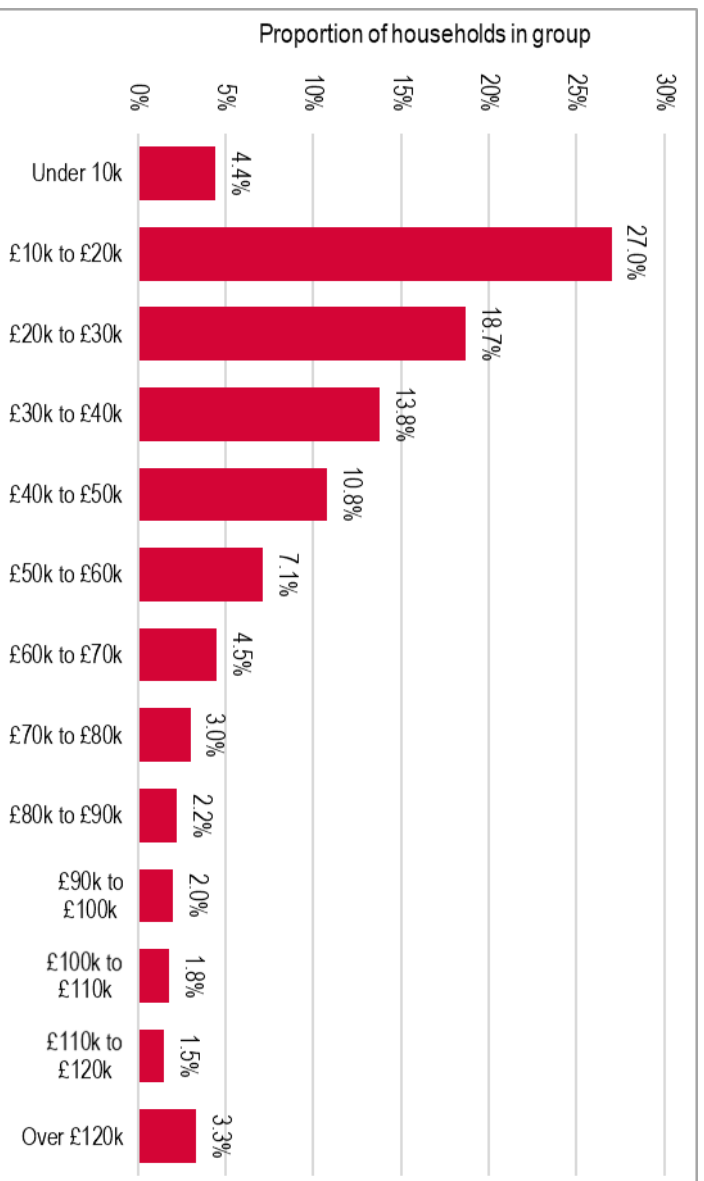


Table 15.6 Estimated Household Income, 2019

	Median income	As a % of County
Kington urban	£28,200	89%
Kington rural	£31,000	98%
HMA	£29,900	94%
County	£31,800	-

Source: Range of Sources Described in Methodology

Local Housing Need

15.28 Linking to the local housing need at a Herefordshire level of 846 homes per annum, our approach is that if a location has seen 10% of the growth, then it is projected that the sub-area will see around 10% of population growth moving forward. In addition, adjustments are made at a local level to take account of the communal population and also household structures by age. This is explained in greater detail from paragraphs 5.22 to 5.24.

15.29 The outputs for Kington are set out in the Table below.

Table 15.7 Estimated Household Change as a Proportion of Overall Need, Kington

	Housing Need	% of Need
Kington: Urban	9	1.0%
Kington: Rural	27	3.2%
Kington Total	36	4.2%
Herefordshire Total	846	100.0%

Affordable Housing Need

- 15.30 Following the same methodology used to consider the future housing mix at a County level as set out in Section 6, we have considered the level of affordable housing need in each HMA. The Tables below show the estimated need for affordable housing in the HMA – the first table looks at needs for social/affordable rented housing and the second considers needs for affordable home ownership (“AHO”) products.
- 15.31 Overall, the analysis suggests a need for 22 units of rented affordable housing per annum moving forward, with a significantly greater portion needed in the rural area of the HMA.

Table 15.8 Estimated Need for Social/Affordable Rented Housing (p.a.)

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Kington urban	1	7	4	12	8	4
Kington rural	3	18	5	26	8	18
HMA	4	25	8	38	16	22

Source: Range of Sources as Discussed

- 15.32 The analysis also identifies a potential need for AHO with a total of 7 homes per annum; however, it should be recognised that the need for AHO products is some way below the need for affordable rented homes.

Table 15.9 Estimated Need for Affordable Home Ownership (p.a.)

	Total Gross Need	Resale Supply (50% of LQ)	LCHO Supply	Total Supply	Net Need
Kington urban	6	5	0	5	1
Kington rural	15	9	0	9	6
HMA	21	13	1	14	7

Source: Range of Sources as Discussed

Older Persons Housing Need

- 15.33 Icen and JGC has also sought to consider the need for specialist accommodation at an HMA level following broadly the same approach to County-wide needs but with the current need being determined on a pro-rata basis linked to the local household population.
- 15.34 The HMA method is also slightly different in that it does not use data on local supply. However, by only looking at a current need based on the household population we are to some extent taking account of where supply is.
- 15.35 In order to establish the need for specialist housing, we have used the current (i.e., 2020) non-institutional population aged 75 and over to estimate current needs. Looking forward, we have considered the population change of people 75 and over the period to 2020-41 for future needs. The need for specialist accommodation – broken down by type and type - is shown in the Table below.

Table 15.10 Specialist Housing Need using adjusted SHOP@ Assumptions, 2020-41

		Current Shortfall/Surplus	Additional Demand to 2041	Net Need to 2041
Age-Exclusive	Market	3	4	7
	Affordable	-17	22	4
Total Age-Exclusive		-15	26	11
Housing with support	Market	58	56	115
	Affordable	32	42	74
Total Housing with Support		91	98	189
Housing with care	Market	10	33	43
	Affordable	7	25	32
Total Housing with Care		17	58	75
Residential care bedspaces		29	12	41
Nursing care bedspaces		3	35	38
Total bedspaces		32	48	79

Source: Derived from Demographic Projections and Housing LIN/EAC

- 15.36 The provision of a choice of attractive housing options to older households is a component of achieving good housing mix. The availability of such housing options for the growing older population may enable some older households to downsize from homes which no longer meet their housing needs or are expensive to run. The availability of housing options which are accessible to older people will also provide the opportunity for older households to 'rightsize' which can help improve their quality of life.
- 15.37 The Table above should be considered as providing a set of parameters for housing need in the HMA. The ultimate level of provision the Council seeks to support in Kington HMA will be influenced by its broader strategy for older persons housing and care at a County-wide level as well as at a local level.

Housing Mix

- 15.38 It is recognised that within Herefordshire and within each HMA there are spatial differences and therefore a different mix of housing may be more appropriate. Following the same methodology used to consider the future housing mix at a County level as set out in Section 8, we have worked through the key analysis to arrive a recommended housing mix for Kington HMA.
- 15.39 A series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures for the whole HMA as well as the urban and rural area. A key part of this is occupancy patterns and detailed tables are provided at Appendix A2 which consider both local and regional occupancy patterns for the HMA.
- 15.40 The data linking to local occupancy will to some extent reflect the role and function of the local area, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different sizes/tenures of homes when considered in a wider context. These have been brought together to provide a recommended housing mix, defined as a range, in the Table below.

Table 15.11 Kington HMA Recommend Housing Mix by Tenure by Size

		1 Bedroom	2 Bedrooms	3 Bedrooms	4+Bedrooms
Urban	Market	5%	35%	50%	10%
	Affordable home ownership	20%	40%	35%	5%
	Affordable rented housing	35%	35%	25%	5%
Rural	Market	5%	25%	50%	20%
	Affordable home ownership	15%	35%	40%	10%
	Affordable rented housing	30%	35%	30%	5%
HMA	Market	5%	25%	50%	20%
	Affordable home ownership	20%	35%	40%	5%
	Affordable rented housing	30%	35%	30%	5%

Source: Housing Market Model and Modelled Outputs, Appendix A2

16. GOLDEN VALLEY HOUSING MARKET

Geography

- 16.1 The Golden Valley is the most rural HMA, to the west of the county, bordering Wales, and the only one without a market town. It has the smallest population of the 7 HMA's – its population was estimated at 9,775 in mid-2018.
- 16.2 The area is served by the A438 which links Hereford to Hay-on-Wye, and the A465 which runs south-west from Hereford towards Abergavenny. Public transport links limited, the 461 bus route to Hereford services the town but this journey takes approximately an hour.

Current Housing Offer

- 16.3 The HMA contained 2,918⁵⁶ properties in March 2020 representing 3% of the total properties in Herefordshire. Second homes represented 2.3% of properties (67 properties total) compared to 0.6% across Herefordshire. This is the highest proportion of second homes of any of the HMAs.
- 16.4 The tenure profile of housing in 2011 in the Golden Valley HMA showed higher levels of home ownership than other any HMA in Herefordshire with three-quarters (75.0%) of households being owner occupiers. The HMA had a notably low level of social renting (7.7%) compared with the County average (13.9%). The level of private renting was 13.8% which is below the Hereford average (15.5%).
- 16.5 Detached housing was the predominant house type based on the 2011 Census. This HMA sees the second highest proportion of detached houses within the County below the Golden Valley HMA with around 55% of all housing being detached followed by semi-detached (21.5%).
- 16.6 In 2011 the Golden Valley HMA had a significantly high proportion of detached housing which accounted for 70.6% of all housing stock which is well above the Herefordshire average of 42.7% followed by semi-detached housing (18.4%) which is again reflective of the rural nature of the HMA. In respect of the size of properties, around three-quarters of stock (74.7%) was at least a 3 bedroom property with a comparatively higher proportion (32.4%) of four or more bedroom properties.
- 16.7 Over the 2011-20 period, total net completions of 50 dwellings have been delivered. This has supported housing stock growth of 0.2% per annum which is below the County average. Levels of

⁵⁶ Council Tax Data, 2020

affordable housing delivery have been notably poor with 6% of all completions being delivered as affordable housing which is principally linked to the size of schemes which come forward in the HMA (i.e., they do not meet the size threshold for delivering affordable housing).

Table 16.1 Overview of Golden Valley HMA Housing Offer and Supply Trends

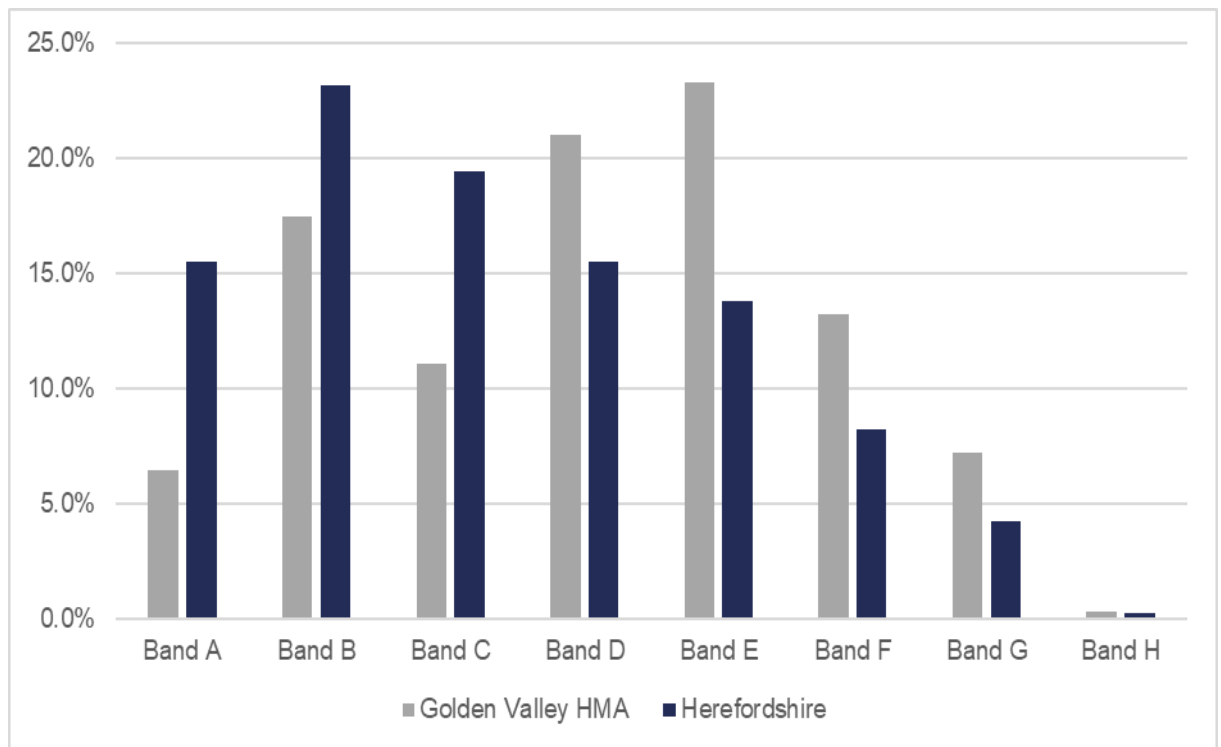
HMA	Golden Valley HMA		Herefordshire		
Total Dwellings, 2020	2,918		87,274		
Second Homes, 2019	67	2.3%	0.6%		
Net Completions, 2011-20	50		4,725		
Stock Growth pa	0.2%		0.6%		
% Affordable Housing Delivery	6%		23%		
Tenure Mix in 2011	Owner Occupied	Shared Ownership	Social Rented	Private Rented	Living Rent Free
Golden Valley HMA	75.0%	0.8%	7.7%	13.8%	2.7%
Herefordshire	67.7%	1.0%	13.9%	15.5%	1.9%
Dwellings Mix in 2011	Studio	1 bed	2 bed	3 bed	4+ bed
Golden Valley HMA	0.1%	4.1%	21.1%	42.3%	32.4%
Herefordshire	0.2%	9.0%	23.9%	42.1%	24.7%
House Type Mix in 2011	Detached	Semi	Terraced	Flat/Maisonette	
Golden Valley HMA	70.6%	18.4%	7.5%	2.8%	
Herefordshire	42.7%	27.7%	17.5%	12.2%	

Sources: Council Tax Data, Census 2011, Housing Completions Monitoring

- 16.8 The HMA has a significantly high proportion of properties in Council Tax Bands E to H when set against the rest of the County and England. These bands account for 44.0%⁵⁷ of properties in Golden Valley compared to 26.4% across Herefordshire and 19.2% nationally.

⁵⁷ Council Tax Data, 2020

Figure 16.1: Profile of Housing in Golden Valley HMA by Council Tax Band, 2019

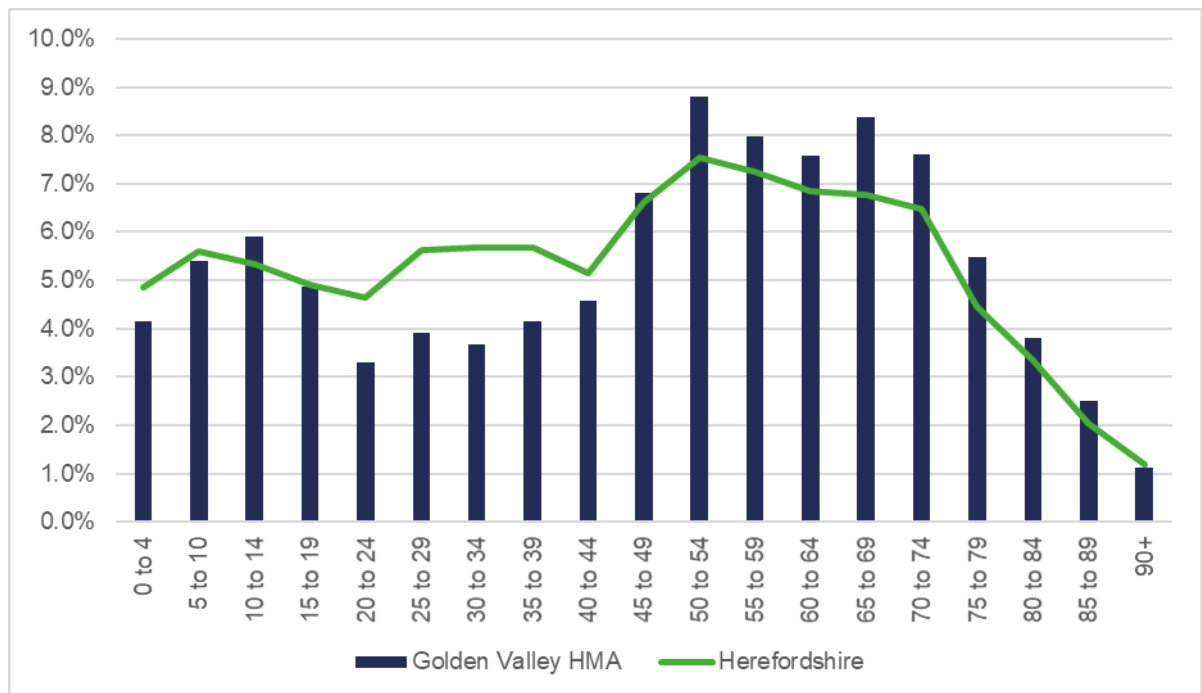


Source: Council Tax Data

Socio Economic Characteristics

- 16.9 The Golden Valley HMA had an estimated population of 6,176 in 2018. The population makes up only 3.2% of the total Herefordshire population and is therefore the least populated HMA in Herefordshire. This is principally due to there being no market town in the HMA with the area being entirely rural.
- 16.10 The age structure of the population is focussed more so on an older population with a concentration of those aged in their 50s and 60s. There are however a relatively notable proportion of children in the HMA with 17.7% of the population aged 15 or less which is the highest of any HMA in the County. The profile of older persons and families is largely reflective of the rural nature of the HMA and opportunities for family-sized housing.

Figure 8.2: Age Structure, 2018



Source: ONS Mid-Year Population Estimates

16.11 The Golden Valley HMA has the lowest number and proportion of people of working-age in the County at 3,367 in 2018 which accounts for 54.5% of the population. The HMA also has the second highest proportion of retirement age population at 29.1% which is notably above County average of 24.7%.

16.12 In the years 2011 to 2018, the Golden Valley HMA has seen only a 1.8% increase in its population largely due to the rural nature of the HMA. This is understandably below the level of population growth across Herefordshire at 4.6%.

Table 16.2 Golden Valley HMA Population Growth, 2011- 2018

	Population, 2011	Population, 2018	Change
Golden Valley HMA	6,067	6,176	1.8%
Herefordshire	183,619	192,107	4.6%

Source: ONS Small Area Mid-Year Population Estimates

16.13 In employment terms, the HMA supported around 1,250⁵⁸ employee jobs in 2018. The HMA has the second highest proportion of residents working in skills trade occupations with just over a fifth (20.4%) doing so compared to Herefordshire as a whole at 16.4% and the West Midlands at 12.2%. It also has a relatively high proportion of residents with roles as Managers, Directors and Senior Officials

⁵⁸ BRES, 2018

with 13.3% compared to 11.7%. In general, the HMA is characterised by seasonal workers and family households headed by those in professional occupations.

Housing Market Performance

- 16.14 HM Land Registry price paid data⁵⁹ indicates that the average house price paid for standard property in the Golden Valley HMA over the last three years (2017 to 2019) was £321,450 which is equal to a substantial 25% above the County average of £257,500; and is also the highest average in the County over this period. The average price in the last 12 months to July 2020 was higher at £365,350.
- 16.15 The Golden Valley HMA had one of the highest median prices out of the 7 HMAs with the average house price in 2019 being 11.2% above the Herefordshire average. The house price trend typically fluctuates due to the rural nature of the HMA and availability of properties for sale.

Table 16.3 House Price Dynamics – Golden Valley HMA

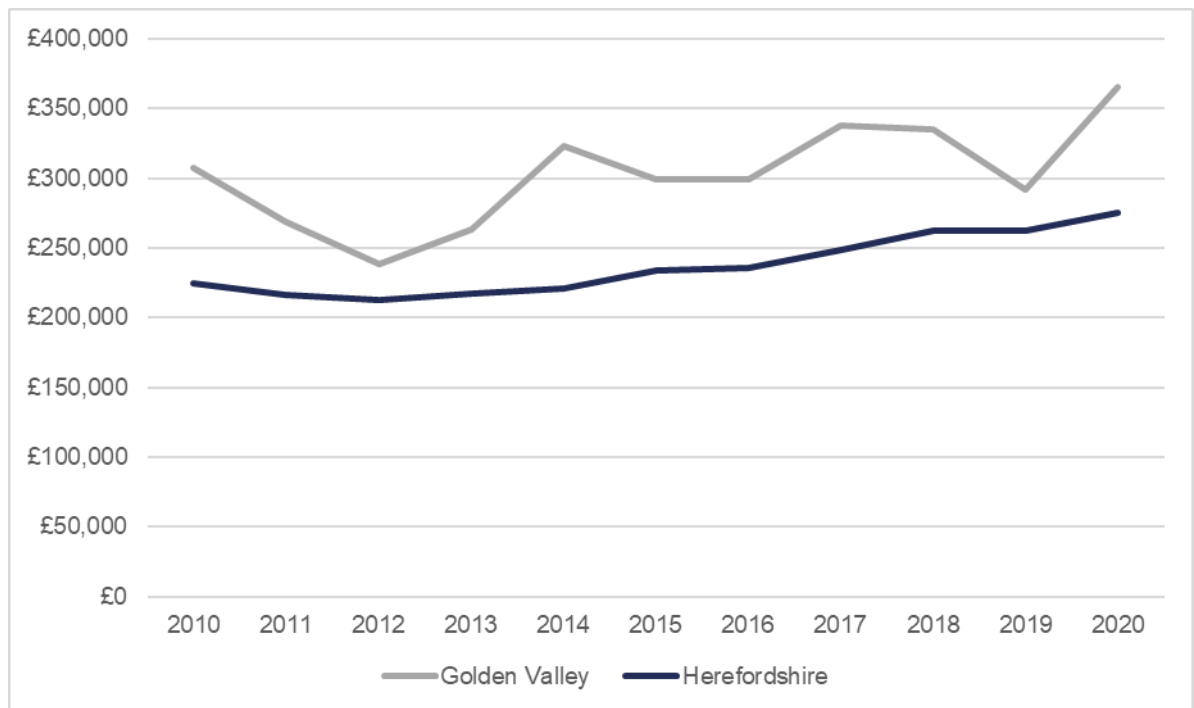
Golden Valley HMA	Detached	Semi Detached	Terraced	Flat/ Maisonette	All Sales
Current Vales, 2019	£384,411	£256,500	£132,857	n.a.	£291,415
5 Year Change: Actual	£8,794	£38,714	£-29,500	n.a.	£-31,454
5 Year Change: %	2%	18%	-18%	n.a.	-10%
Herefordshire	Detached	Semi Detached	Terraced	Flat/ Maisonette	All Sales
Current Vales, 2019	£354,325	£222,855	£178,679	£132,938	£262,047
5 Year Change: Actual	£51,041	£17,824	£37,122	£21,689	£40,683
5 Year Change: %	17%	20%	14%	15%	18%

Source: Icen Analysis of HM Land Registry Price Paid Data

- 16.16 The Golden Valley HMA has seen a fall in house prices of around £31,450 over the last five years (equal to a reduction of 10%), which is some way below the Herefordshire average. The strongest growth in values has been for semi-detached properties with a notable reduction in terraced property values.
- 16.17 The longer-term trend since 2020 is shown below and indicates that house prices in the HMA have fluctuated sporadically – partly due to a number of outliers year-on-year influenced by the lower number of overall sales and larger properties becoming available.

⁵⁹ HM Land Registry, Price Paid Data, 2020

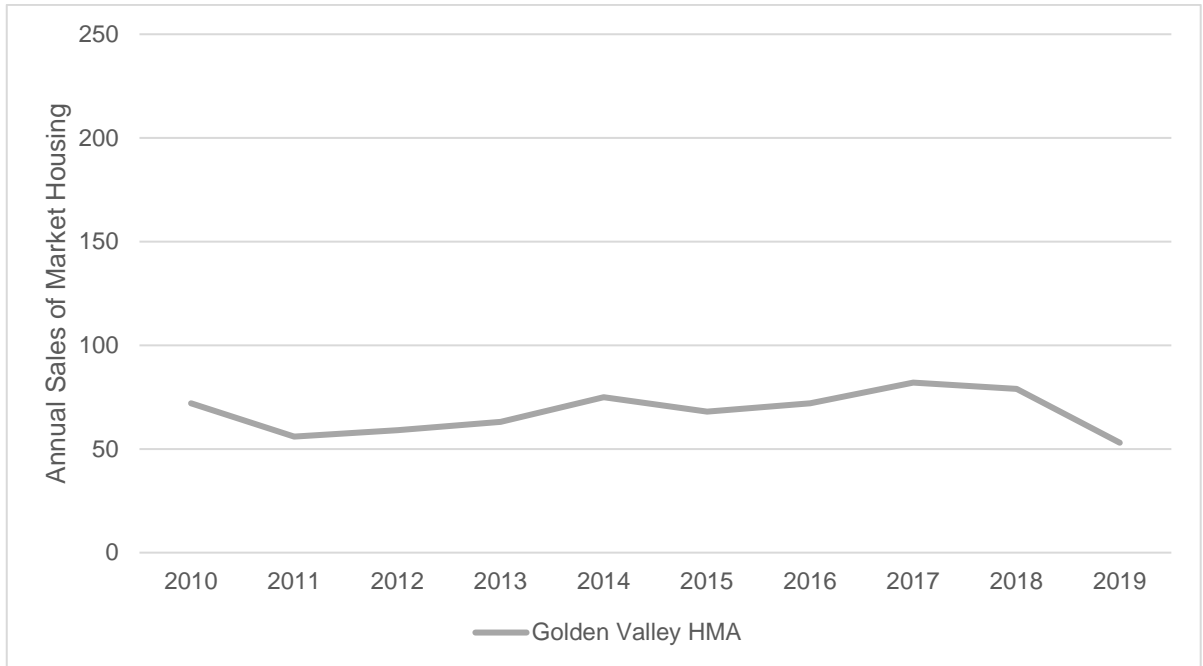
Figure 16.3: Average House Price Growth, 2010-2020



Source: IcenI Analysis of HM Land Registry Price Paid Data

- 16.18 IcenI has analysed the distribution of sales in the HMA over the last decade. Average sales over the last 5 years (2014-19) have been just above 70 per year. The level of market activity is partly influenced by the lower level of housing stock compared with other HMAs and the higher proportion of older persons who tend to move less. The longer-term sales trend over the last decade is shown below which demonstrates the HMA experienced a gradual increase in sales in the post-recessionary period with a recent decline.

Figure 16.4: Sales Trend – Golden Valley HMA, 2010-19



Source: IcenI Analysis of HM Land Registry Price Paid Data

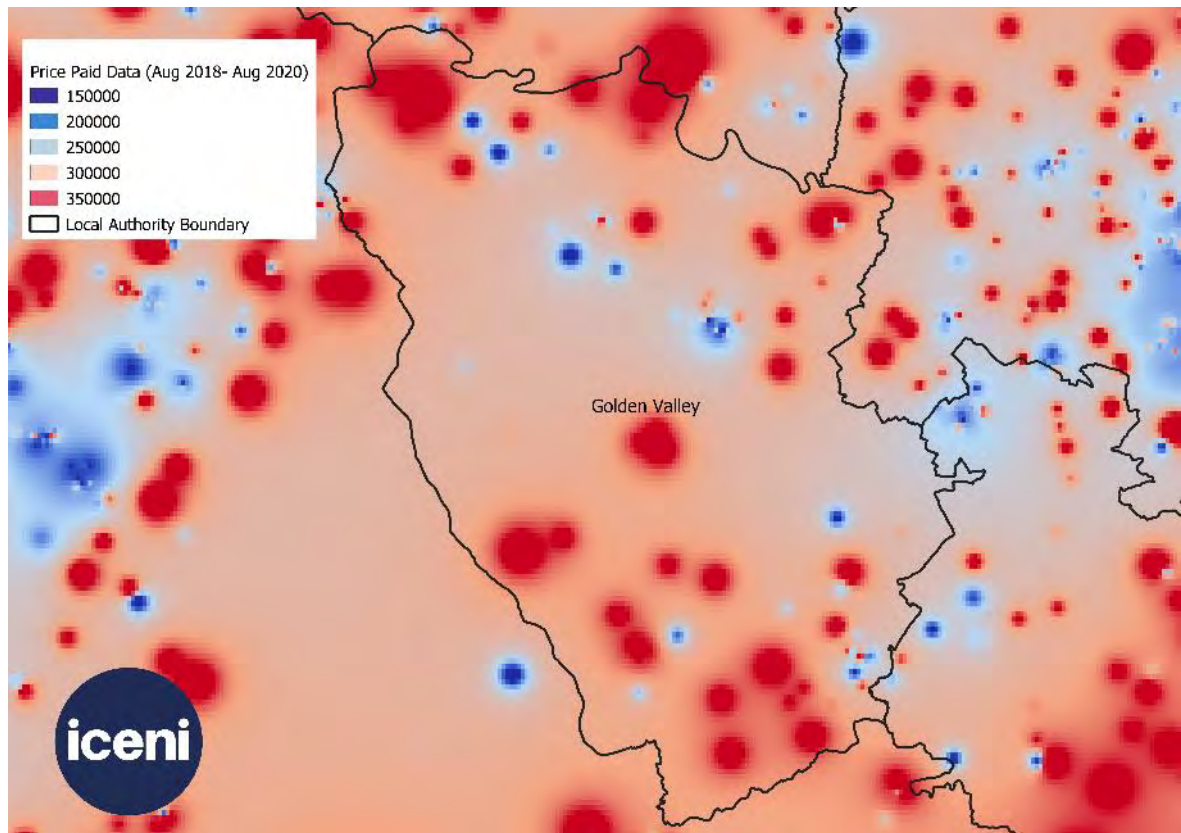
16.19 The sales profile (2019 and Q1 2020) shows that the majority of sales have been for detached properties with detached sales accounting for 54% of all sales followed by terraced (25%) and semi-detached (20%). The terraced market has therefore been relatively active although values have decreased substantially over the five year period as is shown in the Table below.

Table 16.4 House Price Changes – Golden Valley HMA, 2014-19

	Detached	Semi Detached	Terraced	Flat/ Maisonette	Total
Golden Valley	£8,794	£38,714	-£29,500	n.a.	-£31,454
% Change	2%	18%	-18%	n.a.	-10%
Herefordshire	£51,041	£37,122	£21,689	£17,824	£40,683
% Change	17%	20%	14%	15%	18%

Source: IcenI Analysis of HM Land Registry Price Paid Data

Figure 16.5: House Price Heat Map – Golden Valley HMA



Engagement with Estate and Letting Agents

- 16.20 As there is no town within the Golden Valley HMA, Iceni has engaged with agents in the surrounding town who cover the Golden Valley HMA. Estate agents describe an active sales market within this HMA, with this HMA being more rural in nature potential purchasers are looking for village locations.
- 16.21 The HMA attracts variety of buyers although there are less first time buyers in the area due to the higher house prices compared the other HMAs. Agents referred to a greater proportion of out of area purchasers looking for 3 and 4-bedroom family homes, with gardens.
- 16.22 There is less of a demand for elderly accommodation within the HMA given its rural nature residents are reliant on cars. House prices in this HMA have seen a small and steady increase over the previous few years. One agent suggested there is a steady interest in self build plots within this HMA.
- 16.23 Letting agents suggested a strong rental market within the HMA, given its rural nature the area sees lots of potential renters looking for rural properties in the area, particularly 2 and 3-bedroom properties for families.

- 16.24 Letting agents suggest all type of properties are sought after within the HMA but there is a particular demand for larger family homes. Agents described a trend of renters in the HMA usually currently living in the County. The average prices for a 3- bedroom property in the HMA is £800 - £850 per calendar month.

Assessing Affordability of Market Housing

- 16.25 The Table below shows estimates of lower quartile house prices and rents by size of accommodation and location (urban/rural); figures are contrasted with those for the whole of the County.
- 16.26 The analysis shows across the HMA that prices start from around £81,000 for a 1-bedroom home and rising to £157,000 for a home with 4-bedrooms. When looking at rents, the analysis suggests that housing costs are higher than those seen across the County; however, the difference is not significant.

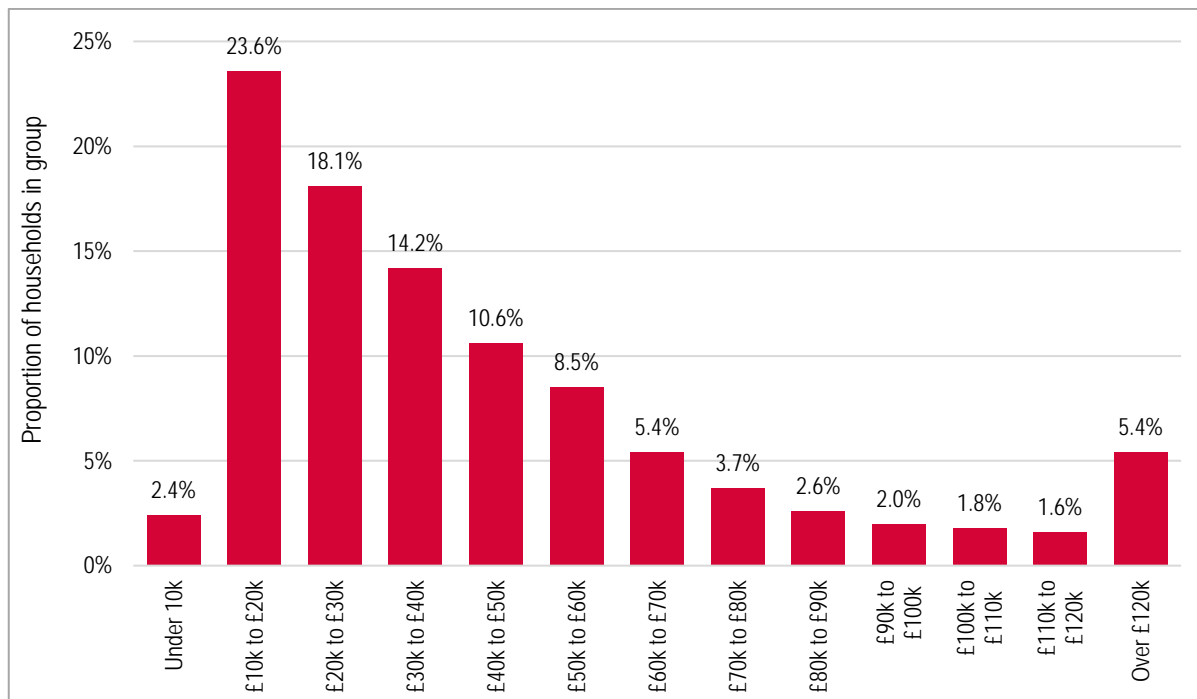
Table 16.5 Entry-Level (Lower Quartile) Market Housing Costs

Lower Quartile Market Rent (PCM)	Golden Valley	County
1-bedroom	£435	£425
2-bedrooms	£565	£550
3-bedrooms	£695	£675
4-bedrooms	£905	£875
All properties	£645	£500
Lower Quartile Purchase Price	Golden Valley	County
1-bedroom	£81,000	£77,000
2-bedrooms	£157,000	£150,000
3-bedrooms	£207,000	£197,000
4-bedrooms	£296,000	£282,000
All properties	£219,000	£177,000

Source: Land Registry, ONS and Internet Price Search

- 16.27 The figure below shows the estimated income distribution for the HMA. Overall, it is estimated that the average (mean) household income in the HMA is £44,400, with a median income of £33,800 and a lower quartile figure of £19,500. Incomes were found to be higher in rural areas whilst the overall HMA figure is above the County average.

Figure 16.6: Distribution of Household Income, 2019



Local Housing Need

16.28 Linking to the local housing need at a Herefordshire level of 846 homes per annum, our approach is that if a location has seen 10% of the growth, then it is projected that the sub-area will see around 10% of population growth moving forward. In addition, adjustments are made at a local level to take account of the communal population and also household structures by age. This is explained in greater detail from paragraphs 5.22 to 5.24.

16.29 The outputs for Golden Valley are set out in the Table below.

Table 16.6 Estimated Household Change as a Proportion of Overall Need, Golden Valley

	Housing Need	% of Need
Golden Valley Total	19	2.2%
Herefordshire Total	846	100.0%

Affordable Housing Need

16.30 Following the same methodology used to consider the future housing mix at a County level as set out in Section 6, we have considered the level of affordable housing need in each HMA. The Tables below show the estimated need for affordable housing in the HMA – the first table looks at needs for social/affordable rented housing and the second considers needs for affordable home ownership (“AHO”) products.

- 16.31 Overall, the analysis suggests a need for 13 units of rented affordable housing per annum moving forward. The analysis also identifies a potential need for AHO at 9 homes per annum.

Table 16.7 Estimated Need for Social/Affordable Rented Housing (p.a.)

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Golden Valley	2	14	3	20	6	13

Source: Range of Sources as Described in the Methodology

Table 16.8 Estimated Need for Affordable Home Ownership (p.a.)

	Total Gross Need	Resale Supply (50% of LQ)	LCHO Supply	Total Supply	Net Need
Golden Valley	14	5	0	5	9

Source: Range of Sources as Described in the Methodology

Older Persons Housing Need

- 16.32 Icenl and JGC has also sought to consider the need for specialist accommodation at an HMA level following broadly the same approach to County-wide needs but with the current need being determined on a pro-rata basis linked to the local household population.
- 16.33 The HMA method is also slightly different in that it does not use data on local supply. However, by only looking at a current need based on the household population we are to some extent taking account of where supply is.
- 16.34 In order to establish the need for specialist housing, we have used the current (i.e., 2020) non-institutional population aged 75 and over to estimate current needs. Looking forward, we have considered the population change of people 75 and over the period to 2020-41 for future needs. The need for specialist accommodation – broken down by type and type - is shown in the Table below.

Table 16.9 Specialist Housing Need using adjusted SHOP@ Assumptions, 2020-41

		Current Shortfall/Surplus	Additional Demand to 2041	Net Need to 2041
Age-Exclusive	Market	2	3	4
	Affordable	-12	13	1
Total Age-Exclusive		-11	16	5
Housing with support	Market	42	34	76
	Affordable	23	25	48

		Current Shortfall/Surplus	Additional Demand to 2041	Net Need to 2041
Total Housing with Support		65	59	124
Housing with care	Market	7	20	27
	Affordable	5	15	20
Total Housing with Care		12	35	48
Residential care bedspaces		21	7	28
Nursing care bedspaces		2	21	23
Total bedspaces		23	29	51

Source: Derived from Demographic Projections and Housing LIN/EAC

16.35 The Table above should be considered as providing a set of parameters for housing need in the HMA. The ultimate level of provision the Council seeks to support in the Golden Valley HMA will be influenced by its broader strategy for older persons housing and care at a County-wide level as well as at a local level.

16.36 The provision of a choice of attractive housing options to older households is a component of achieving good housing mix. The availability of such housing options for the growing older population may enable some older households to downsize from homes which no longer meet their housing needs or are expensive to run. The availability of housing options which are accessible to older people will also provide the opportunity for older households to 'rightsize' which can help improve their quality of life.

Housing Mix

16.37 It is recognised that within Herefordshire and within each HMA there are spatial differences and therefore a different mix of housing may be more appropriate. Following the same methodology used to consider the future housing mix at a County level as set out in Section 8, we have worked through the key analysis to arrive a recommended housing mix for Golden Valley HMA.

16.38 A series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures for the whole HMA. A key part of this is occupancy patterns and detailed tables are provided at Appendix A2 which consider both local and regional occupancy patterns for the HMA.

16.39 The data linking to local occupancy will to some extent reflect the role and function of the local area, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different sizes/tenures of homes when considered in a wider context. These have led to a recommended housing mix in the Table below.

Table 16.10 Golden Valley HMA Recommend Housing Mix by Tenure by Size

		1 Bedroom	2 Bedrooms	3 Bedrooms	4+Bedrooms
HMA	Market	5%	30%	50%	15%
	Affordable home ownership	20%	35	40	5%
	Affordable rented housing	35%	35%	25%	5%

Source: Housing Market Model and Modelled Outputs, Appendix A2

17. CONCLUSIONS AND RECOMMENDATIONS

- 17.1 This section sets out the conclusions and specific recommendations, in particular to inform county-wide policy development.

Overall Housing Need

- 17.2 National policy directs that overall housing need should now be considered following the 'standard method' set out in Planning Practice Guidance. This indicates a minimum Local Housing Need for 846 dwellings per annum, which would equate to 16,920 (17,000 rounded) over the 2020-41 period. The local housing need figure will be reviewed each year with the publication of new data and therefore the plan period figure may fluctuate annually.
- 17.3 The annualised need is 2.1% above the equivalent Core Strategy figure; but the residual requirement over the Core Strategy period to 2031 – taking account of development to date – is notably higher at equivalent to 1,070 dpa.
- 17.4 Our analysis has examined whether the inputs to the standard method are reasonable and finds no specific issues with these. Equally we do not find evidence of specific local factors which would necessarily justify higher overall housing provision. The report considers the workforce growth which is supported by the standard method housing provision levels to inform other parts of the evidence base.
- 17.5 The report also provides local level outputs on local housing need for the seven HMAs with an urban/rural distinction between each HMA. The analysis is drawn from a scenario which looks at trends in population growth in each HMA over the 2011-18 period (the longest time series for which we have reasonable data) and projects these trends forward.
- 17.6 Linking to the local housing need at a Herefordshire level of 846 homes per annum, our approach is that if a location has seen 10% of the growth, then it is projected that the area will see around 10% of population growth moving forward. In addition, adjustments are made at a local level to take account of the communal population and also household structures by age. The outputs are set out in the Table below.

Table 17.1 Estimated Household Change by Sub-Area

	Housing Need	% of Need
Bromyard: Urban	24	2.8%
Bromyard: Rural	22	2.6%
Bromyard Total	47	5.5%
Golden Valley	19	2.2%

	Housing Need	% of Need
Hereford: Urban	244	28.9%
Hereford: Rural	150	17.7%
Hereford Total	394	46.6%
Kington: Urban	8	1.0%
Kington: Rural	27	3.2%
Kington Total	36	4.2%
Ledbury: Urban	52	6.2%
Ledbury: Rural	40	4.7%
Ledbury Total	93	11.0%
Leominster: Urban	69	8.1%
Leominster: Rural	57	6.7%
Leominster Total	125	14.8%
Ross: Urban	64	7.6%
Ross: Rural	69	8.1%
Ross Total	133	15.7%
Herefordshire	846	100.0%

- 17.7 It will ultimately be for the Council to develop a spatial strategy which will include consideration of where sites are suitable and available alongside consideration of constraints as well as local priorities. It is however noteworthy that the trend based projections do show a broadly similar distribution to the adopted Core Strategy.

Affordable Housing: Herefordshire Total

- 17.8 The assessment identifies a total need for 597 affordable homes per year which comprises a need for 422 social or affordable rented homes, equivalent to 71% of the total affordable need, and 175 affordable home ownership homes, equivalent to 29% of the affordable need. The Council is therefore justified in seeking to secure additional affordable housing.
- 17.9 it should be recognised that the need for affordable housing to the overall housing need cannot be directly compared as it is not simply a proportion of overall need. In simple terms, affordable housing need and local housing need do not measure the same thing and in interpreting the affordable need figure, consideration needs to be given to the fact that many households already live in housing, and do not therefore generate an overall net need for an additional home.
- 17.10 In addition, issues arise as the need for affordable housing is complex and additionally the extent of concealed and homeless households needs to be understood as well as the role played by the private rented sector.
- 17.11 The evidence in this report demonstrates that there is a notable need for affordable housing and it is clear that the provision of new affordable housing is an important and pressing issue in Herefordshire.

The amount of affordable housing required through policy should be informed by a separate viability assessment; however, the evidence in this report demonstrates the need for affordable housing and confirms that affordable housing delivery should be maximised where opportunities arise.

- 17.12 Moving forward, it seems likely that the Government will require a minimum of 25% of affordable housing units on policy-compliant schemes to be delivered as First Homes. Provision of 25% affordable housing as low cost home ownership homes is justified by the evidence. A 30% discount on open market values is justified for First Homes and requiring higher discounts should be considered carefully given the potential for this to inhibit scheme viability and therefore reduce delivery of other forms of affordable housing.
- 17.13 Given that the total affordable housing need is not likely to be met in full, Icenis consider that the remaining 75% affordable housing prioritise delivery of rented affordable housing as this will meet the needs of those with few other housing options, unless there is an existing over-concentration of rented affordable housing in the relevant neighbourhood and therefore a mixed and balanced communities case for an alternative affordable housing mix.
- 17.14 It is recommended that the Council seek to prioritise the delivery of affordable rented housing at social rent levels. The delivery of social rented housing needed to provide homes for low income working households in particular. The Council has already established a precedent in doing so following the publication of the Local Housing Market Assessment in November 2013 and the evidence in this report continues to justify this approach moving forward.

Affordable Housing: HMA Breakdown

- 17.15 The assessment also provides a breakdown of affordable housing need for each of the seven local HMAs in Herefordshire following the same methodology used to calculate the Herefordshire total. In each of the areas, a breakdown is provided for the HMA as well as a rural and urban split outside of the Golden Valley which is entirely rural.

Hereford HMA

- 17.16 The assessment shows a total need for 275 affordable homes per annum across the Hereford HMA. This is comprised of an annual need for 196 rented affordable homes and a need for 79 affordable home ownership homes. A breakdown between the urban and rural area is provided in the Table below.

Table 17.2 Hereford Affordable Housing Need (p.a.)

Hereford	Urban	Rural	Total
Rented Affordable Housing (p.a.)	116	80	196
% of Total	69%	75%	71%
Affordable Home Ownership (p.a.)	53	26	79

Hereford	Urban	Rural	Total
% of Total	31%	25%	29%
Total Affordable Housing (p.a.)	169	106	275

17.17 Within the overall affordable housing need, the priority need is for rented affordable housing which arises from households who do not have other housing options. Icenis recommend that 70% of affordable housing is sought as rented provision and that the Council encourage delivery of housing at social rent levels so far as viability allows.

17.18 The delivery of social rented housing is needed to provide homes in the HMA for low income working households in particular. The remaining 30% of affordable housing should be low cost home ownership homes.

Leominster HMA

17.19 The assessment shows a total need for 75 affordable homes per annum across the Leominster HMA. This is comprised of an annual need for 55 rented affordable homes and a need for 20 affordable home ownership homes. A breakdown between the urban and rural area is provided in the Table below.

Table 17.3 Leominster Affordable Housing Need (p.a.)

Leominster	Urban	Rural	Total
Rented Affordable Housing (p.a.)	24	30	55
% of Total	73%	73%	73%
Affordable Home Ownership (p.a.)	9	11	20
% of Total	27%	27%	27%
Total Affordable Housing (p.a.)	33	41	75

17.20 Within the overall affordable housing need, the priority need is for rented affordable housing which arises from households who do not have other housing options. Icenis recommend that 75% of affordable housing is sought as rented provision and that the Council encourage delivery of housing at social rent levels so far as viability allows.

17.21 The delivery of social rented housing is needed to provide homes in the HMA for low income working households in particular. The remaining 25% of affordable housing should be low cost home ownership homes.

Ross-on-Wye HMA

17.22 The assessment shows a total need for 110 affordable homes per annum across the Ross-on-Wye HMA. This is comprised of an annual need for 75 rented affordable homes and a need for 35 affordable home ownership homes. A breakdown between the urban and rural area is provided in the Table below.

Table 17.4 Ross-on-Wye Affordable Housing Need (p.a.)

Ross on Wye	Urban	Rural	Total
Rented Affordable Housing (p.a.)	20	55	75
% of Total	80%	64%	68%
Affordable Home Ownership (p.a.)	5	31	35
% of Total	20%	36%	32%
Total Affordable Housing (p.a.)	25	86	110

- 17.23 Within the overall affordable housing need, the priority need is for rented affordable housing which arises from households who do not have other housing options. Icenis recommend that 70% of affordable housing is sought as rented provision and that the Council encourage delivery of housing at social rent levels so far as viability allows.
- 17.24 The delivery of social rented housing is needed to provide homes in the HMA for low income working households in particular. The remaining 30% of affordable housing should be low cost home ownership homes; however, for development schemes in the urban area of the HMA, it would be expected that all affordable housing provision is secured for rented affordable.

Ledbury HMA

- 17.25 The assessment shows a total need for 57 affordable homes per annum across the Ledbury HMA. This is comprised of an annual need for 40 rented affordable homes and a need for 17 affordable home ownership homes. A breakdown between the urban and rural area is provided in the Table below.

Table 17.5 Ledbury Affordable Housing Need (p.a.)

Ledbury	Urban	Rural	Total
Rented Affordable Housing (p.a.)	20	20	40
% of Total	80%	63%	70%
Affordable Home Ownership (p.a.)	5	12	17
% of Total	20%	38%	30%
Total Affordable Housing (p.a.)	25	32	57

17.26 Within the overall affordable housing need, the priority need is for rented affordable housing which arises from households who do not have other housing options. Icení recommend that 70% of affordable housing is sought as rented provision and that the Council encourage delivery of housing at social rent levels so far as viability allows.

17.27 The delivery of social rented housing is needed to provide homes in the HMA for low income working households in particular. The remaining 30% of affordable housing should be low cost home ownership homes; however, for development schemes in the urban area of the HMA, it would be expected that all affordable housing provision is secured for rented affordable.

Bromyard HMA

17.28 The assessment shows a total need for 30 affordable homes per annum across the Bromyard HMA. This is comprised of an annual need for 22 rented affordable homes and a need for 8 affordable home ownership homes. A breakdown between the urban and rural area is provided in the Table below.

Table 17.6 Bromyard Affordable Housing Need (p.a.)

Bromyard	Urban	Rural	Total
Rented Affordable Housing (p.a.)	4	18	22
% of Total	67%	75%	73%
Affordable Home Ownership (p.a.)	2	6	8
% of Total	33%	25%	27%
Total Affordable Housing (p.a.)	6	24	30

17.29 Within the overall affordable housing need, the priority need is for rented affordable housing which arises from households who do not have other housing options.

17.30 Icení recommend that 75% of affordable housing is sought as rented provision and that the Council encourage delivery of housing at social rent levels so far as viability allows. The delivery of social rented housing is needed to provide homes in the HMA for low income working households in particular. The remaining 25% of affordable housing should be low cost home ownership homes.

Kington HMA

17.31 The assessment shows a total need for 29 affordable homes per annum across the Kington HMA. This is comprised of an annual need for 22 rented affordable homes and a need for 7 affordable home ownership homes. A breakdown between the urban and rural area is provided in the Table below.

Table 17.7 Kington Affordable Housing Need (p.a.)

Kington	Urban	Rural	Total
Rented Affordable Housing (p.a.)	4	18	22

Kington	Urban	Rural	Total
% of Total	80%	75%	76%
Affordable Home Ownership (p.a.)	1	6	7
% of Total	20%	25%	24%
Total Affordable Housing (p.a.)	5	24	29

17.32 Within the overall affordable housing need, the priority need is for rented affordable housing which arises from households who do not have other housing options.

17.33 Icenic recommend that 75% of affordable housing is sought as rented provision and that the Council encourage delivery of housing at social rent levels so far as viability allows. The delivery of social rented housing is needed to provide homes in the HMA for low income working households in particular.

17.34 The remaining 25% of affordable housing should be low cost home ownership homes; however, for development schemes in the urban area, it would be reasonable to expect that all affordable housing provision is secured as rented affordable.

Golden Valley HMA

17.35 The Table below provides a breakdown of overall affordable housing need for the HMA. This is comprised of an annual need for 13 rented affordable homes and a need for 9 affordable home ownership homes.

Table 17.8 Golden Valley Affordable Housing Need (p.a.)

Golden Valley	Total
Rented Affordable Housing (p.a.)	13
% of Total	59%
Affordable Home Ownership (p.a.)	9
% of Total	41%
Total Affordable Housing (p.a.)	22

17.36 Within the overall affordable housing need, the priority need is for rented affordable housing which arises from households who do not have other housing options. There is however a more balanced need in the Golden Valley HMA compared with other HMAs.

17.37 Icenii recommend that 60% of affordable housing is sought as rented provision and that the Council encourage delivery of housing at social rent levels so far as viability allows. The delivery of social rented housing is needed to provide homes in the HMA for low income working households in particular. The remaining 40% of affordable housing should be low cost home ownership homes.

Homes of Different Sizes: Herefordshire Total

17.38 This report has considered the need for homes of different sizes, taking account of the existing housing profile, future demographic trends and analysis of local market dynamics. At a strategic level, our analysis has recommended the following mix of homes of different sizes, expressed as a range:

Table 17.9 Herefordshire: Recommended Mix of Homes of Different Sizes

	1 bed	2 bed	3 bed	4+ bed
Social/ Affordable Rented	30-40%	30-40%	20-30%	0-10%
Affordable Home Ownership	15-25%	35-45%	30-40%	0-10%
Market Housing	0-10%	20-30%	45-55%	15-25%

17.39 These strategic conclusions should be brought together with the evidence in the report addressing the needs and the specific recommendations for the size of homes needed in each of the individual HMAs, together with consideration of the existing housing mix in the settlement, and where appropriate evidence of the profile of households on the Housing Register in an area or needs shown through local survey evidence.

17.40 The recommendations can be used as a set of guidelines to consider the appropriate mix on larger development sites, and Icenii consider that it would be reasonable to expect justification for a housing mix on such sites which significantly differs from that modelled herein.

17.41 In applying the assessments findings to individual development sites, consideration should be given to site characteristics and location, with higher density in town centres/ the city centre for instance expected to focus more on smaller units.

Homes of Different Sizes: HMA Breakdown

17.42 This report has considered the need for homes of different sizes in each of the seven local HMAs. It is recognised that within Herefordshire and within each HMA there are spatial differences and

therefore a different mix of housing may be more appropriate. A series of specific recommendations have therefore been derived to consider the likely size requirement of housing within each of the three broad tenures for the whole HMA as well as the urban and rural area. These are set out in the Tables below.

Table 17.10 Hereford HMA Recommend Housing Mix by Tenure by Size

		1 Bedroom	2 Bedrooms	3 Bedrooms	4+Bedrooms
Urban	Market	5%	25%	55%	15%
	Affordable home ownership	25%	40%	30%	5%
	Affordable rented housing	35%	30%	30%	5%
Rural	Market	5%	20%	50%	25%
	Affordable home ownership	20%	35%	35%	10%
	Affordable rented housing	35%	30%	30%	5%
HMA	Market	5%	25%	50%	20%
	Affordable home ownership	20%	35%	35%	10%
	Affordable rented housing	35%	30%	30%	5%

Table 17.11 Leominster HMA Recommend Housing Mix by Tenure by Size

	Leominster	1 Bedroom	2 Bedrooms	3 Bedrooms	4+Bedrooms
Urban	Market	5%	30%	50%	15%
	Affordable home ownership	20%	45%	30%	5%
	Affordable rented housing	35%	30%	30%	5%
Rural	Market	5%	25%	50%	20%
	Affordable home ownership	15%	40%	35%	10%
	Affordable rented housing	35%	30%	30%	5%
HMA	Market	5%	25%	50%	20%
	Affordable home ownership	20%	40%	35%	5%
	Affordable rented housing	35%	30%	30%	5%

Table 17.12 Ross-on-Wye HMA Recommend Housing Mix by Tenure by Size

	Ross on Wye	1 Bedroom	2 Bedrooms	3 Bedrooms	4+Bedrooms
Urban	Market	5%	30%	50%	15%
	Affordable home ownership	25%	35-40%	25-35%	5%
	Affordable rented housing	40%	30%	25%	5%
Rural	Market	5%	25%	50%	20%
	Affordable home ownership	20%	35%	35%	10%
	Affordable rented housing	35%	30%	30%	5%

	Ross on Wye	1 Bedroom	2 Bedrooms	3 Bedrooms	4+Bedrooms
HMA	Market	5%	25%	50%	20%
	Affordable home ownership	20%	40%	35%	5%
	Affordable rented housing	40%	30%	25%	5%

Table 17.13 Ledbury HMA Recommend Housing Mix by Tenure by Size

	Ledbury	1 Bedroom	2 Bedrooms	3 Bedrooms	4+Bedrooms
Urban	Market	5%	30%	50%	15%
	Affordable home ownership	20%	45%	30%	5%
	Affordable rented housing	40%	30%	25%	5%
Rural	Market	5%	25%	45%	25%
	Affordable home ownership	15%	40%	35%	10%
	Affordable rented housing	35%	30%	30%	5%
HMA	Market	5%	25%	50%	20%
	Affordable home ownership	20%	40%	30%	10%
	Affordable rented housing	40%	30%	25%	5%

Table 17.14 Bromyard HMA Recommend Housing Mix by Tenure by Size

	Bromyard	1 Bedroom	2 Bedrooms	3 Bedrooms	4+Bedrooms
Urban	Market	5%	30%	50%	15%
	Affordable home ownership	25%	40%	30%	5%
	Affordable rented housing	45%	35%	15%	5%
Rural	Market	5%	25%	50%	20%
	Affordable home ownership	20%	35%	40%	5%
	Affordable rented housing	30%	30%	35%	5%
HMA	Market	5%	25%	50%	20%
	Affordable home ownership	20%	40%	35%	5%
	Affordable rented housing	35%	35%	25%	5%

Table 17.15 Kington HMA Recommend Housing Mix by Tenure by Size

	Kington	1 Bedroom	2 Bedrooms	3 Bedrooms	4+Bedrooms
Urban	Market	5%	35%	50%	10%
	Affordable home ownership	20%	40%	35%	5%
	Affordable rented housing	35%	35%	25%	5%
Rural	Market	5%	25%	50%	20%
	Affordable home ownership	15%	35%	40%	10%
	Affordable rented housing	30%	35%	30%	5%
HMA	Market	5%	25%	50%	20%

	Kington	1 Bedroom	2 Bedrooms	3 Bedrooms	4+Bedrooms
	Affordable home ownership	20%	35%	40%	5%
	Affordable rented housing	30%	35%	30%	5%

Table 17.16 Golden Valley HMA Recommend Housing Mix by Tenure by Size

	Golden Valley	1 Bedroom	2 Bedrooms	3 Bedrooms	4+Bedrooms
HMA	Market	5%	30%	50%	15%
	Affordable home ownership	20%	35	40	5%
	Affordable rented housing	35%	35%	25%	5%

17.43 In line with the recommendations at a County-level, the specific recommendations set out above can be used as a set of guidelines to consider the appropriate mix on larger development sites and inform policy development.

Needs of Older Persons and those with Disabilities: Herefordshire Total

17.44 At the current time, 25% of Herefordshire's population is aged over 65 and this is expected to grow by 20,400 persons over the period to 2041 (42% growth). A growing older population is expected to result in the growth in the population with mobility problems by 4,800 to 2041 and with dementia by 2,170. The Council would therefore be justified through policy in requiring new homes to be delivered as 'accessible and adaptable' homes as defined in Part M4(2) of Building Regulations.

17.45 Growth in older persons, particularly in the older age groups, will also generate a need for provision of housing with support and housing with care. The Assessment indicates a need for around 3,500 housing units with support (sheltered/retirement housing), particularly in the market sector; a need for around 1,400 additional housing units with care (e.g., extra-care), around 43% in the affordable sector; as well a need for additional care home bedspaces to 2041.

17.46 Given the scale of need identified, Icenl would recommend that the Council consider making specific housing allocations for specialist older persons accommodation in future local plans, either through identifying individual sites and/or requiring provision as part of larger strategic development schemes. This is necessary to assist developers of such housing in acquiring suitable land and supporting increases in housing delivery.

17.47 In addition, a need for around 800 dwellings for wheelchair users, meeting technical standard M4(3) is identified.

17.48 This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. As a starting point given the evidence, the Council could consider requiring all dwellings in

all tenures to meet the M4(2) standards and at least 5% of homes meeting M4(3) – wheelchair user dwellings.

17.49 Where the authority has nomination rights M4(3) would be wheelchair accessible dwellings (constructed for immediate occupation) and in the market sector they should be wheelchair user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user). It should however be noted that there will be cases where this may not be possible (e.g., due to viability or site-specific circumstances) and so any policy should be applied flexibly.

17.50 The Council should also consider if a different approach is prudent for market housing and affordable homes, recognising that Registered Providers may already build to higher standards, and that households in the affordable sector are more likely to have some form of disability.

Needs of Older Persons and those with Disabilities: HMA Breakdown

17.51 This report has also considered the need for specialist accommodation for older people in each of the seven local HMAs. The outputs of this analysis are set out in the Table below broken down by type and tenure for each HMA in Herefordshire alongside the net need for bedspaces over the period to 2041.

Table 17.17 Hereford Specialist Housing Needs – SHOP@ Assumptions, 2020-41

Hereford	Market	Affordable	Total
Age-Exclusive	49	25	74
Housing with Support	833	536	1,370
Housing with Care	310	233	543
Residential Care Beds	-	-	300
Nursing Care Beds	-	-	274

Table 17.18 Leominster Specialist Housing Needs – SHOP@ Assumptions, 2020-41

Leominster	Market	Affordable	Total
Age-Exclusive	18	9	27
Housing with Support	304	196	500
Housing with Care	113	85	198
Residential Care Beds	-	-	110
Nursing Care Beds	-	-	100

Table 17.19 Ross-on-Wye Specialist Housing Needs – SHOP@ Assumptions, 2020-41

Ross on Wye	Market	Affordable	Total
Age-Exclusive	22	12	34
Housing with Support	377	243	620
Housing with Care	141	106	247
Residential Care Beds	-	-	136
Nursing Care Beds	-	-	125

Table 17.20 Ledbury Specialist Housing Needs – SHOP@ Assumptions, 2020-41

2020 41	Market	Affordable	Total
Age-Exclusive	15	4	19
Housing with Support	263	168	431
Housing with Care	41	126	167
Residential Care Beds	-	-	96
Nursing Care Beds	-	-	83

Table 17.21 Bromyard Specialist Housing Needs – SHOP@ Assumptions, 2020-41

2020 41	Market	Affordable	Total
Age-Exclusive	8	3	12
Housing with Support	143	92	234
Housing with Care	53	39	92
Residential Care Beds	-	-	52
Nursing Care Beds	-	-	46

Table 17.22 Kington Specialist Housing Needs – SHOP@ Assumptions, 2020-41

2020 41	Market	Affordable	Total
Age-Exclusive	7	4	11
Housing with Support	115	74	189
Housing with Care	43	32	75
Residential Care Beds		-	41
Nursing Care Beds	-	-	38

Table 17.23 Golden Valley Specialist Housing Needs – SHOP@ Assumptions, 2020-41

2020 41	Market	Affordable	Total
Age-Exclusive	4	1	5
Housing with Support	76	48	124
Housing with Care	27	20	47
Residential Care Beds	-	-	28
Nursing Care Beds	-	-	23

- 17.52 It is recommended that the Tables above be considered as providing a set of parameters for specialist housing need in each the HMA. The ultimate level of provision the Council seeks to support will be influenced by its broader strategy for older persons housing and care at a County-wide level as well as at a local HMA level.

Student Housing Needs

- 17.53 According to Census data in 2011, there were 3,853 full-time students aged 18 to 74 within Herefordshire which equates to 2% of the total population.

- 17.54 Herefordshire currently has one higher education establishment and one further education establish which offers further education courses:

(1) New Model Institute of Technology and Engineering (“NMITE”) which was due to open in September 2020 but has been delayed by Covid-19; and

(2) Hereford College of Arts (“HCA”) is also located with Hereford. This college offers higher education courses.

- 17.55 Icen have engaged with the higher education institutions within Herefordshire and the Councils development partner ENGIE - specifically City Heart Partnership - who are development partner of ENGIE to provide student accommodation in Herefordshire. From this engagement it was established Herefordshire currently has a limited supply of student accommodation in the form of halls of residence. Miller House and Gardener House provide a total of 33 bedrooms.

-
- 17.56 A new hall of residence is due to open at the end of 2020 which will be known as Station Approach. This development will provide 178 bedrooms for students studying at HCA and NMITE. The understanding is that there is currently an adequate supply of houses in multiple occupation (“HMO”) in order to accommodate the incoming students who will not live in halls of residence.
- 17.57 NMITE and HCA both have ambitious growth plans for the next five to ten years. NMITE is projecting a student population of 5,000 by 2031 whilst HCA produced a Growth Strategy Overview 2018-2033 which describes a plan to increase the number of students at HCA to 470 students by 2023.
- 17.58 Given these planned increases in student numbers at both institutions the need for student housing will significantly increase in next five to ten years. There is inevitable pressure that the growth in student numbers will lead to an imbalance between the number of students and the provision of purpose-built student accommodation and the availability of HMOs in the private rented sector.
- 17.59 There are plans in place in conjunction with the Council and Herefordshire Tertiary Trust to provide over 1,000 rooms of student accommodation within Hereford centre over the period to 2025. There are also discussions regarding the provision of further purpose-built student accommodation at the Berrington Street Regeneration Area.
- 17.60 These plans will provide a significant boost to the availability of student accommodation in the near future; however, the Council should continue monitor the position going forward within Herefordshire to ensure that student growth does not outstrip the provision of purpose-built student accommodation which will in turn lead to pressure on the availability of family housing in and around Hereford.

Build to Rent

- 17.61 Over recent years there has been a rapid growth in the Build to Rent sector backed by domestic and overseas institutional investment reflecting the increasing size of the private rented sector as a whole.
- 17.62 At the time of writing there is currently no build-to-rent development which has come forwards in Herefordshire. This is common for areas away from the major cities. To sustain purpose-build schemes requires a critical mass of private rented tenants. Within Herefordshire, the private rented sector is relatively modest in size at about 15% of the housing stock and this, and rents which are below the regional and national average, are likely to limit developer interest in Build-to-Rent schemes in the short-term.
- 17.63 In preparing a new Local Plan, the Council might however seek to include a policy on Build-to-Rent development in order to set out parameters regarding how schemes would be considered if they are submitted, and how affordable housing policies would be applied.

-
- 17.64 Given that this is a relatively embryonic sector, we would recommend that the Council is not overly prescriptive on the mix of dwelling sizes within new Build-to-Rent development. The Framework's definition of Build-to-Rent development sets out that schemes will usually offer tenancy agreements of three or more years and will typically be professionally managed stock in single ownership and management control. It would be appropriate for the Council to adopt a consistent definition.

Self and Custom-Build Housing

- 17.65 Self-build and custom housebuilding is a growing sector of the housing market, and one which has potential to contribute to housing delivery. Since the introduction of the Council's Self-Build Register on 1st April 2016, there have been a total of 530 expressions of interest in serviced plots of land.
- 17.66 There are around 1,350 people registered on the Buildstore's Custom Build Register and around 2,000 subscribers to PlotSearch as of August 2020 which point towards the potential for a higher level of demand than that gathered from the Council's self-build register. There is also NaCSBA research which shows that interest in serviced plots in Herefordshire is strong.
- 17.67 The PPG sets out clearly that relevant authorities should consider how they can best support self-build and custom housebuilding in their area including developing policy and working with self-builders to maximise opportunities.
- 17.68 In response to the PPG's requirements, the Council should continue to support the submission and delivery of self-build and custom housebuilding sites where opportunities for land arise and where such schemes are consistent and do not conflict with other national and local planning policies.

Rural and Community-Led Housing

- 17.69 Icen's research points to the current policy framework and access to land providing barriers to the delivery of community-led housing. A policy supportive of housing development on non-allocated sites where it is brought forward by or supported by a local community-land trust or parish council should be considered within a new local plan, which should be developed through liaison with community-led housing stakeholders.
- 17.70 Consideration will also need to be given in reviewing planning policies to setting out policies regarding how entry-level or first-homes exception sites should be implemented. The evidence points to greater potential for these, and rural exception sites, to contribute to housing delivery in the county.
- 17.71 Any proposed development for community-led housing should be balanced with the need and priority to identify and provide suitable development sites for affordable housing; and ensure that these schemes are consistent with policies elsewhere in the Local Plan.

The Need for Housing for Agricultural Workers

- 17.72 This report has considered the housing needs of agricultural workers in Herefordshire which is a fundamental employment sector reflecting the rural nature of the County. The Framework (paragraph 83) is clear that planning policies and decisions should enable the development and diversification of agricultural and other land-based rural businesses and provides opportunities for housing in the countryside where there is an essential need for a rural workers to live permanently at or near their place of work.
- 17.73 In Herefordshire, seasonal workers are typically housed in on-site accommodation – principally mobile homes or temporary structures and caravans – whilst permanent workers either live locally or live in fixed accommodation on-site. The importance of quality housing to farmers and businesses being able to recruit quality staff has been made clear by all stakeholders that IcenI has engaged with.
- 17.74 The Herefordshire Core Strategy under Policy RA4 ‘Agricultural, Forestry and Rural Enterprise Dwellings’ seeks to address the need for accommodation for temporary agricultural and horticultural workers.
- 17.75 Through our consultation with local stakeholders and the NFU, it appears that although there is policy support, challenges remain with regards to justifying the “essential functional need” for agricultural housing, the cost implications of submitting a planning application and from a more technical point of view, property size limitations.
- 17.76 IcenI would recommend that the Council considering developing additional guidance through the Core Strategy Update – such as through the supporting text to a revised Policy RA4 –to allow farmers and businesses to better respond to Policy RA4 and reduce the post-submission timescales associated with planning applications. This could provide greater clarity on what is necessary to justify a sustained essential functional need for agricultural housing and clarify design requirements – which could recognise the role of larger family-sized housing for permanent workers.

A1. LOCAL HOUSING MARKET AREA GEOGRAPHIES

A1.1 The table below sets out the parishes which fall within each Local Housing Market Area (LHMA). In the 2008 Herefordshire and Shropshire SHMA these were defined based on ward geographies. Icenl and Herefordshire Council have agreed a geography aligned to parish boundaries across the County for use in this report as this represents a more practical basis for considering housing needs at a local level. In many cases the parish-based geography is well aligned to the ward-based geography used in the 2013 LHMA.

Table A1.1 Parishes within each Local Housing Market Area

Local Housing Market Area	Parishes within the LHMA
Bromyard	Avenbury, Bodenham, Bredenbury, Brockhampton (Bromyard Bringsty Ward), Bromyard and Winslow, Collington, Docklow and Hampton Wafre, Edvin Loach and Saltmarshe, Edwyn Ralph, Felton, Ford and Stoke Prior, Grendon Bishop, Hampton Charles, Hatfield and Newhampton, Hope under Dinmore, Humber, Linton (Bromyard Bringsty Ward), Little Cowarne, Newton (Queenswood Ward), Norton, Ocle Pychard, Pencombe with Grendon Warren, Pudleston, Stoke Lacy, Tedstone Delamere, Tedstone Wafre, Thornbury, Ullingswick, Upper Sapey, Wacton, Whitbourne, Wolferlow.
Golden Valley	Abbeydore, Bacton, Blakemere, Bredwardine, Clifford, Craswall, Cusop, Dorstone, Dulas, Ewyas Harold, Llancillo, Llanveynoe, Longtown, Michaelchurch Escley, Moccas, Newton (Golden Valley South Ward), Peterchurch, Preston on Wye, Rowstone, St. Margarets, Turnastone, Tyberton, Vowchurch, Walterstone
Hereford	Bartestree, Bishopstone, Breinton, Bridge Sollers, Brinsop and Wormsley, Burghill, Byford, Callow, Canon Pyon, Clehonger, Credenhill, Dewesall, Dinedor, Dinmore, Dormington, Eaton Bishop, Fownhope, Grafton, Hampton Bishop, Haywood, Holme Lacy, Holmer & Shelwick, Kenchester, King's Pyon, Lower Bullingham, Lugwardine, Madley, Mansell Gamage, Mansell Lacy, Marden, Mordiford, Moreton on Lugg, Pipe and Lyde, Preston Wynne, Stoke Edith, Stretton Sugwas, Sutton, Tarrington, Wellington, Westhide, Weston Beggard, Withington, Yazor, Belmont Rural, Hereford.
Kington	Almeley, Brilley Brobury with Monnington on Wye, Eardisley, Huntington, Kington, Kington Rural, Kinnersley, Knill, Letton, Lower Harpton, Lyonshall,

Local Housing Market Area	Parishes within the LHMA
	Norton Canon, Pembridge, Rodd, Nash and Little Brampton, Sarnesfield, Shobdon, Staunton on Arrow, Staunton on Wye, Titley, Whitney-on-Wye, Willersley and Winforton.
Ledbury	Acton Beauchamp, Ashperton, Aylton, Bishop's Frome, Bosbury, Canon Frome, Castle Frome, Coddington, Colwall, Cradley, Donnington, Eastnor, Eggleton, Evesbatch, Ledbury, Little Marcle, Mathon, Moreton Jeffries, Much Cowarne, Munsley, Pixley, Putley, Stanford Bishop, Stretton Grandison, Wellington Heath, Yarkhill.
Leominster	Adforton, Aymestrey, Birley with Upper Hill, Brampton Bryan, Brimfield, Buckton and Coxall, Burrington, Byton, Combe, Croft and Yarpole, Dilwyn, Downton, Eardisland, Elton, Eye, Moreton and Ashton, Eyton, Kimbolton, Kingsland, Kinsham, Leysters, Leinthall Starkes, Leintwardine, Leominster, Lingen, Little Hereford, Lucton, Luston, Middleton on the Hill, Monkland and Stretford, Orleton, Pipe Aston. Richards Castle (Hereford), Stapleton, Walford, Letton and Newton, Weobley, Wigmore, Willey.
Ross-on-Wye	Aconbury, Allensmore, Aston Ingham, Ballingham, Bolstone, Brampton Abbots, Bridstow, Brockhampton (Old Gore Ward), Foy, Ganarew, Garway Goodrich, Harewood. Hentland, Hope Mansell, How Caple, Kentchurch, Kilpeck, Kings Caple, Kingstone, Lea, Linton (Penyard Ward), Little Birch, Little Dewchurch, Llandinabo, Llangarron, Llanrothal, Llanwarne, Marstow, Much Birch, Much Dewchurch, Much Marcle, Orcop, Pencoyd, Peterstow, St. Weonards, Sellack, Sollers Hope. Thruxton, Tretire with Michaelchurch, Upton Bishop, Walford, Welsh Bicknor, Welsh Newton, Weston under Penyard, Whitchurch, Woolhope, Yatton, Ross-on-Wye.

A2. MODELLED HOUSING MIX OUTPUTS BY OCCUPANCY PATTERNS

Bromyard Modelled Outputs

Table A2.1 Modelled Mix by Size and Tenure in Bromyard Urban – Local Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	4%	32%	48%	16%
Affordable home ownership	26%	47%	24%	4%
Affordable housing (rented)	50%	36%	14%	0%

Table A2.2 Modelled Mix by Size and Tenure in Bromyard Urban – Regional Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	4%	28%	54%	14%
Affordable home ownership	21%	37%	35%	7%
Affordable housing (rented)	45%	30%	23%	2%

Table A2.3 Modelled Mix by Size and Tenure in Bromyard Rural – Local Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	3%	25%	45%	27%
Affordable home ownership	16%	31%	41%	12%
Affordable housing (rented)	24%	32%	41%	4%

Table A2.4 Modelled Mix by Size and Tenure in Bromyard Rural – Regional Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	4%	30%	56%	11%
Affordable home ownership	22%	37%	35%	6%
Affordable housing (rented)	38%	31%	28%	3%

Table A2.5 Modelled Mix by Size and Tenure in Bromyard HMA – Local Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	3%	27%	46%	24%
Affordable home ownership	20%	38%	34%	8%
Affordable housing (rented)	37%	35%	26%	2%

Table A2.6 Modelled Mix by Size and Tenure in Bromyard HMA – Regional Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	4%	29%	55%	13%
Affordable home ownership	22%	37%	35%	6%
Affordable housing (rented)	40%	31%	27%	2%

Golden Valley Modelled Outputs

Table A2.7 Modelled Mix by Size and Tenure in Golden Valley – Local Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	3%	28%	46%	24%
Affordable home ownership	12%	33%	42%	13%
Affordable housing (rented)	31%	40%	25%	4%

Table A2.8 Modelled Mix by Size and Tenure in Golden Valley – Regional Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	4%	31%	55%	9%
Affordable home ownership	23%	37%	35%	5%
Affordable housing (rented)	40%	31%	27%	2%

Hereford Modelled Outputs

Table A2.9 Modelled Mix by Size and Tenure in Hereford Urban – Local Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	5%	27%	56%	12%
Affordable home ownership	29%	38%	27%	6%
Affordable housing (rented)	33%	34%	31%	2%

Table A2.10 Modelled Mix by Size and Tenure in Hereford Urban – Regional Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	3%	27%	54%	15%
Affordable home ownership	20%	38%	35%	7%
Affordable housing (rented)	35%	33%	29%	3%

Table A2.11 Modelled Mix by Size and Tenure in Hereford Rural – Local Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	3%	20%	44%	32%
Affordable home ownership	15%	35%	38%	12%
Affordable housing (rented)	32%	34%	31%	4%

Table A2.12 Modelled Mix by Size and Tenure in Hereford Rural – Regional Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	3%	26%	55%	17%
Affordable home ownership	20%	37%	36%	7%
Affordable housing (rented)	35%	32%	30%	3%

Table A2.13 Modelled Mix by Size and Tenure in Hereford HMA – Local Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	4%	24%	51%	20%
Affordable home ownership	24%	37%	31%	8%
Affordable housing (rented)	33%	33%	31%	3%

Table A2.14 Modelled Mix by Size and Tenure in Hereford HMA – Regional Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	3%	26%	54%	16%
Affordable home ownership	20%	38%	36%	7%
Affordable housing (rented)	35%	33%	30%	3%

Kington Modelled Outputs**Table A2.15 Modelled Mix by Size and Tenure in Kington Urban – Local Occupancy**

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	3%	34%	53%	10%
Affordable home ownership	21%	45%	35%	0%
Affordable housing (rented)	32%	42%	25%	1%

Table A2.16 Modelled Mix by Size and Tenure in Kington Urban – Regional Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	4%	33%	56%	7%
Affordable home ownership	24%	38%	35%	3%
Affordable housing (rented)	44%	31%	24%	2%

Table A2.17 Modelled Mix by Size and Tenure in Kington Rural – Local Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	2%	22%	47%	29%
Affordable home ownership	10%	32%	44%	14%
Affordable housing (rented)	18%	42%	39%	2%

Table A2.18 Modelled Mix by Size and Tenure in Kington Rural – Regional Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	3%	27%	55%	14%
Affordable home ownership	21%	37%	36%	7%
Affordable housing (rented)	38%	31%	29%	3%

Table A2.19 Modelled Mix by Size and Tenure in Kington HMA – Local Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	2%	26%	48%	24%
Affordable home ownership	14%	37%	40%	9%
Affordable housing (rented)	23%	42%	33%	1%

Table A2.20 Modelled Mix by Size and Tenure in Kington HMA – Regional Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	4%	29%	55%	12%
Affordable home ownership	22%	37%	35%	6%
Affordable housing (rented)	39%	31%	28%	3%

Ledbury Modelled Outputs

Table A2.21 Modelled Mix by Size and Tenure in Ledbury Urban – Local Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	4%	36%	44%	17%
Affordable home ownership	20%	52%	21%	7%
Affordable housing (rented)	40%	36%	21%	2%

Table A2.22 Modelled Mix by Size and Tenure in Ledbury Urban – Regional Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	4%	28%	55%	14%
Affordable home ownership	21%	37%	35%	6%
Affordable housing (rented)	40%	31%	26%	2%

Table A2.23 Modelled Mix by Size and Tenure in Ledbury Rural – Local Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	2%	22%	41%	35%
Affordable home ownership	11%	36%	38%	15%
Affordable housing (rented)	35%	32%	30%	4%

Table A2.24 Modelled Mix by Size and Tenure in Ledbury Rural – Regional Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	3%	28%	55%	13%
Affordable home ownership	21%	37%	36%	6%
Affordable housing (rented)	39%	31%	27%	2%

Table A2.25 Modelled Mix by Size and Tenure in Ledbury HMA – Local Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	3%	29%	42%	26%
Affordable home ownership	16%	45%	29%	11%
Affordable housing (rented)	38%	34%	25%	3%

Table A2.26 Modelled Mix by Size and Tenure in Ledbury HMA – Regional Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	4%	28%	55%	14%
Affordable home ownership	21%	37%	35%	6%
Affordable housing (rented)	40%	31%	27%	2%

Leominster Modelled Outputs

Table A2.27 Modelled Mix by Size and Tenure in Leominster Urban – Local Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	4%	33%	50%	13%
Affordable home ownership	24%	49%	25%	3%
Affordable housing (rented)	34%	28%	35%	2%

Table A2.28 Modelled Mix by Size and Tenure in Leominster Urban – Regional Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	3%	27%	54%	16%
Affordable home ownership	20%	38%	35%	7%
Affordable housing (rented)	38%	32%	28%	3%

Table A2.29 Modelled Mix by Size and Tenure in Leominster Rural – Local Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	2%	24%	45%	29%
Affordable home ownership	10%	33%	45%	13%
Affordable housing (rented)	25%	32%	39%	3%

Table A2.30 Modelled Mix by Size and Tenure in Leominster Rural – Regional Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	3%	28%	55%	14%
Affordable home ownership	21%	37%	35%	7%
Affordable housing (rented)	39%	31%	27%	2%

Table A2.31 Modelled Mix by Size and Tenure in Leominster HMA – Local Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	3%	28%	47%	22%
Affordable home ownership	17%	41%	34%	8%
Affordable housing (rented)	32%	29%	36%	3%

Table A2.32 Modelled Mix by Size and Tenure in Leominster HMA – Regional Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	3%	27%	55%	15%
Affordable home ownership	21%	37%	35%	7%
Affordable housing (rented)	38%	32%	28%	3%

Ross-on-Wye Modelled Outputs**Table A2.33 Modelled Mix by Size and Tenure in Ross-on-Wye Urban – Local Occupancy**

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	6%	34%	44%	16%
Affordable home ownership	30%	45%	21%	4%
Affordable housing (rented)	50%	29%	18%	3%

Table A2.34 Modelled Mix by Size and Tenure in Ross-on-Wye Urban – Regional Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	3%	26%	54%	16%
Affordable home ownership	20%	37%	36%	7%
Affordable housing (rented)	38%	32%	28%	3%

Table A2.35 Modelled Mix by Size and Tenure in Ross-on-Wye Rural – Local Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	3%	24%	42%	32%
Affordable home ownership	14%	35%	37%	14%
Affordable housing (rented)	34%	31%	33%	2%

Table A2.36 Modelled Mix by Size and Tenure in Ross-on-Wye Rural – Regional Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	4%	29%	55%	12%
Affordable home ownership	22%	37%	35%	6%
Affordable housing (rented)	38%	31%	28%	3%

Table A2.37 Modelled Mix by Size and Tenure in Ross-on-Wye HMA – Local Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	4%	27%	42%	28%
Affordable home ownership	19%	38%	32%	11%
Affordable housing (rented)	42%	30%	26%	3%

Table A2.38 Modelled Mix by Size and Tenure in Ross-on-Wye HMA – Regional Occupancy

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	3%	28%	55%	14%
Affordable home ownership	21%	37%	35%	7%
Affordable housing (rented)	38%	31%	28%	3%