



Hungerford Housing Needs Assessment (HNA)

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Prepared by

Paul Avery – Housing Research
Consultant

Checked by

Stuart Woodin – Technical Director

Approved by

Stuart Woodin – Technical Director

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Prepared for:

Hungerford Town Council

Prepared by:

AECOM
Aldgate Tower
2 Leman Street
London
E1 8FA
aecom.com

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Table of Contents

1.	Executive summary.....	6
2.	Context	9
	2.1 Local context	9
	2.2 Planning policy context.....	10
3.	Approach	13
	3.1 Research questions.....	13
	3.2 Relevant data	13
	3.2.1 The Local Authority evidence base.....	13
	3.2.2 Other relevant data.....	14
4.	RQ 1 Quantity.....	15
	4.1 Standard method	16
	4.2 Latest LPA planning strategy	16
	4.3 Past dwelling completions	18
5.	Market signals.....	19
	5.1 Employment and commuting	19
	5.2 Migration.....	21
	5.3 Housing market (prices).....	21
	5.4 Housing market (transactions).....	24
	5.5 Rate of development.....	26
	5.6 Overcrowding and concealment	26
	5.7 Conclusions	27
	5.8 Local Authority	28
6.	RQ 3. Type and size	29
	6.1 Background and definitions	29
	6.2 Existing types and sizes	30
	6.3 Household composition and age structure.....	31
	6.4 Current patterns of occupation	35
	6.5 Dwelling mix determined by life-stage modelling.....	37
	6.6 Adjustment for downsizing.....	40
	6.7 Type.....	43
	6.8 Conclusions	43
7.	RQ 3. Tenure.....	45
	7.1 Background and definitions	45
	7.2 Current tenure profile.....	45
	7.3 What quantity of Affordable Housing is required in the NA over the Plan period?	46
	7.4 Affordability.....	48
	7.4.1 Income.....	48
	7.4.2 Market housing	48
	7.4.3 Affordable Housing	50
	7.5 Conclusion.....	55
8.	RQ 4. Specialist housing.....	56
	8.1 Current supply of specialist housing for older people in Hungerford.....	56
	8.2 Future needs for specialist housing for older people in Hungerford.....	56
9.	Conclusions	60
	9.1 Overview.....	60
	9.2 Recommendations for next steps	62
	Appendix A : Glossary.....	63
	Appendix B : Group comments	70

List of acronyms used in the text:

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
AONB	Area of Outstanding Natural Beauty
GT	Gypsy & Traveller
GTAA	Gypsy and Traveller Accommodation Assessment
HNA	Housing Needs Assessment
HNF	Housing Needs Figure
HRP	Household Reference Person
HTC	Hungerford Town Council
LHN	Local Housing Need
LPA	Local Planning Authority
MHCLG	Ministry of Housing, Communities and Local Government (formerly DCLG)
NP	Neighbourhood Plan
NA	Neighbourhood Plan Area
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
SDR	Statistical Data Return
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
WBDC	West Berkshire District Council

1. Executive summary

1. This report provides Hungerford Town Council (HTC) with information regarding the mix of housing they should plan for in the future. This information can be used to inform debate, and can bolster local understanding of the appropriate course of action to be taken as well as provide justification for site allocations and site mix policies. This report was produced using reputable sources with the most recent data available and accepted ways of analysing such data.
2. The report examines:
 - What quantity of new housing in the Neighbourhood Plan Area (NA) is appropriate over the Plan period;
 - What mix of types and sizes of dwellings should be provided;
 - How much Affordable Housing (AH) is needed, and what tenures are within reach of those on average incomes; and
 - What provision of specialist housing for the elderly is required.

Quantity

3. The Housing Needs Figure (HNF) for Hungerford is 27 net additional dwellings per year, which equates to a total of 486 over the Plan period 2018-2036.
4. This figure has been derived from the Local Housing Need (LHN) of the District in line with the methodological requirements of West Berkshire District Council (WBDC) and the spatial strategy of WBDC's Core Strategy policies. This policy context also requires settlements located within the North Wessex Downs Area of Natural Beauty (AONB) to be treated differently from the rest of the District. The Core Strategy housing target for the AONB is a maximum, and is dependent on the supply of suitable sites: if an insufficient supply of suitable sites comes forward, the shortfall may be shared with neighbouring settlements outside of the AONB. Hungerford's HNF should be in proportion with this element of the spatial strategy and should therefore also be seen as an upper-bound target that is subject to the supply of suitable sites.

Market signals

5. No material uplift has been applied to the HNF as the result of a market signals analysis, although the following trends were observed:
 - Hungerford is home to an economically active population. It attracts and retains residents who work in relatively distant locations, including London and particularly Newbury – which is undergoing economically strategic regeneration. Employment opportunity is likely to continue to grow as a key driver of housing demand in Hungerford;
 - House prices in Hungerford have risen moderately over the last ten years, demonstrating that demand remains robust but is not strongly increasing. Prices are generally lower and rising less quickly than those in the wider postcode area and District. Price growth over time diverges significantly between different types and sizes of property, suggesting that segments of the market possess more momentum than others;
 - The volume of housing sales in Hungerford has decreased every year since 2014, suggesting that demand is waning. Yet despite this sustained decrease, sales volumes remain higher than any year during the 2008-2013 peak. Transaction volumes are also drastically different for different dwelling types, with a disproportionately high level of demand for terraced homes and a significant decrease in demand for semi-detached homes;
 - Overcrowding is low and falling in Hungerford, and although there were 21 concealed families at the time of the last census, they represent a very small proportion of the overall population that is lower than the proportion found at the District and national levels;
 - International migration appears to exert no demand pressure on housing in Hungerford;
 - There is presently no evidence of a shortfall of housing delivery in the District that would significantly affect Hungerford's targets.

Type and size

6. Hungerford's stock of existing housing is made up of smaller dwellings than that of the wider District. There are higher proportions of terraced houses and flats in Hungerford than West Berkshire, and a lower proportion of detached houses. Accordingly, 38% of Hungerford households occupy dwellings of four rooms or fewer, compared with 26% in West Berkshire. In terms of bedrooms, Hungerford households are 27% more likely to live in one to two-bedroom dwellings than their counterparts in the wider District, and 41% less likely to live in dwellings of five bedrooms or more.

7. The housing profile reflects the composition of households at NA and District levels: Hungerford has a much higher proportion of one-person households, while West Berkshire has a higher proportion of families with dependent children (features that are evident overall, and within every age category). Hungerford has a higher share of older residents, while West Berkshire has a higher proportion of younger ones. Hungerford's share of households aged 65 and over increased at twice the rate of West Berkshire's over the intercensal period, and the population of 16-44 year olds declined.
8. Having established this context, we gathered data on the projected population of the District by age, as well as the propensity of households in particular age bands to occupy particular sizes of dwelling. Applying this information to the demographic profile of Hungerford itself affords a reasonable estimate of the age structure of the town at the end of the Plan period, and the sizes of dwellings that its future population are likely to want to occupy.
9. Hungerford's demographic profile in 2036 is likely to be dominated by households aged 65 and over (which make up 48% of all households), followed by those aged 35 to 54 (28%), those aged 55 to 64 (15%), and the combined categories aged below 34 (9%). Generally speaking, the age bands most likely to occupy larger dwellings are strongly represented, and those most likely to occupy smaller dwellings are not well represented. Although households aged 65 and over have begun to shift towards mid-sized dwellings, they still occupy dwellings of four or more bedrooms at twice the rate of households aged 25 to 34.
10. Given that Hungerford's current dwelling stock is made up of smaller dwellings compared with the District, and that the town's projected population is likely to wish to inhabit larger dwellings, it is logical that the recommended dwelling mix at the end of the Plan period is skewed towards the provision of three- and four-bedroom homes.
11. However, a further analysis has been undertaken to adjust for the limitations of the data relating to the occupation patterns of the district, where the available stock of housing is insufficient to permit downsizing by older households at the rates seen elsewhere and expressed in various studies.
12. This additional analysis produces a dwelling mix that is far more balanced and less weighted towards larger dwellings. This dwelling mix is closer to what should be provided in Hungerford in order to permit older households in larger dwellings to downsize, and has the additional benefit of allowing newly forming households to access housing through smaller and more affordable dwellings.
13. Hungerford's ageing population also offers a chance to listen closely to local needs and further amend the planned dwelling mix if it is discovered that more households would like to downsize in future than is suggested by the occupation preferences evident at the District level.

Tenure

14. We have estimated that no less than 489 Hungerford households are currently unable to access market housing, and that a further 95 households will be in need of AH over the plan period.
15. It should be noted that this number is largely dependent on information provided by West Berkshire District Council (WBDC) about their Common Housing Register. As that data cannot be broken down by priority banding, and includes those not living in Hungerford but wishing to do so, it is likely an inflated total. In turn the total AH need for Hungerford may be somewhat lower than the 584 dwellings identified in this report.
16. If Hungerford's Housing Needs Figure of 486 dwellings is provided over the Plan period in accordance with the Core Strategy's CS6 affordable housing policy,¹ a total of 148 AH units (rounded) and 345 market units will be delivered. This is deemed not to meet the needs of the population for AH.
17. There is a severe lack of suitably affordable housing for the population of Hungerford, and every effort should be made to maximise AH provision going forward, while ensuring that overly ambitious targets do not imperil the viability of new development in general. It may also be possible that other types of tenure may be able to alleviate the need for AH in Hungerford.
18. Hungerford has an incidence of home ownership that is slightly above the national average, but lower than the wider District, while the proportion of households renting privately is significantly higher than the District, and the proportion renting socially is slightly higher than the District. Over the intercensal period, the frequency of ownership and shared ownership decreased, while the frequency of private and social renting increased.
19. Although average annual net household incomes before housing costs are relatively high at £35,900, this level of income is insufficient to occupy the majority of dwelling tenures according to our affordability analysis.

¹ With the majority of sites being required to deliver 30% AH, the site east of Salisbury road in Hungerford required to deliver 40% AH of its 100 units, and smaller sites bringing forward lower percentages of AH – roughly averaging 30% overall.

20. Given the 90.5% growth in private renting between 2001-2011, it is likely that the provision of this tenure is growing to meet demand from those priced out of ownership, as average market rental properties require a lower income level than do entry-level market properties for sale. Entry-level market renting is only just out of reach for the average earning household, and so may be able to meet the needs of some households if the supply of dwellings for market rent increases in step with demand.
21. However, shared ownership at a 25% share is attainable to those on average incomes. In light of the reduction of households occupying this tenure over the intercensal period, it should be considered whether increasing the supply of shared ownership properties would help to reduce affordability pressures for many households.
22. Delivering more affordable houses to be sold would also reduce pressure on the Private Rented Sector (PRS) in Hungerford, which is becoming a more popular option over time, but which at average rents is out of reach for many households.
23. On the basis of the evidence we have gathered, the following split of AH tenures is put forward: 70% Social and Affordable Rent; and 30% affordable routes to home ownership, broken down to 40% Social Rent, 30% Affordable Rent, 20% shared ownership, and 10% Starter Homes.

Specialist housing

24. Hungerford has a relatively high provision of specialist housing for older people relative to the size of its elderly population. However, it is often the case that the stock in towns must serve the catchment area of surrounding villages, so provision in Hungerford should seek to exceed the level of demand expected for its own population where possible.
25. Of Hungerford's projected 2036 population, nearly 20% are estimated to be aged 75 and over, which equates to 1,238 people – and an increase of 687 since the last census. The current provision of specialist accommodation is not sufficient to meet the needs of the projected elderly population. We have calculated that Hungerford should therefore plan to deliver an additional 110 bed spaces over the Plan period.
26. Using a model created by the Housing Learning and Improvement Network (HLIN) detailing the proportion of different tenures required within older people's housing, and with reference to imbalances in the existing stock, we recommend that 26 of the new units be affordable retirement units, 53 market retirement units, and 31 market units with care.

2. Context

2.1 Local context

27. Hungerford is a town and a civil parish on the western edge of the District of West Berkshire, bordering Wiltshire, which is also the divide between the South East and South West regions of England. In addition to the town itself, the parish boundary includes the small village of Hungerford Newtown and the hamlet of Eddington.
28. The rivers Dun and Kennet, as well as the Kennet and Avon Canal, pass through Hungerford, and the town sits entirely within the North Wessex Downs Area of Outstanding Natural Beauty (AONB).
29. The amenities of Hungerford town centre are predominantly sited on the High Street (A338), which is oriented broadly north to south. The A338 is crossed at Eddington by the A4, which provides road access to Hungerford's two nearest major settlements: Newbury to the east and Marlborough to the west.
30. Hungerford railway station, on the Reading to Taunton line, provides rail access to Newbury, Reading and London. In addition to Hungerford's proximity to junction 14 of the M4, its rail connections put Hungerford within convenient reach of a range of employment opportunities and make it a popular commuter settlement.
31. West Berkshire Council (WBC) designated Hungerford as a Neighbourhood Plan area (NA) in April 2018. The boundary of the NA is shown in Figure 2-1 below.

Figure 2-1: Hungerford Parish Neighbourhood Plan area



Source: Hungerford Neighbourhood Plan Area Designation Notice

2.2 Planning policy context

32. In line with the basic conditions² of Neighbourhood Planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies. Consequently, there is a requirement for the relevant Local Plan documents to be reviewed as part of this HNA.
33. The West Berkshire Core Strategy was adopted in July 2012 and covers the period 2006-2026. This Development Plan Document provides the most up-to-date policy framework for the District, though it is supplemented by policies contained in other documents. Those with relevance to this HNA are the Housing Site Allocations Development Plan Document, adopted in May 2017, and the policies saved from the West Berkshire District Local Plan 1991-2006, which are set out in the Saved Policies 2007 document, last updated in May 2017.
34. A West Berkshire Local Plan to 2036 update document is currently undergoing a two-year period of preparation and public participation prior to its scheduled adoption in November 2020. The Scoping Report for the Local Plan Review states that the “policy approach to the delivery of housing [is] to be updated in the light of the evidence from the Berkshire (including South Bucks) Strategic Housing Market Assessment (2016) . . . and any amendment to national policy regarding the assessment of housing need.”
35. This suggests that housing policy for West Berkshire may well change when the Local Plan to 2036 is adopted. However, as no emerging policies have yet been produced, and the Scoping Report gives only an indication of the intention for how each specific policy could be updated, those intentions will be acknowledged but not bear significant weight in this HNA.
36. In any case, for the majority of the individual existing policies reviewed here, it is stated that the “principles of the policy are anticipated to be carried forward into the Local Plan to 2036”, and this includes all site allocations. Any exceptions are noted alongside the existing policies described below.

Policies in the adopted West Berkshire Core Strategy 2006-2026

37. **Policy CS1: Delivering New Homes and Retaining the Housing Stock** – makes provision for the delivery of at least 10,500 net additional dwellings over the Plan period, appropriately phased and managed to ensure that a minimum of 525 dwellings are delivered per annum and a rolling five-year supply of housing land is maintained.
38. This policy fulfils the Core Strategy’s second strategic objective, to provide effective and timely housing growth that maximises access to services and the efficient use of suitable land while responding appropriately to the existing built environment.
39. The policy is also in conformity with the Regional Spatial Strategy for the South East, adopted in 2009, which provided this housing target for the District.
40. The Housing Site Allocations Development Plan Document, adopted in May 2017, acknowledges that the Berkshire SHMA “has identified an objectively assessed need figure of 665 dwellings per annum over the period 2013-2036”, which is greater than the annual target of 525 outlined in this policy. However, it continues, the SHMA figure “does not translate directly into a housing requirement for the District due to the need to take into account factors such as environmental constraints and the Duty to Cooperate” and “what the future requirement should be, will be considered as part of the preparation of the new Local Plan.” It is therefore appropriate to continue to use the Core Strategy target until such time as the Local Plan to 2036 is adopted.
41. **Area Delivery Plan Policy 1: Spatial Strategy** – outlines the spatial strategy of the Core Strategy, which performs two functions.
42. First, it divides the District into four distinct spatial areas, each of which is supplied with its own housing target in the policies to follow. A summary of these targets, which add up to the overall District target of 10,500, is given in Table 2-1: West Berkshire spatial strategy below. Hungerford falls within the North Wessex Downs AONB spatial area.

Table 2-1: West Berkshire spatial strategy

Spatial area	Housing target
Newbury and Thatcham	6,300 (of which 5,400 Newbury and 900 Thatcham)
Eastern Area	1,400
North Wessex Downs AONB	2,000
East Kennet Valley	800

Source: West Berkshire Core Strategy 2006-2026

² See Glossary

43. Second, it establishes a hierarchy of settlements within the District with regard to the amount of future development they are expected to deliver, though specific housing targets or proportions are not given. This is reproduced in Figure 2-2 below. Hungerford is classified as a rural service centre.

Figure 2-2: District settlement hierarchy

District Settlement Hierarchy		
Urban Areas	Wide range of services and the focus for the majority of development	Newbury, Thatcham, Eastern Urban Area (Tilehurst, Calcot and Purley on Thames)
Rural Service Centres	Range of services and reasonable public transport provision - opportunities to strengthen role in meeting requirements of surrounding communities	Burghfield Common, Hungerford, Lambourn, Mortimer, Pangbourne, Theale
Service Villages	More limited range of services and some limited development potential	Aldermaston, Bradfield Southend, Chieveley, Cold Ash, Compton, Great Shefford, Hermitage, Kintbury, Woolhampton

Below the settlement hierarchy there are two additional types of area where there will be more limited development, including affordable housing for local needs:

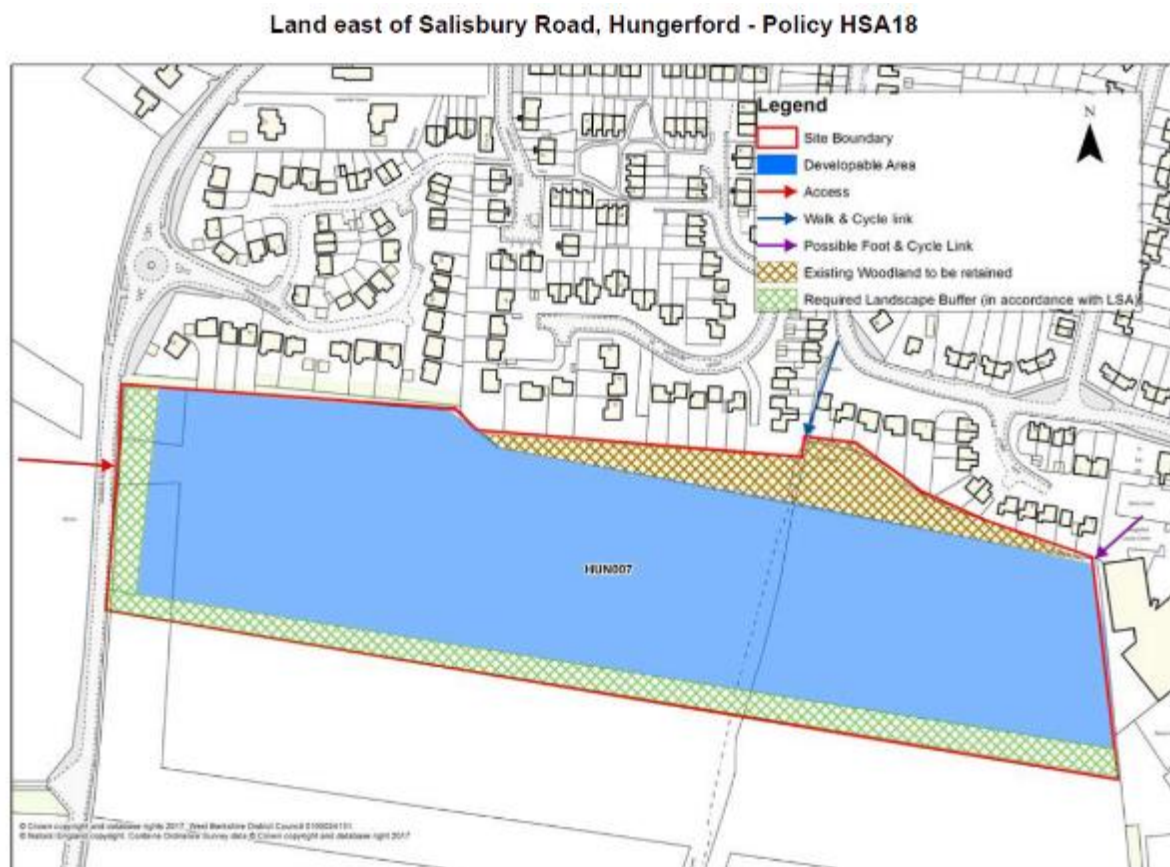
- smaller villages with settlement boundaries - suitable only for limited infill development subject to the character and form of the settlement,
- open countryside - only appropriate limited development in the countryside will be allowed, focused on addressing identified needs and maintaining a strong rural economy.

Source: West Berkshire Core Strategy 2006-2026

44. **Area Delivery Plan Policy 5: North Wessex Downs Area of Outstanding Natural Beauty** – provides a specific housing target of up to 2,000 dwellings for the area of the District in which Hungerford is situated, noting that more than half have already been built or received planning permission.
45. Because this spatial area is within a designated AONB the policy specifies that if there are insufficient developable sites to meet this target while adhering to the landscape priority of the policy, any shortfall will be provided on sites allocated in other spatial areas.
46. It is also stated that “in the western part of the AONB, development will be focused in Hungerford as the more sustainable rural service centre. Hungerford is considerably larger than Lambourn and performs a more significant function for a large catchment area. Hungerford town centre is defined as one of only two town centres in the District, reflecting the range of goods and services which it provides for the surrounding area.”
47. Note that the Scoping Document for the Local Plan Review to 2036 declares an intention to, “consider whether the current spatial strategy for the district is the most appropriate up to 2036”, indicating that it is possible that the concept of the four spatial areas could be abandoned or altered in future.
48. **Policy CS4: Housing Type and Mix** – requires that forthcoming residential development be composed of a mix of dwelling types and sizes suited to the needs of all segments of the community. The mix delivered on an individual site should have regard to issues of character, accessibility, local services, and evidence of local housing need.
49. The explanation in paragraph 5.20 adds that this includes types of housing for those with specialised needs.
50. This policy, in combination with CS6 (below), fulfils the Core Strategy’s third strategic objective, to provide homes in a way that promotes sustainable communities and responds to the changing demographic profile of the District.
51. **Policy CS6 Provision of Affordable Housing** – requires the following minimum levels of affordable housing provision:
- 40% on greenfield sites of more than 15 dwellings or 0.5 hectares

- 30% on previously developed sites of more than 15 dwellings or 0.5 hectares
 - 30% on sites of 10-14 dwellings
 - 20% on sites of 5-9 dwellings
52. The policy proposes a flexible target for a tenure split of 70% social rented and 30% intermediate affordable units, but local need and site specifics will be taken into consideration
53. The minimum requirements and tenure split are subject to negotiation around development viability.
54. The policy explanation (para 5.31) states that an overall target of 35% affordable housing will be sought, equating to an average of 184 units per annum.
55. Note that the Local Plan Review to 2036 states that “policy approach to the delivery of affordable housing [is] to be updated in the light of the written Ministerial Statement, the content of the White Paper and any subsequent amendments to national policy and/or local evidence.”
56. **Policy HAS 18: Land east of Salisbury Road, Hungerford (site reference HUN007)** – provides for approximately 100 dwellings, composed of a mix of dwelling types and sizes. The settlement boundary has been re-drawn to reflect this addition, and this is the only site allocation for Hungerford. A map showing its location is reproduced in Figure 2-3 below.

Figure 2-3: Hungerford site allocation HUN007



Source: West Berkshire Core Strategy 2006-2026

3. Approach

3.1 Research questions

57. Below we set out the research questions relevant to this study, as discussed and agreed with Hungerford Town Council (HTC). Research Questions, abbreviated to 'RQ,' are arrived at the start of the project through discussion with the parish. They serve to direct our research and provide the structure for the HNA.

Quantity

58. The emerging West Berkshire Local Plan is currently under development and no specific housing target has been set by the Local Authority for Hungerford. Therefore, it is necessary to investigate the quantity of housing needed over the Plan period.
59. *RQ1: What quantity of Housing in the Neighbourhood Plan Area (NA) is appropriate over the Plan period?*

Type and size

60. HTC note that the type of housing is also an issue in the NA. They express a need for housing to suit the needs of elderly people in particular. Therefore the type and size of homes that is appropriate for local needs, especially for the elderly should be explored.
61. *RQ2: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate?*

Tenure

62. HTC have made clear that there is a strongly perceived need for Affordable Housing (AH) in the NA. The group would like to explore the quantity needed and how it should be broken down among the various AH tenures.
63. *RQ3: What Affordable Housing and market tenures should be included in the housing mix?*

Housing for specialist groups

64. Another priority for HTC is to accommodate the needs of the elderly population. While it is clear that additional housing is needed for this demographic group, HTC wish to explore what forms of specialist housing in particular would best suit local needs.
65. *RQ4: What provision should be made for specialist housing for older people within the NA?*

3.2 Relevant data

3.2.1 The Local Authority evidence base

66. Planning Practice Guidance (PPG) states that those bringing forward a Neighbourhood Plan can refer to existing needs assessments prepared by the Local Planning authority as a starting point. As Hungerford NA is located within the District of West Berkshire, we therefore turned to the Berkshire Strategic Housing Market Assessment (SHMA), published in 2016, which covers the District and informs emerging housing policies at the local authority level, including affordable housing policy.
67. The purpose of the SHMA is to provide a strategic view of housing supply and demand in all housing sectors up to 2036 and to provide the Local Authorities with a comprehensive understanding of the dynamics and segments of the functional housing markets operating within the County of Berkshire.
68. For the purpose of this HNA we have determined that Hungerford forms part of the West Berkshire Housing Market Area (HMA) identified as a sub-area within the SHMA. The SHMA draws upon a range of data including population and demographic projections, housing market transactions and employment scenarios. As such, it contains a number of points of relevance when determining housing need within the NA.
69. This provides a strong starting point for policy development that aims to build on and add local specificity to the Local Plan by enabling a comparison to be made with Parish-level data (gathered as part of the preparation of this study), given that such an exercise reveals contrasts as well as similarities.

3.2.2 Other relevant data

70. In addition to the SHMA, we have gathered a range of other data sources to ensure our study is robust for the purposes of developing policy at the neighbourhood plan level, and is locally specific. This data includes Census data which provides information on demographic shifts.
71. Furthermore, to assess the housing in Hungerford, data from the Land Registry was analysed. This data provides prices paid, housing types and date of transaction information which allows housing market trends to be identified.
72. The material was collected for the postcodes that are contained within the NA boundary to create a database including all housing transactions registered with the Land Registry between January 1st 2008 and December 31st 2017. A similar exercise was carried out for the whole postcode area (RG17) and for the whole of West Berkshire to serve as a point of comparison. These datasets were mainly used to inform our response to RQ1 and RQ2.
73. Market rental data was collected from a range of sources including www.home.co.uk and www.rightmove.com.

4. RQ 1 Quantity

RQ1: What quantity of Housing in the Neighbourhood Plan Area (NA) is appropriate over the Plan period?

74. We have estimated the number of new dwellings that should be sought in the NA over the Plan period (the Housing Needs Figure or HNF) using a five-step approach in accordance with the latest National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG).
75. According to the NPPF, the HNF for a designated NA, “should take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the planning authority.”³
76. An HNF is a policy-off figure, which means that it is an expression of total housing demand unconstrained by the limits of the land available to build on and by the impact of policies that either facilitate or obstruct development. A policy-off figure can then be reviewed in light of relevant Local and Neighbourhood policies and site allocations to arrive at a policy-on understanding that reflects these factors.

Step 1: “the population of the neighbourhood area”

The HNF for the NA should take as its starting point the housing target for the local authority in which it sits. The baseline for our calculation for Hungerford is therefore a share of the current LA Local Housing Need (LHN) figure that reflects the share of the LA population living in Hungerford.

In order to determine their housing targets, the NPPF requires Local Authorities to use the Standard Method. The West Berkshire Local Planning Authority have specified that the 2016-based ONS household projections should be used as the demographic dataset for calculating housing targets based on the Standard Method.⁴ This is then adjusted using the most recent affordability ratios and weighed against a potential cap.

Step 2: “most recently available planning strategy of the planning authority”

We then follow the guidance presented in the NPPF which states that the initial HNF for neighbourhood plans should reflect “the overall strategy for the pattern and scale of development and any relevant allocations,”⁵ and “the most recently available planning strategy of the local planning authority.”⁶ That means introducing LA spatial policy, housing targets, and assessments of housing need at different scales to arrive at a more locally appropriate proportion of the LA housing target that should be provided in Hungerford. This will usually be a slightly different figure to that produced in Step 1.

Step 3: dwelling completions

Next, any dwellings that have already been completed over the Plan period should be deducted from the HNF in order to provide a HNF for the remainder of the Plan period and an annual HNF that reflects past under- or over-delivery.

Step 4: “latest evidence of local housing need”

Finally, we explore the “latest evidence of local housing need” and other relevant policies and data in detail, as part of a Market Signals analysis. Following any adjustments justified by this analysis, we produce the final HNF (section 5.7).

Step 5: the Local Authority

The NPPF makes it clear the Local Authority is under a duty to provide designated neighbourhood planning areas within their district with their housing target.⁷ In arriving at this HNF, AECOM is therefore acting on behalf of the Local Authority. With this in mind, it is important that the number and underlying methodology are shared with the Local Authority to confirm it is aligned with their current planning strategy.

77. Employing this methodology, the HNF for the NA may be calculated as follows:

³ NPPF, paragraph 66, page 18

⁴ Technical consultation on updates to national planning policy and guidance, October 2018, page 10

⁵ NPPF, paragraph 65, page 18

⁶ Ibid

⁷ Ibid

4.1 Standard method

78. Firstly, we calculate the Local Housing Need (LHN) for the District using the standard method outlined in Planning Policy Guidance, before taking the population of the NA, and calculating the proportion of the total population of the District that it represents. This percentage will then be used to arrive at the share of the Local Authority's target that should be apportioned to the NA.
79. The West Berkshire LHN figure, using the standard method, is calculated as follows:
- Step one is to set the baseline, by calculating the projected average annual household growth in the District over a 10-year period, beginning with the current year, using the most recent ONS household projections.
 - West Berkshire's 2016-based household projection for 2019, the current year, is 66,018. Its projection for 2029, the end of the 10-year period, is 70,408. This represents total growth of 4,390 households which, divided by the number of years in the period (10), gives an annual average growth rate of 439 households.
 - Step two is to adjust this annual average using the most recent ONS median workplace-based affordability ratios (released in April 2018), which provide the ratio of house prices to earnings for various geographies. For each 1% increase in the ratio above 4, projected household growth should be increased by a quarter of a percent.
 - West Berkshire's 2017 affordability ratio is 10.65. Its adjustment factor is therefore $((10.65 - 4)/4) \times 0.25$, or 0.415625. The figure arrived at in step one is then multiplied by the adjustment factor of 1.415625 to give an adjusted annual projection of 621 households (rounded).
 - Step three is to cap the level of increase at 40% above whichever is higher of: the average annual household growth figure arrived at in step one; or the average annual housing requirement figure set out in the most recently adopted local strategic housing policies.
 - The West Berkshire Core Strategy contains the latest adopted strategic housing policy. (Though it is due to be replaced by the Local Plan Review in 2020, no newer policy has yet been published). Policy CS 1 makes provision for a minimum of 10,500 net additional dwellings over the period 2006-2026. Divided by the 20 years in the Plan period, that is an annual average of 525 dwellings. 40% of 525 is 210, so 40% above the most recently adopted strategic housing policy is 735 (525 + 210) dwellings. This is a higher figure than the 439 new households calculated in step one, and would therefore be the relevant cap. However, the capped figure is higher than the adjusted household projection figure of 621, and therefore does not apply.
 - West Berkshire's LHN is therefore 621 dwellings per year.
80. Having derived West Berkshire's LHN, we now calculate Hungerford's share of that target by looking at what proportion of West Berkshire's population currently reside in Hungerford and applying that percentage to the District's LHN. At the time of the last Census, there were 5,767 people in the parish of Hungerford, or 3.7% of the 153,822 people in West Berkshire. Therefore, applying this percentage to West Berkshire's LHN gives a HNF for the NA of 23 dwellings (rounded) per annum, or 414 dwellings over the Neighbourhood Plan period, 2018-2036.

4.2 Latest LPA planning strategy

81. However, as stated in NPPF guidance, it is important to acknowledge the relevant policies in the most recently available development plan document for the District, which reflect the overall strategy for the pattern and scale of development and any relevant allocations. This requires producing a HNF for the NA that takes into account the Local Authority's spatial strategy, and therefore may differ slightly from the initial HNF calculated above.
82. In West Berkshire, the relevant document is the West Berkshire Core Strategy (2006-2026). As noted above and in the Context chapter, this is due to be replaced in 2020 by a Local Plan review, but because its policies are not in the public domain, we continue to use the Core Strategy. A key element of the spatial strategy set out in this document is the subdivision of the District into four spatial areas, each of which are allocated an appropriate housing target.
83. Hungerford falls within the North Wessex Downs Area of Outstanding Natural Beauty (AONB) spatial area, which is allocated up to 2,000 dwellings of the 10,500 allocated for the entire District over the period 2006-2026.
84. It is worth emphasising that this target is an upper-bound target, and that Area Delivery Plan Policy 5 notes that if there are insufficient developable sites to meet this target while adhering to the landscape priority of this AONB-

specific policy, any shortfall will be provided on sites allocated in other spatial areas. The HNF for Hungerford should therefore be likewise viewed as an upper-bound target dependent on the supply of suitable sites.

85. In addition to the division of the District into four spatial areas, Area Delivery Plan Policy 1 of the Core Strategy sets out a settlement hierarchy that categorises all of the settlements in the District according to their provision of services. The purpose of the settlement hierarchy is to direct development to the most appropriate and sustainable locations. It is reproduced in Table 4-1 below.

Table 4-1: District settlement hierarchy

Designation	Description	Development Role
Urban Areas	Wide range of services	The focus for the majority of development
Rural Service Centres	Range of services and reasonable public transport provision	Opportunities to strengthen role in meeting requirements of surrounding communities
Service Villages	More limited range of services	Some limited development potential

Source: West Berkshire Core Strategy 2006-2026

86. Within the AONB spatial area, there are three Rural Service Centres – including Hungerford – and six Service Villages. However, the settlement hierarchy in the Core Strategy does not specify the quantity or proportion of new housing that is expected to be delivered by settlements at each level of the hierarchy.
87. In the absence of settlement-level targets, it is necessary to derive Hungerford’s share of the AONB allocation of up to 2,000 dwellings by calculating the proportion of the AONB population living in Hungerford. Relative population is considered the most appropriate proxy for any specific allocation because of the clear link Area Delivery Plan Policy 5 (which relates to the AONB spatial area) makes between the amount of future development and the current size of settlements. The policy states that, “development will be focused in Hungerford as the more sustainable service centre”, noting that it is, “considerably larger” than Lambourn.
88. Table 4-2 below lists the parishes located within the AONB spatial area by their position in the settlement hierarchy, and provides their parish-level (rather than settlement-boundary level) populations as of the 2011 Census. Hungerford is the largest settlement by population, with 23% of the total population of 24,900.
89. It is important to note that there are a further 33 parishes that fall at least partly within the West Berkshire area of the AONB. However, because these are not mentioned in the settlement hierarchy, it is agreed with the Local Authority that they are not targeted for development (though they may experience windfall development by individuals). The policy states that, “smaller villages within the AONB will continue to support the needs of their residents and surrounding communities for facilities and services”, rather than their needs for housing. If all of these parishes were included in the below calculation, the resulting share of the population residing in Hungerford would be so small as to disproportionately reduce its housing target, and therefore conflict with the policy intent of the settlement hierarchy, which states that “development will be focused in Hungerford”.⁸

Table 4-2: Parish populations within AONB spatial area

Settlement	Population	% of total AONB population
Rural Service Centres		
Hungerford	5,767	23%
Lambourn	4,103	16%
Pangbourne	2,978	12%
Service Villages		
Bradfield/Southend	2,177	9%
Chieveley	2,890	12%
Compton	1,571	6%
Great Shefford	937	4%
Hermitage	1,943	8%
Kintbury	2,534	10%
Total	24,900	100%

Source: 2011 Census, AECOM calculations

⁸ Definitive Mapping for all parishes within the North Wessex Downs available at <http://www.northwessexdowns.org.uk/publications-resources/planning-development.html>

90. By applying the proportion of the AONB population living in Hungerford to the spatial area's housing target of 2,000, Hungerford's 'fair share' of the housing allocated to the North Wessex Downs AONB over the period of 2006-2026 is 463 dwellings (rounded).
91. As a proportion of the total West Berkshire housing target of 10,500, this is 4.4%. If we then apply this percentage to West Berkshire's LHN of 621 dwellings per year, we arrive at a HNF of 27 dwellings (rounded), or 486 dwellings over the Plan period 2018-2036.
92. In line with the spatial strategy of the District and the policy context for the AONB, this should be viewed as an upper-bound target that is dependent on the availability of suitable sites – if an insufficient supply of suitable sites comes forward, the shortfall may be shared with neighbouring settlements outside of the AONB.
93. In summary, we have taken a number of steps to produce a HNF that is more locally-specific and aligned with policy than the relatively crude measure of deriving the ratio of the entire District population living in Hungerford. This has resulted in an annual HNF that is higher by four additional dwellings per year.
94. If, when the District strategic policies are updated in 2020, the proportion of dwellings allocated to the AONB is updated, or if Hungerford is provided with an explicit HNF by the Local Authority, this figure will need to be updated.

4.3 Past dwelling completions

95. Since the Plan period begins in 2018 and no completions data for the year of 2018 is yet available, there is no need to deduct completed dwellings from the HNF.
96. PPG is clear that a policy-off figure should be separate from land availability and that future commitments should not be deducted from housing targets. However, West Berkshire Council provides data on outstanding housing commitments in Hungerford (sites for which planning has been granted but that may or may not yet be under construction) and it is worth reviewing the status of these and other potential commitments that are likely to meet Hungerford's HNF in the short term.
97. There are currently 29 outstanding dwelling commitments in the WBC data. Considering that some commitments had permission granted many years ago, it is not possible to discern which of them are likely to complete in the coming years. That said, more recent information on current planning applications points to a number of sites at advanced stages of approval or with construction underway:
 - 11/01910/FULMAJ: 13 dwellings under construction;
 - 17/00891/FULMAJ: 4 dwellings approved;
 - 17/03339/FULD: 5 dwellings under construction;
 - 18/00837/FULLEXT: 13 dwellings recommended for approval and awaiting s106 agreement;
 - 16/00787/FULD: 8 dwellings approved at appeal.
98. These 43 dwellings cannot be deducted from the HNF but if delivered will help to exceed Hungerford's annual target in the coming and subsequent year.
99. It is also important to note that in the West Berkshire Housing Site Allocations DPD, adopted in May 2017, Policy HSA 18 allocates a site east of Salisbury Road in Hungerford for a development of approximately 100 dwellings. The planning application is currently approved at matters reserved stage. If developed, this site will make a large contribution to Hungerford's housing needs. However, a site of this scale is deemed by some members of the community to be detrimental to Hungerford's development ambitions. HTC may wish to meet the town's future needs by allocating a number of smaller brownfield sites in the manner of the 43 units described above.
100. Next, we assess the initial housing needs figure of 27 dwellings per year (486 to the end of the Plan period) against market signals in the following chapter, and adjust the HNF if we find evidence of demand pressures that are specific to the NA. Note that PPG no longer requires that market signals be taken into account when calculating a HNF, but that the following analysis serves as useful context for the Neighbourhood Plan and for subsequent chapters in this HNA dealing with the type, size, and affordability of housing required.

5. Market signals

101. This study considers the following market signals that may justify either an uplift or a reduction in the need for market housing in Hungerford:

- Employment and commuting trends;
- Migration;
- Housing market (prices);
- Housing market (transaction volumes);
- Overcrowding and concealment; and
- Rate of development.

5.1 Employment and commuting

102. Local employment trends can greatly influence housing need, as employment opportunities can stimulate demand in the Plan area. It is therefore important to establish the employment sphere of influence experienced by the residents of Hungerford.

103.

104. Table 5-1 below shows how Hungerford's economic profile compares with that of the District. A higher percentage of Hungerford's population is economically active than that of West Berkshire as a whole, and significantly higher than the national average.

105. Though the proportion of full- and part-time employees is very similar to the wider District, Hungerford has more self-employed people (13.9% compared with 11.3%), marginally more unemployed people (3.4% compared with 2.9%), and fewer full-time students. Hungerford also has a very slightly higher proportion of retired people (13.2% compared with 12.6%). The economic profiles of Hungerford and West Berkshire are broadly similar, but both have a far greater proportion of economically active residents than England as a whole.

Table 5-1: Economic activity in Hungerford, 2011

Economic category		Hungerford	West Berkshire	England
Economically active	Total	77.9%	76.2%	69.9%
	Employee: Full-time	45.2%	45.6%	13.7%
	Employee: Part-time	13.9%	13.9%	38.6%
	Self-employed	13.9%	11.3%	9.8%
	Unemployed	3.4%	2.9%	4.4%
Economically inactive	Full-time student	1.7%	2.5%	3.4%
	Total	22.1%	23.8%	30.1%
	Retired	13.2%	12.6%	13.7%
	Student	1.9%	3.4%	5.8%
	Looking after home or family	3.7%	4.3%	4.4%
	Long-term sick or disabled	2.0%	2.2%	4.1%
	Other	1.3%	1.4%	2.2%

Source: ONS 2011, AECOM Calculations

106. While residents of Hungerford are more economically active than the national average, they also travel significantly further to get to work, as can be seen in

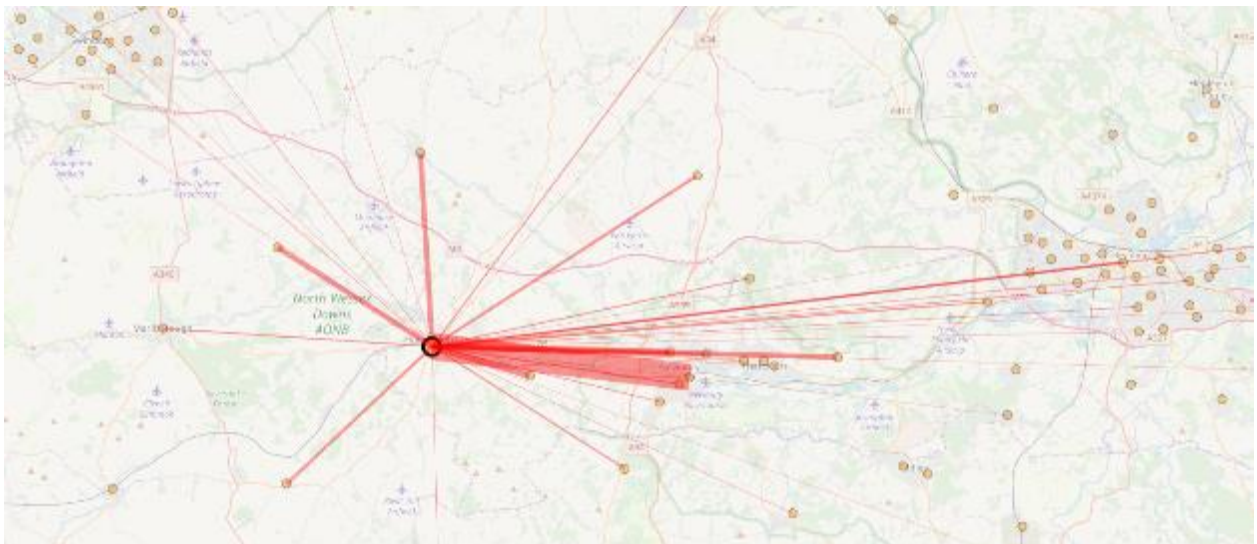
107. Table 5-2 below.

Table 5-2: Distance to work, 2011

Location of work	Hungerford	West Berkshire	England
Less than 10km	30.5%	45.3%	52.3%
10km to less than 30km	29.2%	21.0%	21.0%
30km and over	16.8%	12.2%	8.0%
Work mainly at or from home	13.5%	13.1%	10.3%
Other	10.0%	8.4%	8.5%
Average distance travelled to work	20.8km	16.9km	14.9km

Source: ONS 2011, AECOM Calculations

108. The DataShine Commute mapping tool provides a helpful additional layer of information about commuting patterns. Figure 5-1 below presents a visualisation of the work locations of Hungerford residents, with the volume of work travel to each location indicated by the thickness of the red lines.

Figure 5-1: Hungerford out-commuting patterns

Source: DataShine Commute

109. The most common work locations are within Hungerford itself and working from home. These are not represented on the map and account for much of the 30.5% of residents who work less than 10km from home. The next most common commuting destination is Newbury, 15km away from Hungerford and visible in the thick red line extending to the East in Figure 5-1. Other small towns and villages make up the remainder of the 29.2% of residents working 10km to 30km away from home. What is most notable from the map is that comparatively few Hungerford residents work in the large towns of Reading or Swindon.
110. It is therefore the economic development of Newbury more than any other work location other than Hungerford itself that is likely to exert the greatest influence on the demand for accommodation in Hungerford.
111. The Thames Valley Berkshire Strategic Economic Plan describes a number of major regeneration projects and infrastructure investments that are planned in and around Newbury. They are among the most important in the entire District and are identified as economically important, though specific job growth forecasts are not given. In addition, Newbury has recently been highlighted in the Tech Nation 2018 report as having a density of digital businesses that is the highest in the UK and 15 times the national average,⁹ suggesting that Newbury's past and anticipated employment growth is driven as much by the private sector as by its planned public works.
112. Economic and employment growth in Newbury is likely to have a beneficial effect on job opportunities for Hungerford residents. However, Newbury is also undergoing a concerted effort toward housing delivery, with large site allocations including the phased delivery of 1,500 homes at Newbury Racecourse and up to 2,000 homes at a greenfield site at

⁹ <https://technation.io/insights/report-2018/digital-tech-business/>

Sandleford to the south of the town.¹⁰ This increase in housing supply is likely to offset much of the increase in housing demand created by the town's economic development and may limit the potential for current and prospective Hungerford residents to access new jobs in Newbury.

113. On the subject of economic opportunity in Hungerford's sphere of economic influence, it is important to note that the Berkshire SHMA provides an employment growth forecast for West Berkshire over the (identical) Plan period of 2013-2036 of 12%, leading to a forecast change in the resident workforce of 10,800, and an economic-led housing need projection of 629 units per annum. This economic-led forecast is 14% greater than the demographic-led forecast of 551 units per annum, and suggests that strong projected economic growth across the District is an important driver of housing need.
114. In the Western Berkshire OAN Sensitivity Analysis, which was published in March 2018 and takes more recent evidence into account, West Berkshire is forecast to experience lower employment growth of 7,089 over the period 2016-2036, which represents an overall percentage increase of 6.46%. Though this conclusion is less compelling, it still results in an uplift to local housing need and does not materially change the adjustment proposed here.
115. Bringing the evidence together, it is clear from the census data that Hungerford residents are highly economically active, more likely to be self-employed than the national average, and willing to commute relatively large distances to work. The town is also located within a District that is forecast to experience strong employment growth, and this has been used to justify an uplift to its assessment of housing need in the Berkshire SHMA. Hungerford is heavily dependent on Newbury for employment opportunities, and while Newbury is actively planning for significant employment growth, it also aims to supply new workers with housing in and around Newbury itself. Hungerford represents a different offering to Newbury and may still provide and attract new workers who wish to live in a smaller town or more rural location. In combination, these factors point to a high degree of employment-led housing demand in and around Hungerford that justifies a moderate upwards adjustment to Hungerford's Housing Needs Figure (HNF).

5.2 Migration

- 116.
117. Table 5-3 below suggests that 92.3% of Hungerford residents were born in the UK. Of the 7.7% of residents born outside the UK, 4.8% have resided in the UK for at least 10 years. The fact that the international migration rate is low compared to the District and England, with the majority of migrants having resided in Hungerford for a significant period of time, suggests that international migration plays a limited role in influencing demand for housing in Hungerford.

Table 5-3: Place of birth and length of residence, Hungerford, 2011

Place of birth	Population breakdown		Hungerford	West Berkshire	England
Born in the UK	Total		92.3%	91.0%	86.2%
Born outside the UK	Total		7.7%	9.0%	13.8%
	EU		3.0%	3.5%	3.7%
	Other		4.7%	5.5%	9.4%
	Length of residence	Less than 2 years	0.4%	0.9%	1.8%
		2-5 years	1.2%	1.4%	2.2%
		5-10 years	1.3%	1.8%	2.9%
		10 years or more	4.8%	4.9%	7.0%

Source: ONS 2011, AECOM Calculations

5.3 Housing market (prices)

118. We begin by considering the average prices paid in 2017 for different property types in the NA, compared with those in the wider postcode area and the District. Table 5-4 and Figure 5-2 below, which set out this data, shows that average house prices in Hungerford are significantly less expensive than those in both the wider postcode area and the district, although they are still far above national averages. The one exception is that terraced houses in Hungerford are 3% higher than those in the wider postcode area.

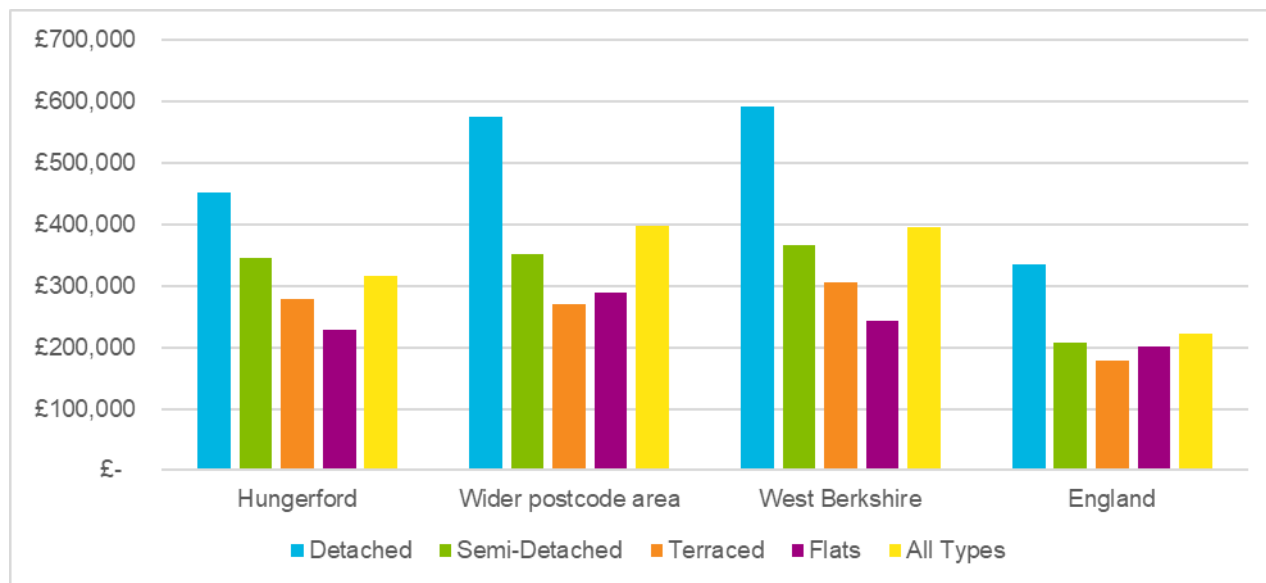
¹⁰ West Berkshire Core Strategy DPD

Table 5-4: Mean house prices (2017)

	Detached	Semi-Detached	Terraced	Flats	All Types
Hungerford	£451,048	£345,868	£278,279	£227,402	£316,684
Wider postcode area	£575,171	£351,846	£269,216	£288,417	£397,075
West Berkshire	£591,486	£365,604	£304,954	£242,724	£394,240
England	£334,848	£207,998	£178,874	£201,364	£221,790

Source: Land Registry, UK House Price Index, AECOM Calculations

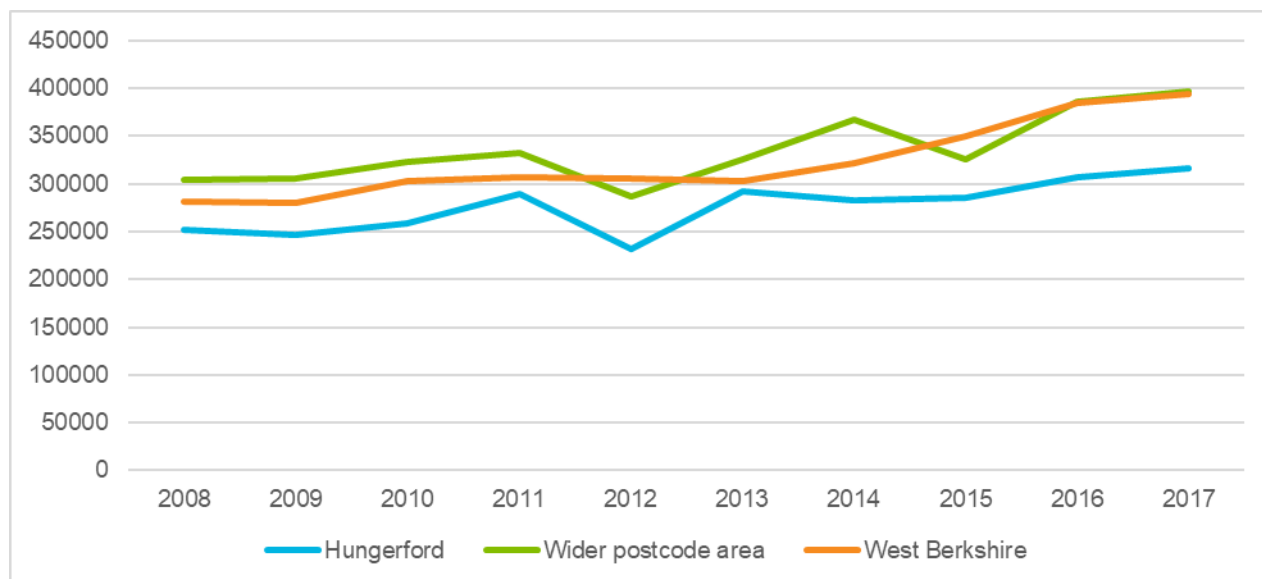
Figure 5-2: Mean house prices (2017)



Source: Land Registry, UK House Price Index, AECOM Calculations

119. In addition to recent sold price data, the degree of housing demand is evident in the evolution of house prices over time. To assess the evolution of the housing market we have analysed data from the Land Registry, comparing data for Hungerford with that for the wider postcode area and the District over the period of January 2008 to December 2017. This is presented graphically in Figure 5-3 below, which shows that the evolution of house prices in Hungerford roughly tracks the trajectory of the wider postcode area, while the market of West Berkshire increases more smoothly with fewer peaks and troughs.
120. More importantly, the graph also indicates that Hungerford house prices are increasing more slowly than in the surrounding area. In comparison with the postcode area and the district, Hungerford does not appear to be exhibiting a strong degree of demand pressure.

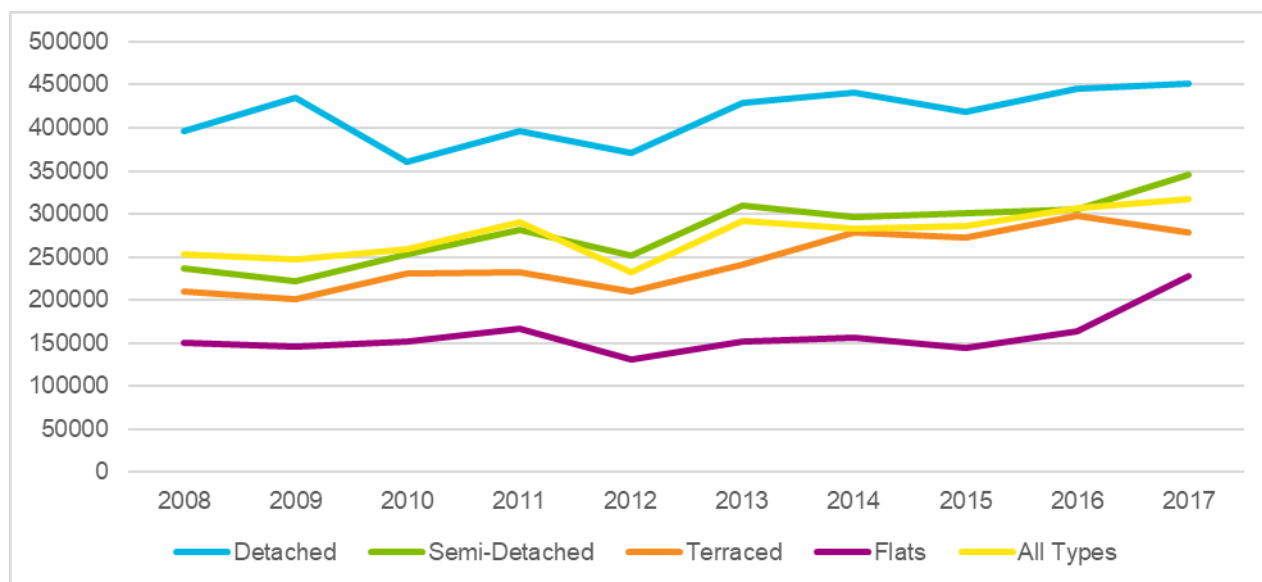
Figure 5-3: Price paid data, all types January 2008-2017



Source: Land Registry, AECOM Calculations

121. It is helpful to look at Hungerford’s price evolution in greater detail to understand whether particular property types are appreciating faster than others. In Figure 5-4 below, which shows the average price paid for each type of housing in Hungerford over the last ten years, it is clear that the prices of all property types have moderately but not consistently increased since their post-recession trough in 2012. The most notable finding here is the strong recent uptick in the price of flats. This significant deviation from the ten-year trend could well indicate a rise in demand for smaller units in Hungerford.

Figure 5-4: Mean house prices by type, 2008-2017



Source: Land Registry, AECOM Calculations

122. Again it proves useful to compare the breakdown of price evolution by housing type to the wider area to identify whether supply is particularly limited or plentiful in Hungerford compared to elsewhere. This is reinforced by the Planning Advisory Service’s (PAS) recent technical advice note on Objectively Assessed Needs and Housing Targets, which advises at paragraph 5.38 that, “proportional price change is generally a better indicator than absolute price”.

123. Table 5-5 below uses Land Registry data to calculate the average price increase in Hungerford between 2008 and 2017. This is benchmarked against the average price increase for the wider postcode area and for the District. It emerges from this data that semi-detached units have appreciated evenly over the three scales, but that detached houses in Hungerford have underperformed the wider geographical trend by a significant margin – indicating that

further supply is less needed for this type of housing. Again the most notable finding is the strong performance of flats; this is the only dwelling type for which Hungerford outperforms the District, and a type that has also seen very significant growth of 95% in the RG17 postcode area. These facts might suggest that an increase in the supply of flats in Hungerford could help the town to absorb excess demand from the surrounding area.

Table 5-5: Price evolution by type, compared with wider geographies

	Hungerford	RG17	West Berkshire	Difference Hungerford - RG17	Difference Hungerford - West Berkshire
Detached	14%	38%	40%	-24%	-26%
Semi-Detached	46%	42%	50%	3%	-4%
Terraced	32%	25%	47%	7%	-14%
Flats	50%	95%	33%	-44%	18%
All Types	25%	31%	40%	-5%	-15%

Source: Land Registry, AECOM Calculations

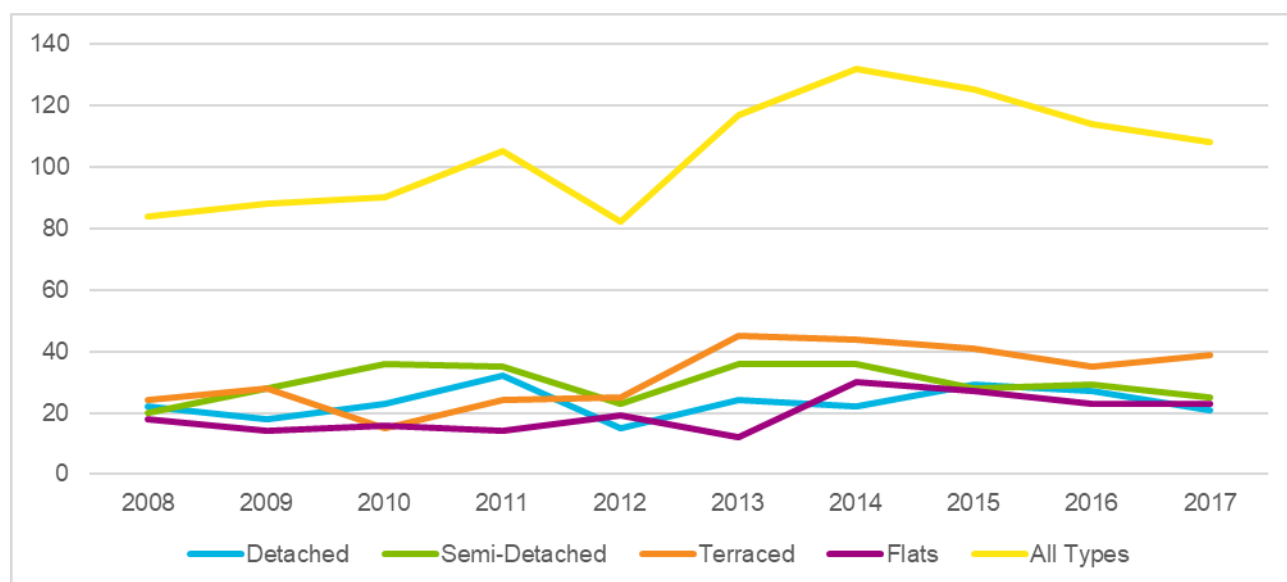
124. Bringing the evidence together, the market price data for Hungerford does not imply a sufficiently acute imbalance of housing demand and supply overall to warrant an adjustment of the town’s HNF. Price growth overall has been consistently slower, and prices remain moderately lower, than in the RG17 postcode area and the wider District. However, the breakdown of market performance by dwelling type indicates an undersupply of flats that will shed light on the forthcoming analysis of type and size.

5.4 Housing market (transactions)

125. Assessing the volume of housing sales over time is an important indicator of demand for different types of housing. Figure 5-5: Volume of sales in Hungerford by type, 2008-2017 below presents Land Registry data for housing sales of different dwelling types in Hungerford. It is evident that the total number of sales has been in decline since 2014 after rising in every period except 2012 since 2008.

126. The distribution of sales by type is remarkably even, although the volume of sales of terraced houses has been consistently the highest of all property types since 2012 and flats have in general experienced the lowest number of sales.

Figure 5-5: Volume of sales in Hungerford by type, 2008-2017

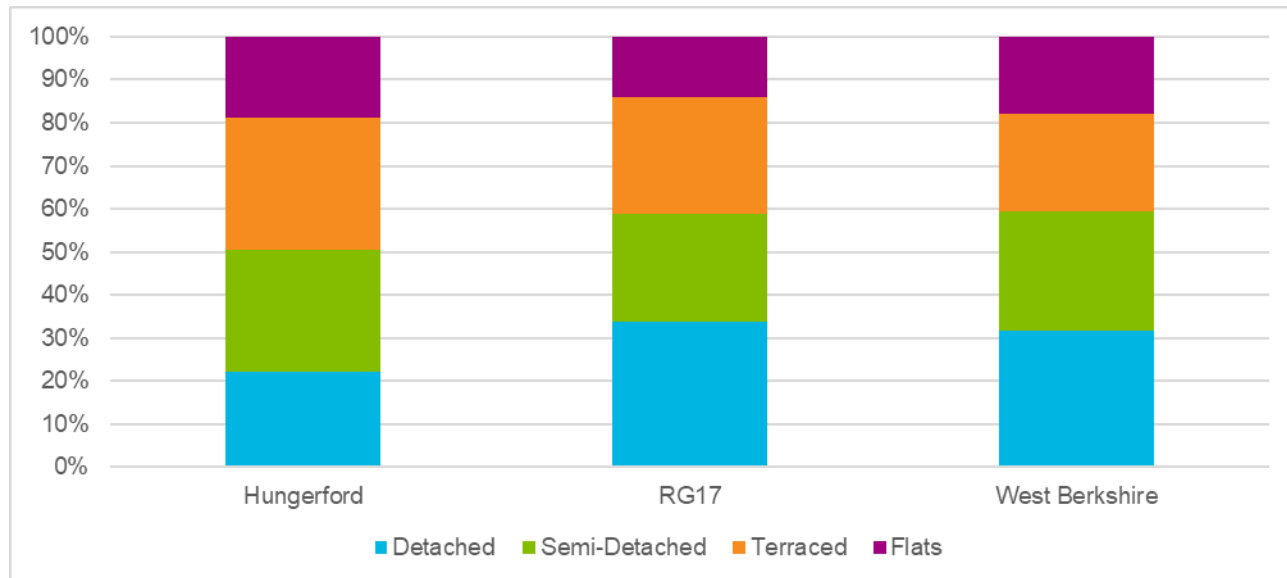


Source: Land Registry, AECOM Calculations

127. Figure 5-6: Volume of property sales by type below depicts the proportion of the total sales over the ten-year period for each type of dwelling, compared with the wider postcode area and the district. The breakdown of total sales by type for Hungerford is both remarkably well-balanced, and very similar to the breakdown of sales recorded at the wider scale.

128. The data do not indicate an especially high level of demand for any particular type of housing, although sales of flats are generally the lowest. That is particularly true for the RG17 postcode area, which is interesting in the light of the finding shown in Table 5-5 above, that the price of flats in RG17 has increased by 95% over the past ten years. It is therefore likely that the relatively lower proportion of flats sold in RG17, and perhaps in Hungerford itself, is due to a restricted stock of available flats rather than a lack of demand.

Figure 5-6: Volume of property sales by type



Source: Land Registry, AECOM Calculations

129. A more accurate approach to benchmarking whether sales volumes represent a clear market signal indicating inflated or depressed demand across different housing types is to compare the proportion of sales of each type of housing (excluding any new builds, which would introduce supply-side factors) with the proportion of the existing housing stock that falls into each category. This allows conclusions to be drawn about whether sales of homes of each type are occurring in or out of proportion to their availability. If a higher proportion are sold than would be expected given their relative availability, this can indicate unmet demand.

130. This comparison is presented in Table 5-6 below, which gives the percentage of sales over the ten-year period for each dwelling type compared with the share of the composition of the available housing stock. Figures relating to the housing stock of West Berkshire as a whole are added alongside for reference.

131. It is evident that the proportion of sales of detached houses and flats is neatly aligned with their relative shares of the overall available housing stock. However, semi-detached units make up a lower proportion of sales than their availability would suggest, and terraced houses make up a higher proportion of sales relative to their availability. This would suggest that there is excess demand for terraced homes and an excess supply of semi-detached homes, although the margins are relatively small. That said, when comparing the ratio of sales in 2017 alone (rather than across the ten-year period) with the available stock, the percentage of semi-detached houses sold declines to 23% while that for terraced houses rises to 36% - possibly reflecting an increase in unmet demand over time for terraced homes and a decrease in demand for semi-detached properties.

Table 5-6: Sales volumes compared with stock by type

	Hungerford Sales (PPD)	Hungerford Stock (ONS)	West Berkshire Stock (ONS)
Detached	22%	23%	34%
Semi-Detached	28%	33%	33%
Terraced	31%	24%	18%
Flats	19%	20%	14%

Source: Land Registry PPD, AECOM Calculations

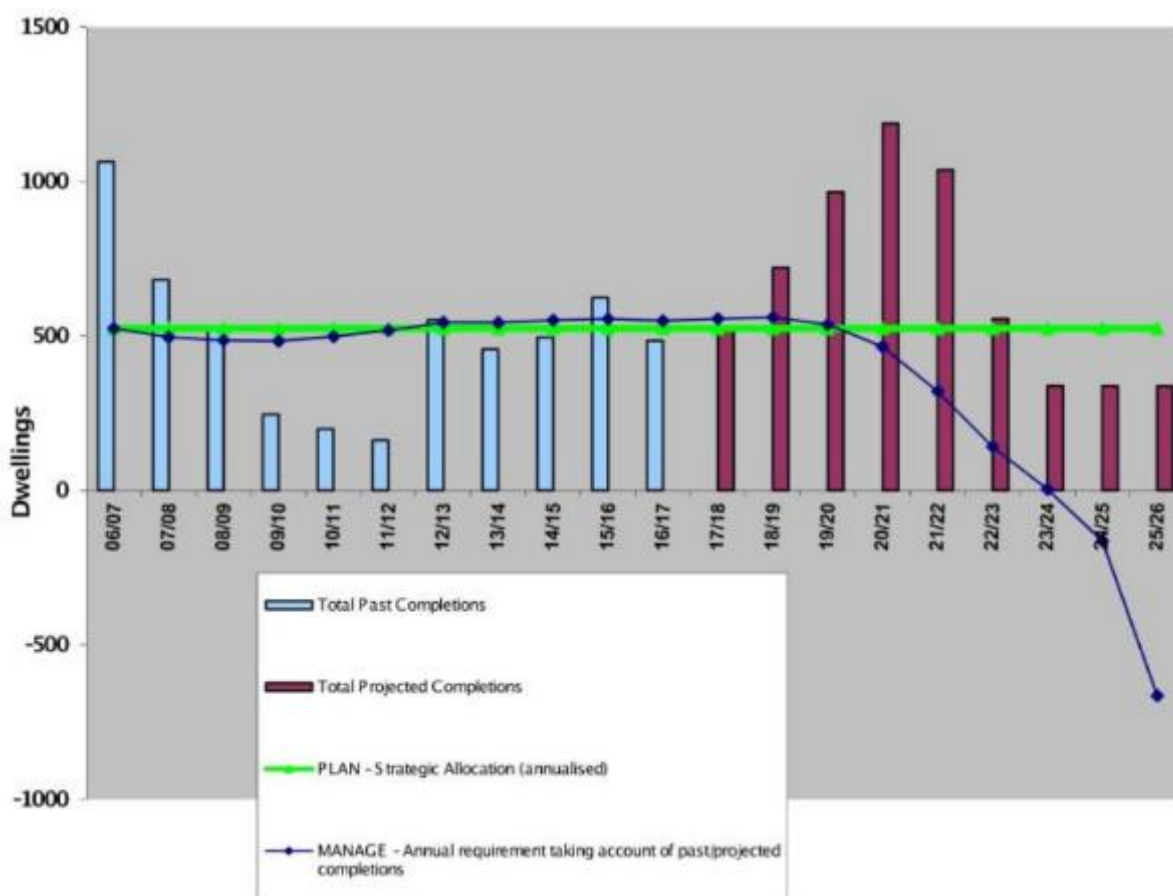
132. Bringing the evidence together, the most important finding is an overall decline in the volume of housing sales since 2014, which suggests that the total demand for housing in Hungerford is relatively stagnant. At a finer level of detail, the proportion of sales of housing of different types in Hungerford reflects the relatively even split of housing types in

the town’s available stock. However, sales volumes of terraced houses are increasing steadily over time and indicate a level of demand that is unmet by the existing stock, while sales of semi-detached houses are both gently declining over time and low relative to the stock available. Overall, the evidence does not warrant an upward adjustment to the HNF.

5.5 Rate of development

133. Information on the historic rate of development for West Berkshire is supplied in the Local Plan Annual Monitoring Report: Housing – March 2018. Figure 5-7 below, reproduced from that document, plots past and projected completions against the annualized Core Strategy Requirement of 10,500 dwellings (over the period 2006-2026). It shows that while completions to March 2017 have fallen short of the Core Strategy Requirement (by 287 net new units), a high number of recent permissions and allocated sites in the Housing Site Allocations DPD are expected to boost delivery above 10,500 by the end of the Plan period.

Figure 5-7: West Berkshire past and projected completions



Source: West Berkshire Local Plan Annual Monitoring Report 2017: Housing – March 2018, pg. 12

134. Although the fact of a shortfall to the present date could justify additional pressure on Hungerford to address unmet need across the District, the shortfall is only 5% of the 11-year target (278 units short of 5,775) and therefore does not warrant an uplift in the housing need figure for Hungerford. This position is also supported by the fact that housing completions in Hungerford since the start of the Neighbourhood Plan period have averaged at 24 units per year, which is only 11% less than the indicative HNF for Hungerford (described in further detail in 1.3 paras 18-1). The past rate of development in West Berkshire as well as Hungerford itself is considered sufficient to meet housing need and does not require any change to the HNF.

5.6 Overcrowding and concealment

135. Another indicator of demand in the housing market is the prevalence of overcrowding in the NA. This is because unmet demand for housing in the area can manifest itself in the over-occupation of the available housing stock.

136. One of the most reliable indicators of overcrowding is the ‘persons per room’ data collected at the household level for the Census.
137. Table 5-7 below shows the percentage increase or decrease in the proportion of households occupying different amounts of space in Hungerford, the wider District and England. In Hungerford’s case, the trend is substantially downwards in the most severe overcrowding category of over 1.5 persons per room, which has declined by 60% from 5 residents at the time of the 2001 Census to 2 residents at the time of the 2011 Census. During the same period the number of residents in the less severe 1-1.5 persons per room category has fallen by 25% from 20 to 15 residents. Both the totals and trends over time make clear that overcrowding in Hungerford is not a major concern in relation to overall housing need.

Table 5-7: Trends in number of persons per room in Hungerford, 2001-2011

Persons per room	Hungerford	West Berkshire	England
Up to 0.5 persons per room	8.2%	11.7%	7.9%
Over 0.5 and up to 1.0 persons per room	0.0%	0.9%	7.0%
Over 1.0 and up to 1.5 persons per room	-25.0%	-0.8%	27.3%
Over 1.5 persons per room	-60.0%	-25.0%	2.5%


Source: ONS 2011, AECOM Calculations

138. A further indicator of increased housing demand is the presence of concealed families in the NA. A concealed family is one living in a multi-family household in addition to the primary family, such as a young couple living with parents.¹¹ The number of families considered to be concealed in Hungerford is 21, or 1.2% of the total. This is lower than the West Berkshire average of 1.5% and the England average of 1.9%, so concealment is not an especially prominent issue in Hungerford. However, the number of concealed families does point to some degree of housing demand from families already living in the area.
139. Bringing the evidence together, Hungerford displays relatively low levels of overcrowding and concealment which do not warrant an uplift in the HNF.

5.7 Conclusions

140. We have applied our professional judgment according to the different indicators we have analysed. An upward-pointing arrow indicates there is evidence to increase the housing target (one upward arrow indicates ‘some evidence’, two upward arrows ‘stronger evidence’ and three upward arrows indicates even stronger evidence), a downward pointing arrow means the housing target should decrease, and a horizontal arrow means there is insufficient evidence to justify altering the housing target, or the evidence suggests it should remain unchanged.. Factors are set out in the table below in alphabetical order.

Table 5-8: Summary of factors specific to Hungerford with a potential impact on neighbourhood plan housing quantity

Factor	Source(s)	Possible impact on future housing need	Rationale for judgement
Employment and commuting	ONS 2011, AECOM Calculations, DataShine Commute mapping tool, Newbury Vision 2026, Thames Valley Berkshire Strategic Economic Plan,		Hungerford is home to an economically active population. It attracts and retains residents who work in relatively distant locations, including London and particularly Newbury – which is undergoing economically strategic regeneration. West Berkshire as a whole is forecast to create 10,800 new jobs over the Plan period (mirroring that of the NP), which has been used to justify a 14% uplift in the District HNF in the Berkshire SHMA. Together these factors suggest that employment opportunity will continue to grow and to be a key driver of housing demand in Hungerford.

¹¹ <http://webarchive.nationalarchives.gov.uk/20160105222245/http://www.ons.gov.uk/ons/rel/census/2011-census-analysis/what-does-the-2011-census-tell-us-about-concealed-families-living-in-multi-family-households-in-england-and-wales/-sty-what-does-the-2011-census-tell-us-about-concealed-families.html> (visited 01/09/17)

Berkshire
SHMA

Migration	ONS 2011, AECOM Calculations	↔	Hungerford's international migration rate is low compared to the District and England, and the majority of international migrants in Hungerford have resided there for a significant period of time. Migrants appear to exert very little demand pressure on housing.
Housing market (prices)	Land Registry Price Paid Data for 2008-2017	↔	House prices in Hungerford have risen moderately over the last ten years, demonstrating that demand remains robust but is not strongly increasing. Prices are generally lower and rising less quickly than those in the wider postcode area and District. Price growth over time diverges significantly between different types and sizes of property, suggesting that segments of the market possess more momentum than others. However, taken as a whole, housing market (prices) do not justify an uplift to Hungerford's HNF.
Housing market (transactions)	Land Registry Price Paid Data for 2008-2017, Census Data 2001, 2011	↔	The volume of housing sales in Hungerford has decreased every year since 2014, suggesting that demand is waning. However, sales volumes remain higher than any year during the period 2008-2013, so while the number of transactions has recently dipped this may simply represent a return to a longer-term trend following a spike in demand. Transaction volumes are also drastically different for different dwelling types, with a disproportionately high level of demand for terraced homes and a significant decrease in demand for semi-detached homes. This evidence is not a sufficient cause to alter the HNF for Hungerford in either direction.
Rate of development	Land Registry Data/AECOM Calculations, West Berkshire Local Plan Annual Monitoring Report 2017: Housing – March 2018	↔	The delivery of housing in West Berkshire since 2006 is just 5% below the Local Plan target, and is forecast to grow in the coming years to eventually exceed that target. Hungerford's housing need figure should not therefore rise to combat the District shortfall, and neither should it be reduced as there is no present evidence of a surplus.
Overcrowding and concealment	Census Data 2001, 2011	↔	Overcrowding is low and falling in Hungerford, and although there were 21 concealed families at the time of the last census, they represent a very small proportion of the overall population that is lower than the proportion found at the District and national levels. Neither indicator is strong enough to influence overall housing need.

Application of market signals

Above we have summarised our conclusions regarding the impact of market signals on the quantity of housing needed in Hungerford. On this basis, we recommend that no uplift should be applied to the interim housing target calculated in the Quantity section. Although the economic signal is relatively strong, this is not reflected in the housing market, and other factors are neutral. **This results in an unchanged, final HNF of 27 dwellings per year, or 486 over the Plan period (2018-2036).**

5.8 Local Authority

141. The Local Authority has reviewed this methodology, excluding the market signals analysis, and their comments have been incorporated where applicable. That said, as a next step, it would be advisable for Hungerford Town Council to remain in contact with the West Berkshire District Council as and when updated District-level calculations are reviewed in future.

6. RQ 2. Type and size

RQ2: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is most appropriate?

142. The PPG recommends an assessment of the existing housing provision and its suitability to address current and future community need with regard to demographic shifts in age and household composition. Accordingly, we start with a review of the type and size profile of the existing housing stock in Hungerford. Demographic shifts in age and household composition will then be considered. Finally, the future demand for housing by type and size will be determined.

6.1 Background and definitions

143. Before beginning our consideration of type and size, it is important to understand how different types of households (groups of people living at the same address) occupy their homes. Crucially, household 'consumption' of housing (in terms of housing size) tends to increase alongside wealth and income, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase with age, such that older households tend to have larger homes than younger households, often as a result of accumulated wealth and expanding families.

144. Yet smaller households (those with lower numbers of inhabitants) may also choose to live in larger homes than their needs would suggest, and thus would be defined in census terms as under-occupying their homes. This is a natural feature of the housing market, but it can distort how future housing need is understood: demographics often present a very different picture than that suggested by market dynamics and signals, and it is helpful to bear in mind that housing need is different from housing choice.

145. In order to understand the terminology used to describe the size of dwellings, it is important to note that the number of rooms recorded in census data excludes some rooms such as bathrooms, toilets and halls, and to be clear that data on dwelling size is collected on the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' should be understood as follows¹²:

- one room = bedsit
- two rooms = flat/house with one bedroom and a reception room/kitchen
- three rooms = flat/house one to two bedrooms and one reception room/kitchen
- four rooms = flat/house with two bedrooms, one reception room and one kitchen
- five rooms = flat/house with three bedrooms, one reception room and one kitchen
- six rooms = house with three bedrooms, two reception rooms and a kitchen, or four bedrooms, one reception room and a kitchen
- seven+ rooms = house with four or more bedrooms

146. It is also useful to clarify the census terminology around dwellings and household spaces, which can be confusing in the context of flats, shared or communal dwellings, and houses in multiple occupation – types that typically come under the private rented sector. Dwellings are counted in the census by combining address information with responses stating whether or not a household's accommodation is self-contained,¹³ and as such all dwellings are classified into either shared or unshared dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.

147. The key measure of whether a dwelling is shared or unshared relates to the census definition of a household. A household is defined as "One person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area."¹⁴ On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

148. Whilst it is unlikely that these issues are of particular relevance to Hungerford, it is still helpful to understand the terms as a background to the data in this chapter.

¹² <https://www.nomisweb.co.uk/census/2011/qs407ew>

¹³ <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

¹⁴ Ibid.

6.2 Existing types and sizes

Type

149. Table 6-1 below shows that the housing mix in Hungerford is relatively well-aligned with the England average, but contains more terraced houses, flats, and accommodation in commercial buildings than West Berkshire, which in turn has far more detached houses than Hungerford. The majority of dwellings are houses, particularly semi-detached houses. The most common dwelling type is semi-detached houses, and houses taken together account for 80% of all dwellings.

Table 6-1: Accommodation type per household space, 2011

Dwelling type		Hungerford	West Berkshire	England
Whole house or bungalow	Detached	22.7%	33.9%	22.4%
	Semi-detached	32.9%	32.8%	31.2%
	Terraced	24.3%	17.9%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	15.9%	11.7%	16.4%
	Parts of a converted or shared house	2.0%	2.0%	3.8%
	In commercial building	2.2%	0.8%	1.0%

Source: ONS 2011, AECOM Calculations

Size

150. Rooms per household is the most accurate proxy for size of dwelling for which data is available. Table 6-2 below sets out the distribution of the number of rooms by household space in Hungerford and the wider District. It shows that patterns of occupation in Hungerford are skewed slightly more towards smaller dwellings, with 34% of households occupying dwellings of four rooms or fewer compared with 26% in West Berkshire overall. There is also a far greater proportion of West Berkshire households dwelling in homes with nine or more bedrooms than in Hungerford.

Table 6-2: Number of rooms per household space, 2011

Number of rooms	Hungerford		West Berkshire	
	Frequency	%	Frequency	%
All categories: number of household spaces	2,600		62,340	
1 room	11	0.4%	184	0.3%
2 rooms	88	3.4%	1,325	2.1%
3 rooms	242	9.3%	4,927	7.9%
4 rooms	534	20.5%	9,809	15.7%
5 rooms	528	20.3%	12,994	20.8%
6 rooms	496	19.1%	11,751	18.8%
7 rooms	340	13.1%	7,520	12.1%
8 rooms	158	6.1%	5,796	9.3%
9 rooms or more	11	7.8%	184	12.9%

Source: ONS 2011, AECOM Calculations

151. It is also useful to compare this data with census estimates of the number of bedrooms occupied by each household in Hungerford. Table 6-3 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. This data accords with the findings displayed in Table 6-2: Hungerford households are more likely to occupy dwellings of zero to two bedrooms, while West Berkshire households are more likely to occupy dwellings of four or more bedrooms. In both geographies, the majority of households occupy dwellings of two or three bedrooms.

152. We can also make some approximate conclusions about the number of rooms in Hungerford's stock of dwellings with different numbers of bedrooms. The category of one bedroom or less is roughly equal to the number of dwellings with one, two and three rooms, while the category of four or more bedrooms is roughly equal to the number of dwellings with seven or more rooms. From this it can be assumed that almost all of the 496 dwellings with six rooms must also contain three bedrooms, meaning that these houses also contain two reception rooms in addition to their bedrooms and kitchens. The remaining two- and three-bedroom properties can be assumed to have four or five rooms in total.

Table 6-3: Estimated number of bedrooms in household spaces, 2011

Number of bedrooms	Hungerford		West Berkshire	
	Frequency	%	Frequency	%
All categories: number of bedrooms	2,600		62,340	
No bedrooms	15	0.6%	137	0.2%
1 bedroom	309	11.9%	5,677	9.1%
2 bedrooms	732	28.2%	13,946	22.4%
3 bedrooms	1,019	39.2%	24,660	39.6%
4 bedrooms	411	15.8%	13,322	21.4%
5 or more bedrooms	114	4.4%	4,598	7.4%

Source: ONS 2011, AECOM Calculations

153. In Table 6-4 below we set out how the same data pertaining to the number of rooms expressed in Table 6-2 has changed over the 2001-2011 intercensal period. This shows that the distribution of the Hungerford housing stock has not changed particularly significantly, with most dwelling sizes remaining within 12% of their prior tally. The most notable increase is a jump in the number of seven- and eight-bedroom dwellings, although similar increases were observed at the District and national level.

154. Hungerford has seen much lower growth in the number of smaller properties than West Berkshire and England have over the same period. When viewed in the context of the finding above – that Hungerford occupation patterns are skewed toward smaller units compared with the District – this is evidence that the two geographies are moving closer together in terms of the distribution of their respective occupation patterns rather than continuing to diverge.

Table 6-4: Rates of change in number of rooms per household, 2001-2011

Number of Rooms	Hungerford	West Berkshire	England
1 room	0.0%	-42.5%	-5.2%
2 rooms	11.4%	26.9%	24.2%
3 rooms	3.0%	14.2%	20.4%
4 rooms	6.8%	9.9%	3.5%
5 rooms	-10.7%	-6.4%	-1.8%
6 rooms	1.6%	4.0%	2.1%
7 rooms	34.4%	15.8%	17.9%
8 rooms or more	21.1%	24.7%	29.8%

Source: ONS 2011, AECOM Calculations

6.3 Household composition and age structure

155. Having established the current profile of Hungerford's housing stock and how it has changed over time, we now turn to the composition of households living in the area. The age structure and size of households are fundamental factors in the size of future housing needed in Hungerford.

Current household composition

156. In Table 6-5 below, we present data relating to household composition drawn from Census 2011. From this it is possible to identify how household composition in Hungerford differs from the wider District. The clearest differences are the higher proportion of one-person households in Hungerford (33.3% compared with 25.9%) and the lower proportion of one-family households with dependent children (23.2% compared with 29%). These findings align with the contrast between Hungerford and West Berkshire's overall age profiles, as expressed in the Census 2011: 20% of Hungerford residents are aged 65 and over, compared with 15% in West Berkshire, while 26% of Hungerford residents are aged 24 and under, compared with 30% in West Berkshire as a whole.

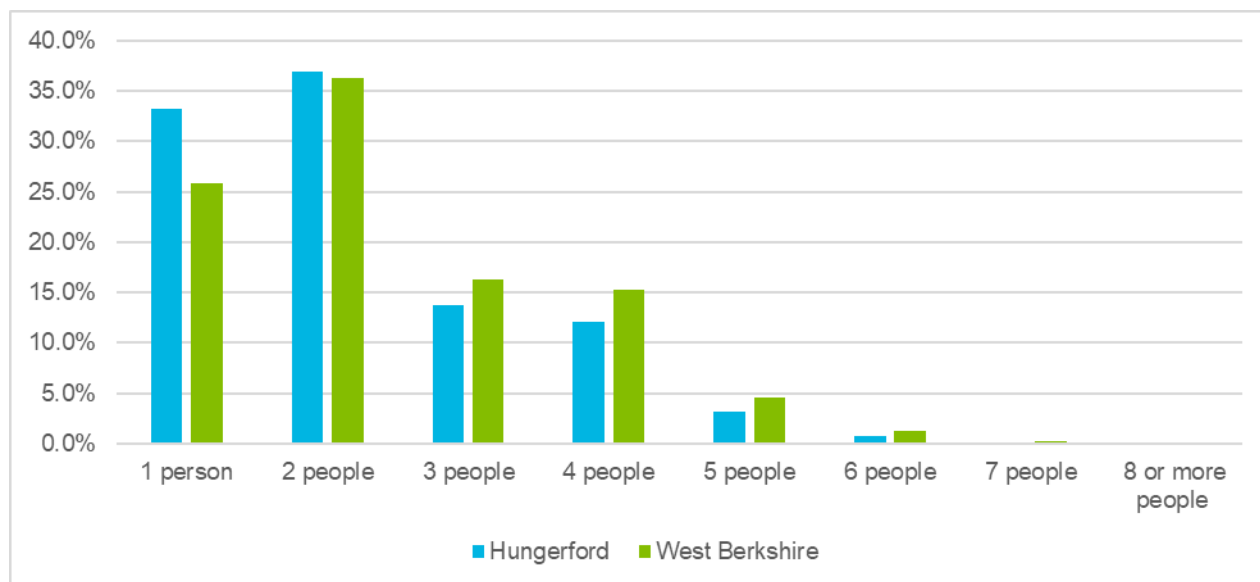
Table 6-5: Household composition (by household), 2011

Household type		Hungerford	West Berkshire	England
One person household	Total	33.3%	25.9%	30.2%
	Aged 65 and over	15.6%	10.9%	12.4%
	Other	17.7%	14.9%	17.9%
One family only	Total	62.0%	68.4%	61.8%
	All aged 65 and over	9.0%	8.5%	8.1%
	With no children	21.8%	21.5%	17.6%
	With dependent children	23.2%	29.0%	26.5%
All children non-dependent	Total	8.0%	9.4%	9.6%
	Other household types	4.7%	5.7%	8.0%

Source: ONS 2011, AECOM Calculations.

157. It is useful to consider household size (by number of people) alongside household composition in order to get a fuller picture of differences in occupation patterns between the NA and the District.¹⁵ Figure 6-1 below indicates that, although two-person households are the most common size in both geographies, Hungerford households are much more likely to contain only one person than those in West Berkshire. Correspondingly, there are higher proportions of households continuing three or more people in West Berkshire than in Hungerford. This confirms the above finding that there are more single person households in Hungerford and fewer families with children (which tend to be found in large household groups). This may be a result of the social infrastructure needed by families being more easily available elsewhere, or simply due to Hungerford's older population.

Figure 6-1: Household size



Source: ONS 2011, AECOM Calculations

¹⁵ The size of a household is equal to the number of usual residents in the household. Visitors staying at an address do not contribute to that household's size because they are counted in the household of their place of usual residence.

158. Census data also allows us to study changes in household composition between 2001 and 2011. The changes in household composition observed in Hungerford display some striking differences to those observed for the wider District.
159. The ageing of households in Hungerford is occurring at twice the pace of the trend in West Berkshire, with 25.1% compared with 12.6% total growth in one person and one family households aged 65 and over. This accords with the finding that Hungerford is home to more single-person households, which are found more often among the elderly population. The number of one-person households younger than 65 increased particularly strongly across West Berkshire (25.1%) compared with a smaller increase of 9.5% in Hungerford. One family households with non-dependent children in Hungerford were the only category to see a decline (-2.3%) over the intercensal period, while they rose by 6.6% in the District.
160. It is also worth noting that, despite these contrasts, the evolution of household composition in Hungerford and West Berkshire share two particularly notable characteristics when compared with England averages. The growth in other household types in Hungerford and West Berkshire (such as multi-family households and houseshares) were 4.3% and 5.4% respectively, a much lower rate of growth than the 28.9% observed in England. Additionally, one person and one family households aged 65 and over increased in the NA and the District, but declined across England as a whole. This suggests that the population is ageing faster in the district and particularly in Hungerford than across England, and that other household types are a relatively insignificant and more slowly growing feature of NA and District occupation patterns than national ones. This may be due to the rising frequency of house sharing and student living across the country and especially in cities – a trend that is not frequently seen in rural areas.

Table 6-6: Rates of change in household composition, 2001-2011

Household type		Hungerford	West Berkshire	England
One-person household	Total	9.9%	14.5%	8.4%
	Aged 65 and over	10.3%	2.7%	-7.3%
	Other	9.5%	25.1%	22.7%
One family only	Total	4.0%	6.9%	5.4%
	All aged 65 and over	14.8%	9.9%	-2.0%
	With no children	1.6%	5.2%	7.1%
	With dependent children	4.9%	7.4%	5.0%
	All children non-dependent	-2.3%	6.6%	10.6%
Other household types	Total	4.3%	5.4%	28.9%

Source: ONS 2001 and 2011, AECOM Calculations

Household age bands

Housing need in terms of type and size is also strongly influenced by the age of householders and the wider population. Figure 6-2 below shows the age distribution of Hungerford's residents at the time of the Census 2011, compared with those of the District and England. In accordance with much of the data reviewed above, it shows that of the six age bands into which the data are grouped, the proportion of Hungerford's residents falling into the youngest three is lower and the proportion falling into the oldest three is higher than both of the wider geographies. It also shows the significant jump that can be expected in the over 65 population as the large 45-64 age cohort ages.

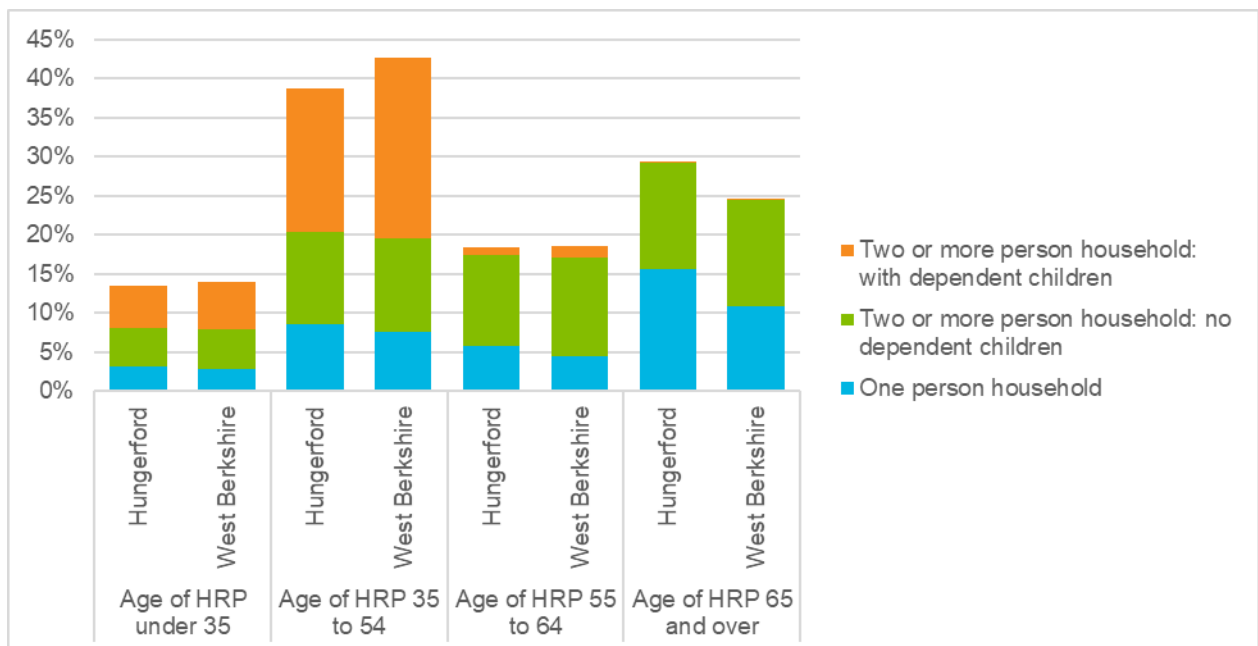
Figure 6-2: Age distribution, 2011



Source: ONS 2011, AECOM Calculations

161. Figure 6-3 below compares households in Hungerford and West Berkshire according to the age of the Household Reference Person (HRP). The HRP is the person in households containing more than one person who is the most economically active, usually the most economically active parent in family households. This permits a more nuanced analysis of the occupation patterns, and therefore housing need, associated with Hungerford residents at different life stages.
162. The proportion of households in which the HRP is aged under 35 and between 55 and 64 are very similar for the NA and the District, while Hungerford has more households in which the HRP is aged above 65 and West Berkshire has an equivalent proportion more households in which the HRP is aged between 35 and 54. More significant in respect of household sizes, in every HRP life stage bracket Hungerford has a higher proportion of one person households than West Berkshire. Similarly, in every life stage bracket, West Berkshire has higher proportions of two- or more person households both with children and without, except households above 65 without dependent children, for whom the margin is just 0.1% in Hungerford’s favour. The strongest divergences are in HRP 35 to 54 households with two or more persons including dependent children (18.3% in Hungerford and 23.1% in West Berkshire) and HP 65 and over households with one occupant (15.6% in Hungerford and 10.9% in West Berkshire). In simplistic terms, Hungerford has more older, smaller households and fewer households with children than the wider District.

Figure 6-3: Households by age of the HRP



Source: ONS 2011, AECOM Calculations

Future household composition and age mix

163. Having analysed the age structure of the current population and households in the NA, we now turn to how they have changed over the intercensal period and how they are projected to change in future.
164. Table 6-7 below presents the changes in the number of people in different age brackets between 2001 and 2011. Hungerford's patterns of population growth are similar to those of West Berkshire, particularly in the higher age brackets, although Hungerford is experiencing a contraction in the population of 16-24 year olds while the District has seen a moderate gain, and Hungerford's decline in the population of 25-44 year olds is more drastic than West Berkshire's. The total rate of growth or decline in the three population brackets under 44 years has declined strongly at -18.6% in Hungerford, stabilised at 1.3% in West Berkshire, and grown by 19.8% for England as a whole. While Hungerford is ageing faster than the two wider geographies, its main demographic challenge is the contraction in the replacement younger population. With regard to housing, this could indicate that dwellings appropriate to young and newly forming households are not in sufficient supply to retain Hungerford's young people and should be supplied, or that younger age groups move away for other reasons and the stock of housing should be rebalanced to suit the growing retirement-age cohort.

Table 6-7: Rate of change in the age structure of the population, 2001-2011

Age group	Hungerford	West Berkshire	England
0-15	1.4%	3.2%	1.2%
16-24	-6.2%	4.9%	17.2%
25-44	-13.8%	-6.8%	1.4%
45-64	18.8%	17.1%	15.2%
65-84	19.7%	21.8%	9.1%
85 and over	39.7%	34.2%	23.7%

Source: ONS 2001 and 2011, AECOM Calculations

165. In order to arrive at an understanding of how the age structure of the population will change over the Plan period, it is necessary to refer to District level data because it is not available at the NA level. Drawn from the 2014-based Household Projections, Table 6-8 below sets out forecast changes to the age structure of the population in West Berkshire between 2014 and 2039. Percentage change has been calculated from 2011 data because that is more accurate than the 2014 estimates.
166. The data shows a clear decline in the population of all age brackets up to the age of 65 and suggests a continuation of the trend shown above – that the 25-44 age bracket is seeing the steepest decline. While the total projected decline in the under 65 population is 12.9%, the population over that age is forecast to nearly double (98%) over the 28-year period.
167. Given that Hungerford saw its 16-44 year old population decline much faster than the District, and its 65 and over population increase marginally faster, it is reasonable to expect that Hungerford's future demographic change will be even more extreme than that of West Berkshire in terms of its ageing.

Table 6-8: MHCLG Household projections for West Berkshire by household age

	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	1,276	7,491	26,637	11,572	15,364
2014	1,185	6,891	26,043	11,104	18,355
2039	1,271	5,384	22,804	11,445	31,784
2011-2039 % increase	-0.4%	-28.1%	-14.4%	-1.1%	99.8%

Source: MHCLG 2014-based household projections, ONS 2011

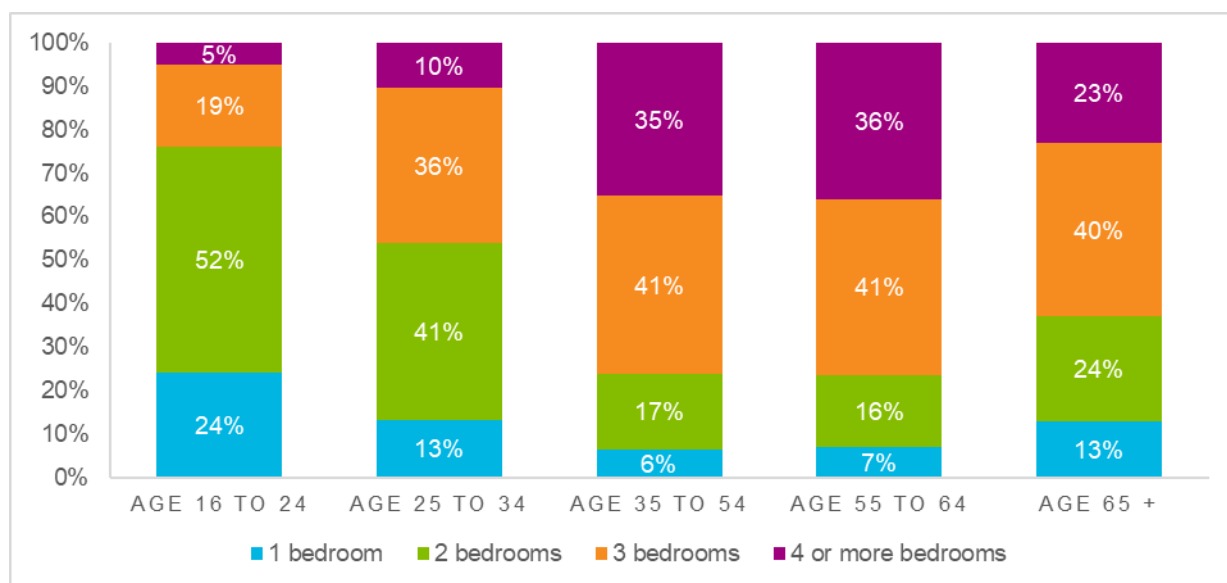
6.4 Current patterns of occupation

168. To estimate the housing mix needed by the end of the Plan period we adopt an approach which assumes that current occupation patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future. For example, projected growth in single person households aged over 65 will lead to an increase in the need for the type of housing currently occupied by single person households of that age.

169. Size of housing is strongly correlated with household life stage. However, no data on housing size occupation by age of the HRP is available at the parish level, so District-level data will again need to be used as a proxy. That data is presented in Figure 6-4 below, showing the size of property occupied by different age groups.

170. While the majority of younger households between 16 and 34 live in two-bedroom dwellings (52% and 41% respectively), all other groups live mainly in three-bedroom dwellings, with four-bedroom dwellings close behind for ages 35 to 64. The overwhelming majority of households where the HRP is aged between 16 and 24 live in homes with no more than two bedrooms (about 76%). Those where the HRP is aged between 35 and 64 mainly live in larger, family-sized homes of three bedrooms and above (ranging from a total of 63% to 77%). It makes sense for households between 35 and 54 to live in family-sized homes, as most of them have dependent children (as seen in Figure 6-3). However, very few households between 55 and 64 live with dependent a child (in West Berkshire, Hungerford, or in general), which means households tend to remain in their large family homes after their children have left. After 65, although the majority of households still live in homes of three bedrooms and above (63%), a larger percentage of households live in smaller dwellings (37% compared with 23% for each of the next youngest age brackets).

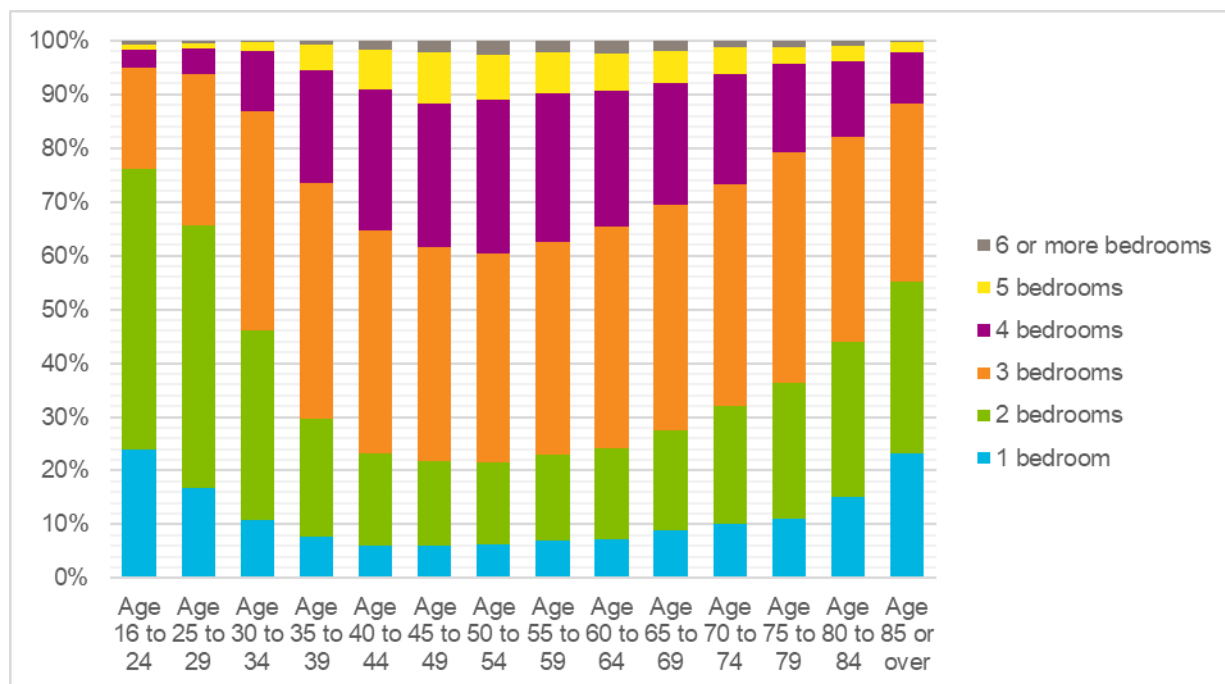
Figure 6-4: Age of household reference person to size in West Berkshire, 2011



Source: ONS 2011, AECOM Calculations

171. Figure 6-5 below is similar to the chart above but is more detailed in terms of age groups and number of bedrooms. It shows that downsizing is a slow process and that a majority of households in the District tend to remain in their larger homes of three bedrooms and above until well into their eighties. The majority of households aged 85 and over live in one to two bedrooms homes, but there is still a large proportion of households living in homes of three bedrooms and above. Ownership of dwellings of four or more bedrooms begins to decline from the age of 55.

Figure 6-5: Age of household reference person to size in West Berkshire, 2011 (detailed)



Source: ONS 2011, AECOM Calculations

6.5 Dwelling mix determined by life-stage modelling

172. In this section, we provide an estimate of the mix homes by size needed by the end of the Plan period by matching future household composition to current patterns of occupation by age (working from the assumption set out at the start of this section that the same household types are likely to wish to occupy the same size of homes in 2036 as they did in 2011).

173. First, we use household projections provided by MHCLG to achieve an understanding of the future distribution of households by the age of the HRP. This data is only available at the District level and for the years 2014 and 2039. Therefore, the distribution of households by the age of the HRP in 2036 has been estimated by dividing the total projected increase by the number of years between 2014-2039 and subtracting three years' worth of annualised population growth from the 2039 figure. These estimates are given in red in the table. The data, only slightly different from that in Table 6-8 is presented in Table 6-9 below.

Table 6-9: Projected distribution of households by age of HRP (West Berkshire)

	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	1,276	7,491	26,637	11,572	15,364
2014	1,185	6,891	26,043	11,104	18,355
2036	1,261	5,565	23,193	11,404	30,173
2039	1,271	5,384	22,804	11,445	31,784

Source(s): MHCLG 2014-based household projections, ONS 2011, AECOM Calculations

174. At this point it is necessary to arrive at an estimate of the change to the age structure of the population in Hungerford. To do so, the percentage of increase expected for each group in West Berkshire, derived from the data presented in Table 6-9 is applied to the population of Hungerford. The results of this calculation are presented in Table 6-10:

Projected distribution of households by age of HRP (Hungerford) below.

175. It is immediately clear from this projection that Hungerford's population is ageing: its demographic profile in 2036 is dominated by the 65 and over age group, followed by the 35 to 54 population (which is slowly declining). In fact, the combined population of these two age bands (35 to 54 and 65 and over) represents 76% of the entire population of the NA in 2036. We should therefore expect the dwelling size preferences of these households to have by far the greatest impact on the ideal dwelling mix put forward below.

Table 6-10: Projected distribution of households by age of HRP (Hungerford)

	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	61	290	1,007	481	761
2014	57	267	985	462	909
2036	60	215	877	474	1,494
2039	61	208	862	476	1,574

Source: AECOM Calculations

176. In Table 6-11 below, we work from the same dataset as Figure 6-4 and set out the distribution of dwellings of different sizes occupied by West Berkshire residents according to the age of the HRP.

Table 6-11: Age of household reference person to size, grouped (West Berkshire)

	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
1-bed	24%	13%	6%	7%	13%
2-bed	52%	41%	17%	16%	24%
3-bed	19%	36%	41%	41%	40%
4-bed	4%	9%	26%	26%	18%
5+ bed	2%	2%	10%	10%	5%

Source(s): MHCLG 2014-based household projections, ONS 2011, AECOM Calculations

177. Having established the projected number of households in Hungerford falling into each of these stages at the end of the Plan period in 2036 (Table 6-10), and the preference shown by households at different life-stages towards dwellings of different sizes (Table 6-11), it is possible to put forward an estimation of the 'ideal' mix of dwellings sizes required to accommodate this future population.
178. From there, we can develop a recommendation as to how the housing stock should evolve in terms of size over the Plan period to overcome any misalignments between the existing supply of dwellings and demand.
179. Table 6-12 below takes the projection population falling into each age band, and then apportions those households among different sizes of dwellings according to the preferences expressed by households at District level. As noted previously, because more than three-quarters of the 2036 population are aged 35 to 54 or 65 and over, the dwellings size preferences of those two age cohorts have an outsized impact on the total recommended dwelling mix. As three-bedroom dwellings are the most popular dwelling size among both groups, they dominate the recommended dwelling mix, with two- and four-bedroom dwellings the next most popular options.

Table 6-12: Ideal size distribution in Hungerford in 2036, by household life stage

	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total
Population 2036	60	215	877	474	1,494	3,121
1-bed	14	28	57	34	191	325
2-bed	31	87	152	78	362	710
3-bed	11	77	359	192	598	1,237
4-bed	2	19	226	125	264	636
5+ bed	1	4	83	45	80	213

Source: Census 2011, AECOM Calculations

180. We are now able to compare the housing mix in terms of size in 2011 with the projected requirement based on the estimates set out above. Table 6-13 below indicates that the distribution of dwellings should be weighted more towards the larger end of the size spectrum, with a particular focus on four-bedroom dwellings.
181. The share of the population requiring three-bedroom dwellings is very similar, but because the population is increasing the number of dwellings also needs to increase, while the share of the population requiring two- and one-bedroom dwellings is decreasing and that requiring four or more bedrooms is increasing. This is a direct consequence of the ageing of the population: there are projected to be very few young households, which typically occupy smaller units,

and many more older households, who occupy slightly smaller households than middle-aged households but still skew to the larger sizes.

Table 6-13: Size distribution in 2011 compared to ideal distribution in 2036 (Hungerford)

Number of bedrooms	2011		2036	
	Count	%	Count	%
1-bed	309	12%	325	10.4%
2-bed	732	28.3%	711	22.8%
3-bed	1,019	39.4%	1,237	39.6%
4-bed	411	15.9%	636	20.4%
5+ bed	114	4.4%	213	6.8%
Total households (not counting those with 0 bedrooms)	2,585		3,121	

Source: Census 2011, AECOM Calculations

182. Table 6-14 below sets out the misalignment between the current stock in the NA and future demand for housing of different sizes, based on the preferences expressed by households at different life-stages. Because it is not beneficial to remove dwellings from the available stock, we have set the recommended split for two-bedroom dwellings at 0% rather than a negative number, and rebalanced the other recommended splits as percentages of the additional dwellings they represent in total.

Table 6-14: Misalignments of supply and demand for housing

Number of bedrooms	2011	2036	Change to housing mix	Recommended split
1-bed	309	325	16	2.8%
2-bed	732	711	-21	0%
3-bed	1,019	1,237	218	39.2%
4-bed	411	636	225	40.3%
5+ bed	114	213	99	17.7%

Source: AECOM Calculations

183. What emerges from this exercise is the recommendation that, in order to avoid misalignment between supply and demand and to re-equilibrate the stock, 39% of houses in new developments be three-bedroom homes, 40% four-bedroom, 18% five-bedroom and 3% one-bedroom. Most of the need will be for three- and four-bedroom homes and there will be no need to build further two-bedroom properties.
184. Because the projected increase in the number of households used here does not represent the overall quantity of new housing needed in Hungerford, the appropriate final step is to apply the recommended split of new dwellings by size to the number of dwellings required over the remainder of the Plan period as presented in the Quantity section: 486 dwellings over the period 2018-2036. This is given in Table 6-15 below.

Table 6-15: Dwelling mix needed over the remainder of the Plan period (may not sum due to rounding)

Number of bedrooms	Recommended split	Additional dwellings required 2018-2036
1-bed	2.8%	14
2-bed	0%	0
3-bed	39.2%	191
4-bed	40.3%	196
5+ bed	17.7%	86

Source: AECOM Calculations

185. This final recommendation is an approximation of future housing need that takes into account the local specificity of Hungerford's population dynamics, as well as the broader tendencies of households across the wider district to occupy homes of various sizes. However, it requires a significant caveat.

6.6 Adjustment for downsizing

186. The propensity of households of different age bands to occupy different sizes of dwelling is not a pure expression of preference. It is also constrained by the actual housing stock on offer: households can only make choices based on the limited range of options available to them.
187. Although the housing market does to an extent ensure that supply reflects demand at the time of construction, the UK's housing stock has been built up over centuries. The total stock of housing that has been accumulated to the present day is therefore not necessarily well-aligned with today's demographic profile and consumer preferences.
188. One example of this misalignment, which is of particular relevance to Hungerford, stems from the rapid ageing of the population. There is a strong extent to which the occupation profile of the District, upon which this calculation significantly depends, may have baked in certain market failures – foremost among which is the undersupply of smaller housing units which, as the population ages, older people would be likely to wish to occupy in greater numbers than they are currently.
189. Indeed, where across England the share of dwellings which have one to two bedrooms is 39.4%, in West Berkshire it is 31.5%, and where in England the percentage of people aged 65 and over who occupy dwellings of four or more bedrooms is 14%, in West Berkshire it is 23%. Undersupply of small dwellings is correlated with the propensity of older people to occupy large dwellings.
190. The obstacle for many potential-downsizers is an undersupply of suitable smaller dwellings to move into. So the 23% of West Berkshire households aged 65 and over and living in dwellings with four or more bedrooms are exhibiting a tendency to occupy large dwellings that may be a result of limited choice as well as preference. The lower prevalence of older people occupying larger dwellings at the national level points to a potentially higher rate of downsizing where smaller properties are available.¹⁶
191. Encouraged by Hungerford Town Council's particular interest in exploring the question of downsizing, we next produce an amended version of the life stage modelling exercise that attempts to correct the bias in the District-level data toward the occupation of large properties by older age groups.

Downsizing national context

192. A 2018 poll of 3,000 UK residents aged 65 and over found that 38% would consider downsizing now, a further 10% would do so if a stamp duty exemption or other tax incentive were introduced, and the total percentage of respondents considering downsizing is increasing at a rate of 4% per year.¹⁷
193. That is the most recent of a series of surveys and reports that explore and quantify the desire to downsize – often in the context of the obstacles to doing so. In a notable 2013 study by the think tank Demos, 58% of people over 60 expressed an interest in moving, with 57% of those people wanting to downsize by at least one bedroom, rising to 76% among people currently occupying properties of three or more bedrooms. The 57% of 58% who wish to move to a smaller property represent 33% of over 60s.¹⁸ This proportion accords with the finding above that 38% of over 65s are considering downsizing, and that the number expressing that desire is rising over time.
194. A 2018 House of Commons Report references a survey of 1,500 people by the organisation Later Life Ambitions that found that 55% of older people highlighted a lack of smaller homes on the market as being a barrier to moving, and adds that a further obstacle is the inadequate dispersal of homes appropriate to older people's needs, meaning that it can be difficult to find a new home close to friends and family.¹⁹ This suggests that adequate provision of smaller dwellings is the most important change required to allow those who wish to downsize to actually do so, and that the future provision of smaller dwellings within the town of Hungerford – where social and family ties have been established by many older residents – would be particularly beneficial. It has also been suggested, though the topic is controversial, that facilitating more downsizing will unlock much needed supply in the market for family homes, further improving housing access and affordability further down the homebuying ladder.
195. The Demos report found that more than 83% of over 60s living in England own their own homes, and that 64% own without a mortgage.²⁰ For this reason, and because renters are usually more mobile in their housing choices, downsizing as a topic of national debate revolves primarily around homeowners making a transition either to smaller

¹⁶ The District level is considered the most appropriate geography for gaining an understanding of what we have described as preference for dwellings of various sizes because it is assumed that those preferences are more likely to be shared by people living in the NA. For example, people may choose to live in Hungerford or West Berkshire because of the rural characteristics shared by those places. The preferences of city-dwellers, who would be included in wider geographies, would not be as relevant to Hungerford's future population.

¹⁷ McCarthy & Stone, *Retirement Housing: Integral to an ageing Britain 2018*

¹⁸ Claudia Wood for Demos, *The Top of the Ladder*, 2013.

¹⁹ House of Commons, *Housing for Older People: Second Report of Session 2017-19*, 5 February 2018.

²⁰ Claudia Wood for Demos, *The Top of the Ladder*, 2013.

homes for market purchase or to rental properties. For the purpose of the analysis below, the process of downsizing cuts across all tenures.

Life-staging modelling accounting for downsizing

196. In order to account for downsizing in the proposed dwelling mix, we adjust the occupancy pattern of the District by first considering the degree of under-occupation among West Berkshire households and then applying the statistic quoted above, which found that 38% of people aged over 65 wish to downsize.
197. Table 6-16 below categorises one-person and one-family households in West Berkshire by occupancy rating, where an occupancy rating of 0 indicates that there are the same number of bedrooms in the dwelling as the number of bedrooms its occupants would require according to the 'bedroom standard' in the Housing (Overcrowding) Bill of 2003. An occupancy rating of -1 indicates overcrowding, and occupancy ratings greater than +1 indicate under-occupation: that there are more bedrooms in the dwelling than its occupants are expected to require.
198. We assume that households with an occupancy rating of +2 or higher are most likely to wish to downsize. As can be seen in the table below, the proportion of one-person households in all age brackets and the 65 and over age bracket are broadly similar. It is the family households aged over 65 who have a significantly higher tendency to under-occupy their homes: 73% have an occupancy rating of +2 or higher, meaning they have more than two spare bedrooms.

Table 6-16: West Berkshire occupancy ratings by age

	One person household: total		One person household: aged 65 and over		One family only: total		One family only: aged 65 and over	
Total households	16,123		6,820		42,638		5,302	
Occupancy rating of +2 or more	6,636	41%	3,150	46%	19,735	46%	3,882	73%
Occupancy rating of +1	5,272	33%	2,041	30%	14,175	33%	1,167	22%
Occupancy rating of 0	4,215	26%	1,629	24%	7,783	18%	253	5%
Occupancy rating of -1 or less	0	0%	0	0%	945	2%	0	0%

Source: ONS 2011

199. We next use this information to adjust the occupancy pattern of West Berkshire by seeing what it would look like if 38% of the 3,882 households aged over 65 with high occupancy ratings were able to downsize and had done so. 38% of 3,882 is 1,475. As these households have more than two spare rooms, we assume they occupy three-bedroom, four-bedroom and five- or more bedroom dwellings in equal numbers, and so deduct 492 households (1,475 / 3) from each of those occupancy categories, and distribute them equally between the three smaller categories of dwelling (one-bedroom homes, two-bedroom homes, and three-bedroom homes).
200. It is assumed that some households under-occupying dwellings of five or more bedrooms will wish to downsize to three-bedroom dwellings, and that households under-occupying three-bedroom dwellings will wish to downsize to one- or two-bedroom dwellings, so the three-bedroom group has 492 added to and deducted from it and so in effect remains static.
201. This process is repeated for the 3,150 one-person households aged over 65 who under-occupy their homes. Because it is less likely that one-person households occupy homes with five or more bedrooms, half this number (599) is deducted from the three- and four-bedroom groups and added to the one- and two-bedroom groups. In doing so we have effectively downsized the proportion of households likely to want to do so from among the households who currently under-occupy their homes to the greatest degree. This results in an adjusted occupancy pattern for the 65 and older age group.
202. In

203. Table 6-17 below, we present an amended version of the distribution of dwellings of different sizes occupied by West Berkshire residents according to the age of the HRP, which was originally presented in Table 6-11. Only the percentages in red have changed.

Table 6-17: Age of household reference person to size, 'downsized' (West Berkshire)

	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
1-bed	24%	13%	6%	7%	20%
2-bed	52%	41%	17%	16%	31%
3-bed	19%	36%	41%	41%	36%
4-bed	4%	9%	26%	26%	11%
5+ bed	2%	2%	10%	10%	2%

Source(s): MHCLG 2014-based household projections, ONS 2011, AECOM Calculations

204. We are now able to repeat the calculation that apportions the amended occupation pattern of West Berkshire to the projected number of households in Hungerford falling into each of these stages at the end of the Plan period in 2036.
205. Table 6-18 below takes the projection population falling into each age band, and then apportions those households among different sizes of dwellings according to the preferences expressed by households at District level, adjusted as though downsizing were a possibility for the households wishing to do so. This results in a dwelling mix that is less skewed toward larger dwellings. Because the number of 65 and over households is so significant, the relatively slight change to their occupation pattern has a relatively big effect on the overall dwelling mix.

Table 6-18: Ideal size distribution in Hungerford in 2036, with downsizing, by household life stage

	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total
Population 2036	60	215	877	474	1,494	3,121
1-bed	14	28	57	34	297	431
2-bed	31	87	152	78	468	817
3-bed	11	77	359	192	539	1,179
4-bed	2	19	226	125	158	530
5+ bed	1	4	83	45	32	165

Source: Census 2011, AECOM Calculations

206. We are now able to compare Hungerford's housing mix in terms of size in 2011 with both the projected requirement based on the original estimates, and with the new estimates accounting for downsizing. This is presented in Table 6-19 below.
207. We can now see how the ideal dwelling mix would look if the District occupation patterns used in the calculation did not limit the possibility of downsizing among older age groups. There has been a moderate increase in the number of one- and two-bedroom dwellings required, while three-bedroom dwellings have remained relatively unchanged, and the proportion of larger dwellings has declined.

Table 6-19: Size distribution in 2011 compared to ideal distribution in 2036 (Hungerford), with downsizing

Number of bedrooms	2011		2036		2036 (adjusted)	
1-bed	309	12%	325	10.4%	431	14%
2-bed	732	28.3%	711	22.8%	817	26%
3-bed	1,019	39.4%	1,237	39.6%	1,179	38%
4-bed	411	15.9%	636	20.4%	530	17%
5+ bed	114	4.4%	213	6.8%	165	5%
Total households (not counting those with 0 bedrooms)	2,585		3,121		431	

Source: Census 2011, AECOM Calculations

208. Table 6-20 again sets out the misalignment between the current stock in the NA and future demand for housing of different sizes, based on the preferences expressed by households at different life-stages with downsizing taken into account. The result is a more balanced mix of dwelling sizes, with one-bedroom homes now the second most common category, and five- or more bedrooms the least most common.

Table 6-20: Misalignments of supply and demand for housing, with downsizing

Number of bedrooms	2011	2036	Change to housing mix	Recommended split
1-bed	309	325	122	22.7%
2-bed	732	711	85	15.8%
3-bed	1,019	1,237	160	29.9%
4-bed	411	636	119	22.1%
5+ bed	114	213	51	9.5%

Source: AECOM Calculations

209. What emerges from this exercise is a recommendation that many more one-bedroom units be supplied, with a moderate number of two-bedroom dwellings, and fewer larger dwellings than in the previous calculation.

Table 6-21: Dwelling mix needed over the remainder of the Plan period, with downsizing

Number of bedrooms	Recommended split	Additional dwellings required 2018-2036	Additional dwellings, with downsizing
1-bed	2.8%	14	111
2-bed	0%	0	77
3-bed	39.2%	191	145
4-bed	40.3%	196	107
5+ bed	17.7%	86	46

Source: AECOM Calculations

210. It is important to again caveat this conclusion, noting that the downsizing adjustment exercise is merely a model that relies on a series of assumptions that may not match with reality. In order to complement this exercise and check whether its assumptions are correct and its outcomes reflect the ideal occupation patterns expressed by Hungerford residents, it is highly recommended to gather additional sources of data, such as household surveys, about the desire and ability of Hungerford residents to downsize to smaller properties, when planning for the future dwelling mix.

6.7 Type

211. The type of home (detached, semi-detached, terraced or flat) is a matter more of taste than need and is therefore of secondary importance in the context of a Housing Needs Assessment. That said, the housing types that are most likely to meet the needs of the Hungerford demographic profile, based on current patterns of occupation, are detached and semi-detached homes, with a rising number of flats and maisonettes required as the population ages. Additionally, bungalows tend to appeal to an ageing population, despite not being well-represented in current occupation patterns due to limited available stock, and should be promoted so as to meet the demands of a growing elderly population in the NA.

6.8 Conclusions

212. Hungerford's stock of existing housing is made up of smaller dwellings than that of the wider District. There are higher proportions of terraced houses and flats in Hungerford than West Berkshire, and a lower proportion of detached houses. Accordingly, 38% of Hungerford households occupy dwellings of four rooms or fewer, compared with 26% in West Berkshire. In terms of bedrooms, Hungerford households are 27% more likely to live in one- to two-bedroom dwellings than their counterparts in the wider District, and 41% less likely to live in dwellings of five bedrooms or more.
213. The housing stock reflects the composition of households at NA and District levels: Hungerford has a much higher proportion of one-person households, while West Berkshire has a higher proportion of families with dependent children (features that are evident overall, and within every age category). Hungerford has a higher share of older residents, while West Berkshire has a higher proportion of younger ones. Hungerford's share of households aged 65 and over increased at twice the rate of West Berkshire's over the intercensal period, and the population of 16-44 year olds declined.
214. Having established this context, we gathered data on the projected population of the District by age, as well as the propensity of households in particular age bands to occupy particular sizes of dwelling. Applying this information to the demographic profile of Hungerford itself affords a reasonable estimate of the age structure of the town at the end of the Plan period, and the sizes of dwellings that its future population are likely to want to occupy.

215. Hungerford's demographic profile in 2036 is dominated by households aged 65 and over (which make up 48% of all households), followed by those aged 35 to 54 (28%), those aged 55 to 64 (15%), and the combined categories aged below 34 (9%). Generally speaking, the age bands most likely to occupy larger dwellings are strongly represented, and those most likely to occupy smaller dwellings are not well represented. Although households aged 65 and over have begun to shift towards mid-sized dwellings, they still occupy dwellings of four or more bedrooms at twice the rate of households aged 25 to 34.
216. Given that Hungerford's current dwelling stock is made up of smaller dwellings compared with the District, and that the town's projected population is likely to wish to inhabit larger dwellings, it is logical that the recommended dwelling mix at the end of the Plan period is skewed towards the provision of three- and four-bedroom homes.
217. However, a further analysis has been undertaken to adjust for the limitations of the data relating to the occupation patterns of the district, where the available stock of housing is insufficient to permit downsizing by older households at the rates seen elsewhere and expressed in various studies.
218. This additional analysis produces a dwelling mix that is far more balanced and less weighted towards larger dwellings. This dwelling mix is closer to what should be provided in Hungerford in order to permit older households in larger dwellings to downsize, and has the additional benefit of allowing newly forming households to access housing through smaller and more affordable dwellings.
219. Hungerford's ageing population also offers a chance to listen closely to local needs and further amend the planned dwelling mix if it is discovered (e.g. through a household survey) that more households would like to downsize in future than is suggested by the occupation preferences evident at the District level.

7. RQ 3. Tenure

RQ3: What Affordable Housing and market tenures should be included in the housing mix?

7.1 Background and definitions

220. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines their rights and influences the payments that are to be made in return for these rights. Broadly speaking, tenure falls into two categories: Affordable Housing (AH), in which households receive some sort of subsidy to enable them to live in their homes; and market housing, in which they do not.
221. We will address this question by examining the tenure of dwellings in the current stock and recent supply, and make an assessment, based on a reasonable interpretation of the evidence we have been able to gather, whether the continuation of these trends would meet future needs. Alternatively, we may identify that misalignments exist between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new development to prioritise certain tenures, so as to bring supply and demand into better alignment.²¹
222. It is necessary at this stage of the study to make clear the distinction between Affordable Housing in planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. We mean by this those forms of housing tenure that fall within the definition of Affordable Housing set out in the current National Planning Policy Framework (NPPF): Social Rent, Affordable Rent, Affordable Private Rent (brought forward by Build to Rent schemes) and forms of AH designed to offer affordable routes to home ownership such as shared ownership, Starter Homes and discounted housing for market sale.²² To distinguish this from the colloquial definition of homes that are broadly within reach for the majority of the population, we refer to the latter as affordable market housing.
223. The definition of AH set out in the NPPF makes clear the government's commitment to home ownership but recognises the important role of Social, Affordable and Private Rent tenures for those not currently seeking home ownership.
224. It is important to note however that the 2012 version of the NPPF refers to the 'national rent regime' not 'Government's rent policy'. It has been suggested that this change in wording may give central Government, and by extension local authorities, wider flexibility in arriving at social rents.²³
225. The revisions seek to broaden the definition of AH to include a range of low-cost housing opportunities for those aspiring to own a home, including Starter Homes.
226. In paragraph 64 of the revised NPPF, Government introduces a recommendation that '*where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.*' In line with PPG,²⁴ the assumption should be that 'major housing development' can be defined as sites of more than 10 units, and that affordable home ownership includes Starter Homes, Shared Ownership homes and homes available for discount market sale.

7.2 Current tenure profile

227. In order to set a baseline for our examination of tenure, it is necessary to present the current tenure profile of the NA based on the most recent reliable data. Figure 7-1 below presents Census data from 2011, which shows that Hungerford's tenure profile is in general alignment with West Berkshire, apart from a moderately higher rate of private renting and lower level of ownership.

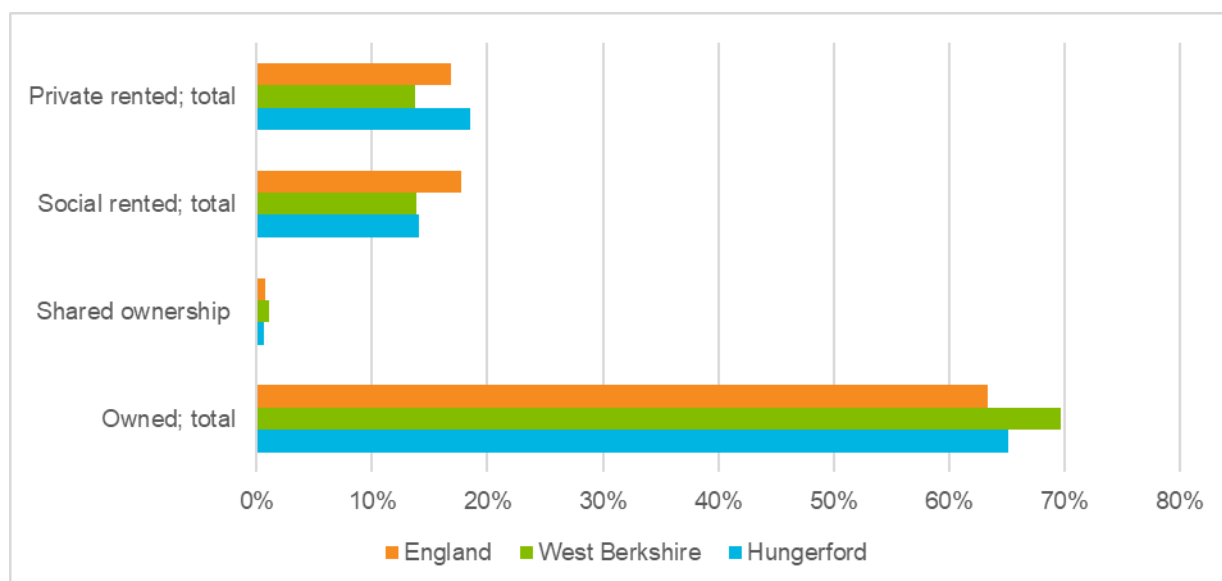
²¹ PPG Paragraph: 021 Reference ID: 2a-021-20160401

²² NPPF, July 2018

²³ McGready, B, Affordable Housing and Planning, MBL seminars, April 2018

²⁴ PPG 031 Reference ID: 23b-031-20161116

Figure 7-1: Tenure (households), 2011



Source: Source: ONS 2011, AECOM Calculations

228. It is also important to consider how Hungerford’s tenure profile has evolved over time. Table 7-1 below shows how tenures have evolved between the 2001 and 2011 census. The number of households owning their homes has decreased by 2.3% compared with West Berkshire’s 2.2% increase and stagnation throughout England. Shared ownership has declined dramatically but from a very low base. The increase in social renting at 4% is less than the District at 8.8%, but both increased contrast with a contraction of 0.9% nationwide. The most significant finding is a 90.5% increase in private renting, although this is in line with the national trend and slightly below the rate of growth observed for the wider District.

Table 7-1: Rates of tenure change, 2001-2011

Tenure	Hungerford	West Berkshire	England
Owned; total	-2.3%	2.2%	-0.6%
Shared ownership	-51.5%	70.8%	30.0%
Social rented; total	4.0%	8.8%	-0.9%
Private rented; total	90.5%	111.0%	82.4%

Source: Source: ONS 2001 and 2011, AECOM Calculations

7.3 What quantity of Affordable Housing is required in the NA over the Plan period?

229. In **Error! Reference source not found.** below we put forward calculations, using PPG as a starting point,²⁵ to provide an estimate of the need for additional AH over the Plan period. The accuracy of the findings generated by the model is only as strong as the evidence we have available to us. For example, the Census 2011 is increasingly out-of-date and ideally more recent data relating to overcrowding and concealment would be helpful. However, given the test of proportionality for neighbourhood planning, and the need to conform with Local Authority strategic policies, the calculations set out in **Error! Reference source not found.** provide a sound basis for both understanding and planning for community need for AH.

230. The table shows that, there are currently about 489 households in Hungerford who are unable to access tenures suitable to their needs. The table suggests that, over the Plan period, a further 95 households will fall into need, producing a total AH need of 584 dwellings that should be addressed over the Plan period.

231. The appropriate policy response to this is therefore for Hungerford to seek for a higher proportion of newly built dwellings to be AH than would be provided for by the West Berkshire policy target.

232. To eradicate the shortfall in its entirety would require an AH policy that requires all new residential dwellings to be AH. This is however clearly not possible, as AH is typically brought forward and made financially viable by its inclusion in

²⁵ Paras 024-026 Reference ID: 2a-026-20140306

small amounts within larger market developments. However, it will be worth Hungerford Town Council exploring other ways of bringing forward AH, for example through exception sites or community land trusts.

233. It should be noted that this number is largely dependent on information provided by West Berkshire District Council (WBDC) about their Common Housing Register. As that data cannot be broken down by priority banding, and includes those not living in Hungerford but wishing to do so, it is likely an inflated total. In turn the total AH need for Hungerford may be somewhat lower than the 584 dwellings identified here.

Table 7-2: Affordable Housing model

Step	Stage	Source	Calculation	Stage and Step Description
1. CURRENT HOUSING NEED (GROSS)				
a	Homeless households	ONS Census 2011 (QS101EW - Residence type)	0	
b	Need on housing register	WBDC	451	Drawing data from the Common Housing Register managed by WBDC, we have been advised the number of people wishing to bid on social properties in Hungerford comes to 451. The figure is not limited to those already living in Hungerford or with a strong connection to the town, but includes other households not living in Hungerford who selected Hungerford as their preferred location. The number is also not able to be broken down by priority banding. Due to these two factors, the number is likely to be inflated, but WBDC have stated that it is the most accurate representative figure available.
c	Overcrowded households	Census 2011	17	We assume that number remains the same as in 2011 in which the Parish recorded 17 households with more than one person per room; and that these households are not on the Housing Needs Register.
d	Concealed households	Census 2011	21	We assume that number remains the same as in 2011 in which the Parish recorded 21 households who were concealed; and that these households are not registered on the Housing Needs Register.
f	Backlog need	AECOM	489	Sum of stages a-d
2. NEWLY ARISING NEED				
g	Number of households in 2011	Census 2011	2,600	
h	Annual household formation between 2011 and 2036	2014-based HHP; AECOM Calculations	16	Taking households in 2011 in the NA as a proportion of all households in the District (4.17%); Hungerford's share of District households in 2036 will be 2,998 (rounded), an increase of 398 since 2011; which is an annual increase of 16 households (rounded) (398 / 25 years).
i	New household formation between 2011 and 2018	AECOM Calculations	112	$h \times 7$ (no. years between 2011 – 2018)
j	Estimated current number of households	AECOM Calculations	2,712	Sum of g + i
k	New household formation between 2018 and 2036	AECOM Calculations	288	$h \times 18$ (no. years between 2018 – 2036)
l	Proportion of newly forming households unable to access market housing	AECOM Calculations	33%	On account of the lack of income data available at the parish level, the formula used to arrive at the proportion of households that come into existence unable to access market housing is the number of households in social housing at the time of the 2011 Census (383) + backlog need (489) divided by all households (2,600).

m	Newly Arising Need	AECOM	95	k x l
n	TOTAL AFFORDABLE HOUSING NEED		584	
3. THE TOTAL CURRENT SUPPLY OF AH				
o	Current occupied stock	Census 2011	383	
p	Vacant units (surplus stock)	LPA	0	This data is not collected by the LPA and there has been an increase in demand, so we assume this to be 0.
q	AH built between 2011 and 2017	LPA Monitoring reports	98	Since the 2011/12 year, Hungerford has seen approximately 98 dwellings built in the neighbourhood area.
r	Units taken out of management	Census 2011	0	Assume continuation of past trends; given the increase in AH during the 2001-11 inter-censal period, we assume no units will be removed from management over the Plan period.
s	Total AH stock		491	Sum of o-r
t	PROJECTED REQUIREMENT OVER THE PLAN PERIOD		584	This model estimates there will be a need for 584 additional AH dwellings during the Plan period.

7.4 Affordability

234. This section details the affordability requirements for each tenure in Hungerford, with reference to average incomes, in order to assess which tenures of housing are within reach for the local population, and what future supply should look like. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations below.

7.4.1 Income

235. Incomes are considered first, as they have an important relationship with the ability of households to exercise choice in the housing market and the level of need for affordable housing products. For this, we use estimates of average household incomes for 2015/16 published by ONS at the Middle-layer Super Output Area (MSOA). Hungerford's parish boundary matches exactly an MSOA geography.

236. The net annual household income before housing costs (equalised) in 2015/2016 was **£35,900**, while the total annual income was £49,300.²⁶

7.4.2 Market housing

237. To determine affordability in market housing, we consider two primary indicators, 'Purchase Thresholds' (PT), which denote the standard household income requirement to access mortgage products, and 'Income Thresholds' (IT), which denote the maximum share of a family's income that should be spent on accommodation costs.

Market sales

238. The PT examines affordability for market homes. In this sub-section, we consider two measures of housing price: the average (mean) house price, and the lower quartile (LQ) house price. The LQ house price is the price below which the cheapest 25% of houses may be bought and is a measure of 'entry-level' property in the area (cheaper, more affordable housing).²⁷ Nonetheless, an entry-level dwelling can also be understood as one suitable for a household comprising two or three individuals. In order to conform with the Government guidance on overcrowding, such a home would require three habitable rooms (a flat or house with two bedrooms). Entry-level properties can therefore also be understood as two-bedroom flats/houses.

239. To determine the price of market sale homes, we calculated the average price of houses sold in Hungerford in 2017, using Land Registry data (

²⁶ Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

²⁷ Definition of 'entry-level' taken from <https://www.ons.gov.uk/visualisations/dvc393/affordabilitycalculator/content.html>

240. Table 7-3 below).

Table 7-3: Average prices for market sale homes

Average	Price Hungerford	Price West Berkshire
Mean	£316,684	£394,240
Median	£286,250	£335,000
Lower quartile	£233,125	£265,000
Max	£1,118,250	£4,000,000
Min	£92,500	£80,000

Source: Land Registry, 2018

- 241. The PT is calculated by discounting 10% of the house price to reflect a mortgage deposit. The resulting cost is then divided by 3.5.²⁸
- 242. The PT for the average property price is £316,684 x 10% = £31,668; £316,684 – £31,668 = £285,016; £285,016 / 3.5 = £81,432. A single person would need to be earning £81,432 annually to afford an average priced property.
- 243. The PT for an entry-level property is £233,125 x 10% = £23,313; £233,125 – £23,313 = £209,812; £209,812 / 3.5 = £59,946. A single person would need to be earning £59,946 annually to afford an entry-level property (excluding deposit saved). This accords with the finding of the Berkshire SHMA, which calculates that the indicative household income required to purchase a lower quartile property in West Berkshire is £60,600.

Private rented sector (PRS)

- 244. The IT examines affordability for rental market homes. Again, we consider two measures of price: the average rent price and the LQ rent price. However, data is not available for long-term trends at the NA scale, making it impossible to calculate LQ rent price. Nonetheless, as mentioned above, an entry-level dwelling can also be understood as two-bedroom flats/houses. A search of properties available for private rent was made on www.rightmove.com, with the search radius presented in Figure 7-2 below.

Figure 7-2: Hungerford rental market radius



Source: <https://www.rightmove.co.uk>

- 245. There were 28 properties listed as for let or let agreed at the time of search. The average rental price for each size of property, with the number in the sample, is presented in Table 7-4 below. Because the sample size is relatively small, alongside the Rightmove data for Hungerford is equivalent average rental data for the wider RG17 postcode from Home.co.uk, which can be used to sense check the results.
- 246. Because the average rents for one-, two- and three-bedroom properties are very similar between the two geographies, the more specific Hungerford data is deemed accurate and will be used going forward. The RG17 data

²⁸ Lending criteria: How much a mortgage provider is prepared to lend you (how many times income).

for four-bedroom properties gives a much lower average rent than for Hungerford. This may be due to the inclusion of one anomalous £4,500 listing in the Rightmove data, which, if excluded, leaves an average of £1,842 that is more in line with the RG17 data, and will be used going forward. This correction is given in red.

Table 7-4: Property rents in Hungerford by number of bedrooms

	Hungerford no. of properties	Hungerford average monthly rent	RG17 no. of properties	RG17 average monthly rent
1-bed	6	£671	9	£624
2-bed	10	£792	8	£827
3-bed	5	£1,314	11	£1,297
4-bed	7, 6	£2,221, £1,842	6	£1,799

Source: <https://rightmove.co.uk>, <https://www.home.co.uk>

247. We now determine the income needed to afford market rents. The IT is derived through the annualisation of the monthly rental cost. For the purpose of this exercise and in line with the SHMA, affordability is defined as spending 25% of income on housing costs.²⁹
248. The annualised average rents for each size of property in Hungerford is given in Table 7-5 below, along with the income threshold needed to afford it, with no more than 25% of income spent on rent.

Table 7-5: Annualised Hungerford rents and income thresholds

	Annualised rent	Required income threshold
1-bed	£8,052	£32,208
2-bed	£9,504	£38,016
3-bed	£15,768	£63,072
4-bed	£22,104	£88,416
Average all sizes	£13,857	£55,428

Source: <https://rightmove.co.uk>, AECOM Calculations

249. The average annual rent for Hungerford is £13,857, and the income threshold is therefore £55,428.
250. The average annual entry-level rent in Hungerford is £9,504, and the income threshold is therefore £38,016.
251. This is significantly higher than the indicative household income required for lower quartile private renting in West Berkshire of £22,300 identified in the SHMA. However, the SHMA adopts an approach in which no more than 35% (rather than 25%, as here) of income should be spent on rent, and the figures given above are average entry-level rents, not LQ entry-level rents. Using the LQ rental price across all dwelling sizes in Hungerford (£750 per month or £9,000 per year) at an income percentage of 35%, results in a required income threshold of £25,714. On this like-for-like basis, Hungerford LQ rents remain 15% more expensive than for West Berkshire as a whole

7.4.3 Affordable Housing

252. The tenures that constitute the new definition of AH within the NPPF (2018 version) are: Social Rent and Affordable Rent, Starter Homes, Discounted Market Sales Housing, and other affordable routes to home ownership.
253. This variety of AH tenures reflects an ambition by the Government to provide a pathway to home ownership to those who seek it, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide AH into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer in line with people's ability to pay.
254. A good example is the introduction of dwellings for Affordable Rent in 2012. Rent for this tenure is set at up to 80% of market rent, with the intention that the additional income is used to help fund the development of new homes. Labelled an 'intermediate' product, this would be suitable for people with an income that precludes them from eligibility for Social Rent dwellings (those dwellings where the rent is set in accordance with the Government's rent policy), but who cannot afford to access the private market.

²⁹ SHMA 2012, "A household is considered able to afford market housing in cases where the rent payable would constitute no more than 25% of their gross household income"

255. The overall aim of the introduction of this type of tenure is to reduce the size of the group who are eligible for Social Rent dwellings to those who have, relatively speaking, very low household incomes. However, within this segment, market principles also apply given the link between rents and size of dwelling, with a strong financial incentive for households to only occupy a dwelling deemed suited to their composition, based on an 'occupancy rating' formula set by the Government.

Social Rent

256. Rents in socially rented properties reflect a 'formula rent' based on a combination of individual property values and average earnings in each area, maintaining substantial discounts to market rents. As such, it is suitable for the needs of those on low incomes, and is subject to strict eligibility criteria.

257. To determine Social Rent prices we have used the Statistical Data Return (SDR) from the Regulator of Social Housing. This data is only available at the District level, but operates as an acceptable proxy for Hungerford given the shared demographic and employment characteristics identified in this study between the two geographies. SDR provides data about rents and the size and type of stock owned and managed by Private Registered Providers (PRPs) and is presented in Table 7-6 below.

Table 7-6: West Berkshire Social Rent levels

Size	1 bed	2 beds	3 beds	4 beds	All ³⁰
Average weekly rent (excluding IR, AR and HIST)	£97	£117	£128	£143	£118
Average Social Rent PCM	£417	£503	£550	£615	£508
Annual average	£5,005	£6,037	£6,605	£7,379	£6,093
Income needed	£20,021	£24,149	£26,419	£29,515	£24,374

Source: HCA, AECOM Calculations

Affordable Rent

258. Commentators have repeatedly raised concerns about Affordable Rent not constituting a realistic form of AH given that in many areas this reduces rent to levels that are still beyond the means of the target group: those on incomes substantially below the mean.

259. To determine Affordable Rent prices we can also use the SDR. The data is presented in Table 7-6 below.

Table 7-7: West Berkshire Affordable Rent levels

Size	1 bed	2 beds	3 beds	4 beds	All ³¹
Average weekly rent (excluding those subject to HIST)	£123	£148	£179	£187	£149
Average Affordable Rent PCM	£529	£634	£768	£804	£642
Annual average	£6,351	£7,614	£9,220	£9,642	£7,708
Income needed	£25,404	£30,454	£36,880	£38,570	£30,833

Source: HCA, AECOM Calculations

Intermediate tenures

260. The term intermediate housing describes homes for sale and rent provided at a cost above social rent, but below market levels, subject to the criteria in the Affordable Housing definition above. This can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not Affordable Rent.

- **Starter Homes**

261. A Starter Home is a new build home with a value not exceeding £250,000 outside London and £450,000 inside the city, which is eligible only for first time buyers aged under 40.

262. The Housing and Planning Act 2016 (HPA) includes provisions to introduce a general duty on planning authorities in England to promote the supply of Starter Homes, and a specific duty to require a minimum number or proportion of Starter Homes on certain residential development sites. In paragraph 64 of the NPPF18, the Government introduces a recommendation that, "where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership."

³⁰ Weighted average

³¹ Weighted average

263. This is a fulfilment of the direction of travel set in the Housing White Paper. It states that, “in keeping with our approach to deliver a range of affordable homes to buy, rather than a mandatory requirement for ‘Starter Homes,’ we intend to amend the NPPF to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units. It will be for local areas to work with developers to agree an appropriate level of delivery of ‘Starter Homes’, alongside other affordable home ownership and rented tenures.”
264. This is a substantial watering-down of the Starter Home requirement as envisaged when policy contained in the Housing and Planning Act was first conceived. In effect, it leaves it to local groups, including neighbourhood plans, to decide and promote an appropriate level of affordable home ownership products, while taking note of the 10% policy expectation.
265. The decision whether to treat Starter Homes as AH should be determined by whether lowering the asking price of new build homes of a size and type suitable to first time buyers by 20% would bring them within reach of people currently unable to access affordable market housing for purchase.
266. In order to provide a conservative assessment of the suitability of Starter Homes, we propose to use the value we have estimated for an entry-level dwelling of £233,125.
267. Applying a discount of 20% results in an approximate selling price of £186,500. Allowing for a 10% deposit further reduces the value of the property to £167,850. The PT at a multiple of 3.5 is £47,957.

- **Shared ownership**

268. There were just 16 households living in shared ownership dwellings in Hungerford at the time of the 2011 Census which, as we have seen, represents a 51.5% contraction on the 33 households doing so in 2001. Despite the relatively low and falling incidence of the shared ownership tenure, it is worth considering its future role.
269. Shared ownership involves the purchaser buying an initial share in a property, typically between 25% and 75%, and paying rent on the remaining share retained by the provider. Shared ownership is flexible in two respects: in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable.
270. The share owned by the leaseholder can be varied by 'staircasing'. Generally, staircasing will be upward, thereby increasing the share owned over time. In exceptional circumstances (as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously, and council and housing association tenants with a good credit rating whose household income does not exceed £60,000.
271. To determine the affordability of shared ownership, calculations are based on the entry-level house price in Hungerford (£233,125). The amount of the deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to value ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 25% of the income on rent (as for the IT for PRS).
272. A 25% equity share of £233,125 is £58,281, from which a 10% deposit of £5,828 is netted off. The mortgage value of £52,453 (£58,281 – £5,828) is then divided by 3.5. To secure a mortgage of £52,453, an annual income of £14,987 (£52,453 / 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 75% shared ownership equity, the unsold value of £174,844. An ongoing annual rent equivalent to 2.75% of the value of the unsold equity is assumed, which is £4,808 and requires an income of £19,232. Therefore, an income of around £34,219 (£14,987 + £19,232) is required to afford a 25% shared equity purchase of an entry-level dwelling.
273. The same calculation is reiterated for different initial share levels and the results are presented in Table 7-8 below:

Table 7-8: Affordability calculator for shared ownership

Purchase price:	£233,125	Minimum income needed	Mortgage	Income needed for mortgage	Annual Rent	Income needed for rent	Deposit required
Initial share	25%	£34,219	£52,453	£14,987	£4,808	£19,233	£5,828
	35%	£37,650	£73,434	£20,981	£4,167	£16,668	£8,159
	40%	£39,365	£83,925	£23,979	£3,847	£15,386	£9,325
	50%	£42,795	£104,906	£29,973	£3,205	£12,822	£11,656
	60%	£46,225	£125,888	£35,968	£2,564	£10,258	£13,988
	75%	£51,371	£157,359	£44,960	£1,603	£6,411	£17,484

Source: AECOM Calculations

Conclusion

274. We are now able to directly compare the cost of market rent, market purchase, Social Rent, Starter Homes, Shared Ownership at 25%, 50% and 75%, and Affordable Rent in Hungerford, and the level of income needed to afford these tenure options.
275. Table 7-9 below summarises the annual cost of different tenures and the income required to support these costs.

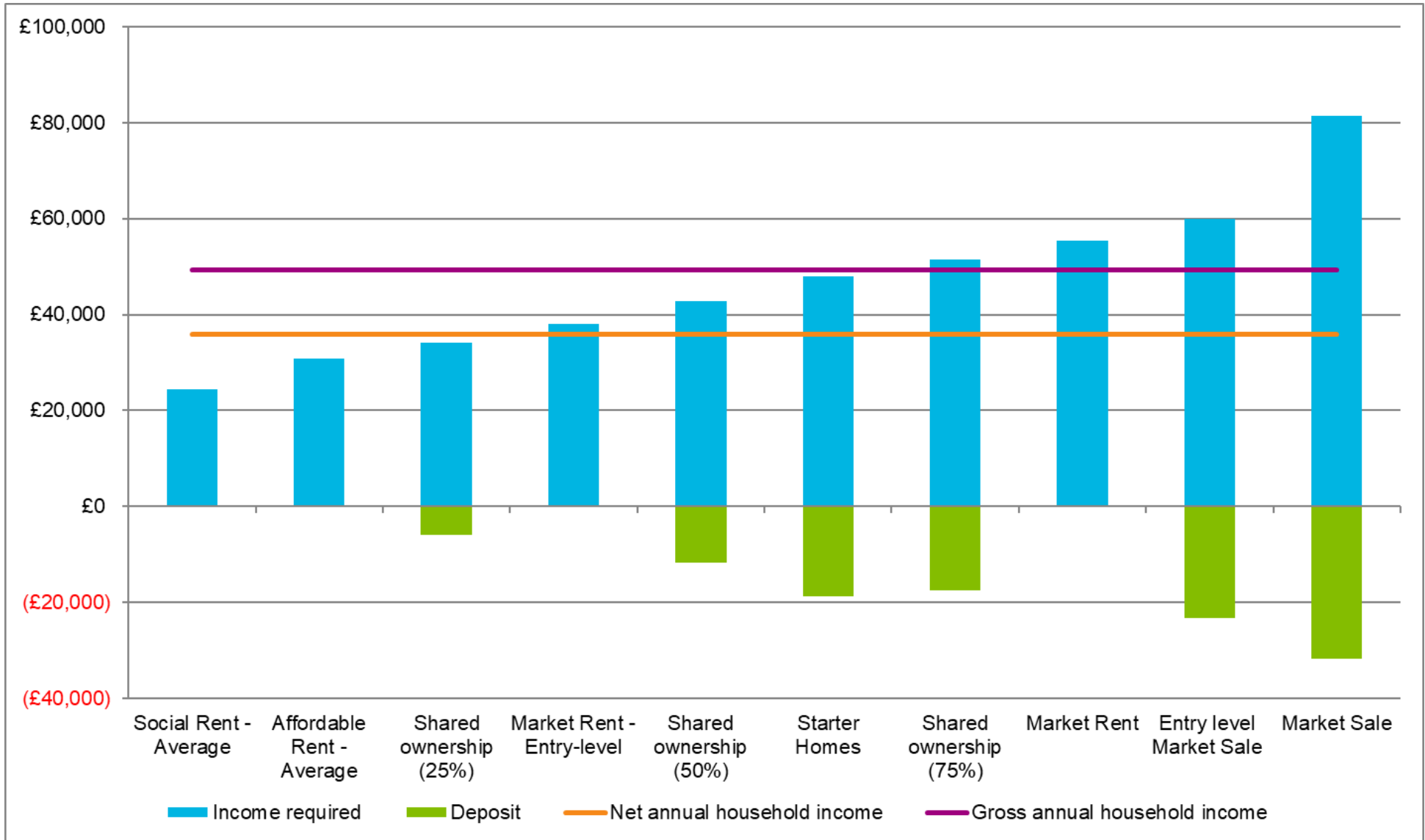
Table 7-9: Affordability thresholds (income required)

Tenure	Cost of purchase	Annual rent	Deposit	Income Required
Social Rent - average	-	£6,093	-	£24,374
Affordable Rent - average	-	£7,708	-	£30,833
Shared ownership (25%)	£52,453	£4,808	£5,828	£34,219
Market rent - entry-level	-	£9,504	-	£38,016
Shared ownership (50%)	£104,906	£3,205	£11,656	£42,795
Starter Homes	£186,500	-	£18,650	£47,957
Shared ownership (75%)	£157,359	£1,603	£17,484	£51,371
Market rent	-	£13,857	-	£55,428
Entry level market sale	£233,125		£23,313	£59,946
Market sale	£316,684		£31,668	£81,432

Source: AECOM Calculations

276. The income required to afford these different tenures is then benchmarked against the average gross annual household income of £49,300 and the average net annual household income before housing costs of £35,900. Figure 7-3 shows that households earning around the average net household income can only afford the following tenures: Social Rent, Affordable Rent, and shared ownership (25%).
277. We have estimated that 489 Hungerford households are currently unable to access market housing, and that a further 95 households will be in need of AH over the plan period. If the Housing Needs Figure of 486 dwellings is provided over the Plan period in accordance with the Core Strategy's CS6 affordable housing policy (with the majority of sites being required to deliver 30% AH, the site east of Salisbury road in Hungerford required to deliver 40% AH of its 100 units, and smaller sites bringing forward lower percentages of AH – roughly averaging 30% overall) a total of 148 AH units (rounded) and 345 market units will be delivered. This is deemed not to meet the needs of the population for AH.
278. There is a severe lack of suitably affordable housing for the population of Hungerford, and every effort should be made to maximise AH provision going forward, while ensuring that overly ambitious targets do not imperil the viability of new development in general. It may also be possible that other types of tenure may be able to alleviate the need for AH in Hungerford.
279. Hungerford has an incidence of home ownership that is slightly above the national average, but lower than the wider District, while the proportion of households renting privately is significantly higher than the District, and the proportion renting socially is slightly higher than the District. Over the intercensal period, the frequency of ownership and shared ownership decreased, while the frequency of private and social renting increased.
280. Although average annual net household incomes before housing costs are relatively high at £35,900, this level of income is insufficient to occupy the majority of dwelling tenures according to our affordability analysis.
281. Given the 90.5% growth in private renting between 2001-2011, it is likely that the provision of this tenure is growing to meet demand from those priced out of ownership, as average market rental properties require a lower income level than do entry-level market properties for sale. Entry-level market renting is only just out of reach for the average earning household, and so may be able to meet the needs of some households if the supply of dwellings for market rent increases in step with demand.
282. However, shared ownership at a 25% share is attainable to those on average incomes. In light of the reduction of households occupying this tenure over the intercensal period, it should be considered whether increasing the supply of shared ownership properties would help to reduce affordability pressures for many households.
283. Delivering more affordable houses to be sold would also reduce pressure on the PRS in Hungerford, which is becoming a more popular option over time, but which at average rents is out of reach for many households.

Figure 7-3: Hungerford household income and affordability of housing tenures



Source: AECOM Calculations

7.5 Conclusion

284. There are currently about 489 households in Hungerford who are unable to access tenures suitable to their needs, with a further 95 households projected to fall into need over the Plan period, producing a total AH need of 584 dwellings that should be addressed over the Plan period.
285. An appropriate policy response to this may be for Hungerford to seek for a higher proportion of newly built dwellings to be AH than would be provided for by the West Berkshire policy target.
286. It should be noted that this number is largely dependent on information provided by West Berkshire District Council (WBDC) about their Common Housing Register. As that data cannot be broken down by priority banding, and includes those not living in Hungerford but wishing to do so, it is likely an inflated total. In turn the total AH need for Hungerford may be somewhat lower than the 584 dwellings identified here.

The tenure split

287. In terms of the tenure split of Affordable Housing, it is important to note the affordability crisis that exists among households with below average incomes in Hungerford, who are only able to afford Social Rented, Affordable Rented, and Shared Ownership at a 25% share accommodation. For this reason, we recommend that AH provision should focus on dwellings for Social and Affordable Rent.
288. Having said this, such policies should in practice be flexibly applied given the need for viability. This question is particularly pertinent in rural locations where small in-fill schemes predominate. For these schemes, providers sometimes reject Social Rented stock due to relatively high maintenance costs, seeking to vary the tenure to Affordable Rent or shared ownership. As we have seen, both of these tenures provide viable options for Hungerford households, and should be well-represented in the dwelling mix.
289. We would recommend Starter Homes be delivered in the NA, in accordance with the Government's 10% policy expectation, but recommend a greater focus on the fast-growing shared ownership tenure, for reasons noted above.
290. On the basis of the evidence we have gathered, the following split of AH tenures is put forward:

Table 7-10: Tenure split (Affordable Housing)

Routes to home ownership, of which	30%
Starter Homes	10%
Shared ownership	20%
Affordable Housing for rent, of which	70%
Social Rent	40%
Affordable Rent	30%

Source: AECOM calculations

8. RQ 4. Specialist housing

RQ4: What provision should be made for specialist housing for older people within the NA?

291. The following section considers the specific needs associated with older people in Hungerford and projections about how those needs might change in future. To do so, we draw upon available secondary data on existing provision rates, the outputs of demographic modelling, and the use of a tool recommended by the Housing Learning and Improvement Network (HLIN).
292. Older people typically occupy a broad range of accommodation, including both market housing and more specialist accommodation. Two main types of specialist accommodation for older people include sheltered housing and extra care housing (see Appendix A for definitions).
293. It is important to note that bed spaces in communal establishments such as live-in care homes are not included in the calculation below. Such dwellings occupy a different land-use class to other types of specialist housing for older people, and are subject to separate need calculations that are outside of the scope of this study, which is confined to the needs of 'private households'. That said, we will note the provision of such accommodation as it relates to the NA in question.

8.1 Current supply of specialist housing for older people in Hungerford

294. There are 201 bed spaces in specialist housing in Hungerford serving a 2011 population of 551 people aged 75 and above. This produces an actual rate of provision in the NA of 365 (rounded) dwellings per 1,000 of the population aged 75 and over.
295. These bed spaces, presented in Table 8-1 are spread across four communities, ranging from recently-built extra care apartment complexes to managed retirement housing in historic cottages for sale on the open market. There is also a 59-bed-space care home (Hungerford Care Home), however this does not supply the needs of 'private households' as noted above, and so will not be included in the calculation.
296. It is worth noting that retirement accommodation tends to be concentrated in towns rather than villages, so Hungerford's stock of retirement dwellings likely serves a catchment area wider than the population actually living within the town.

Table 8-1: Hungerford specialist housing bed spaces

#	Name	Description	Bed spaces	Type
1	Redwood House	25 1-bed and 21 2-bed apartments	67	Extra-care housing for social rent
2	Crown Mews	23 single occupancy flats and cottages	23	Managed retirement housing for leasehold sale
3	Lindley Lodge	14 1-bed and 14 2-bed apartments	42	Age-exclusive housing for social rent
4	Bearwater	34 2-bed flats/houses, 1 1-bed flat	69	Managed retirement housing for leasehold sale
Total bed spaces in Hungerford			201	

Source: <https://housingcare.org>, phone calls to each establishment

8.2 Future needs for specialist housing for older people in Hungerford

Modelling the change in the population over 75 by the end of the Plan period

297. Table 8-2 below identifies the growth in the population of residents over 75 between 2011 and 2036 in order to arrive at an estimate of the number of residents aged 75 and over in 2036.

Table 8-2: Modelled change in the population over 75 2011-2036

Year	2011		% Hungerford population in West Berkshire	2036 Projection	
Area	Hungerford	West Berkshire		Hungerford	West Berkshire
All ages	5,767	153,822	3.75%	6,240	166,400
75+	551	10,677	5.16%	1,238	24,000
% of 75+	9.55%	6.94%	-	19.85%	14.42%

Source: 2014-based Sub-national population projections, MHCLG and Census 2011 (ONS), AECOM calculations

298. The method we use to arrive at this number can only be an estimate given that MHCLG population projections do not provide data at the NA level. AECOM uses the following four-step method to arrive at the estimate:

- Using ONS population projections, we take the projected size of the total District population (166,400) and population aged 75 and over (24,000) at the end of the Plan period;
- Using Census 2011 data, we take the population size for Hungerford and West Berkshire together with the number of those aged 75 and over;
- We come to an estimate of the size of the total population living in Hungerford at the end of the Plan period by assuming it is the same proportion of the West Berkshire population as in 2011 (3.75%), which produces a number of 6,240;
- To arrive at an estimate of the 75 and over population in Hungerford at the end of the Plan period, we assume it is the same proportion of the West Berkshire population aged 75 and over as in 2011 (5.16%), which produces a number of 1,238.

This calculation results in an increase in the 75 and over population for both geographies of 124.7%. In West Berkshire, this amounts to an increase of 13,323, while in Hungerford it amounts to an increase of 687. However, this is merely a projection: it is likely that the rates of increase in the District and NA will be quite different. Indeed, between 2011 and 2011 the number of people aged 75 and over in Hungerford increased by 10% compared with a much faster rate of 21% in West Berkshire.

Quantity of housing needed for older people

299. In order to calculate the additional housing for older people required over the Plan period we first take into account any backlog need (i.e. the provision required by the current elderly population minus current stock levels) and the quantity needed to meet the needs of the growing population.
300. HLIN recommends that 251 specialist bed spaces per 1,000 of the 75 and over population is an appropriate minimum level of supply. That would indicate that for the 551 older people living in the NA at the time of the last census, 138 bed spaces would be required. Given that the current stock totals 201 units, there is currently no deficit. At 365 (rounded) per 1,000 of the elderly population, the current rate of provision is also well above the national average of 170.
301. However, at the end of the Plan period the total population of people aged 75 and over is expected to be 1,238. According to the recommendation of HLIN, the quantity of retirement dwellings needed to meet the needs of that projected population would be 311.
302. Hungerford should therefore plan for the provision of an additional 110 units over the remainder of the Plan period. This equates to an average of 6 per year, which is a reasonable minimum target considering Hungerford's current rate of provision, though it is likely that units will be supplied in higher numbers at less frequent intervals rather than at a continuous low level.

Type of housing needed for older people

303. Next, we break down the above quantity recommendation into the blend of specific types that will need to be provided. In arriving at an appropriate type breakdown for older people, we have applied HLIN's Strategic Housing for Older People Analysis (SHOP@) tool, which provides estimated levels of demand for each type per 1,000 of the 75 and over population.³² This tool is reproduced in Figure 8-1 below.

³² Housing LIN (2011) Strategic Housing for Older People: Planning, designing and delivering housing that older people want, available online at: <http://www.housinglin.org.uk/library/Resources/Housing/SHOP/SHOPResourcePack.pdf>

Figure 8-1: Older persons housing demand by type

FORM OF PROVISION	ESTIMATE OF DEMAND PER THOUSAND OF THE RELEVANT 75+ POPULATION
Conventional sheltered housing to rent	60
Leasehold sheltered housing	120
Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) ²⁶	20
Extra care housing for rent	15
Extra care housing for sale	30
Housing based provision for dementia	6

Source: Housing LIN (2011)

304. Table 8-2 led to an estimate of the number of people aged 75 and over in 2036 of 1,238. According to our calculations, this will result in a need for an additional 110 bed spaces over the remainder of the plan period. The HLIN suggested breakdown of this number among the various HLIN types is given in Table 8-3 below:

Table 8-3: Detailed additional specialist housing provision 2013-2036

Form of provision	Provision per thousand	Provision per actual number
Conventional sheltered housing to rent	60	26
Leasehold sheltered housing	120	52
Enhanced sheltered housing (divided 50:50 between that for rent and that for sale)	20	9
Extra care housing for rent	15	7
Extra care housing for sale	30	13
Housing based provision for dementia	6	3

Source: Housing LIN, AECOM Calculations

305. Table 8-4 below gives a grouped breakdown of the housing categories presented in Table 8-3.

Table 8-4: Additional specialist housing provision 2018-2036 grouped by tenure

	Affordable	Market	Total
Adaptations, sheltered, or retirement living	26	53	79
Housing with care (e.g. extra care)	13	18	31
Total	39	61	110

Source: Housing LIN, AECOM Calculations

306. However, these results assume that the HLIN recommended blend is already in place for the 201 existing bed spaces, which it is not. So to arrive at the precise blend of types and tenures required, it is more accurate to compare the breakdown of the total mix required in 2036 (311) with the breakdown of types and tenures provided the current stock. This will allow any particular shortfalls to be identified.

307.

308. Table 8-5 below shows that there is in fact no further need for affordable housing with care. There are already 29 more units than HLIN recommends be provided. The quantity of adaptations, sheltered, or retired living bed spaces has also been adjusted slightly upward. The most important finding that was not revealed in Table 8-4 above is that there is a clear lack of market housing with care. However, as there is a surplus of Affordable Housing with care of 29 units, it is not proportionate to increase the total quantity of specialist housing needed by an additional 29 units (or 26% more than the initial total of 110). Instead, we recommend that all 31 new housing with care bed spaces be provided within the open market. A final recommendation, following that logic, is supplied in table below.

Table 8-5: Ideal specialist housing provision by tenure group minus current provision

Scenario	Provision	Affordable	Market	Total
Ideal provision in 2036	Adaptations, sheltered, or retirement living	74	149	223
	Housing with care (e.g. extra care)	38	50	88
	Total	113	198	311
Current (2019) provision	Adaptations, sheltered, or retirement living	42	92	134
	Housing with care (e.g. extra care)	67	0	67
	Total	109	92	201
Remaining deficit	Adaptations, sheltered, or retirement living	32	57	89
	Housing with care (e.g. extra care)	0 (-29)	50	50
	Total	32	107	139

Source: Housing LIN, AECOM Calculations

Table 8-6: Final recommendation for additional specialist housing provision to 2036

	Affordable	Market	Total
Adaptations, sheltered, or retirement living	26	53	79
Housing with care (e.g. extra care)	0	31	31
Total	26	84	110

Source: Housing LIN, AECOM Calculations

309. The total requirement for specialist housing for older people remains 110 additional bed spaces until 2036, broken down between the different types as shown in Table 8-6 above. We note that there is no obligation for these all to be provided within the NA itself and it may not be economically feasible to do so. There may also in future be Local Plan policies that address the distribution of such accommodation across the District that will have a bearing on provision in Hungerford. As such, these 110 specialist dwellings need not be thought of as a requirement within the Neighbourhood Plan housing target - rather, there will be some overlap between these dwellings and the target, depending on the number that could be provided within the NA itself. This specialist dwelling need is likely, therefore, to be split between the NA and the rest of the District, which will enable the elderly to live either within or as close to the NA as possible.

9. Conclusions

9.1 Overview

Table 9-1: Summary of factors affecting housing need in Hungerford

Factor	Evidence	Conclusion
<p>Quantity</p>	<p>West Berkshire’s Local Housing Need, based on 2016-based household projections and 2017 affordability ratios, is 621 dwellings per year.</p> <p>The West Berkshire Core Strategy allocates 10,500 net additional dwellings in the District over the period 2006-2026, and 2,000 of these to the AONB spatial area of which Hungerford is the major location for development.</p> <p>Hungerford’s population of 5,767 is 23% of the 24,900 people living in the key settlements of the AONB identified in the Core Strategy. On the basis of its share of the population, Hungerford’s share of the 2,000 dwelling target is 463 dwellings, which is in turn 4.4% of the 10,500 total dwelling target.</p> <p>A market signals analysis is applied, looking at: economic activity, commuting patterns, migration, house prices and sales volumes, overcrowding, concealed households, and the housing delivery record of the District.</p>	<p>Applying this proportion of the District’s housing needs to the more recent figure of 621 dwellings per year, gives Hungerford a Housing Needs Figure (HNF) of 27 dwellings, or 486 over the remainder of the Plan period.</p> <p>The HNF has not changed in the light of past completions delivered since the start of the Plan period in 2013, nor in response to the market signals analysis.</p>
<p>Type and size</p>	<p>Hungerford’s stock of existing housing is made up of smaller dwellings than that of the wider District.</p> <p>38% of Hungerford households occupy dwellings of four rooms or fewer, compared with 26% in West Berkshire. In terms of bedrooms, Hungerford households are 27% more likely to live in one- to two-bedroom dwellings than their counterparts in the wider District, and 41% less likely to live in dwellings of five bedrooms or more.</p> <p>Hungerford has a much higher proportion of one-person households, while West Berkshire has a higher proportion of families with dependent children (features that are evident overall, and within every age category). Hungerford has a higher share of older residents, while West Berkshire has a higher proportion of younger ones. Hungerford’s share of households aged 65 and over increased at twice the rate of West Berkshire’s over the intercensal period, and the population of 16-44 year olds declined.</p> <p>Hungerford’s demographic profile in 2036 is dominated by households aged 65 and over (which make up 48% of all households), followed by those aged 35 to 54 (28%), those aged 55 to 64 (15%), and the combined categories aged below 34 (9%).</p> <p>Generally speaking, the age bands most likely to occupy larger dwellings are strongly represented,</p>	<p>To satisfy the requirements of increasingly smaller and older households, but also to enable younger households to remain in the area, and maintain a balanced population, we recommend the following housing mix:</p> <ul style="list-style-type: none"> • 1-beds: 22.7%; • 2-beds: 15.8%; • 3-beds: 29.9%; • 4-beds: 22.1%; • 5-beds: 9.5%. <p>This is based upon a further analysis to adjust for the limitations of the data relating to the occupation patterns of the district, where the available stock of housing is insufficient to permit downsizing by older households at the rates seen elsewhere and expressed in various studies.</p> <p>This produces a dwelling mix that is far more balanced and less weighted towards larger dwellings. This dwelling mix is closer to what should be provided in Hungerford in order to permit older households in larger dwellings to downsize, and has the additional benefit of allowing newly forming households to access housing through smaller and more affordable dwellings.</p>

	<p>and those most likely to occupy smaller dwellings are not well represented. Although households aged 65 and over have begun to shift towards mid-sized dwellings, they still occupy dwellings of four or more bedrooms at twice the rate of households aged 25 to 34.</p> <p>Further analysis suggests that downsizing is more common at the national level than the particularly low figures seen in West Berkshire. and is in general constrained by the availability of smaller dwelling units to which moves can be made.</p>	<p>This housing mix should be applied flexibly, considering site specific characteristics, including context and local character, as well as the market dynamics at the time of the specific development.</p>
<p>Tenure</p>	<p>There are currently about 489 households in Hungerford who are unable to access tenures suitable to their needs. Over the Plan period, a further 95 households will fall into need, producing a total AH need of 584 dwellings that should be addressed over the Plan period.</p> <p>It should be noted that this number is largely dependent on information provided by West Berkshire District Council (WBDC) about their Common Housing Register. As that data cannot be broken down by priority banding, and includes those not living in Hungerford but wishing to do so, it is likely an inflated total. In turn the total AH need for Hungerford may be somewhat lower than the 584 dwellings identified here.</p> <p>65% of households in Hungerford own their own homes, 0.6% live in shared-ownership properties, 14% are in Social Rented accommodation, and 18.5% in private rented accommodation. Rates of ownership declined, and rates of renting increased over the intercensal period (particularly private renting, which increased by 90.5%)</p> <p>Average annual net household incomes before housing costs are relatively high at £35,900. The level of income required to afford each type of tenure is the following:</p> <ul style="list-style-type: none"> • Social Rent: £24,374; • Affordable Rent: £30,833; • Shared ownership (25%): £34,219; • Entry-level market rent: £38,016; • Starter Homes: £47,957; • Average market rent: £55,428; • Entry-level market sale: £59,946; • Average market sale: £81,432. 	<p>The appropriate policy response to this may be for Hungerford to seek for a higher proportion of newly built dwellings to be AH than would be provided for by the West Berkshire policy target.</p> <p>To eradicate the shortfall in its entirety would require an AH policy that requires all new residential dwellings to be AH. This is however clearly not possible, as AH is typically brought forward and made financially viable by its inclusion in small amounts within larger market developments. However, it will be worth Hungerford Town Council exploring other ways of bringing forward AH, for example through exception sites.</p> <p>Average net incomes are insufficient to occupy all but three housing tenures: Social Rent, Affordable Rent, and shared ownership at a 25% share.</p> <p>Entry-level market renting is only just out of reach for the average earning household, and so may be able to meet the needs of some households if the supply of dwellings for market rent increases in step with demand.</p> <p>Shared ownership at a 25% share is attainable to those on average incomes. In light of the reduction of households occupying this tenure over the intercensal period, it should be considered whether increasing the supply of shared ownership properties would help to reduce affordability pressures for many households.</p> <p>Delivering more affordable houses to be sold would also reduce pressure on the PRS in Hungerford, which is becoming a more popular option over time, but which at average rents is out of reach for many households.</p> <p>On the basis of the evidence we have gathered, the following split of AH tenures is put forward:</p>

		<ul style="list-style-type: none"> • Social Rent: 40%; • Affordable Rent: 30%; • Shared ownership: 20%; • Starter Homes: 10%.
<p>Specialist housing</p>	<p>Hungerford has 365 bed spaces in specialist housing for older people per 1,000 of the 75+ population.</p> <p>Of Hungerford's projected 2036 population, nearly 20% are estimated to be aged 75 and over, which equates to 1,238 people – and an increase of 687 since the last census.</p>	<p>The current provision of specialist accommodation is not sufficient to meet the needs of the projected elderly population, so Hungerford should plan to deliver an additional 110 bed spaces over the Plan period.</p> <p>These should be split into the following tenures to reflect national trends and imbalances in the current stock:</p> <ul style="list-style-type: none"> • 26 affordable retirement units; • 53 market retirement units; • 31 market units with care.

9.2 Recommendations for next steps

310. This Neighbourhood Plan housing needs advice has aimed to provide Hungerford Town Council with evidence on housing trends from a range of sources. We recommend that the parish should, as a next step, discuss the contents and conclusions with West Berkshire District Council with a view to agreeing and formulating draft housing policies, in particular the appropriate approach to identifying the level of need for new housing in the NP area, bearing the following in mind:

- Neighbourhood Planning Basic Condition A, that it has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the Neighbourhood Plan contributes to the achievement of sustainable development; and Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the adopted strategic development plan;
- the views of WBDC – in particular in relation to the housing need figure that should be adopted;
- the views of local residents;
- the views of other relevant local stakeholders, including housing developers;
- the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the LPA, including but not limited to the SHLAA;
- the recommendations and findings of this study; and
- How recent changes to the planning system (for example the NPPF published in July 2018) will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.

311. This advice note has been provided in good faith by AECOM consultants on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).

312. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by the LPA or any other relevant body and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

313. At the same time, monitoring on-going demographic or other trends over the period in which the Neighbourhood Plan is being developed would help ensure the relevance and credibility of its policies.

Appendix A : Glossary

Adoption

The final confirmation of a local plan by a local planning authority.

Affordability³³

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)/Intermediate Housing³⁴

Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision. Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England. Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing. Homes that do not meet the above definition of affordable housing, such as "low cost market" housing, may not be considered as affordable housing for planning purposes.

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime** but is subject to other rent controls that require a rent of no more than 80% of the local market rent (Including service charges, where applicable)*** ** The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). *** Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods. The Tenant Services Authority has issued an explanatory note on these at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

³³ <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

³⁴ <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

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

Bedroom Standard³⁵

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

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order³⁶

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

Concealed Families (Census Definition)³⁷

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

Equity Loans/Shared Equity

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

Extra Care Housing³⁸

New forms of sheltered housing and retirement housing have been pioneered in recent years, to cater for older people who are becoming more frail and less able to do everything for themselves. Extra Care Housing is housing designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. Extra Care Housing is also known as very or enhanced sheltered housing, assisted living, or simply as 'housing with care'. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in sheltered housing (residents' lounge, guest suite, laundry), Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff. Properties can be rented, owned or part owned/part rented. There is a limited (though

³⁵ <https://www.gov.uk/government/publications/english-housing-survey-2011-to-2012-headline-report>

³⁶ <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

³⁷ http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

³⁸ <http://www.housingcare.org/jargon-extra-care-housing.aspx>

increasing) amount of Extra Care Housing in most areas and most providers set eligibility criteria which prospective residents have to meet.

Fair Share

'Fair share' is an approach to determining housing need within a given geographical area based on a proportional split according to the size of the area, the number of homes in it, or its population.

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area (PPG Definition)³⁹

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

Housing products simply refers to different types of housing as they are produced by developers of various kinds (including councils and housing associations). Housing products usually refers to specific tenures and types of new build housing, such as Starter Homes, the Government's flagship 'housing product'.

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

³⁹ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

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

Income Threshold

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

Intercensal Period 2001-2011

The period between the last two censuses, i.e. between years 2001 and 2011.

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

Dwellings constructed to make them more flexible, convenient adaptable and accessible than most 'normal' houses, usually according to the Lifetime Homes Standard, 16 design criteria that can be applied to new homes at minimal cost: <http://www.lifetimehomes.org.uk/>.

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local Planning Authority

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

Local Plan

The plan for the future development of the local area, drawn up by the local planning authority in consultation with the community. In law this is described as the development plan documents adopted under the Planning and Compulsory Purchase Act 2004. Current core strategies or other planning policies, which under the regulations would be considered to be development plan documents, form part of the Local Plan. The term includes old policies which have been saved under the 2004 Act.

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing (PPG Definition)

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

Mean (Average)

The sum of all values divided by the number of values. The more commonly used "average" measure as it includes all values, unlike the median

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years⁴⁰, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Plan

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

Older People

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

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

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

Overcrowding

There is no one agreed definition of overcrowding, however, utilising the Government's bedroom standard, overcrowding is deemed to be in households where there is more than one person in the household per room (excluding kitchens,

⁴⁰ <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

bathrooms, halls and storage areas). As such, a home with one bedroom and one living room and one kitchen would be deemed overcrowded if three adults were living there.

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence (PPG Definition)

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

Private Rented

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing⁴¹

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bedroomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will

⁴¹ <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

Strategic Housing Land Availability Assessment (NPPF Definition)

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.) for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.⁴²

⁴² <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

Appendix B : Group comments

AECOM Comment Actions

Date: 27.02.2019

Comment No. or Summary	AECOM Action or Non-Action	Explanation
The Plan period is confirmed as 2018-2036 rather than 2013-2036.	This update has been reflected throughout the document and does not change the Housing Needs Figure.	This was an open question, raised with the group after a query from West Berkshire District Council, and an important point to confirm and put right.
This is not a Housing Needs Survey as there is no evidence to support need in the document.	No action taken, household survey recommended to the group.	The group felt that the HNA relies overly on secondary data sources and is primarily a statistical exercise, rather than a highly localised study using bottom-up primary data such as surveys. The Locality Toolkit on Housing Needs Assessments has since been shared with the group to provide context around the types of data sources HNAs are required and recommended to use. In light of this, the group are satisfied that the HNA meets those guidelines, and have accepted the suggestion that a household survey would be a useful addition to the evidence base supplied in the HNA.
There should be a bottom up approach.	No action taken, household survey recommended.	(See above.)
Every number is derived from the 2000 figure which is not relevant to our plan period. Previously the reverence to that figure was up to 2000. Further comments were added during a call with the group on 26.02.2019, expressing the wish for further caveating of the Housing Need Figure with reference to the specific constraints of development in AONBs.	Moderate revisions to wording around the Housing Needs Figure calculation.	The West Berkshire Core Strategy (2006-2026) is the latest and most up-to-date expression of the Local Authority spatial strategy. It has been used simply to derive Hungerford's share of the District housing target in line with that strategy (as PPG dictates): the final figure is still a percentage of the District's overall Local Housing Need. This produces an annual figure that is then extrapolated out over the Plan period of the Neighbourhood Plan. From the 2006-2026 period of the Core Strategy we generate an annual number and then apply it to the Neighbourhood Plan period of 2018-2036, so the fact that those two periods are not aligned is not material. More explanation has been added in the Quantity section to emphasise: the policies in the Core Strategy that seek to protect the AONB from over-development; and the fact that the 2000 target is an upper bound target not a minimum.
During the call on 26.02.2019, the group emphasised the policy context affecting settlements within the AONB which had been highlighted in the Policy Context section of this report but not referred to specifically within the Quantity section.	This change has been made: a further caveat referencing relevant policy has been added to the Quantity section and summarised in the Executive Summary.	As the HNF refers to the spatial strategy of the District it is logical and fair that the number be caveated with reference to this policy context – which permits a greater degree of flexibility dependent on supply.
Methodology on how to allocate the mix is fine.	No action required.	This comment does not require any action.
The conclusion that Hungerford needs more 3 and	An additional section has been added to the HNA to	Although the methodology is accepted as sound, the group's concerns about the recommended dwelling mix it

<p>4 bedroom houses is at odds with comments regarding affordable housing.</p>	<p>model an alternative dwelling mix scenario, with an outcome that is more in line with the group's expectations.</p>	<p>arrived at are valid and run counter to common sense. This has been taken as an opportunity to experiment with an alternative methodology that has not replaced the existing one in this HNA but been appended to it with explanatory text and research to back up its assumptions. It adjusts the occupation pattern of the District (the data at the source of the issue identified) to account for fewer limitations on the ability of older households to downsize into smaller properties.</p>
<p>No analysis on likelihood of people downsizing in the future with decreasing pension incomes.</p>	<p>An additional review of research in this area has been added, and employed in the additional modelling exercise described above.</p>	<p>This is a topic of particular interest to the group and worth exploring more generally. The previous conclusion was caveated with references to this issue, but a caveat is only ever a descriptive addition – it does not change the final numbers that the group must refer to as their evidence base when crafting policy. An attempt has therefore been made to incorporate this research into the numbers themselves – though again with caveats. It will be a matter for the group's discretion and the view of the examiner of their Neighbourhood Plan, should it include bold policy choices that depend on this data, whether or not it should be relied on outside of the context of the HNA.</p>
<p>The info on trains to Swindon is incorrect.</p>	<p>The reference to train services to Swindon has been removed.</p>	<p>This is a valid and useful correction.</p>
<p>If the 500 houses were all affordable there still wouldn't be enough.</p> <p>In the call on 26.02.2019 the limitations of the Local Authority data (see explanation column) was explained to the group. They wished to seek further clarification on exactly who is included in this 451 number and that the report be updated to clarify this.</p>	<p>No action taken on the overall figure.</p> <p>Local Authority contacted about the definition of their Common Housing Register data, and this has been added to the Tenure section.</p>	<p>This is a very legitimate point, and there are two parts to the explanation.</p> <p>First, it is not unusual in unaffordable rural areas that the Affordable Housing target in a HNA exceeds the overall Housing Need Figure. As can be seen in Figure 7-3, the majority of tenures are not within reach for those on average incomes, and the Local Authority have provided a number of Hungerford residents on the Affordable Housing Register of 451 – which is 17% of all households. With that degree of affordability pressure, it is not unexpected to reach a conclusion that essentially all future housing supply needs to be Affordable Housing. Unfortunately, current methodology doesn't allow the overall Housing Need Figure and the need for Affordable Housing to be brought into alignment where the latter cannot exceed the first – they are separate calculations. What this conclusion means in policy terms is that the evidence base presented here gives Hungerford's Neighbourhood Plan a strong position from which to argue that Affordable Housing policies that are bolder than those at District-level would be justified, should they wish to do so. It could also justify an entry-level exception site outside the settlement boundary or setting up a community land trust.</p> <p>The second aspect, and a caveat to the above, is that the total of 451 people on the Common Housing Register for Hungerford – on which the Affordable Housing calculation largely depends – cannot be broken down by priority banding. The figure we typically use in this exercise is the priority list of Affordable Housing Need in the NA. The Supervisor of West Berkshire's Housing Register</p>

		<p>informed us that they do not keep a priority list – only a “single list of people that can bid on social properties”. Therefore it is likely that, were West Berkshire able to supply a figure of only their highest priority bands, the resulting figure in the HNA would be slightly lower. When contacted to clarify whether this 451 figure refers to people living within Hungerford or with a strong connection to the town, or to all people in the area who have selected Hungerford as their preferred location, the Local Authority clarified that it is indeed the latter. However, they do not keep reliable data on where applicants currently live and so this figure is the best and only option for inclusion in the HNA, despite its flaws.</p>
<p>The group have identified a number of planning applications at advanced stages that they would like made reference to in the Quantity section.</p>	<p>These points have been included.</p>	<p>It is useful to review the future delivery pipeline, although it cannot be used to amend the Housing Needs Figure.</p>
<p>On the call on 26.02.2019 the group requested a proposed tenure split for future Affordable Housing provision,</p>	<p>This has been added.</p>	<p>It was explained to the group that this is a relatively subjective exercise. Perfectly legitimate to include, but also requiring that caveat.</p>
<p>In the call on 26.02.2019 it was requested that if household projections detail the population of 11-16 years olds in 2036 this figure be included in the report.</p>	<p>Checks undertaken but no changes made to the HNA.</p>	<p>Household projections have been checked and unfortunately do not break down population into this age bracket – they specify only ‘under 25’.</p>

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