

Billingshurst Parish Council Housing Needs Assessment

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Quality information

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Glossary of terms used in text

AH	Affordable Housing (NPPF definition)
AHNMU14	Northern West Sussex Housing Market Area – Affordable Housing Needs Model Update 2014
AMH	Affordable Market Housing
BPC	Billingshurst Parish Council
Cycle	Coast to Capital Local Enterprise Partnership
CtCSEP14	Coast to Capital Strategic Economic Plan 2014
DCLG	Department for Communities and Local Government
HDC	Horsham District Council
HDEP16	Horsham District Economic Plan 2016
HDPF15	Horsham District Planning Framework 2015
HEP16	Horsham Economic Profile, December 2016
HMA	Housing Market Area
HNA	Housing Needs Assessment
HNHD15	Housing Need in Horsham District, March 2015
LPA	Local Planning Authority
NDP	Neighbourhood Development Plan
NPPF	National Planning Policy Framework
MH	Market Housing
OAN	Objectively Assessed Need
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
SHLAA	Strategic Housing Land Availability Assessment
SHMA09	Northern West Sussex Strategic Housing Market Assessment, May 2009
SHMAU12	Northern West Sussex – Horsham Strategic Housing Market Assessment Update, October 2012

1. Executive Summary

1.1 Introduction

1. The 2011 Localism Act introduced neighbourhood planning, allowing parishes, town councils or neighbourhood forums across England to develop and adopt legally binding development plans for their neighbourhood area.
2. As more and more parishes, towns and forums seek to address housing growth, including tenure and type of new housing, it has become evident that developing policies need to be underpinned by robust, objectively assessed housing data.
3. In the words of the National Planning Practice Guidance (PPG), establishing future need for housing is not an exact science, and no single approach will provide a definitive answer. The process involves making balanced judgments, as well as gathering numbers and facts. At a neighbourhood planning level, one important consideration is determining the extent to which the neighbourhood diverges from district - level trends reflecting the fact that a single town or neighbourhood almost never constitutes a housing market on its own and must therefore be assessed in its wider context.
4. The guidance quoted above on housing needs assessment is primarily aimed at local planning authorities preparing Strategic Housing Market Assessments (SHMAs), which are used to determine housing need at a local authority level. However, it helpfully states that those preparing neighbourhood development plans (NDPs) can use the guidance to identify specific local needs that may be relevant to a neighbourhood, but that any assessment at such a local level should be proportionate.
5. Our brief was to advise on data at this more local level to help Billingshurst Parish Council understand, among other matters, the type, tenure and quantity of housing needed to inform neighbourhood plan policies.

1.2 Summary of Methodology

6. Housing Needs Assessment at neighbourhood plan level can be focused either on quantity of housing needed, type of housing need, or both. In most cases, there is a need to focus on quantity where the housing target for the settlement being assessed is unclear, for example where the local authority has not set a specific target for the settlement, or where there is no local plan in place.
7. In the case of BPC, the current adopted Development Plan, the Horsham District Planning Framework 2015 (HDPF) sets out the planning strategy for the Horsham District outside of the South Downs National Park for the years up to 2031, and aims to deliver the social, economic and environmental needs of the district.

8. In Policy 15, the HDPF sets a housing figure for the district to be delivered over the Plan Period (2011-31) of 'at least 16,000' homes. This will in part be achieved by 'the provision of at least 1,500 homes throughout the district in accordance with the settlement hierarchy, allocated through Neighbourhood Planning'¹.
9. One purpose of this study is to identify a housing number for Billingshurst that takes into consideration these numbers.
10. The targets set out in Policy 15 should be understood as the minimum number to be delivered over the plan period; for this reason, a number of projections are tabled that place the number derived from Local Plan policy into a context.
11. In addition, to carry out this assessment, we reference a number of studies commissioned by the Horsham District Council. These are Northern West Sussex Strategic Housing Market Assessment, May 2009 (SHMA09); Northern West Sussex – Horsham Strategic Housing Market Assessment Update, October 2012 (SHMAU12) and Northern West Sussex Housing Market Area – Affordable Housing Needs Model Update (AHNMU14). Together these documents represent the evidence base supporting the LPA's housing policies.
12. The rationale for this recommended approach is that neighbourhood plans need to pass a number of Basic Conditions to meet the basic conditions, the fulfilment of which is tested through an independent examination. pass examination. One of these, Basic Condition E, requires the Neighbourhood Plan to be in 'general conformity with the strategic policies' of the Local Plan, in this case the HDPF. The Government's Planning Practice Guidance indicates that the level of housing development is likely to count as a strategic policy.²
13. In terms of the types of housing needed, there is generally more flexibility on what neighbourhood plans can cover. In order to understand the types of housing needed in BPC we have gathered a wide range of local evidence and summarised it into policy recommendations designed to inform decisions on housing characteristics.
14. Data and materials gathered relevant to this HNA have been sourced and analysed in line with PPG;³ together, they provide a balance of sources that capture a local perspective.
15. The housing projections set out in this HNA correspond with the Neighbourhood Plan period of 2017-2031; this in turn corresponds with the plan period for the HDPF.

¹ HDPF, page 56

² See Planning Practice Guidance Paragraph: 006 Reference ID: 2a-006-20140306

³ See Planning Practice Guidance Paragraphs: 014 Reference ID: 2a-014-20140306 and 009 Reference ID: 2a-009-20140306

1.3 Focus On Demand Rather Than Supply

16. Our approach is to provide advice on the housing required based on need and/or demand rather than supply. This is in line with the PPG, which states that *'the assessment of development needs should be an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints.'*
17. For this reason, we advise that the conclusions of this report should next be assessed against supply-side considerations (including, for example, factors such as transport infrastructure, landscape constraints, flood risk and so on) as a separate and follow-on study.⁴

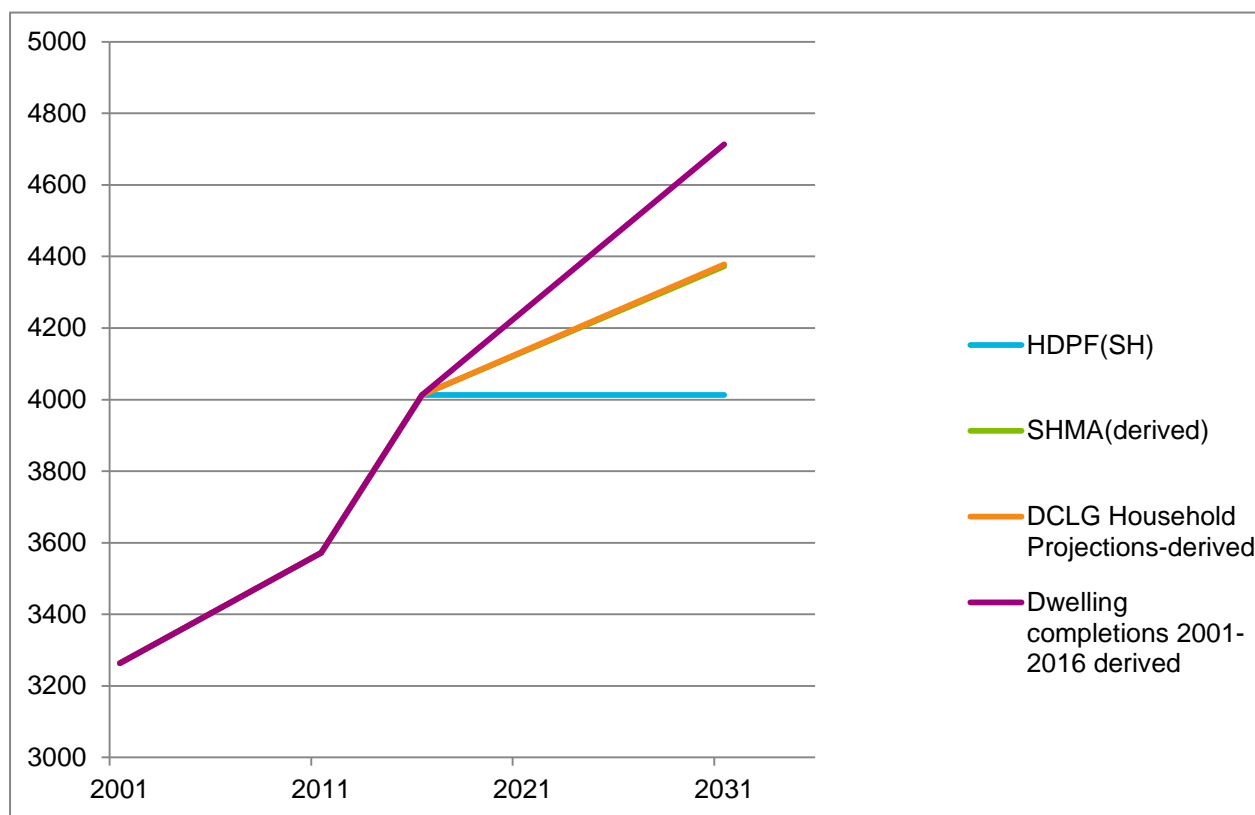
1.4 Quantity of Housing Needed

18. Our assessment of a wide range of data sources identified five separate projections of dwelling numbers for Billingshurst NPA between 2017 and 2031. These are set out below; for each of these, detailed, step by step calculations are provided in the main body of the report.
1. Horsham District Planning Framework 'settlement hierarchy' minimum derived figure (HDPF) 2011 - 31, suggests Billingshurst has satisfied its housing target, and therefore does not need to deliver any more dwellings, **producing a projection of 0 dwellings.**
2. Horsham District Planning Framework 'district' minimum derived figure (HDPF) 2011-31 produces a projection of **562 dwellings (1003 - 441) between 2017 and 2031 or 40 homes per year (rounded)**
3. Housing Need in Horsham 2015 (SHMA) - proportional share drawn from OAN - from which we have derived a projection of **360 dwellings over the plan period, or 26 per year.**
4. DCLG Household Projections from which we have derived a **re-based projection of 365, or 26 dwellings (rounded) over the plan period.**

⁴ Such an approach, clearly separating housing need assessment from dwelling capacity assessment, was endorsed by the Government for calculating housing need at local authority level in the ministerial statement and press release 'Councils must protect our precious green belt land' (DCLG, 4 October 2014, available at <https://www.gov.uk/government/news/councils-must-protect-our-precious-green-belt-land>)

5. A projection derived from dwellings completed between 2001 and 2016 of **700 homes over the plan period of 2017-2031**

Figure 1: Dwelling projections for the Billingshurst NPA, 2017-2031




Source: AECOM Calculations

1. The graph above (the vertical axis indicates the number of homes) sets out the total number of homes factoring in each of the projections we have identified in Billingshurst. So, for example, factoring in dwellings completed derived data (pink line) to the number of dwellings that have already been built in the NPA between 2011 and 1st January 2016 (441) produces a total requirement that there should exist 4713 homes by the end of the Plan Period (combining existing dwellings, and new homes that are required to be built).
2. The starting point to arrive at an overall projection for housing numbers to be delivered in the NPA over the Plan Period is the average of the five projections set out above; we depart from this approach if we have reason to believe a given projection should be awarded more weight than others, or should be excluded.
3. We have received explicit guidance from HDC that the projection 2, derived from the overall housing target for the district should be discounted, and only the 'settlement hierarchy' number taken into consideration. For this reason, we have excluded projection 2 from our calculation. **The average of the remaining four projections comes to 356 dwellings, or 21 dwellings per year over the Plan Period.**



4. Moreover, a further assessment applied to the four projections set out previously indicates that the economic context in which the NPA sits, together with the performance of the housing market are likely to impact on this projection. We have applied our professional judgment on the scales of increase and decrease associated with each factor on a scale from one to three, where one arrow indicates 'some impact', two arrows 'stronger impact' and three arrows indicates an even stronger impact. Factors are in alphabetical but no other order.




Table 1: Summary of factors specific to Billingshurst with a potential impact on neighbourhood plan housing

Factor	Source(s) (detailed in Chapter 5)	Possible impact on future housing need	Rationale for judgement
Employment trends	HNHD15, CtCSEP2014, HDEP16, HEP2016, SHMA09, Census 2001/11		<p>The area has been shown to have significant degree of home workers and newly registered businesses, both of which are currently increasing, and which have a high potential for future growth as noted in the Horsham District Economic Profile 2016. In terms of larger-scale employment, the financial and business services sectors and the education sector have been shown to have a competitive locational advantage in Horsham, and both are projected to grow in the West Sussex Economic Area. Supporting both of these areas of potential growth, Horsham has a strong skills base and well educated population, with fully 8% more of the population achieving a higher qualification (degree or higher) compared with the national average.</p> <p>Furthermore, the area has significant numbers of commuters, and therefore demand for housing will be stimulated by economic growth in the wider Gatwick Diamond region, particularly as a result of two proposed enterprise zones less than an hour from</p>

Billingshurst. It has been established that these commuting patterns also extend into the Greater London Area, with the commuting distances experienced in the NPA consistent with this trend.

Given these trends, together with the emerging role of the 'Gatwick Diamond' as an economic hub in the region, and of London as a whole, an assessment of two up arrows has been deemed appropriate to reflect predicted future growth of employment opportunities in the local area.

Housing transactions (Prices)	SHMA09, Land Registry Price Paid Data for 2006-2016, HNHD15		<p>The Billingshurst NPA has been shown to have experienced a 24% increase in sale price paid over a ten year period. The price paid varies significantly per housing typology however, and in particular, growth in detached house prices has been low compared to other types and to the surrounding district, but more in line with levels of growth for detached homes seen in the housing market area as a whole.</p> <p>As a result an assessment of one up arrow has been deemed appropriate due to the relatively low increases in house prices experienced in the NPA when assessed against the District, thus placing it more in line with the HMA comparator areas.</p>
Housing Transactions (Volume)	Land Registry Price Paid Data for 2006-2016, Census 2001/2011 data, SHMA09		<p>The levels of house types sold in the Billingshurst NPA matched the levels sold at the district level and of the existing stock. This suggests there is no mismatch between the demand for different housing types within the NPA compared to the district level.</p>

Migration and demographics	HNHD15, SHMA 2009, Census data 2001, 2011		Given the significant migration into the area over the last 20 years from London and Brighton, it is reasonable to expect migration to continue, even where house prices make doing so more difficult for certain groups such as young families. For this reason, one up arrow is considered reasonable, given the growth in the economy of these two major cities in the South East and the uncertainty of Brexit.
Overcrowding and concealment	Census Data 2001, 2011		The proportion of concealed families within the NPA (1.1%) is lower to the proportion found at the district level and lower than the national average (1.9%). There is no evidence to suggest an adjustment needed based on this indicator, particularly given the very small absolute numbers of concealed families and those living in overcrowded conditions in Billingshurst.
Rate of development	HDC, HNHD15 Land Registry Data/AECOM Calculations		The local authorities in the Northern West Sussex Housing Market Area have significantly under-delivered against HMA targets. However, in 2015/16 Billingshurst NPA contributed 22% of all housing delivered in Horsham, whilst containing just 6% of dwellings in the district. This suggests the rate of development is strong and likely to remain strong.

6. In arriving at a final figure for homes that reflect demand in the NPA it is necessary to take into account the influence of the factors set out in **Table 1**.
7. To do this, we look at the balance of 'up' to 'down' arrows. Our study has noted a net balance in favour of 'up' arrows of four. The argument in favour of increasing the housing target for the NPA is based primarily on the need to manage house-prices in the face of demand coming from both the Housing Market Area in which Billingshurst sits as well as migration stemming from Brighton and London.
8. Moreover, there is compelling evidence that demand for housing is likely to grow as a result of Billingshurst being located within commuting distance of places with strong employment growth potential. For this reason we would recommend an uplift of 5% to the figure of 356 set out above.

9. This produces a final figure that takes account of market signals of within a range of **360 to 380 dwellings in the NPA to be delivered over the Plan Period 2017 – 2031.**

Table 2: Summary of local factors specific to Billingshurst with a potential impact on neighbourhood plan housing type

Factor	Source(s) (see Chapter 4)	Possible impact on housing needed	Conclusion
Affordable Housing	Census, AHN14, Housing Waiting List	Growth in Private Rented Sector (PRS) and shared ownership housing.	The growth of these tenure types suggests the difficulty of people being able to afford market housing is becoming entrenched.
		The proportion of those unable to access market housing for sale has increased over the years, and currently stands at around 60% of all households.	Housing Waiting List data does not provide evidence to support BPC setting its own Affordable Housing target. Notwithstanding, given the trend towards increasing reliance on Affordable Housing products and PRS, the Parish is justified in pushing for planning gain agreements between developers and HDC to achieve maximum levels of Affordable Housing, within the constraints of HDPF policy CS18.
Demand/ need for smaller market dwellings	Census, SHMA09	Census records a growth in solo households. The majority of the dwellings in the area are mid-size to large. Census data suggests more smaller dwellings (2-4 rooms per household) are being built.	A growth in the number of smaller households does not translate automatically into a need for smaller homes, particularly in the case of market dwellings in areas of relative affluence; it would therefore be wrong to seek a substantial uplift in smaller dwellings (2-3 rooms) on the basis of this evidence alone. There is an imperative for housing policy to address the needs of older people, for example dwellings of a manageable size and designed to be 'age-friendly.'

SHMA data foresees a substantial increase in the proportion of the population accounted for by older people in small households.

While 'down-sizing' suggests moving into a smaller home it's important to remember many may wish to accommodate a live-in carer as well as at least one guest bedroom for friends and family to stay; moreover, consideration should be paid to accommodation being arranged over one floor/level.

Demographic Change	Census, SHMA09	<p>The key demographic shifts are a greater proportion of the population being accounted for by older people and an expansion of solo households.</p> <p>Derived from Census data, we estimate there will be an increase in the numbers of people aged 75 and over of 748 between 2011 and 2031.</p>	<p>Household composition data does support the attention being paid, in terms of the type and size of dwellings, of households comprising fewer individuals, and the average age being substantially older.</p> <p>Working from the Housing LIN⁵ methodology, the projected increase in the numbers of older people will result in a need for 45 additional conventional sheltered housing units; 90 additional leasehold sheltered housing units; 15 additional 'enhanced' sheltered units, split roughly 50:50 between those for rent and those for sale; 11 additional extra care housing units for rent, 22 additional extra care housing units for sale and 5 additional specialist dementia care homes.</p>
Family-sized housing		<p>Market segments analysis suggests an overwhelming need for dwellings of 4 rooms and above.</p> <p>Census suggests</p>	<p>Despite the apparent imbalance within the housing mix in favour of mid-size and larger homes, the size profile of current stock of housing broadly correlates to demand coming from the community, suggesting little need</p>

⁵ 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

	there may be an undersupply of dwellings suited to people aged 45-65; given these people are of parental age, this implies a need for family homes.	for active policy intervention. Larger dwellings should form an important part of the mix of types and sizes of homes provided over the plan period. The market mechanism is best suited to address demand for market dwellings of different types and sizes in the NPA; policy should therefore be permissive, supporting a wide mix of dwellings to come forward.
Tenure of housing	<p>Roughly 60% of residents are unable to afford to buy dwellings without subsidy.</p> <p>Income data suggests a substantial number of residents would be able to take advantage of Discounted Market Sale Housing (DMSH) and Shared Ownership.</p>	<p>Policy should support DMSH (for example 'starter homes'), aiming to deliver the policy expectation set out in the Housing White Paper of 10% of new build dwellings.</p> <p>Shared ownership offers a realistic route to home ownership for a large number of people in the NPA.</p>

1.5 Recommendations for next steps

10. This neighbourhood plan housing needs assessment has aimed to provide Billingshurst Parish Council (BPC) with evidence on housing trends from a range of sources. We recommend that BPC should, as a next step, discuss the contents and conclusions with Horsham 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 NPA bearing the following in mind:

- The Basic Conditions that neighbourhood plans need to fulfill in order to pass examination, in particular having regard for national policies and advice contained in guidance issued by the Secretary of State; that its policies contributes to the achievement of sustainable development

and are in general conformity with the adopted strategic local policies⁶;

- the views of HDC – in particular in relation to the final housing need figure appropriate for the neighbourhood area;
 - the views of local residents (as recorded in a Consultation Statement showing how housing policies reflect these views);
 - the views of other relevant local stakeholders, including housing developers and land owners; and
 - the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by HDC, including but not limited to the SHLAA; and
 - the recommendations and findings of this study.
11. Recent changes to the planning system, forthcoming changes to the NPPF, particularly following the proposals in the Housing White Paper 2016 as well as the implementation of the Housing and Planning Act and Neighbourhood Planning Act 2017 will all continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
12. 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).
13. 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 Council or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.
14. At the same time, monitoring ongoing demographic or other trends in the factors summarised in **Tables 1 and 2** would be particularly valuable.

2. Context

2.1 Local Context

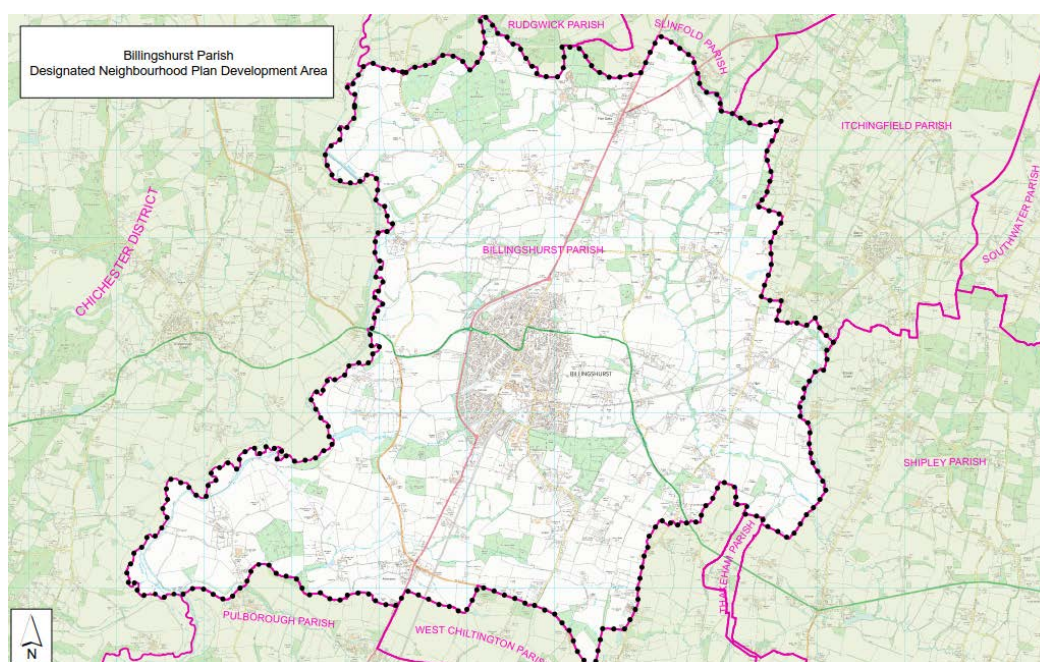
15. Billingshurst is located in the Horsham district of West Sussex, about 13 km from the town of Horsham itself. It sits on the main line from London Victoria (approximately 1 ¼ hours by train away) and Gatwick to Chichester, and at the junction of the A29 and A272 leading to Winchester (about the same length of time in a car) away, with Guildford just 35 minutes, and Crawley and Chichester 30 minutes by car. Employment is concentrated in the village centre and on four industrial and business estates to the South-West of the

⁶ The five basic conditions and how they should be addressed can be seen in the document 'How to Write a Basic Conditions Statement', <https://mycommunity.org.uk/wp-content/uploads/2016/08/How-to-write-a-basic-conditions-statement.pdf> (visited 19/09/17)

village centre: Gillmans Industrial Estate, Huffwood Trading Estate, Rosier Business Park, and Daux Road Industrial Estate. In spite of these local employment sites, residents of Billingshurst commute, on average, approximately 7.6% further (22.2km) than those of Horsham district as a whole (Source: Census, 2011). Only 26.7% of those working did so within less than 10km of where they lived.

16. The village has a population of 8,232⁷, which had grown by 26% since the 2001 census, against the districts growth of 7.4%. Whilst the highest growth in population was seen in the age ranges 65-84 (23.9%), 85 and over (53.3%) and 15 and under (17.3%), only the growth of the latter two age groups differs markedly from that of the district as a whole. This suggests a splitting of the population pyramid into the elderly and children, likely reflecting both an aging population and a large number of families moving to the area with young children, both factors noted in Chapter 6: Housing, of the Horsham District Planning Framework 2015.⁸

Figure 2: The Billingshurst Neighbourhood Plan Area boundary



Source: Billingshurst Parish Council

2.2 Local Planning Context

17. In line with the basic conditions of Neighbourhood Planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with the adopted strategic local policies. Consequently, there is a requirement for the relevant Local Plan to be reviewed as part of this HNA.
18. The Horsham District Planning Framework (excluding South Downs National Park), adopted in 2015, is the most up to date local plan for the area, and the

⁷ Census 2011

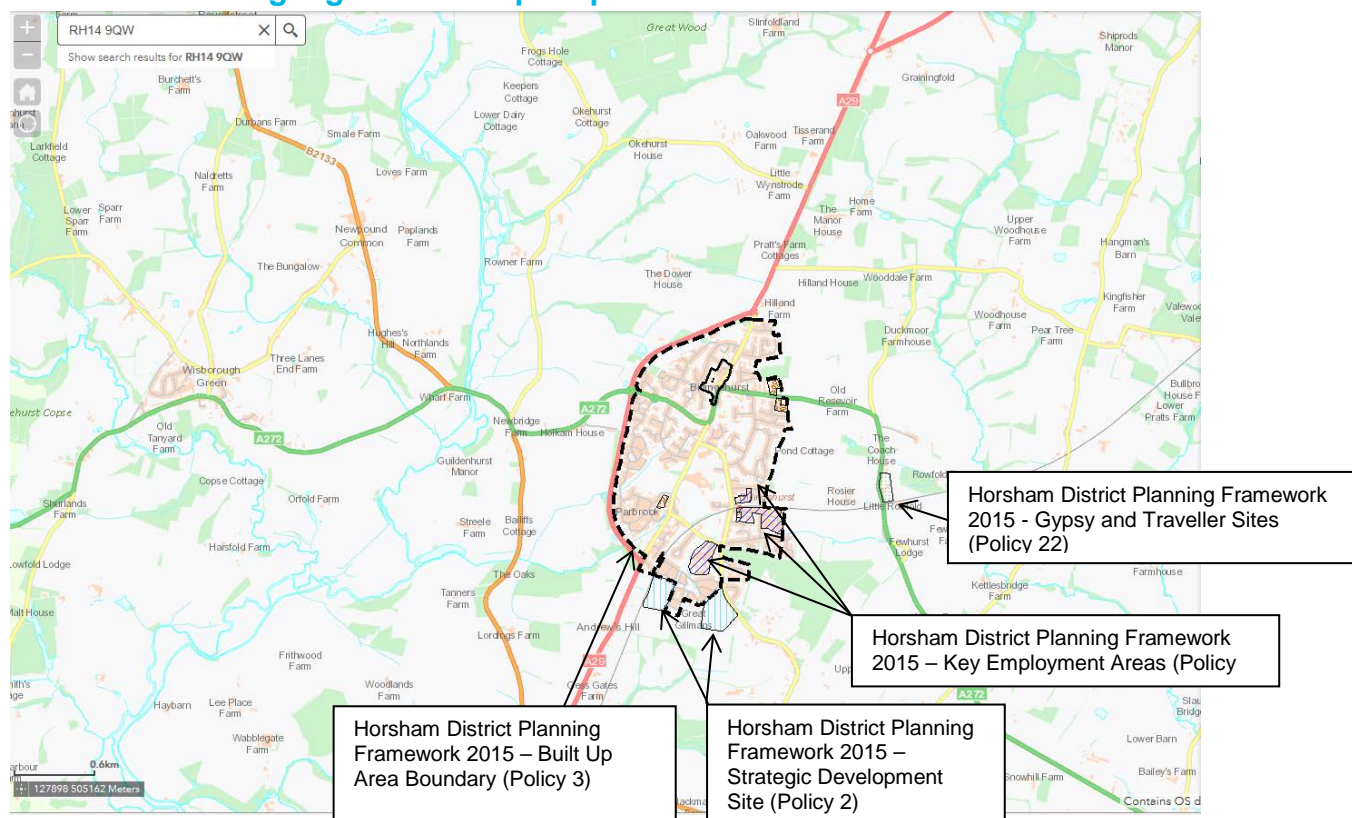
⁸ HDPF15, pp. 53

emerging Horsham District Local Plan is at a sufficiently early stage of preparation, with no drafts published⁹ as to be disregarded for this exercise. It is projected to be published in 2020¹⁰. The 2015 Framework replaced the Core Strategy and General Development Control Policies adopted in 2007.

2.3 Horsham District Planning Framework 2015

19. The Horsham District Planning Framework 2015 sets out the planning strategy for the Horsham District outside of the South Downs National Park for the years up to 2031, and aims to deliver the social, economic and environmental needs of the plan area.

Figure 3: Excerpt from the Horsham Local Plan Policies map, with AECOM annotations to highlight relevant plan policies



Source:

<https://horsham.maps.arcgis.com/apps/webappviewer/index.html?id=f8cab77b5b72485abe9b30d4349c0047>

20. **Policy 2 ‘Strategic Development’** which sets out that the focus of development in the district will conform to the settlement hierarchy, in which Billingshurst is identified as a small town/large village, and be focused on Horsham. It sets out to bring forward three strategic development areas, one

⁹ Horsham Local Development Scheme, January 2017-December 2019, pp. 13

¹⁰ Ibid.

of which sits in the Neighborhood Plan area, comprising 150 dwellings. It supports development which protects the rural character and existing landscape, whilst providing for the varied housing needs of the community.

21. Policy 4 ‘Settlement Expansion’ which sets out the mechanism of built-up area boundaries to support the planned expansion of existing settlements through the Local Plan and Neighbourhood Planning processes. Within this boundary, development is accepted in principal, whereas outside of it, development will be more strictly controlled. Emphasis is placed on the use of a Settlement Sustainability Review to ensure that development is of a scale that both retains the character and role of the settlement in terms of the range of services and facilities there as well as community cohesion.

22. Policy 9 ‘Key Employment Areas’ which seeks to protect employment uses whilst enabling development, using a sequential approach to development the management process within Key Employment Areas. It clarifies that proposals in such areas must not result in the overall loss of employment floor space. Proposals outside of Key Employment Areas must demonstrate the premises are no longer needed and/or viable for employment use should floorspace of this kind be reduced.

23. Policy 15 ‘Housing Provision’ which establishes the need for 800 homes per year to be built, or 16,000 homes over the next 20 years, to meet the demand created by growth in the economy of the Gatwick Diamond economic area, and inward migration to Horsham as a result of its attractive quality of life and growing local economy. This target will be supported by completions between 2011 and 2015, when the plan was adopted, homes already permitted or agreed for release, three strategic sites including one for 150 homes close to Billingshurst, the allocation of “1500 homes...through Neighbourhood Planning”, and 750 windfall units.

24. Policy 16 ‘Meeting Local Housing Needs’ which seeks to achieve a mix of housing sizes, types and tenures to meet established local housing needs, subject to the existing character of neighbourhoods and individual scheme viability. It does so by requiring all residential developments of between 5 and 14 dwellings to provide 20% affordable, or a financial contribution where this is deemed is not deemed achievable; and by requiring all developments of more than 15 dwellings or on sites over 0.5 hectares, to provide 35% affordable dwellings. These provisions will also apply to sub-divided sites in a way which ensures the same amount of affordable housing is achieved as if they were not sub-divided. All of these policies will be subject to viability, as well as assurances that local housing needs as set out in the latest SHMA are met. The framework also notes that “the council will support schemes being brought forward through Neighbourhood Plans”.

25. Policy 17 'Exceptions Housing Schemes' which enables rural, greenfield sites near to settlement boundaries to come forward for development to meet local housing needs. This is considered acceptable where no suitable alternatives exist within the locality to meet the need, that the need is in a single parish or its immediately adjoining parishes within Horsham District, and that the needs relate to existing residents in unsuitable accommodation or needing separate accommodation in area (excluding existing owner occupiers), people whose work provides important services and who need to live in the parish, people who may no longer be resident in the parish but have longstanding links with the local community, and people with the offer of a job in the parish who cannot take up the offer because of a lack of affordable housing. A further condition is that the development must "provide subsidised housing in perpetuity which will normally be managed by a provider that is registered with the Homes and Community Agency."

26. Policy 18 'Retirement Housing and Specialist Care' which states that "proposals for development which provide retirement housing and specialist care housing will be encouraged and supported" where they are accessible from existing settlements and where they cater to those on lower incomes. Large scale retirement communities will also be supported in appropriate locations, provided they accommodate a range of needs, include some affordable provision or an appropriate financial contribution, and contribute "appropriate services and facilities".

27. Policy 19 'Park Homes and Residential Caravan Sites' which states that Provision of park homes and caravans will be supported so long as they meet local housing needs and are marketed locally for a reasonable period of time, that they are used for permanent accommodation, and that flooding, drainage and ground engineering are not significant barriers to their development. Proposals to convert these to permanent housing or holiday accommodation will not be supported in the face of housing need, whilst conversion of existing holiday accommodation will have to meet the same criteria as new building of this type, and must not harm nearby occupiers and users amenity or damage the environment.

28. Policy 20 'Rural Workers Accommodation' which states that Housing for rural workers to support the rural economy will be supported outside of the defined built-up area, provided that it is functionally required and its occupation supports the established business use, and that evidence is submitted to demonstrate the viability of the rural business for which the housing is required.

29. Strategic Policy 21 'Gypsy and Traveller Sites Allocations' which states "Provision shall be made for 39 net additional permanent residential pitches

for Gypsies and Travellers within the period 2011 – 2017”, and that the council will make provision for Gypsy, Traveller and Travelling Showpeople (GTTS) over the rest of the plan period. It allocates 4 sites for this purpose, delivering a total of 29 pitches, and notes sites with existing planning permission for a further 13 pitches.

30. Policy 22 ‘Gypsy and Traveller Sites’ which states that existing sites for GTTS will be safeguarded from development preventing their use for that purpose, unless they are no longer required to meet identified need. It notes that the provision of sites to meet that need beyond 2017 will be identified in a Site Allocations Development Plan Document, and that further sites may be provided: on windfall sites, by extending existing sites, by redeveloping existing sites, by allocating further sites within strategic developments sites or as standalone allocations, on publically owned land, both publically managed and for purchase by GTTS. The council also states that it will “work with neighbouring authorities to make appropriate provision to meet the requirements for Gypsies and Travellers.”

31. Strategic Policy 23 ‘Gypsy and Traveller Accommodation’ which sets out the criteria for determining the allocation of land for GTTS and assessing planning applications for this purpose, namely: barriers to development such as flooding or ground engineering issues; safe and convenient vehicle and pedestrian access; proper utility servicing and size of site to accommodate amenities; location in or near existing settlements, or part of an allocated strategic location within reasonable distance of local services; and that the development does not have an unacceptable impact on the character and amenities of neighbours and is sensitively designed. Furthermore, it takes the view that “in assessing sites for Travelling Showpeople, or where mixed uses are proposed, the site and its surrounding context must be suitable for mixed residential and business uses, including storage required and/or land required for exercising animals”, and does not have adverse impacts on neighbours in the same way as above.

3. Approach

3.1 Research Questions for Billingshurst Housing Need Assessment (HNA)

3.1.1 Quantity

33. As we have seen, Policy 15 of the Horsham District Planning Framework (HDPF) sets a figure for dwellings to be delivered over the Plan Period (2011-31) of 'at least 16,000' homes. This will in part be achieved by 'around 150 homes at Land South of Billingshurst' together with 'the provision of at least 1,500 homes throughout the district in accordance with the settlement hierarchy, allocated through Neighbourhood Planning.'

34. The purpose of this HNA is therefore to identify a 'fair share' of these 1,500 homes, taking into account the strategic site of 150 homes. Bearing in mind this is a minimum the Parish should seek to exceed this 'fair share' figure.

RQ1. What **quantity of housing** is appropriate for the Neighbourhood Plan Area (NPA)?

3.1.2 Tenure

35. There is a particular interest in the community in how to address the need for affordable housing in the NPA.

RQ2. Should the Neighbourhood Plan set its own **affordable housing quota**?

RQ3. How should this **quota** be broken down to the different Affordable Housing tenures?

RQ4. It is possible to prioritise **local people** in the allocation of affordable housing?

3.1.3 Type

RQ5. What type and size of dwellings are suited to:

- **older people**
- **first time buyers**

3.1.4 Relevant Data

36. Before answering these research questions, it is necessary to describe the sources we have accessed that provide the evidence on which our responses are based. The PPG states that plan-makers can refer to existing secondary data to inform their assessment as to housing need¹¹; such sources include relevant reports commissioned by the local planning authority. In the case of Billingshurst HNA, we refer to a number of documents which together provide the evidence base for the housing policies contained in the current adopted

¹¹ PPG Paragraph: 014 Reference ID: 2a-014-20140306

Local Plan, the Horsham District Planning Framework (HDPF). These documents are listed below.

- Northern West Sussex Strategic Housing Market Assessment, May 2009 (SHMA09)
- Northern West Sussex – Horsham Strategic Housing Market Assessment Update, October 2012 (SHMAU12)
- Northern West Sussex Housing Market Area – Affordable Housing Needs Model Update (AHNMU14)

37. While these are credible sources, and their statistical robustness can, for the purposes of this study, be assumed, their usefulness also depends on whether the subject areas, on account of its spatial characteristics, can be used as a 'proxy' for the NPA. This turns on the notion of the 'housing market area' (HMA).

38. PPG defines a HMA as 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.'¹² It goes on to remark that 'establishing the assessment area may identify smaller sub-markets with specific features, and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is important also to recognise that there are 'market segments,' i.e. not all housing types...have the same appeal to different occupants.'¹³

39. PPG therefore sets two principle tests for identifying a functional HMA, patterns of demand for housing and commuting relationships. The first can be denoted by the concept of 'self-containment,' the degree to which household moves are contained within a certain geographical area, and the second by 'travel to work areas.' The SHMA09 notes that It is generally assumed that around 70% of household moves will be contained within a functional HMA¹⁴.

40. Using 5% and 10% travel to work thresholds to denote secondary and primary 'areas of influence' respectively, the SHMA09 identifies 'reasonable numbers commuting out to Crawley and Horsham.'¹⁵ This allows the authors to conclude that their 'analysis of travel patterns supports the identification of a Northern West Sussex HMA, which extends from Crawley and Horsham... and to the west to Billingshurst, Pullborough, Petworth and Storrington.'

41. As regards their analysis of housing markets at the district level, two main markets have been identified in West Sussex; these are illustrated in **Figure 4** (which reproduces SHMA09 Figure 2.26). One, labelled the Northern West Sussex Sub-Regional Housing Market, extends south to Haywards Heath and Burgess Hill, to East Grinstead, Horley and west/South west to Billingshurst, Petworth and Pullborough. The other is the coastal urban area.

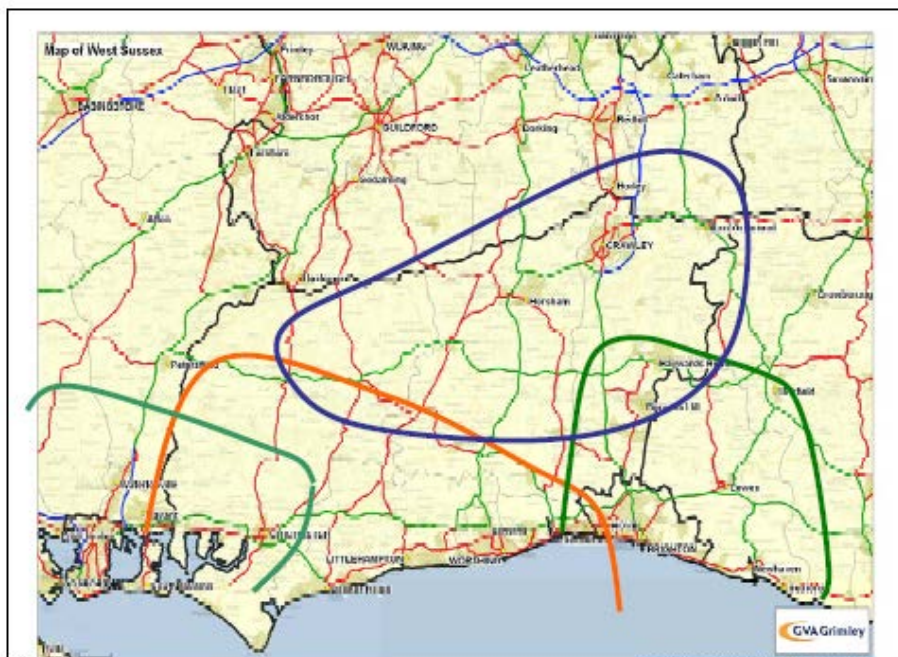
¹² Planning Practice Guidance Paragraph: 010 Reference ID: 2a-010-20140306 Revision date: 06 03 2014

¹³ Planning Practice Guidance Paragraph: 008 Reference ID: 2a-008-20140306 Revision date: 06 03 2014

¹⁴ SHMA09, page 16

¹⁵ SHMA09, page 19

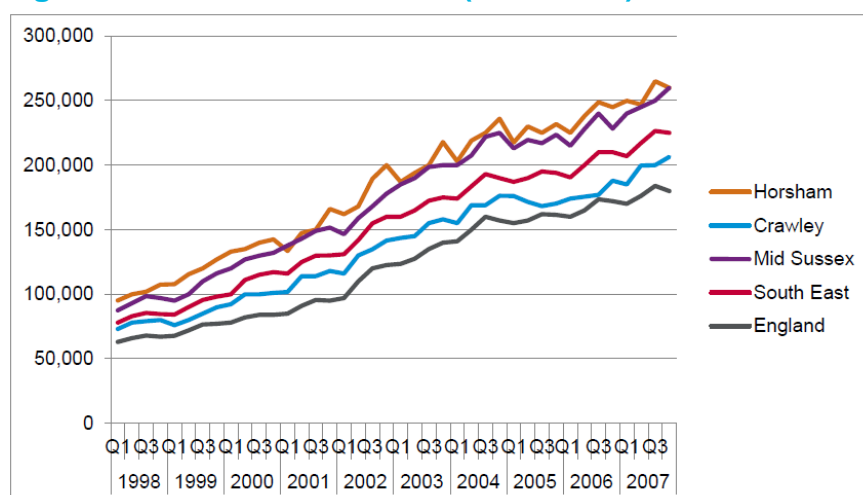
Figure 4: Defining Housing Market Areas and Areas of Market Overlap



Source: GVA Grimley/SHMA09

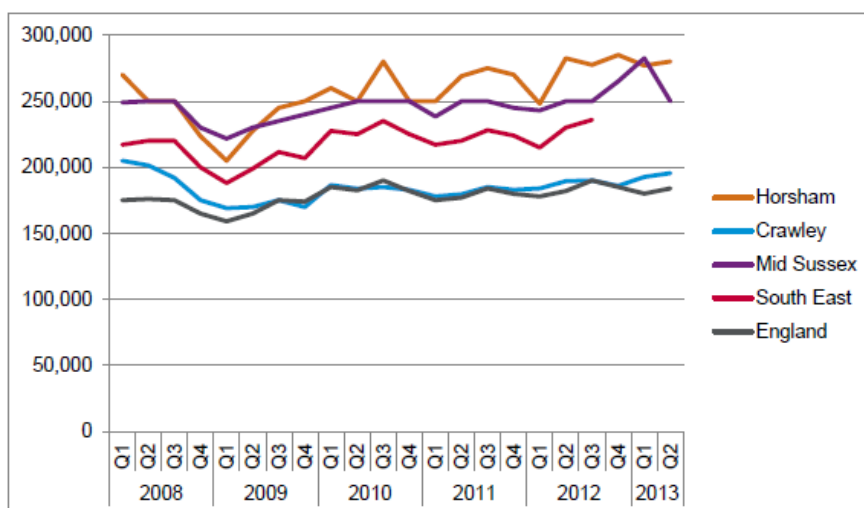
42. Given the evidence set-out in the SHMA as regards commuting and patterns of house-moves, it is reasonable to conclude the data captured in the SHMA09 may be accepted as applicable, in broad terms, to the NPA. This is reinforced by data presented in the HNHD15; below we reproduce Figures 12 and 13 from this document; these show similarities in house-price movements across the Northern West Sussex HMA, with the period between the late 90s and 2007 appreciating considerably, and then levelling off in the wake of the financial crisis between 2008 and 2013.

Figure 5: Median House Price (1998-2007)



Source: DCLG Live Tables:Land Registry Data

Figure 6: Median House Price (2008-2013)



Source: DCLG Live Tables: Land Registry Data

43. However, the SHMA09 itself acknowledges differences between different parts of the HMA, describing areas to the west of the A23/M23 corridor (which includes Billingshurst) as being ‘rural in nature, with attractive smaller settlements offering high quality of place and a housing offer focused more towards larger properties with strong demand. Commuting patterns are more dispersed, with a mix of people working locally, commuting to the larger economic centres of Crawley and Horsham and north to London (particularly in the north of Horsham District).’ For this reason, in line with PPG, we have carried out other research, focussed exclusively on the NPA to reveal contrasts with the wider HMA, to reveal ‘smaller sub-markets.’ Similarly, in our analysis of tenure, type and size of dwellings we consider the various ‘market segments’ so as to capture need relating to specific household types.

44. Finally, given the age of the SHMA09, it is worth asking whether its data remains true in 2017, or whether there have been changes in the economic geography to precipitate a shift in the HMA’s boundaries. Later updates to the SHMA suggest this is not the case and that, ‘the defining characteristics of the HMA and its interactions/overlaps with surrounding areas previously identified will not have fundamentally altered such that the primary focus of the HMA should be considered as out-dated.’¹⁶

3.2 [RQ1. What quantity of housing is appropriate for the Neighbourhood Plan Area?](#)

45. We have estimated the quantity of housing needed in NPA according to four different sources; these are:

1. Horsham District Planning Framework (HDPF) 2011-31
2. Housing Need in Horsham 2015 (SHMA) - proportional share drawn from OAN
3. DCLG Household projections

¹⁶ AHNMU14, page 16

4. Net home completion rates 2001-2011
5. Net home completion rates 2011-2015

These calculations are set out below.

3.2.1 HDPF

3.2.1.1 Settlement Hierarchy minimum

46. To calculate the 'fair share' of the 1,500 dwellings that HDC expects to be delivered 'throughout the district in accordance with the settlement hierarchy'¹⁷ we have calculated the number of dwellings in the settlement as a proportion of all the settlements that come under the three different categories of 'small towns and larger villages, medium villages and smaller villages' (the 3 categories) set out in Policy 3.¹⁸
47. It is important to note we have excluded the 'Main town' of Horsham from this calculation as it does not form one neighbourhood planning area. In addition, it is not anticipated that dwellings will come forward through neighbourhood planning due to the strategic nature of development in and around Horsham town. This should therefore be excluded from the 1,500 dwellings to be procured through section 4 of Policy 15.
48. The total number of dwellings in the three categories comes to 21,517 dwellings. This figure has been arrived at by accessing Census 2011 data relating to specific Middle and Lower Super Output Areas (M/LSOAs) and Output Areas (OAs) that focus on the spatial arrangement of each town and village (as opposed to the wider parish in which they sit). This is based on a reading of Policy 4 which specifically suggests that development will only be permitted within the defined built-up areas and sites abutting the existing BUAB.
49. In 2011, there were 3,572 dwellings in Billingshurst; this equates to 16.6% of all the dwellings in the 3 categories. On this basis we can calculate that the settlement's fair share of the 1,500 figure is 249 dwellings (rounded) to be delivered over the Plan Period.
50. In arriving at a final total for Billingshurst PC, it is important to take into consideration that, according to data provided by the Local Authority, 441 net new dwellings were built between 2011 and 2016 in the NPA¹⁹. Allowing for these completed dwellings, a housing target for Billingshurst that is in conformity with emerging district policy, taking as its starting point the settlement hierarchy minimum is therefore **zero dwellings as the settlement has already achieved its housing target between 2011 and 2016.**

¹⁷ HDPF, page 56

¹⁸ HDPF, page 25

¹⁹ Memo regarding AECOM Housing Needs Assessment for Billingshurst, 06/06/17

3.2.1.2 District minimum

51. As we have seen, policy 15 of the HDPF puts forward a housing requirement for 'at least 16,000' for the district over the Plan Period between 2011 and 2031. The proportional share may be calculated for Billingshurst based on the proportion of homes in the NPA. At the time of the last Census there were 3,572 dwellings in the NPA, or 6.3% of all homes in the district. Therefore, 1003 homes (6.3% of 16,000) homes should be allocated as the 'fair share' of the District target.
52. As above, in arriving at a final total for Billingshurst, it is important to take into consideration that 441 dwellings were built between 2011 and 2016 in the NPA. Allowing for these completed dwellings, a housing target for BPC that is in conformity with adopted district policy is **562 dwellings (1003 - 441) between 2017 and 2031 or 40 homes per year (rounded)**

3.2.2 SHMA

53. It is important to remember that the SHMA presents a demand-side only, or 'unconstrained' assessment of need (often identified as Objectively Assessed Need, or OAN²⁰), as opposed to a final housing target. The final housing target will take into account a number of other factors, including for example the availability of land, viability, infrastructure and environmental constraints and the results of consultation.
54. Nonetheless, the SHMA presents an appropriate starting point for deriving need at the NP level, because it is the most up-to-date evidence available, and importantly, because it takes into account population and household projections, as set out in the 2012 Sub-National Population Projections (SNPP). SNPP provide the basis for Household Projections which the PPG guidance suggests should be taken as a 'starting point' in determining need at the local authority level.
55. The HNHD15 identifies an OAN for Horsham District over the period 2011 - 31 of 12,720 homes.²¹ This number has been selected from a number of options on the basis of its consistency with supporting at least employment growth of 275 jobs per annum as recommended by the Inspector following the examination of the HDC's Planning Framework. It includes upwards adjustments to household formation rates relative to trends, producing an increase in housing supply (of both market and affordable housing). This reflects a policy aim of improving affordability, thus enabling a growing number of younger households in their 20s and 30s to form.

²⁰ The OAN includes the baseline demographic need, plus any adjustments made to official forecasts to account for projected rates of household formation post 2021, past suppression of the formation of new households, the effect of past under-supply, employment forecasts, market signals and affordable housing need (as set out in paragraph ID2a-004 of the PPG). This is sometimes described as 'policy off' because it does not take account of final policy responses as a result of taking into account capacity, environmental and infrastructure constraints.

²¹ GL Hearn, Housing Need in Horsham District, March 2015, page 49

56. To calculate the NPA's 'fair share' of this target, it is again possible to use Billingshurst's proportion of all housing in the district (6.3%). This produces a figure of 801 dwellings (rounded). Furthermore, it is necessary to take into consideration homes built in the NPA in recent years; since 2011, as set out above, 441 dwellings have been built; producing a final target of **360 dwellings over the plan period, or 26 per year** (rounded).

3.2.3 DCLG Household Projections

57. The Department for Communities and Local Government (DCLG) periodically publishes household projections. The NPPG recommends that these household projections should form the starting point for the assessment of housing need.

58. The most recent (2014-based) household projections were published in July 2016²², and extend to 2039. Although population projections are only available at a local authority level, a calculation of the share for the NPA is nevertheless possible for the household projections based on the NPA's household numbers in the 2011 Census.

59. At the 2011 Census, Horsham had 54,923 households and the NPA 3,452, or 6.3% of the total (rounded).

60. In the 2014-based household projections, the projection for 2031 is for 66,854 households in Horsham. Assuming it continues to form 6.3% of the district total, the NPA's new total number of households would be 4,212 (rounded); therefore 760 new households form in the NPA between 2011 and 2031 (or a rate of growth of 38 households per year).

61. Number of households does not, however, equate precisely to number of homes, with the latter slightly higher in most places. The NPA is no exception; in the 2011 Census, there were 3,452 households but 3,572 homes. This gives a ratio of 0.97 households per home. In the case of NPA, then, a projection of 760 (760/.97) new households translates into a need for 737 homes (rounded to the nearest whole number).

62. These figures are based on the assumption that 2014-based government projections as to household growth at the Local Authority level are accurate. As the annual mid-year population estimates have now been released for 2015, the 2014-based household projections may need to be 'rebased' for accuracy. The mid-2015 population estimates give the actual number of people in the NPA at that point, meaning the difference between the estimated and the previously projected number of households can to be taken into account in future projections.

²² See 2014-based DCLG Household Projections live tables at <https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections>

63. The 2014-based household projections were based on the 2014-based Sub-National Population Projections, which estimated that by 2015 there would be 134,990 people in Horsham. The mid-2015 Estimates show that based on the latest information there were estimated to be 135,868 people, which is higher than the projections by 878 people. Assuming average household sizes remain constant (in 2011 there were an average of 2.4 people per household (rounded), obtained by dividing population by number of households) this equates to 366 more households across Horsham.

64. Taking 67,220 (66,854 + 366) as our revised household number at 2031, this equates to 4234 households in the NPA (rounded), producing a revised growth in the number of households between 2011 and 2031 of 782. Taking into account the disparity between household numbers and dwelling numbers (782/.97), this produces figure of 806 homes. Netting off the 441 dwellings completed since 2011, we arrive at **a re-based household projections-derived dwellings of 365, or 26 dwellings (rounded) over the plan period.**

65. This projection is an entirely unconstrained, theoretical figure comprising a relative proportion of the overall projected increase, and thus does not take into account political, economic, demographic or any other drivers that might have influenced, or may in future influence, the Local Plan distribution across the District and hence any difference between this figure and a future Local Plan-derived figure.

3.2.4 Home growth 2001 – 2011

66. Consideration of home growth 2001-2011 provides a projection based on the rate of delivery of net new homes between the two censuses. As we have seen, there was an increase of 309 homes in the NPA between these two dates, or an average annual rate of increase of 31 homes (rounded). Multiplying this annual figure by the number of years over the plan period produces a gross need for 620 homes. Netting off the 441 dwellings completed since 2011, we arrive at **a re-based household projections-derived dwellings of 179, or 13 dwellings (rounded) over the plan period.**

3.2.5 Home growth since 2011

67. It is also helpful to consider a projection based on the rate of delivery of net new homes since the last census (2011), using data gathered and monitored by the LPA. As we have seen, between 1st April 2011 and the 31st March 2016, 441 new dwellings were completed. This equates to an annual rate of delivery of 88 homes (441 divided by 5, the number of years elapsed). If this rate of delivery was continued to 2031, this would equate to **a projection of 1235 homes over the plan period of 2017-2031.**

68. It is important to note the great disparity between the two 'home growth' figures; this reflects the susceptibility of the development industry to

fluctuations in demand and costs of development, among other factors. To allow for these peaks and troughs, and provide a more realistic picture of the quantum of development could be delivered over the plan period, we have taken the aggregate of the homes growth between 2001 and 2016; this comes to 750 (309 + 441) dwellings. Expressed as an annual average rate, this is 50 dwellings /year (rounded). This produces **projection derived from homes growth between 2001 and 2016 of 700 homes over the plan period of 2017-2031** (50 x 14).

3.3 [RQ2. Should the Neighbourhood Plan set its own affordable housing quota?](#)

69. To answer RQ2, it will be necessary to understand the need for Affordable Housing in the NPA. Over the course of this investigation, we often refer to Affordable Housing abbreviated to 'AH'. It is necessary to make clear the distinction between AH as a piece of planning terminology and the colloquial definition of the phrase. By AH, we mean by this those forms of housing tenure that fall within the definition of affordable housing set out in the National Planning Policy Framework (NPPF): social, affordable rented and various forms of intermediate housing. To distinguish this from the colloquial definition, we refer to the latter as Affordable Market Housing (AMH).

Current trends

70. The PPG states that HNAs should investigate household tenure in the current stock and recent supply, and make an assessment, based on a reasonable interpretation of the evidence gathered, whether continuation of these trends would meet future needs or whether, on account of significant misalignments between supply of housing and local need/demand, policies should support a change to the profile of tenure within the NPA's housing stock.²³

71. **Table 3** below sets out the split between the different tenure types in Billingshurst, the clear finding is the dominance of owner occupation in the NPA; this is broadly in line with district figures.

Table 3: Tenure (households) in Billingshurst, 2011

Tenure	Billingshurst	Horsham	England
Owned; total	73.8%	74.5%	63.3%
Shared ownership	0.9%	0.7%	0.8%
Social rented; total	13.5%	11.6%	17.7%
Private rented; total	10.3%	11.8%	16.8%

Source: Census 2011, AECOM Calculations

72. **Table 4** below reviews the way this tenure split has altered between the 2001 and 2011 Censuses. While there has been a modest growth across tenures,

²³ PPG Paragraph: 021 Reference ID: 2a-021-20160401

private rented sector (PRS) and shared ownership have revealed the sharpest increases. PRS has increased from 258 dwellings to 357 dwellings over the period. The figures for shared ownership also present a similar rate of growth, but starting from a much lower base. The numbers of homes falling into this category has increased from 23 to 31 dwellings. It is important to note this latter category seeks to offer a realistic route to home ownership for those on lower incomes.

Table 4: Rates of tenure change in Billingshurst, 2001-2011

Tenure	Billingshurst	Horsham	England
Owned; total	10.4%	4.2%	-0.6%
Shared ownership	34.8%	34.9%	30.0%
Social rented; total	7.6%	13.0%	-0.9%
Private rented; total	38.4%	97.6%	82.4%

Source: Census 2001 and 2011, AECOM Calculations

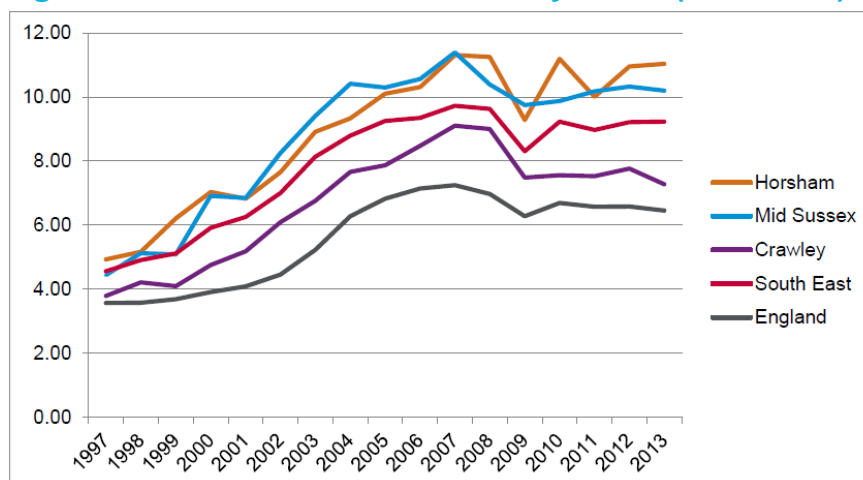
73. These trends reflect the market mechanism shifting to address local need; policy intervention is only justified in the instance of market failure, for example those on lower incomes who are unable to access market housing, and where there is the expectation of dramatic demographic change that places costs on development that pushes the market towards other dwelling types leading to under-supply, such as the well-documented phenomenon of the aging population.

Affordability

74. To understand the degree of need for AH in the NPA it is necessary to identify that proportion of the population who are unable to access AMH without subsidy. To do this, we consider two primary indicators, firstly affordability of housing expressed as a multiple of household income, known as the 'Affordability Ratio'; secondly 'Income Thresholds,' this denotes the maximum proportion of a family's income that it is recommended should be spent on accommodation costs.
75. The Income Threshold enables us to identify that proportion of the population able to afford dwellings at different price points based on an assumed proportion of household income devoted to housing costs.
76. Thirdly, we review Housing Waiting List data provided by the LPA to understand the demand for AH based on actual enquiries lodged with the LPA.
77. Below we reproduce HNHD15 Figure 18 in **Figure 7** which shows fluctuations in the Lower Quartile Affordability Ratio (LQAR) between 1997 and 2013; this assesses specifically the degree to which people on modest incomes (lower

quartile earnings) are able to access AMH. This illustrates how house-prices have outstripped household incomes over the period.

Figure 7: Lower Quartile Affordability Trend (1997-2013)



Source: CLG Housing Market Live Tables

78. In **Table 5** below we re-produce HNHD15 Figure 19 which compares the LQAR with an Affordability Ratio based on median incomes. This indicates that those at the lower end of the income scale are less able to access relatively affordable market homes than those on higher incomes are able to access more expensive dwellings.

Table 5: Comparison of lower quartile and median affordability

	Lower Quartile Ratio	Median Ratio
Horsham	11.04	10.89
Mid Sussex	10.20	9.76
Crawley	7.28	6.22
West Sussex	8.88	8.72
South East	9.20	8.75
England	6.45	6.72

Source: CLG Housing Market Live Tables

3.3.1 Income thresholds

79. Income Threshold data is provided by the AHNMU14; below we re-produce Table 11 from this document in **Table 6** that shows these thresholds for lower quartile dwellings for both rent and purchase. These are based, in the case of rental accommodation, on an assumption that 25% of annual household income is spent on housing costs. In the case of purchase, the threshold is calculated by netting 10% off the lower quartile house price to reflect the purchase deposit; the resulting cost is then divided by 3 to reflect the standard household income required to access mortgage products.²⁴

Table 6: Entry-level Housing Costs and Income Thresholds, 2014

²⁴ AHNMU14, page 63

	LQ House Prices	LQ Monthly Housing Costs		Monthly Rent as % of Purchase Cost	Income Threshold (Annual)	
	Purchase	Purchase	Rent		Purchase	Rent
Crawley	£134,740	£667	£700	105%	£40,422	£33,600
Horsham	£174,249	£863	£700	81%	£52,275	£33,600
Mid Sussex	£168,432	£834	£695	83%	£50,530	£33,360

Source: TPD, VOA and CCL Calculation

80. In **Table 7** below we reproduce Table 12 from the same document; this shows average household incomes within the Northern West Sussex HMA, and provides a good illustration of affordability issues across the area. By comparing the Income Threshold data in **Table 3** with the median income data in **Table 9**, it is possible to see that fewer than 50% of all households can afford AMH without subsidy.

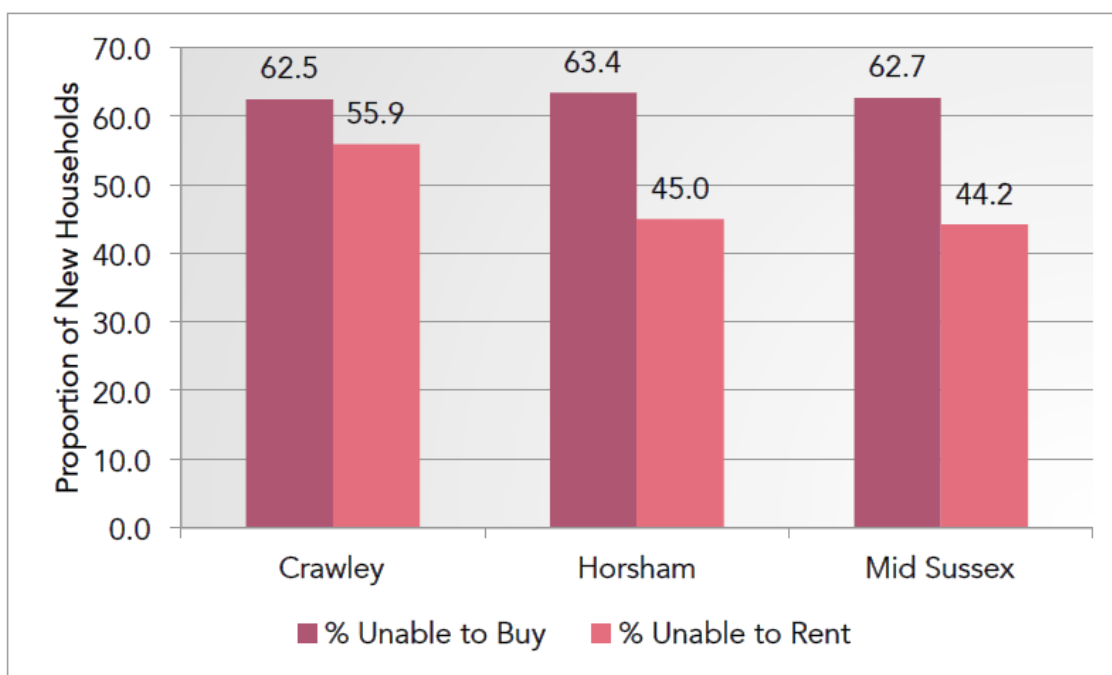
Table 7: Average Household Incomes, Northern West Sussex HMA

	Mean Average	Median Average	Mode Income Band Average
Crawley	£38,299	£31,111	£10,000 – 15,000
Horsham	£46,915	£38,831	£10,000 – 15,000
Mid Sussex	£47,472	£39,450	£15,000 – 20,000

Source: CACI Paycheck Household Incomes Data, July 2014

81. Figure 19 from the same document, reproduced as **Figure 8**, provides the proportions of those able and unable to buy and rent market dwellings.

Figure 8: Proportion of Households unable to buy or rent, Crawley, Horsham and Mid Sussex



Source: CACI Paycheck Household Incomes, July 2014 & CCL Calculation

82. It is worth noting the assumptions used in the study are somewhat conservative; alternative guidance provided by, for example, the Homes and Communities Agency, suggest that between 30 - 45% of net income is the acceptable range for housing costs.²⁵ Similarly, it would not be unreasonable to use an assumption of 3.5 times income for the purposes of raising mortgage finance.

83. Using a 3.5 multiple, repeating the calculation above, allowing for a 10% purchase deposit (reducing the value of a lower quartile property priced at £168,432 for mortgage purposes to £ 151,589) a household on the mean income for mid-Sussex of £47,472 could afford a dwelling at this price-point. The income threshold is £ 43,311; at a multiple of 4, it is £37,897. At this multiple, the proportion of the population unable to afford AMH without subsidy would fall to less than 50%.

84. Nonetheless, it is reasonable to assume there is a requirement for AH based on between 50 and 60% of households being unable to access AMH without subsidy.

3.3.2 Housing waiting list data

85. So far, we have considered housing need based on a statistical understanding of affordability based on household income. A necessary additional

²⁵ Capital Funding Guide, HCA, 2011

component to quantify need for AH in the NPA is identifiable demand expressed through entries on a housing needs register. In the absence of such a register that is specific to the NPA, the data contained in the Housing Waiting List (HWL) for the whole district maintained by HDC may be used.

86. We contacted HDC for their assessment of the number of households currently on the waiting list that live in Billingshurst. They reported back there are currently 198 applicants on the housing waiting list that have an expressed an interest in living in the parish²⁶.
87. However, many of the applicants have expressed interest in other areas of the district as well as Billingshurst. Unfortunately, the housing team are unable to provide information on how many of these applicants currently live in the Parish. Nevertheless, it is still worth checking the proportion of all projected housing need this represents to provide an indication of whether the LPA's affordable policies will be sufficient to meet need.
88. The average of the housing needs projections for the NPA derived from Horsham District Planning Framework, the Objectively Assessed Need as set out in HNHD15 and DCLG Household projections is 429 dwellings to be delivered over the Plan Period; the figure of 198 dwellings represents 46% of this number. As we have seen, Local Plan policy CS18 suggests a provision of 30% affordable units on smaller and 40% on larger sites.
89. While this suggests AH policy may be insufficient, it is important to remember these enquiries are from people whose needs could be addressed elsewhere in the district. As a result there does not appear to be a requirement for the Billingshurst Neighbourhood Plan to set its own affordable housing target. Nevertheless, it may reference the need to monitor Horsham's list and mention the need to work closely with the District Council in general to ensure the needs of those on the housing waiting list continue to be met.
90. To assume a more assertive position as regards AH, additional evidence would be needed to show need within the NPA, for example a parish-level housing needs register. This would operate as a device for attracting additional AH supported by robust evidence of local need in the future; moreover, it could be used as a lobbying tool to resist cases where developers are seeking a low AH allocation on a given site or to re-negotiate S106 commitments to provide affordable housing part way through the delivery of a scheme.

Bringing the evidence on affordability together, we note the trend towards a growth in PRS and shared ownership dwellings. This growth suggests the difficulty of people being able to afford AMH becoming entrenched. Data shows that the proportion of those unable to access AMH has increased over the years, and currently stands at around 60% of all households. The HWL does not provide evidence to support BPC setting its own AH target.

²⁶ Horsham District Council, [Memo regarding AECOM Housing Needs Assessment for Billingshurst](#), 06/06/17

Notwithstanding, given the trend towards increasing reliance on AH products and PRS, the Parish is justified in pushing for planning gain agreements between developers and HDC achieving maximum levels of AH, within the constraints of policy CS16.

3.4 RQ5. What type and size of dwellings are suited to older people and first time buyers?

91. In order to understand whether the type and size of housing that makes up the current housing stock is suited to the future needs of the community it is necessary to undertake a review of this stock and, through an analysis of the current and future demography of the neighbourhood, assess whether there are any current or emerging misalignments between the supply of dwellings and forecast need that justifies policy intervention.
92. In **Table 8** below we set out the range of dwelling sizes in the NPA at the time of the last two Censuses. From this we can see the area is dominated by larger homes; 73% were 5 rooms or more, and 31% were 7 rooms or more. Only 25% of households live in dwellings of 3 and 4 rooms.

Table 8: Number of rooms per Household, 2001 and 2011

Number of Rooms	2001	2001	2011	2011
	Billingshurst	Horsham	Billingshurst	Horsham
1 Room	23	277	7	306
2 Rooms	53	1057	75	1256
3 Rooms	229	3791	299	4676
4 Rooms	494	8280	561	8833
5 Rooms	784	11435	832	10988
6 Rooms	558	9377	620	10038
7 Rooms	378	5916	407	6730
8 Rooms or more	619	9904	275	5212
9 Rooms or more			376	6884
			3452	

Source: Census, 2001 and 2011, AECOM Calculations

93. In **Table 9** we set out how the balance of dwellings has shifted between the 2001 and 2011 Censuses in respect of size of dwellings; notwithstanding table 10 above, from this data it is possible to see an increase in the numbers of households living in homes of 2, 3 and 4 rooms. Again, this points to the market responding to patterns of demand in Billingshurst.

Table 9: Rates of change in number of rooms per household in Billingshurst, 2001-2011

Number of Rooms	Billingshurst	Horsham	England
1 Room	-69.6%	10.5%	-5.2%
2 Rooms	41.5%	18.8%	24.2%

3 Rooms	30.6%	23.3%	20.4%
4 Rooms	13.6%	6.7%	3.5%
5 Rooms	6.1%	-3.9%	-1.8%
6 Rooms	11.1%	7.0%	2.1%
7 Rooms	7.7%	13.8%	17.9%
8 Rooms or more	5.2%	22.1%	29.8%

Source: Census 2001 and 2011, AECOM Calculations

94. Turning our attention to the type of dwellings in Billingshurst, **Table 10** below sets out the distribution of dwellings across detached, semi-detached, terraced and flatted accommodation. From this data, we can see that dwellings in the area are predominantly houses.

Table 10: Accommodation type (households) in Billingshurst, 2011

		Billingshurst		
Dwelling type		Billingshurst	Horsham	England
Whole house or bungalow	Detached	32.9%	38.7%	22.4%
	Semi-detached	29.9%	26.5%	31.2%
	Terraced	19.7%	17.0%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	14.0%	14.7%	16.4%
	Parts of a converted or shared house	2.0%	1.6%	3.8%
	In commercial building	1.1%	0.9%	1.0%

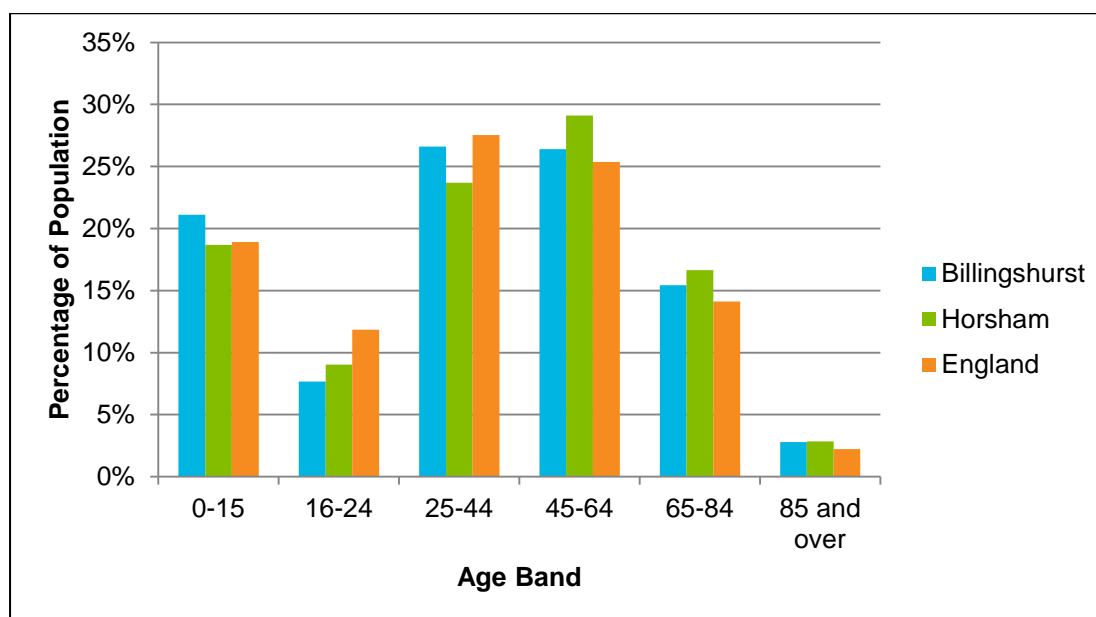
Source: Census, 2001 and 2011, AECOM Calculations

95. To understand whether this profile of housing stock is suited to the current and future needs of the community in the Parish, we consider two key indicators: age structure and household composition, and how these are forecast to change over time. This, combined with our analysis of affordability in RQ2, will enable us to identify, as PPG suggests, a number of market segments in the NPA.

Age Structure

96. In **Figure 9**, we present the age structure of the population of Billingshurst at the time of the last Census. From this, we can see broad similarities with the population of Horsham. The data suggests a community dominated by families with children, together with a substantial population of older people. There are relatively few, particularly when compared with the national picture, of young adults in the neighbourhood.

Figure 9: Age Structure



Source: Census 2011, AECOM Calculations

97. **Table 11** below shows how the age structure of the population has changed between the Censuses. What is immediately apparent is the substantial increase in the proportion of the population accounted for by older people, at both neighbourhood and district geographies. The most dramatic contrast between the two is the increase in those aged between 45 and 65 at the district level, with a corresponding increase in the number of young people. Billingshurst has seen no such increase, leading to the possibility of a shortage of suitable housing for families; this could both prevent new people moving into the area and force people whose circumstances change with age, to move somewhere else in the Housing Market Area.

Table 11: Rate of change in the age structure of the population of Billingshurst, 2001-2011

Age group	Billingshurst	Horsham	England
0-15	17.3%	-2.6%	1.2%
16-24	-2.9%	13.9%	17.2%
25-44	2.2%	-9.2%	1.4%
45-64	0.8%	20.4%	15.2%
65-84	23.9%	24.0%	9.1%
85 and over	53.3%	30.7%	23.7%

Source: Census 2001 and 2011, AECOM Calculations

98. Bringing the evidence on type of dwellings in relation to trends in the age structure of the population together, while there remains a bias towards larger dwellings in the current stock of housing, the shifts that have taken place between the 2001 and 2011 Censuses suggest more smaller dwellings (2-4 rooms per household) are being built. Census also suggests that there may be an undersupply of dwellings suited to families where the parents are aged

between 45-65, and the children older teenagers, or non-dependent adults. This supports the conclusion that larger dwellings should still form an important part of the mix of types and sizes of homes provided over the plan period. The increase in the proportion of the population accounted for by older people is also striking. This creates an imperative for housing policy to address their needs, for example dwellings of a manageable size and designed to be 'age-friendly.'

99. In **Table 12** below we reproduce Table 3 from HNHD15; this presents forecasts for shifts in the age structure at the district level over the plan period. This table suggests a continuation of the trend towards an increasingly elderly population in coming years. It also indicates the numbers of those in middle-age will fall. While these numbers should be treated with some caution given the differences in geography, the increase in the numbers of elderly people is likely to be true across the whole of the HMA.

Table 12: Population change 2011 to 2031 by fifteen year age bands (2012-based SNPP)

Age group	Population 2011	Population 2031	Change in population	% change from 2011
Under 15	22,874	23,497	623	2.7%
15-29	19,437	19,542	105	0.5%
30-44	25,056	24,088	-968	-3.9%
45-59	29,226	27,295	-1,931	-6.6%
60-74	22,350	30,939	8,589	38.4%
75+	12,597	23,499	10,902	86.5%
Total	131,540	148,859	17,319	13.2%

Source: Census 2001, Projections 2031

3.4.1 Household composition

100. Age structure and wealth are stronger indicators of demand for dwellings of different size than household composition. This is because people with the means to choose will select a home based on their lifestyle choice and taste, rather than practical need. Nevertheless, it is worth presenting household composition data as this provides an understanding of the community's basic requirements. In **Table 13** it is apparent that, at the time of the last Census, the dominant household type is families, of which those with dependent children are the most numerous. Those with no children or with adult children living in the home form a significant minority, but are broadly in line with district and national figures.

Table 13: Household composition (by household) in Billingshurst, 2011

		Billingshurst	Horsham	England
One person	Total	28.9%	28.2%	30.2%

household				
	Aged 65 and over	13.8%	13.6%	12.4%
	Other	15.0%	14.6%	17.9%
One family only[1]	Total	66.4%	66.8%	61.8%
	All aged 65 and over	9.6%	10.8%	8.1%
	With no children	19.7%	20.6%	17.6%
	With dependent children	28.8%	26.6%	26.5%
	All children Non-Dependent	8.2%	8.9%	9.6%
Other household types	Total	4.7%	5.0%	8.0%

Source: Census 2011, AECOM Calculations

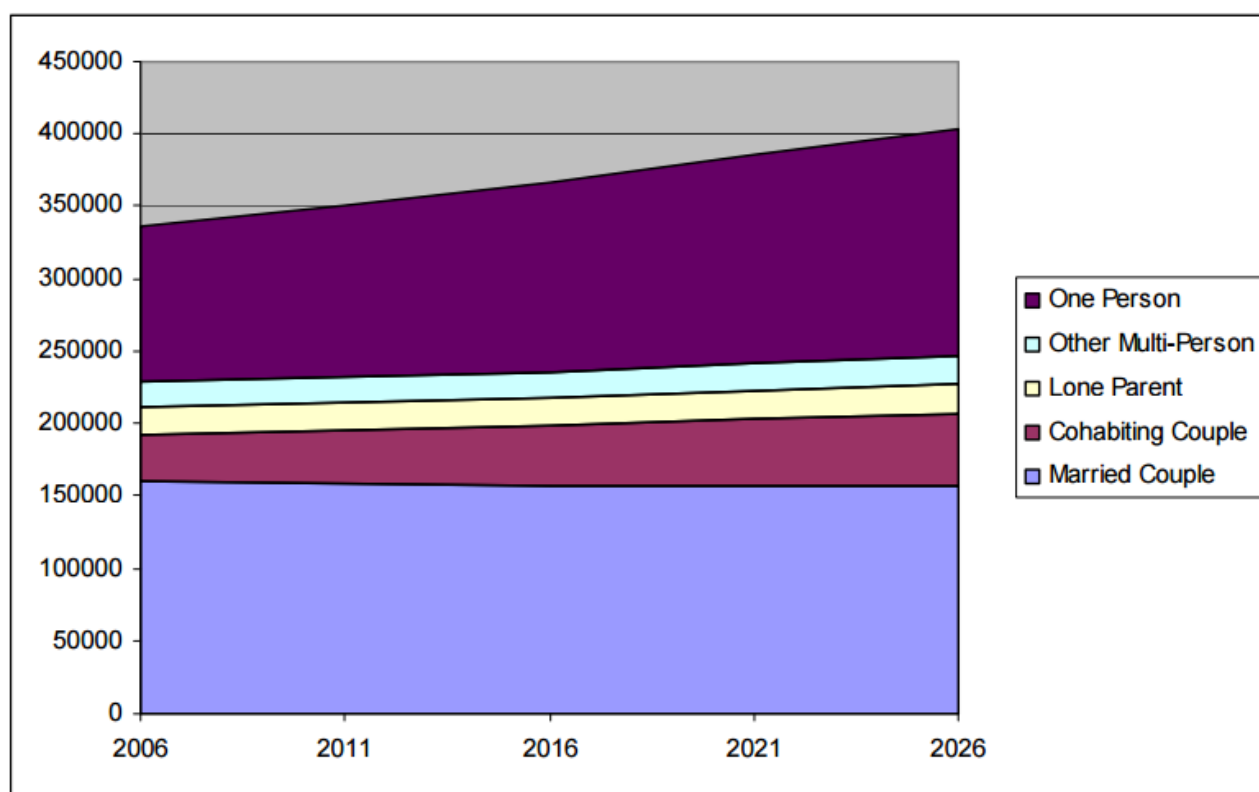
101. **Table 14** below shows how this data has changed between 2001 and 2011. While the family-orientation of the area has strengthened, there has been a substantial increase in solo households with roughly half of these being people aged 65+.

Table 14: Changes in household type, 2001-2011, in Billingshurst, Horsham and England

Household type		Percentage change, 2001-2011		
		Billingshurst	Horsham	England
One person household	Total	25.6%	16.0%	8.4%
	Aged 65 and over	24.8%	8.6%	-7.3%
	Other	26.3%	23.9%	22.7%
One family only	Total	4.9%	6.3%	5.4%
	All aged 65 and over	14.8%	8.5%	-2.0%
	With no children	-4.5%	4.8%	7.1%
	With dependent children	16.3%	4.0%	5.0%
	All children non-dependent	-13.1%	14.8%	10.6%
Other household types	Total	2.5%	26.4%	28.9%

Source: Census 2001 and 2011, AECOM Calculations

102. SHMA09 provides some assistance in projecting changes in household composition in future years at the level of the Housing Market Area. Below we reproduce SHMA09 Figure 8.8 as **Figure 10**; this shows a continuation of the trend, seen in Census data reported above, of increases in one person households with other forms of household composition remaining broadly steady. This may reflect both social trends, for example people leaving having children until later in life, and demographic shifts, in particular the ageing population.

Figure 10: Changing Household Structure, West Sussex County 2006-2026

Source: WSCC, CLG Revised Trend Based Household Projections

103. **Table 15** below sets out data from the Census relating to persons per room. This suggests there is very little over-crowding in the NPA (in fact the numbers strongly suggest under-occupation of homes).

Table 15: Trends in number of persons per room in Billingshurst, 2001-2011

	2001 Billingshurst	2001 Horsham	2011 Billingshurst	2011 Horsham
Up to 0.5 persons per room	2360	37861	2562	41969
Over 0.5 and up to 1.0 persons per room	748	11798	853	12487
Over 1.0 and up to 1.5 persons per room	25	300	33	366
Over 1.5 persons per room	5	78	4	101

Source: Census 2001 and 2011, AECOM Calculations

104. It is also worth noting the relatively small number of 'concealed households,' those unable to form on account of being unable to access suitable housing; this data is presented in **Table 16** below.

Table 16: Concealed families in Billingshurst, 2011

Concealed families	Billingshurst	Horsham	England
All families: total	2,430	38,935	14885145
Concealed families: total	27	451	275954

Concealed families as % of total	1.1%	1.2%	1.9%
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Source: Census 2011, AECOM Calculations

105. Given the demographic profile, this would suggest some appetite for downsizing on the part of older people; equally, many people in owner-occupation may choose to live in larger properties. Given the economic profile of the area (shown in **Table 17** below), which reveals robust levels of local employment, we would suggest the latter is more likely to be the case.

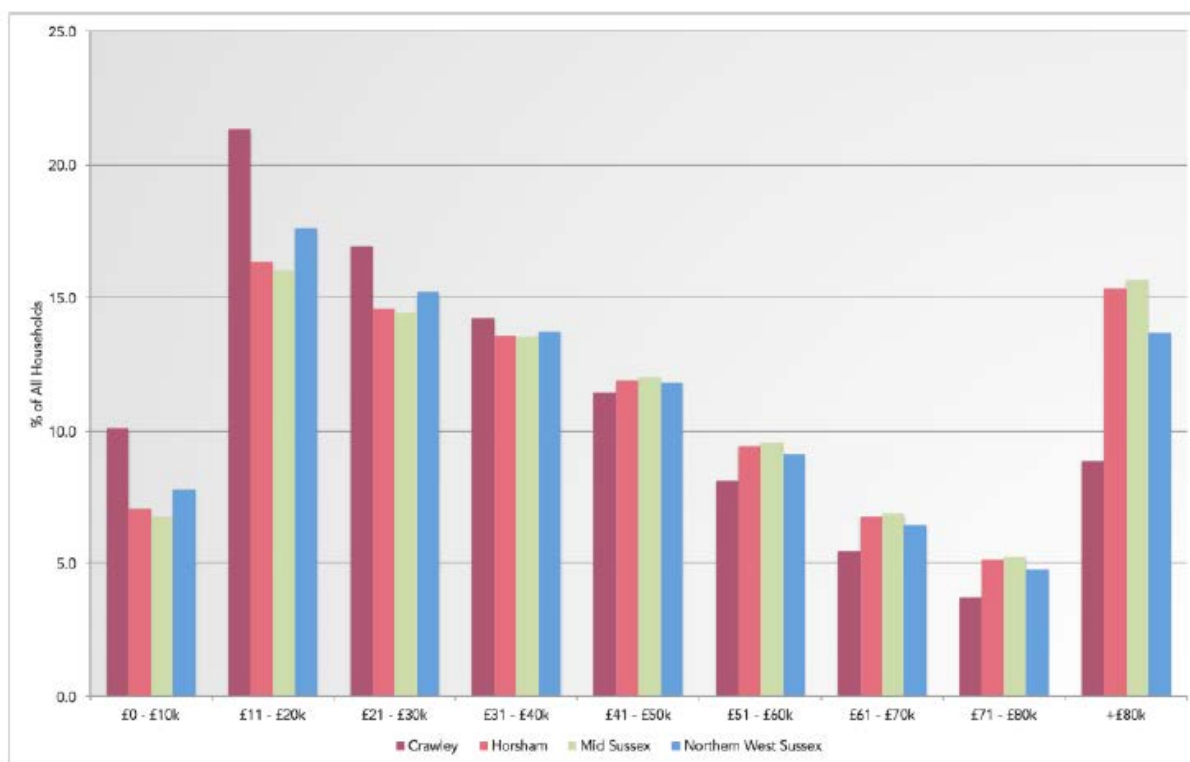
Table 17: Economic activity in Billingshurst, 2011

Economic category		Billingshurst	Horsham	England
Economically active	Total	75.0%	73.4%	69.9%
	Employee: Full-time	40.8%	40.3%	13.7%
	Employee: Part-time	15.3%	14.8%	38.6%
	Self-employed	13.7%	12.9%	9.8%
	Unemployed	2.9%	2.7%	4.4%
	Full-time student	2.2%	2.7%	3.4%
Economically inactive	Total	25.0%	26.6%	30.1%
	Retired	14.6%	15.5%	13.7%
	Student	2.8%	3.5%	5.8%
	Looking after home or family	4.7%	4.2%	4.4%
	Long-term sick or disabled	2.0%	2.2%	4.1%
	Other	1.1%	1.3%	2.2%

Source: Census 2011, AECOM Calculations

106. Data available from the AHNMU14 (in **Figure 11** we reproduce Figure 17 from this document) provides supporting evidence of the presence of a large minority of households enjoying incomes substantially above the mean (some 43% of households have an income over £50,000 within the HMA, with roughly 18% earning over £80,000). Given the data from Census set out in **Table 17** above, it is likely Billingshurst will have a similar income profile.

Figure 11: Household Earnings by Income Band, 2014



Source: CACI Paycheck Household Incomes, July 2014

107. Bringing the evidence on household composition together, the growth in solo households does not translate automatically into smaller homes. To take older people as an example, many wish to accommodate a live-in carer as well as at least one guest bedroom for friends and family to stay. Moreover, the relatively wealthy demographic will blunt the apparent need (among those able to assess market homes) for smaller homes. Nevertheless, household composition data does support the attention being paid, in terms of the type and size of dwellings, of households comprising fewer individuals, and the average age being substantially older.

3.4.2 Market segments

108. Bringing together the evidence from our consideration of affordability, age structure and household composition, it is possible to identify different market segments, and map these segments onto both size and tenure of dwelling.
109. The number of rooms recorded in Census excludes kitchen, bathrooms and toilets. In the market segments table that follows, 'dwelling size' should be translated as follows:
- 1 room = Bedsit
 - 2 rooms = flat/house with one bedroom
 - 3 rooms = flat/house 2 bedrooms
 - 4 rooms = flat/house with 2 bedroom and 2 reception rooms, or 3 bedrooms and 1
 - reception room

- 5 rooms = flat/house with 3 bedrooms and 2 reception rooms
- 6 rooms = house with 3 bedrooms and 3 reception rooms or 4 bedrooms and 2 reception rooms
- 7+ rooms = house with 4, 5 or more bedrooms house.

110. The table below indicates the different market segments, and the degree to which they are a growing, stable or declining group within the local population. One 'up' arrow indicates this grouping is growing modestly in the NPA; two 'up' arrows indicates strong growth, three 'up' arrows suggests very rapid growth in years to come. Where segments are falling in numbers, or not growing, neutral or down arrows are shown.

111. It is important to note that, as we have seen, the market is good at picking up growth trends in the market. For this reason, policy intervention is only justified in the case of market failure (where the market is unable, for reasons of viability, or there are incentives, deliberate or otherwise, that drive the market not to respond to trends). Examples include the failure of the market to provide homes to those on low incomes and the under-supply of dwellings for the elderly.

112. Similarly, because we believe in the capacity of the market to deliver the homes required for the majority of residents (either through for-sale dwellings or for-rent), policy intervention is only required in the most extreme circumstances. This is because policies carry both costs and risks; this can distort the market, preventing it from providing homes (and encouraging a position of market equilibrium in which homes are accessible to target markets). Therefore, where three 'up' arrows have been identified, this provides a rationale for policy intervention.

Table 18: Housing market segments in Billingshurst NPA

Market segments	Income range	Tenure	Presence in Plan Area	Size of home
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Young family where parents are aged 24-44 with two children aged 0-15	Median	PRS, Social housing, shared equity, AMH	↔	5 rooms
Professional Head of Household Young family where parents are aged 24-44 with two children aged 0-15	Mean	AMH, Market Housing (MH)	↔	5 rooms
Professional Head of Household family where parent are aged 44-64 with non-dependent children living at home	>Mean (equity rich)	Market Housing	↔	6+ rooms
Lone parent with two children	Lower Quartile (equity poor)	Social Housing	↔	3 rooms
Solo household aged under 65	Median (equity poor)	PRS, shared equity, DMH	↑↑	2 rooms
Solo household aged over 65 with wealth	Median (equity rich)	Market Housing	↑↑↑	2-3 rooms
Solo household aged over 65 without wealth	Lower Quartile (equity poor)	Social Housing	↑↑↑	2 rooms
Young couple w/o Children aged under 34	>Mean (equity poor)	Market Housing, Shared Equity, DMH	↔	4+ rooms
Concealed households	Lower Quartile (equity poor)	Social Housing	↔	1-3 rooms

Source: AECOM

113. The housing needs of the market segments may be addressed through either affordable or market housing. From our research, the balance of dwellings should be a mix, with a bias towards the mid to upper range in size and very few of the smallest size of 1-2 rooms. There may be a need to cater to solo households, but many of these will opt for larger homes.
114. In the next section we consider how both market housing and affordable housing can address the demand/need for housing in the plan area. Before

we do this however, it is worth reviewing where policy has reached in relation to affordable housing.

115. The Housing White Paper made clear its commitment to home ownership but recognised the important role of other tenures in improving access to suitable housing²⁷. The changes proposed would broaden the definition of affordable housing to include products that are analogous to low cost market housing or intermediate rent, such as discount market sales or rent to buy housing.
116. The Housing and Planning Act (2016) made provision for a new simplified definition of affordable housing as 'new dwellings...to be made available for people whose needs are not adequately served by the commercial housing market'²⁸. Secondary legislation is required to implement this definition, necessitating further parliamentary debate²⁹.
117. The Government's recently published Housing White Paper³⁰ confirms that a revised definition will be brought forward through changes to the NPPF later this year, proposing a definition of affordable housing as 'housing that is provided for sale or rent to those whose needs are not met by the market (this can include housing that provides a subsidised route to home ownership' and which 'meets the criteria' for one of the following models³¹:
 - Social rented housing, defined currently as owned by local authorities and private registered providers with guideline target rents determined through the national rent regime. It may be owned by other persons and provided under equivalent rental arrangements, as agreed with the local authority or Homes and Communities Agency;
 - Affordable rented housing, defined currently as let by local authorities or private registered providers of social housing to households eligible for social rented housing. Affordable rent is controlled at no more than 80% of the local market rent including service charges where applicable;
 - Starter Homes, as defined in the Housing and Planning Act 2016 and subsequent secondary legislation with an income restriction of £80,000 outside London. These homes are expected to provide a new low cost market housing product for first time buyers between the ages of 23 and 40 with a mortgage, sold for no more than 80% of open market value and capped at £250,000 outside London;

²⁷ DCLG, Fixing our Broken Housing Market, page 59 (February 2017)

²⁸ Housing and Planning Act 2016, part 6, section 159 (4)

²⁹ Section 159(2) of the Act inserts '(3ZB) No regulations may be made under section 106ZB [which contains the updated definition of affordable housing] unless a draft of the instrument containing the regulations has been laid before, and approved by a resolution of, each House of Parliament'

³⁰ DCLG (2017) Fixing our Broken Housing Market (para A.120)

³¹ Ibid (p100)

- Discounted market sales housing, sold at a discount of at least 20% below market value with provision to remain at a discount for future eligible households. Eligibility is to be determined with regard to local incomes and house prices;
- Affordable private rent housing, made available for rent at a level which is at least 20% below local market rent with provision to ensure that rent remains at a discounted level or alternative affordable housing provision is made if the discount is withdrawn. This is viewed as particularly suited to the provision of affordable housing in Build to Rent schemes; and
- Intermediate housing, defined to include discounted market sales and affordable private rent housing – as outlined above – and other housing that is ‘provided for sale and rent at a cost above social rent, but below market levels’.
- A transition period is proposed to enable a review of local policies, with the revised definitions intended to apply from April 2018. The Government also intends to introduce a requirement for sites of 10 units or more to ensure that at least 10% of all homes are affordable home ownership products, including Starter Homes, shared ownership homes and homes available for discount market sale.

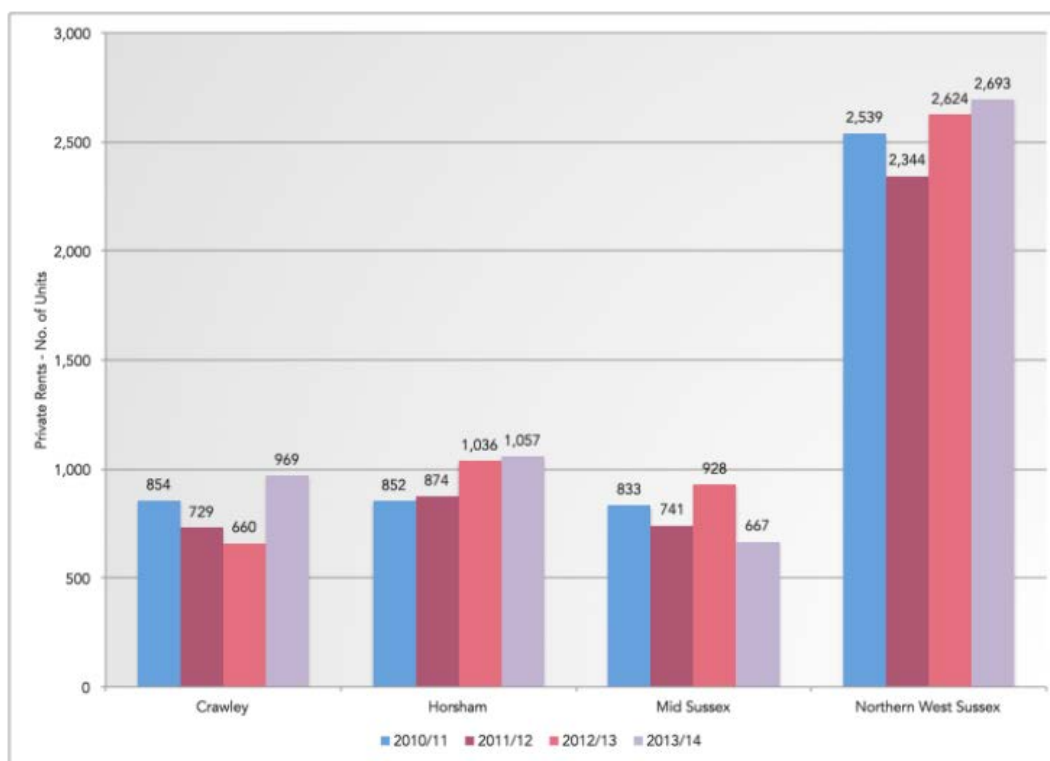
3.4.3 Market housing

118. Given the limited quantity of Affordable Housing in the NPA, the needs of the great majority of the people will be served by the market. People on higher incomes will be able to access a variety of market dwellings; their choices will be driven principally by how much they can afford to spend, the extent to which old age is driving their choice of home as well as personal taste.
119. The operation of the market is the best means of addressing the demand for different types of housing for sale. It is important planning policy does not place unnecessary burdens on the market preventing its ability to respond to demand; this is after all the principal way equilibrium is achieved in the housing market and house price growth kept in check. In this way the notion of viability is essential. It is important not to deter development in the context of clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of resources for infrastructure improvements.

Build to rent

120. As we have seen, there is evidence of growing demand for private rent accommodation in the NPA. This is supported by evidence at the Housing Market Area level. We reproduce **Figure 12** from the AHNMU14 which reveals the increase in private rental lettings over the period.

Figure 12: Annual Private Rental Lettings for Northern West Sussex Authorities, Q2, 2010 – Q1, 2014



Source: VOA, 2010-2014

121. The reason for the strength of this demand is that, for those households unable to access market housing to buy, and who do not qualify for affordable housing, private rented housing is the only remaining option.
122. Given the trends identified in this HNA, Billingshurst should seek build to rent (BTR) development, which may include an element of affordable housing and is likely to be brought forward by specialist developers funded by institutional investors. This will provide accommodation of consistently higher quality than is available through the traditional small private landlord.
123. The Housing White Paper proposed a number of modifications to the definition of affordable housing for planning purposes. One of these is Affordable Private Rent Housing (APRH), this is housing made available for rent at a level which is at least 20 per cent below local market rent. It is envisaged such housing would be delivered as part of BTR schemes.

3.4.3.1 Market housing - Size

124. Building on the 'market segments' analysis, it is worth citing SHMA09, which suggests that the market signals indicate that the focus of demand in Northern West Sussex remains for 2 and 3 bedroom housing, and that areas of higher

value housing, particularly in more rural locations remain in demand from those in well paid managerial and professional occupations.³²

125. It goes on to state that ‘overall, our conclusion is that the Northern West Sussex Housing Market is predominantly for houses. The market for flats has been developed over time and is now suffering relatively in the current housing market downturn. There remains a valid role for flats to play in the future housing mix and as part of the regeneration initiatives focused on the various town centres but it should not form the principal type of future housing stock in this Housing Market and must be supported by wider town centre renewal and regeneration initiatives.’³³
126. This would suggest that the bias in favour of smaller dwellings seen in the period between the Censuses is out of step with demand, and a high proportion of larger homes, those of 5 - 7 rooms would be appropriate.
127. Bringing the evidence together as regards market housing, the starting point should be that the market mechanism is best suited to address demand for dwellings of different types and sizes in the NPA; policy should therefore be permissive, supporting a wide mix of dwellings to come forward. It is worth noting that that size profile of current stock of housing broadly correlates to demand coming from the community, suggesting little need for active policy intervention.

Affordable Housing

3.4.4 ‘Starter Homes’ and discounted market housing

128. As we have seen, 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. The relevant legislative provisions are, however, not yet in force and no specific proportion or minimum has been put forward.
129. The Housing White Paper sheds further light on the government’s intentions in this area, however. 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.
130. This is a substantial watering-down of the ‘starter home’ requirement as envisaged when policy contained in the Housing and Planning Act was first

³² SHMA09, page 167

³³ SHMA09, page 168

conceived. In effect, it leaves it to local groups, including neighbourhood plans, to decide an appropriate level of affordable home ownership products, while taking note of the 10% policy expectation.

131. The decision whether to treat Discounted Market Sale Homes (DMSH) as affordable housing 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 AMH for purchase.
132. As we have seen, allowing for a 10% deposit, reducing the value of a LQ property priced at £168,432 for mortgage purposes to £ 151,589, and applying a further discount of 20% to arrive at the approximate selling price of a DMSH of £121,271, a house-hold on the mean income for mid-Sussex of £47,472 could afford a dwelling at this price-point. The Income Threshold at a multiple of 3.5 is £ 34,649; Moreover, in the real world, some households are able to secure a higher multiple of their income than 3.5 from lenders.
133. On the basis of the evidence we have gathered, we would therefore recommend DMSH form part of the AH quota within the NPA, with policy seeking to fulfil the 10% policy expectation. We note that 20% is a minimum discount and, of course, greater discounts will make the policy more effective in enabling households on modest incomes afford to buy their own home. The ultimate level of discount should be arrived at on a site-by-site basis and will be determined by viability as well as other calls on finite resources stemming from planning gain, such as other forms of AH and infrastructure requirements.
134. While the Housing White Paper does not specify size of development, it is appropriate for this to be taken into account when considering how the 10% policy expectation should be applied in practice. When the policy was conceived, it was linked to the notion of rural exception sites, land that would normally not be considered for housing to bring forward substantial numbers of affordable dwellings where there is evidence of local need.
135. It is important to note Affordable Housing policy only normally applies to schemes of 10 units or above. Given the projections over the Plan Period are substantial, it is appropriate for the BPC to plan for 'Starter Homes' within their overall approach to meeting housing need in the community.

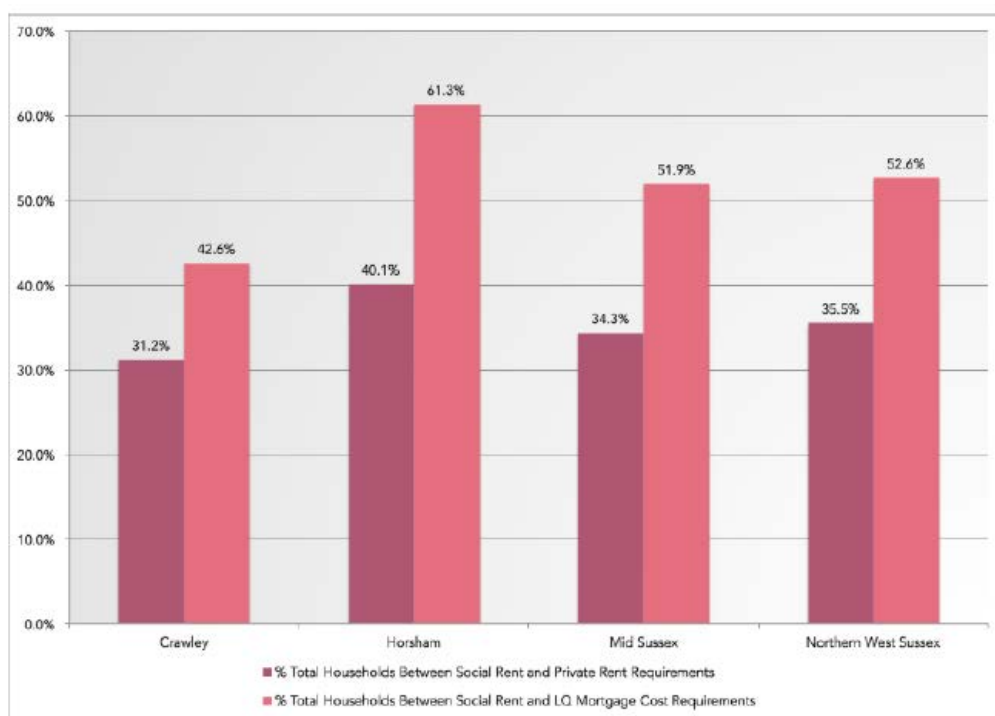
3.4.5 Shared ownership

136. As we have seen, shared ownership tenure has seen substantial growth in the NPA between the 2001 and 2011 Censuses. It is therefore worth considering its future role in Billingshurst. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Shared ownership is flexible

in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable.

137. The share owned by the leaseholder can be varied by 'stair-casing'. Generally, stair-casing will be upward, thereby increasing the share owned. 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.
138. Shared equity constitutes a form of AH, targeting those on incomes around the mean; as such, it is termed 'intermediate' and is available to both 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. Given these conditions, it is not surprising why it has taken root in Billingshurst, on the basis of the affordability analysis discussed above, it should form part of the AH mix in the Parish.
139. The AHNMU14 provides support for this conclusion, showing a growing market for Intermediate products at the Housing Market Area level; it defines this in two ways, the 'narrow' definition, those whose income falls within the social rent to private rent threshold, and the 'wide' definition of those whose income falls between social rent and lower quartile mortgage costs. It shows that, a majority of households would qualify on income grounds. In **Figure 13** below we reproduce AHNMU14 figure 20.

Figure 13: Potential Scale of the Intermediate Housing Market



Source: CLG, VOA, TPD and Chiltern Consulting Calculations

140. In the sections above, we have reviewed how various emerging forms of emerging affordable housing may address housing need. In this section, we bring the evidence together, considering both social and affordable rent types, before arriving at recommendations as to the proportions that should be allocated to each AH type within Billingshurst itself.

3.4.5.1 Affordable rent

141. The AHNMU14 comments that 'it is clear now, in this 2014 update, that the Northern West Sussex authorities would need to offer lower ratios than 80% of market rent in order for the Affordable Rent model to increase affordability for households. At the 80% level, the Affordable Rent model rivals Intermediate tenure costs and also some lower quartile private housing purchase mortgage costs.'³⁴
142. 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. As the above extract suggests, the scenario is different in Billingshurst. Here, market prices are sufficiently low for Affordable Rent housing, if it remains at the guideline discount of 80% of market prices, to effectively compete with intermediate housing. For the purposes of this study, we therefore do not look further at Affordable Rent given that it serves no useful purpose over and above other forms of AH, with a proviso that the neighbourhood plan should flag the need for the cost of AH targeted at those

³⁴ AHNMU14, page 81

on lower quartile household incomes to be linked to the these income levels and, as such, to be truly affordable.

3.4.5.2 Affordable housing - size

143. The AHNMU14 comments that ‘the greatest demand for (affordable housing) in the Northern West Sussex HMA is for 1 and 2 bedroom properties in each of the three local authority areas (46.5% and 42% respectively). The level of requirements for 3 and 4 bedroom properties is far lower, totalling circa 11% for the HMA as a whole.³⁵
144. In **Table 19** below we re-produce AHNMU14 Table 17. This shows a clear preference for smaller and middle-sized homes, in contrast to market for ‘for sale’ dwellings described above.

Table 19: Recommended Affordable Housing Mix by Bedroom Size

	1-Bed	2-Bed	3-Bed	4+Bed	Total
Crawley	25%	50%	20%	5%	100%
Horsham	20%	45%	25%	10%	100%
Mid Sussex	25%	50%	20%	5%	100%

Source: CCL, 2014

145. This finding is reinforced by more up-to-date data drawn from the housing waiting list register managed by the HDC³⁶. In **Table 20** below a clear preference for smaller homes of 1-3 bedrooms can be seen from those seeking affordable housing.

Table 20: Housing waiting list register, preferences expressed for size of home

Min No Beds	Max No Beds	No Requests
0	1	173
1	1	78
1	2	6
2	2	249
2	3	8
3	3	149
3	4	27
4	4	5
4	15	1
	TOTAL =	696

Source: Horsham District Council

³⁵ AHNMU14, page 71

³⁶ Provided by HDC by email on 15/06/17

146. Bringing the evidence on affordable homes together, based on a reading of income levels, policy should support DMSH (for example 'starter homes'), aiming to deliver the policy expectation of 10% of new build dwellings in the NPA. Moreover, shared ownership offers a realistic route to home ownership for a large number of people in the NPA. In terms of sizes of dwellings, there is a marked overlap between the needs of households seeking AH, and those seeking AMH, with the former including a large 'mid-size' cohort (70%) seeking dwellings of 4-5 rooms. The distinction lies with market housing in the significant minority (20%) seeking homes of 2-3 rooms.

3.5 RQ3. How should this quota should be broken down to the different Affordable Housing tenures?

147. The AHNMU14 comments that 'with significant current revealed demand and the potential for further demand in future the split of affordable housing to be provided as social rent and as intermediate housing (shared ownership, part buy/part rent and equity loan) should be in the range 80:20 to 70:30; i.e. between 20 – 30% of all affordable housing is provided as intermediate stock.'³⁷ This follows through to HDPF policy that reads, 'the overall housing tenure target is to provide 70% of the total as Social / Affordable rented properties and 30% as Intermediate / shared ownership properties. However, the tenure split on each site will be determined in the light of up-to-date information, particularly on local need and supply.'³⁸
148. These recommendations apply to the Housing Market Area (in the case of AHNMU14) and the District (in the case of HDPF). The question for this study is that whether there is sufficient evidence that is specific to the NPA that justifies revising this figure within Billingshurst.
149. To consider this, we turn to Housing Waiting List (HWL) data, and feedback set out in the 'Themes and Issues' document provided by BPC that reports from community engagement activity. As we have seen, HWL data is not specific in terms of AH need at the Parish level; this means it should be treated with caution. The 'Themes and Issues' document does not represent a comprehensive household survey and, despite there being two reported calls for more 'affordable' housing³⁹ within it, this does not represent an adequate basis on which to adapt Local Plan policy.
150. Having said this, if BPD were to set up a local needs housing register and expanded their household survey to offer a comprehensive account of patterns of housing need and demand within the NPA as part of their evidence gathering activity, this evidential weakness could be overcome.

³⁷ AHNMU14, page 79

³⁸ HDPF, page 56

³⁹ Themes and Issues from the Consultations for the Billingshurst Parish Neighbourhood Plan, March 2017

3.6 RQ4. It is possible to prioritise local people in the allocation of affordable housing?

151. As we have seen, the HWL enables people to specify where they wish to live. At the moment, given the lack of any evidence at the neighbourhood level of need, AH provision will be managed at the district level, and will be subject to policies set out in the Local Plan.
152. Where neighbourhood plans are seeking rural exception sites to address a need for AH, these usually need to be justified by robust evidence either from the LPA or gathered through a local housing needs register and/or household survey carried out by the Parish. Such policies very often have a local connection criteria attached to them.
153. As suggested earlier, evidence of housing need can also be used as a means of applying pressure on developers and the local authority to enforce AH policy at the district level; this would potentially offer a means of maximising the amount of affordable housing available to people across the district.

3.6.1 Housing for older people

3.6.1.1 Sheltered and extra-care housing

154. As we have seen, given the significant forecast increases in people aged 75+, it is appropriate for policy to provide support for a significant quantum of sheltered⁴⁰ and extra care⁴¹ housing as part of the delivery of new housing. **Table 21** below identifies the growth in the population of over 75s between 2011 and 2031.

⁴⁰ 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 or 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 also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden. Source: <http://www.housingcare.org/jargon-sheltered-housing.aspx> (accessed 11/04/17)

⁴¹ 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 increasing) amount of Extra Care Housing in most areas and most providers set eligibility criteria which prospective residents have to meet. <http://www.housingcare.org/jargon-extra-care-housing.aspx> (accessed 11/04/17)

Table 21: Change in the population of over 75s between 2011 and 2031

Age band		2011			2031	
	Population (Billingshurst)	Population (Horsham)	Percentage of population	Population (Horsham)	Population (Billingshurst)	Projected 75+ population (Burscough)
All ages	8,232	131,301	6%	149,978	9,403	
75+	706		9%	23,197	15%	1454

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

155. In arriving at an appropriate level of housing for older people of different types, we have applied the Housing Learning and Improvement Network's suggested numbers per 1,000 of the 75+ population⁴². **Table 14** shows an estimate of the increase in the numbers of older people aged over the age of 75 stands at 748 (1454-706). This will result, over the plan period, in a need for:

- additional conventional sheltered housing units = 60 x 75% = 45
- additional leasehold sheltered housing units = 120 x 75% = 90
- additional 'enhanced' sheltered units, split 50:50 between those for rent and those for sale = 20 x 75% = 15
- additional extra care housing units for rent = 15 x 75% = 11 (rounded)
- additional extra care housing units for sale = 30 x 75% = 22
- additional specialist dementia care homes = 6 x 75% = 5 (rounded)

3.6.1.2 Retirement villages

156. Projects that involve the delivery of multiple homes satisfy the desire on the part of many older people to live in an environment with people facing similar challenges; retirement villages are often a cost-effective means of delivering sheltered and extra care housing together with the facilities and services these settlements imply. Given the numbers of units that result from the LIN analysis, it would be appropriate to consider this approach to the delivery of housing for the elderly, and allocate these sites accordingly. Issues of viability have been raised, given the nature of the facilities required, and the need for space within each home to be suited to the needs of older occupants. It is therefore appropriate for dispensations of affordable housing quotas to be taken into consideration, as well as Community Infrastructure Levy, working within the Local Authority's policy framework.

⁴² 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

3.6.1.3 Senior Co-housing

157. Co-housing has been identified as being particularly suited to the needs of older residents. It offers a way for a group of people with similar interests and needs to come together to create an environment suited specifically to their requirements. Moreover, it can be designed to help address one of the most important issues for older people: isolation and loneliness. A number of successful case studies exist of both projects developed specifically with the needs of older people in mind, and others that encourage multi-generational housing, such as Featherstone Lodge in Forest Hill⁴³ and LILAC in Leeds⁴⁴. In the first example, the design facilitated the creation of public areas that encouraged social interaction between members of the community, moreover, a 'common house' was built in the grounds of the scheme that provided a shared space in which people could come together for meeting and shared activities.

3.6.1.4 Multi-generational homes

158. Multi-generational living has been identified as a possible solution not only for older people, but all generations where it makes financial sense to share accommodation, particularly younger people who are struggling to set up their own households. This gives rise to not only designs for new homes, but conversions to existing dwellings, introducing internal subdivisions and peripheral extensions to create internal layouts that balance the private needs of different generations with the benefits of over-lapping, shared communal spaces.⁴⁵ The phenomenon of the aging population has an up-side; with increases in the quality of health-care, older people are able to live active lives for longer, the so-called 'third age' after retirement when people still want to live fully active lives. Within a household or community where tasks and facilities are shared, they are in a good position to take on both voluntary and paid work, for example looking after grandchildren or taking care of the elderly.

3.6.1.5 Lifetime Homes

159. Many local authorities incorporate policy into their Local Plans that a proportion of new homes should be built according to 'lifetime homes' principles; these are ordinary homes incorporating a number of design criteria that can be universally applied to new homes at minimal cost, for example parking that makes getting in and out of the car as simple and convenient as possible and ensuring movement in hallways and through doorways should be as convenient to the widest range of people, including those using mobility aids or wheelchairs, and those moving furniture or other objects.⁴⁶

⁴³ <http://www.featherstonecohousing.co.uk/> (visited 12/04/17)

⁴⁴ <http://www.lilac.coop/> (visited 12/04/17)

⁴⁵ RIBA, *Silver Linings, The Active Third Age and the City*, Page 17-18

⁴⁶ <http://www.lifetimehomes.org.uk/pages/about-us.html>

3.6.1.6 Planning flexibility

160. Planning policy can be mobilised to help properties to become more adaptable in the context of an increasingly elderly population. This includes allowing the conversion of conventional dwellings or groups of dwellings (for example terraced housing) into multiple homes, particularly where additional features are included to address ‘lifetime homes’ criteria and to encourage interaction with the wider community. This can incorporate bigger community open space as a result of joining up different gardens.⁴⁷ This is not dissimilar to the practice of ‘alley-gating’ where alleyways between the backs of terraced housing have been gated off, and turned into shared community spaces.

3.6.1.7 Lifetime neighbourhoods

161. Creating an environment in which older people feel both welcome and comfortable does not end at the front door. Research exists that considers life-time neighbourhoods, in which the public realm is designed to address the needs of older people, and activates the benefits they can bring in supporting local businesses and encouraging improved public realm for everyone, for example providing more greenery and more walkable, better connected places. Given the expanded role of neighbourhood planning around design outlined in the Housing White Paper of 2017⁴⁸, a compelling notion is that of ‘the amplification of impact of micro-environmental features to describe that particular way in which we become more sensitive to the ordinary, smallest features of urban space as we age.’ This places an emphasis on care and reflection in how we design, for example paths and public seating, and calls for the participation of older people in the design process.
162. Design approaches exist that provide a starting point for locally informed policy development in this area, these include Manchester’s [Design for Access 2](#) and the work of Inclusive Design for Getting Outdoors (IDGO); IDGO identify material features that make everyday negotiation of urban space that much easier; these include wide and flat tarmac footways, easy transition level changes, clear, simple and visible signage, frequent warm and supportive seating and well-maintained, safe and open toilets.⁴⁹ In addition, the notion of ‘pensioner play-grounds,’ ‘green-gyms,’ community gardens and various forms of guerrilla gardening (for example the Edible Todmorden project) encourage active use of public space on the part of an older demographic.
163. Since the millennium policy at the international level has been directed towards a more holistic appreciation of what an ‘age-friendly’ urban environment looks like. It has been remarked this should extend beyond physical installations, such as public seating and access to WCs, to mobilise

⁴⁷ Gobber, S, *A Bright Grey Future*, Urban Design Group Journal, Spring 2016, page 29

⁴⁸ HMG, *Fixing our broken housing market*, page 29

⁴⁹ RIBA/Age UK, *An Alternative Age-Friendly Handbook*, page 54/55

- civic agency among older group to forestall incipient marginalisation, enabling them to continue to make a full and active contribution to community life.⁵⁰
164. In 2006 the World Health Organisation (WHO) began developing the 'Age-Friendly Cities' movement, now a worldwide network of over 200 member cities around the world. They have produced a guide that offers a way of analysing the city from the perspective of older people, using a framework of inter-related domains: transportation, housing, social participation, respect and social inclusion, communication and information, civic participation and employment, health and community services.
 165. As regards housing, the WHO study identifies a check list of attributes necessary to foster a sense of belonging and well-being among older people. In addition to affordability and the need to design accommodation with the needs of older people in mind, the adaptability of dwellings is important, for example their capacity to accommodate chair-lifts that enable older people to continue to live in two-storey homes and passages wide enough to accommodate wheelchairs⁵¹.
 166. The WHO also identified access to services, particularly those that become increasingly important as people get older, such as places of worship and community centres.⁵² Moreover, optimising well-being has much to do with being able to maintain links with existing networks, which is best achieved by enabling people to remain in their existing communities for as long as possible. In the Australian city of Melville small clusters of senior's housing with small gardens are made available throughout the city, so that older people are not isolated from the community and particularly from children.⁵³
 167. As we have identified earlier, there is a need for a greater number of the type of dwellings enable older people to move into properties of the right size for them. It is important to note, this does not necessarily imply moving to a smaller home. Many older people have the wealth (and the choice that comes with it) to create a home suited to having visitors and accommodating care staff, who may need to make over-night stays.
 168. For this reason, it is important to recognise that different ages have different needs, thus in the provision of housing, choice is critical, catering for those with relatively modest requirements, to those who need more help. The provision of choice that responds to need is part and parcel of creating a smoothly operating local housing market in which older people are able move out of family homes when they wish, thus freeing up these properties for other people.⁵⁴

⁵⁰ RIBA/Age UK, An Alternative Age-Friendly Handbook, page 16

⁵¹ World Health Organisation: Global age-friendly cities: a guide, page 32

⁵² Ibid, page 33

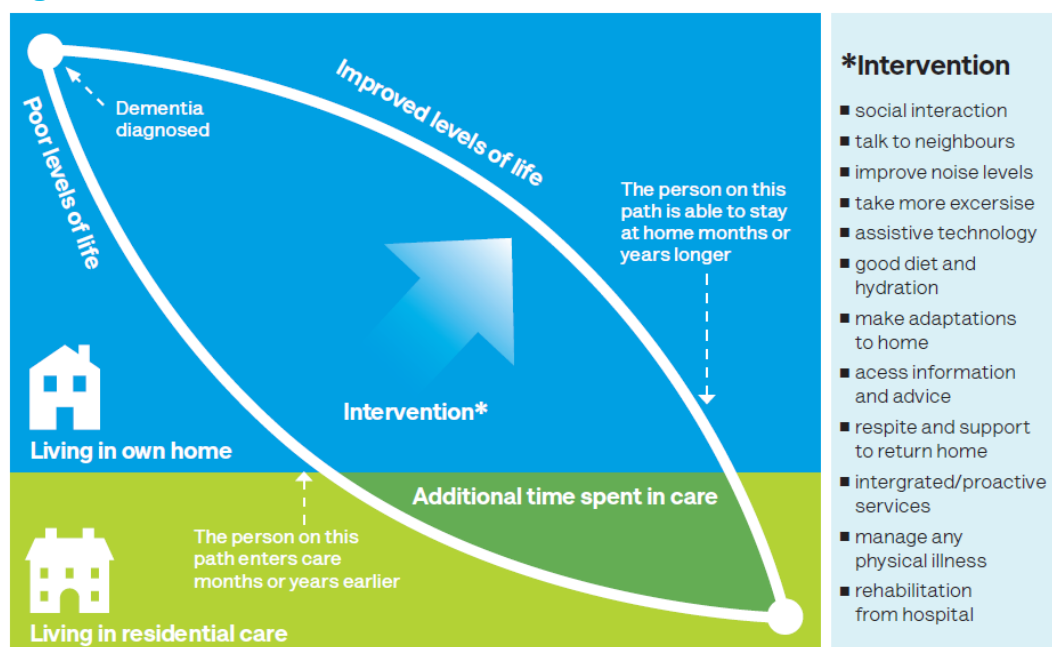
⁵³ Ibid, page 35

⁵⁴ Housing LIN, New Approaches to Housing for Older People, June 2014, page 6

3.6.1.8 Housing for people with Dementia

169. Enabling people with dementia to live in their own homes for longer is critical to their quality of life as a result of the familiarity of surroundings and the help with retaining memories this facilitates⁵⁵. The challenges with this are two-fold; firstly there is very often a lack of appropriate adaptations in properties and, secondly, the support that people need to ensure their home is safe and suitable.
170. Selwood Housing in the South West of the UK has pioneered approaches that help overcome these, for example the installation of property exit sensors to inform a monitoring centre when tenants leave their home and do not return within a pre-determined time. In **Figure 14** we reproduce a chart showing the impact that early and appropriate intervention can have on the prospect of people with dementia remaining in their own home for longer.

Figure 14: Dementia care chart



Source: Dementia Services Development Centre, 2013

3.6.1.9 The role of the Local Authority

171. As suggested above, it is appropriate for the neighbourhood group to work closely with the LPA to develop policy and approaches to addressing the need for housing for elderly people in the area. The LPA is under an obligation through national policy to address the needs of older people,⁵⁶ it is therefore appropriate they should play a strategic role in co-ordinating new efforts by housing providers, adult care services, primary care and health trusts, private and third sector organisations to meet their housing needs across the district.

⁵⁵ Alzheimer's Society, [Dementia-friendly housing charter](#), page 13

⁵⁶ NPPF, Paragraph 50

4. Market Signals

172. The PPG highlights the importance of taking market signals into account when assessing housing need, given they provide an indication of the balance between demand and supply. This is particularly important to consider given the significant and well-documented changes in the housing market over recent years, which were exacerbated by the economic downturn and subsequent issues in obtaining mortgage finance.
173. The PPG states: “The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings. Prices rising faster than the national/local average may well indicate particular market undersupply relative to demand”.⁵⁷
174. These market signals relate to trends discernible within the housing market, and broader economic trends that have an impact on the housing market.
175. The PPG goes on to assert that where there is evidence of an imbalance in supply and demand, an uplift in planned housing numbers – compared to those derived solely from household projections – is required in order to increase the supply of housing to meet demand and tackle affordability issues.
176. This includes comparison with longer term trends (both in absolute levels and rates of change) in the: housing market area; similar demographic and economic areas; and nationally. A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.
177. In areas where an upward adjustment is required, plan makers should set this adjustment at a level that is reasonable. The more significant the affordability constraints (as reflected in rising prices and rents, and worsening affordability ratio) and the stronger other indicators of high demand (e.g. the differential between land prices), the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be.
178. To establish the condition of the current housing market in the NPA, a number of quantitative factors were therefore analysed. These include extrapolating data prepared as part of the evidence base for wider areas, as well as applying wider trends to the established population of the Billingshurst Parish.
179. These market signals are therefore used to adjust the HNA to anticipate discernible trends and respond to projections likely to influence future demand. As a result, information discerned in the previous chapter is also included in the final conclusions of this section, notably demographic trends, to generate a more holistic overview.

⁵⁷ PPG Paragraph: 019 Reference ID: 2a-019-20140306

180. The following market signals are reviewed:

- Employment and commuting trends;
- Housing transactions (prices);
- Housing transactions (volume);
- Migration
- Overcrowding and concealed families and;
- Rate of development (change in housing stock).

4.1 Employment and commuting trends

181. Local employment trends can greatly influence housing needs as employment opportunities can stimulate demand in the plan area. On the other hand, a relative lack of growth can negatively affect house prices as dwellings located far from employment opportunities may be less attractive to those in full time work. It is therefore important to establish the employment sphere of influence experienced by the residents of the Billingshurst NPA.

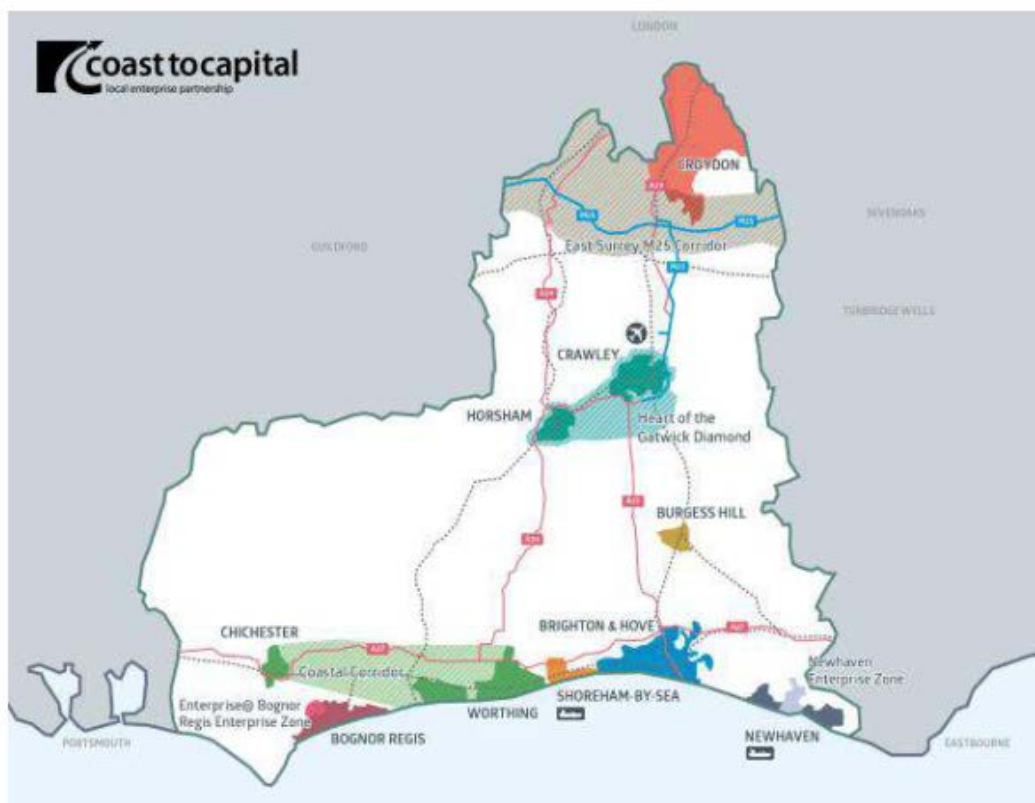
182. **Table 22** below demonstrates the significant number of out-commuters in Horsham district, with a net commuting outflow of around 10,000. As a result, employment in the NPA, and therefore demand for housing, is influenced by economic trends at a regional scale extending beyond Horsham to the wider Gatwick Diamond and Greater London economic areas. The emerging role of the Gatwick Diamond as an economic hub in West Sussex will drive demand for new housing in Horsham District, as will the future growth driven by the prioritisation of investment into 9 specific growth poles across the Coast to Capital Local Enterprise Partnership Area, shown in **Figure 15**. Sitting, as Billingshurst does, in a strategic location in the very centre of these future areas of growth and investment, particularly the two proposed Enterprise Zones at Bognor Regis (35 minutes by train) and Newhaven (less than an hour by car), it is reasonable to expect further growth in demand for housing as a result of employment growth in these locations.

Table 22: Commuting Patterns in Horsham (2011)

	Number/ Ratio
Live and work in District	24,413
Home workers	9,937
No fixed workplace	5,664
Out-commute	26,688
In-commute	16,728
Work offshore or abroad	166
Total working in District	56,742
Total living in District (and working)	66,868
Commuting ratio	1.18

Source: 2011 Census/HNHD15

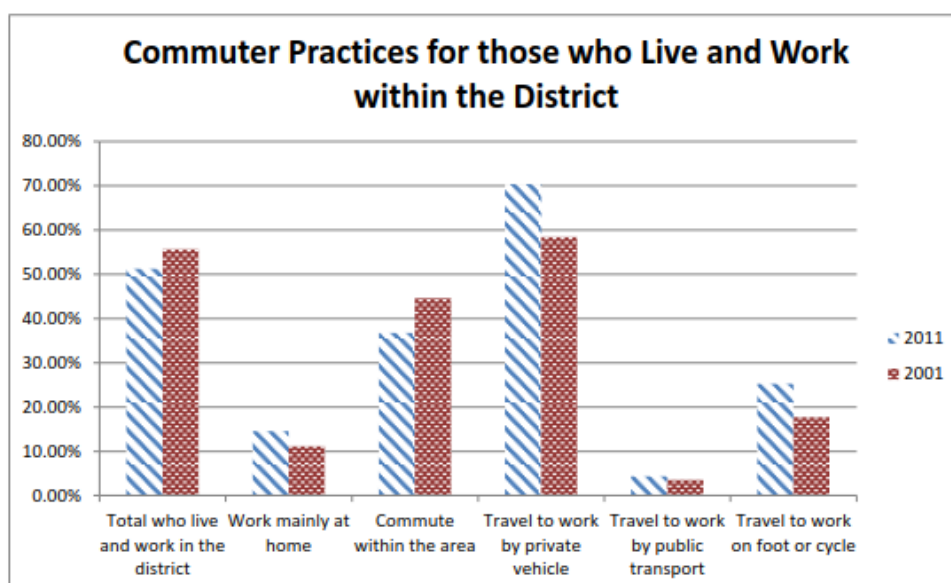
Figure 15: Map of current and future growth capacity and spatial priorities in the Coast to Capital Local Enterprise Partnership Area



Source: CtCSEP14

183. In spite of commuter outflow to surrounding areas, there has also been significant growth of approximately 4% in the last 10 years of those working from home in both Billingshurst and in Horsham, as shown in **Figure 16** below.

Figure 16: Commuter Practices for those who live and work within the district



Source: 2011 Census/HDEP16

184. Indeed, this is set against a much lower rates of home working in England as whole (10.3%), as shown in **Table 23** below. These businesses “are likely to

have growth potential”⁵⁸, and given that Horsham has the best survival rates for new businesses of any region in England after the South East⁵⁹, have the potential to contribute significantly to employment growth.

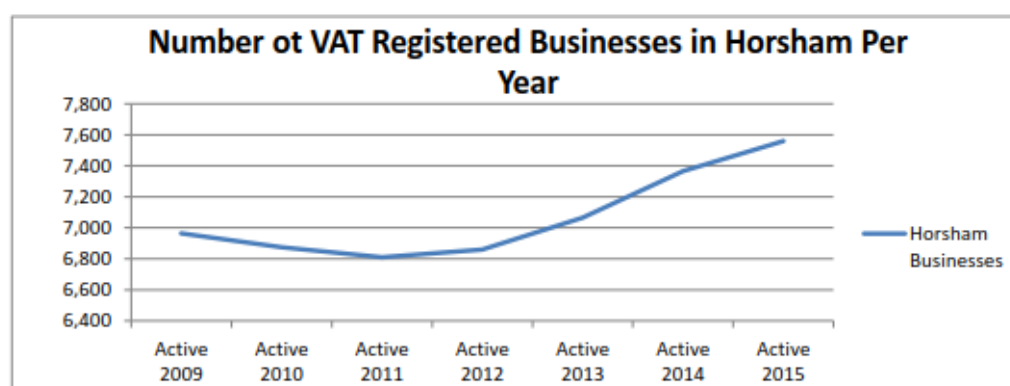
Table 23: Distance to work, 2011

Location of work	Billingshurst	Horsham	England
30km and over	15.6%	13.8%	8.0%
Work mainly at or from home	14.8%	14.6%	10.3%

Source: ONS Census 2011, AECOM Calculations

185. Apart from a subtle increase in demand for space required for home work, there has also been a significant growth in the number of VAT registered businesses based in Horsham, as shown in **Figure 17** below, overtaking their pre-recession level and suggesting strong recovery and a surge in employment growth, which could also drive demand for housing.

Figure 17: Number of VAT Registered Businesses in Horsham Per Year



Source: ONS Business Demography 2008 to 2015/HDEP16

186. Indeed, Horsham’s population is highly educated, providing a strong skills base for such employment growth. Horsham’s has a higher rate of those with NVQ4 and above level than both West Sussex and the South East, fully 8% higher than Great Britain as a whole, as shown in **Table 24**.

⁵⁸ HDEP16, pp. 30

⁵⁹ HDEP16, pp. 29

Table 24: Level of Education Qualification of Working Age Residents in the District, County, Region and Country

Qualifications	Horsham	Horsham	West Sussex	South East	Great Britain
	Actual	%	%	%	%
NVQ4 and above	35,600	45.2%	38.5%	39.8%	37.1%
NVQ3	13,500	17.1%	18.1%	19.0%	18.7%
NVQ2	12,400	15.8%	19.3%	18.0%	17.8%
NVQ1	8,900	11.3%	13.6%	11.7%	11.3%
Other qualifications	5,200	6.7%	5.0%	5.2%	6.5%
No qualifications	3,100	3.9%	5.5%	6.3%	8.6%

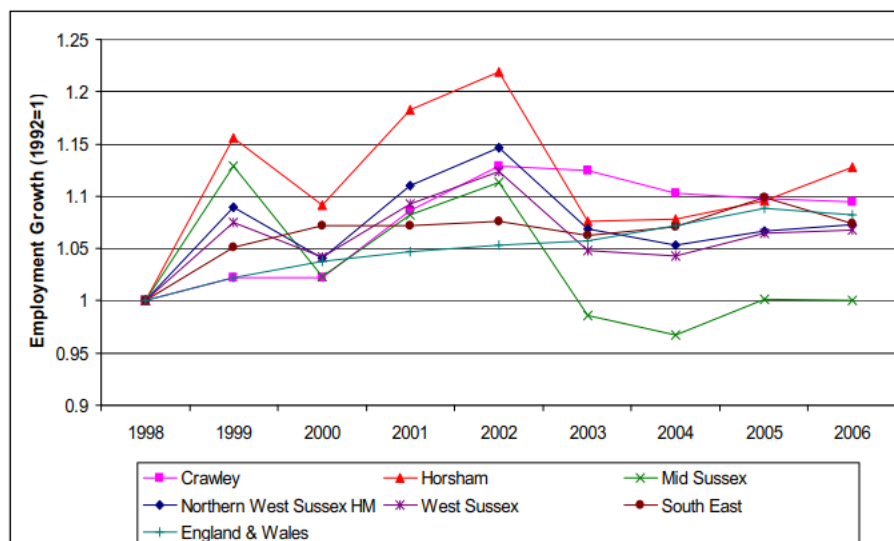
Source: ONS Crime Statistics/HDEP16

187. For both those commuting out of the district and those working inside it, including at home, the current socio-economic classification reiterates the view of a highly educated population: Horsham has a higher proportion of its population in the “Higher Managerial, Administrative and Professional Occupations” and “Lower Managerial, Administrative and Professional Occupations” than both the West Sussex and South East and England and Wales as whole. Indeed, approximately 39% of the population fell into this category, vs just 31% for England and Wales, as shown in **Table 25** below. This strong skills base, has significant potential to enable further economic growth, beyond that of even the surrounding West Sussex economic area. This is reiterated by the historic trend for Horsham shown in **Figure 18**, showing employment growth for the period 1998-2006.

Table 25: Distribution and Type of Jobs occupied by Residents in the District, County, Region and Country

Socio-economic classification	Horsham	Horsham	West Sussex	South East	England and Wales*
	Actual	%	%	%	%
1 Higher Managerial, Administrative and Professional Occupations	14,337	15.2%	11.7%	12.6%	10.3%
---1.1 Large Employers and Higher Managerial and Administrative Occupations	3,336	3.5%	2.8%	2.9%	2.4%
---1.2 Higher Professional occupations	11,001	11.7%	8.9%	9.7%	7.9%
2 Lower Managerial, Administrative and Professional Occupations	24,652	26.1%	23.7%	23.4%	20.8%
3 Intermediate Occupations	13,406	14.2%	14.7%	13.6%	12.7%
4 Small Employers and Own Account Workers	11,041	11.7%	11.2%	10.2%	9.4%
5 Lower Supervisory and Technical Occupations	5,825	6.2%	6.9%	6.5%	6.9%
6 Semi-Routine Occupations	10,612	11.3%	13.8%	12.7%	14.1%
7 Routine Occupations	6,431	6.8%	8.6%	8.9%	11.1%
8 Never Worked and Long-Term Unemployed	2,360	2.5%	3.2%	3.7%	5.6%
Not Classified (Full-Time Students)	5,654	6.0%	6.2%	8.3%	9.0%

Source: 2011 Census/HEP16

Figure 18: Employment Growth, 1998-2006

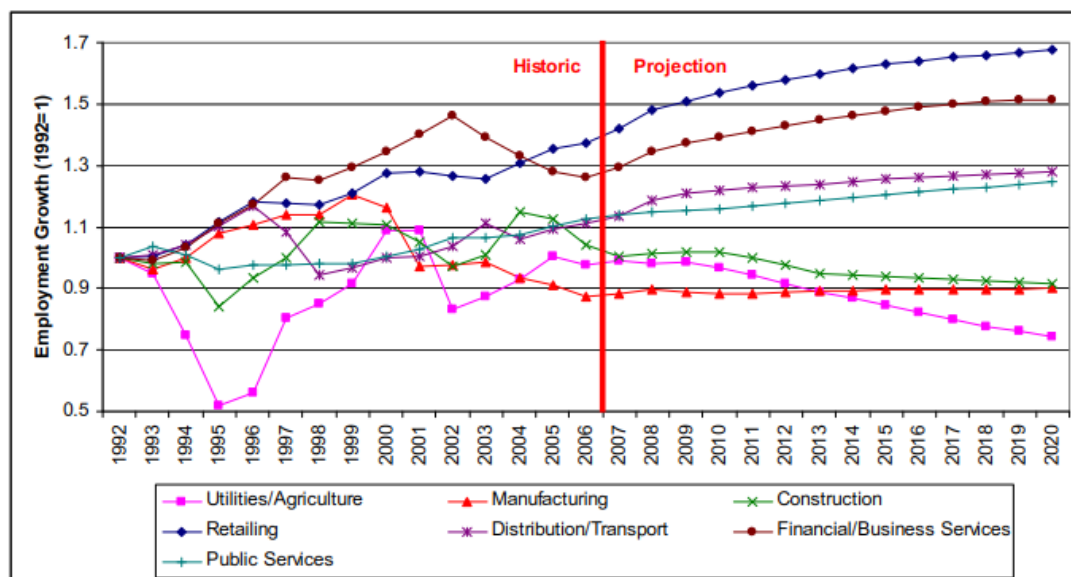
Source: ABI/GVA Grimley/SHMA09

188. In terms of specific employment sectors, **Table 26** below shows that Horsham has a competitive advantage in financial intermediation and education. **Figure 19** shows that the major growth sectors in the Northern West Sussex Housing Market since 1998 have been Other Business Services and the public sectors of Education and Health & Social Work. Therefore, it is reasonable to assume that Horsham's economy is likely to see significant growth due to its competitive advantage in the business services and education sectors within the wider West Sussex Economic Area.

Table 26: Location Quotient of Selected Sectors v South East in Northern West Sussex

	Agriculture	Mfg	Retail	Hotels etc	Transport	Financial Intermediation	Other Business Services	Public Administration	Education	Health & Social Work
Crawley	0.1	1.1	0.8	1.0	5.3	1.2	0.8	0.8	0.5	0.3
Horsham	0.9	1.3	1.1	0.9	0.6	1.2	1.0	0.5	1.2	0.7
Mid Sussex	1.3	1.0	1.0	0.9	0.6	2.3	0.8	0.6	1.1	1.2
Northern West Sussex HM	0.7	1.1	0.9	0.9	2.6	1.5	0.9	0.7	0.9	0.7
West Sussex	1.6	1.1	1.0	1.0	1.6	1.3	0.8	0.9	1.0	1.3

Source: ABI 2006/SHMA09

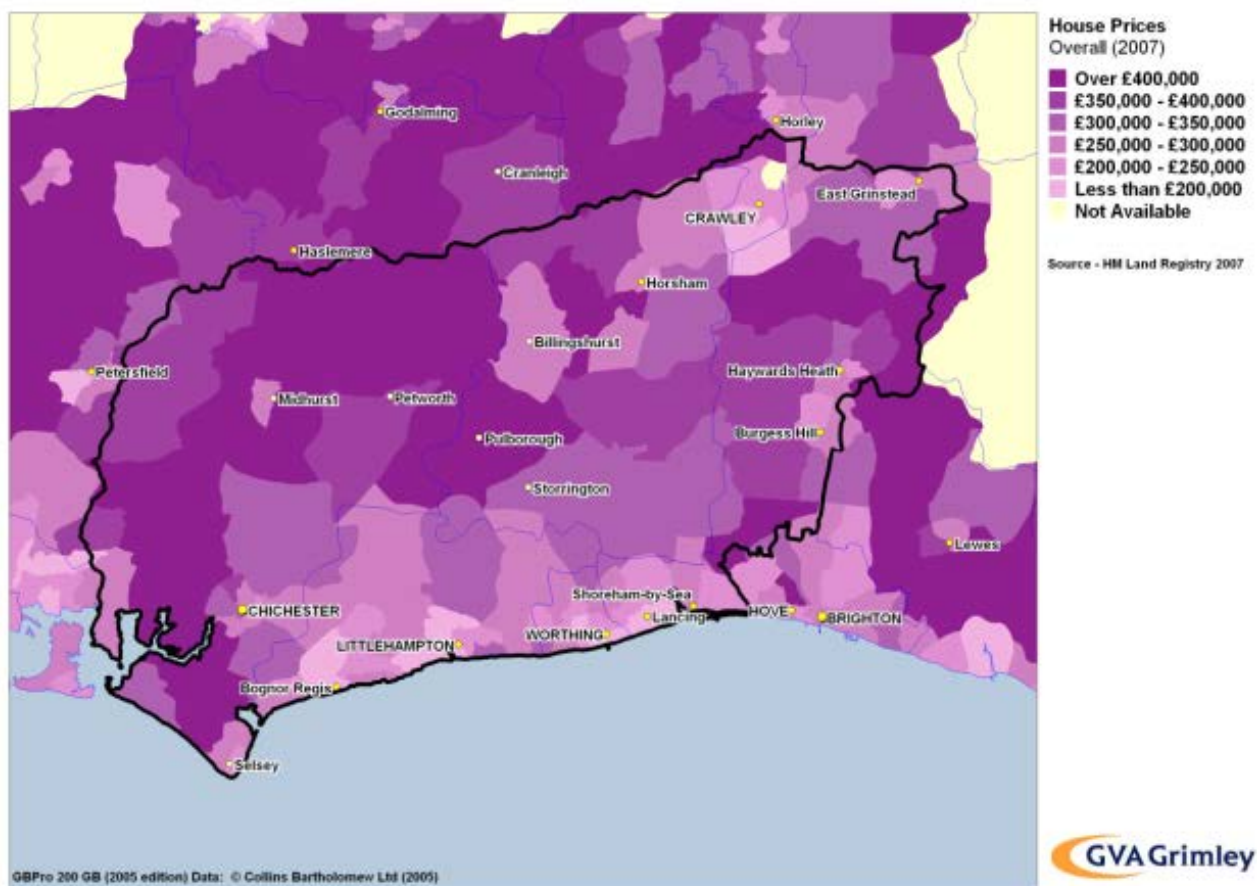
Figure 19: Sector Growth Forecasts for West Sussex 1992 to 2020

Source: Experian/GVA Grimley 2006/SHMA09

4.2 Housing transactions (prices)

189. The PPG advises that house prices should be used as an indication of the strength of demand for housing, and adequacy of supply to meet demand⁶⁰. The PPG states houses prices can be used to provide a 'market-base' enabling: *"the identification of areas which have clearly different price levels compared to surrounding areas. The findings provide information about differences across the area in terms of the price people pay for similar housing, market 'hotspots', low demand areas and volatility."*
190. Billingshurst falls into the west part of the Northern West Sussex HMA, an area that offers 'attractive smaller settlements offering high quality of place and a housing offer focused more towards larger properties with strong demand.' Billingshurst is relatively affordable as demonstrated by **Figure 20** showing variations in house prices at the local level for 2007.

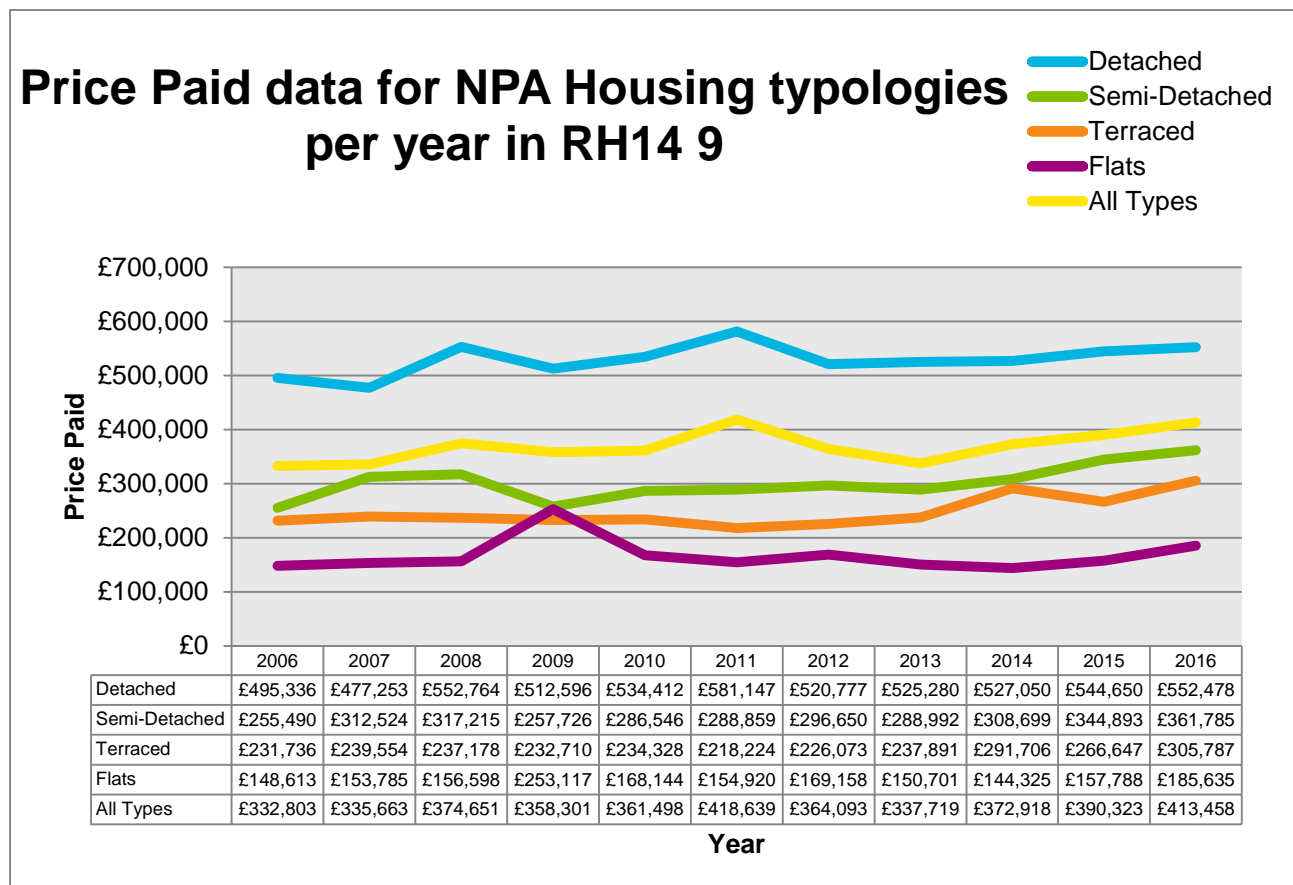
⁶⁰ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

Figure 20: Overall House Prices 2007

Source: GVA Grimley 2006/SHMA09

191. To assess more recent movements in the house market in the Billingshurst NPA we have analysed data from the Land Registry. This data provides price paid, housing type and date of transaction information which allows housing market trends to be identified. To replicate the NPA, post code data for one post code sub-sector (RH14 9) were used. Whilst it is acknowledged that this does not directly correspond with the NPA, this was deemed to be the most robust data set reasonably available beyond a street by street refinement. Data was then downloaded for the period of January 2006 to December 2016 and is presented annually in **Figure 21**.
192. **Figure 21** shows that the combined mean house prices of the NPA, which increased from £333,000 in 2006 (rounded) to £414,000 (rounded) in 2016. This represents an increase of approximately 24% over a ten year period. Across housing types however, this trend was not consistent, with detached dwellings seeing just a 12% increase in prices over the period, whilst semi-detached houses saw a price increase of 42%, and terraced houses and flats growth of 32% and 25% respectively. This was in marked contrast to Horsham District as a whole, which saw greater, though still inconsistent increases of between 36%-63% across the various housing types.

Figure 21: Land Registry data showing 'price paid' data for the Billingshurst NPA⁶¹



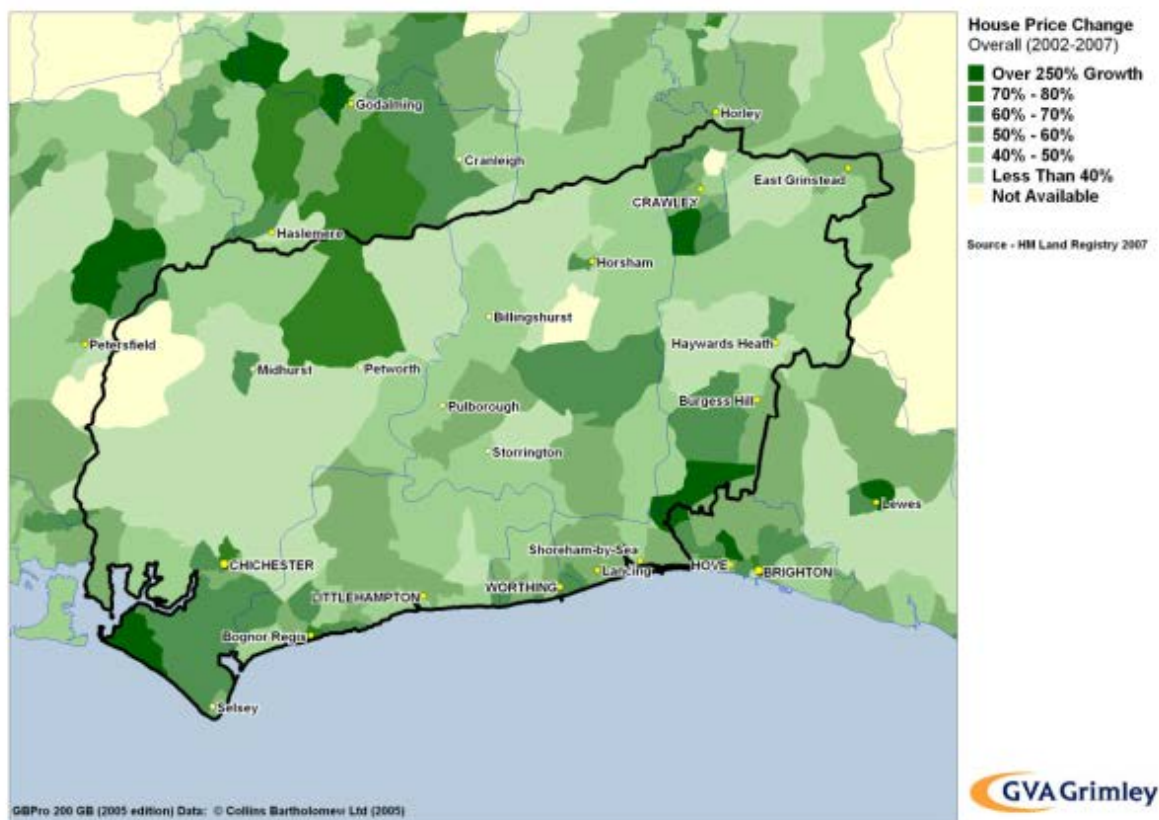
Source: Land Registry, AECOM Calculations

193. Whilst in 2006, prices paid for all types of housing were higher in Billingshurst than in Horsham, by 2016, only two housing types in Billingshurst sold for higher prices on average. Indeed, no single housing type in Billingshurst outperformed those in the District as a whole in terms of house price growth over the ten year period: prices paid in Billingshurst across all dwellings were 27% higher than in Horsham in 1996, and thus were rising from a high base. By 2016, prices in Billingshurst were, across all dwelling types, only 9% higher than Horsham as a whole.

⁶¹ Note: the 2009 price point for flats is seen as artificially high because the 2009 data showed that 14 of 15 flats sold were in a single development, The Manor House, Summers Place, by Berkeley Homes. Though comprising a mixture of new build and renovation, all of these units were classed as New Build for the purposes of land registry data.

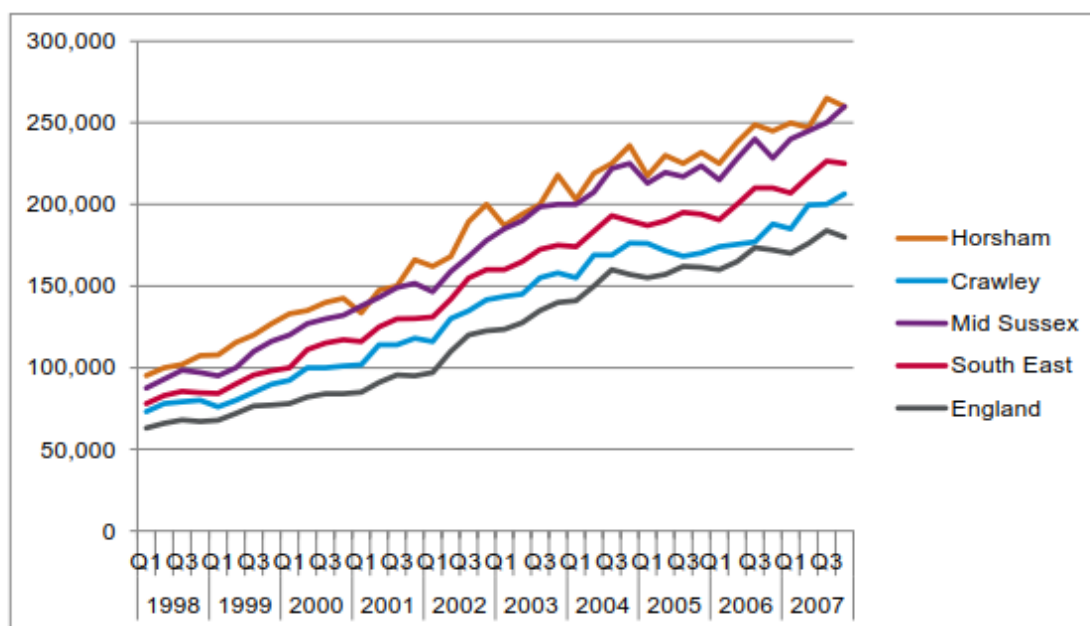
194. This contrast between house prices in Billingshurst and its surroundings is reiterated by historic trends as shown in the SHMA 2009, shown in **Figure 22** below, which demonstrates that between 2002-2007, Billingshurst experienced between 40%-50% house price growth, whilst many other areas in the District experienced growth of 50—80% and some outliers experienced growth of up to 250%.

Figure 22: Price inflation, overall house prices, 2002-2007



Source: GVA Grimley 2007/SHMA09

195. Furthermore, **Figure 23** from the Northern West Sussex SHMA outlines the relative prices of the sub-housing market areas regarded as comparator areas for Horsham. Although the data is for a different period of study the relationship between the different areas is still useful. Figure 24 shows that Horsham as a whole has historically possessed higher average house prices compared to the rest of the wider Housing Market Area (HMA). Given that Billingshurst NPA has been shown to possess lower than average house prices compared to Horsham district, and that its prices are increasing at a lower rate than the district as a whole, it is reasonable to suggest that the housing market in Billingshurst is more similar to that of the wider HMA than to Horsham District, and is experiencing relatively less demand than the district, again more in line with the wider HMA.

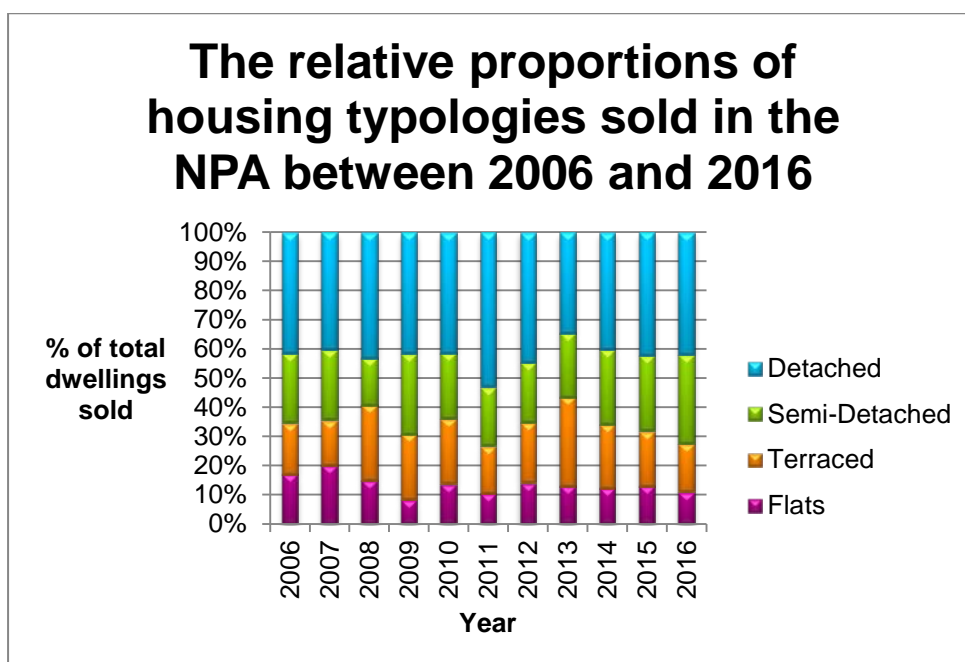
Figure 23: Median house price (1998-2007)

Source: DCLG Live Tables/Land Registry/HNHD2015

4.3 Housing transactions (volume)

196. Figure 24 below depicts the relative proportions of different housing typologies sold in the Billingshurst NPA between 2006 and 2016. This graph represents the same Land Registry data as discussed in the previous section separated out by housing type which can therefore be compared to the overall proportions of housing stock with the NPA, as shown in Table 27 to indicate the relative matching between supply and demand in the area. This data is comprised of 2118 transactions for approximately 3107 dwellings (as this has changed on an annual basis).

Figure 24: The relative proportions of housing typologies sold in the NPA between 2006 and 2016.



Source: Land Registry, AECOM Calculations

197. As shown in Table 27 below, the majority of houses sold in the NPA are detached, followed closely by semi-detached dwellings. This has remained consistent through the period of study, although there was an increase in the proportion of detached houses sold in 2011, potentially reflective of the national recession, and the resilience of sales in this housing type. In addition, Table 29 shows that there are relative consistencies between supply of housing types (the overall housing stock in the NPA) and the proportions of housing types purchased in the NPA. In particular however, sales of detached houses are 8% higher than expected based on the housing stock, while semi-detached properties are 6% lower. This may be because of the relatively lower prices of detached housing in Billingshurst compared with the rest of Horsham.

Table 27: Housing market transactions and housing stock proportions for the NPA.

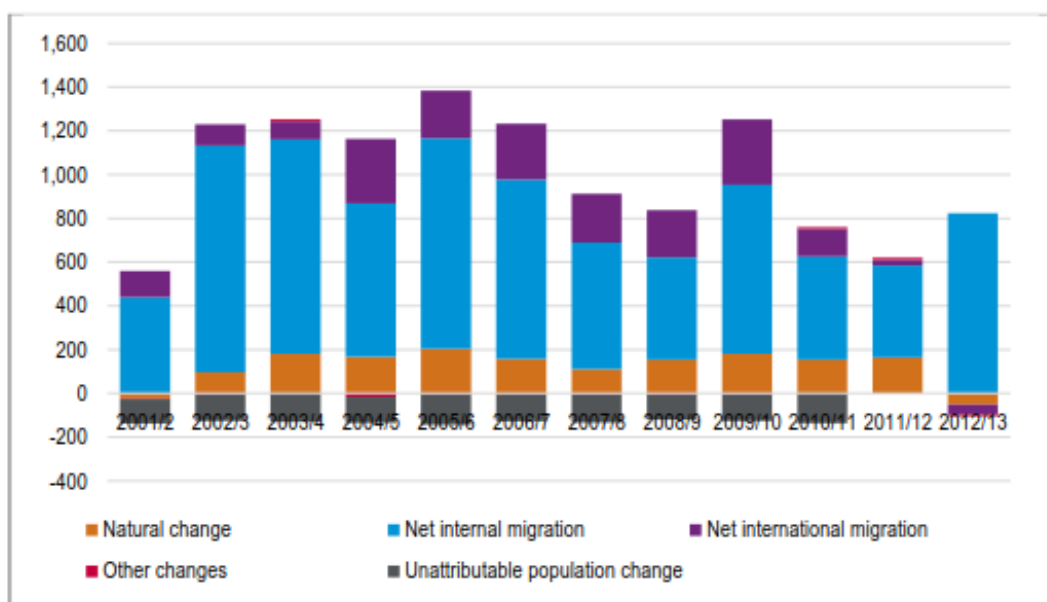
Housing type	Percentage of total sold in NPA 2006-2016 (PPD, rounded)	Percentage of total housing stock 2011 (ONS, rounded)
Detached	42%	33%
Semi	24%	30%
Terraced	20%	20%
Flats	14%	17%

Source: Land Registry Price Paid Data, ONS Census 2011 and 2001, AECOM Calculations

4.4 Migration

198. Figure 25 below, from the most recent SHMA update for Horsham, HNHD15, shows that migration is the key driver of population change and in particular internal migration (i.e. moves from one part of the country to another). This is corroborated by the SHMA09, which shows that in the years 1996-2006, Horsham experienced the highest level of population growth, of approximately 10%, of any district in the Northern West Sussex Housing Market Area, totalling more than 10,000 people,⁶² and that this was driven in large part by migration from London and from Brighton⁶³. This has contributed to population growth of 8.2% in Billingshurst, slightly higher than the average for Horsham district, 7.5%⁶⁴

Figure 25: Components of Population Change, mid-2001 to mid-2013 – Horsham



Source: Census 2011/HNHD15

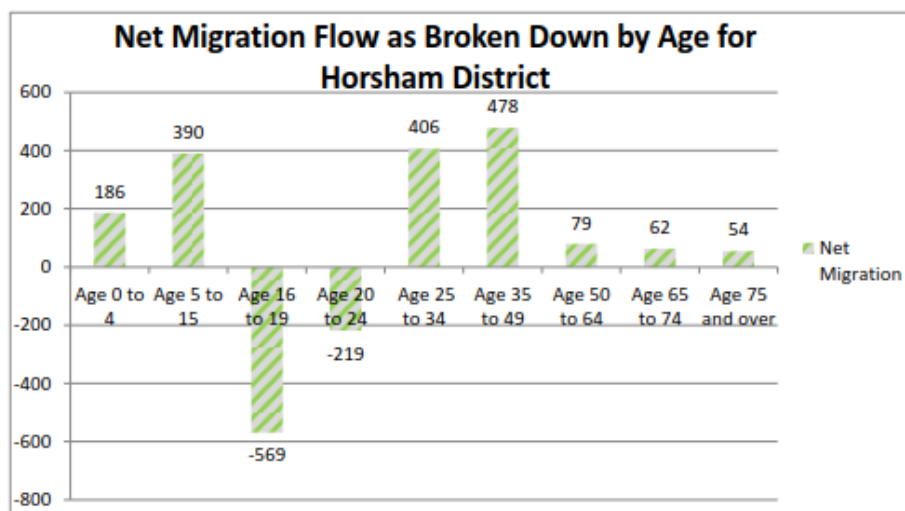
199. The recent Horsham Economic profile hypothesized that the greater migration seen for the older group of children (age 5-15) seen in Figure 26 is a relative indicator of more older families migrating to Horsham District than prior to the 2001 census, potentially as a result of less affordable housing options for new families in the area, suggesting that demand for housing may have been depressed.

Figure 26: Net movement of each age group into and out of Horsham District

⁶² SHMA09, pp. 103

⁶³ Ibid., pp. 104/105

⁶⁴ Census 2001, Census 2011, AECOM Calculations



Source: Horsham Economic Profile, December 2016

4.5 Overcrowding and concealed families

200. Another indicator of demand in the housing market is shown by the prevalence of overcrowding in the NPA. This is because demand for housing in the area can manifest itself in the over-occupation of housing stock as increased demand does not always result in an increase in supply as this is relatively inelastic.
201. Table 28 below shows that there is evidence of 27 concealed families within the Billingshurst NPA, an indicator of a lack of affordability. This means that there are 27 'hidden families' living within multi-family households, in addition to the primary family, such as a young couple living with parents. Whilst this may be seen to indicate under-provision in the NPA, this rate is broadly in line with the Horsham average in terms of overall percentage. Furthermore, this Billingshurst value may be over represented due to the relatively small sample size.

Table 28: Concealed families in Billingshurst, 2011

Concealed families	Billingshurst	Horsham	England
All families: total	2,430	38,935	14885145
Concealed families: total	27	451	275954
Concealed families as % of total	1.1%	1.2%	1.9%

Source: ONS Census 2011

202. A second indicator which can be used to assess the relative overcrowding experienced in the Billingshurst NPA is the trend in the number of persons per room and how this has changed over the period between the two most recent censuses, as shown in Table 29 below.
203. Table 29 below shows that the amount of households living in the most dense category has decreased by 20%, however this reflects the very small sample

size, i.e. from 5 to 4 households. Indeed, approximately 74% of households lived in the least dense category of up to 0.5 person per room in Billingshurst, a reduction of approximately 1% since 2001, as shown in table 26 below. These data support the view that Billingshurst does not suffer from overcrowding, and certainly not to the extent indicated for Horsham as a whole by the Housing Need in Horsham District 2015, which identified significant growth in both multiple occupation and overcrowding in the area.

Table 29: Trends in number of persons per room in Billingshurst, 2001-2011

Persons per room	Billingshurst	Horsham	England
Up to 0.5 persons per room	8.6%	10.9%	7.9%
Over 0.5 and up to 1.0 persons per room	14.0%	5.8%	7.0%
Over 1.0 and up to 1.5 persons per room	32.0%	22.0%	27.3%
Over 1.5 persons per room	-20.0%	29.5%	2.5%

Source: ONS Census 2011

4.6 Rate of development

204. Data provided by the LPA below shows that there were 465 dwelling completions in Billingshurst Parish between 2011 and 2016. There has been a significant increase in the pace of delivery over the period for which data is available, mainly to the national recession, which depressed completions in the earlier part of the period.

Table 30: Housing Completions Data for Billingshurst Parish

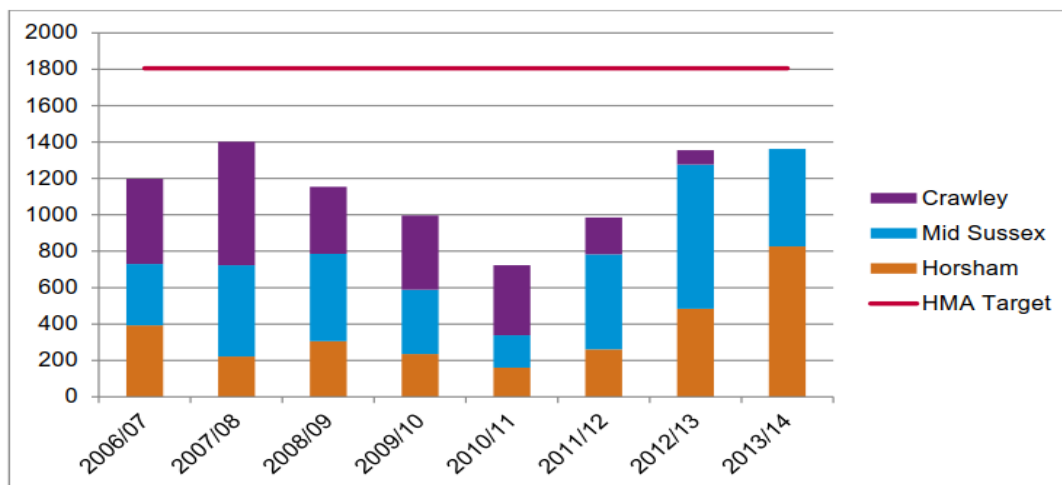
Survey Year	Parish	Site Total	Houses	Flats	OAP Units	Built Units	Losses
2010/11	BL	51	36	15	0	24	24
2011/12	BL	74	62	12	0	46	0
2012/13	BL	85	66	19	0	63	1
2013/14	BL	93	0	0	0	93	0
2014/15	BL	207	185	22	0	65	4
2015/16	BL	279	272	7	0	174	0
TOTAL		789	621	75	0	465	29

Source: Horsham District Council

205. This is reflected in the drop in housing supply focused on the year 2010/2011 across the Northern West Sussex Housing Market Area, as shown in **Figure 27** below. The chart also demonstrates the relative strength of Horsham's housing market recovery, particularly when set against nearby Crawley, and the dip in supply in Mid-Sussex for 2013/14, the last year for which data is available. Needless to say, housing supply has not, in the years for which data was available, surpassed more than 80% of projected need for the housing market area, as shown below, although in the year 2013/2014

Horsham did deliver more than the 800 homes set as an annual target in its 2015 District Planning Framework⁶⁵.

Figure 27: Housing Supply vs. Past Targets, 2006/07-2013/14

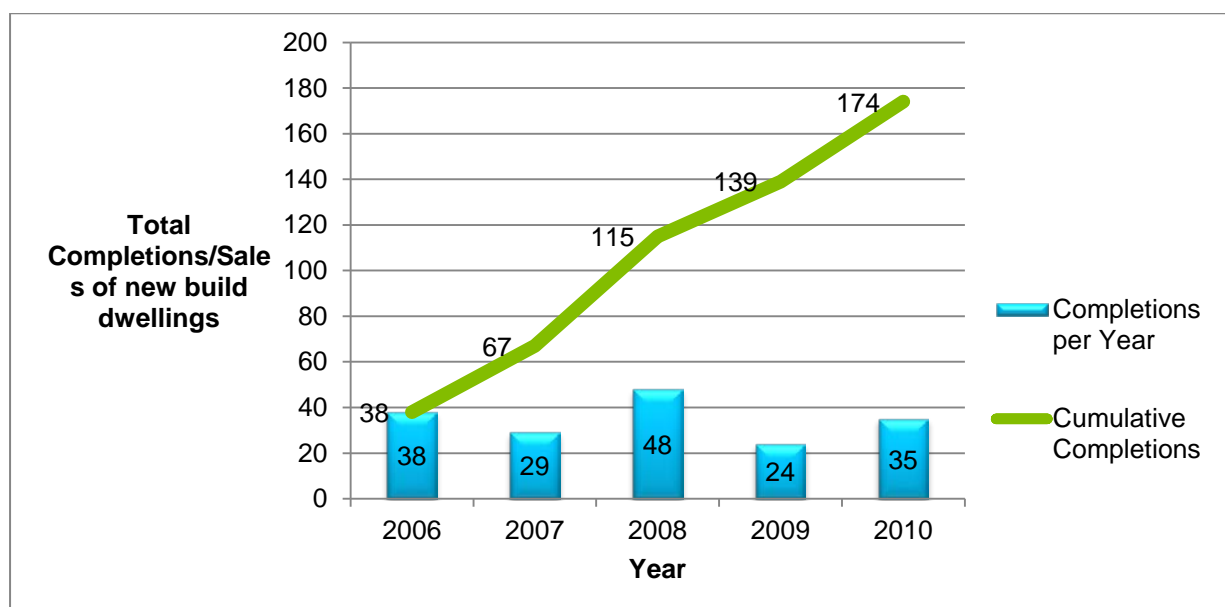


Source: Local Authorities' Annual Monitoring Reports/HNHD15

206. Indeed Figure 28 below, compiled from Land Registry Price Paid Data, based on sales of new build properties, suggests that delivery in the preceding five years, prior to the local authority data, just 174 units were completed. Using the price paid data to arrive at these estimates is not entirely accurate, and provides merely a rough estimation of completions in Billingshurst, but still, it is clear that housing delivery has more than doubled from the previous period, and this cannot solely be explained by the effects of the national recession on development. In 2015/16 alone, 174 units were delivered in Billingshurst, the same as is estimated below for the entire period of 2006-2010.

Figure 28: Cumulative completions versus sales of new build dwellings in Billingshurst, 2006-2010

⁶⁵ HDPF15, pp. 54



Source: Land Registry, AECOM Calculations

207. Furthermore, a strategic site of 150 homes at Land South of Billingshurst is included in the strategic allocations of the District Planning Framework. Such a site would, were it to come forward for development and be built out, represent a more than 100% uplift in delivery for the Parish in every year except 2015/16.

5. Conclusions

5.1 Quantity of Housing Needed

Table 31: Summary of factors specific to Billingshurst with a potential impact on neighbourhood plan housing

Factor	Source(s) (detailed in Chapter 5)	Possible impact on future housing need	Rationale for judgement
Employment trends	HNHD15, CtCSEP2014, HDEP16, HEP2016, SHMA09, Census 2001/11	↑ ↑	The area has been shown to have significant degree of home workers and newly registered businesses, both of which are currently increasing, and which have a high potential for future growth as noted in the Horsham District Economic Profile 2016. In terms of larger-scale employment, the financial and business services sectors and the education sector have been shown to have a competitive

locational advantage in Horsham, and both are projected to grow in the West Sussex Economic Area. Supporting both of these areas of potential growth, Horsham has a strong skills base and well educated population, with fully 8% more of the population achieving a higher qualification compared with the national average.

Furthermore, the area has significant numbers of commuters, and therefore demand for housing will be stimulated by economic growth in the wider Gatwick Diamond region, particularly as a result of two proposed enterprise zones less than an hour of Billingshurst. It has been established that these commuting patterns also extend into the Greater London Area, with the commuting distances experienced in the NPA consistent with this trend.

As a result, an assessment of two up arrows has been deemed appropriate because of the emerging role of the Gatwick Diamond as an economic hub in the region, and of London as a whole, and thus the current strength and predicted future growth of employment opportunities in the local area.

Housing transactions (Prices)

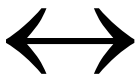

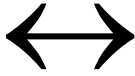
SHMA09, Land Registry Price Paid Data for 2006-2016, HNHD15



The Billingshurst NPA has been shown to have experienced a 24% increase in price paid data over a ten year period. The price paid varies significantly per housing typology however, and in particular, growth in detached house prices

has been low compared to other types and to the surrounding district, but more in line with levels of growth seen in the housing market area as a whole.

As a result an assessment of one up arrow has been deemed appropriate due to the relatively low increases in house prices experienced in the NPA when assessed against the District, thus placing it more in line with the HMA comparator areas.

Housing Transactions (Volume)	Land Registry Price Paid Data for 2006-2016, Census 2001/2011 data, SHMA09		The levels of housing typologies sold in the Billingshurst NPA matched the levels sold at the district level and of the existing stock. This suggests there is no mismatch between the demand for different housing types within the NPA compared to the district level.
Migration and demographics	HNHD15, SHMA 2009, Census data 2001, 2011		Given the significant migration to the area over the last 20 years from London and Brighton, it is reasonable to expect migration to continue, even where house prices make doing so more difficult for certain groups such as young families. For this reason, one up arrow is considered reasonable, given the growth in the economy of these two major cities in the South East.
Overcrowding and concealment	Census Data 2001, 2011		The proportion of concealed families within the NPA (1.1%) is lower to the proportion found at the district level and lower than the national average (1.9%). There is no evidence to suggest an adjustment needed based on this indicator, particularly given the very small absolute numbers of concealed families and those living

in overcrowded conditions in Billingshurst.


Rate of development	HDC, HNHD15 Land Registry Data/AECOM Calculations		The local authorities in the Northern West Sussex Housing Market Area have significantly under-delivered against HMA targets. However, in 2015/16 Billingshurst NPA contributed 22% of all housing delivered in Horsham, whilst containing just 6% of dwellings in the district. This suggests the rate of development is steady and growing.
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Table 32: Summary of local factors specific to Billingshurst with a potential impact on neighbourhood plan housing characteristics

Factor	Source(s) (see Chapter 4)	Possible impact on housing needed	Conclusion
Affordable Housing	Census, AHNMU14, Housing Waiting List	<p>Growth in Private Rented Sector (PRS) and shared ownership housing.</p> <p>The proportion of those unable to access market housing for sale has increased over the years, and currently stands at around 60% of all households.</p>	<p>The growth of these tenure types suggests the difficulty of people being able to afford market housing is becoming entrenched.</p> <p>Housing Waiting List data does not provide evidence to support BPC setting its own Affordable Housing target. Notwithstanding, given the trend towards increasing reliance on Affordable Housing products and PRS, the Parish is justified in pushing for planning gain agreements between developers and HDC achieving maximum levels of Affordable Housing, within the constraints of HDPF policy CS18.</p>

Demand/ need for smaller dwellings	Census, SHMA09	Census records a growth in solo households.	A growth in the number of smaller households does not translate automatically into a need for smaller homes, particularly in the case of market dwellings in areas of relative affluence; it would therefore be wrong to seek a substantial uplift in smaller dwellings (2-3 rooms) on the basis of this evidence alone.
		The majority of the dwellings in the area are mid-size to large.	
		Census data suggests more smaller dwellings (2-4 rooms per household) are being built.	
		SHMA data foresees a substantial increase in the proportion of the population accounted for by older people.	There is an imperative for housing policy to address the needs of older people, for example dwellings of a manageable size and designed to be 'age-friendly.'
			While 'down-sizing' suggests moving into a smaller home it's important to remember many may wish to accommodate a live-in carer as well as at least one guest bedroom for friends and family to stay.

Demogr aphic Change	Census, SHMA09	The key demographic shifts are a greater proportion of the population being accounted for by older people and an expansion of solo households.	Household composition data does support the attention being paid, in terms of the type and size of dwellings, of households comprising fewer individuals, and the average age being substantially older.
		Derived from Census data, we estimate there will be an increase in the numbers of people aged 75 and over of 748 between 2011 and 2031.	Working from the Housing LIN methodology, the projected increase in the numbers of older people will result in a need for 45 additional conventional sheltered housing units; 90 additional leasehold sheltered housing units; 15 additional 'enhanced'

sheltered units, split roughly 50:50 between those for rent and those for sale; 11 additional extra care housing units for rent, 22 additional extra care housing units for sale and 5 additional specialist dementia care homes.

Family-sized housing	<p>Market segments analysis suggests an overwhelming need for dwellings of 4 rooms and above.</p> <p>Census suggests there may be an undersupply of dwellings suited to people aged 45-65; given these people are of parental age, this implies a need for family homes.</p>	<p>Despite the apparent imbalance within the housing mix in favour of mid-size and larger homes, the size profile of current stock of housing broadly correlates to demand coming from the community, suggesting little need for active policy intervention.</p> <p>Larger dwellings should form an important part of the mix of types and sizes of homes provided over the plan period.</p> <p>The market mechanism is best suited to address demand for market dwellings of different types and sizes in the NPA; policy should therefore be permissive, supporting a wide mix of dwellings to come forward.</p>
Tenure of housing	<p>Roughly 60% of residents are unable to afford to buy dwellings without subsidy.</p> <p>Income data suggests a substantial number of residents would be able to take advantage of Discounted Market Sale Housing (DMSH) and Shared Ownership.</p>	<p>Policy should support DMSH (for example 'starter homes'), aiming to deliver the policy expectation set out in the Housing White Paper of 10% of new build dwellings.</p> <p>Shared ownership offers a realistic route to home ownership for a large number</p>

of people in the NPA.

