Maidstone Strategic Housing Market Assessment

2021 Update

Iceni Projects Limited on behalf of
Maidstone Borough Council

May 2021

Maidstone Strategic Housing Market Assessment

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1. EXECUTIVE SUMMARY

1.1 This Strategic Housing Market Assessment has been commissioned by Maidstone Borough Council to inform its Local Plan Review and support consideration on housing mix in individual development schemes. It has been prepared by Iceni and Justin Gardner Consulting.
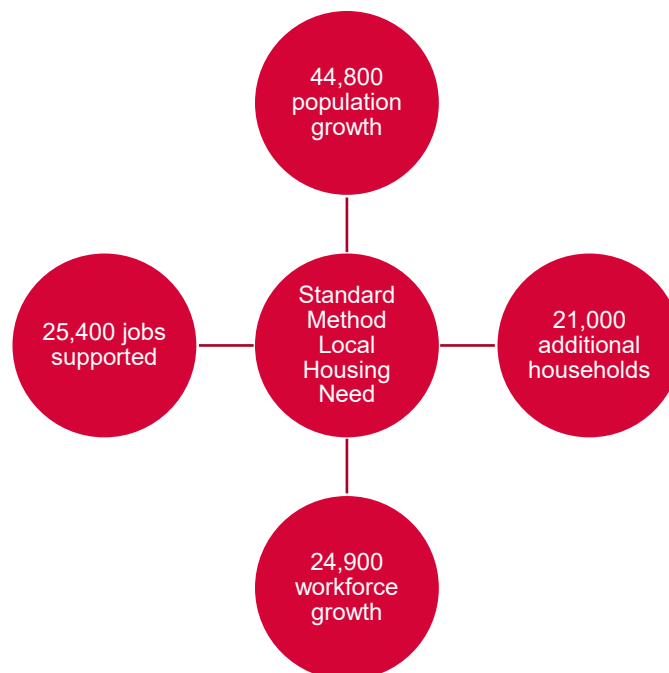
Local Housing Need

1.2 The Government, through the 2019 NPPF and associated Planning Practice Guidance, has introduced a new 'standard method' to calculate areas minimum housing need. This takes projected household growth and applies an upward adjustment based on the affordability characteristics of the area – the average house price-to-earnings ratio.

1.3 The standard method results in a local housing need for 1,157 dwellings per annum in Maidstone Borough, which equates to 17,355 dwellings over the proposed 2022-37 plan period for the Local Plan Review. This is based on 2014-based Household Projections and 2020 affordability ratios; and takes account of the latest evidence.

1.4 This would support around 26% growth in the Borough's population between 2019-37, with growth across a range of age groups and household types including significant growth in numbers of couples. It could support growth in employment in the Borough of between 25,400 – 25,600 between 2019-37. The strongest growth however would be in those age groups over 75 driven by increased life expectancy.

Implications of the Standard Method Local Housing Need, 2019-37

1.5   The SHMA finds that this is based on realistic, trend-based projections and there are not exceptional circumstances which would justify a lower level of housing need. On the other hand, there is not clear evidence that a higher level of housing provision would be justified.

1.6   The SHMA identifies Maidstone Borough as falling within a housing market which extends to include Aylesford, New Hythe, Snodland, Ditton, Leybourne and Kings Hill. It will be important that the Council actively engages with authorities in these areas on any cross-boundary issues arising in regard to housing provision through the preparation of the Local Plan Review. It also identifies wider functional relationships with Medway, Swale, Ashford, and Tunbridge Wells as well as London.

Affordable Housing Need

1.7   The majority of housing in Maidstone Borough currently is in Private Sector Ownership (87%). House prices and rents have however continued to grow across the Borough with the average (median) house price now standing at £317,750 with average rents of £850 per month. House prices are now 11.2 times the earnings of younger households, and the numbers of households living in the Private Rented Sector has been growing. The high relative market housing costs mean that there is a significant need for affordable housing in the Borough.

1.8   The SHMA indicates a net need for 559 affordable homes per year, based on the 2019 NPPF definition of need. Of this 75% is for rented affordable housing and 25% for affordable home ownership products.

Overall Annual Affordable Housing Need by Sub-Area (2019-37)

	Urban	Rural (C&N)	Rural South	Borough
Rented Affordable Housing	265	119	37	422
% Sub-Area Total	74%	77%	77%	75%
Affordable Home Ownership	91	36	11	137
% Sub-Area Total	26%	23%	23%	25%
Total Affordable Housing	356	155	48	559

1.9   The Council is justified in seeking affordable housing through new development schemes. New local plans should include policies advising on the proportion of affordable housing sought through new development and the recommended tenure and size profile of this taking account of the needs evidence, including the relative severity of need, and testing of residential development viability. In negotiating affordable housing on individual schemes, the Council should have regard to this as well as the profile of need at the local level at the time of considering a planning application and where applicable the viability of the development scheme.

1.10   The total affordable housing need shown equates to 48% of the total housing need shown (as derived from the Standard Method). This is higher than current affordable housing delivery, but it important to note that the standard method implies a significant increase on historical housing delivery rates,

and a substantial rate of housing growth. If this supports an increase in market housing affordability, it will reduce the need for affordable housing.

1.11   It is important that housing is costed to be genuinely affordable for local people and therefore it is recommended that rents are initially set at levels which do not exceed Local Housing Allowance levels.

Housing different groups within the Population

1.12   The number of younger households in Maidstone, headed by someone under 40, is expected to grow by approximately 21% between 2019-37. House prices prevent many younger households from buying a home. The Help-to-Buy Equity Loan has provided some support for younger households in being able to buy a home; and a range of measures should also be progressed through planning in seeking to provide options for younger households to buy. This includes delivery of rented and low-cost home ownership housing and rent-to-buy homes, both in the urban and rural parts of the Borough. Rural exception and entry-level exception sites can contribute positively to this.

1.13   People aged over 65 represent 19% of Maidstone Borough's population but numbers are projected to increase by 15,800 (48%) between 2019-37 with a substantial growth of 9,300 persons aged 75+ driven by improvements in life expectancy. Linked to this is an expected increase in the number of people with a long-term health problem or disability which is anticipated to rise by 10,100 persons in the Borough over the 2019-37 period. The numbers of people with mobility problems are expected to rise by over 3,400 over this period; with growth over 1,440 persons with dementia. A need is shown for 923 wheelchair-user homes.

Growth in People with Health or Mobility Issues, 2019-37
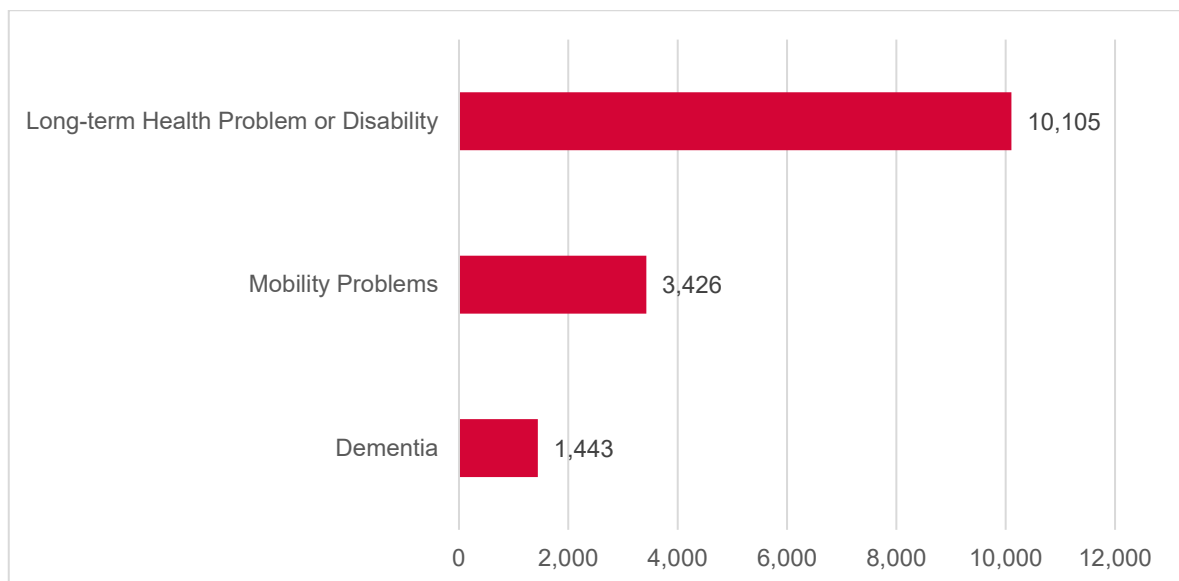
1.14   Whilst many older households will continue to live in the general housing stock, some may require or choose retirement or specialist housing if a choice of attractive homes is available. A need is shown for 1,339 housing with support units, such as sheltered housing or retirement living, over the

period to 2037, the majority of which are expected to be leasehold. There is also a need for at least 803 housing with care units, with a need for both market and affordable provision which can be met through provision of extra care housing. Additionally, there is a need for up to 1,228 care or nursing home bedspaces to 2037 (albeit some of the need shown for care home bedspaces could be delivered through extra care schemes).

Need for Specialist Housing/ Care Provision for Older People
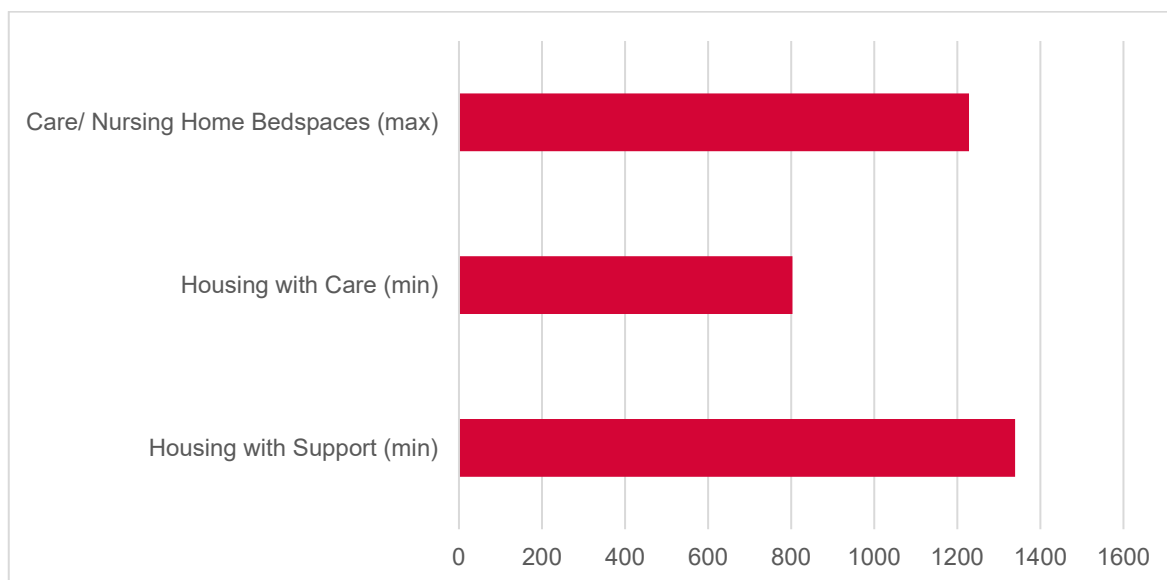
1.15   Taking account of the current stock and expected demographic trends (including the expectation that some older households will downsize if the right properties are available), the SHMA points to a need for different types of homes in both the market and affordable sectors. Both strategic and local findings should be considered when the appropriate mix of housing on individual development sites. Its strategic conclusions on the mix of housing needed at a borough-wide level are shown below.

Mix of Homes of Different Sizes Needed

	Social/ Affordable Rented	Affordable Home Ownership	Market
1-bed	30-40%	25%	5%
2-bed	30-35%	40%	25%
3-bed	25-30%	25%	45%
4+ bed	10%	10%	25%

1.16   The SHMA outlines that these should inform negotiations regarding the mix of housing to be delivered on individual development sites alongside consideration of the existing housing mix in the settlement, and where appropriate evidence of the profile of households on the Housing Register in an area or needs shown through local survey evidence.

1.17   The SHMA points to some potential for co-living / buying schemes to come forward in Maidstone, however it is unlikely that these schemes will contribute significantly to overall housing growth. Outside of London, Build-to-Rent development is currently a reasonably embryonic market, however

there is a pipeline of such scheme progressing in central Maidstone. Consequently, it is appropriate for the Council to consider how policies may be applied to it.

1.18   Self- and custom-build development is also a growing sector of the housing market, and one which has potential to contribute to housing delivery. There are different potential delivery models for how this could be developed which need to be considered in crafting planning policies as well as preferences of different prospective self-builders. The SHMA outlines that self/ custom-build development should be supported on both small and larger sites in the Borough.

2. INTRODUCTION

2.1 In October 2017 Maidstone Borough Council adopted a comprehensive Local Plan, to guide development within the borough over the period 2011-2031. Policies within the Maidstone Borough Local Plan (MBLP) were informed by the Maidstone Strategic Housing Market Assessment (SHMA) undertaken by GL Hearn in 2014.

2.2 The Council have committed to an early review of the Maidstone Borough Local Plan (MBLP) which is anticipated to be adopted by April 2022. There have also been a number of significant shifts in the underlying housing and policy landscape including the publication of the revised National Planning Policy Framework (NPPF) and release of updated or new Planning Practice Guidance.

2.3 To inform the Local Plan Review, the Council has commissioned a consultancy team comprising Iceni Projects Limited (Iceni) and Justin Gardner Consulting (JGC) to prepare a new Strategic Housing Market Assessment. The SHMA was first prepared in 2019 and has been updated in Spring 2021.

2.4 The updated SHMA is not starting anew but represents the evolution and development of the previous 2014 SHMA and 2015 SHMA Addendum. This report therefore draws on these previous studies, where relevant but seeks to take account of the latest Government policy / guidance and the latest data, bringing the assessment of housing needs up-to-date.

Core Requirements of the Brief

2.5 The updated SHMA responds to the release of a revised National Planning Policy Framework and associated updated Planning Practice Guidance by Government. In particular this provides a revised framework for assessing local housing needs, a new widened definition of affordable housing; and guidance on how to assess the needs of particular groups within the population and specific market segments, including the self- and custom-build and build-to-rent sectors, and guidance on assessing the needs of older persons and those with disabilities.

2.6 The core requirements of the Council's brief were to:

- review the housing market geography including examining whether the conclusions draw in the previous 2014 SHMA of a Maidstone-focused HMA hold true;

- provide an overview of recent changes in Maidstone's housing market having regard to the existing stock, house prices, rental prices and incomes;

- undertake an updated analysis of affordable housing need and consider whether the current MBLP policies are justified in terms of delivering housing which is affordable to local residents in different parts of the borough; whether a lower threshold for affordable housing provision would

be appropriate in the rural parts of the borough; and the role of rural and entry-level exception sites; and

- provide evidence of the existing and future need for housing of older people; people with disabilities; younger people; for private rented housing; self- and custom-build homes; student housing; and from service personnel.

2.7   The focus of the SHMA thus differs from previous studies and focuses on considering evidence relating to the mix of housing. Overall housing need (Maidstone's "local housing need") is now determined using the standard method set out in Planning Practice Guidance.

2.8   For the avoidance of doubt, the SHMA itself does not set targets for housing in the Borough – the Council itself will do this through the plan-making process, bringing together a range of evidence including information on land availability and infrastructure capacity. This Assessment does not set policies for the mix of housing to be applied to individual sites, but it is a consideration (potentially alongside others) which can inform discussions between the Council and developers/ landowners on housing mix alongside other site-specific considerations and local evidence.

Housing Market Geography

2.9   Iceni has undertaken a review of the housing market geography to inform the preparation of this SHMA. This is set out in **Appendix A**.

2.10   Taking account of previous research, house price differentials and growth (overall and by house type), migration and commuting flows, the evidence points towards the existence of a Maidstone Housing Market Area which includes the whole of Maidstone Borough, together with the settlements of Aylesford, New Hythe, Snodland, Ditton, Leybourne and Kings Hill in the western part of Tonbridge and Malling Borough. This is broadly consistent with that identified in the previous 2014 SHMA.

2.11   These areas are defined in a common housing market area reflecting the strong migration and commuting inter-relationships between these areas and similarities in housing costs for similar products.

2.12   Whilst this is the area which has the strongest functional relationship to Maidstone Borough and where the evidence supports the existence of a common Housing Market Area, the evidence in Appendix A shows that there are also functional inter-relationships with other adjoining authorities, including Medway, Swale, Ashford and Tunbridge Wells; as well as with London.

**Housing Sub-Markets within Maidstone Borough**

2.13   To inform assessment of potential differences in the mix of housing needed within different parts of Maidstone Borough, the SHMA has identified a number of different housing sub-markets which demonstrate different characteristics. Three sub-markets have been identified:

- Maidstone Urban Area;

- Rural South – which includes Marden, Yalding and Staplehurst; and

- Rural Centre and North of Maidstone Borough – the remaining part of the Borough.

2.14 These have been identified based principally on differences in the housing offer and costs in the three areas. The basis of the identification of these is set out in **Appendix B**. The figure below shows the housing market area and sub-market geography spatially.

Figure 2.1: Housing Market and Sub-Market Geography
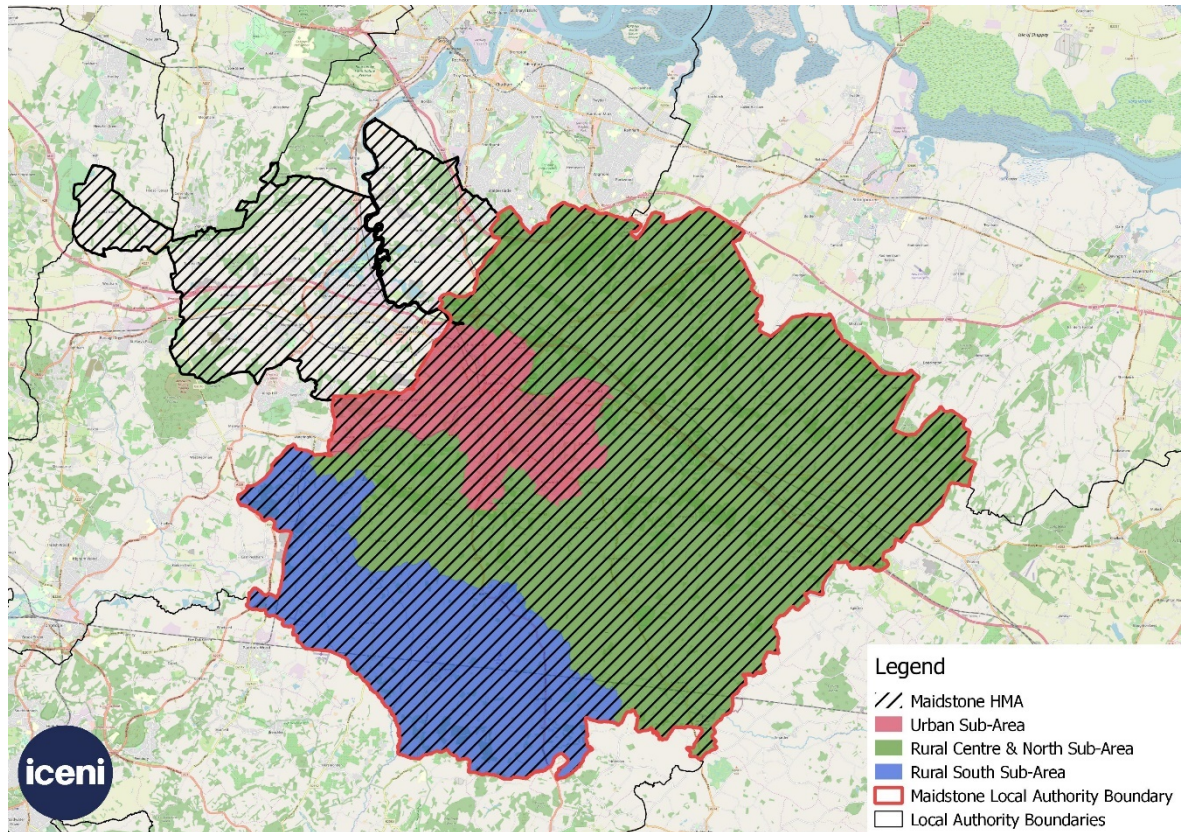
Report Structure

2.15 The remainder of the report is structured as follows:

- Section 3: Housing Offer and Market Dynamics;

- Section 4: Local Housing Need;

- Section 5: Affordable Housing Need;

- Section 6: Housing Needs of Younger People;

- Section 7: Needs of Older and Disabled People;

- Section 8: Need for Different Sizes of Homes;

- Section 9: Other Specific Housing Market Segments;

- Section 10: Conclusions and Recommendations.

3. HOUSING OFFER AND MARKET DYNAMICS

3.1 An important building block for considering what housing needs to be delivered in the future is to understand the existing housing offer (by type, tenure and size) and how the mix of properties varies between tenures. This recognises that the majority of the housing stock in 2037 will be that which already exists today. We therefore profile in this section the current housing offer; and housing supply trends.

Housing Offer

Tenure Profile

3.2 Figure 3.1 shows that of the total number of dwellings within Maidstone Borough, 87.0% of these are within the private sector (which includes both owner-occupied and private rented properties), with the remaining 13.0% owned by a Registered Provider. The Local Authority owned just 21 homes.

Figure 3.1: Tenure Profile, 2019
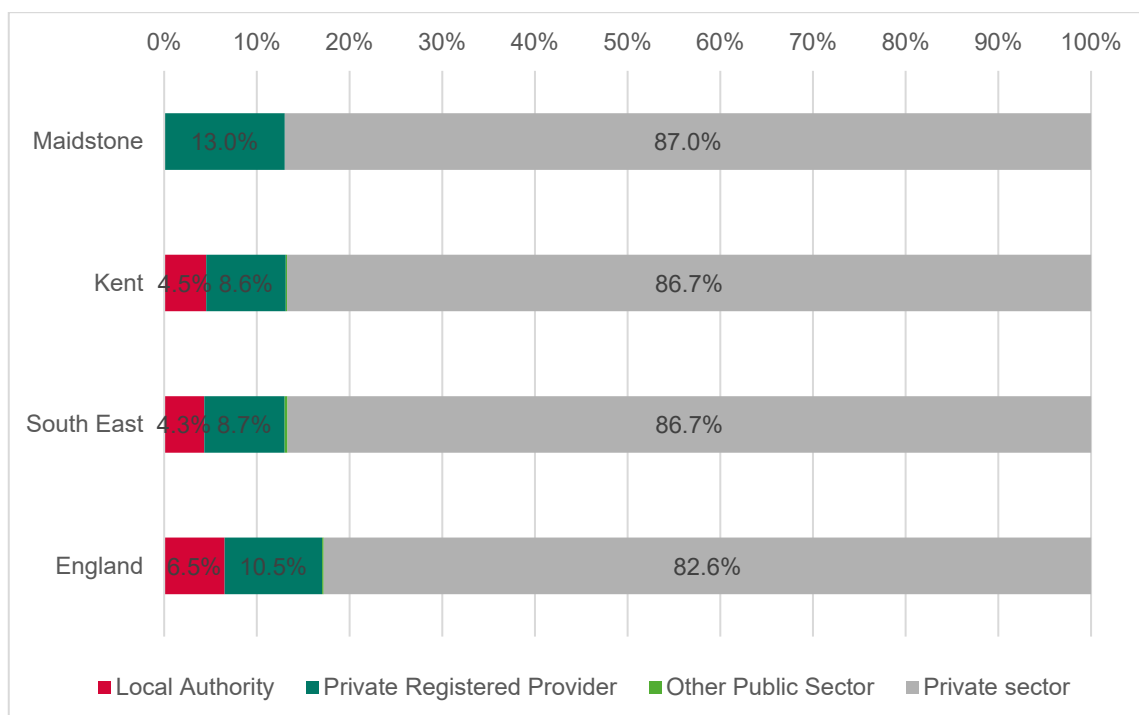
Source: MHCLG Table 100 and 109

3.3 Figure 3.2 shows how the tenure profile in the Borough has changed over the period since 2011. Over the 2011-19 period, the number of properties in private sector ownership has increased by 5,968; with a growth of 1,302 owned by registered providers (in net terms); and a decline of 659 owned by the Council or other public sector bodies. Overall the stock of affordable housing has grown in absolute terms.

3.4   The private sector has driven overall housing growth. Housing owned by the Local Authority, Registered Providers and other public sector bodies has remained relatively stable as a proportion of the total housing stock, falling slightly from 13.3% in 2011 to 13.0% in 2019. The level of affordable housing is broadly consistent with the Kent and South-East averages (13.3%) but below the national average (17.2%).

Figure 3.2: Changing Profile of Housing by Tenure, Maidstone Borough
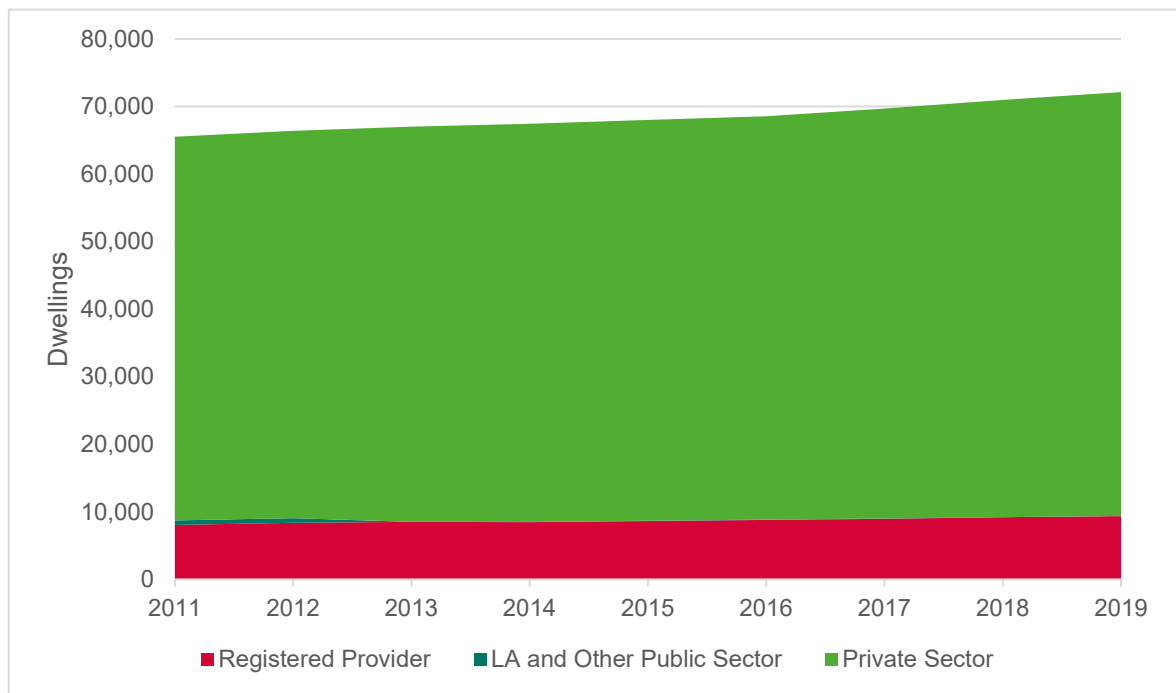
Source: MHCLG Table 100

3.5   At the national level, a key trend in the housing market has been a growing number of households living in the Private Rented Sector (PRS). The English Housing Survey shows that across England the proportion of properties within the PRS has increased by from 10.0% in 2000 to 18.7% in 2019/20 – an increase of 8.7 percentage points. In contrast, the proportion of properties which were owner-occupied decreased by 6.0pp, whilst the proportion of social renters decreased by 2.7pp. In absolute terms, the PRS more than doubled in size over this period, whereas the owner-occupied sector grew by 7.1% and the social rented sector grew by 0.6%.

3.6 The housing and homelessness charity Shelter has undertaken some modelling based on a 2018 YouGov survey of tenure changes between 2001 to 2018. As shown in Table 3.1 below, the Survey suggested that the proportion of properties which are owned (outright / with a mortgage / shared ownership) in Maidstone appears to have decreased over this period, with significant growth seen in the Private Rented Sector. The figures are based on survey data which at a local level has a relatively wide error margin. However, it is likely, based on wider evidence, that the PRS will have grown substantially over the last decade or so.

Table 3.1   Growth in the Private Rented Sector – Maidstone Borough

	Owned Outright / Mortgage / Shared Ownership	Social Housing	Private Rent / Rent Free
2001 Census	81%	11%	8%
2018 YouGov	56%	13%	31%
Percentage point Change	-25%	2%	23%

Source: Shelter, 20181

House Sizes and Types

3.7 To assess the profile of homes of different sizes, we have used 2011 Census data as a baseline. This showed that 3-bed properties were the most prevalent in across Maidstone Borough (in both the urban and rural areas), accounting for 42% of properties. As anticipated, the rural areas of Maidstone have the highest proportion of 4-bedroom properties (23% and 21% for Maidstone Rural Centre and North and Maidstone Rural South respectively) and 5-bedroom properties (9% of the total stock in both rural sub-areas), which are higher than the proportions at the national, regional and borough levels.

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[1]

https://england.shelter.org.uk/professional_resources/policy_and_research/policy_library/policy_library_folder/growth_in_the
_private_rented_sector_2001-2018

Figure 3.3: Housing Stock by Number of Bedrooms, 2011
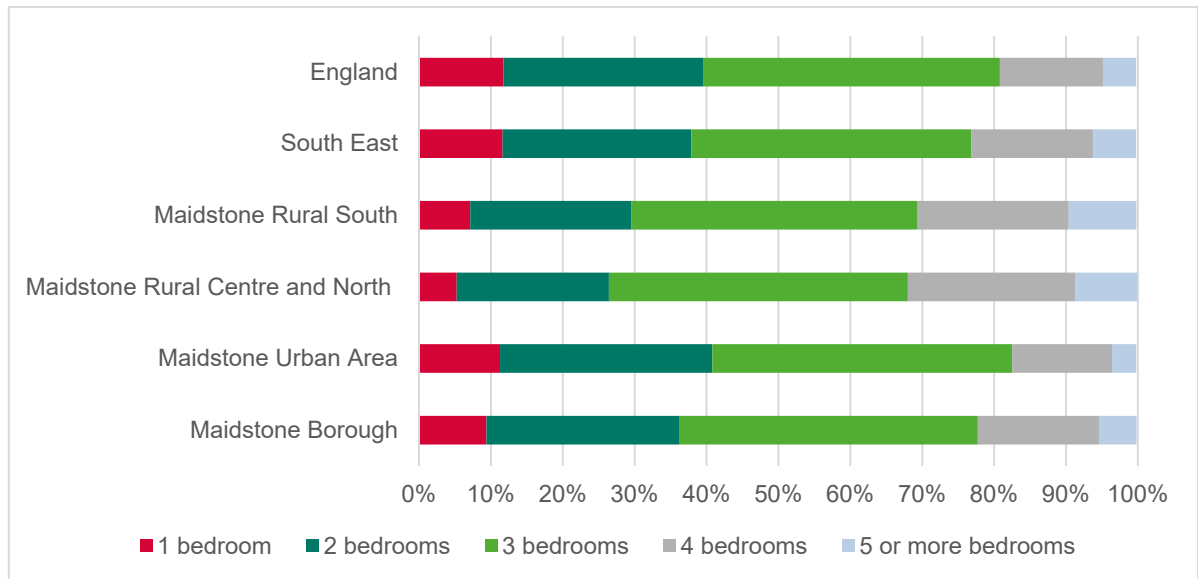
Source: Census 2011

3.8 Across Maidstone Borough, semi-detached properties formed the greatest proportion of housing stock (34.0%), followed by detached (25.6%) and terraced (24.0%). Flats accounted for just 15.3% of the stock borough-wide compared to 20.3% across the South East region. The proportion of detached properties sits between the proportion of these properties within the South East (28.2%) and England as a whole (22.4%).

3.9 As anticipated, the greatest proportions of detached properties are located in the rural areas, comprising between 35.4% and 46.6% of the housing stock within rural Maidstone. In Maidstone Rural Centre and North detached properties comprise almost half of the total housing stock. In contrast, detached properties only comprise 16.3% of the housing stock within the Maidstone Urban Area, with terraced and semi-detached properties being the dominant housing types in this area (33.4% and 28.5% respectively). As is to be expected, the proportion of flats in the Maidstone Urban Area (21.3%) was higher than in the rural sub-areas (16.4% and 17.6% for the Rural South and Rural Centre and North areas respectively).

Figure 3.4: Housing Stock by Type, 2011
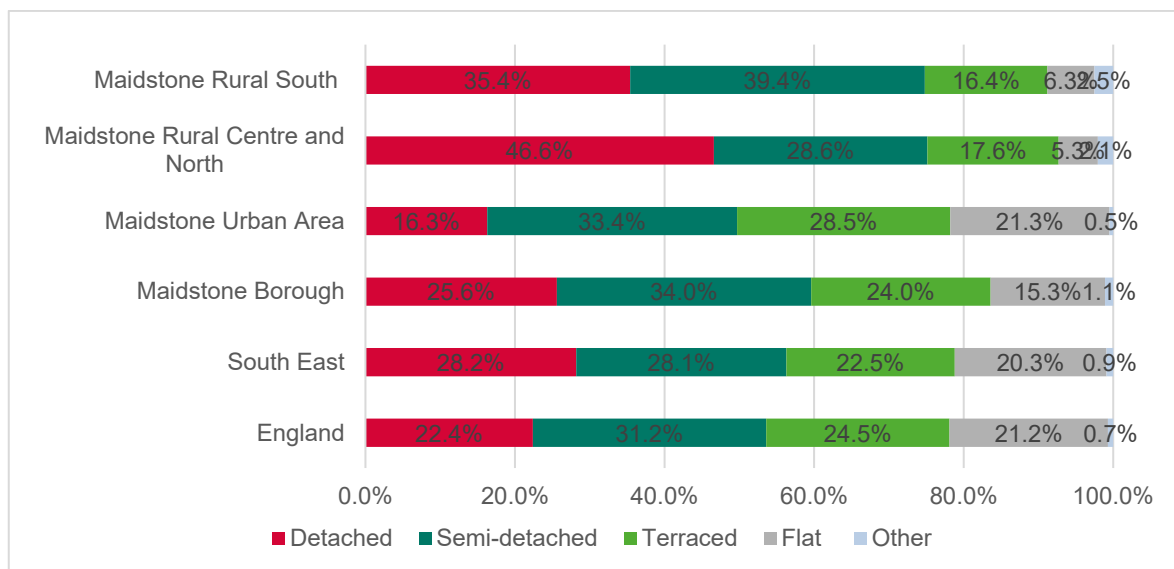
Source: 2011 Census

3.10 Table 3.2 below demonstrates the split of the housing stock in Maidstone Borough by type and tenure in 2011. As larger homes are typically accommodated by those with higher incomes, we see detached and semi-detached housing being principally occupied by owner-occupiers; with higher proportions of rented properties being terraced or flatted. At the time of the Census, 71.5% of properties were owner occupied; 15.8% private rented and 12.7% in the social rented sector.

Table 3.2   Housing stock in Maidstone Borough by Tenure and Type

% households	Detached	Semi-detached	Terraced	Flats	Total
Owned outright	12.5%	13.2%	5.1%	2.1%	32.9%
Owned with mortgage or shared ownership	11.0%	14.4%	10.5%	2.7%	38.6%
Social rented	0.3%	3.0%	3.8%	5.6%	12.7%
Private landlord or letting agency or living rent free	1.8%	3.4%	4.6%	6.0%	15.8%
Total	25.6%	34.0%	24.0%	16.4%	100%

Source: Census 2011

3.11 Within Maidstone, we have also sought to consider how the profile of homes differs between the more urban and more rural parts of the borough. There are higher proportions of owner-occupied properties in the rural areas. The proportion of social rented properties is higher in the urban area; with higher private renting in the higher cost 'Rural South' than in the 'Rural Centre and North.'

Table 3.3   Split of tenures in Maidstone by Sub-Area, 2011

	Maidstone Urban Area	Maidstone Rural Centre and North	Maidstone Rural South
Owner Occupied	70%	81%	76%
Social Rented	17%	7%	9%
Private Rented	16%	12%	15%

Source: Census 2011

3.12   The Regulator of Social Housing provides a summary overview of affordable housing owned or part owned by Registered Providers. There are currently 38 registered providers with properties in Maidstone Borough. As shown in Table 3.4 below, there were 7,924 general needs properties in the Borough, all of which are self-contained. There are around 880 low-cost ownership homes, which includes shared ownership and shared equity homes. In addition, there are around 1,550 properties targeted at older persons housing needs.

Table 3.4   Affordable Housing Provision in Maidstone Borough, 2019[2]

	Maidstone
General needs self-contained	7,924
General needs non self-contained	0
General needs	**7,924**
Supported housing	291
Housing for older people	1,150
Low Cost Home Ownership Housing	879

Source: The Regulator of Social Housing, 2019

3.13   The profile of homes of different sizes is profiled in Figure 3.5. The Borough had a profile of homes which is not dissimilar to that across the South East, but with slightly higher proportion of 3-bed properties in 2011. Within the Borough, as we might expect, there is a higher proportion of smaller homes in the urban area, and a greater focus on larger properties with 4 or more bedrooms in the rural areas.

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[2] Statistical Data Return 2018 to 2019 - GOV.UK (www.gov.uk)

Figure 3.5 Sizes of Properties, 2011
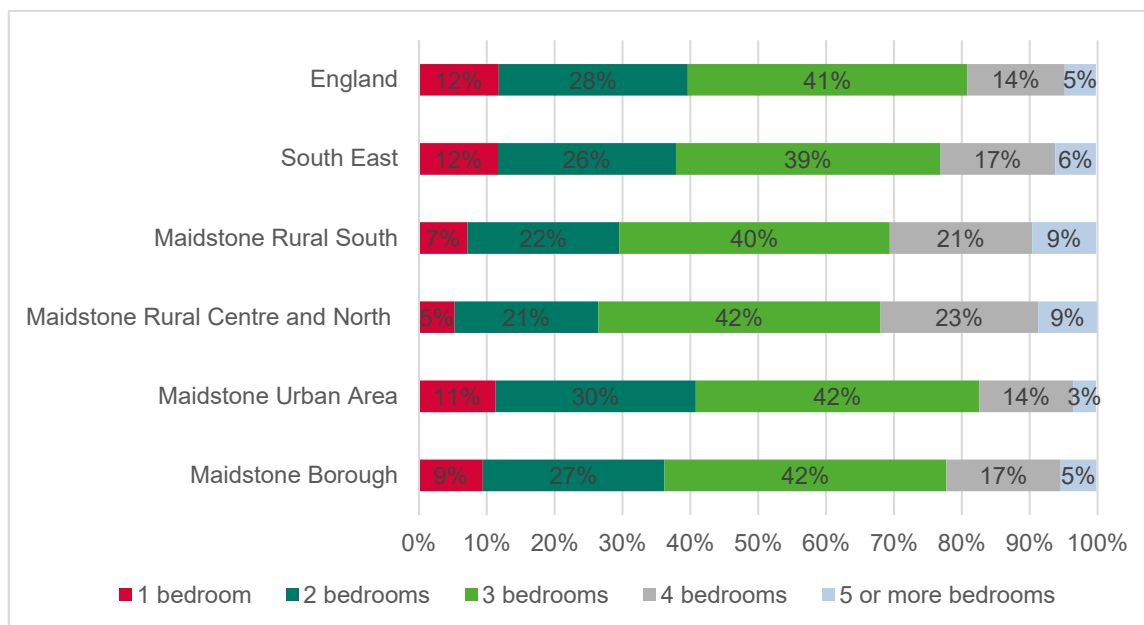
Source: Census 2011

How Households Occupy Housing

3.14 Overcrowding is defined as the number of properties which have fewer rooms than their households require. The requirement is calculated based on the size, age and relationship of household members. Under-occupied properties on the other hand are those with more bedrooms than the household notionally needs. For instance, an under-occupied property can relate to a couple with no children living in a two or more-bedroom property.

3.15 There has been a notable increase in overcrowded households at a national level (including young people living with their parents for longer) and Houses in Multiple Occupation (HMOs). This has been a symptom of affordability pressures, restrictions on access to mortgage finance and housing under-supply. The English Housing Survey states the rate of overcrowding in England for 2019/20 was 3.5%, with approximately 829,000 households living in overcrowded conditions. Overcrowding was more prevalent in the rented sectors than for owner occupiers. Only 1.2% of owner occupiers nationally (183,000 households) were overcrowded in 2019-20 compared with 8.7% of social renters (344,000) and 6.7% of private renters (302,000).

3.16 The English Housing Survey indicates that the number and proportion of overcrowded households in the owner-occupied sector has remained relatively stable over the last 20 years or so. In the social rented sector, overcrowding peaked at 7.3% in 2010-11, before dropping to 6.2% in 2013-14 and then gradually rising up to 8.7% on 2019/20. The proportion of overcrowded households in the Private Rented Sector has increased from 3.2% in 1995/96 to a peak of 6.7% in 2019/20. The rapid overall growth in private renters since 1995-96, affordability pressures and changes to eligibility for Housing Benefit explains the pronounced increase in actual numbers of overcrowded households from 63,000 in 1995-96 to 302,000 in 2019-20.

3.17 The number of overcrowded households (based on the room standard) increased in Maidstone by 1,585 households between 2001-11 (59%). However, rates of under occupation also increased; and the level of under-occupancy of housing is significantly greater than levels of overcrowding.

Table 3.5   Changes in Under - and Over- Occupied households – Room Standard

	Under Occupancy Households			Over Occupancy Households		
	2001	*2011*	*% Change*	*2001*	*2011*	*% Change*
Maidstone	45,546	49,003	8%	2,678	4,263	59%
Kent	426,284	457,336	7%	28,919	41,290	45%
South East	2,539,347	26,605,553	5%	195,392	265,974	36%
England	15,274,290	16,027,853	5%	1,457,512	1,928,596	32%

Source: 2001 and 2011 Census

3.18 The bedroom standard provides a more precise assessment of actual levels of overcrowding and under occupancy. It shows that around 5% of households in Maidstone in 2011 were overcrowded which was consistent with the national but slightly above the regional average. A significant proportion of properties (particularly within the private sector) are under-occupied.

Table 3.6   Under and Over Occupied Households by Bedroom Standard (2011)

	Under Occupancy Households	Over Occupancy Households
Maidstone	80.7%	4.7%
Kent	78.0%	5.3%
South East	70.7%	3.6%
England	68.7%	4.6%

Source: Census 2011

Shared Housing

3.19 The 2011 Census recorded 43 shared dwellings (which included more than one household) equating to 0.1% of the housing stock. This was consistent with the position across wider geographies.

Housing Supply Trends

Housing Completions

3.20 Iceni has examined housing completions data for Maidstone Borough dating back to 2011/12. Figure 3.4 shows the net housing completions in both authorities from 2011/12 to 2019/20 compared to housing targets as set out in the Authority Monitoring Report.

3.21 The Maidstone Borough Local Plan was adopted in October 2017 and sets out a housing target for development of 17,660 homes over the 2011-31 plan period, equivalent to an annual average of 883 dwellings per annum (dpa). Housing delivery prior to the adoption of the Plan fell below this level but the Plan has allocated sites, and delivery has increased markedly in recent years with 1,145 completions delivered in 2016/17,1,286 dwellings in 2017/18, rising to 2,065 in 2018/19 and dropping

back to 1,019 in 2019/20. This is influenced by delivery of local plan allocations and conversions/change of use of office space.

Figure 3.6 Housing Supply vs Target, 2010/11-2019/20
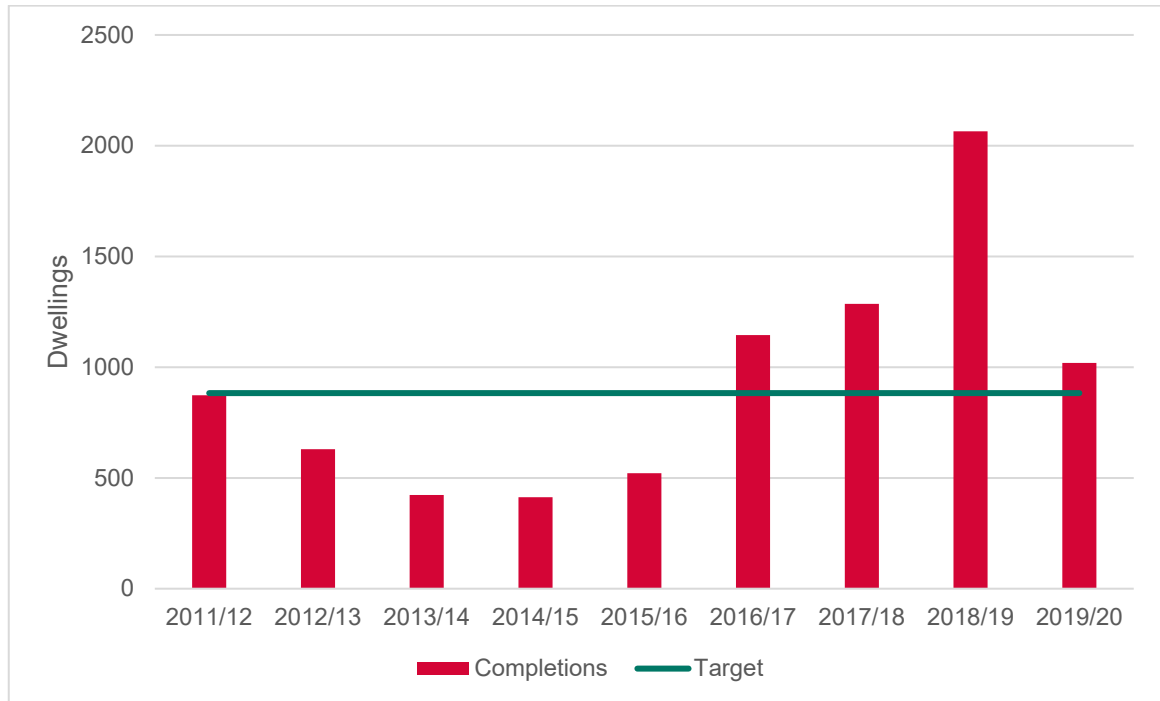
Source: MBC AMR's

3.22   Housing completions by tenure have also been analysed over the same period. Over the 2011-2020 period as a whole, 25% of completions were of affordable housing. As a proportion of total housing delivery, recent affordable housing delivery has been influenced by levels of housing coming forwards through office-to-residential conversions which are not required to deliver affordable housing.

Table 3.7   Housing Completions by Tenure in Maidstone 2008/9-2017/18

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Private	493	447	234	250	382	842	1,060	1,479	694	5,881
Affordable	380	183	189	163	139	303	226	205	325	1,942
Total Completions	873	630	423	413	521	1,145	1,286	1,146	1,304	7,741
% Affordable	44%	29%	45%	39%	27%	26%	18%	18%	25%	25%

Source: MBC AMR's

Affordable Housing Completions

3.23   Maidstone Borough Council has also provided some details in relation to affordable housing completions by type which are analysed below. This is drawn from the housing department's monitoring data. This looks back over the last decade.

Table 3.8   Affordable Housing Completions by Tenure in Maidstone 2009/10-2018/19

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Affordable/ Social Rent	223	164	156	113	103	178	131	105	180	190	1,543
Shared Ownership	50	36	18	38	36	124	95	100	145	183	825
Other	11	44	15	12	0	1	0	0	0	0	83
Total	284	244	189	163	139	303	226	205	325	373	2,451

Source: Data supplied by Maidstone Borough Council

3.24   Of the 2,415 affordable properties that were completed between 2011 and 2021, 63% of which were social/ affordable rented properties, 34% shared ownership and 3% other forms of affordable housing.

Table 3.9   Affordable Housing Completions by Dwelling Size in Maidstone 2009/10-2018/19

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
1-Bed	77	32	14	18	23	70	40	51	85	44	454
2-Bed	149	121	64	74	77	141	108	95	135	179	1143
3-Bed	52	78	55	55	29	72	71	52	102	133	699
4+ Bed	6	13	2	16	10	20	7	7	3	17	101

Source: Data supplied by Maidstone Borough Council

3.25   Of the affordable properties completed between 2011 and 2021, the greatest proportion (48%) were 2-bedroom properties. This is followed by 3-bedroom properties (29%) and 1-bedroom properties (19%). The majority of affordable properties are either flats or houses, with just 1.5% of affordable properties comprising bungalows.

Table 3.10   Housing Completions by Tenure in Maidstone 2009/10-2018/19

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Flats	174	108	54	68	66	161	84	88	137	91	1,031
Bungalow	7	11	0	4	6	0	0	8	0	0	36
Houses	103	125	81	91	67	142	142	109	188	282	1,330

Source: Data supplied by Maidstone Borough Council

House Prices

3.26   The median house price in Maidstone at £317,750 is approximately 2% below the South East median and 32% above the median for England and Wales.

3.27   The average (mean) house price across Maidstone was £343,325 in the year ending June 2020.The lower quartile house price was £248,000.

Table 3.11   House Price Benchmarks (Year to June 2020)

Area	Median	Mean	Lower Quartile
Maidstone	£317,750	£343,325	£248,000
Kent	£299,995	£346,796	£229,000
South East	£325,000	£390,223	£245,000
England and Wales	£240,000	£305,750	£158,000

Source: ONS, House price statistics,year ending June 2020

3.28   Figure 3.7 illustrates house price distribution across Maidstone Borough and surrounding areas. It indicates higher prices in proximity to London with higher house prices in the south-west of the Borough in villages around Marden.

Figure 3.7: Median House Price Heat- Map (2020)
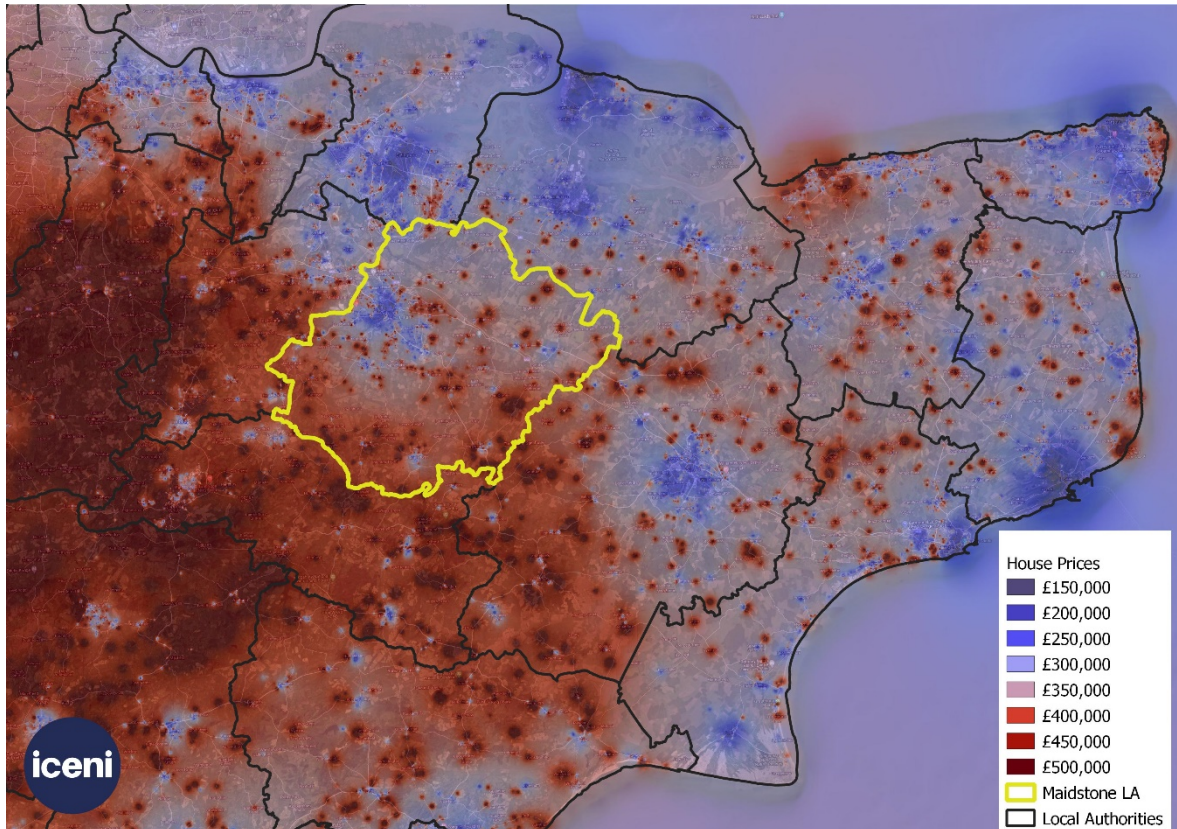
Source: Land Registry Data (2020)

Overall House Prices

3.29   Figure 3.8 profiles the house price changes from 1998 to 2020. House price trends in the Borough have closely followed the country-wide trend over this period albeit at a higher level.

3.30   Between 1998 and 2008, median prices in Maidstone increased from £79,000 to £213,000 – an increase of £136,000 (177%). This represented average house price growth of 11% per annum. The median house price across the South East rose by £144,500 (184%) and across England and Wales prices increased by £115,000 (183%). This period was characterised by macro-economic stability and growth, historically low interest rates and increasing availability of mortgage finance supporting households' ability to purchase homes.

Figure 3.8: Median House Price Trends, Year Ending June 1996-2020
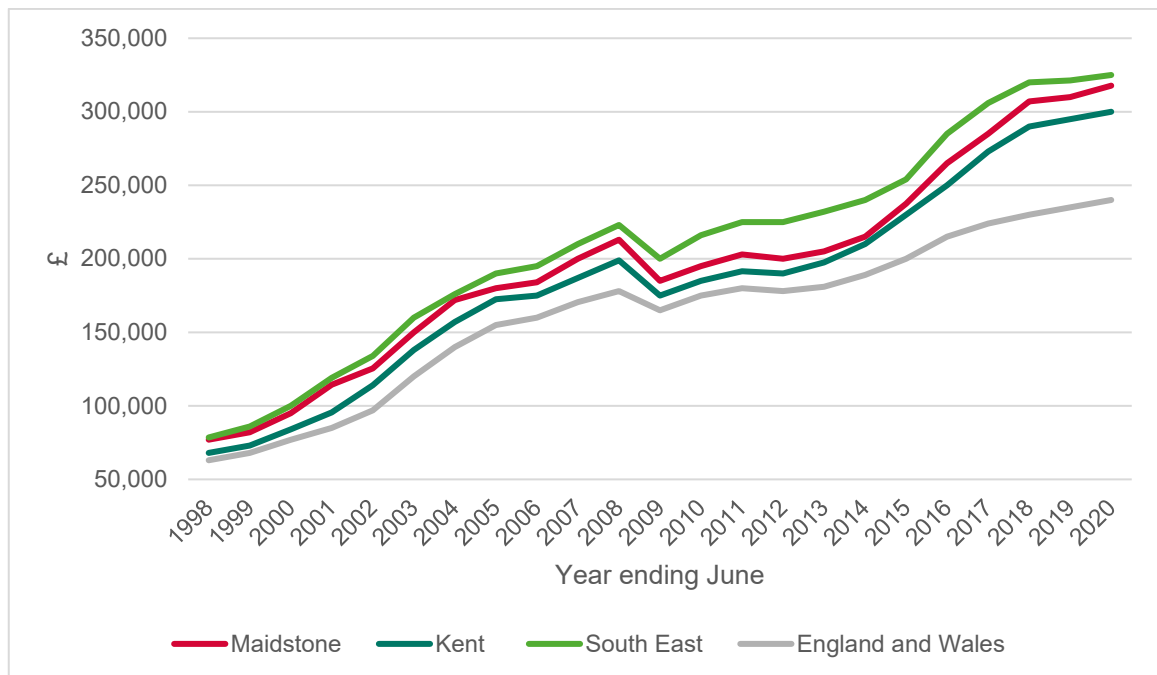
Source: ONS, House price statistics, year ending June 2020

3.31   Reflecting the economic backdrop, house price dynamics between 2008-13 were understandably been very different. Maidstone experienced a fall in median house prices between 2008 and 2009. House price growth remained modest between 2010 and 2013, with levels of housing market activity subdued. With improving economic performance, increased access to mortgage finance and Government support (such as through the Help-to-Buy scheme) the market began to recover more strongly from 2013 onwards.

3.32   Since 2013, there has been a steady increase in house prices nationally. Maidstone has seen reasonable growth of 4.5% per annum, slightly above the Kent and South East average. However, since 2018, house price growth has decreased to just 0.3% across Maidstone (and to very similar levels across both the South East and England and Wales).

3.33   It needs to be borne in mind however that median house prices are influenced by the mix of properties sold. It is therefore instructive to assess house prices by profile of sales across the Housing Market Area.

Sales Trends

3.34   We have benchmarked sales performance against long-term trends to assess the relative demand for market homes for sale. Figure 3.9 benchmarks annual sales over the period year ending June

1998-2020 against the pre-recession average[3] for both authorities and wider benchmarks. There is a relative similarity in trends across areas, reflecting the influence of macro-economic factors.

3.35   Sales volumes nationally experienced a significant drop between 2008-9 influenced by the credit crunch and subsequent housing market downturn. During 2009-2013 the recovery in sales volumes was very modest with housing market activity over this period significantly subdued (around 40% below the pre-recession trend). Between 2013 and 2016 there had been a gradual recovery in sales volumes influenced by a combination of increasing availability and choice of mortgages together with Government support through the Funding for Lending and Help-to-buy scheme, however since 2016 a decrease in sales can be witnessed. This is likely to reflect wider macro-economic uncertainty associated with Brexit. This has since been compounded by the effect of Covid-19.

Figure 3.9: Indexed Analysis of Sales Trends, Year Ending June 1998-2020
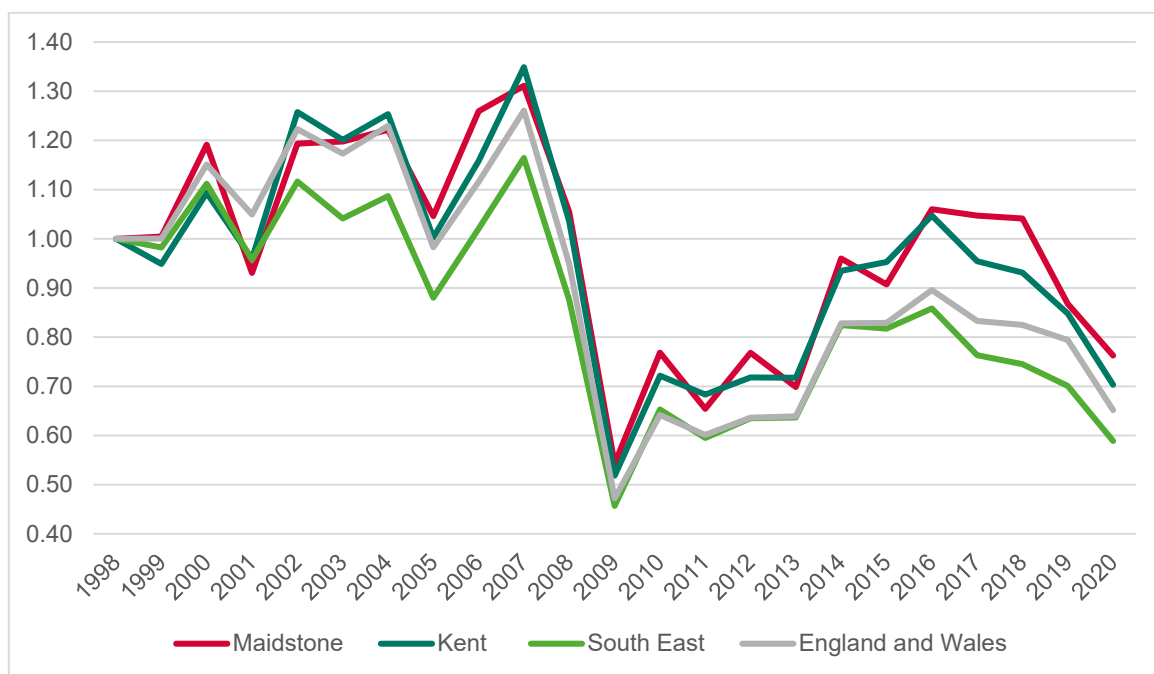
Source: ONS, House price statistics, year ending June 2020

House Price by Type

3.36   We have examined sales data by type of property for year ending June 2020. For all housing types except flats, house prices in Maidstone are significantly higher than the national average, however prices in Maidstone are consistently below the regional (South East) average with the greatest price differential for flats.

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[3] The average annual sales over the pre-recession decade (1998-2008)

Figure 3.10: Median House Prices by Type, Year Ending June 2020

	Detached	Semi-Detached	Terraced	Flats
Maidstone	470,000	320,000	253,000	164,000
Kent	455,000	315,000	257,000	180,000
South East	500,000	335,998	278,550	210,000
England and Wales	340,000	216,000	187,000	214,950

Source: ONS, House price statistics,, year ending June 2020

3.37   Analysing the profile of sales, Figure 3.11 shows that the proportions of housing types sold in 2018 were broadly consistent with the national and regional averages. However, there was a higher percentage of detached and semi-detached sales in Maidstone compared to England and Wales and a lower percentage of terraced and flat sales.

Figure 3.11: Sales by Dwelling Type (Year Ending June 2020)

	Maidstone	Kent	South East	England and Wales
Flats	13%	16%	20%	16%
Terraced	26%	29%	25%	28%
Semi-Detached	33%	29%	27%	30%
Detached	28%	26%	29%	26%
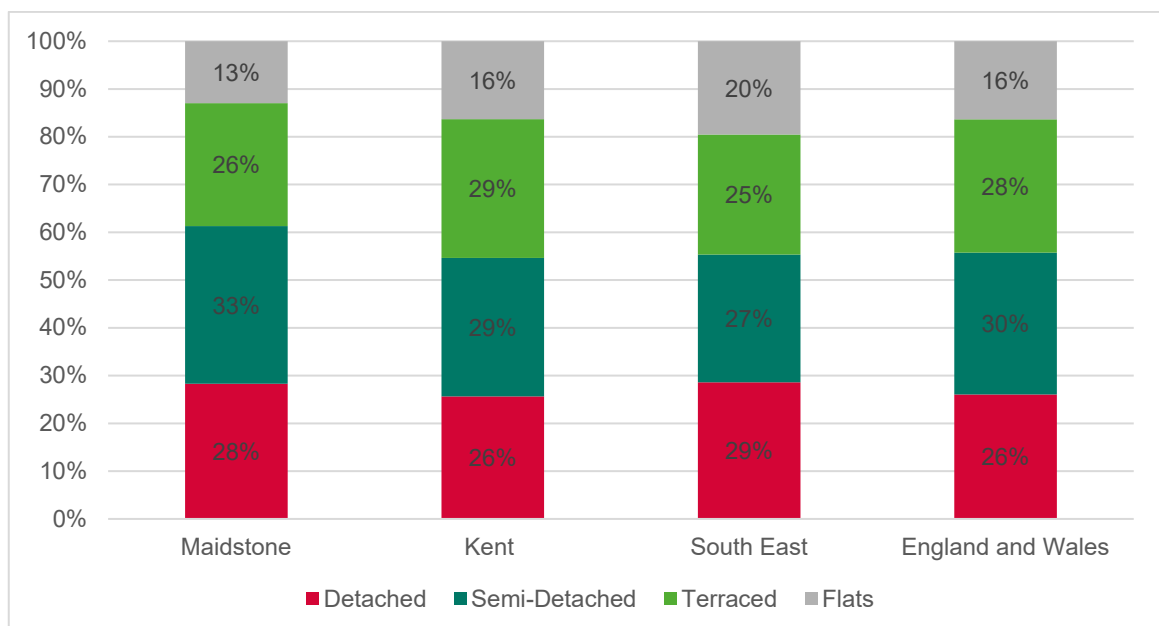
Source: ONS, House Price statistics, year ending June 2020

Rental Trends

3.38 Median rental costs in Maidstone are £850 per calendar month, which is below the regional average but significantly above the national average.

Table 3.12   Median Rents, October 2019 to September 2020

Area	Median Average Rent (p.c.m.)
Maidstone	£850
Kent	£800
South East	£895
England	£725

Source: VOA Private Rental Data Table 2.7

3.39 An analysis of median rents by number of bedrooms (see Figure 3.12) indicates that, aside for studio properties Maidstone has higher rents across all housing sizes than the national average. Notably, Maidstone has a higher comparative rent for 1- to 3-bedroom properties than in Kent generally, although all rental prices (aside from Rooms) are lower than the regional average.

Figure 3.12: Median Monthly Rental Costs by Property Size, October 2019 to September 2020
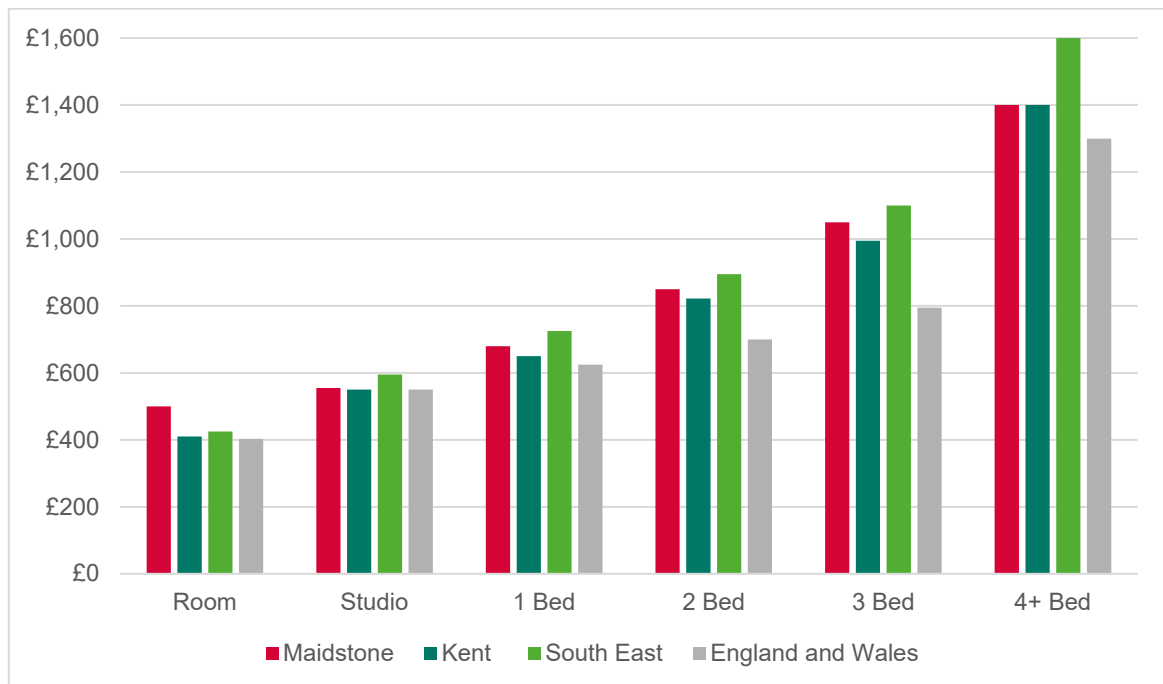
Source: VOA Private Rental Data

Table 3.13   Median monthly rents per property size, October 2019 to September 2020

	Room	Studio	1 bed	2 bed	3 bed	4 bed
Maidstone	£500	£555	£680	£850	£1,050	£1,400

Source: VOA Private rental data

3.40 Figure 3.13 shows the trend in the rental costs recorded by the VOA. The figure demonstrates the increase in rents in Maidstone relative to wider comparators, with a similar trend evident. However, whilst rents did not change in Maidstone between 2019 and 2020, they increased across England as a whole.
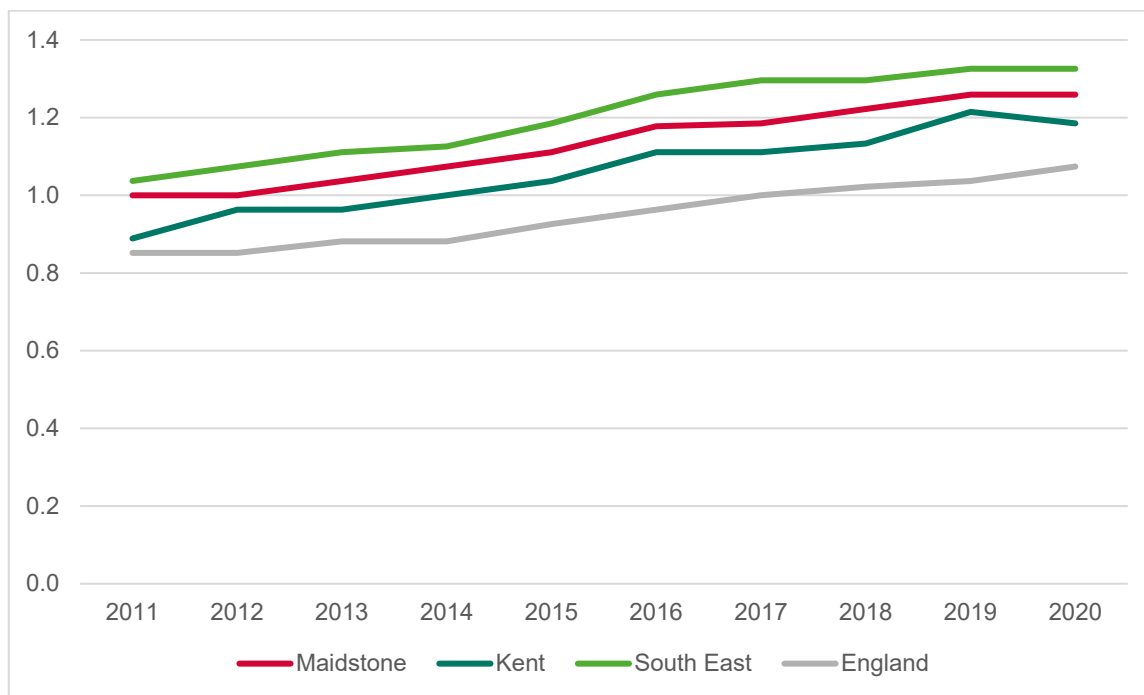
Figure 3.13: Increase in Private Rents, 2011 to 2020

Source: VOA Private Rental Data

3.41 The percentage change in private rents between 2011 and 2020 was 26% across Maidstone, equal to the national average, but lower than the South East average of 28% and the Kent average of 33%.

3.42 In Maidstone, rents for rooms saw the highest increase between 2011 and 2020 (43%), indicating a demand for this type of property in the area. 3-bedroom homes also saw a particularly high price increase of 32%, indicating a demand for this type of property in Maidstone.

Table 3.14   Rental increase by Size of Dwelling between 2011 and 2017 in Maidstone

	Room	Studio	1 bed	2 bed	3 bed	4+ bed
Maidstone	43%	23%	24%	26%	32%	27%

Source: VOA Private Rental Data

Housing Affordability

3.43 We have considered evidence relating to the affordability of market housing by looking specifically at the relationship between lower quartile and median house prices and incomes.

3.44 Figure 3.14 shows that workplace affordability has worsened since 1998 within Maidstone, Kent and the South East in particular. This is driven by continuing growth in the affordability ratio across these areas since 2009. The last two years have however seen an improvement.

Figure 3.14: Workplace-based Median Affordability Ratio, 1998-2020

Source: ONS, Ratio of house price to workplace-based earnings (lower quartile and median) 1998-2018

3.45   Table 3.14 presents the most recent median and lower quartile workplace-based affordability ratios. In 2020 the median house price was a significant 10.0 times median earnings in Maidstone. This was however an improvement on the position in 2018.

3.46   Lower quartile house prices in Maidstone were 11.2 times earnings compared to a ratio of 10.2 across the South East. This points to significant barriers for households in Maidstone, and younger households in particular, in being able to afford to own a home.

Table 3.14: Affordability Ratio 2020 (Workplace Based)

Area	Lower Quartile Ratio	Median ratio	Difference
Maidstone	11.19	10.0	1.1
Kent	10.41	9.82	0.59
South East	10.21	9.92	0.29
England	7.15	7.84	-0.69

Source: ONS, 2019

The Impact of Covid-19

3.47   It is predicted that the impacts of Covid-19 on first time buyers could be severe in the short-term. Last year Knight Frank predicted that lenders would issue 150,000 fewer mortgages than usual

(similar to the number issued in the first half of 2019)[4]. This is likely to occur as lenders seek lower loan to value ratios to reduce their exposure to economic and house price downturns, meaning greater deposits are required.

3.48   The pandemic had initially seen some mortgage lenders retract the width of products that they offered to ensure they were less exposed to the expected economic downturn. This saw typical loan to value ratios of 90% decrease in availability with the highest LTV ratio of 80% being more common. This meant households required a 20% deposit rather than 10% thus forcing many households out of the market.

3.49   To bridge this LTV gap Savills[5] expect borrowing from the "Bank of Mum and Dad" to increase over the next two years from £5 billion to over £7billion. Savills reported that around 40% of first time buyers had assistance from their family, however, they expected the overall value of this form of financing to fall in 2021 due to decreased activity in the market.

3.50   Other restrictions to the range of products being offered include a reduction in availability of long-term mortgages (longer than 25 years), although this trend pre-dates the pandemic. The lack of longer-term mortgages means that those seeking smaller repayment amounts, typically first time buyers and those on lower incomes, have less choice in the market[6].

3.51   However, there does appear to be some recovery from these early pandemic impacts. Moneyfacts analysis reported by the BBC shows that the number of mortgage products for those with a deposit of 10% have risen more than fourfold, from 44 to 197 products since summer 2020 suggesting a better outlook for first time buyers[7]. Furthermore, mortgage rates for those with a 10% deposit are getting better.

3.52   The widened availability of mortgage products suggest a modest increase in lender confidence, resulting in them being less risk adverse. The greater level of competition between lenders also helps keep interest rates stable. However, Moneyfacts suggest that "it is likely lenders will continue to carefully manage their lending through the year."

3.53   The Stamp Duty holiday for FTB buying homes up to £500,000 also had some impact on keeping the FTB market afloat. This scheme helped by offsetting the higher deposit requirement with a reduced taxation burden. This only effected the few FTB's seeking a home costing between £300,000 and £500,000 as FTB already had relief on homes valued up to £300,000. Furthermore, this is only

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[4] https://www.ft.com/content/a577d790-8d7e-11ea-af59-5283fc4c0cb0

[5] https://www.savills.co.uk/blog/article/302871/residential-property/first-time-buyer-funding-and-the-bank-of-mum-and-dad.aspx

[6] https://www.mortgagesolutions.co.uk/news/2021/02/08/first-time-buyers-hit-as-longest-mortgage-terms-vanish-quilter/?cmpredirect

[7] Low-deposit mortgages return after Covid slump - BBC News

a short term measure and the holiday ends at the end of March 2021. This may reduce the number of first time buyers who could afford to purchase a new home beyond this period.

3.54   Overall, against a weakened economic backdrop, the housing market has performed relatively well in 2020. The Stamp Duty Holiday has played a part in this; but the market has also been influenced by the effects of lockdowns on households' satisfaction with their current living arrangements; with commentators reporting households moving to homes with outdoor space and a place to work and to locations with good access to greenspace. Anecdotally there has been some movement out of London to the Home Counties associated with this.

Furlough Take-Up

3.55   The figure below shows the percentage of eligible employments furloughed under the Coronavirus Job Retention Scheme at both peak furlough (as of 31st July 2020) and based on the most recent reliable data (as of 31st December 2020). It can be seen that as of July 2020, Maidstone had a lower take up-rate compared to the wider comparators. The latest figures show that around 13% of eligible employments are currently furloughed in Maidstone – the same as across the wider comparators.

Figure 3.15: Furlough Take-up Rate, 2020
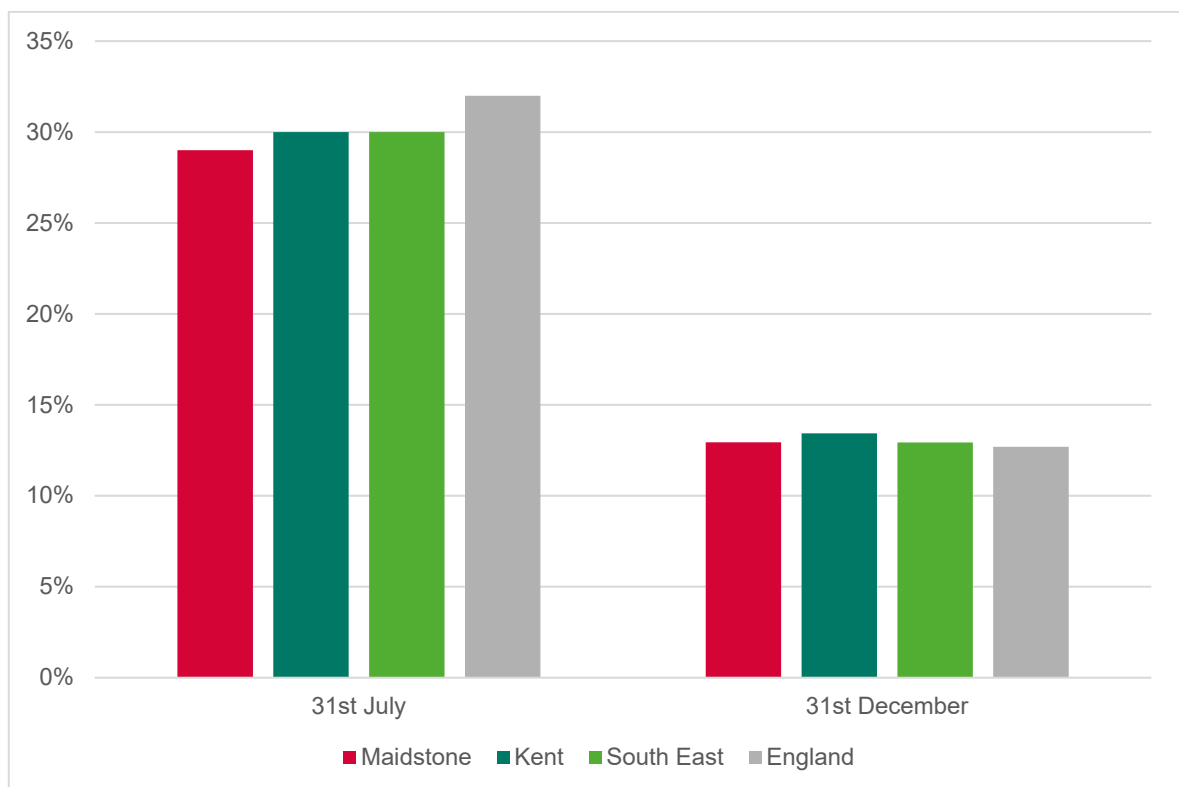
Source: HMRC, 2021

3.56   At 13% Maidstone is in the middle of the national range (5% to 20%). The lowest rates are typically found in areas with a strong agricultural economy such as South Holland and Boston, and those with the highest rates are in areas with major transport hubs (Crawley (Gatwick Airport) and Hounslow (Heathrow Airport)).

3.57 Maidstone's economy appears to have fared worse than some other parts of the Country since the onset of Covid-19. Claimant unemployment has increased from 2,185 claimants in January 2020 to 5,155 in January 2021. This 136% change is worse than the national change (115%) but better than across the South East as a whole (148%). However, the claimant rate (% of 16-64's) in Maidstone is still lower than across the wider comparators.

Table 3.15: Change in Claimant Counts (March 2020 – January 2021)

Area	Jan-20		Jan-21		Jan 20- Jan 21	
	Claimant count	Claimants as % of 16-64	Claimant count	Claimants as % of 16-64	Change in Claimants	% Change
Maidstone	2,185	2.1	5,155	4.9	2,970	136%
South East	115,330	2.1	286,545	5.1	171,215	148%
England and Wales	1,073,885	2.9	2,310,030	6.2	1,236,145	115%

Source: DWP, Claimant Count, 2021

Looking Forward

3.58 As Government support schemes unwind, there is some potential that unemployment could grow, which in turn could increase the need for affordable housing. The end of the moratorium on evictions could have a similar effect.

3.59 The Figure below shows the Office for Budget Responsibility (OBR) House Price Forecast for the UK8. It takes into account short-term indicators of house price inflation, medium term factors such as forecast real incomes; demographics; mortgage rates; and credit conditions, and predicted effects of government policies.

3.60 As illustrated, the OBR central forecast sees house prices falling in 2021. This is driven by the end of the stamp duty holiday and reduced household incomes due to higher unemployment once furlough ends.

[8] https://obr.uk/docs/dlm_uploads/CCS1020397650-001_OBR-November2020-EFO-v2-Web-accessible.pdf

Figure 3.16: OBR house price forecast
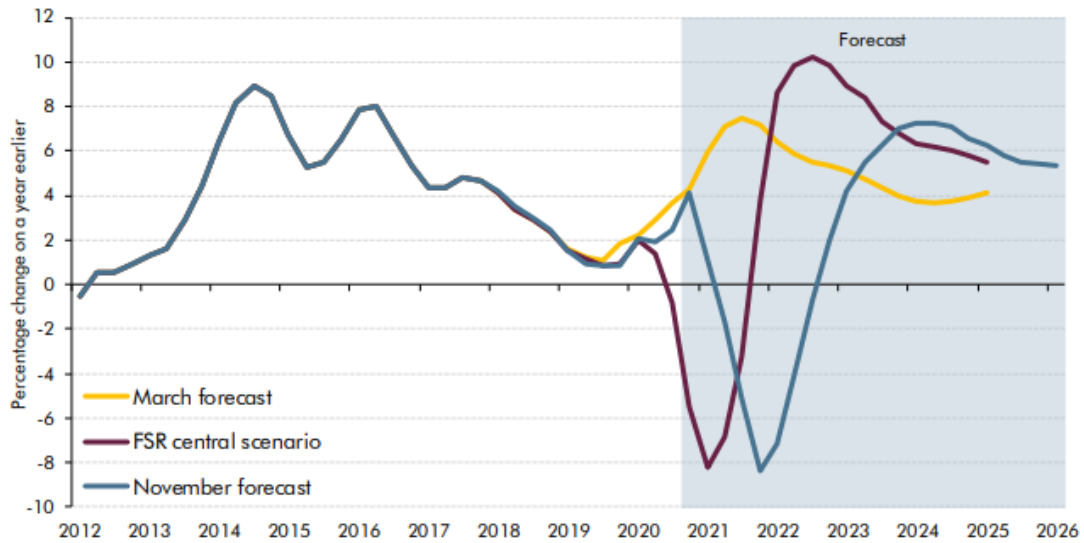
Source: OBR (November 2020)

3.61 The OBR then forecast a steady recovery from 2022 onwards. However, the forecast growth in house prices is around 17% lower in 2026 in comparison to the previous OBR forecast which was pre-pandemic (March 2020).

3.62 Alternative residential property market forecasts have been produced by Savills (September 2020)[9]. Unlike the OBR forecast they predict no growth in 2021 before returns to annual nominal house price growth of 4.0%, 6.5% and 4.5% in 2022, 2023 and 2024 respectively. Savills' forecasts for the South East are even higher – 2.5%, 5.0%, 3.0% between 2022 and 2024 (after no growth in 2021).

3.63 The OBR forecasts for 2021 envisage that the market will weaken in 2021 as the Stamp Duty Holiday ends and unemployment grows as the furlough scheme comes to an end.

3.64 OBR expect transactions to rise in the immediate short-term (Q1 2021) as buyers seek to complete purchases by the March 2021 deadline, but then drop of sharply in Q2. Transactions are then forecast to rise gradually back to a level consistent with longer-term average turnover – recovering to this level by Q4 2021.

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[9] https://www.savills.co.uk/insight-and-opinion/research-consultancy/residential-market-forecasts.aspx

Housing Offer, Supply Trends and Housing Market Dynamics: Key Points

The majority of housing in Maidstone Borough is within the Private Sector (87%) and private sector development has driven overall housing delivery in recent years. However, the evidence suggests an increasing number of households are now living in the Private Rented Sector, influenced in particular by affordability issues; implying that home ownership has been falling.

Detached and semi-detached homes are the most prevalent across the Borough, although we see a higher proportion of flats and terraced properties in Maidstone Town and higher levels of detached housing and larger homes within the Rural Area.

There has been a strong recent upturn in housing delivery over the period since 2016 in the Borough, influenced by change of use of office space to residential and delivery of sites allocated within the extant Local Plan.

In terms of housing stock within the Borough, 3-bedroom properties are the most prevalent in both Maidstone Town and Maidstone Rural Areas. The Maidstone Rural Areas display a higher proportion of 4- and 5-bedroom properties than Maidstone Town, whilst the Maidstone Urban Area has the highest proportion of 1-bedroom properties.

Whilst house prices and rents have continued to grow, with the median house price reaching £317,750 across the Borough, the evidence suggests that recent market performance has been influenced by wider economic uncertainty, with sales volumes falling over the period since 2016 (albeit that at the time of writing, the market is very buoyant). Entry level house prices are now 11.07 times earnings of lower quartile earning households, pointing to significant barriers to younger households in being able to buy a home.

4. LOCAL HOUSING NEED

4.1   This section of the report considers demographic trends and overall housing need. Government has established a new standardised methodology for calculating 'local housing need' and the analysis herein considers what this shows; but also, appraises the demographic projections which feed into this methodology and assesses whether other factors might provide a basis for considering higher housing provision.

Calculating Local Housing Need using the Standard Method

4.2   Planning Practice Guidance (PPG) on Housing Need Assessment sets out a standard method to be used in calculating a housing need. The PPG then sets out a three-step process.

Figure 4.1: Overview of the Standard Method for calculating Local Housing Need
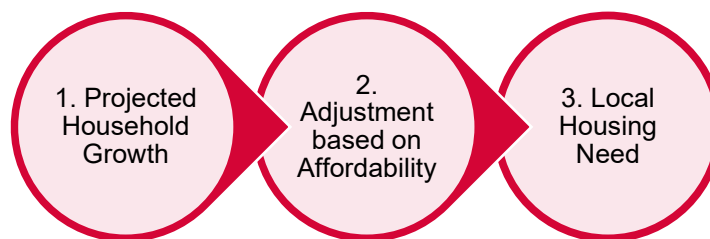
4.3   The first step is to establish a demographic baseline of household growth. This is to be taken directly from published household projections, with the Government directing use of the 2014-based Household Projections in the methodology. Projected annual average household growth over a 10-year period from the current year is calculated. For the purposes of this report a 10-year period from 2021 to 2031 has been used.

4.4   The second step of the proposed methodology seeks to adjust the demographic baseline on the basis of affordability characteristics of the area. This uses the published ONS ratio of median house prices to median (workplace based) earnings ratio for the most recent year for which data is available (2018 at the time of preparing this report).

4.5   Specifically, the PPG says that '*for each 1% increase in the ratio of house prices to earnings, where the ratio is above 4, the average household growth should be increased by a quarter of a per cent*'. The equation to work out the adjustment factor is as follows:

$$\textbf{Adjustment factor} = \left(\frac{\textbf{Local affordability ratio} - 4}{4} \right) \times 0.25$$

4.6   As an example, if the workplace affordability ratio in an area was 8.00; i.e. median house prices were eight times the median earnings of those working in the area, then the adjustment would be 0.25 or 25%. This is calculated as follows: (8 - 4) / 4 × 0.25).

4.7   The third step in the proposed standard method is to consider whether the affordability adjustment should be capped. There are two situations where a cap is applied. The first is where an authority has reviewed their plan (including developing an assessment of housing need) or adopted a plan within the last five years. In this instance the need may be capped at 40% above the requirement figure set out in the plan. The second situation is where plans and evidence are more than five years old. In such circumstances the cap is applied at 40% above either the projected household growth or the housing requirement in the most recent plan (where this exists), whichever is the higher.

4.8   Government's Planning Practice Guidance is clear that the cap affects the minimum Local Housing Need figure, but does not affect the actual scale of housing need; and therefore in circumstances where a cap is applied, there may be a need to test whether a higher level of housing provision can be accommodated, or to consider an early review of a local plan.

4.9   The fourth step is an uplift of 35% which is applied in the 20 largest cities and urban areas across England. This is however not applicable to Maidstone.

4.10   In October 2018, MHCLG published a technical consultation on updates to national planning policy and guidance – the main part of this document was around the Standard Method for assessing housing need. Essentially, whilst Planning Practice Guidance had previously recommended using the latest evidence where possible, the consultation document suggested setting aside the latest (2016-based) household projections in preference for the previous (2014-based) set. In February 2019 Government revised Planning Practice Guidance to confirm that the 2014-based projections should be used as the baseline in the standard method for calculating Local Housing Need. The reason for using the 2014-based SNHP is that (at least at a national level) the 2016-based SNHP show a much lower level of household growth (and hence housing need) in part because of changes in the methodology used for projecting household growth. The Government has decided '*it is not right to change its aspirations*' for housing supply to take account of the lower figures and in particular methodological changes and has therefore proposed to continue using data from the older projections to inform housing need.

4.11   The table below therefore sets out a calculation of the need under the Standard Method. The analysis uses the following data:

•   Projected household growth over the 2021-31 period based on the 2014-based Household Projections;

•   An affordability adjustment based on the median house price to workplace-based earnings ratio published by ONS for 2020; and

•   A cap of 40% above the existing Local Plan requirement for the Maidstone HMA as the Plan is less than five years old at the time of writing.

4.12   The analysis shows a need for 1,214 dwellings per annum – this is a 42% uplift from the demographic baseline but is not capped as the equivalent Local Plan base calculation would give a need of 1,236 dpa based on a target of 883 dpa plus 40%.

Table 4.1   MHCLG Standard Method Housing Need Calculations

	Maidstone
Households 2021	72,973
Households 2031	81,388
Change in households	8,415
Per annum change	842
Affordability ratio (2018)	10.0
Affordability uplift to household growth	38%
Total need (uncapped)	1,157
Minimum Local Housing Need	1,157

4.13   The basis of Maidstone's local housing need using the standard method is therefore as follows:

Figure 4.2: Basis of Maidstone' Local Housing Need

Household growth of 842 per year   Uplift of 38% to improve affordability   Local housing need of 1,157 homes a year
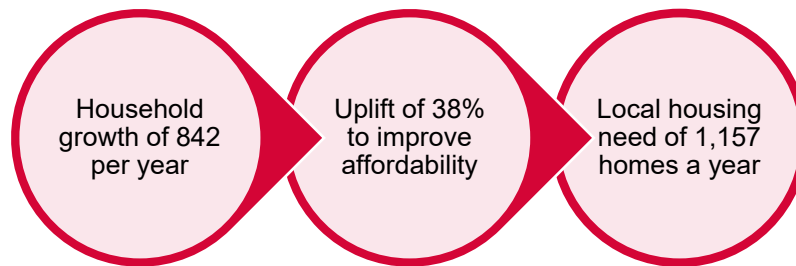
4.14   If this is applied to a 2022-37 plan period, it points to **a need for 17,355 dwellings**.

4.15   National policy and guidance sets out that this is a minimum, or baseline, level of provision and sets out that there circumstances in which an area's local housing need might be higher (for instance where growth strategies are in place, strategic infrastructure improvements expected; or an authority has agreed to take on unmet need from a neighbouring area. Iceni has sought to consider whether this is applicable to Maidstone.

4.16   Maidstone does not form part of a designated Growth Area.[10] Sections of the M20 (Junctions 3-5) are being upgraded to Smart Motorway, but this is targeted at providing additional capacity for long distance journeys rather than addressing local connectivity issues.

4.17   New Thameslink rail services were due to be introduced running from Maidstone through London to Cambridge (but this has been postponed). Whilst this will have some impact in providing direct rail services to areas north of London, this will essentially replace existing peak services which run to London Blackfriars. If delivered, it would provide all-day services to the City and Midtown, but there are already existing train services in peak hours and High-Speed Services to St Pancras. Given a journey time of over an hour to Maidstone will remain, Iceni do not consider that based on the current evidence this is likely to have a substantive impact on the scale of housing need.

4.18   The PPG requires consideration of the inter-play between overall housing need and the need for affordable housing in drawing conclusions on appropriate housing targets. This is considered further towards the end of Section 5.

Interrogating the Demographic Implications of the Standard Method Figures

4.19   The sections to follow provide a brief description of some of the latest demographic information which is then brought together to construct a demographic projection which seeks to establish how the population can be expected to change and the changes in household structures arising from delivery of the Local Housing Need figures shown.

Past Population Growth

4.20   Figure 4.3 below considers population growth in the period from 2001 to 2019. The analysis shows that generally over this period the population growth in the local authority has been relatively strong. In 2019, it is estimated that the population had grown by 10% from 2011 levels, this is in contrast with a 6% increase nationally.

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[10] The Thames Estuary is identified as an area with major growth potential by the Thames Estuary Growth Commission Report and Government's Response to this, which identifies this area's potential to deliver 1 million homes by 2050. However Maidstone does not fall within this area.

Figure 4.3: Indexed population growth (2001-2019)
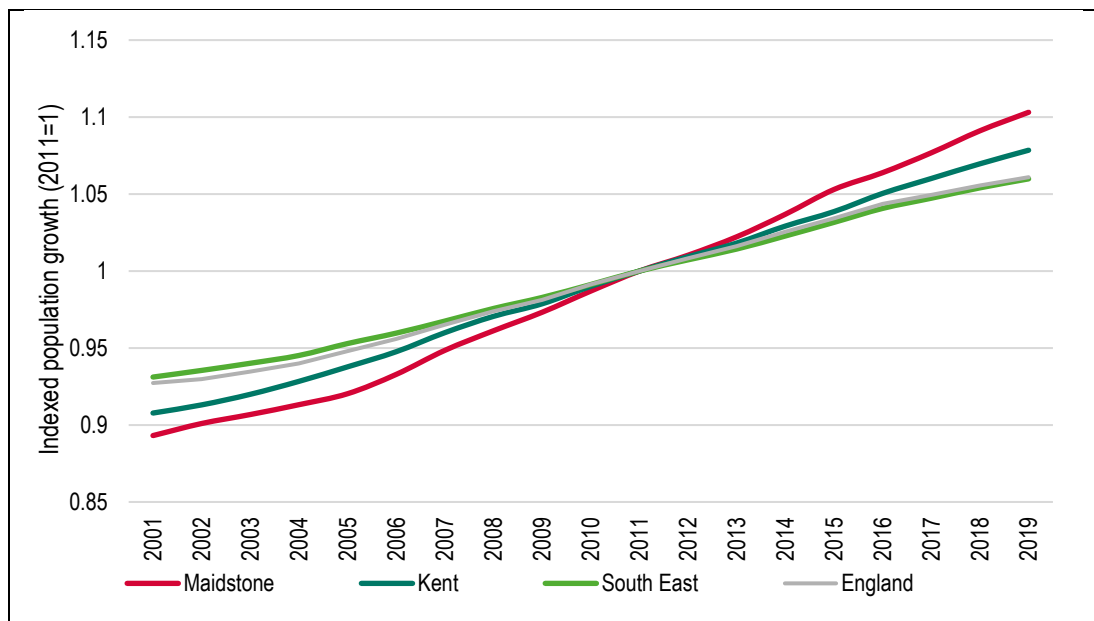
Source: ONS (mid-year population estimates)

Components of Population Change

4.21   The table in **Appendix C** considers the drivers of population change 2011 to 2019. The main components of change are natural change (births minus deaths), net migration (internal/domestic and international) and other changes.

4.22   The data shows that population growth in Maidstone is largely driven by net in-migration – particularly internal migration – i.e. people moving to the Borough from other parts of the United Kingdom although there is also an appreciable level of international migration. There are typically more modest levels of natural change (births minus deaths).

2018-based Subnational Population Projections (SNPP)

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

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

- ONS' long-term international migration assumptions have been revised upwards to 190,000 per annum compared to 165,000 in the 2016-based projections. This is based on a 25-year average. The figure of 190,000 is slightly above that in the 2014-based SNPP (185,000);

- The latest projections assume that women will have fewer children, with the average number of children per woman expected to be 1.78 compared to 1.84 in the 2016-based projections (down further from 1.89 in the 2014-based SNPP); and

- Life expectancy increases are less than in the 2016-based projections as a consequence of the continued limited growth in life expectancy over the last two years (this is a continuation of the trend reported in the 2016-based SNPP).

4.25   As well as providing a principal projection, ONS has developed a number of variants. In all cases the projections use the same fertility and mortality rates with differences being applied in relation to migration. The key variants in terms of this assessment can be described as:

- Principal projection

- an alternative internal migration variant

- a 10-year migration variant

4.26   In the principal projection, data about internal (domestic) migration uses data for the past 2-years and data about international migration from the past 5-years. The use of 2-years data for internal migration has been driven by ONS changing their methodology for recording internal moves, with this data being available from 2016 only. This reflects changes in the methodology for how moves of students (such as when they leave university) are modelled.

4.27   The alternative internal migration variant uses data about migration from the last 5-years (2013-18), as well as also using 5-years of data for international migration. This variant is closest to replicating the methodology used in the 2016-based SNPP although it does mean for internal migration that data used is collected on a slightly different basis.

4.28   The 10-year migration variant (as the name implies) uses data about trends in migration over the past decade (2008-18). This time period is used for both internal and international migration.

4.29   The table below shows the outputs from each of these three variant scenarios. This shows the principal projection projecting population growth of 15%, with the alternative internal migration scenario being lower than this (13%) – the 10-year trend variant is similar to the alternative internal migration scenario.

Table 4.2   Projected population growth (2019-2037) – Maidstone – 2018-based SNPP

	Population 2019	Population 2037	Change in population	% change
Principal projection	172,045	197,299	25,255	14.7%
Alternative internal mig.	171,833	194,894	23,062	13.4%
10-year trends	171,810	194,810	23,000	13.4%

Source: ONS

4.30   As noted, the 2018-based SNPP has three main scenarios and rather than provide data from all three, the analysis below looks at a preferred scenario. In this case it is considered that the alternative internal migration variant is likely to be the most robust in a local context. This has been chosen as it is considered that the principal SNPP has too short a data period when looking at internal migration whilst the 10-year alternative is not thought likely to reflect recent changes and may include some influence from the economic downturn/credit crunch of 2008 (given that the 10-year period will be 2008-18).

4.31   The table below shows projected population growth from 2019 to 2037 (using alternative internal migration assumptions) in Maidstone and a range of comparator areas. The data shows that the population of the District is projected to increase at a faster rate than seen in other locations; this will reflect the higher levels of population growth seen in the District in the period to 2018.

Table 4.3   Projected population growth (2019-2037) – 2018-based SNPP (alternative internal migration assumptions)

	Population 2019	Population 2037	Change in population	% change
Maidstone	171,833	194,894	23,062	13.4%
Kent	1,582,124	1,764,078	181,954	11.5%
South East	9,190,122	9,843,354	653,232	7.1%
England	56,343,072	60,571,681	4,228,609	7.5%

Source: ONS

4.32   The table below compares the 2018-based SNPP with previous releases (2016- and 2014-based SNPP). This shows that there is a notable difference in the projected level of growth in the 2019-37 period. The 2014-based projections showing a population growth figure of 30,000, compared with 23,100 in the more recent release. The comparison between 2014- and 2018-based projections is important as the 2014-based figures drive the Standard Method and yet the 2018-based data is more up-to-date and is broadly based on the same methodology.

Table 4.4   Projected population growth (2019-2037) – Maidstone

	Population 2019	Population 2037	Change in population	% change
2014-based	171,692	201,691	29,999	17.5%
2016-based	170,924	195,249	24,325	14.2%
2018-based	171,833	194,894	23,062	13.4%

Source: ONS

4.33   Interrogating the detailed components of population change it can be seen that net migration in the base period feeding into the 2018-SNPP (the 2013-18 period for internal migration and 2012-18 for international migration) is actually slightly higher to that which would have fed into the 2014-SNPP. The lower level of population growth will therefore be driven by changes made to fertility and mortality assumptions (which as noted above have changed in different projection releases). While there are differences in the demographic assumptions, the evidence does not point to any fundamental flaw in the 2014-based SNPP. Government's Planning Practice Guidance mandates the use of the 2014-

based Household Projections (which are based on the 2014-based SNPP) in the standard method and changes to fertility and mortality assumptions between this set and more recent ONS projections is not a factor which is specific to Maidstone but a reflection of more recent data releases. Iceni do not consider that the demographic evidence therefore points to any exceptional circumstances case for deviation from the standard method.

Household Representative Rates (Household Formation)

4.34   The household projections are derived by applying age and sex specific household representative rates (HRR) to the population projections. HRRs can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)).

4.35   The latest HRRs are as contained in the ONS 2018-based subnational household projections (SNHP) – these were published in June 2020. It would be fair to say that the 2016-based and 2018-based SNHP have come under some criticism, particularly the assumptions on household formation are based only on data in the 2001-11 Census period, a period in which the affordability of housing deteriorated and there was a period of constrained credit availability and housing market activity. These arguably build in the suppression of household formation experienced in that time. The previous (2014-based) projections used a longer time-series (all Census points back to 1971) and are therefore subject to a much narrower error margin.

4.36   Because of the criticisms of the 2018-based SNHP, and the fact that these have driven the Government to link the Standard Method to the 2014-based version, it is considered prudent to look at both the 2018- and 2014-based figures. Additionally, consideration is given to an older (2008-based) SNHP as these may reflect projections developed using data that contains less constraint in the formation of younger households.

4.37   The figures in **Appendix D** compare HRRs in the 2008-, 2014- and 2018-based SNHP. The figures are essentially the proportion of a particular age group that is considered to be the 'head of household' (HRP as described above). The analysis shows that for many age groups the projections are really quite different. When looking at some of the younger age groups (25-34 and 35-44) it is notable that the HRRs in the 2014-based projections are somewhat higher than the 2016-based version, with 2008-based figures being higher again. This does suggest that there may be some degree of suppression being built into the 2016-based projections, or certainly not a positive improvement in the formation rates of younger people. This supports the use of the 2014-based Household Projections in the standard method, and the HFRs within these within our calculations.

Demographic Projections Linked to the Standard Method

4.38   Earlier in this section, we calculated that the standard method would result in a need for 1,157 dwellings per annum looking from 2019 forwards. These are based on projected household growth plus an affordability adjustment. But if homes are to be occupied, the affordability adjustment must support additional migration and/or household formation.

4.39   Bespoke demographic projections have therefore been developed which increases migration and the formation of younger households in each area such that there is sufficient population for 1,157 dpa. The 2016-based Sub-National Population Projections are used as a starting point. In addition, for the period from 2019 to 2022, projections have been constrained by information about recorded completions for 2019/20 and   expected completions between 2020-22 (based on the Council's housing trajectory) – essentially the analysis assumes that the Standard Method need 'kicks in' post-2022.

4.40   Within the modelling, migration assumptions have been changed so that the increase in households matches the Standard Method housing need (assuming 3% vacancy allowance). The changes to migration have been applied on a proportionate basis; the methodology assumes that the age/sex profile of both in- and out-migrants is the same as underpins the 2016-based SNPP with adjustments being consistently applied to both internal (domestic) and international migration. Adjustments are made to both in- and out-migration (e.g. if in-migration is increased by 1% then out-migration is reduced by 1%).

4.41   The modelling also assumes improvements in household formation amongst younger households result from the affordability adjustment, using a 'part-return-to-trend' methodology. In this the rate of household formation for younger age groups (25-34 and 35-44) sits somewhere between figures in the 2014-based projections and those in the older 2008-based version. This approach was widely used prior to the 2016-based SNHP being published and was an approach previously suggested by the Local Plans Expert Group (LPEG).

4.42   In summary, to develop a Standard Method projection the following key assumptions have been used:

- 2018-based SNPP (alternative internal migration variant) as the base for population dynamics (including birth/death schedules and age/sex profile of migration);

- Population data for mid-2019 to revise a 2019 base;

- Rolled forward 2019-2022 on the basis of recorded and expected completions;

- Converting population into households by using the 2014-based SNHP HRRs with a part return to trend adjustment for the 25-34 and 35-44 age groups (LPEG adjustment); and

- Convert households into dwellings with a standard 3% vacancy allowance.

4.43   In developing this projection, a notably higher level of population growth is derived when compared with the 2018-based SNPP. The age structure of the projections is also slightly different, with the projection linked to the Standard Method showing stronger growth in what might be considered as 'working-age' groups. This arises due to the fact that ONS data shows that migrants are heavily concentrated in those age groups (along with their associated children).

4.44   The table below shows how the age structure of the population is expected to change with delivery of 21,588 dwellings over the 18-years to 2037 (based on completions/expected completions from 2019-22 and 1,157 dpa thereafter).

4.45   Maidstone's population is projected to grow by 26% over the 18-year period, which is around twice the rate of that seen in the 2018-based SNPP. Population growth is projected across a range of age groups, but with the strongest growth expected in those aged over 65 linked to changes in the population age structure and improving longevity.

Table 4.5   Population change 2019 to 2037 by five-year age bands – Maidstone (linked to delivery of 21,588 dwellings)

	Population 2019	Population 2037	Change in population	% change from 2019
Under 5	10,694	12,462	1,768	16.5%
5-9	11,073	12,715	1,642	14.8%
10-14	10,497	12,816	2,319	22.1%
15-19	9,034	12,049	3,015	33.4%
20-24	8,506	10,829	2,323	27.3%
25-29	10,447	12,697	2,250	21.5%
30-34	11,237	12,606	1,369	12.2%
35-39	11,342	13,323	1,981	17.5%
40-44	10,489	14,334	3,845	36.7%
45-49	11,770	14,828	3,058	26.0%
50-54	12,784	14,265	1,481	11.6%
55-59	11,410	13,212	1,802	15.8%
60-64	9,535	11,744	2,209	23.2%
65-69	8,481	12,366	3,885	45.8%
70-74	9,201	11,802	2,601	28.3%
75-79	6,196	9,334	3,138	50.6%
80-84	4,704	6,972	2,268	48.2%
85+	4,426	8,303	3,877	87.6%
Total	171,826	216,656	44,830	26.1%

Source: Demographic Projections

4.46   The table below shows how the profile of different types of household is projected to change. The strongest growth is projected in couple households aged over 65. However, growth in both family and other households and single people is expected as well as well as households which include other adults (such as those including adult children).

Table 4.6 Change in household types 2019-37 (linked to provision of 21,588 dwellings) – Maidstone

	2019	2037	Change	% Change
One-person household (aged 65 and over)	8,514	10,394	1,880	22.1%
One-person household (aged under 65)	9,865	13,212	3,347	33.9%
Couple (aged 65 and over)	10,012	15,630	5,617	56.1%
Couple (aged under 65)	10,790	10,037	-753	-7.0%
A couple and one or more other adults: No dependent children	5,645	6,893	1,248	22.1%
Households with one dependent child	10,004	14,854	4,850	48.5%
Households with two dependent children	8,516	10,776	2,260	26.5%
Households with three dependent children	2,927	3,449	522	17.8%
Other households	4,287	6,275	1,988	46.4%
TOTAL	**70,560**	**91,519**	**20,959**	**29.7%**
Total households with dependent children	21,446	29,079	7,633	35.6%

Source: Demographic projections

4.47 The table below shows the growth in the age profile of heads of households in each area. Again, the strongest growth is in those aged over 65.

Table 4.7 Projected change in households by age of household reference person – linked to Standard Method housing need

	Households 2019	Households 2037	Change in households	% change
16-24	1,659	2,169	510	30.7%
25-29	3,974	4,934	959	24.1%
30-34	5,350	6,136	785	14.7%
35-39	5,928	7,244	1,316	22.2%
40-44	5,653	7,926	2,272	40.2%
45-49	6,549	8,307	1,758	26.8%
50-54	7,414	8,168	754	10.2%
55-59	6,775	7,790	1,015	15.0%
60-64	5,635	6,977	1,343	23.8%
65-69	5,009	7,449	2,440	48.7%
70-74	5,959	7,828	1,868	31.4%
75-79	4,201	6,202	2,001	47.6%
80-84	3,376	4,797	1,421	42.1%
85 +	3,077	5,592	2,515	81.7%
Total	70,560	91,519	20,959	29.7%

*Source: Demographic projections*

Expected Workforce Growth

4.48 A further output of the demographic projections developed is an assessment of the growth in resident workforce which might be supported by the local housing need, and what this means for potential total labour supply (taking account of commuting and double jobbing).

4.49   The approach taken in this report is to derive a series of age and sex specific economic activity rates and use these to estimate how many people in the population will be economically active. Data on economic activity rates has been drawn in this instance from the Office for Budget Responsibility (OBR) July 2018 Fiscal Sustainability Report. These is a standard approach for estimating changes in labour supply.

4.50   The chart below shows the assumptions made.[11] The analysis shows that the main changes to economic activity rates are projected to be in the 60-69 age groups linked in particular to changes to pensionable age. The OBR activity rate projections take account of broader trends in the number of older people working for longer (which in itself is linked to improved health and longevity, pension age changes and general reductions in pension provision).

Figure 4.4: Projected changes to economic activity rates (2019 and 2037) – Maidstone
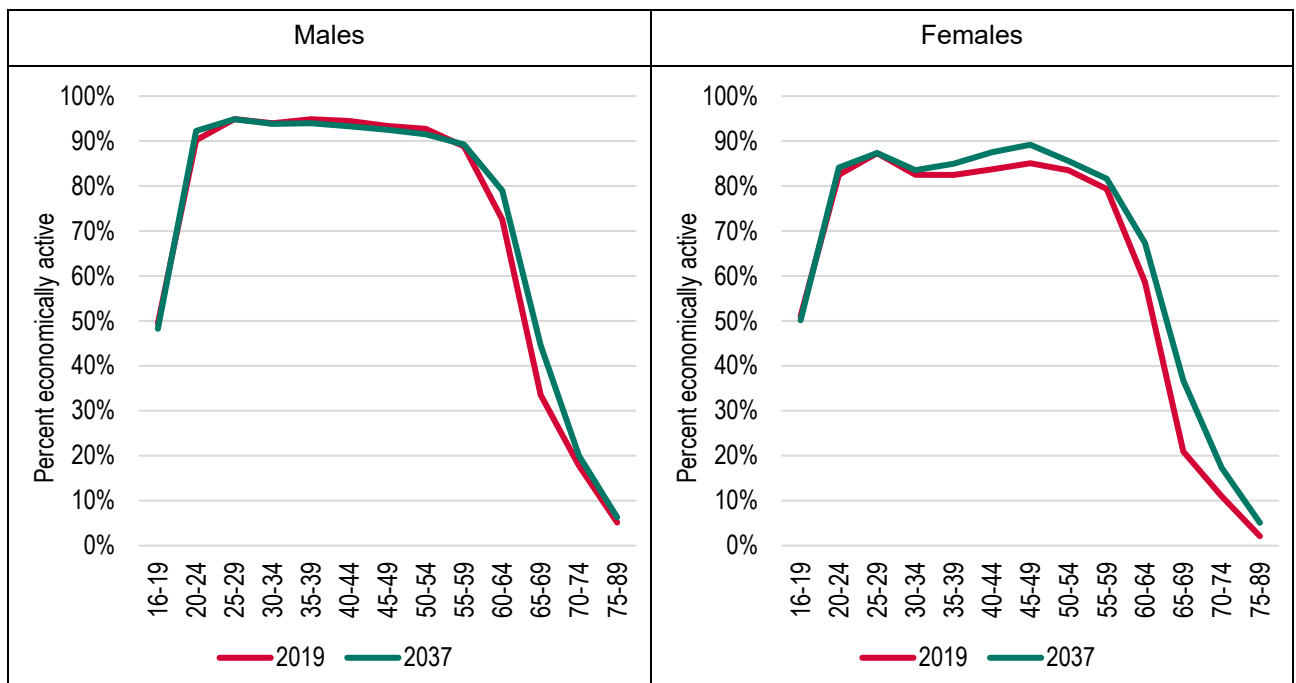
Source: OBR and Census 2011

4.51   Working through an analysis of age and sex specific economic activity rates it is possible to estimate the overall change in the number of economically active people in each area (see table below). The analysis shows that there would be a notable increase in the economically active population of around 25,000 persons between 2019-37.

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[11] The detailed age specific assumptions are shown in tables in Appendix D

Table 4.8   Estimated change to the economically active population (2019-37) – linked to Standard Method Projection

	Economically active (2019)	Economically active (2037)	Total change in economically active
Maidstone	91,318	116,188	24,870

Source: Derived from demographic projections

Linking Changes to Resident Labour Supply and Job Growth

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

- Commuting patterns – where an area sees more people out-commute for work than in-commute it may be the case that a higher level of increase in the economically active population would be required to provide a sufficient workforce for a given number of jobs (and vice versa where there is net in-commuting);

- Double jobbing – some people hold down more than one job and therefore the number of workers required will be slightly lower than the number of jobs; and

- Unemployment – if unemployment were to fall then the growth in the economically active population would not need to be as large as the growth in jobs (and vice versa).

4.53   There is potential for commuting dynamics to change over time not least associated with growth in home-based working associated with the impacts of Covid-19. If a 'commuting ratio' is used from the 2011 Census the number of people resident in the area who are working being about 1.6% higher than the total number who work in the area (implying a modest net out-commuting). This may however change. Iceni has therefore modelled scenarios based on this and a 1:1 ratio.

4.54   Additionally Iceni has made an allowance for double jobbing based on Annual Population Survey data averaged over the period 2004-20. For the purposes of this assessment it has been assumed that around 3% of people will have more than one job moving forward.

4.55   As of 2019 (i.e. pre-pandemic) there was almost full employment and therefore no assumptions have been made about future changes to unemployment.

4.56   On the basis of these assumptions, the table below shows how many additional jobs might be supported by population growth under the Standard Method. The demographic need would support jobs growth of 25,200 – 25,600 over the period from 2019 to 2037.

Table 4.9   Jobs supported by Standard Method (2019-37)

	Total change in economically active	Allowance for net commuting	Allowance for double jobbing (= jobs supported)
Census commuting	24,870	24,478	25,212
1:1 Commuting Ratio	24,870	24,870	25,616

Source: Derived from a range of sources as described

4.57   Attempts to link housing delivery with estimates of the number of jobs supported should be treated with some caution, not least because there are a number of assumptions made which do have alternatives (e.g. the choice of economic activity rate data, the potential for commuting to flex or for higher migration to be supported rather than additional household formation).

Local Housing Need: Implications

The standard method results in a local housing need for 1,157 dwellings per annum, which equates to 17,355 dwellings between 2022-37. This is a significant scale of growth and will result in significant net in-migration to the Borough.

The modelling in this section shows that this would support around 26% growth in the Borough's population between 2019-37, with growth across a range of age groups and household types including significant growth in numbers of couples aged 65 and over. The strongest growth would be in those age groups over 75 driven by increased life expectancy.

The analysis in this section shows that delivery of this scale of housing provision could support growth in jobs in the Borough of between 25,200 – 25,600 between 2019-37.

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5. AFFORDABLE HOUSING NEED

5.1 This section provides an analysis of the need for affordable housing in Maidstone and three sub-areas. It takes account of the amended definition of affordable housing in Annex 2 of the revised National Planning Policy Framework (NPPF).

5.2 The NPPF defines affordable housing, as *"housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route into home ownership and/or is for essential local workers)"* and then goes on to set out that this includes affordable housing for rent; starter homes; discounted market sale housing; and other affordable routes into home ownership.

5.3 In this report we have assess affordable housing need using the methodology set out by Government in Planning Practice Guidance (PPG). This is however largely the same as the method in the previous PPG and does not really address those households who require support to become homeowners. We therefore additionally consider the needs of households who might be able to rent without financial support but who aspire to own a home and require support to do so. Such households are considered to have an affordable housing need.

5.4 Our assessment looks at need in the 18-year period from 2019 to 2037, to be consistent with other analysis developed in the report. It is based on data on housing costs and incomes at the time of the assessment.

5.5 The analysis is based on secondary data sources only; including Census data, demographic projections, house price/rents, income information and a range of other local, regional and national databases. The secondary data approach is consistent with Planning Practice Guidance.

5.6 It should be recognised that a key challenge in assessing affordable housing need using secondary sources is the lack of information available regarding households' existing savings. This is a key factor in affecting the ability of young households to purchase housing particularly in the current market context where a deposit of at least 10% is typically required for the more attractive mortgage deals (although lower deposits are available). However, in many cases households who do not have sufficient savings to purchase have sufficient income to rent housing privately without support (where deposit requirements are lower), and thus the impact on the overall assessment of affordable need is limited.

Local Prices and Rents

5.7 An important part of the affordable needs modelling is to establish the entry-level costs of housing to buy and rent. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an 'affordable housing need'. The

information about local housing costs is also relevant for analysis of the different tenures of affordable housing needed.

5.8   The analysis below considers the entry-level costs of housing to both buy and rent. The approach has been to analyse Land Registry and Office for National Statistics (ONS) data to establish lower quartile prices and rents – using a lower quartile figure is consistent with the PPG and reflects the entry-level point into the market.

5.9   Data from the Land Registry for the year to September 2020 (i.e. Q4 of 2019 and Q1-Q3 of 2020) shows estimated lower quartile property prices by dwelling type. The data shows that entry-level prices are generally slightly lower in the Urban part of the Borough, although this is to some extent influenced by the mix of sales in different areas. The analysis points to modest differences in pricing within the two rural areas, with higher detached values in particular in the Rural South (there were too few sales of flatted accommodation in this location to provide a figure for this type of accommodation).

Table 5.1   Lower quartile cost of housing to buy – year to September 2020

	Urban	Rural (C&N)	Rural South	Borough
Flat/maisonette	£124,000	£157,000	-	£127,000
Terraced	£221,000	£236,000	£228,000	£224,000
Semi-detached	£280,000	£284,000	£311,000	£282,000
Detached	£370,000	£402,000	£452,000	£395,000
All dwellings	£221,000	£286,000	£316,000	£240,000

Source: Land Registry

5.10   It is arguably more useful to consider the lower quartile prices by size of accommodation (number of bedrooms) and the table below shows an estimate of this. The information has been drawn from internet sources (such as Rightmove, which can be used to ascertain the prices for different sizes of dwellings rather than types), and then matched to be consistent with the figures shown from the Land Registry source.

5.11   The use of internet price searches is not the same as the analysis of actual sales (i.e. it is for asking prices and based on a point in time). However, by standardising the findings with the actual sales data from Land Registry it is considered that the estimated costs are realistic and consistent with information from published sources.

Table 5.2   Lower Quartile to buy by size, year to September 2020

	Urban	Rural (C&N)	Rural South	Borough
1-bedroom	£102,000	£107,000	£119,000	£105,000
2-bedrooms	£156,000	£162,000	£181,000	£160,000
3-bedrooms	£234,000	£244,000	£271,000	£240,000
4-bedrooms	£336,000	£350,000	£390,000	£345,000
All properties	£221,000	£286,000	£316,000	£240,000

Source: Land Registry and Internet Price Search

5.12   A similar analysis has been carried out for private rents using ONS data – this again covers a 12-month period to September 2020. The analysis shows an average lower quartile cost (across all dwelling sizes) of £725 per month. Additional analysis was carried out to consider urban/rural differences, which suggests slightly higher rents in rural areas, albeit again influenced by the mix of homes available.

5.13   The sub-area data has again been based on internet searches of homes available which is matched to the overall ONS totals (to ensure consistency between sources). Further consideration has been given to the relationship between prices and rents and the different profile of the rented stock in different areas. Overall, the sub-area prices are considered to be realistic and consistent with published data (from ONS).

Table 5.3   Lower Quartile Market Rents, year to September 2020

	Urban	Rural (C&N)	Rural South	Borough
Room only	-	-	-	£400
Studio	-	-	-	£525
1-bedroom	£640	£655	£685	£650
2-bedrooms	£790	£805	£825	£800
3-bedrooms	£935	£960	£1,010	£950
4-bedrooms	£1,225	£1,260	£1,330	£1,250
All properties	£675	£815	£820	£725

Source: ONS and Internet Rental Search

Income Levels

5.14   It is important to understand local income levels as these (along with the price/rent data) will influence the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy. Data about total household income has been based on ONS modelled income estimates, with additional data from the English Housing Survey (EHS) being used to provide information about the distribution of incomes.

5.15   We have used these data sources to construct an income distribution for the three sub-areas for 2020. The table below shows average (mean) incomes and also the median and lower quartile estimates for each area. The analysis shows lower household incomes in urban locations and that there is limited difference between the two rural sub-areas.

Table 5.4   Estimated average (mean) household income by local authority and sub-area (mid-2020 estimate)

	Mean	Median	Lower quartile
Urban	£49,700	£37,800	£21,900
Rural (C&N)	£57,100	£43,500	£25,100
Rural South	£57,200	£43,500	£25,200
Borough	£52,300	£39,600	£22,900

Source: Derived from EHS and ONS data

Affordability

5.16 A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a particular percentage of gross income. The choice of an appropriate threshold is an important aspect of the analysis. CLG 2007 SHMA Practice Guidance suggested that 25% of income is a reasonable start point but also noted that a different figure could be used. Analysis of current letting practice suggests that letting agents typically work on a multiple of 40%. Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40%+ (depending on household characteristics).

5.17 The threshold of income to be spent on housing should be set by asking the question 'what level of income is expected to be required for a household to be able to access market housing without the need for a subsidy (e.g. through Housing Benefit)?' The choice of an appropriate threshold is judgement-based and we consider should be assessed having regard in particular to the cost of housing rather than income. Income levels are only relevant in determining the number (or proportion) of households who fail to meet the threshold. It would be feasible to find an area with very low incomes and therefore conclude that no households can afford housing, alternatively an area with very high incomes might show the opposite output. The key here is that local income levels are not setting the threshold but are simply being used to assess how many can or can't afford market housing.

5.18 At £725 per calendar month, lower quartile rent levels in Maidstone are relatively high in comparison to those seen nationally (a lower quartile rent of £550 per month across England). This would suggest that a proportion of income to be spent on housing could be higher than the bottom end of the range.

5.19 Across England, the lowest lower quartile rents are around £400 per month, and if these areas are considered to be at the bottom end of the range (i.e. 25% of income to be spent on housing) then this would leave a residual income of £1,200 per month. With the same residual income applied to Maidstone, the income required to afford a £725 rent would be £1,925 and so the percentage spent on housing would be 38%.

5.20 However, it needs to be considered that the cost of living in Maidstone is likely to be higher than in some other parts of England[12] and so a pragmatic approach to determining a reasonable proportion of income has been to take a midpoint between the bottom (25%) and the equivalent residual income figure (38%). It has therefore been estimated that a threshold of around 31% would be appropriate, with further small adjustments to reflect pricing in different parts of the Borough. This is similar to the 30% threshold used in the 2014 SHMA.

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[12] The ONS has found that in 2016 the relative regional consumer price levels for goods and services are 1.5% greater than the UK average in South East England

5.21 On the basis of a rent of £725 per month, this would leave a residual income of around £1,615 and a total household income of £28,100 per annum. Therefore, for the purposes of this assessment it is estimated that any household with an income below £28,100 would not be able to afford a lower quartile rent without some degree of subsidy. The use of 31% is considered to be a reasonable position to take given the range of evidence available.

5.22 Generally, the income required to access owner-occupied housing is higher than that required to rent and so the analysis to follow is based solely on the ability to afford to access private rented housing. However, the local house prices are important when looking at the extended definition of affordable housing in NPPF and are returned to when looking at this new definition.

Need for Rented Affordable Housing

5.23 The method for studying the need for affordable housing has been enshrined in Strategic Housing Market Assessment (SHMA) guidance for many years, with an established approach to look at the number of households who are unable to afford market housing (to either rent or buy). The analysis below follows the methodology and key data sources in guidance and can be summarised as follows:

- Current need (an estimate of the number of households who have a need now and based on a range of data modelled from local information);

- Projected newly forming households in need (based on projections developed for this project along with an affordability test to estimate numbers unable to afford the market);

- Existing households falling into need (based on studying the types of households who have needed to access social/affordable rented housing and based on study past lettings data);

- These three bullet points added together provide an indication of the gross need (the current need is divided by 18 so as to meet the need over the 2019-37 period);

- Supply of affordable housing (an estimate of the likely number of letting that will become available from the existing social housing stock – drawing on data provided by the Council); and

- Subtracting the supply from the gross need provides an estimate of the overall (annual) need for affordable housing.

5.24 As part of this study we were provided with an anonymous copy of the Council's Housing Register; this could potentially provide an alternative view about current needs. However, upon reviewing the register it was felt that this may not reflect all needs, as it has a particular focus (as is reasonable) on those with greater priority.

5.25 Indeed, the Council's Allocation Scheme of April 2019 is clear that the authority operates a 'closed list' register with qualifying entry requirements in order to be accepted onto the register. Having a

closed list recognises that the supply of subsidised housing in the borough is limited and that the Council needs to concentrate resources on those with a greater need.

5.26   This does mean that some households who have lower level needs (potentially including many single people and childless couples) will not be eligible to enter the register although they would still generally be considered as having some degree of need. For these reasons it is considered that whilst the register works well as a management tool and assists with the best use of the scarce social housing supply, it may not reflect the full level of need across the Borough. The analysis in this report attempts to provide a view about all needs.

Table 5.5   Summary of analytical stages in assessing affordable housing need

Analytical stage	Description	Method
1 – Current need	An estimate of the number of households who have an affordable need now	Based on the categories of need set out in 2a-020 of the PPG and based on a range of data sources. For some analysis (e.g. overcrowding) Census data is used to provide a baseline which is then updated with reference to national changes informed by the English Housing survey (EHS). An affordability test is applied based on income and housing costs data.
2 – Newly forming households	An annual estimate of the number of new households forming with a need for affordable housing	The number of new households forming is based on outputs from the demographic projections, looking at younger households (aged under 45) forming for the first time. An affordability test is applied, again based on income and housing costs data. Analysis based on 2a-021 of the PPG.
3 – Existing households falling into need	An annual estimate of the number of existing households who will have a need in the future	Based on analysis of data on social housing lettings where accommodation has been provided to a household previously living in their own accommodation (whether rented or owned). No methodology for this stage is provided in the PPG and so the method used links to older SHMA guidance
4 – Supply of affordable housing	Annual estimate of the supply of relets from the existing stock	Based on trend data for the past 3-years, the estimate looks at the number of lettings before netting off the number of lettings in new homes and the number or transfers. This is to ensure that the number reflects the supply available from the existing stock. Based on 2a-022 of the PPG.

5.27   Despite these comments, it is considered that the register can be a useful tool when looking at the mix of housing needed – in particular as the register focuses on those who will potentially be housed, it is logical that the mix of housing should be expected to broadly meet the needs of this group of households. The composition of the register is returned to when considering the sizes of homes needed in different tenures later in this report.

Current Affordable Housing Need

5.28 In line with PPG Paragraph 2a-020, the current need for affordable housing has been based on considering the likely number of households with one or more housing problems. The table below sets out the categories in the PPG and the sources of data being used to establish numbers.

5.29 The PPG also includes a category where households cannot afford to own a home despite it being their aspiration. This category is considered separately later in this section.

Table 5.6   Main Sources for Assessing the Current Unmet Need for Affordable Housing

	Source	Notes
Homeless households (those in temporary accommodation	MHCLG Statutory Homelessness data	Household in temporary accommodation at end of quarter.
Households in overcrowded housing	Census table LC4108EW	Analysis undertaken by tenure and updated by reference to national changes (from the English Housing Survey (EHS))
Concealed households	Census table LC1110EW	Number of concealed families
Existing affordable housing tenants in need	Modelled data linking to past survey analysis	Excludes overcrowded households – tenure estimates updated by reference to the EHS
Households from other tenures in need	Modelled data linking to past survey analysis	

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

5.31 The table below shows the initial estimate of the number of households within the Borough with a current housing need. These figures are before any 'affordability test' has been applied to assess the ability of households to meet their own housing needs; and has been termed 'the number of households in unsuitable housing'. Overall, the analysis suggests that there are currently some 5,200 households living in unsuitable housing (or without housing).

Table 5.7   Estimated No. of Households Living in Unsuitable Housing

Category of Need	Households
Homeless households	110
Households in overcrowded housing	2,790
Concealed households	666
Existing affordable housing tenants in need	183
Households from other tenures in need	1,484
Total	5,233

Source: CLG Live Tables, Census 2011 and Data Modelling

5.32   In taking this estimate forward, the data modelling next estimates housing unsuitability by tenure. From the overall number in unsuitable housing, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). The analysis also excludes 90% of owner-occupiers under the assumption (which is supported by analysis of survey data) that the vast majority will be able to afford housing once savings and equity are taken into account. A final adjustment is to slightly reduce the unsuitability figures in the private rented sector to take account of student-only households – such households could technically be overcrowded/living in unsuitable housing but would be unlikely to be allocated affordable housing (student needs are essentially assumed to be transient) – this only reduces the estimated need by around 20 households in total. Once these households are removed from the analysis, the remainder are taken forward for affordability testing.

5.33   The table below shows it is estimated that there were 2,955 households living in unsuitable housing (excluding current social tenants and the majority of owner-occupiers).

Table 5.8   Unsuitable Housing by Tenure and No. to Take Forward into Affordability Modelling

	In Unsuitable Housing	No. to Take Forward for Affordability Testing
Owner-occupied	1,216	122
Affordable housing	1,162	0
Private rented	2,079	2,057
No housing (homeless/concealed)	776	776
Total	5,233	2,955

Source: CLG Live Tables, Census 2011 and Data Modelling

5.34   Having established this figure, it needs to be considered that a number of these households might be able to afford market housing without the need for subsidy. To consider this, the income data has been used, with the distribution adjusted to reflect a lower average income amongst households living in unsuitable housing – for the purposes of the modelling an income distribution that reduces the average household income to 88% of the figure for all households has been used to identify the proportion of households whose needs could not be met within the market (for households currently

living in housing). A lower figure of 42% has been used to apply an affordability test for the concealed/homeless households who do not currently occupy housing.

5.35   These two percentage figures have been based on a consideration of typical income levels of households who are in unsuitable housing (based mainly on estimates in the private rented sector) along with typical income levels of households accessing social rented housing (for those without accommodation). The figures have been based on analysis of the English Housing Survey (mainly looking at relative incomes of households in each of the private and social rented sectors) as well as consideration of similar information collected through household surveys (across the country) by JGC.

5.36   Overall, just under half of households with a current need are estimated to be likely to have insufficient income to afford market housing and so the estimate of the total current need is from 1,40 households in the Borough. The table below also shows how this is estimated to vary by sub-area.

Table 5.9   Estimated Current Affordable Housing Need

	In unsuitable housing (taken forward for affordability test)	% Unable to Afford Market Housing (without subsidy)	Revised Gross Need (including Affordability)
Urban	2,186	46.1%	1,008
Rural (C&N)	545	54.6%	297
Rural South	224	51.5%	115
Borough	2,955	48.1%	1,420

Source: CLG Live Tables, Census 2011 and Data Modelling

Newly Forming Households

5.37   The number of newly-forming households has been estimated through demographic modelling (linked to the 2018-based subnational population projections and household formation rates in the 2014-based subnational household projections) to which an affordability test has then being applied. The volume of newly-forming households has been assessed by considering the changes in households in specific 5-year age bands relative to numbers in the age band below, 5 years previously, to provide an estimate of gross household formation.

5.38   The number of newly-forming households is limited to households forming who are aged under 45. This is consistent with 2007 SHMA Guidance which notes after age 45 that headship (household formation) rates 'plateau'. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.

5.39   In assessing the ability of newly-forming households to afford market housing, data has been drawn from previous surveys undertaken nationally by JGC. This establishes that the average income of newly-forming households is around 84% of the figure for all households. This figure is remarkably consistent across areas (and is also consistent with analysis of English Housing Survey data at a

national level). The analysis has therefore adjusted the overall household income data to reflect the lower average income for newly-forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this it is possible to calculate the proportion of households unable to afford market housing without any form of subsidy (such as Local Housing Allowance or Housing Benefit). For the purposes of the initial analysis of affordable need (i.e. the established definition) this will relate to households unable to afford to buy OR rent in the market.

5.40 The assessment suggests that overall around two-fifths of newly-forming households will be unable to afford market housing (to rent privately) and this equates a total of 541 newly-forming households who will have a need on average in each year to 2037. The table below provides a breakdown by sub-area.

Table 5.10 Estimated Level of Affordable Housing Need from Newly Forming Households (per annum)

	No. of new households	% unable to afford	Annual newly-forming households unable to afford to rent
Urban	915	40.3%	369
Rural (C&N)	305	42.3%	129
Rural South	102	42.5%	43
Borough	1,322	40.9%	541

Source: Projection Modelling/Affordability Analysis

Existing Households Falling into Affordable Housing Need

5.41 The second element of newly arising need is existing households falling into need. To assess this, information from CoRe (Continuous Online Record of Social Housing Lettings)[13] has been used. The assessment looked at households who have been housed over the past three years – this group will represent the flow of households onto the Housing Register over this period. From this, newly forming households (e.g. those currently living with family) have been discounted as well as households who have transferred from another social/affordable rented property. An affordability test has also been applied.

5.42 This method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says on page 46 that *'Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have*

[13] The continuous recording of lettings and sales in social housing in England (referred to as CoRe) is a national information source that records information on the characteristics of both private registered providers and local authority new social housing tenants and the homes they rent

entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless household applicants)'.

5.43   Following the analysis through suggests a need arising from 195 existing households each year. To be clear, this will exclude current tenants in affordable housing and will mainly be comprised of households in need in the private rented sector (with a small number of owner-occupiers). The table below breaks this down by sub-area.

Table 5.11   **Estimated Level of Affordable Housing Need from Existing Households Falling into Need (per annum)**

	Total Additional Need	% of Total
Urban	155	79.8%
Rural (C&N)	27	13.7%
Rural South	13	6.5%
Borough	195	100.0%

Source: Derived from a range of sources as described in text

Supply of Affordable Housing Through Relets

5.44   The future supply of affordable housing through relets is the flow of affordable housing arising from the existing stock that is available to meet future need. This focusses on the annual supply of social/affordable rent relets.[14]

5.45   The Practice Guidance suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. Information has been provided by the Council to establish past patterns of social housing turnover. The figures include general needs and supported lettings but exclude lettings of new properties and also exclude an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock.

5.46   To make an estimate to the likely level of future relets, an average of the figures for the past five years has been taken (data in table below). The analysis therefore shows that an estimated 393 units of social/affordable rented housing are likely to become available each year moving forward for occupation by newly-forming households and existing households falling into need from other tenures.

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[14] Intermediate housing supply is considered against the need arising from the expanded definition of affordable housing later in this section.

Table 5.12   Analysis of past social/affordable rented housing supply

Year	Relets	Year	Relets
2011/12	323	2016/17	341
2012/13	459	2017/18	393
2013/14	429	2018/19	373
2014/15	461	2019/20	464
2015/16	508	2020/21	394

Source: Maidstone Borough Council. Excludes new-builds.

5.47   The table below shows the estimated supply of affordable housing from relets in each sub-area. The sub-area figures have been estimated based on the size of the stock in each sub-area as of 2011 (Census data).

Table 5.13   Estimated supply of affordable housing from relets of existing stock by sub-area (per annum)

	Annual Supply	% of Supply
Urban	315	80.3%
Rural (C&N)	53	13.4%
Rural South	25	6.3%
Borough	393	100.0%

Source: CoRe and Census 2011

5.48   It should be noted that the figures derived above include rented relets only (social/affordable rented housing). In the last assessment of affordable need (2014 SHMA) an additional allowance was made for relets of intermediate housing (shared ownership) – this amounted to 39 relets (resales) per annum. In this assessment, due to the expanded definition of affordable housing, it is considered that such resales should be considered when looking at the need for affordable home ownership and are therefore excluded from the analysis above.

Net Affordable Housing Need

5.49   The table below shows the overall calculation of affordable housing need. This excludes supply arising from sites with planning consent (the 'development pipeline'). The analysis shows that there is an affordable need (for social/affordable rented housing) for 399 dwellings per annum to be provided in Maidstone, with needs shown in all areas of the Borough. These needs are for rented housing targeted at households who cannot afford to buy or rent in the open market. The net need is calculated as follows:

Net Need = Current Need + Need from Newly-Forming Households + Existing Households falling into Need – Supply of Affordable Housing

Table 5.14   Estimated Need for Rented Affordable Housing (per annum)

	Urban	Rural (C&N)	Rural South	Borough
Current need	56	17	6	79
Newly forming households	369	129	43	541
Existing households falling into need	155	27	13	195
Total Gross Need	580	172	62	815
Re-let Supply	315	53	25	393
Net Need	265	119	37	422

Source: Census (2011)/CoRe/Projection Modelling and affordability analysis

Comparison with 2014 Assessment

5.50   The last full assessment of affordable housing need can be found in a January 2014 report by GL Hearn with the table below comparing key outputs for the whole of the HMA. Overall, the analysis particularly shows an increase in the estimated level of current need. This looks to be driven by increases in housing costs and in the size of the private rented sector, this being the tenure from which the majority of current needs arise. The relet supply has also fallen.

5.51   Regardless of any differences in precise numbers, both studies clearly demonstrate a substantial need for additional affordable housing and the Council should seek to maximise delivery where opportunities arise.

Table 5.15   Comparison of affordable housing need assessments

	This study	2014 SHMA
Current need	79	32
Newly forming households	541	568
Existing households falling into need	195	235
Total Gross Need	815	835
Re-let Supply	393	513
Net Need	422	322

Source: 2014 data from Table 49

What Types of Rented Affordable Housing should be provided?

5.52   The analysis above has studied the overall need for social and affordable rented housing with a focus on households who cannot afford to rent in the market. These households will therefore have a need for some form of rented housing at a cost below typical market rates. Typically, there are two types of rented affordable accommodation (social and affordable rented) with the analysis below initially considering what a reasonable split might be between these two tenures. The analysis then moves on to consider the concept of 'Living Rents' which uses a methodology developed by the Joseph Rowntree foundation (JRF) to link rents to local incomes.

Relative Need for Social and Affordable Rented Homes

5.53   The analysis above has studied the overall need for social and affordable rented housing with a focus on households who cannot afford to rent in the market. These households will therefore have a need

for some form of rented housing at a cost below typical market rates. Typically, there are two main types of rented affordable accommodation (social and affordable rented) with the analysis below initially considering what a reasonable split might be between these two tenures.

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

Table 5.16 Comparison of rent levels for different products – Maidstone

	Social rent	Affordable rent (AR)	Lower quartile (LQ) market rent	Median market rent	AR as % of LQ	AR as % of median
1-bedroom	£355	£533	£650	£680	82%	78%
2-bedrooms	£413	£653	£800	£850	82%	77%
3-bedrooms	£458	£739	£950	£1,050	78%	70%
4-bedrooms	£505	£940	£1,250	£1,400	75%	67%
All	£419	£680	£725	£850	94%	80%

Source: RSH and ONS

5.55 For the affordability test, the overall average rent for each product has been used and some caution should be noted as the different profile of tenures clearly has some impact on housing costs. The table below suggests that around 5% of households who cannot afford to rent privately could afford an affordable rent, with a further 40% being able to afford a social rent (but not an affordable one). A total of 55% of households would need some degree of benefit support to be able to afford their housing (regardless of the tenure).

Table 5.17 Estimated need for affordable rented housing – Maidstone

	% of households able to afford
Afford affordable rent	5%
Afford social rent	40%
Need benefit support	55%
All unable to afford market	100%

Source: Affordability analysis

5.56 The finding that only 5% of households can afford an affordable rent does not automatically lead to a policy conclusion on the split between the two types of housing. For example, many households who will need to access rented accommodation will be benefit dependent and as such could technically afford an affordable rent – hence a higher proportion of affordable rented housing might be appropriate – indeed the analysis does identify a substantial proportion of households as being likely to need benefit support. On the flip side, providing more social rents might enable households

to return to work more easily, as a lower income would potentially be needed to afford the lower social (rather than affordable) rent.

5.57   There will be a series of other considerations both at a strategic level and for specific schemes. For example, there may be funding streams that are only available for a particular type of housing, and this may exist independently to any local assessment of need. Additionally, there will be the consideration of the balance between the cost of housing and the amount that can be viably provided, for example, it is likely that affordable rented housing is more viable, and therefore a greater number of units could be provided. Finally, in considering a split between social and affordable rented housing it needs to be considered that having different tenures on the same site (at least at initial occupation) may be difficult – e.g. if tenants are paying a different rent for essentially the same size/type of property and services.

5.58   On this basis, it is not recommended that the Council has a rigid policy for the split between social and affordable rented housing, although the analysis is clear that both tenures of homes are likely to be required. The Council's 2015 'Further Viability Testing Study' tested a tenure profile of 70% affordable rent and 30% intermediate housing and assumed transfer values of 55% of the market value for affordable rent and 45% for social rent. Provision of social rented housing on this basis whilst better aligned to housing need would thus have potentially a downward impact on the level of affordable housing which could be secured.

Need for Affordable Home Ownership Products

5.59   Using the previously established method to look at affordable need, it was estimated that there is a substantial need for additional affordable housing – this is for subsidised housing at a cost below that to access the private rented sector (i.e. for households unable to access any form of market housing without some form of subsidy). It would be expected that this housing would be delivered primarily as social/affordable rented housing.

5.60   The revised NPPF broadens the definition of affordable housing to include households which might be able to rent a home in the private sector without financial support but aspire to own a home and require support to do so. There are various 'affordable home ownership' products which can meet the housing needs of this group.

5.61   This section considers the level of need for these types of dwellings in Maidstone. The NPPF states "*Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups*." (NPPF, para 64).

Establishing a Need for Affordable Home Ownership

5.62   The PPG (Feb 2019) confirms a widening definition of those to be considered as in affordable need; now including *'[households] that cannot afford their own homes, either to rent, or to own, where that*

is their aspiration'. However, at the time of writing, there is no guidance about how the number of such households should be measured.

5.63 The methodology used in this report therefore draws on the current method as set out in PPG, and includes an assessment of current needs, projected need (newly forming and existing households). The key difference is that in looking at affordability an estimate of the number of households in the 'gap' between buying and renting is used – i.e. those households who can afford to rent a home without financial support but require support to access home ownership. There is also the issue of establishing an estimate of the supply of affordable home ownership homes – this is considered separately below.

5.64 The first part of the analysis seeks to understand what the gap between renting and buying actually means in Maidstone – in particular establishing the typical incomes in this bracket. Our analysis indicates that this relates to households with a gross household income in the following brackets:

- Urban: £26,600 - £44,200

- Rural Centre and North: £29,900 - £57,200

- Rural South: £30,000 - £63,200

- Borough-wide: £27,800 - £48,000

5.65 Using the income distributions developed for use in the previous analysis of affordable housing need, it has been estimated that of all households living in the private rented sector, around 27% of those fall into the "rent/buy gap", i.e. of private rented sector tenants, 27% can afford more than private sector rents but cannot afford to buy a home without financial support. These figures have been based on an assumption that incomes in the private rented sector are around 88% of the equivalent figure for all households (a proportion derived from the English Housing Survey). These are used as it is clear that affordable home ownership products are likely to be targeted at households living in or who might be expected to access this sector (e.g. newly forming households).

5.66 To study current need, an estimate of the number of household living in the private rented sector (PRS) has been established, along with the same (rent/buy gap) affordability test described above. The starting point is the number of households living in private rented accommodation (as of the 2011 Census). Data from the Survey of English Housing (EHS) suggests that since 2011, the number of households in the PRS has risen by about 20% and so this proportion is added to the initial estimate of the size of the sector to provide an estimate of the current size of the PRS.

5.67 Additional data from the EHS suggests that 60% of all PRS households expect to become an owner at some point and of these some 25% would expect this to happen in the next 2-years. This 25% figure is taken to provide an estimate of the current number of households living in the PRS who are seeking to become a homeowner in the short-term. The analysis then also considers newly forming households and also the remaining existing households who expect to become owners further into the future (i.e. those moving beyond the initial 2-year period).

5.68 Bringing the various strands of analysis together suggests that there is a gross need for around 457 affordable home ownership homes (priced for households able to afford to rent but not buy) per annum in the 2019-37 period.

Table 5.18 Estimated Gross Need for Affordable Home (per annum) – 2019-37

	Urban	Rural (C&N)	Rural South	Borough
Current need	17	5	2	25
Newly forming households	234	90	34	358
Existing households falling into need	52	15	7	74
Total Gross Need	303	109	44	457

Source: Census (2011)/Projection Modelling and affordability analysis

Potential Supply of Housing to Meet the Affordable Home Ownership Need

5.69 At the current time the PPG does not include specific guidance about how the supply of housing to meet these needs should be calculated. Our estimates of need are based on households able to afford something between the lower quartile cost of renting and the lower quartile cost to buy.

5.70 Analysis of Land Registry data has therefore been undertaken to assess the number of homes sold at below lower quartile prices. However, it is the case that market housing is not allocated in the same way as social/affordable rented homes (i.e. anyone is able to buy a home as long as they can afford it and it is possible that a number of lower quartile homes would be sold to households able to afford more, or potentially to investment buyers). Furthermore, some homes sold at below a lower quartile house price are in poor condition and in need of investment/ repair and may not therefore be suitable for lower income households. In addition, there will be some 'resales' of existing shared ownership and shared equity housing within the Council area.

5.71 A broad further assumption has been used for modelling purposes that around half of the homes sold up to lower quartile values would be available to meet the needs of some households with an income in the gap between buying and renting. To this we have added an estimate of the resales of existing shared ownership properties, based on CoRE data. This has been split by sub-area based on Census data on shared ownership stock.

5.72 The table below brings together the analysis of need and supply. It shows a potential annual need for 137 affordable home ownership homes per year, with needs being shown in all areas of the Borough.

Table 5.19 Estimated Need for Affordable Home Ownership – per annum

	Urban	Rural (C&N)	Rural South	Borough
Current need	17	5	2	25
Newly forming households	234	90	34	358
Existing households falling into need	52	15	7	74
Total Gross Need	303	109	44	457
Supply (50% of LQ sales)	181	67	31	279
Supply LCHO resales	32	7	2	41
Net need	91	36	11	137

Source: Derived from Census (2011)/Projection Modelling/Land Registry and affordability analysis

5.73 The table below brings together the analysis of need for both rented affordable and low-cost ownership housing, drawing together analysis from Tables 6.6 and 6.11. The evidence shows around a quarter of the total affordable need on the NPPF updated definition is for low cost home ownership housing.

Table 5.20   Overall Annual Affordable Housing Need by Sub-Area

	Urban	Rural (C&N)	Rural South	Borough
Rented Affordable Housing	265	119	37	422
% Sub-Area Total	74%	77%	77%	75%
Affordable Home Ownership	91	36	11	137
% Sub-Area Total	26%	23%	23%	25%
Total Affordable Housing	356	155	48	559

5.74 It is clear from the wider analysis of market dynamics that there has been a significant growth of households living in the Private Rented Sector over recent years, with Census data showing that the number of households living in the sector increasing by 113% from 2001 to 2011 (with the likelihood that there have been further increases since). Over the same period, the number of owners with a mortgage dropped (by 7%). Access to owner occupation is being restricted by both the cost of housing to buy as well as access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially some mortgage restrictions (e.g. where employment is temporary). Some households with an affordable housing need may be able to live in the Private Rented Sector and claim Local Housing Allowance, with data from the Department for Work and Pensions indicating that there were 4,400 claimants living in the Private Rented Sector in Maidstone in November 2020. However, there is no guarantee that the supply of housing from this sector to meet those with an affordable housing need will be maintained over time (as private landlords can re-let properties to other households).

5.75 The analysis above shows a need from households who require support to access home ownership. But the needs of these households can be met through a variety of means, including:

• The various low-cost home ownership products identified in the NPPF Glossary, including discounted market sale and starter homes; shared ownership and shared equity housing (this category would also include First Homes); and

• Other Government initiatives which seek to broaden access to home ownership, including the Help-to-Buy scheme in which the Government lends up to 20% of the cost of a new-build home and purchasers only require a 5% deposit and the Rent-to-Buy Scheme under which households are able to live in homes with a subsidised rent allowing them to save for a deposit to buy a home.

5.76 In bringing together evidence through the Local Plan Review, the Council needs to consider the evidence of need, the relative acuteness of the need, and issues of residential development viability. The NPPF advises that at least 10% of all new housing on larger sites should be for affordable home

ownership unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups.

5.77   The evidence suggests that the scale of need for affordable home ownership properties equates to around 12% of the overall housing need (1,157 dpa). However, there is also a clear and acute need for rented affordable housing from lower income households, and it is important that a supply of rented affordable housing is maintained to meet the needs of this group including those to which the authority have a statutory housing duty. Such housing is cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments).

5.78   As is clear from both the NPPF and PPG, the additional group of households in need is simply a case of seeking to move households from one tenure to another (in this case from private renting to owner-occupation); there is therefore no net change in the total number of households, or the number of homes required.

How Much Should Affordable Home Ownership Homes Cost?

5.79   The analysis and discussion above suggest that there are a number of households likely to be able to rent privately without support but require assistance to be able to buy a home. It should be appreciated that it is however difficult to precisely quantify the supply of homes to meet this need.

5.80   This report recommends shared ownership as the most appropriate form of affordable home ownership and also encourages consideration of other packages such as providing support for deposits. However, it is possible that some housing would come forward as other forms of housing such as Starter Homes, Rent to Buy or discounted market sale. If this is the case, it will be important for the Council to ensure that such homes are sold at a price that is genuinely affordable for the intended target group.

5.81   On this basis, it is worth discussing what sort of costs affordable home ownership properties should be sold for. The Annex 2 (NPPF) definitions suggest that such housing should be made available at a discount of at least 20% from Open Market Value (OMV). The problem with having a percentage discount is that it is possible in some locations or types of property that such a discount still means that housing is more expensive than that typically available in the open market.

5.82   The preferred approach in this report is to set out a series of affordable purchase costs for different sizes of accommodation. These are set out as a range with the bottom end being based on equivalising the private rent figures into a house price so that the sale price will meet the needs of all households in the gap between buying and renting. The upper level is set based on the estimated lower quartile price to buy a home. Setting higher prices would mean that such housing would not be available to households for whom the Government is seeking to provide an 'affordable' option. For 1-bedroom homes, the equivalent price to private renting is higher than homes currently available to buy and so there is no range (the figures being equivalent to estimates of the lower quartile purchase price).

Table 5.21 Affordable home ownership prices

	Urban	Rural (C&N)	Rural South	Borough
1-bedroom	£102,000	£107,000	£119,000	£105,000
2-bedroom	£155,000-£156,000	£148,000-£162,000	£151,000-£181,000	£153,000-£160,000
3-bedroom	£184,000-£234,000	£176,000-£244,000	£185,000-£271,000	£182,000-£240,000
4-bedroom	£241,000-£336,000	£231,000-£350,000	£243,000-£390,000	£239,000-£345,000

Source: derived from VOA data

The Relationship between Affordable Need and Overall Housing Provision

5.83   The evidence on affordable housing need is not directly comparable to that arising from the standard method. As the PPG sets out, the need for particular groups within the population may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method.[15] This is because in this case the affordable housing need relates to the whole population rather than just new households; and the affordable housing need in part therefore reflects an existing tenure imbalance.

5.84   The PPG however sets out that the affordable housing needs to be considered in the context of its likely delivery as a proportion of mixed tenure development schemes; and that an increase in total housing figures (the housing requirement) may need to be considered where it could help to deliver the required number of homes.

5.85   The Council's adopted Local Plan Policy SP20 seeks affordable housing on development schemes of 11 or more dwellings, or which have a combined floorspace of over 1,000 sq.m GIA. It seeks 30% affordable housing provision on sites within the Maidstone Urban Area and 40% affordable housing in the Rural Area. As Table 3.7 set out, an average of 25% affordable housing as a proportion of total housing delivery has been achieved in the Borough over the period since 2011.

5.86   At 25% affordable housing provision, notionally 2,236 dwellings per annum would be needed to meet the affordable housing need in full. These calculations are however very sensitive to the affordable housing need figure (which is influenced by the relationship between housing costs and incomes at the point of the assessment), and the proportion of affordable housing delivered (which is influenced by mechanisms for funding and delivery of affordable homes). At 40% affordable housing delivery, provision of just under 1,400 dpa would be needed to meet the affordable housing need in full, still slightly above the standard method local housing need figure.

5.87   If 30% affordable housing delivery is achieved with delivery in line with the local housing need of 1,157 dpa it would equate to delivery of 347 affordable homes per year. This would fall short of meeting the affordable housing need of 559 affordable homes pa in full. Notionally 48% of housing delivery would need to be of affordable homes to meet the affordable needs in full, which is unlikely to be achievable in the context of the existing funding regime for affordable housing and residential

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[15] PPG ID: 67-001-20190722

development viability in the Borough. The PPG recognises that viability may well constrain the ability to meet the needs of specific groups in full.[16]

5.88 Iceni understands that the Council is working to promote affordable housing delivery. Its policies support the development of rural exception sites; and we understand that the Council itself is in the process of seeking to bring forward development schemes to deliver affordable housing itself. Higher levels of affordable housing delivery (above target) can also be supported on schemes where there is grant funding in place.

5.89 Having regard to the analysis in this report, the affordability uplift within the standard method is of a scale where it will fully address the needs of additional households not counted within the demographic projections (such as those who are concealed or homeless). Upward adjustments from the standard method would therefore potentially draw in additional households to the area (on the assumption that we are planning for homes to be occupied).

5.90 Delivery of the standard method local housing need would represent growth in the housing stock of 1.5% pa on average over the period to 2037, which represents a growth rate which at the upper end of what has been sustained by the best performing local authorities in the region and nationally in respect of housing delivery. This provides little scope for a higher housing requirement to be set and delivered through the Local Plan.

5.91 The delivery of the standard method local housing need figure of 1,157 dpa would require housing stock growth towards the higher end of what the best performing local authorities nationally have achieved, and sustaining this across the economic cycle. This provides little scope for a higher housing requirement to be set and delivered through the Local Plan.

Crafting Policies for Affordable Housing

5.92 Maidstone Borough Council published an Affordable Housing Supplementary Planning Document (SPD) in July 2020 to support the delivery of affordable housing across the borough.

5.93 The Affordable Housing SPD sets out that, for mixed development sites, affordable housing should be provided on-site in most circumstances and indistinguishable from the market housing. A particular site's characteristics and the development as a whole should be reflected in the affordable housing mix of dwelling tenure, type and size, taking into account the space standards guidelines for affordable housing. The Council's planning team will advise on the exact tenure, type and size split on each site through pre-application discussions. This can be informed by this SHMA.

5.94 The SPD recognises that the greatest affordable housing need across the borough is for social rented properties, however these can be difficult to deliver. The Council's Economic Viability Report undertaken in support of the Local Plan assumed a tenure split of 70% affordable rent / 30%

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[16] ID: 67-001-20190722

intermediate and did not include any social rent. Given the challenges of providing social rented units, the SPD outlines a more flexible approach to the provision of affordable housing if social rented units are to be provided. This approach is sensible and supported by the evidence of need herein.

5.95   The SPD also notes a need to provide affordable homes within retirement housing schemes where they fall within a C3 use class. The Affordable Housing SPD seeks a minimum provision of 20% affordable housing rate for retirement homes / sheltered housing and extra care/ assisted living in line with Policy SP 20 in the Local Plan. We consider issues associated with retirement housing further in Section 7.

Affordable Housing Need: Implications

The evidence points to an affordable housing need for 559 affordable homes a year, of which three-quarters is for rented affordable housing and a quarter for low cost home ownership products, including shared ownership/ equity housing, discounted market sales and rent-to-buy (would also include First Homes). The analysis in this section provides an assessment of need for each of the three sub-areas within the Borough.

The total affordable housing need shown equates to 48% of the total housing need shown (as derived from the Standard Method). However, these figures are not derived from different models and are not directly comparable with one another. Affordable housing delivery is constrained by the funding models for its delivery, and residential development viability. Delivery of the standard method will increase supply, and builds in an affordability adjustment that includes both additional market and affordable homes. The analysis suggests little potential to sustain housing delivery above the standard method.

It is important that housing is costed to be genuinely affordable for local people. Iceni would therefore recommend that rents are set at levels which do not exceed Local Housing Allowance levels. The analysis in Table 6.12 should inform the pricing of affordable home ownership products.

A significantly higher affordable housing need is shown for rented affordable housing (422 pa) relative to affordable home ownership (137 pa). The Council should balance national policy objectives, the relative acuteness of need, ability of households to access other forms of housing, and development viability in drawing conclusions on the tenure split of affordable housing to be sought from new developments.

6.   HOUSING NEEDS OF YOUNGER PEOPLE

6.1   In this section we move on to consider the housing needs of younger people as well as student housing needs. It considers the housing market characteristics for younger households, essentially those with a head of household representative up to the age of 40 years; examines the levels and rate of formation of younger households and then looks at affordability barriers as well as the main initiatives to increase the supply of housing for such households including the Help to Buy and Starter Homes initiatives.

Volumes of Younger Households

6.2   Table 6.1 below profiles the proportion of current households where the household reference person (head of household) is aged under 40. Over the 2019-37 period, the number of younger households is expected to increase by 21%.

Table 6.1   Levels and Projected Growth in Younger Households, 2019-37 – Maidstone

|	Households 2019	Households 2037	Change in households	% change
16-24	1,659	2,169	510	30.7%
25-29	3,974	4,934	959	24.1%
30-34	5,350	6,136	785	14.7%
35-39	5,928	7,244	1,316	22.2%
Total under 40	16,911	20,482	3,571	21.1%
Authority Total	70,560	91,519	20,959	29.7%

Source: Demographic Projections

6.3   In addition to households that are headed by a younger household representative person there are others that are living as part of another existing household (usually with parents or other relations). In Maidstone, the 2011 Census showed that 9.6% of households included non-dependent children – this is a similar proportion to that seen in other areas (e.g. County, regionally and nationally). Nationally, ONS data[17] shows that the number of young adults living with their parents has grown very significantly in the period from 1999 to 2015 (from 5.5m to some 6.6m) with the level tending to stabilise in the following most recent period.

[17] Labour Force Survey, ONS, 2015

Home Ownership amongst Younger Households

6.4 2019 research by the Resolution Foundation[18] points to a long-term downward trend in home ownership amongst younger households in the 25-34 and 35-44 age groups in the South East Region, set against growing home ownership amongst those 65+. However, it shows some stabilisation in the position since 2012/13 and some recent improvement in home ownership amongst those aged 35-44.

Figure 6.1: Proportion of Families Who Own Their Home, South East Region, 1984 – 2017
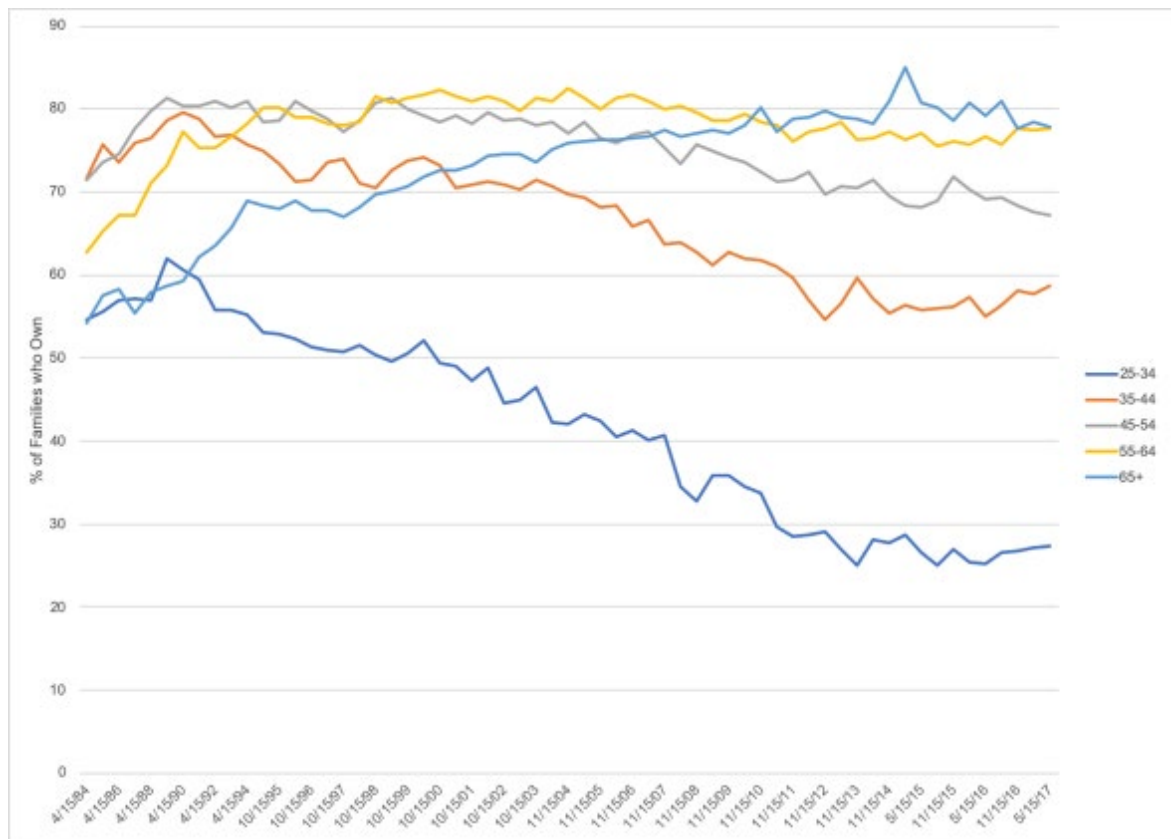
*Source: The Resolution Foundation, January 2019 – using Labour Force Survey data*

6.5 Turning to Maidstone, tenure of housing by age of the Household Reference Person can be reviewed for younger age cohorts using 2011 Census data. While the data is of course now some years old, it remains an important source of information. It shows a clear difference between levels of home ownership between those aged 16-34 and 35-49 and a significant differential between those who are and are not economically active.

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[18] https://www.resolutionfoundation.org/data/housing/

Figure 6.2: Housing Tenure by Younger Age Cohort and Economic Activity, Maidstone, 2011
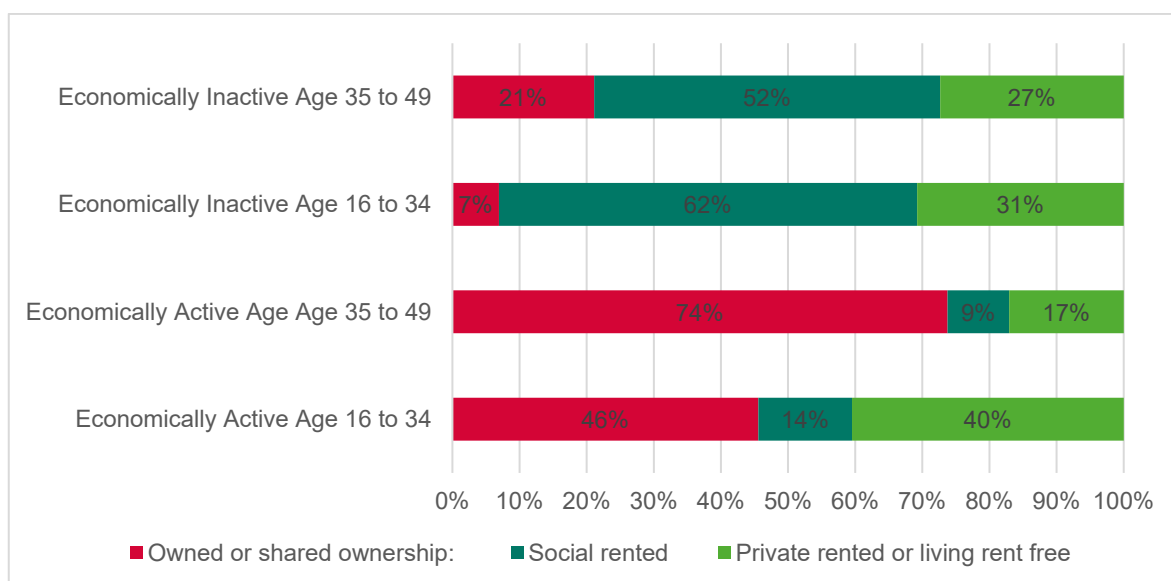
Source: Census 2011 via Nomis

Current Affordability and Barriers for Younger Households

6.6   Younger households and individuals often find barriers to accessing a choice and mix of housing offer to meet their needs. These reflect differentials between housing costs (whether to buy or rent) and incomes. These difficulties are compounded by the operation of mortgage lending and finance with increased levels of scrutiny concerning a household or individuals' ability to meet repayments and also to find substantial deposits in order to secure finance.

6.7   Some households may have sufficient income to buy a home, but may not have sufficient savings to be able to afford to pay the deposit and transactions costs (e.g. Stamp Duty and costs for moving) and for some younger households, the level of savings is therefore a barrier to accessing home ownership.

Welfare and Housing Benefits

6.8   Changes to welfare and housing benefits have influenced the ability of younger households and individuals to secure accommodation. Generally, single private renters aged under 35 years can only claim Housing Benefit at the shared accommodation rate (even if the property is not shared with others).

6.9   The shared accommodation rate is set under the Local Housing Allowance (LHA) regulations by the Valuation Office Agency. The current[19] LHA rates for the Maidstone Broad Rental Market Area are:

- Shared Accommodation rate: £88.85 per week
- One Bedroom rate: £149.59 per week

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[19] March 2021

- Two Bedrooms rate: £187.56 per week

- Three Bedrooms rate: £224.38 per week

- Four Bedrooms rate: £287/67 per week

6.10 The housing benefit cap applies to working age people (those not qualifying for exemption) setting an overall limit of the amount of benefits that are paid. The benefit cap applicable in Maidstone is the 'Outside London' rate which for single people is £257.69 per week (£1,116.67 per month); and for families with children or couples is £384.62 (£1,666.67 per month).

Affordability and Access to Finance

6.11 As described in Section 3, lower quartile house prices have now risen to 11.2 times typical earnings of younger households working in Maidstone. This is significantly worse than the level in 2014 of 9.2 when the last SHMA was prepared. It is a level at which there are significant barriers for younger households seeking to buy a home.

6.12 Lower quartile house prices averaged £236,000 in Maidstone in the year ending September 2018. The LQ average sales prices in the South East have witnessed significant increases over recent years. The LQ house prices as at September 2014 was: £179,950 in Maidstone.[20] Based on loan to income ratios used by most mortgage lenders of 4.5-time annual income[21] the table below sets out the monthly entry-level housing costs. The situation will have worsened since.

Table 6.2   Entry Level House Purchase Costs, 2018

Area	LQ Purchase Price 2018	Monthly Mortgage Cost (3% interest)	Stress-Test Monthly Mortgage Cost (6% interest)
Maidstone	£247,500	£1,056.31	£1435.18
South East	£245,000	£1,045.64	£1420.68
England	£160,000	£682.86	£927.79

Source: House Price Statistics for Small Areas, Iceni calculation and The Money Advice Service, April 2019

6.13 Overall, the entry level house purchase costs represent a significant barrier and challenge for many younger households with monthly mortgage payments in excess of £1,000; and the requirement for significant savings to access deposit finance.

Help-to-Buy Support

6.14 The Government's Help-to-Buy Programme provides a range of schemes which support younger households to get on the housing market (and in doing so support housing market activity). The programme now includes:

- **Help to Buy ISA** – this is a savings product aimed at first time buyers. The ISA boosts the amount saved by 25% with the total Government contribution capped at £3,000. The ISA can be used in combination with the Equity Loan or Shared Ownership schemes.

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[20] House Price Statistics for Small Areas (Year to Sept 2018)
[21] Calculations assume a 10% deposit, repayment term of 25 years and a 3% interest rate over the term (6% for the Stress-Test). It is assumed that there is no existing housing equity available to purchasers

- **Help to Buy Equity Loan** – This scheme, for new homes, is open to first time buyers and existing homeowners. There is no income cap and properties can be purchased up to a value of £600,000. A 5% deposit is required and the Help to Buy Equity Loan lends up to 20% of the purchase prices resulting in a maximum mortgage to be secured of 75% of the total price. The Help to Buy loan is interest free for the first five years.

- **Help to Buy: Shared Ownership** – to support part ownership of between 25% and 75% of the total home (either new bud or resales) and ongoing rental payments on the remainder.

6.15   MHCLG data indicates that over the period between April 2013 and September 2020, the Help-to-Buy Equity Loan Scheme helped 1,277 households to buy a home in Maidstone Borough.[22] The evidence suggests that the scheme plays an important role in helping younger households to buy a home.

6.16   The Communities Secretary Rt Hon James Brokenshire MP announced in November 2018 that the Help to Buy scheme would continue with a new scheme from April 2021. This restricted to just first time buyers and with regional property price caps imposed to more closely target those that the Government considers are most in need of the support. The regional price cap for the South East is £437,600. The confirmation of a future Help to Buy scheme, post 2021 does offer some further certainty that this form of housing market intervention and support will continue for the foreseeable future.

Rural and Entry-Level Exception Sites

6.17   This sub-section considers the role of rural exception site development and the new 'entry level exception sites' in assisting younger households to secure suitable housing.

6.18   NPPF Para 71 identifies that local planning authorities should support the development of entry-level exception sites, suitable for first time buyers (or those looking to rent their first home), unless such needs are already being met within the authority's area. The paragraph requires that such sites should not be on land already allocated for residential development and should comprise affordable housing as defined in the NPPF. It also states that such entry-level exception sites should be adjacent to existing settlements and proportionate in size to them. In this respect Footnote 33 indicates that entry-level sites should not be larger than 1 hectare or exceed 5% of the size of the existing settlement. Iceni consider that these sites should be seen as a means of delivering additional affordable housing to meet an (authority-level) need.

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[22] https://www.gov.uk/government/statistics/help-to-buy-equity-loan-scheme-data-to-30-september-2020

6.19   Rural exceptions sites are different and are addressed in the Glossary and Para 77 in the NPPF. Annex 2 of the NPPF defines rural exception sites as:

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

6.20   Para 77 confirms that local planning authorities should support opportunities to bring forward rural exception sites that will provide affordable housing to meet identified local needs and also to consider whether some market housing on such sites would help facilitate this. The purpose of rural exception site development is to recognise that more rural communities need new housing to help maintain their vitality and also to assist residents to find accommodation that meets their changing needs. For younger individuals and households this includes offering genuine opportunities to secure affordable housing in the area where they have grown up. Rural exception housing therefore offers a policy and financial mechanism by which the choice and mix of accommodation available to younger age groups can help support access to appropriate housing.

6.21   Rural exception sites have the advantage of giving people with a local connection and where there is an identified local housing need, a priority in the affordable housing allocation process. Homes are offered first and foremost to households in the parish within which it is located. The development and occupancy of rural exception sites is controlled through a s106 legal agreement. This agreement ensures that the dwellings on the exception site are affordable in perpetuity and have occupancy clauses.

6.22   The affordable housing provided on rural exception sites should only be used to meet a clearly identified local housing need and a community will need to show a parish-wide housing needs survey to identify localised needs. The results of the survey should demonstrate that there are people living in the parish/village who are in housing need and are unable to compete in the general housing market (to rent or buy) due to the low level of their income.

6.23   Policy DM13 in Maidstone's Local Plan addresses rural exception site redevelopment in the Borough. Maidstone's Planning Register indicates that there have been modest numbers of rural exception site schemes permitted and completed in the Borough (some 141 dwellings in total). A snapshot of the position is set out in the Table below.

6.24   The characteristics of each permitted scheme shows that exception sites are capable of delivering both houses and flatted accommodation, including smaller 1-bed and 2-bed dwellings. While the total level of delivery of exception site dwellings is modest, the range of units is to be welcomed in helping to meet evident localised rural housing needs.

Table 6.3   Rural Exception Housing Schemes in Maidstone

Location and Description	No.	Size	Detail	Registered Provider
The Victoria Inn, Heath Road, Farleigh Construction of 5 Local Needs Housing	5	1x one-bedroom house 3 x two-bedroom houses 1 x three-bedroom house	Permitted	Country House Homes Ltd
Land East of South Street Road, Stockbury Erection of 8 local needs affordable housing units	8	2x one-bedroom flats 2 x two-bedroom flats 2x two-bedroom houses 2x three-bedroom houses	Permitted	English Rural Housing Association
Land Adjacent Victoria P, Gallants Lane, East Farleigh Erection of two one-bedroom bungalows, two, two-bedroom houses and one, three-bedroom house	5	2 x one-bedroom bungalows 2x two-bedroom houses 1x three-bedroom house	Completed	Town & Country Housing Group
Land East of Chance, Grigg Lane, Headcorn Mixed use development comprising Doctors surgery, children's nursery school, plus 16 three bedroom and 9 two-bedroom Local Needs housing units	25	16 x three-bedroom houses 9 x two-bedroom houses	Completed	Maidstone Housing Trust
Warmlake Road, Chart Sutton Erection of 8 local needs affordable housing units	8	4 x 2-bed houses, 1 x 3-bed house (Rent) 1 x 2-bed house, 2 x 3-bed houses (SO)	Completed	English Rural Housing Association

Location and Description	No.	Size	Detail	Registered Provider
Uptons, Ulcombe Road, Headcorn Erection of 15 local needs affordable housing units	15	7 x 2-bed houses, 3 x 3-bed houses (Rent) 4 x 2-bed houses, 1 x 3-bed houses (SO)	Completed	Southern Housing Group English Villages Housing Association
Meredith Close, Leeds Erection of 10 local needs affordable housing units	10	2 x 2-bed houses, 4 x 3-bed houses (Rent) 3 x 2-bed houses, 1 x 3-bed houses (SO)	Completed	English Rural Housing Association
Groom Way, Lenham Erection of 10 local needs affordable housing units	10	5 x 2-bed houses, 1 x 3-bed house (Rent) 3 x 2-bed houses, 1 x 3-bed house (SO)	Completed	Town & Country Housing Group
Bull Lane, Stockbury Erection of 6 local needs affordable housing units	6	6 x 2-bed houses (Rent)	Completed	Hyde Housing Association
Older Close, Ham Lane, Lenham Erection of 12 local needs affordable housing units	12	2 x 2-bed houses, 2 x 3-bed houses (Rent) 8 x 2-bed houses (SO)	Completed	Southern Housing Group English Rural Housing Association
Village & Booth Hall, H'sham (Taylor Close) Erection of 12 local needs affordable housing units	12		Completed	Rydon Homes
Land Adjacent 18 Ashford Drive, Kingswood Erection of 18 local needs affordable housing units	18	4 x 1-bed flats, 4 x 2-bed houses, 1 x 3-bed houses, 1 x 4-bed house (Rent) 2 x 1-bed flats, 4 x 2-bed houses, 2 x 3-bed houses (Shared Ownership)	Completed	Orbit Housing Association
North Street, Sutton Valance Erection of 12 local needs affordable housing units	12	8 x 2-bed houses, 4 x 3-bed houses (Rent and Shared Ownership)	Completed	Golding Homes

Location and Description	No.	Size	Detail	Registered Provider
Buxton Meadows, Stockbury Erection of 8 local needs affordable housing units	8	2 x 1-bed, 2 x 2-bed flats, 2 x 2-bed, 2 x 3-bed houses	Completed	English Rural

Source: Maidstone Borough Council Planning Register, May 2019

6.25 From the evidence **available there is potential for a greater level of rural exception sites development together with entry-level exception sites to come forward to help support smaller communities in the Borough**. Maidstone Borough's adopted planning policies support the provision of such rural exception sites on a case-by-case basis (in accordance with the NPPF), but there is an opportunity to highlight and more strongly promote the benefits of exception sites housing to encourage housing opportunity for younger households (and families) connected to rural areas.

Student Accommodation

6.26 Finally, in respect of younger persons housing needs, this section considers whether there are any issues associated with housing student populations within Maidstone. There is currently one university in Maidstone - University Centre Maidstone.

6.27 The 2011 Census pointed to 3,330 full-time students aged 16-74 including those both in further and higher education. Of these the majority lived at home with parents (77%), with 13% living in a student/other household; 2% in a communal establishment/halls; and 2% living alone. However, since 2011, the University of the Creative Arts has relocated from Maidstone to Medway.

6.28 Overall, the evidence points to modest numbers of students' resident in Maidstone; and does not suggest, based on the information currently available, that any substantive interventions or purpose build housing provision is necessary.

> **Young Persons: Implications**
>
> The evidence points to significant projected growth in the population of younger persons in Maidstone, which is expected to grow by 21% between 2019-37. It points to affordability barriers which prevent many younger households from buying a home, and have led to increasing levels of private renting.
>
> The evidence suggests that the Help-to-Buy Equity Loan has provided some support for younger households in being able to buy a home; and a range of measures should also be progressed through planning in seeking to provide options for younger households to buy. This includes delivery of rented and low-cost home ownership housing, both in the urban and rural parts of the Borough. Rural exception and entry-level exception sites can contribute positively to this.

7.   NEEDS OF OLDER AND DISABLED PEOPLE

7.1   This section studies the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. It responds to Planning Practice Guidance on *Housing for Older and Disabled People* published by Government in June 2019. It includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).

Understanding the Implications of Demographic Changes

7.2   The population of older persons is increasing driven by demographic changes including increasing life expectancy. This is a key driver of the need for housing which is capable of meeting the needs of older persons, and therefore a sensible first stage of analysis.

Current Population of Older People

7.3   The table below provides baseline population data about older persons and compares this with other areas. The data for has been taken from the published 2019 ONS mid-year population estimates. Maidstone has a similar proportion of older people as other areas with 19% of the population in 2019 being aged 65 and over. As of 2019, some 18% if the urban population was aged 65 and over, compared with 22%-23% in rural areas.

Table 7.1   Older Person Population (2019)

	Maidstone	Kent	South East	England
Under 65	80.8%	79.8%	80.5%	81.6%
65-74	10.3%	10.9%	10.3%	9.9%
75-84	6.3%	6.6%	6.4%	6.0%
85+	2.6%	2.7%	2.8%	2.5%
Total	100.0%	100.0%	100.0%	100.0%
Total 65+	19.2%	20.2%	19.5%	18.4%

Source: ONS 2017 mid-year population estimates

Future Change in the Population of Older People

7.4   Population projections can be used to provide an indication of how the numbers of older persons in different age groups can be expected to change. The data presented below uses information from the projections previously developed to link to the Standard Method.

7.5   Maidstone is projected to see a notable increase in the older person population, with the total number of people aged 65 and over projected to increase by 48% over the 18-years to 2037. This compares with overall population growth of 26% and a more modest increase in the Under 65 population.

7.6   In total population terms, the projections show an increase in the population aged 65 and over of 15,800 people. This is against a backdrop of an overall increase of 44,800 – population growth of people aged 65 and over therefore accounts for 35% of the total projected population change.

Table 7.2   Projected Change in Population of Older Persons (2019 to 2037) – Maidstone

	2019	2037	Change in population	% change
Under 65	138,818	167,879	29,061	20.9%
65-74	17,682	24,168	6,486	36.7%
75-84	10,900	16,306	5,406	49.6%
85+	4,426	8,303	3,877	87.6%
Total	171,826	216,656	44,830	26.1%
Total 65+	33,008	48,777	15,769	47.8%

Source: Demographic Projections

7.7   The Kent Joint Strategic Needs Assessment[23] sets out the characteristics of Maidstone's older population and the potential challenges this aging population could present.

Characteristics of Older Person Households

7.8   Figure 7.1 shows the tenure of older persons households by household type, using 2011 Census data. It shows that older person households are relatively likely to live in outright owned accommodation (73%) and are also slightly more likely than other households to be in the social rented sector. The proportion of older person households living in the private rented sector is relatively low (4%). Based on the information presented within the Kent JSNA, older people in the Maidstone Urban Area are more likely to experience higher income deprivation than those in more rural areas.

7.9   There are also notable differences for different types of older person households with single older people having a much lower level of owner-occupation than larger older person households – this group also has a much higher proportion living in the social rented sector.

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[23] Kent Public Health Observatory, (2019); Kent Joint Strategic Needs Assessment (Maidstone). Available at: https://www.kpho.org.uk/__data/assets/pdf_file/0006/45258/Older-people-Maidstone.pdf

Figure 7.1: Tenure of older person households (2011) – Maidstone
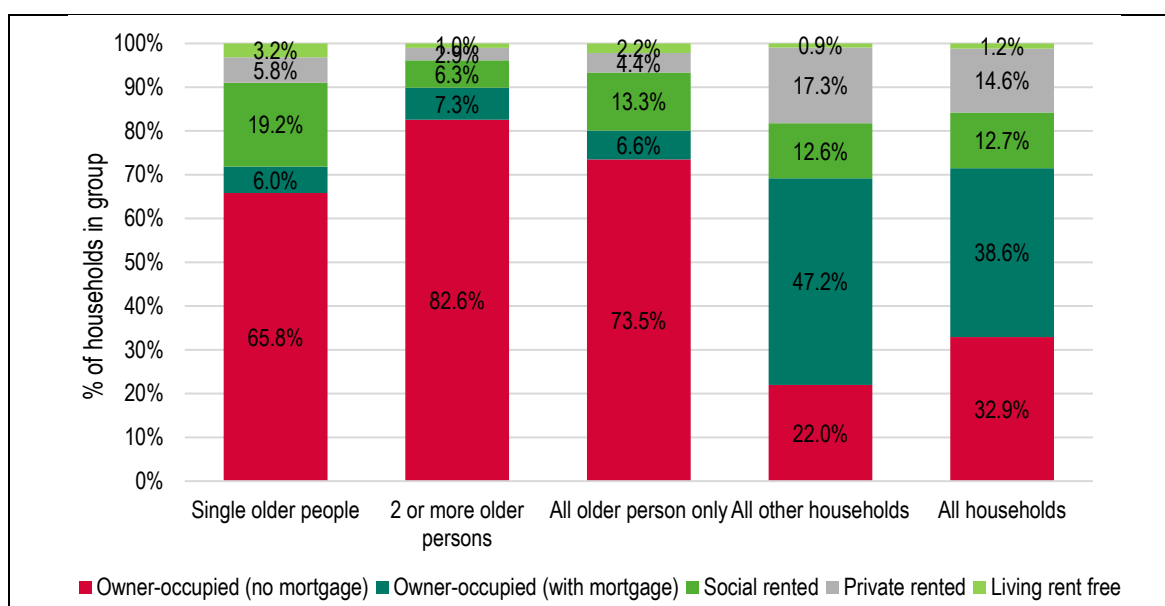
Source: 2011 Census

People with Disabilities

7.10   The table below shows the proportion of people with a long-term health problem or disability (LTHPD) drawn from 2011 Census data, and the proportion of households where at least one person has a LTHPD. The data suggests that across the Borough some 30% of households contain someone with a LTHPD. This figure is similar to that seen in other areas. The figures for the population with a LTHPD again show a similar pattern in comparison with other areas (an estimated 16% of the population having a LTHPD). The data does not show any substantial differences between urban and rural areas.

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

	Households containing someone with a health problem		Population with a health problem	
	Number	%	Number	%
Urban	12,534	29.9%	16,369	16.1%
Rural (C&N)	4,610	28.8%	5,930	14.9%
Rural South	1,694	30.4%	2,206	16.0%
Maidstone	18,838	29.7%	24,505	15.8%
Kent	196,907	32.5%	257,038	17.6%
South East	1,048,887	29.5%	1,356,204	15.7%
England	7,217,905	32.7%	9,352,586	17.6%

Source: 2011 Census

7.11   It is likely that the age profile will impact upon the numbers of people with a LTHPD, as older people tend to be more likely to have a LTHPD. Figure 7.2 below shows the age bands of people with a LTHPD. It is clear from this analysis that those people in the oldest age bands are more likely to have a LTHPD. The analysis also shows lower levels of LTHPD in most age bands within Maidstone when compared with national averages.

Figure 7.2: Population with Long-Term Health Problem or Disability by age
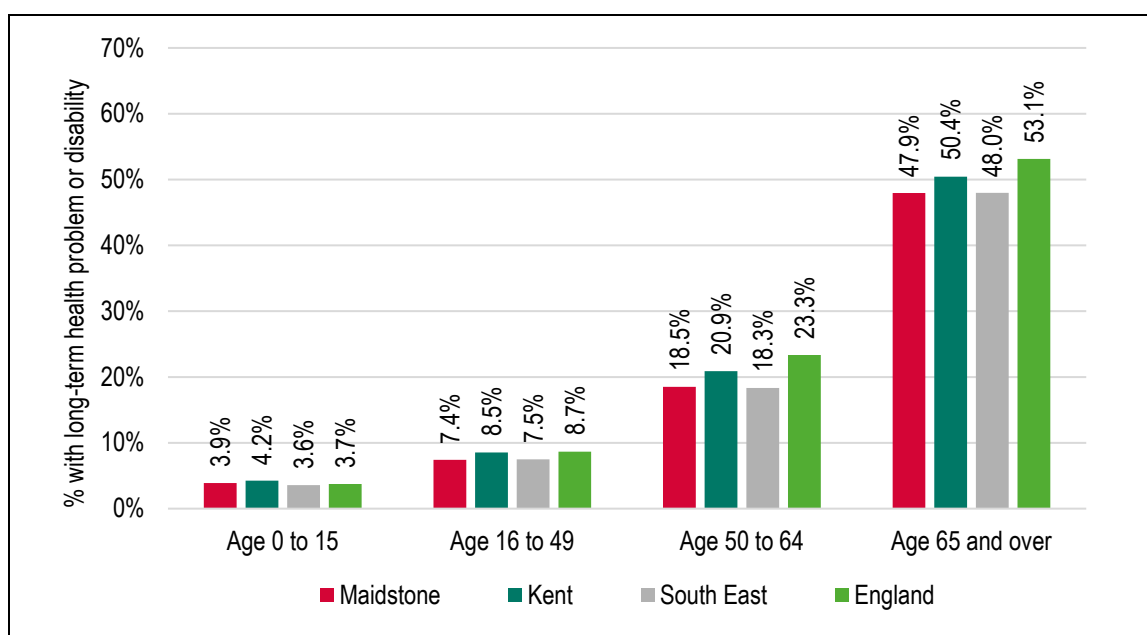
7.12 The age specific prevalence rates shown above can be applied to the demographic data to estimate the likely increase over time of the number of people with a LTHPD. In applying this information to the demographic projections, it is estimated that the number of people with a LTHPD will increase by around 10,100 (35%) between 2019 and 2037.

7.13 Across the area, most of this increase is expected to be in age groups aged 65 and over. The population increase of people with a LTHPD represents 23% of the total increase in the population estimated by the projections.

Table 7.4   Estimated change in population with LTHPD (2019-2037) – linked to Standard Method housing need

	Population with LTHPD		Change (2019-37)	% change from 2019
	2019	2037		
Maidstone	28,653	38,757	10,105	35.3%

7.14 Figure 7.3 shows the tenures of people with a LTHPD – it should be noted that the data is for 'population living in households' rather than 'households'. The analysis clearly shows that people with a LTHPD are more likely to live in social rented housing or are also more likely to be outright owners (this will be linked to the age profile of the population with a disability). Given that typically the lowest incomes are found in the social rented sector, and to a lesser extent for outright owners, the analysis would suggest that the population/households with a disability are likely to be relatively disadvantaged when compared to the rest of the population.

Figure 7.3: Tenure of people with LTHPD (2011)
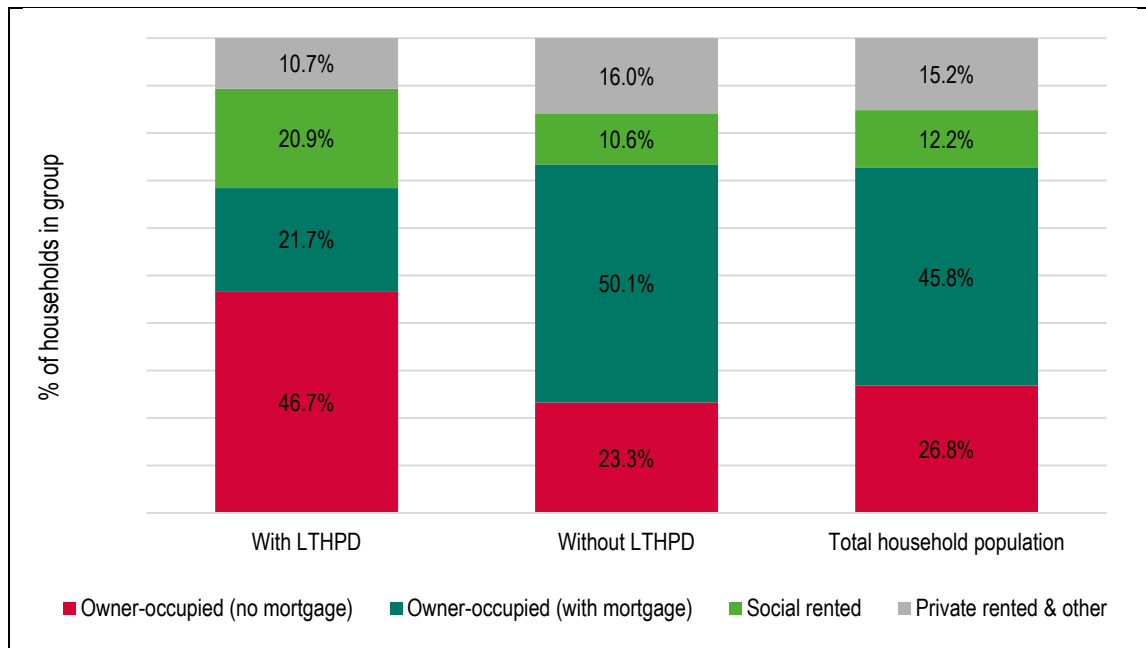
Source: Census (2011)

7.15   Indeed 2011 Census data indicated that 26.1% of those in the social rented sector had a LTHPD compared to 13.7% in other tenures in Maidstone.

7.16   The latest data from the Department for Work and Pensions indicates 3,288 Attendance Allowance and 3,988 Disability Living Allowance claimants in the Borough as of November 2018.

Health-related Population Projections

7.17   In addition to providing projections about how the number and proportion of older people is expected to change in the future the analysis can look at the likely impact on the number of people with specific illnesses or disabilities. For this, data from the Projecting Older People Information System (POPPI) website has been used. The website provides prevalence rates for different disabilities by age and sex for those aged 65+. For the purposes of this study, analysis has focussed on estimates of the number of people with dementia and mobility problems.

7.18   The table below shows that both of the illnesses/disabilities are expected to increase significantly in the future as the population grows. In particular, there is projected to be a 63% rise in the number of people with dementia along with an increase in the number with mobility problems of 56%. When related back to the total projected change to the population, the increase of 3,400 people with a mobility problem represents 8% of the total population growth projected by linking to the Standard Method.

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

Table 7.5   Estimated Population Change for range of Health Issues (2019 to 2037) – linked to Standard Method housing need

Type of illness/ disability	2019	2037	Change	% increase
Dementia	2,301	3,744	1,443	62.7%
Mobility problems	6,083	9,509	3,426	56.3%

Source: Data from POPPI and demographic projections

7.20   Whilst many older persons will continue to live in mainstream housing, Iceni consider that it would be sensible to design housing so that it can be adapted to households changing needs. Subject to viability testing, we would recommend that new housing is delivered to Part M4(2) 'accessible and adaptable' standards.

Providing Appropriate Housing Options for Older People

7.21   It is important that consideration is given to delivering an appropriate range and choice of housing options for older persons. Many older people may want to remain in the home they have lived in for in some cases many years. Some may need adaptations to the property to do so, to take account of their changing needs. This can include the installation of handrails or stairlifts.

7.22   Some older households may also seek to downsize, including to reduce household bills or to release equity from their home to fund their retirement or lifestyle. It is important that a supply of attractive housing is available locally to provide options for older households in this respect. This has been taken into account in the modelling of the future mix of housing needed in this report, in the analysis in Section 8.

7.23   A proportion of older households will consider moving into retirement or specialist housing provision if appropriate and attractive housing is available locally. There may be a range of factors which may influence such moves, including issues related to loneliness, health, ability to maintain existing homes and/or care and support needs.

7.24   A spectrum of housing is thus needed to meet older persons housing needs with appropriate provision in both the public/ affordable and private/ market sectors. It is also important that houses are built to be able to be adapted to meet households' changing needs over time.

Need for Specialist Accommodation for Older Persons

7.25   Given the ageing population and higher levels of disability and health problems amongst older people there is likely to be an increased requirement for specialist housing options moving forward. In this section we consider the need for retirement living or sheltered housing, which we term "housing with support", for extra care or other forms of "housing with care", and for residential care or nursing care homes.

7.26   The prevalence rates used in our analysis are based on the Housing Learning & Information Network (Housing LIN) Strategic Housing for Older People Analysis Tool (SHOP@). This sets out a series of

baseline rates which form a starting point for assessing appropriate prevalence rates to apply. These baseline rates are:

- Housing with Support (retirement/sheltered housing) – 125 units per 1,000 population aged 75 and over;
- Housing with Care (enhanced sheltered and extra-care housing) – 45 units per 1,000 population aged 75 and over; and
- Residential care bedspaces (residential and nursing care) – 110 units (bedspaces) per 1,000 population aged 75 and over.

7.27   Following the Housing LIN methodology, an initial adjustment has then been made to these rates to reflect the relative health of the local older person population. This has been based on Census data about the proportion of people aged 65 and over who have a long-term health problem or disability compared with the England average. In Maidstone, the data shows a fairly healthy older person population and so the prevalence rates used have been reduced slightly.

7.28   A second local adjustment has been to estimate a tenure split for the housing with support and housing with care categories (no tenure is associated with residential care bedspaces). This again draws on suggestions in the Shop@ tool which suggests that less deprived local authorities could expect a higher proportion of their specialist housing to be in the market sector. Using the 2019 Index of Multiple Deprivation the analysis therefore suggests a slightly higher need for market homes in Maidstone than the national prevalence rates would suggest.

7.29   This analysis suggests a need for 154 units of accommodation per 1,000 population aged 75 and over, and of these 91 (59%) are for market housing.

> **Definitions of Different Types of Older Persons' Accommodation**
>
> **Retirement living or sheltered housing**: A group of self-contained flats or bungalows typically reserved for people over the age of 55 or 60; some shared facilities lounge, garden, guest suite, laundry; plus on-site supportive management. A regularly visiting scheme manager as long as s/he is available to all residents when on site. An on-call-only service does not qualify a scheme to retirement/sheltered housing. Developments usually built for either owner occupation or renting on secure tenancies.
>
> **Enhanced sheltered housing**: Sheltered housing with additional services to enable older people to retain their independence in their own home possible. Typically, there may be 24/7 (non-registered) staffing cover, at least one daily meal will be provided additional shared facilities. Also called assisted living and very sheltered housing.
>
> **Extra care housing**: Schemes where a service registered to provide personal or nursing care is available on site 24/7. Typically, there will be additional shared facilities. Some schemes specialise in dementia care or may dementia unit.
>
> *Source: HOPSR*

7.30   The table below shows estimated needs for different types of housing linked to the outputs of the Standard Method projections. The analysis shows a potentially high need for leasehold (market) housing with support, as well as a need for both affordable and market extra care units. Overall, the analysis suggests a need for 2,142 additional units by 2037 (equivalent to 119 per annum). This does not take account of the pipeline of provision (as this changes over time).

Table 7.6   Older Persons' Dwelling Requirements 2019 to 2037 – Maidstone

		Housing demand per 1,000 75+	Current supply	2019 demand	Current shortfall/ (surplus)	Additional demand to 2037	Need to by 2037
Housing with support	Rented	44	986	679	-307	412	105
	Leasehold	69	453	1,050	597	636	1,234
Housing with care	Rented	19	97	292	195	177	371
	Leasehold	22	100	331	231	201	432
Total		154	1,636	2,353	717	1,425	2,142

Source: Derived from demographic projections and Housing LIN/HOPSR/EAC

7.31   The prevalence rates shown and used in the modelling of housing with support and housing with care should be treated as indicative, and should not be regarded as a definitive assessment of need or cap on provision. They are influenced by existing levels of provision at a national level in a context whereby international comparators show other countries with similar demographics having significantly higher levels of specialist housing provision for older persons.

7.32   If for instance the prevalence rates in the national study Housing in Later Life[24] are used, which was developed with input for Housing LIN, a higher level of need would be shown. For housing with care, this Study recommends a ratio of 65 units per 1,000 population. This includes extra care and enhanced sheltered housing. A higher ratio such as this might be an appropriate assumption to support delivery of extra care housing as an alternative to residential care; but modelling on this basis whilst having an upward impact on need for 'housing with care' would result in a lower need for residential care bedspaces (considered further below). On this basis, Iceni would recommend that the need for housing with care shown is treated as a minimum; and the residential care bedspaces is considered a maximum figure. The Council should consider reviewing this evidence if a specific application comes in for older persons housing, where this is supported by its own needs assessment.

7.33   It should be noted that some development schemes, such as retirement villages, provide for a range of needs which can cut across the categories set out above.

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[24]   https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/safe-at-home/rb_july14_housing_later_life_report.pdf

7.34 The analysis below provides the same style of outputs (drawing on the same sources) for the estimated need for care home bedspaces. The analysis draws on that above, including making adjustments for the relative health of the population of the local authority. It should be noted that the rows in tables are for bedspaces and do not have an associated tenure. The box below shows the definition of care beds assumed for this assessment.

> **Definitions of Different Types of Older Persons' Accommodation (C2 use class)**
>
> **Care homes***: Residential settings where a number of older people live, usually in single rooms, and have access personal care services (such as help with washing and eating).
>
> **Care homes with nursing***: These homes are similar to those without nursing care, but they also have registered provide care for more complex health needs.
>
> Source: HOPSR

7.35 The table below shows the prevalence rates used and the need associated with these. The analysis shows a current shortfall and a notable projected future need. Overall, it is estimated that there is a need for around 1,230 additional care bedspaces to 2037.

Table 7.7   Older Persons' Care Bedspace requirements 2019 to 2037

	Housing demand per 1,000 75+	Current supply	2019 demand	Current shortfall/ (surplus)	Additional demand to 2037	Shortfall/ (surplus) by 2037
Maidstone	99	1,216	1,522	306	922	1,228

Source: Derived from demographic projections and Housing LIN/HOPSR/EAC

Older Persons' Housing and Planning Use Classes

7.36 It is worth briefly discussing the Use Classes that Older Persons housing would fall into as there is some lack of clarity (particularly when it comes to Extra-care housing). The Use Classes Order sets out different categories of residential use and makes a distinction between residential institutions (Class C2) and dwelling-houses (Class C3). Care is defined in the Use Class Order as meaning "personal care for people in need of such care by reason of old age, disablement, past or present dependence on alcohol or drugs or past or present mental disorder, and in class C2 also includes the personal care or children and medical care and treatment." The C2/C3 distinction is important as it can impact on the ability of a local authority to seek an affordable housing contribution from a development.

7.37 There is case law (at planning appeals and in the courts) on the definitions of both. There is no government guidance on which use class 'extra care housing' falls into. It is for the decision maker to decide, depending on the individual circumstances of each case.

7.38   Government has released new Planning Practice Guidance of *Housing for Older and Disabled People* in June 2019. In respect of Use Classes, Para 63-014 therein states that:

"It is for a local planning authority to consider into which use class a particular development may fall. When determining whether a development for specialist housing for older people falls within C2 (Residential Institutions) or C3 (Dwellinghouse) of the Use Classes Order, consideration could, for example, be given to the level of care and scale of communal facilities provided."

7.39   The relevant factors identified herein are the level of care which is provided, and the scale of communal facilities. It is notable that no reference is made to whether units of accommodation have separate front doors. Iceni view this as consistent with the Use Class Order, where it is the ongoing provision of care which is the distinguishing feature within the C2 definition. In a C2 use, the provision of care is an essential and ongoing characteristics of the development; and would normally be secured as such through the S106 Agreement.

7.40   Iceni has reviewed a range of appeal decisions which have addressed issues relating to how to define the use class of a development. These are fact specific, and there is a need to consider the particular nature of the scheme. What arises from this, is that schemes which have been accepted as a C2 use commonly demonstrate the following characteristics:

a.   Occupation restricted to people (at least one within a household) in need of personal care, with an obligation for such residents to subscribe to a minimum care package. Whilst there has been debate about the minimum level of care to which residents must sign-up to, Iceni's view is that this should not be determinative given that a) residents' care needs would typically change over time, and in most cases increase; and b) for those without a care need the relative costs associated with the care package would be off-putting.

b.   Provision of access to a range of communal areas and facilities, typically beyond that of simply a communal lounge, with the access to these facilities typically reflected in the service charge.

7.41   Iceni considers that the Use Class on its own need not be determinative on whether affordable housing provision could be applied. But nor does it provide any hook to justify seeking provision from a C2 use in the absence of a development plan policy which seeks to do so.

7.42   The 2019 NPPF sets out in Para 34 that Plans should set out the contributions expected from development, including levels of affordable housing. Such policies should not undermine the deliverability of the Plan. Para 62 states that where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless off-site provision or a financial contribution can be robustly justified; and the agreed approach contributes to the objective of creating mixed and balanced communities.

7.43   Para 63 states that affordable housing should not be sought from residential developments that are not major developments. Para 64 sets out that specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students) are exempt from the requirement for 10% of homes (as part of the affordable housing contribution) to be for affordable home ownership. But neither of these paragraphs set out that certain types of specialist accommodation for older persons are exempt from affordable housing contributions.

7.44   The implication is that, in Iceni's view:

- The ability to seek affordable housing contributions from a C2 use at the current time influenced by how its current development plan policies were constructed and evidenced;

- If policies in a new development plan are appropriately crafted and supported by the necessary evidence on need and viability, affordable housing contributions could be sought from a C2 use through policies in a new Local Plan.

7.45   Maidstone's existing development plan policy, Policy SP 20 specifically sets out that 20% affordable housing will be sought from retirement housing and/or extra care homes. We understand that the Council does not however apply this to C2 provision.

7.46   It is important to recognise that the viability of extra care housing will differ from general mixed tenure development schemes, not least as there are typically significant levels of communal space and on-site facilities; higher construction and fit-out costs; and slower sales rates as there are less off-plan sales. There are also practical issues associated with how mixed tenure schemes may operate. This is reflected in the differential development plan policy to affordable housing; but will also need to be addressed in the determination of planning applications given that the nature and viability of different retirement housing products/ schemes can differ.

7.47   It can be difficult in some circumstances for developers of specialist housing for older persons to compete with other developers for land. To support the delivery of specialist accommodation, it may be appropriate for the Council to consider making specific land allocations for specialist housing for older persons within new Local Plans.

Wheelchair User Housing

7.48   Information about the need for housing for wheelchair users is difficult to obtain, particularly at a local level and estimates of need produced in this report draw on data from the English Housing Survey (EHS) which provides a range of relevant data, but often for different time periods. The EHS data used includes the age structure of wheelchair users, information about work needed to homes to make them 'visitable' for wheelchair users and data about wheelchair users by tenure.

7.49   The analysis below sets out estimates of the number of wheelchair users in the District; this has been based on estimating prevalence rates from the 2011-12 EHS (Annex Table 6.11) combined with Census data. At the time, the EHS showed there were 184,000 households with a wheelchair user and the oldest person in the household was aged under 60; the 2011 Census showed around 41.2 million people aged under 60 and therefore a base prevalence rate of 0.004 has been calculated for this group – essentially for every 1,000 people aged under 60 there are around 4 wheelchair user households. The table below shows data for a full range of age groups; it should be noted that whilst the prevalence rates mix households and population they will provide a reasonable estimate of the number of wheelchair user households.

Table 7.8   Baseline prevalence rates by age used to estimate wheelchair user households (data for England)

	Number of wheelchair user households	Population	Prevalence (per 1,000 population)
under 60 years	184,000	41,215,000	4
60 - 74 years	205,000	7,754,000	26
75 - 84 years	191,000	2,944,000	65
85 years or over	146,000	1,193,000	122

Source: Derived from EHS (2011-12) and 2011 Census

7.50   The analysis also considers the relative health of the population of Maidstone. For this, data has been taken from the 2011 Census for the household population with 'day to day activities limited a lot' by their disability. The table below shows this information by age in both Maidstone and England, and also shows the adjustment made to reflect differences in heath between the areas. Due to the age band used in the Census, there has been some degree of adjustment for the under 60 and 60-74 age groups. The data shows lower levels of disability for all age groups in Maidstone, pointing to a slightly lower than average proportion of wheelchair user households.

Table 7.9   Proportion of people with day to day activities limited a lot (by age) – 2011

	% of age group with day to day activities limited a lot		Maidstone as % of England	Prevalence rate (per 1,000 population)
	Maidstone	England		
under 60 years	3.2%	4.2%	77.8%	4
60 - 74 years	9.6%	13.9%	69.0%	18
75 - 84 years	25.1%	29.1%	86.2%	58
85 years or over	50.5%	52.3%	96.5%	141

Source: 2011 Census

7.51   The local prevalence rate data can be brought together with information about the population age structure and how this is likely to change moving forward. The data estimates a total of 2,078 wheelchair user households in 2019, and that this will rise to 3,105 by 2037 (an increase of over 1,000).

Table 7.10   Estimated number of wheelchair user households (2019-37) – Maidstone

	Prevalence rate (per 1,000 population)	Population 2019	Population 2037	Wheelchair user households (2019)	Wheelchair user households (2037)
under 60 years	4	127,786	154,637	451	545
60 - 74 years	18	26,987	35,682	497	658
75 - 84 years	58	10,511	15,680	612	913
85 years or over	141	3,665	7,000	517	988
TOTAL		**168,949**	**213,000**	**2,078**	**3,105**

Source: Derived from a range of sources

7.52   The finding of an estimated current number of wheelchair user households does not indicate how many homes might be need for this group – some households will be living in a home that is suitable for wheelchair use, whilst others may need improvements to accommodation, or a move to an alternative home. Data from the EHS (2014-15) shows that of the 814,000 wheelchair user households, some 200,000 live in a home that would either be problematic or not feasible to make fully 'visitable' – this is around 25% of wheelchair user households. Applying this to the current number of wheelchair user households and adding the additional number projected forward suggests a need for 1,774 additional wheelchair user homes in the 2019-39 period – this equates to 7% of all housing need (as set out in the table below).

Table 7.11   Estimated need for wheelchair user homes, 2019-2037

	Current need	Projected need (2019-39)	Total current and future need	Housing need (2019-37)	% of Housing Need
Maidstone	510	1,027	1,537	21,588	7%

Source: Derived from demographic projections and Habinteg/EHS prevalence rates

7.53   Furthermore, information in the EHS (for 2017/18) also provides national data about wheelchair users by tenure. This showed that, at that time, around 7.1% of social tenants were wheelchair uses, compared with 2.7% of market households (owner-occupiers and private renters). Applying these national figures to the demographic change and need (as shown above) it is possible to estimate the potential need by tenure, as shown in the table below. This shows a need for 5% of all market homes to be M4(3) along with 17% of affordable (across the District).

Table 7.12   Estimated need for wheelchair user homes by tenure, 2019-2037

	Market	Affordable
Maidstone	6%	15%

Source: Derived from demographic projections and Habinteg/EHS prevalence rates

7.54 To inform individual planning applications, the Council will be able to provide details of the current need for affordable homes from households which include a wheelchair user. The data as at April 2021 points to 21 such households on the Housing Register in need which include a wheelchair user, who need properties varying from 1-bed to 4-bed homes.

Need/demand for Bungalows

7.55 The sources used for analysis in this report make it difficult to quantify a need/demand for bungalows in the District as Census data (which is used to look at occupancy profiles) does not separately identify this type of accommodation. However, it is typical to find that there is a demand for this type of accommodation, particularly from older households.

7.56 Bungalows are often the first choice for older people seeking suitable accommodation in later life and there is generally a high demand for such accommodation when it becomes available. As a new build option, it is, however, the case that bungalow accommodation is often not supported by either house builders or planners (due to potential plot sizes and their generally low densities). There may, however, be instances where bungalows are the most suitable house type for a particular site; for example, to overcome objections about dwellings overlooking existing dwellings or preserving sight lines.

7.57 There is also the possibility of a wider need/demand for retirement accommodation. Retirement apartments can prove very popular if they are well located in terms of access to facilities and services, and environmentally attractive (e.g. have a good view). However, some potential purchasers may find high service charges unacceptable or unaffordable and new build units may not retain their value on re-sale.

7.58 Overall, the Council should consider the potential role of bungalows as part of the future mix of housing. Such housing may be particularly attractive to older owner-occupiers (many of whom are equity-rich) which may assist in encouraging households to downsize. However, the downside to providing bungalows is that they are relatively land intensive for the amount of floorspace created.

Housing Needs of Older Persons and those with Disabilities: Summary and Implications

People aged over 65 represent 19% of Maidstone Borough's population but numbers are expected to grow significantly. Numbers of people aged over 65 are projected to increase by 15,800 (48%) between 2019-37 with a substantial growth of 9,300 persons aged 75+.

Linked particularly to a growing older population, the number of people with a long-term health problem or disability is projected to increase significantly – rising by 10,100 persons in the Borough over the 2019-37 period. The numbers of people with mobility problems are expected to rise by over 3,400 over this period; with growth over 1,400 persons with dementia. A need is shown for 1,500 wheelchair-user homes.

A need is shown for 1,300 housing with support units, such as sheltered housing or retirement living, over the period to 2037, the majority of which are expected to be leasehold. There is also a need for 800 housing with care units, with a need for both market and affordable provision. This can be met through provision of extra care housing. Consideration should be given to developing bespoke affordable housing policies for extra care. Additionally a need is shown for 1,200 care or nursing home bedspaces to 2037.

8. NEED FOR DIFFERENT SIZES OF HOMES

8.1   In this section, we draw together the analysis in the preceding sections to set out an analysis and conclusions on the need for different types of market and affordable housing.

8.2   A model has been developed that starts with the current profile of housing in terms of size (bedrooms) and tenure. Within the data, information is available about the age of households and the typical sizes of homes they occupy. By using demographic projections, it is possible to see which age groups are expected to change in number, and by how much. On the assumption that occupancy patterns for each age group (within each tenure) remain the same, it is therefore possible to work out what the profile of housing needed over the assessment period to 2037.

8.3   An important starting point is to understand the current balance of housing in each area. Table 8.1 below profiles the sizes of homes in different tenure groups. This shows that the profile of housing in Maidstone looks to be fairly balanced in comparison with other areas (i.e. there is not obvious over- or under-supply of particular sizes of homes relative to other locations). Observations about the current mix feed into conclusions about future mix later in this section.

Table 8.1   Number of bedrooms by Tenure, 2011

		Maidstone	Kent	South East	England
Owner-occupied	1-bedroom	3%	4%	5%	4%
	2-bedrooms	22%	24%	22%	23%
	3-bedrooms	47%	45%	44%	48%
	4+-bedrooms	28%	27%	30%	25%
	TOTAL	100%	100%	100%	100%
Social rented	1-bedroom	31%	31%	32%	31%
	2-bedrooms	36%	33%	33%	34%
	3-bedrooms	30%	32%	31%	31%
	4+-bedrooms	3%	3%	4%	4%
	TOTAL	100%	100%	100%	100%
Private rented	1-bedroom	21%	23%	24%	23%
	2-bedrooms	42%	39%	37%	39%
	3-bedrooms	28%	28%	27%	28%
	4+-bedrooms	9%	10%	12%	10%
	TOTAL	100%	100%	100%	100%

Source: Census (2011)

**Overview of the Methodology**

8.4   The method to consider future housing mix looks at the ages of the Household Reference Persons[25] and how these are projected to change over time. The sub-sections to follow describe some of the key analysis.

Understanding how Households Occupy Homes

8.5   Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector, households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.

8.6   The size of housing which households occupy relates more to their wealth and age than the number of people they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a 4-bedroom home as long as they can afford it, and hence projecting an increase in single person households does not automatically translate into a need for smaller units. That said, issues of supply can also impact occupancy patterns, for example it may be that a supply of additional smaller bungalows (say 2-bedrooms) would encourage older people to downsize but in the absence of such accommodation these households remain living in their larger accommodation. The issue of choice is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to under-occupy housing (e.g. those who can afford to pay the 'bedroom tax').

8.7   The approach used is to interrogate information derived in the projections about the number of household reference persons (HRPs) in each age group and apply this to the profile of housing within these groups. The data for this analysis has been formed from a commissioned table by ONS (Table CT0621 which provides relevant data for all local authorities in England and Wales from the 2011 Census).

8.8   The figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group for Maidstone. In the owner-occupied sector the average size of accommodation rises over time to typically reach a peak around the age of 45-49; a similar pattern (but with smaller dwelling sizes) is seen in both the social and private rented sector. After peaking, the average dwelling size decreases – as typically some households downsize as they get older.

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[25] Often called the head of the household

Figure 8.1: Average Bedrooms by Age and Tenure – Maidstone
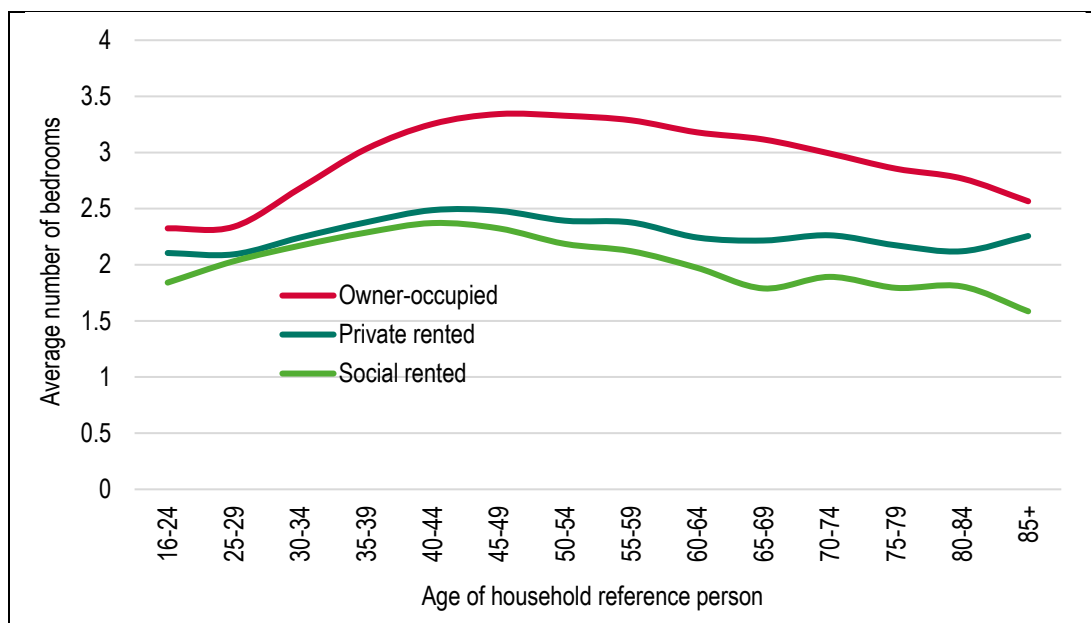
Source: Derived from ONS Commissioned Table CT0621

8.9   The analysis has been used to derive outputs for three broad categories. These are market housing, which is taken to follow the occupancy profiles in the owner-occupied sector; affordable home ownership, which is taken to follow the occupancy profile in the private rented sector (this is seen as reasonable as the Government's desired growth in home ownership looks to be largely driven by a wish to see households move out of private renting) and affordable (rented) housing, which is taken to follow the occupancy profile in the social rented sector. The affordable sector in the analysis to follow would include affordable rented housing.

Tenure Assumptions

8.10   The housing market model has been used to estimate the future need for different sizes of property over the 18-year period from 2019 to 2037. The model works by looking at the types and sizes of accommodation occupied by different ages of residents and attaching projected changes in the population to this to project need and demand for different sizes of homes. However, the way households of different ages occupy homes differs between the market and affordable sectors (as shown earlier).

8.11   It is therefore necessary on this basis to make some judgement for modelling purposes on what proportion of net completions might be of market and affordable housing. For modelling purposes, the analysis assumes that 70% of net completions are of market housing (designed to be sold for owner-occupation) and 30% affordable. There is no assumption about private rented housing, although it is possible that some of the market (owner-occupied) housing will end up in this sector.

8.12   Within the 30% affordable housing, we have assumed 10% affordable home ownership provision and 20% rented affordable provision. It should be stressed that these figures are not policy targets and have been applied simply for the purposes of providing outputs from the modelling process. Policy targets for affordable housing on new development schemes may be different to this and will

need to be informed by viability evidence; but not all sites deliver policy-compliant affordable housing provision, whilst some delivery is on sites below affordable housing policy thresholds. Equally some housing development is brought forward by Registered Providers and the local authority and may deliver higher proportions of affordable housing than in current policy.

Modelled Outputs

8.13   By following the methodology set out above and drawing on the sources shown, a series of outputs have been derived to consider the likely size requirement of housing in each of the three broad tenures.

Table 8.2   Modelled Mix of Housing by Size and Tenure – Maidstone

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	4%	25%	47%	25%
Affordable home ownership	21%	42%	29%	9%
Affordable housing (rented)	36%	33%	28%	3%

Source: Housing Market Model

8.14   The analysis clearly shows the different profiles in the three broad tenures with affordable housing being more heavily skewed towards smaller dwellings, and affordable home ownership sitting somewhere in between the market and affordable housing.

8.15   For comparison, Table 8.3 shows the need for different sizes of households shown on the Council's Housing Register as at April 2021. This represents the profile need for (rented) affordable housing at the time of writing. To inform planning applications, the Council can provide an up-to-date detailed profile of need for different sizes of affordable housing, setting out the composition of households and need for 1 bed 1 person, 1 bed 2 persons properties etc.

Table 8.3   Profile of need by Households on Housing Register, 1st April 2021

	Maidstone
1-bedroom	45%
2-bedrooms	16%
3-bedrooms	31%
4+-bedrooms	8%
Total	100%

Source: Local Authority Housing Statistics

Indicative Targets for Different Sizes of Properties by Tenure

Social/Affordable Rented Housing

8.16   Whilst the output of the modelling provides estimates of the proportion of homes of different sizes that are needed, there are a range of factors which should be taken into account in setting policies for provision.

8.17   Considerations include the relative lack of past delivery of larger affordable homes. Larger affordable housing units also have a relatively low turnover. As a result, whilst the number of households coming forward for 4+-bedroom homes is typically quite small, which is supported by the findings of the Council's Affordable Housing SPD which states that affordable smaller properties (one or two bedrooms) are in the greatest demand. Furthermore, the ability for these needs to be met is even more limited due to viability challenges.

8.18   For these reasons, it is suggested in converting the long-term modelled outputs into a profile of housing to be provided (in the affordable sector) that the proportion of 1-bedroom homes is slightly reduced from the local-based outputs, along with a commensurate increase in 4+-bedroom homes. At a District-wide level, the analysis would support policies for the mix of **affordable rented housing** of:

- 1-bed properties: 30-40%
- 2-bed properties: 30-35%
- 3-bed properties: 25-30%
- 4+-bed properties: 10%

8.19   The Council's Affordable Housing and Local Needs SPD sets out that affordable units should ideally be in line with the space standards set out within the SPD.

8.20   By affordable rented housing in this context, we mean social rented; affordable rented; and affordable private rented homes.

8.21   The strategic conclusions recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households; together with the limited flexibility which 1-bed properties offer to changing household circumstances which feed through into higher turnover and management issues.

8.22   The need for affordable housing of different sizes may vary by area (at a more localised level) and over time. In considering the mix of homes to be provided within specific development schemes, this information should be brought together with details of households currently on the Housing Register in the local area and the stock and turnover of existing properties.

Affordable Home Ownership

8.23   In the affordable home ownership and market sectors a profile of housing that more closely matches the outputs of the modelling is suggested. On the basis of these factors it is considered that the provision of affordable home ownership should be more explicitly focused on delivering smaller family housing for younger households. On this basis the following mix of affordable home ownership is suggested:

- 1-bed properties: 25%
- 2-bed properties: 40%
- 3-bed properties: 25%
- 4+-bed properties: 10%

8.25   The precise mix of homes will be influenced by the nature of housing proposed. We would for instance expect shared ownership homes to focus more towards smaller properties.

Market Housing

8.26   Finally, in the market sector, a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile. This sees a slightly larger recommended profile compared with other tenure groups. The following mix of market housing is suggested:

- 1-bed properties: 5%
- 2-bed properties: 25%
- 3-bed properties: 45%
- 4+-bed properties: 25%

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

8.28   Whilst this report does not suggest that prescriptive figures necessarily need to be included within the Local Plan, it is the case that the figures can be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area. The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites, and Iceni consider that it would be reasonable to expect justification for a housing mix on such sites which significantly differs from that modelled herein.

Need for Different Sizes of Homes: Summary and Implications

Understanding the existing housing mix in a place is important in considering what future mix of housing is appropriate to deliver a mixed and balanced community. This is important at both a strategic, and at a local, level.

Taking account of the current stock and expected demographic trends (including the expectation that some older households will downsize if the right properties are available), the SHMA points to a need for different types of homes in the market and affordable sectors. Its conclusions are shown in paragraohs 8.18, 8.23 and 8.26 above. These strategic conclusions should be brought together with local evidence, such as information on current stock and needs profile at a more local level, in considering the appropriate mix of housing on individual development sites.

9. OTHER SPECIFIC HOUSING MARKET SEGMENTS

9.1 In this section we move on to provide analysis which considers emerging segments of the housing market, including different models for delivery of housing.

Build-to-Rent Development

9.2 Build to Rent (BTR) represents a distinct asset within the purpose built and managed Private Rented Sector (PRS) and is defined in Annex 2 Glossary of the NPPF (February 2019) as:

"Purpose built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses but should be on the same site and/or contiguous with the main development. Schemes will usually offer longer tenancy agreements of three years or more and will typically be professionally managed stock in single ownership and management control."

9.3 Over recent years there has been a rapid growth in the Build to Rent sector backed by domestic and overseas institutional investment. BTR accounted for 8.7% of new housing starts in 2016/17 whilst latest research from Savills (2018) for the 12 month period to Q4 2018 indicates a 29% increase in BTR unit completions (over 29,400), over 43,300 units under construction (a 39% increase) and 66,700 in a substantial planning pipeline (10% increase). Taken together, this total of 139,500 units accounts for a 22% increase since Q4 2017.

9.4 In terms of age profile, research by JLL[26] focused on BTR case studies identified tenants typically in the 25-35 age bracket with an average tenant age of 31 and occupiers who were above average earners, seeking apartments or flats in urban conurbations, together with 'satellite' towns near to or commutable to the centres of employment, and potentially university locations.

9.5 The growth in BTR activity has also began to shift outside London which historically has been the focus for viable development with a number of large regional centres, considered strong employment locations, now delivering significant levels of BTR completions and schemes under construction. Alongside the geographical spread of BTR development, Savills research (2018) indicates the size of BTR schemes is increasing, with the average size of a completed scheme at 133 units and the average for schemes under construction at 240 units. The average is higher for schemes in planning.

9.6 The analysis in Section 3 shows evidence of growth in private renting amongst younger households, and a potential market for build-to-rent development in Maidstone.

9.7 Within the Maidstone, examples of existing and emerging BTR schemes include a number of office-residential conversions. For the 2018/2019 reporting year for instance, the Council's planning register

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[26] JLL Research (2018) Build to Rent

indicates there over 400 dwellings with consent as part of major office to residential conversions. These include:

- Brenchley House (123-135 Week Street Maidstone) which provides 192 units in a mix of studio (from £650 pcm) and 1 bed (£775 pcm) apartments;

- Kent House, Romney Place – currently under construction, the proposal will provide 123 units (including 1, 2- and 3-bedroom flats); and

- 11 Queen Anne Road, Maidstone – currently under construction, the proposal will provide 40 studio-flats.

9.8   According to the Council's planning register, seven of the major office to residential conversion proposals for the 2018/19 reporting year have been completed, providing a range of 1,2,3 and 4-bedroom dwellings.

9.9   Given the house price to earnings ratio in the District, issues around the availability of mortgage finance for those on high loan-to-value ratios, and changes to taxation policies which may limit growth in buy-to-let investments, there is evidence of a market for built-to-rent development. Rental values in Maidstone are however not that strong compared to other parts of the region as Table 9.1 shows.

Table 9.1   Summary of Median Monthly Rental Values by Property Type (as at 30 September 2020)

District	Room Only	Studio	1 bed	2 bed	3 bed	4+ bed
Maidstone	£500	£555	£680	£850	£1,050	£1,400
Kent	£410	£550	£650	£822	£995	£1,400
South East	£425	£595	£725	£895	£1,100	£1,600
England	£403	£550	£625	£700	£795	£1,300

Source: VOA (Year to Sept 2020)

9.10   The adopted Local Plan for Maidstone does not contain policies related specifically to the Build to Rent sector, although this in part reflects the recent emergence of the sector and changes to national planning policies concerning the status and importance of BTR as part of the rental market.

9.11   The PPG does however recognise that where a need is identified, that local planning authorities should include a specific plan policy relating to the promotion and accommodation of build to rent, including the circumstances and locations where build to rent schemes would be encouraged. It identifies town centre regeneration areas and parts of large sites as examples.

9.12   In the case of Maidstone, existing and emerging BTR schemes are focused principally in Central Maidstone and this is where we would expect further schemes to be concentrated, in locations with access to employment, public transport and town centre amenities.

9.13   It is also important that local policy aligns with the NPPF and NPPG which state that affordable housing should be provided on build to rent schemes through affordable private rent which is specific to build to rent. The guidance further states that:

- affordable private rent and private market rent in a development be managed collectively by a single build to rent landlord;

- 20% is identified as the suitable benchmark level for affordable private rent provision (in perpetuity) for build to rent schemes, although the guidance accepts a different proportion can be set by LPAs subject to local evidence;

- national affordable housing policy requires a minimum rent discount that is at least 20% less than the private rent homes relative to local market rents (rent on discounted homes should increase on the same basis as rent increases for the market tenancies within the build to rent development).

Co-Living

9.14   The concept of co-living in its modern form of housing is relatively new, and whilst it is not specifically defined in the NPPF, it is often used as part of a wider definition relating to a type of intentional community where residents share living space and a set of interests, values and /or intentions.

9.15   Traditionally co-living has ranged from the coming together of space, time and resources for activities (for example meals and discussion in the common living areas) through to shared workspace and collective endeavours such as living more sustainably (such as eco-centred villages).

9.16   Over recent years, media interest in co-living has in part been driven by the pressures faced by the millennial generation and the potential to provide communal living driven by affordability and a transient, social oriented young professional resident in high cost locations. Traditionally the idea of co-living through sharing of rented housing is not a new idea and has long operated across the country. In this context, co-living can encompass many structural forms.

9.17   In its current form, modern co-living in the UK tends to be urban focused and integrated into a single building, house, or apartment, a sharing of amenities, and a demographic trend towards 20 to 30 something professionals.

9.18 In London, companies such as The Collective, Roam, Fizzy Living and Lyvly are actively adopting a 'WeWork' model[27] to housing based on a new renting approach for the Capital that offers private bedrooms, shared common spaces and community events, and an all-inclusive rent.

9.19 Examples include The Collective co-living scheme at Old Oak in London which provides for over 500 'members' who rent their own private studio apartment (all with private bathrooms, and studios with private kitchenette), with access to shared spaces for working, socialising and relaxing, events, and on-site amenities such as a gym, launderette and supermarket. The operator is due to open a new scheme at Canary Wharf shortly.

9.20 It remains to be seen whether this housing concept has any realistic potential beyond the larger, higher cost urban centres such as London, with a recognition that the modern concept of co-living is often viewed as an extension of managed student accommodation for younger professionals without dependents.

9.21 Many of the existing co-living examples tend to be large city schemes with studies indicating that whilst the sharing of space is deemed more acceptable, especially by city dwellers, the model of co-living needs to carefully consider the scale of provision balanced alongside personal space needs and privacy.

9.22 In the Maidstone context, there is the potential for co-living schemes to emerge although these are anticipated to be limited to individual developments rather than a widespread adoption of this housing product.

9.23 The current co-living business model and characteristics draw on a large base of transient younger, high skilled professional households and individuals (particularly those without dependents) which is not currently a predominant characteristic of household growth in Maidstone.

9.24 The implications for future local planning policy are considered limited other than a recognition of the potential offered by the concept, and in many ways, the relevant planning considerations are deemed similar to those for comparable type development, such as student housing schemes.

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[27] WeWork (and other operators such as Regus and Clarendon for example) provide flexible manged workspaces on easy access licence terms in the commercial office sector

Co-Buying

9.25 The increased costs of housing and associated affordability challenges have led to a growth in co-buying over recent years whereby a pooling of resources allows for individuals, typically friend(s) or family member(s), to collectively purchase a property which ordinarily would likely not have been possible.

9.26 A number of national financial lenders have launched relevant group mortgage products to support buyers get a foot on the property ladder. It is increasingly an option for millennials and those already in a house sharing rental environment. It remains however relatively uncommon with certain lenders limiting the number of people, typically two, to a group mortgage whilst the model is not without its risks, including where a co-buyer seeks to move on.

9.27 The concept is likely to remain an attractive option for some although overall there are considered limited implications if any from a planning policy perspective.

Houseboats

9.28 Practice Guidance sets out that the needs of those residing in houseboats may differ from the rest of the population due to a number of factors including persons' preference for this type of dwelling, and nomadic pattern of life.

9.29 The Council's data indicates that there are currently around 10 houseboats within the Borough. No information has been provided to Iceni which indicates a need for further moorings; but the Council will need to keep this under review and liaise as appropriate with other relevant authorities, including the Environment Agency and Canals and Waterways Trust.

Military Service Families

9.30 Paragraph 61 of the NPPF seeks to ensure that the housing needs of different groups are assessed and reflected in planning policies. The paragraph lists various different groups including service families. Military personnel are listed as part of the definition of essential local workers in Annex 2 of the NPPF.

9.31 The Invicta Park Barracks in Maidstone is home to the 36 Engineer Regiment, but it was announced by the MoD that the site would close in 2027, at which point existing service staff would be relocated. Nonetheless, there is a community of ex-services personnel and families in Maidstone and the wider Borough.

9.32 With respect of housing, the Armed Forces Covenant (HM Government, May 2011) states that:

> *In addressing the accommodation requirements of Service personnel, the MOD seeks to promote choice, recognising the benefits of stability and home ownership amongst members of the Armed Forces where this is practicable and compatible with Service requirements, and also that their needs alter as they progress through Service and ultimately return to civilian life.*

Where Serving personnel are entitled to publicly provided accommodation, it should be of good quality, affordable, and suitably located. They should have priority status in applying for Government-sponsored affordable housing schemes, and Service leavers should retain this status for a period after discharge. Personnel may have access to tailored Armed Forces housing schemes or financial arrangements, depending on their circumstances, to help them in purchasing their own property. Those injured in Service should also have preferential access to appropriate housing schemes, as well as assistance with necessary adaptations to private housing or Service accommodation whilst serving. Members of the Armed Forces Community should have the same access to social housing and other housing schemes as any other citizen, and not be disadvantaged in that respect by the requirement for mobility whilst in Service.

9.33   Government has acted to implement various measures aimed at strengthening the position of ex-military personnel when seeking to access housing and support.

9.34   From 2012, Government revised national guidance to include measures to: set new "priority need" categories to assist homeless ex-service personnel in accordance with the Housing Act 1996; change the rules on local connection to ensure that barriers are removed in accessing social housing; and include ex-military personnel as a priority category in terms of eligibility for certain low-cost home ownership initiatives. The Armed Forces Covenant Annual Report 2017 set out a commitment to consult on new statutory guidance for local authorities to ensure that divorced and separated spouses and civil partners of service personnel who are required to leave military accommodation are not disadvantaged when applying for social housing. This consultation took place between January and March 2019, (the results of which are yet to be published.

9.35   There are a number of housing schemes that are available to the Service and Ex-Service community under the HomeBuy umbrella. In addition, the MoD Referral Scheme aims to provide low-cost, rented accommodation for service personnel on leaving the Services.

Self- and Custom-Build Housing

9.36   Historically, self-build and custom-build housing has not been a common or wide-spread form of housing development in the UK. The Government has however outlined a commitment to support the self and custom build sector through changes in legislation, national policy and guidance to promote such developments.

9.37   The definition of self-build and custom-build housing set out in the NPPF (Annex 2: Glossary) does not differentiate between the two, and outlines it as follows:

Housing built by an individual, a group of individuals, or persons working with or for them, to be occupied by that individual. Such housing can be either market or affordable housing. A legal definition, for the purpose of applying the Self-build and Custom Housebuilding Act 2015 (as amended), is contained in section 1(A1) and (A2) of that Act.

9.38   The NPPF is therefore supportive of people wishing to build their own homes. The Self Build and Custom Housebuilding Act 2015 and supporting Regulations requires councils to have a Register of

Interest for those seeking a serviced plot for a self-build or custom-build dwelling. It imposes a duty for councils to grant planning permission for enough serviced plots to meet the demand evidenced from the Registers (within three years of a given base period), alongside a duty to take into account the Register in carrying out its planning, housing, land disposal and regeneration functions, including as part of the plan-making process.

9.39   At the national level, there is no conclusive figure for the number of self/custom build completions per annum although AMA's Research Self Build Housing Market Report UK (2016 – 2020) estimated that self-build completions are circa 12,000 per year. The same research predicts the self-build market will grow by around 7 – 10% per annum whilst the National Custom and Self Build Association (NaCSBA) identified that over 40,000 people had signed Registers of Interest in England as at December 2018. The Association recognises that English planning authorities will need to demonstrate for the first time to have complied with the legislation, and to have delivered 18,000 plots by 30th October 2019.

9.40   Data provided by the Council indicates the relevant numbers of people who have registered on the Council's Self-Build Register. This is set out below.

Table 9.2   Self-Build Register Applications and Plots Approved

Base period	Individuals registered	Associations registered	Plots approved
1. Apr 2016 – Oct 2016	135	2	0
2. Oct 2016 - Oct 2017	124	2	0
3. Oct 2017 - Oct 2018	49	0	6
4. Oct 2018 - Oct 2019	90	1	40
5. Oct 2019 – Oct 2020	83	1	-

9.41   Data provided by the Council related to the profile of need for the most recent base period (to 30th October 2020) indicates:

- 83 people have registered an interest for self-build housing in Maidstone of which 74 of them have expressed interest in more than one authority (with interest expressed for Tonbridge and Malling, Tunbridge Wells, Sevenoaks and Medway). The first preference of 26 people (of 59 respondents) was for a home in Maidstone District;

- The majority of people stated they would prefer to build in a rural or suburban location (83% and 72% respectively) rather than in an urban area (28%);

- In terms of size of housing development where people would prefer to build, the greatest preference was for a single home site (93%) or small development of between 2-15 homes (53%).

- Out of 58 respondents, 33% replied that they would be able to start immediately with a further 41% able to start within 6 months. More than three quarters of respondents were keen to stark within a short-term timescale (12 months).

9.42 The registered association is keen to build between 2-5 dwellings in a suburban or rural location, with its top preference for this being in Tonbridge and Malling.

9.43 An Ipsos Mori poll[28] undertaken for NaCSBA in 2016 found that only one in eight people interested in self-build were aware of the introduction of Right to Build Registers in England. As a result, the number of expressions of interest on a local authority's self-build register may substantially underestimate demand. It found that at a national level, 1 in 50 of the adult population[29] across the country want to purchase a Custom or Self-Build Home over the next 12 months. When applied to the adult population of Maidstone Borough of 140,700 in 2018, this would notionally point to a potential need in the order of 2,800 serviced plots. This potentially overestimates the scale of genuine demand, but the evidence does suggest that the numbers on the Council's Register may under-estimate the potential for self- and custom-build development by some margin.

9.44 Policy SP19 in the adopted Local Plan sets out current planning policies for housing mix. The policy text states that when the Council is considering proposals for new housing development, they will seek a sustainable range of house sizes, types and tenures (including plots for custom and self-build). Large development schemes will be expected to demonstrate that consideration has been given to custom and self-build plots as part of the housing mix. The Plan sets out that the Council understands that this sector can play a key role in helping achieve a higher level of home ownership, and that policies should be flexible to take account of changing market conditions over time. The evidence however shows that self-build delivery has not been meeting the need over the last few years, with a historic under-supply evident.

9.45 Despite government support and active promotion of self/custom build by NaCSBA (including through its Self-Build Portal and Right to Build Toolkit), growth of the sector has remained low despite the appeal for many people of building or commissioning their own home which better meet individual needs. Barriers to growth are identified as land supply and the availability of self-build plots; access to finance; the planning process and differing LPA approaches; and general regulation.

9.46 An increasing number of local planning authorities have adopted specific self-build and custom build policies to encourage delivery, promote and boost housing supply. These typically require that a minimum proportion of plots within development schemes (often over a certain size) are offered to self-builders or as custom-build plots and/or allocation of sites solely for the use. In view of the under-delivery in recent years, the Council might consider strengthening its policy requiring provision of

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[28] 'Survey of Self Build Intentions 2016' – this surgery questioned nearly 2,000 people about their self-build ambition and activity

[29] Those aged 15 or over; weighted to the known population profile

plots as part of larger development schemes, whilst recognising the preference of many prospective self-builders for smaller sites.

9.47   It will also be important to allow individual small sites to come forward to deliver self- and custom-build development whereby an outline application is presented together with a design code, with individual plots then coming forward through reserved matters consents. The Council may however wish to consider its strategy for meeting self-build needs as part of the Local Plan Review.

9.48   For Maidstone, the adopted planning policies currently provide flexibility that allows for a mix of housing to address market demand and local housing needs. However, a specific planning policy could be prepared to help better promote and encourage delivery of self/custom build schemes.

> **Emerging Housing Market Segments: Summary and Implications**
>
> There is potential for co-living/ buying schemes to come forwards in Maidstone, but it seems unlikely that these will contribute significantly to overall housing growth.
>
> Build-to-Rent development is currently a reasonably embryonic market outside of London. There is however a pipeline of schemes now progressing in central Maidstone. It is therefore appropriate that the Council considers the sector and craft planning policies which help to support it and provide clarity on how policies will be applied to it. We address this further within the conclusions section.
>
> Self- and custom-build development is also a growing sector of the housing market, and one which has potential to contribute to housing delivery. There has been an under-delivery compared to the need in recent years. Self/ custom-build schemes could come forwards on both small and larger sites in the Borough and the policy framework should be strengthened to support this.

10. CONCLUSIONS AND RECOMMENDATIONS

10.1 In this section, the project team has sought to draw together a set of conclusions and recommendations in particular to inform the Local Plan Review.

Housing Market Geography

10.2 Iceni consider that the latest evidence continues to support the definition of a Maidstone Housing Market Area which includes the whole of Maidstone Borough, together with the settlements of Aylesford, New Hythe, Snodland, Ditton, Leybourne and Kings Hill in the western part of Tonbridge and Malling Borough. This is broadly consistent with that identified in the previous 2014 SHMA and was endorsed by the Local Plan Inspector.

10.3 These areas are defined in a common housing market area reflecting the strong migration and commuting inter-relationships between these areas and similarities in housing costs for similar products.

10.4 Whilst this is the area which has the strongest functional relationship to Maidstone Borough and where the evidence supports the existence of a common Housing Market Area, the evidence in Appendix A shows that there are also functional inter-relationships with other adjoining authorities, including Medway, Swale, Ashford and Tunbridge Wells; as well as with London.

R1: It will be important for Maidstone BC to engage with Tonbridge and Malling BC as part of Tonbridge and Malling Borough falls within a common housing market area. The Council should also actively engage with other surrounding authorities in Kent through the Duty to Cooperate on any cross-boundary issues arising in respect of housing provision. It would be reasonable to see Statements of Common Ground prepared to address cross-boundary issues related to housing provision with these authorities which need to be prepared prior to the submission of the Plan.

10.5 There are also functional housing market relationships between Maidstone and London, as there are for many areas across the South East and East of England regions. But there is continuing uncertainty as to London's ability to meets its own housing needs within the Greater London, which constitutes a separate housing market area.

R2: It in the instance that an unmet housing need arises from London, and it is accepted that this cannot be met within London's boundaries, taking account for instance of a review of Metropolitan Urban Land/ Green Belt within London, it will be important that the Council engages through the wider South East Councils Group to consider whether it is possible to contribute to addressing the unmet need.

Local Housing Need

10.6 The Government has implemented a standard method for assessing housing need which takes 2014-based Household Projections and applies an upward adjustment based on the median house price to earnings ratio.

10.7 The standard method results in a minimum local housing need for 1,157 dwellings per annum (dpa) equivalent to a need for 17,355 dwellings over the proposed 2022-37 plan period. Our assessment indicates that the demographic projections feeding into this are reasonable based on the evidence and exceptional circumstances do not exist which would justify a lower figure.

10.8 This scale of local housing need would support substantial population growth of 44,800 over the 2019-37 period in the Borough. Our analysis shows that, assuming commuting patterns remain consistent, this would support potential employment growth of between 25,400 – 25,600 over the period to 2037.

10.9 Iceni note that the standard method does not capture factors which would lead to a divergence from past demographic trends, however we have not found evidence at this time which particularly points to factors which would lead to a higher housing need than indicated by the current standard method figures.

R3: The Council should test the ability to meet the standard method housing requirement figures, which equates to provision of 17,355 dwellings (1157 dpa) through the plan-making process; together with any justified unmet housing needs arising from other areas.

Affordable Housing

10.10 The SHMA includes an updated assessment of affordable housing need which responds to the widened definition of affordable housing set out in the 2019 NPPF. This includes households who might be able to rent a home in the private sector without financial support but aspire to own a home and require support to do so.

10.11 The assessment shows an annual need for 422 rented affordable homes per annum across the Borough. This is consistent with the definition of affordable housing considered in previous SHMA studies.

10.12 The SHMA has also assessed the potential scale of need for affordable home ownership housing, identifying a need for 137 affordable home ownership homes per annum. This need could be met through both various low-cost home ownership products, as identified in the NPPF Glossary, as well as the Government's Help-to-Buy Scheme.

10.13 These components of analysis are brought together to provide estimates of the total affordable housing need in Table 10.1 below.

Table 10.1 Overall Annual Affordable Housing Need by Sub-Area

	Urban	Rural (C&N)	Rural South	Borough
Rented Affordable Housing	265	119	37	422
% Sub-Area Total	74%	77%	77%	75%
Affordable Home Ownership	91	36	11	137
% Sub-Area Total	26%	23%	23%	25%
Total Affordable Housing	356	155	48	559

10.14   The SHMA Update has considered the inter-relationship between the affordable housing and overall housing need. It recognises that in practice affordable housing is constrained by the level of provision which can be viably delivered through mixed-tenure development and the availability of funding to support affordable delivery. The Council is evidently working proactively to maximise affordable housing delivery; but having regard the affordability uplift already included within the standard method and the realism of delivery of housing targets, the analysis finds little scope for a higher housing requirement to be set and delivered through the Local Plan.

10.15   In bringing together evidence through the Local Plan Review, the Council needs to consider the evidence of need, the relative acuteness of the need, and issues of residential development viability. The NPPF advises that at least 10% of all new housing on large sites of 10 or more homes should be for affordable home ownership unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups.

10.16   The evidence suggests that the scale of need for affordable home ownership properties equates to around 12% of the overall housing need (1,157 dpa). There is also a clear and acute need for rented affordable housing from lower income households, and it is important that a supply of rented affordable housing is maintained to meet the needs of this group including those to which the authority have a statutory housing duty. Such housing is cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments).

R4: A clear need for affordable housing is shown, and Iceni consider that the Council is full justified in seeking affordable housing through new development schemes. New local plans should include policies advising on the proportion of affordable housing sought through new development and the recommended tenure and size profile of this bringing together its needs and viability evidence.

In negotiating affordable housing on individual schemes, the Council should have regard to this as well as the profile of need at the local level at the time of considering a planning application and where applicable the viability of the development scheme.

R5: In setting policies on affordable housing, the Council are advised to bring together evidence of need within this report with consideration of how they wish to prioritise the

delivery of different types of affordable housing and evidence/ testing of residential development viability.

R6: Iceni recommend that the Council require through policy and S106 agreements that rented affordable housing is priced and maintained at levels which are below either 80% of market housing costs, or a percentage discount equivalent to Local Housing Allowance levels, whichever is the lower.

R7: Iceni recommend that affordable home ownership homes are priced to be affordable to households who cannot afford lower quartile house prices. Table 5.21 provides guidance of how homes of different sizes should be priced based on current evidence.

10.17   The degree to which the affordable housing need is capable of being met in full through mixed-tenure development schemes will be influenced by the scale of overall housing provision supported by the Local Plan Review, the proportion of affordable housing sought (which will be influenced by viability and tenure mix), and the nature of the supply. There are number of ways in which the Council can support affordable housing delivery, including through entry-level and rural exception site development; the use of public sector land; and/or more direct involvement in delivering affordable housing (which it is now doing). These issues and the potential for improvements in market housing affordability to influence the affordable housing need, will need be considered in crafting policies for housing in the Local Plan Review and may inform consideration of issues such as whether the Council seeks affordable housing provision on smaller sites of under 10 dwellings.

Older Persons Housing Needs

10.18   The SHMA analysis points to notable growth in the population of older persons aged 65+ over the plan period to 2037. The older persons population is expected to grow by 15,800 persons over this period (2019-37).

10.19   Within this, the number of people with a limiting long-term health problem or disability is projected to increase, by 10,100 (35%). The specific projections undertaken show an expected increase of those with dementia by 1,440 and with mobility problems by 3,430 persons.

10.20   Many older households will continue to live in mainstream housing, but given the substantial growth in the population of older persons and associated increases in those with a disability, it is appropriate for new housing to be delivered to meet Part M4(2) accessible and adaptable home standards, subject to viability testing.

R8: Planning policies should require new homes to be delivered to the Part M4(2) standards as set out in Building Regulations where this is feasible and appropriate onsite.

10.21   Whilst many households will seek to remain in their own homes, a proportion of older households, particularly of those aged over 75, may need specialist housing. The SHMA has assessed the needs of households and these are set out below. These should be treated as minima.

Table 68: Need for Specialist Housing for Older Persons

2019-39	Rented	Leasehold	Total
Housing with Support	105	1,234	1,339
Housing with Care	371	432	803

10.22   In addition, a need is identified for 1,228 care home bedspaces is identified to 2037. These will fall within a C2 use class.

10.23   It is important that the council's planning polices support the delivery of specialist housing and care home bedspaces. Doing so will help to release existing mainstream housing, including family housing, for other groups within the population. Particular barriers to delivery include access to land, and the viability of provision which can differ from mainstream housing.

R9: The Council should consider making specific allocations of land for older persons housing and care home bedspaces, given that developers of specialist housing can in some instances struggle to secure sites against mainstream market housing developers.

R10: The Council should carefully consider the economics of delivery of different types of older persons housing through the preparation of viability evidence and consider whether a differential affordable housing policy should be applied to different types of specialist housing schemes. In particular, for schemes with higher levels of care provision, consideration should also be given to whether it is practical to manage market and affordable provision within a single development. This may be influenced by the nature of the site and scheme.

10.24   In addition, the SHMA identifies a need for around 1,774 dwellings from wheelchair-users. Comparing the need for wheelchair dwellings shown to the Local Housing Need, the need for wheelchair user dwellings equates to 7% of the total housing need identified using the standard method. We consider that it would be appropriate to seek provision as part of major new-build schemes, subject to support from viability evidence studies.

R11: Planning policies should require 5%-10% of market dwellings and 15% of affordable dwellings on major development schemes to be delivered to wheelchair adaptable standards where it is suitable to do so.

Need for Different Sizes of Homes

10.25 Understanding the existing housing mix in a place is important in considering what future mix of housing is appropriate to deliver a mixed and balanced community. This is important at both a strategic, and at a local, level.

10.26 Taking account of the current stock and expected demographic trends (including the expectation that some older households will downsize if the right properties are available), the SHMA points to a need for different sizes of homes in the market and affordable sectors.

R12: The SHMA's strategic conclusions regarding the mix of homes needed in different tenures are set out in the tables below. Iceni consider that these should inform negotiations regarding the mix of housing to be delivered on individual development sites alongside consideration of the existing housing mix in the settlement, and where appropriate evidence of the profile of households on the Housing Register in an area or needs shown through local survey evidence.

Table 70: Strategic Conclusions on the Need for Different Sizes of Homes

	Affordable Rented	Low Cost Home Ownership	Market Housing
1-bed	30%-40%	25%	5%
2-bed	30-35%	40%	25%
3-bed	25%-30%	25%	45%
4+ bed	10%	10%	25%

10.27 Whilst this report does not suggest that prescriptive figures necessarily need to be included within the Local Plan, particularly for market housing, the figures set out can be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area. The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites, and Iceni consider that it would be reasonable to expect justification for a housing mix on such sites which significantly differs from that modelled herein.

Build-to-Rent Development

10.28 Build-to-Rent development is currently a relatively embryonic market outside of London. There is however a pipeline of schemes now progressing in Central Maidstone, particularly through conversions of former office space. It is therefore appropriate that the Council consider the sector and craft planning policies which help to support it and provide clarity on how policies will be applied to it.

10.29 The evidence points towards growth in the Private Rented Sector in the Borough in recent years, and reasonable rental growth over the period since 2011.

10.30 Iceni consider that planning policy should support the growth of the sector, and that emerging local plans should include specific policies on build-to-rent development. We consider that given the embryonic nature of the sector, the council would be advised to align policy requirements with national guidance.

R13: The Council should include a policy supporting Build-to-Rent development in its emerging local plan. This should specify the types of locations which are considered suitable for such development, which we would consider to include Central Maidstone and potentially larger strategic sites.

R15: The Council should, subject to viability testing, include a clear policy on the level of affordable housing provision to be sought within Build-to-Rent schemes. Iceni consider that this should require 20% of units to be delivered as affordable private rented housing at a 20% discount to market rents (inclusive of service charge) in line with Government guidance in the PPG.

Communal Living

10.31 Communal living as a housing product is ultimately very embryonic with no specific evidence to support the demand for such a housing product. However, there are clear benefits around communal living in housing delivery terms amongst other areas

R16: Should a community group come forward with a particular aspiration to deliver a communal living scheme, the Council should look to work with that group and any associated developer to identify and bring forward a site which meets that localised need.

Self- and Custom-Build Development

10.32 Self- and custom-build development is also a growing sector of the housing market, and one which has potential to contribute to housing delivery. There has been a historic under-delivery of self-build housing in recent years, and there is therefore clear justification for a strengthening of the policy position to support delivery. There are however different potential development models. Iceni would consider it reasonable for a component of larger strategic sites earmarked for self- and custom-build development, in particular to support the accelerated delivery of these sites through supporting product differentiation and increase supply of land capable of delivering self- and custom-build development.

10.33 However the evidence suggests that many of those interested in self- and custom-build would seek to build homes on smaller developments, including in/adjoining rural settlements. Consideration might be given to how such schemes can be supported in appropriate circumstances in sustainable locations.

R17. The Council should strengthen its policy approach to supporting development of self- and custom-build housing through the Local Plan seeking to enhance delivery on both small sites, and through seeking a proportion of self- and custom housebuilding on larger strategic sites within the Borough.

APPENDIX A: HOUSING MARKET GEOGRAPHY

Strategic Housing Market Assessment Update

Housing Market Geographies Paper

Iceni Projects Limited on behalf of

Maidstone Borough Council

December 2019

ICENI PROJECTS LIMITED ON BEHALF OF MAIDSTONE BOROUGH COUNCIL

Strategic Housing Market Assessment Update
HOUSING MARKET GEOGRAPHIES PAPER

CONTENTS

1. INTRODUCTION

1.1   In October 2017 Maidstone Borough Council adopted a comprehensive Local Plan, to guide development within the borough over the period 2011-2031. Policies within the Maidstone Borough Local Plan (MBLP) were informed by the Maidstone Strategic Housing Market Assessment (SHMA) undertaken by GL Hearn in 2014.

1.2   The Council have committed to an early review of the Maidstone Borough Local Plan (MBLP) which is anticipated to be adopted by April 2022. There have also been a number of significant shifts in the underlying housing and planning policy landscape and updated evidence is required to respond to this.

1.3   To inform the Local Plan Review, the Council has commissioned the preparation of a new Strategic Housing Market Assessment. It has commissioned a consultancy team comprising Iceni Projects Limited ("Iceni") and Justin Gardner Consulting (JGC) to prepare this.

1.4   This Paper has been prepared to explore the Housing Market Geography. It includes a review of previous work undertaken on these issues, and then seeks to consider the latest evidence with a view to defining the housing market geography in which Maidstone Borough sits and understanding functional relationships with surrounding areas.

2. PLANNING POLICY CONTEXT

2.1   Local planning authorities have a statutory duty to cooperate on strategic cross boundary matters as part of the plan-making process. The National Planning Policy Framework (NPPF) sets out that joint working can address a range of issues, including helping to determine where additional infrastructure is necessary; and whether development needs that cannot be met wholly within a particular plan area could be met elsewhere (Para 26). It states that authorities should prepare and maintain one or more statements of common ground, documenting the cross-boundary matters being addressed and progress in cooperating to address these (Para 27). Housing provision is a cross-boundary issue in many areas.

2.2   Planning Practice Guidance (PPG) on *Plan making* sets out what a statement of common ground is expected to contain. It also contains guidance on the geographical area that such statements need to cover[1] – setting out that this may be influenced by the strategic matters being planned for; and the most appropriate functional geography to gather evidence and develop policies to address these matters. It identifies that housing market areas and travel to work areas may be an appropriate basis, that authorities may well work in different areas, and authorities should be pragmatic in determining these areas.

2.3   The Guidance includes specific advice on how housing market areas can be defined. A housing market area is defined 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*."

2.4   The PPG sets out that housing market geographies can be broadly defined by analysing:

- The relationship between housing demand and supply across different locations using house prices and rates of change in house prices. This should identify areas that have clearly different price levels compared to surrounding areas.

- Migration flow and house search patterns. This can help identify the extent to which people move to a new house within an area, in particular where a relatively high proportion of short-distance household moves are contained (due to connections to families, jobs, and schools).

- Contextual data such as travel to work areas, retail and school catchment areas. These can provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use).

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[1] ID 61-017-20190315

2.5   This essentially reiterates what was outlined previously within Planning Practice Guidance. Whilst the Guidance sets out a range of sources, it does not specify what weight should be given to different data.

3. PREVIOUS STUDIES

3.1   The most recent Strategic Housing Market Assessment (SHMA) for Maidstone was undertaken by GL Hearn in 2014[2]. The work was undertaken as part of a joint commission with Tonbridge & Malling and Ashford Borough Councils.

3.2   This study considered the geographical distribution of the housing market areas within Kent, identifying Maidstone (together with the West Malling area) as one of five key housing markets in this area.

3.3   The 2014 SHMA started out by considering the geography of housing markets identified in a national study prepared by the Centre of Urban and Regional Development Studies (CURDS) at the University of Newcastle for Central Government on housing market geographies across England. This showed a tiered structure of housing markets with much of north and north-west Kent falling in a London strategic housing market area (based on 77.5% commuting self-containment) which extended across London and much of the inner home counties. It identified that the local housing markets defined were a more useful basis for coordinating issues relating to housing need; and identified that these showed a Maidstone-focused market which related reasonably closely to the Borough boundary, with separate West Kent, Rochester/Chatham, Sheerness/Sittingbourne and Ashford markets surrounding it. We have reproduced the map of local housing markets in Figure 1. This research however relied on 2001 Census data which is now relatively historic.

3.4   The Study also considered 2004 research on housing market geographies across the South East which pointed to a Maidstone market extending into parts of Tonbridge and Malling Borough. This was very similar to that shown by the national (CURDS) research.

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[2]   GL   Hearn,   (2014);   Maidstone   Strategic   Housing   Market   Assessment.   Available   at: http://www.maidstone.gov.uk/__data/assets/pdf_file/0007/44656/Strategic-Housing-Market-Assessment-2014.pdf

Figure 1: Housing Market Geographies identified in 2014 GL Hearn Strategic Housing Market Study
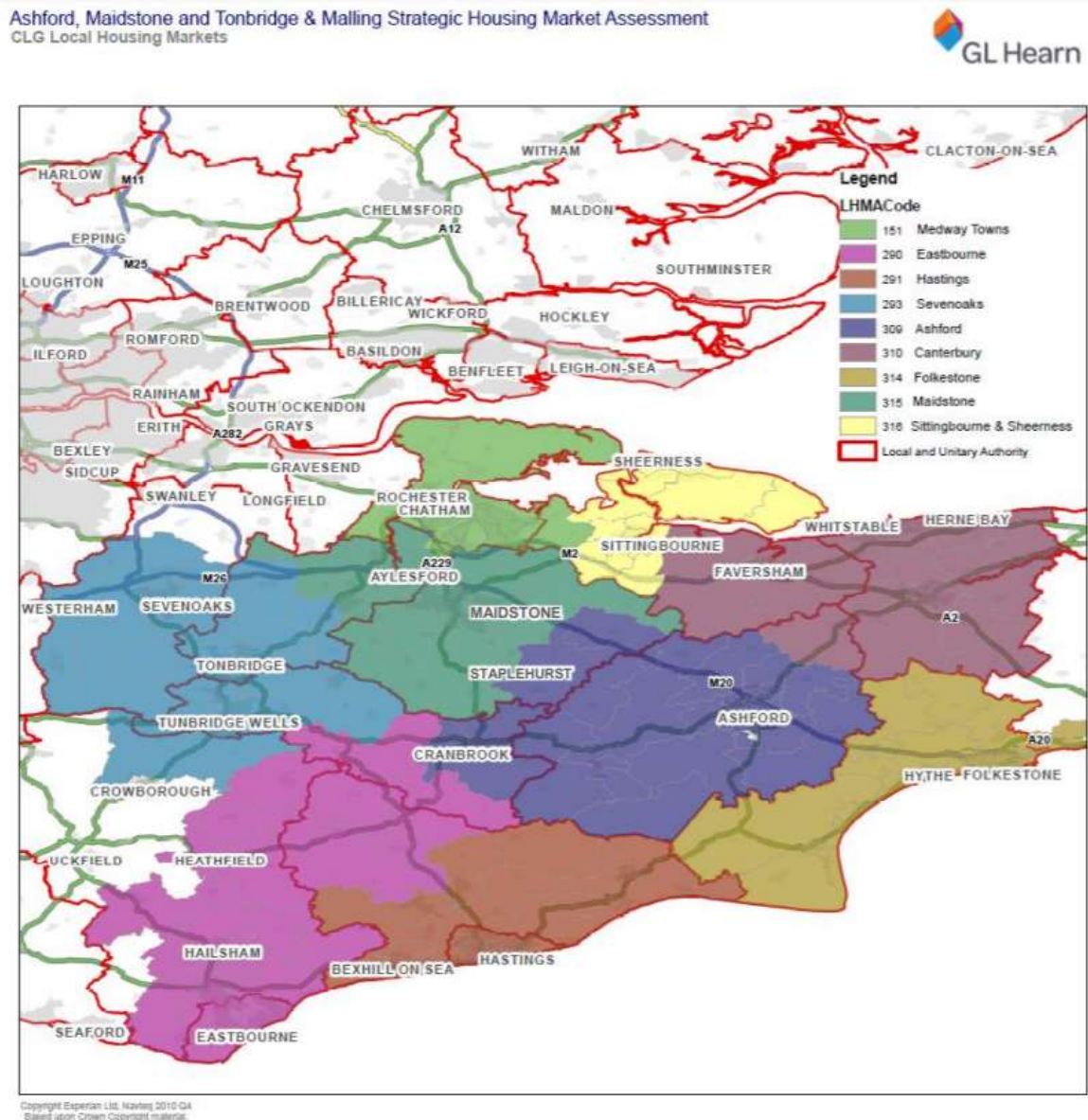
Source: Maidstone Strategic Housing Market Assessment, 2014

3.5   The 2014 SHMA went on to consider further local evidence. Analysis of migration patterns demonstrated a series of complex interactions across Kent and Medway. This supported the identification of two housing market areas in West Kent, focused respectively on Maidstone and Tunbridge Wells / Sevenoaks. The Migration analysis showed Maidstone and Tonbridge and Malling having the strongest relationship with a flow of 6.68 per 1,000[3], followed by Maidstone and Medway (6.52 per 1,000). However, the relationship between Maidstone and Tunbridge Wells /

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[3] Table 1 (page 23) of the Maidstone Strategic Housing Market Assessment (2014)

Sevenoaks was found to be much weaker (2.58 per 1,000[4]), providing supporting evidence for two market areas within the West Kent region. In contrast, more mutual connections were found in East Kent, including Canterbury, Thanet, Dover, Shepway and Ashford, but there were limited migration interactions between the East and West Kent market areas.

3.6   The strong relationship between Maidstone and Tonbridge and Malling was also reflected in the commuting pattern analysis, with flows of 79.6 per 1,000. This used 2011 Census data. The flow between Maidstone and Medway at 46.8 per 1,000 was significant but notable lower.[5]   A weaker relationship between Maidstone and East Kent markets, such as Ashford were also reflected in the commuting patterns data. A high level of self-containment was identified within the East Kent authorities, as well as within Maidstone with 63% of people living within the district also working within it, and 60% of the working population within the district also living there. In contrast, the self-containment rate of Tonbridge and Malling was much lower (49% and 45% respectively) confirming there is limited rationale for a Tonbridge-focused market.

3.7   As a result of Kent's proximity to London, all Kent authorities experienced some commuting flows into the capital. The strongest inflows were from the North Kent authorities (Dartford, Gravesham and Medway), but also from West Kent areas such as Sevenoaks and Tonbridge and Malling. Flows from Maidstone were moderate, reflecting high level of commuting self-containment within the district.

3.8   Analysis of house prices found that the highest value properties (over £300,000) were located in West Kent as a result of proximity to strong transport links to London and the M25. The Zoopla Zed Index highlighted a distinction between house prices between Maidstone and Medway[6], with higher prices in Maidstone.

3.9   Analysis of house prices found that the highest value properties (over £300,000) were located in West Kent as a result of proximity to strong transport links to London and the M25. The Zoopla Zed Index highlighted a distinction between house prices between Maidstone and Medway, with higher prices in Maidstone.

3.10   As stated above the Maidstone SHMA completed in 2014 was a joint commission between Maidstone, Tonbridge and Malling and Ashford Councils, and therefore the methodology applied to reports prepared for Ashford and Tonbridge and Malling was consistent with that used within the Maidstone SHMA. GL Hearn also prepared the SHMA for Sevenoaks District and Tunbridge Wells in 2015 and used consistent methodology to these reports. The conclusions in relation to the HMA geographies in SHMA studies for these authorities align and draw similar conclusions.

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[4] Table 1 (page 23) of the Maidstone Strategic Housing Market Assessment (2014)

[5] Table 2 (page 26) of the Maidstone Strategic Housing Market Assessment (2014)

[6] Table 4 (page 28) of the Maidstone Strategic Housing Market Assessment (2014)

3.11   However, the Medway SHMA prepared in 2015 by Bilfinger GVA defines a Medway-focused HMA as including the neighbouring local authorities of Gravesham, Swale, Tonbridge and Malling, and Maidstone. The justification for including these authorities within a common HMA is based on evidence of commuting and migration links in particular, the report describing these areas as those which have the "the strongest and most consistent migration and commuting relationships with Medway" as well as linkages in house prices. This assessment however takes a somewhat 'Medway-centric' approach of seeking to appraise relationships with Medway and includes limited examination of the relative strength of the relationships between other authorities and Medway relative to their links in other directions.

3.12   The Maidstone SHMA identifies a significant level of commuting flows between Medway and Maidstone but found that there was a significantly stronger relationship with Tonbridge and Malling. There is also evidence of house price differences. Based on the data presented within the Medway SHMA median house prices in Maidstone were approximately £50,000 higher than for Medway in 2013 (Table 14). Whilst it is acknowledged that there is often some variation in house prices across HMAs, this distinction between Maidstone and Medway would support the identification of Maidstone as a separate HMA. This however needs to be examined further based on the latest evidence.

Previous Research on Housing Market Geographies: Implications

A range of previous studies have considered issues relating to the housing market geography. These have identified a Maidstone Housing Market Area which includes Maidstone Borough and selected wards in Tonbridge & Malling around West Malling, Kings Hill and Aylesford. This has been tested and endorsed at Maidstone's Local Plan Examination.

Within this Study we have sought to consider whether this geography is still applicable; and to examine spatial inter-relationships with surrounding areas. Our approach has been to draw on existing evidence where appropriate, with updated analysis undertaken where new data is available.

4. REVIEWING THE EVIDENCE

4.1 There is a wealth of detailed research studies which have considered the housing market geography. Iceni has not sought to 'reinvent the wheel' particularly when there is limited new evidence or simply repeat evidence/ analysis within previous studies, but has sought to objectively review key additional evidence where available to test whether the housing market geography as previously defined remains appropriate; and to understand functional relationships with other areas.

House Price Geography

4.2 The Planning Practice Guidance suggests that a housing market area should have clearly different price levels to surrounding areas. Iceni has analysed house prices using sales data from HM Land Registry and mapped this in Figure 2.

4.3 The house price geography can be understood at a number of different tiers. At a regional level, it shows higher house prices in proximity to London. At a sub-regional level, house prices tend to be higher in West Kent – and in Sevenoaks, Tonbridge and Tunbridge Wells in particular - and lower in North Kent and East Kent, particularly towards the River Medway and the south Kent coast.

Figure 2: House Prices, Year to March 2019
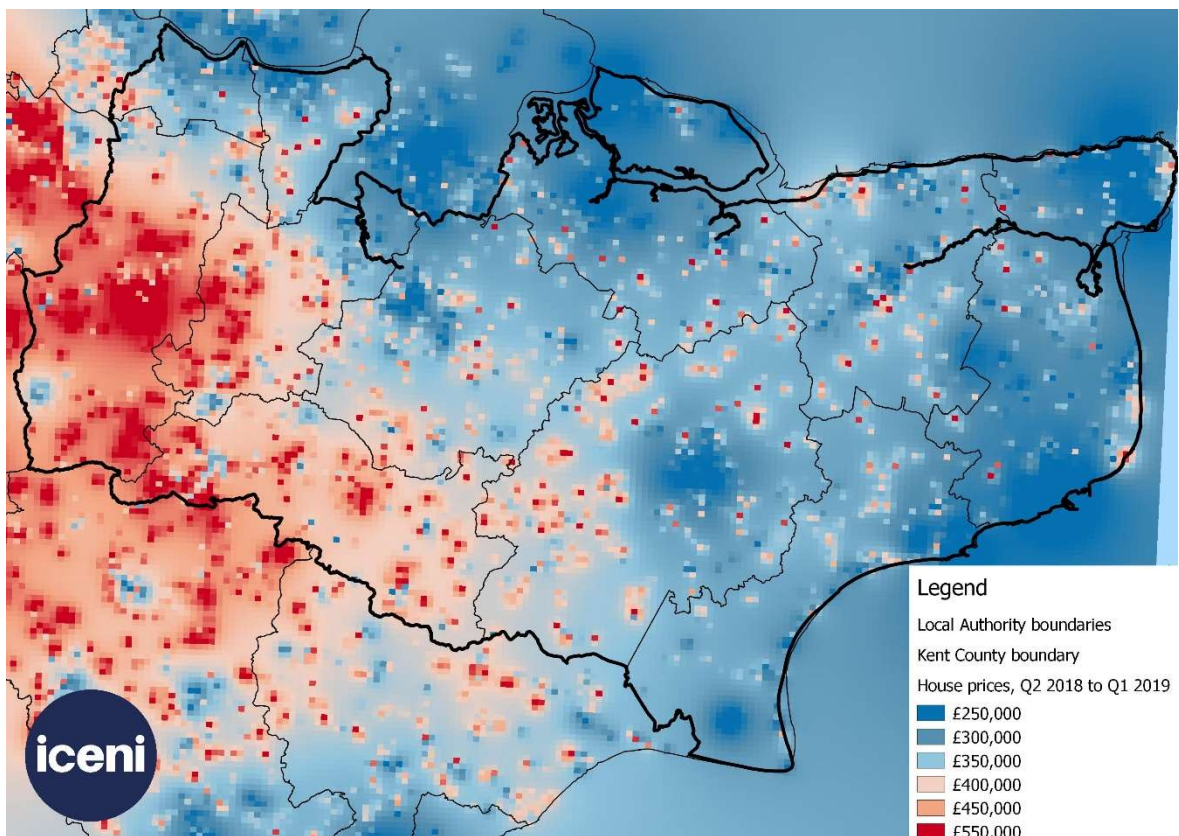
Source: Land Registry

4.4   The latest data published by ONS on house prices[7] covers the year to September 2018 and draw on the Land Registry data source. We have examined housing costs across all Kent authorities and sought to group these by broad price band in Table 4.1. The analysis shows:

- House prices are highest in Sevenoaks and Tunbridge Wells, these areas including strong "commuter town" locations with significant commuting to London. There are similar house prices in the south-west of Maidstone borough around Marden and Staplehurst;

- Dartford and Tonbridge and Malling come next, with sales values for semi-detached homes of £350,000 and detached values of over £500,000;

- Values are relatively similar in Gravesham and Maidstone Borough with semi-detached values at around £320,000-£330,000 and reasonable similar values for terraced properties and flats as well. Reflecting the more rural nature of the Borough, Maidstone has higher detached values;

- With the exception of flatted development, there is a notable distinction in prices between Maidstone Borough and those in Canterbury, Medway or Ashford which are lower. Semi-detached vales are for instance at least 12% higher.

- The lowest house prices are in East Kent, with a relative similarity in values between Folkestone and Hythe, Thanet, Swale and Dover (with values in Dover being the lowest).

Table 4.1   Median House Prices for Kent Authorities (£, Year to September 2018)

Year ending Sep 2018	All Sales	Detached	Semi-Detached	Terraced	Flat/ Maisonette
Sevenoaks	415,950	725,000	410,000	329,500	287,000
Tunbridge Wells	370,000	660,750	385,000	317,000	242,500
Dartford	308,500	520,000	365,000	310,000	230,000
Tonbridge and Malling	345,000	528,000	360,000	290,000	239,998
Gravesham	285,000	447,500	325,000	265,500	175,000
Maidstone	308,995	470,000	320,000	250,000	180,000
Canterbury	295,000	394,995	285,000	270,000	190,000
Medway	242,500	418,000	282,000	222,000	175,000
Ashford	285,000	420,000	280,000	235,000	163,000

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https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housepricestatisticsforsmallareas/previousReleases [Accessed 16/05/2019]

Folkestone and Hythe	250,000	384,498	265,000	220,750	159,975
Thanet	229,948	355,000	265,000	212,000	145,000
Swale	245,000	363,000	260,000	220,000	155,000
Dover	241,000	380,000	245,000	205,000	134,400

Source: ONS house prices for small areas data

4.5   We have then looked at house price changes in absolute terms over the last 10 years (2008-18). This provides essentially a picture of the degree of change in house prices since the peak of the market prior to the credit crunch. This shows that the greatest growth in house prices has been in those areas with higher absolute values which are nearer London. However, it does show a distinction in price growth between Gravesham and Maidstone.

4.6   Those authorities which have seen similar absolute price growth to Maidstone include Ashford and Canterbury, with Tonbridge and Malling, Gravesham (and to a lesser degree Medway) seeing considerably stronger house price growth across most house types.

Table 4.2   House Price Change by Type in Kent Authorities, 2008-18

10 Year Growth	Detached	Semi-Detached	Terraced	Flat/ Maisonette	All Sales
Tunbridge Wells	198250	135050	94500	63500	128000
Sevenoaks	170000	135000	112500	102000	147950
Dartford	155000	130000	120000	63750	108500
Tonbridge and Malling	148000	117000	86500	54998	105000
Gravesham	107500	113000	90505	30000	103000
Medway	143000	97000	74000	55000	82500
Maidstone	119000	90005	71003	21000	97690
Ashford	111003	86000	70000	29000	89000
Canterbury	109995	85000	80000	35000	95000
Thanet	105000	85000	53500	20008	64948
Swale	113000	80000	70050	30250	77000
Folkestone and Hythe	109498	72000	52750	24975	65000
Dover	95000	65500	57000	22400	74000

Source: ONS house prices for small areas data

4.7   Over a five year period (which is essentially the period since the market activity and confidence started to pick up in 2013), we see a broadly similar pattern as Table 4.3 shows but with stronger house price growth across most house types in Dartford than in Tunbridge Wells. House price growth for semi-detached and detached homes has been most similar to that in Medway and Tonbridge and Malling (and Thanet for semi-detached properties) with reasonably similar growth in terraced values as well.

Table 4.3   Median House Prices Growth for Kent Authorities (5 Year Change)

| 5 Year Growth	Detached	Semi-Detached	Terraced	Flat/Maisonette	All Sales
Sevenoaks	150000	137500	109500	107000	128450
Dartford	155005	129000	124250	84005	108500
Tunbridge Wells	165750	115000	102000	77500	120000
Gravesham	120000	112000	95500	60000	95050
Tonbridge and Malling	138000	110003	86250	69998	97500
Maidstone	139000	100000	80000	55000	101495
Thanet	115000	100000	78000	50000	72948
Medway	143000	98500	83625	64500	83500
Ashford	116100	97000	77000	45500	91000
Canterbury	119995	92000	68500	37500	87000
Swale	116000	92000	80005	45000	82000
Folkestone and Hythe	122998	80000	72750	39975	70000
Dover	130000	79000	65000	24400	76000

Source: ONS house prices for small areas data

Migration Patterns

4.8   The latest migration flow data available from the ONS relates to the period from mid-2016 to mid-2017 and shows flows between local authority districts. For robustness an average of migration data between mid-2014 to mid-2017 has been taken and used for this assessment to even out any year-on-year variations.

4.9   The largest migration in-flows to Maidstone are from Tonbridge and Malling and Medway. However, whilst understanding the places people are moving from is important in understanding housing demand in Maidstone; Iceni consider that for the purposes of considering housing market geographies it is preferable to consider gross (two-way) flows expressed per 1,000 head of combined population. This approach allows consideration of the strength of a relationship between areas, given that two areas with a larger population in proximity to one another would be expected to have a stronger flow than two less populous areas.

4.10   Mapping gross migration flows per 1,000 population shows that the strongest migration relationship is between Maidstone and Tonbridge and Malling (flows of 7.21 per 1,000). This is significantly stronger than the next largest flows which are between Maidstone and Medway (4.34 per 1,000) and Maidstone and Tunbridge Wells (3.14 per 1,000).

4.11   Aside from relatively strong migration flows between Maidstone, Tonbridge and Malling and Medway, there are also strong links between other authorities within the North and West Kent region. This includes between Sevenoaks, Tonbridge and Malling and Tunbridge Wells; and between Dartford and Gravesham. There is a strong relationship between Ashford and Shepway; and Shepway and Dover; and between Canterbury and Thanet.

4.12   Kent's location in proximity to London has an influence on migration patterns within the area. When considering two-way (gross) migration, flows between Maidstone and London (all boroughs) are relatively low (0.31 per 1,000) in comparison to flows with other areas of West Kent. However, there is evidence of some connection between Maidstone and the south London boroughs, including Bromley, Bexley, Greenwich, Lewisham and Croydon with flow rates between 0.36 and 0.84 per 1,000.

4.13   Migration from London boroughs accounts for approximately 31% of the total migration flows to Maidstone, with the majority of these residents originating from (72%) the south London boroughs of Bromley, Bexley, Greenwich, Lewisham and Croydon.

Figure 4: Local Authority Level Migration Flows per 1,000 Population, 2016-17
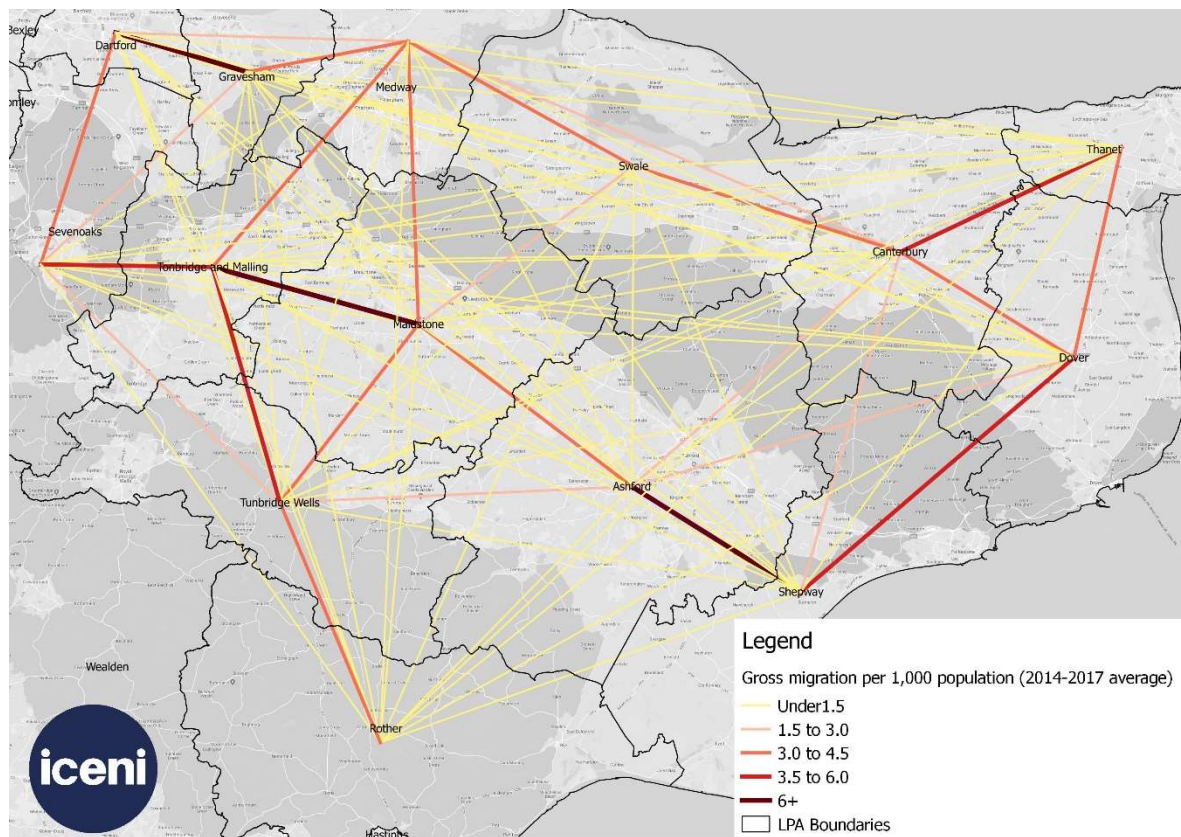
Source: ONS, 2017

4.14   The migration data thus continues to support the definition of a Maidstone HMA which includes Maidstone and the eastern part of Tonbridge and Malling.


Commuting Patterns

4.15   The Office for National Statistics (ONS) has defined Travel to Work Areas (TTWA) using 2011 Census data. This was published in July 2014 and was discussed within the SHMA completed by GL Hearn in 2014.

4.16   Maidstone falls within the Medway TTWA, which is bounded by the London, Tunbridge Wells, Ashford and Canterbury TTWAs. The Medway TTWA is one of the largest within Kent (although it

is smaller than in 2001) and extends to include the Medway Towns (Rochester, Gillingham and Chatham), Maidstone, Kings Hill, West Malling and Snodland.

4.17   Sevenoaks, Tonbridge and Royal Tunbridge Wells all fall within the Tunbridge Wells TTWA located to the west.

4.18   The Functional Economic Market Area (FEMA) report prepared by Lichfields[8] provides further detail on the flows between different TTWAs (Table 2.1). It draws on Census data from 2011 which showed that 31,180 working residents within Maidstone travelled outside the district for employment, primarily to Tonbridge and Malling, Medway and Tunbridge Wells as well as the London boroughs of Westminster and the City of London. 30,000 people commuted into Maidstone for employment, primarily from Medway, Tonbridge and Malling, Swale and Ashford.

4.19   Consequently, Maidstone is a net exporter of labour with a self-containment rate of 60.3% which is similar to the rate identified from the 2001 census. Based on the above, it is clear that Maidstone has stronger labour links with North and West Kent rather than East Kent.

Figure 5: ONS 2011-based Travel to Work Areas
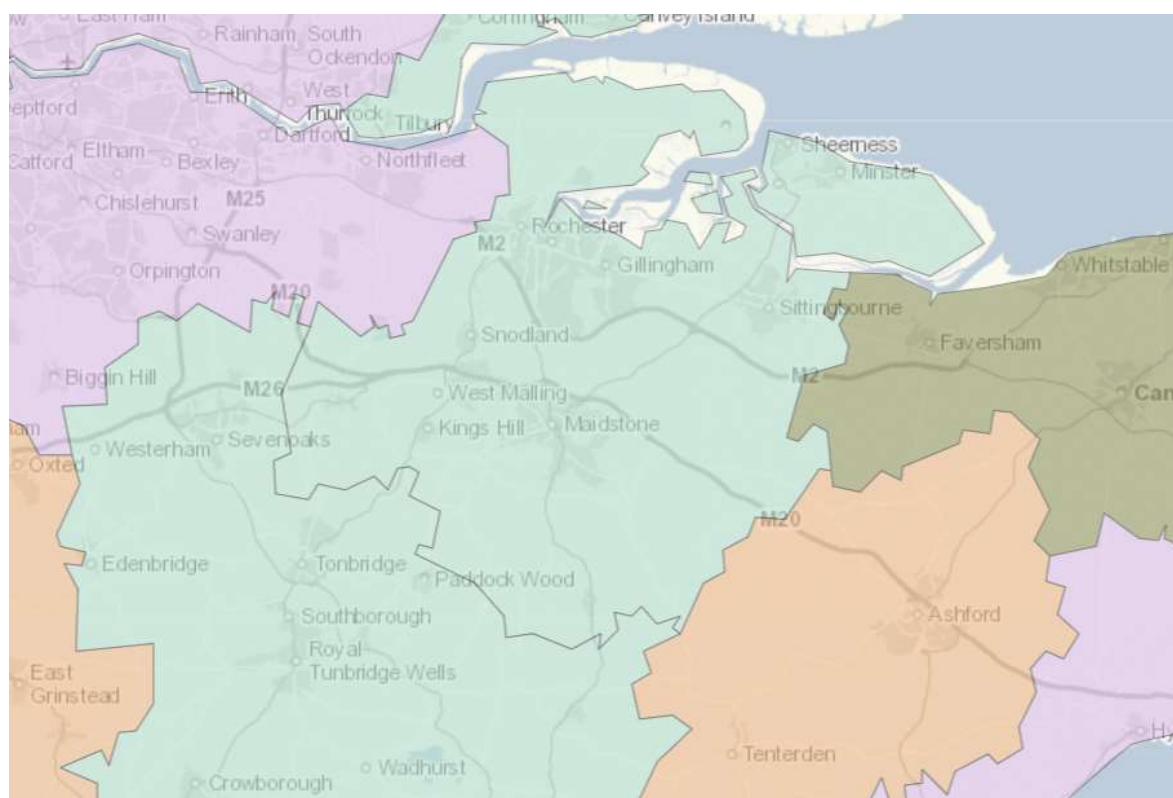

Source: ONS, 2011

4.20   To consider this at a more fine-grained level, Iceni has considered the proportion of people in different middle-layer super output areas (MSOAs) which commute to Maidstone Town to work using the 2011 Census data. This is shown in the Figure below.

4.21   The evidence points to a significant degree of commuting to Maidstone Town to work from locations throughout Maidstone Borough; as well as from Aylesford, New Hythe, Snodland, Ditton, Leybourne, and Kings Hill within Tonbridge and Malling. It shows a weaker relationship (with < 10% commuting to Maidstone) in other areas including parts of Medway, the western part of Swale, and around Charing in Ashford Borough.

Figure 6: % People commuting to Maidstone Town to Work
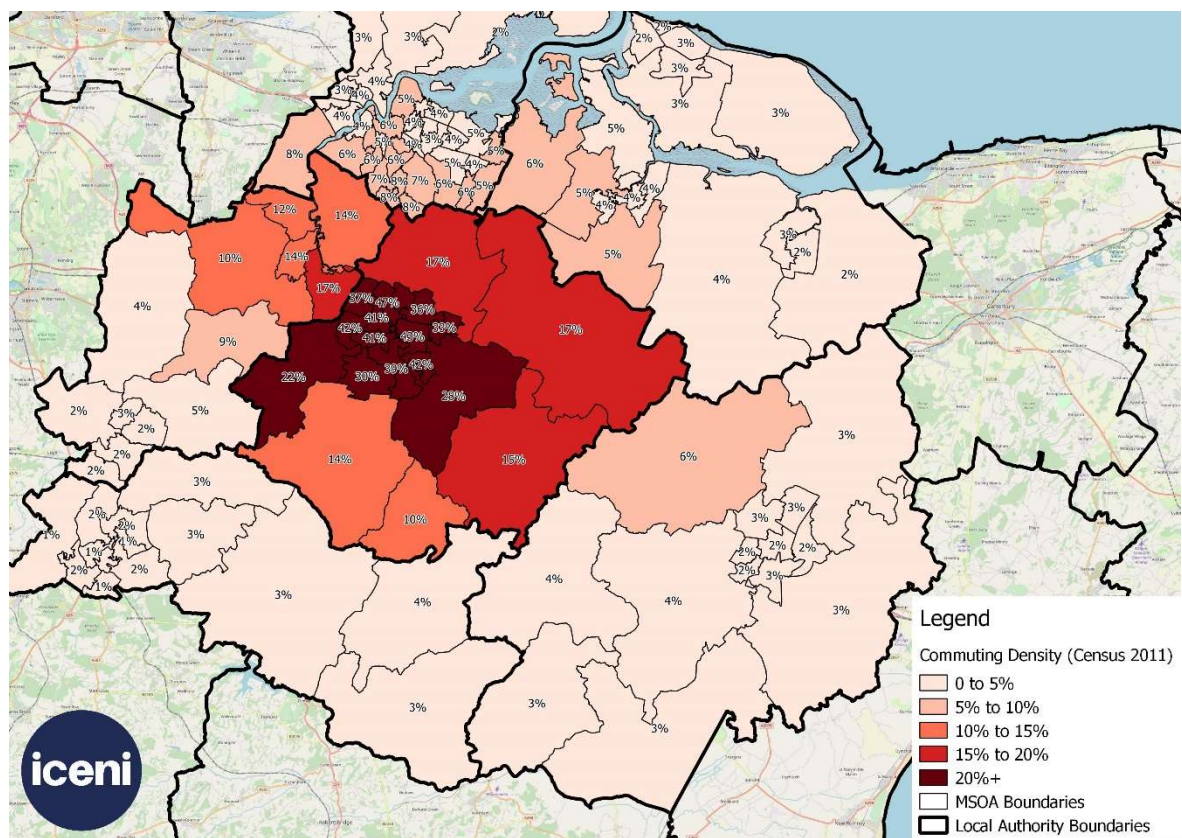
Source: Census 2011

Spatial Relationship with London's Housing Market

4.22   In many areas across the greater South East there is a functional inter-relationship with London, reflecting the movement of people from London to areas within the South East and East of England regions, commuting flows back to London and wider economic ties between businesses in the region and the London economy. As this is an influence on the profile of housing need/demand in Maidstone, we have sought to consider this relationship.

4.23 Migration flows between the Maidstone HMA and London have been analysed based on 2017 ONS data. In Maidstone, the proportion of people moving from London (as a whole) is 34%. As shown in Tables 4.4 and 4.5 below, a greater proportion of people are moving out of London to Maidstone than into London.

4.24 The highest numbers of migrants from London to Maidstone have been recorded from the outer London boroughs of Bexley, Bromley, Croydon, Greenwich and Lewisham.

Table 4.4 Migration Flows to Maidstone from London, 2016-17

Origin	Destination: Maidstone	
London (All Boroughs)	2,170	-
Bexley	280	13%
Bromley	390	18%
Croydon	180	8%
Greenwich	220	10%
Lewisham	180	8%
Southwark	90	4%

Source: ONS Internal Migration Data

4.25 For people migrating from Maidstone to London, the top destinations were similarly the south-east outer London boroughs, notably Bromley, Bexley and Greenwich.

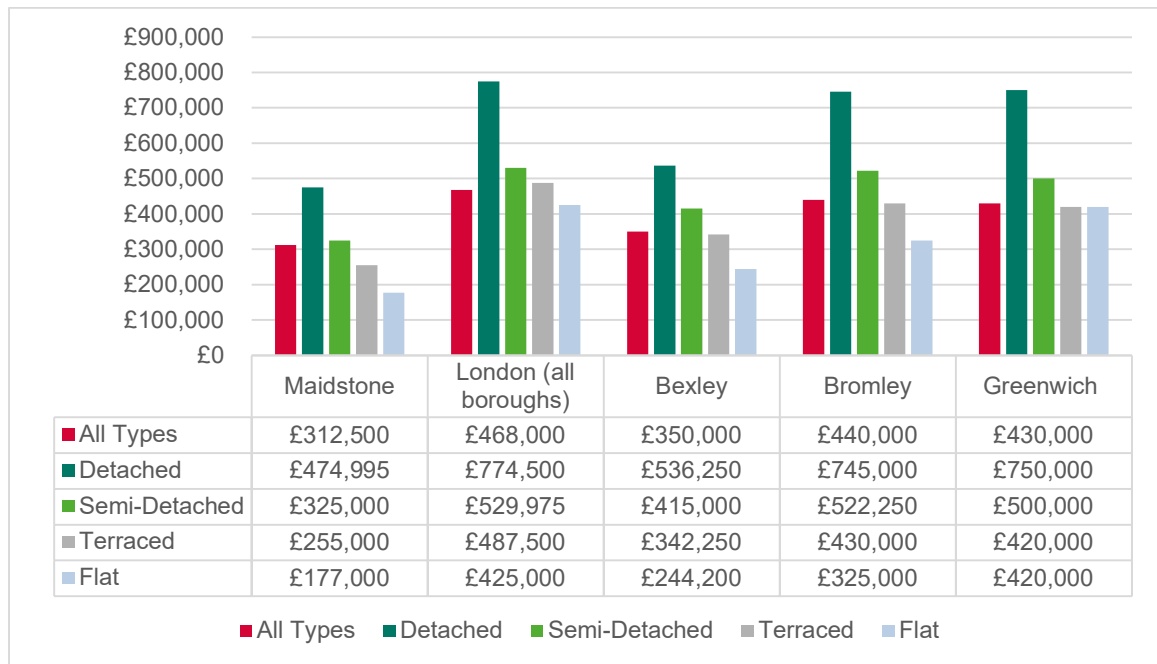Table 4.5 Migration Flows from Maidstone to London

Destination	Origin: Maidstone	
London (All Boroughs)	840	-
Bexley	60	7%
Bromley	80	10%
Greenwich	60	7%
Lambeth	50	6%
Lewisham	40	5%
Southwark	50	6%
Tower Hamlets	40	5%
Wandsworth	60	7%

Source: ONS Internal Migration Data

4.26 What underlies the movement of households from London is a range of both push and pull factors. We have used qualitative evidence from discussions with estate and letting agents to understand the drivers behind some moves. Agents in particular describe flows of younger couples who are looking for larger housing moving to Maidstone Borough.

4.27   Agents indicate that moves are particularly from south London Boroughs, which is affirmed by the ONS data on migration flows which particularly shows movement to from London boroughs to the HMA are from Bexley, Bromley and Greenwich. This is mainly due to the fact that cheaper housing options can be found within Maidstone when compared to similar types of housing within the London Boroughs. This can be witnessed in the graph below:

Figure 6: Median House Price Comparison by Location

	Maidstone	London (all boroughs)	Bexley	Bromley	Greenwich
■ All Types	£312,500	£468,000	£350,000	£440,000	£430,000
■ Detached	£474,995	£774,500	£536,250	£745,000	£750,000
■ Semi-Detached	£325,000	£529,975	£415,000	£522,250	£500,000
■ Terraced	£255,000	£487,500	£342,250	£430,000	£420,000
■ Flat	£177,000	£425,000	£244,200	£325,000	£420,000

■All Types ■Detached ■Semi-Detached ■Terraced ■Flat

Source: ONS, House price statistics for small areas in England and Wales, year ending December 2018

4.28   At a more strategic level, whilst a movement of households from cities to areas around them is common around all UK cities (and many internationally),[9] the outflow of people from London is also clearly influenced by a sustained under-supply of housing delivered within London, and of limited delivery of houses (as opposed to flats) within London. There has been net stock growth of some 27,000 dwellings per annum from 2001 – 2011 and some 26,000 per annum from 2011 – 2016. The trend in delivery is clearly upwards, with 31,700 net additions to the stock in 2017/18; but remains well below London Plan housing requirements (which themselves are below the need identified in the standard method). Alongside (and linked to) this, there are particular affordability challenges, with the latest data showing median house prices are 12.2 times median earnings across London.[10] For market rents, the 2017 London SHMA notes[11] that private rental values have increase rapidly despite stagnant earnings with private rental costs outstripping growth   The

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[9] A typical pattern is of net international migration to cities, and then from net domestic out-migration from cities to surrounding areas
[10] ONS Median Workplace-based House Price to Income Ratio, 2018

[11] London SHMA 2017, Paragraph 5.14 and Figure 61

evidence thus points towards a lack of supply of housing in London and the cost/ unaffordability of housing contributing to households continuing to look outside of London to find housing they can afford; as well as households moving to attractive areas beyond the Capital but accessible to it, to access family housing in good quality neighbourhoods.

5.   BRINGING THE EVIDENCE TOGETHER

5.1   The housing market geography was considered in Maidstone Borough's 2014 SHMA. This identified a housing market area which included much of Maidstone Borough together with the north-eastern part of Tonbridge and Malling, including Kings Hill, Aylesford and Snodland. The 2014 work however identified Lenham and Harrietsham as falling within an Ashford-focused HMA.

5.2   The evidence in this report is broadly supportive of a similar set of conclusions:

- There is a similarity in house prices across Maidstone borough, with distinctions between prices in Maidstone and the surrounding areas of Tonbridge and Malling to the west, and Tunbridge Wells to the south. However, house prices towards the south-west of the borough are generally higher than in other regions, reflecting the transition between the Maidstone HMA and other market areas.

- There are also distinctions in house prices between Maidstone Town and the more rural areas of the borough. The distinction in average house prices is likely to be influenced by differences in the housing stock and the profile of sales – for example in rural areas there is likely to be a higher proportion of detached and semi-detached properties than in towns, thereby increasing average house prices. The distribution of detached house prices is broadly consistent with the distribution for all house types within the borough, with the highest value properties located in rural villages to the south-west. The trend is similar for semi-detached properties although to a lesser extent. For terraced properties, although a rural / urban distinction is evident there is less spatial variation within the rural areas, with only small pockets of higher values (around East Barming and Mockbeggar in particular) and prices more consistent across the borough.

- The area from which there is significant commuting to Maidstone Town – in essence its economic catchment area – extends across the whole of Maidstone Borough. But beyond the Borough the most significant relationship is with the north-eastern part of Tonbridge and Malling, including Kings Hill, Aylesford and Snodland. Elsewhere, Tunbridge Wells, Ashford and Medway each have stronger commuting relationships with other areas than Maidstone. The commuting relationship with Charing, Medway and the western part of Swale is notably weaker.

- This strong relationship between parts of Tonbridge and Malling and Maidstone is confirmed through the migration data, which shows that there are much stronger inter-authority migration flows between these two authorities, than between Maidstone and others.

5.3   Iceni consider that the evidence thus supports the existence of a housing market area which includes the whole of Maidstone Borough and the western part of Tonbridge and Malling (essentially those areas in which > 10% of people commute to Maidstone to work).

5.4   However, it is important in duty to cooperate terms to recognise that there are functional inter-relationships with other areas, including in migration and commuting terms, which are important. This includes a relationship with the adjoining authorities of Medway, Swale, Ashford and Tunbridge Wells, as well as with London. Given the evidence of functional links with these areas, an unmet need arising from them could result in additional out-migration to Maidstone, and therefore the housing market geography identified herein does not, of itself, justify non-engagement in duty to cooperate discussions. These areas however have stronger links with authorities other than Maidstone (and may sit within a common HMA to them) and these should be the first 'port of call' in discussions as appropriate on any unmet housing needs.

APPENDIX B: SUB-MARKET GEOGRAPHIES

| To: | **Maidstone Borough Council** |
From:	**Iceni Projects Ltd.**
Date:	**21/06/2019**
Title:	**Maidstone SHMA – Sub-Markets within Maidstone Borough**

This note has been prepared by Iceni Projects and sets out the proposed approach to defining sub-markets to be used within the updated Strategic Housing Market Assessment (SHMA). The question arising is one of whether there is essentially an urban / rural distinction, or whether there is evidence within the rural areas of different sub-markets. We agreed at the Inception Meeting that this would be considered principally on the basis of assessing whether there were notable distinctions in house prices within the rural area. This is therefore what this note therefore examines.

The Planning Practice Guidance suggests that a housing market area should have clearly different price levels to the surrounding areas. In accordance with this guidance, Iceni has analysed sales data from the HM Land Registry for Maidstone and the surrounding areas in order to understand the house price geography at a range of levels.

Figure 1 below shows spatial variation in average house prices. At a regional level, house prices tend to be higher in locations in proximity to London. At the sub-regional level, house prices are generally higher in West Kent, in Sevenoaks and Tunbridge Wells districts in particular. In contrast, prices in North and East Kent are lower, particularly in areas towards the River Medway and the south/ east Kent coast.

At the local level within Maidstone Borough – which is the focus of this note - there is a distinction in pricing between rural and urban areas with lower values in Maidstone urban area than in rural areas. We also an area of higher house prices in the south-west of the borough.

Figure 1: House Prices, Q1 2018 – Q1 2019
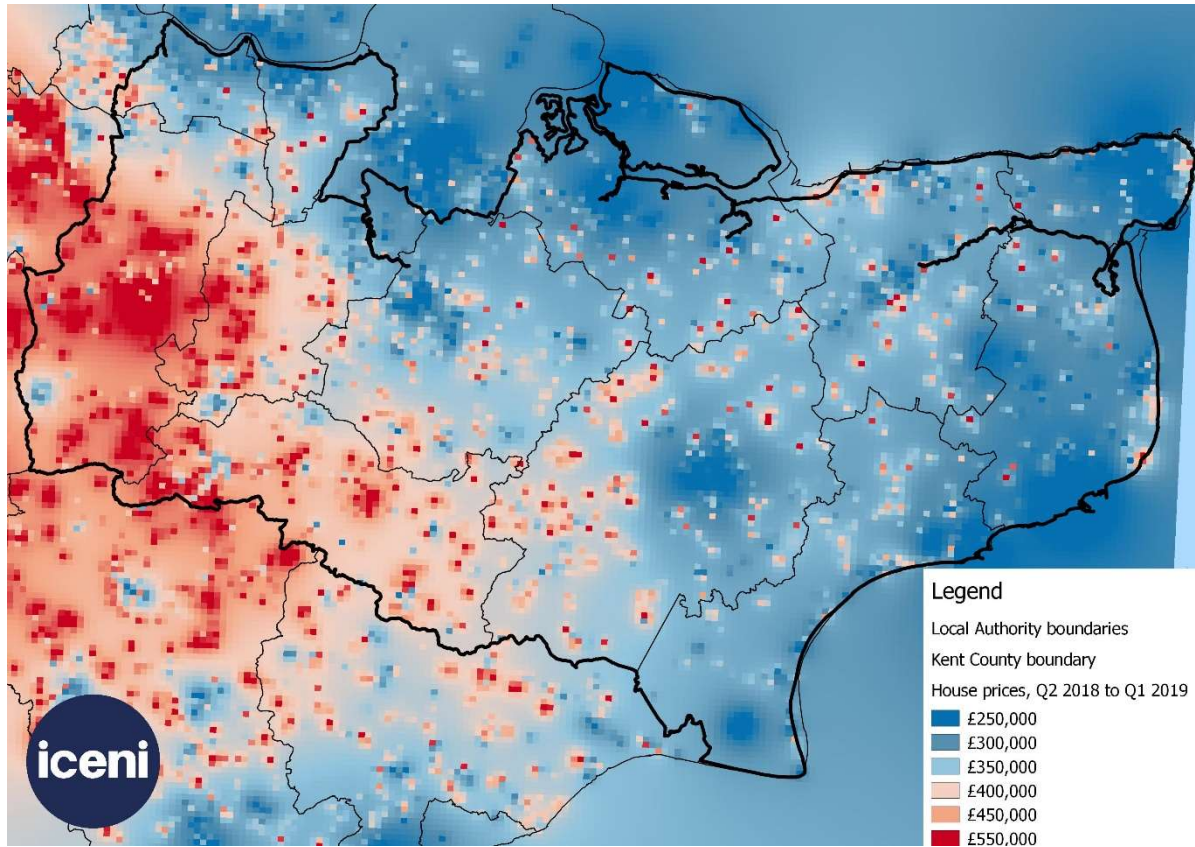
Source: Land Registry, 2019

The distinction in average house prices is however likely to be influenced by differences in housing stock and the profile of sales, for example with higher sales of larger, more expensive homes influencing the average house price. It is therefore appropriate to consider prices by type, which provide a clearer indication of house price variation for a comparable home.

Figure 2 shows house prices for detached properties. It looks at a full years data (Q2 2018 – Q1 2019). This shows lower house prices in Maidstone itself and along the M20/ A20 Corridor in settlements such as Harrietsham and Headcorn, with higher values in some other areas including around Langley and Sutton Valance and in the south-western part of the Borough.

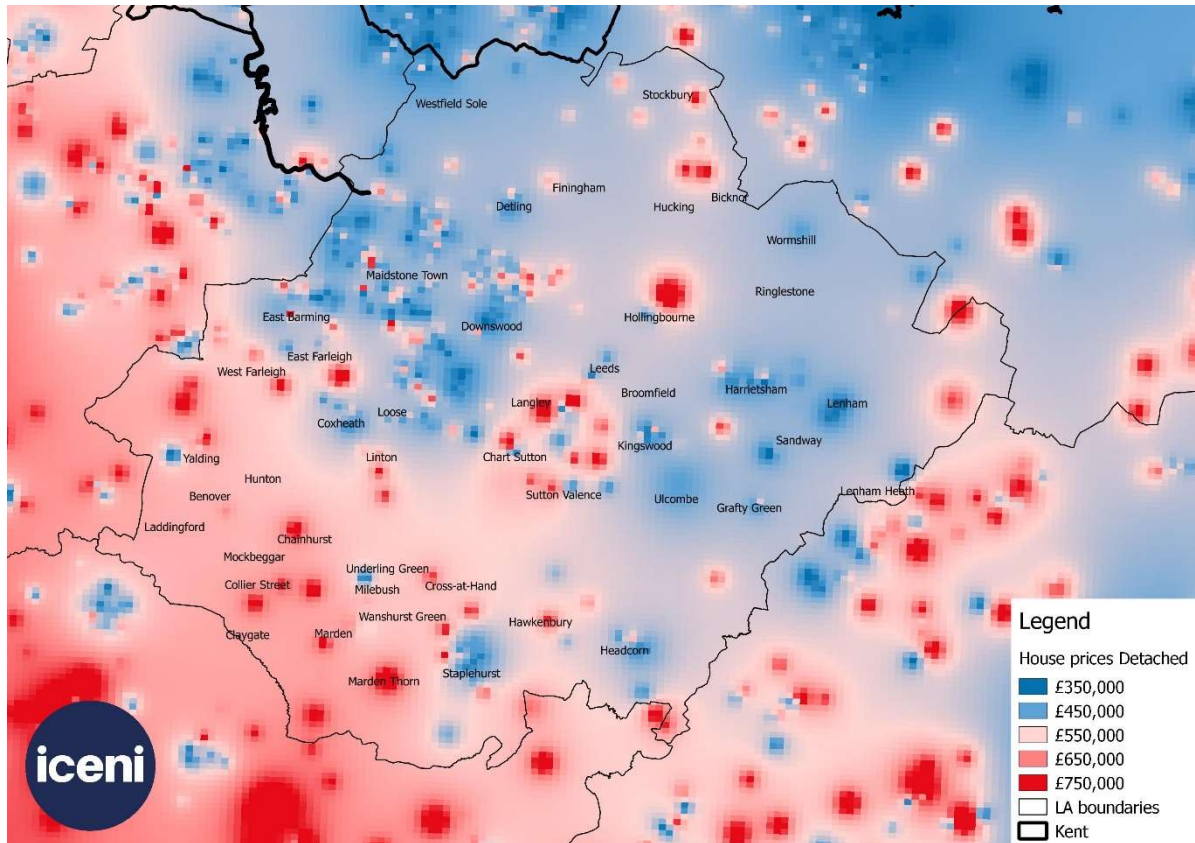**Figure 2: House Prices for Detached Properties, Year to March 2019**

Figure 3 shows house prices for semi-detached homes sold in the Borough. This continues to show higher values in the south-west of the Borough, but less of a broad-based distinction elsewhere (albeit there are clearly some pockets of higher value sales in certain villages such as Detling and Kingswood).

Figure 3: House Prices for Semi-Detached Properties, Year to March 2019
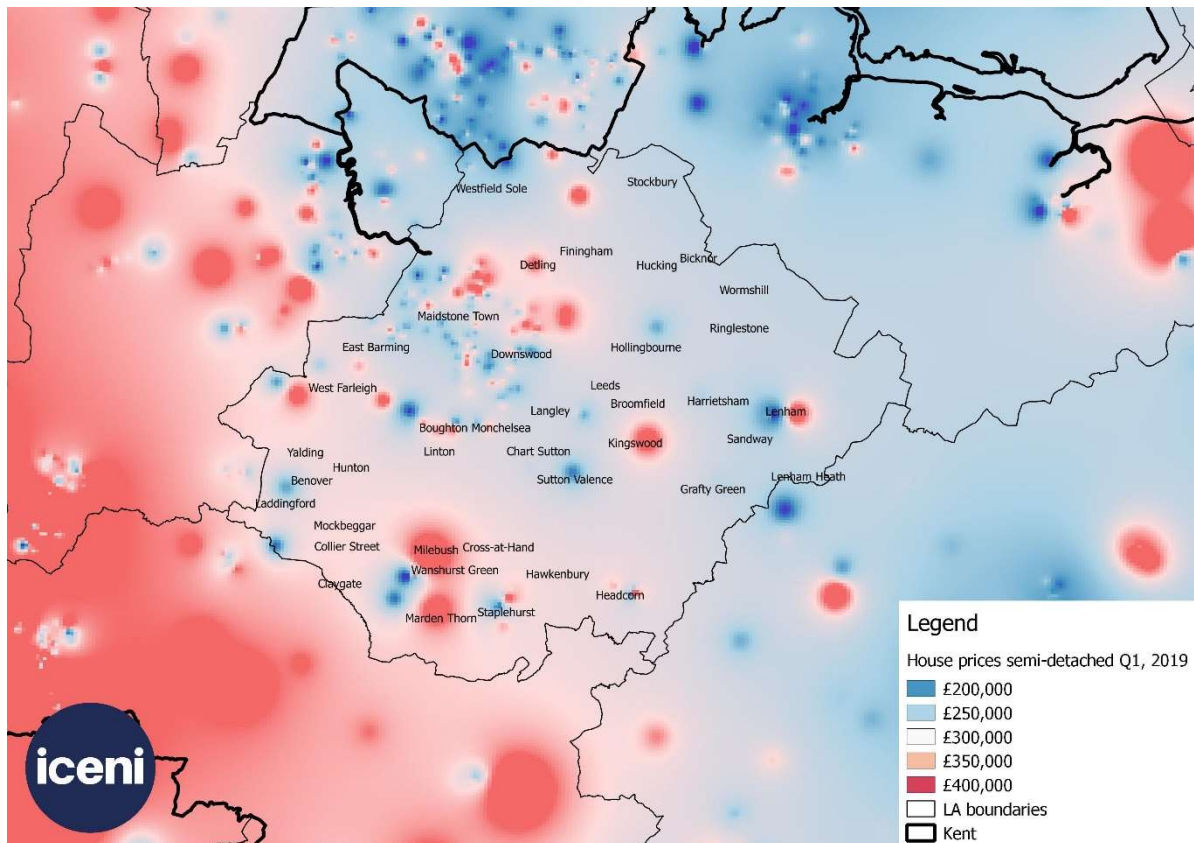
Prices of semi-detached properties in and around Maidstone Town range from £200,000 to £250,000, however prices towards the south of the area towards Tonbridge and Malling and Tunbridge Wells are much higher, typically ranging from £300,000 to £400,000.

Figure 4 shows variation in terraced housing costs. An urban/ rural distinction is event. However there is much less spatial variation is event here within the rural area, with only small pockets of higher values (around East Barming and Mockbeggar in particular). Prices for terraced properties are consistently around £250,000.

Figure 4: House Prices for Terraced Properties, Q1 2019
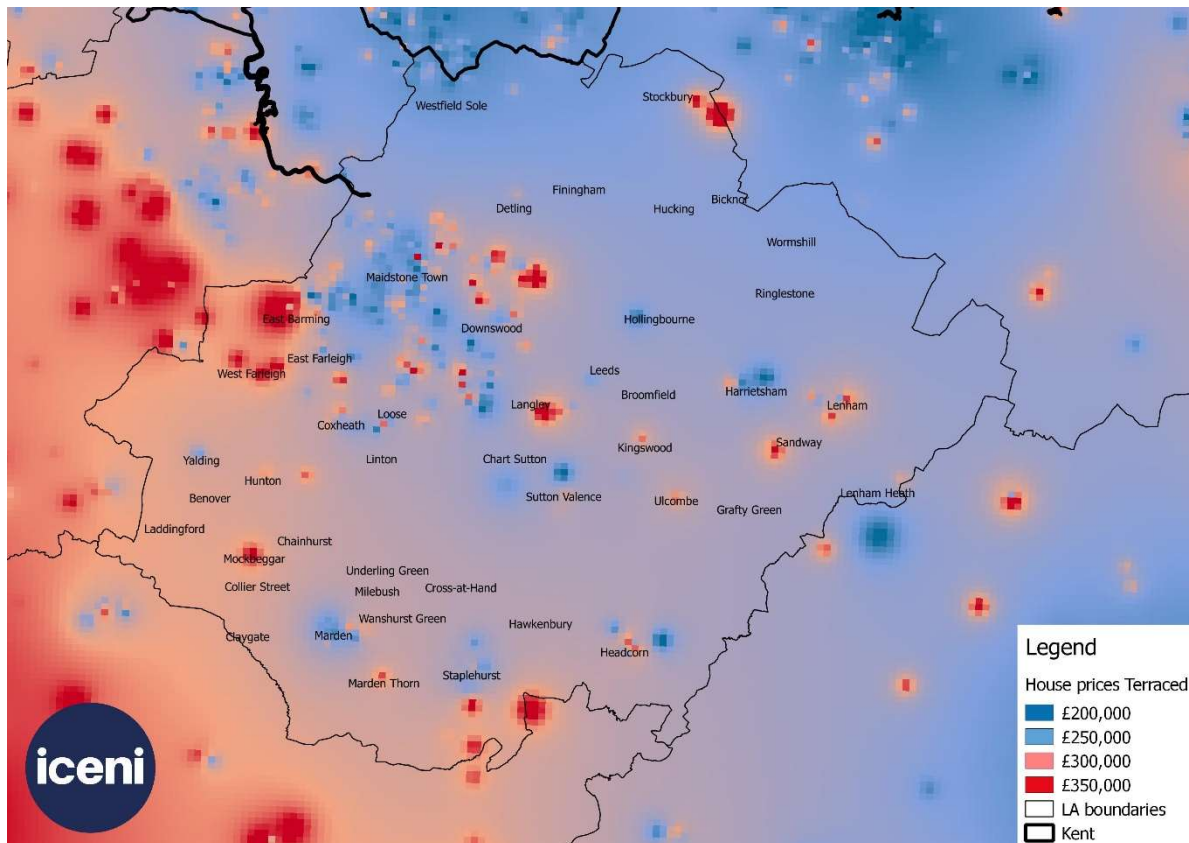
We have not specifically analysed flatted sales values as there are limited flatted sales in the rural area. The plan below shows the location of flatted sales over the year to March 2019.

The evidence shows more varied pricing within Maidstone urban area, and a housing mix which sees a greater level of flatted scales.

The 2014 SHMA identified the urban area as a separate sub-area and then a distinction between three sub-areas within the rural area – rural north; rural east; and rural south sub-areas.

The house price evidence does not really support this distinction within the rural area. It highlights in particular higher house prices in parts of Marden and Yalding and Staplehurst wards; albeit that there is price variation evident within these wards. There is not a clear trend between rural housing costs elsewhere across the Borough.

Iceni consider that the evidence therefore points to the following sub-areas.

Table 1: Sub-Area Geography within Maidstone Borough

Sub-Area	Wards
Urban Area	Allington, Barming, Bearstead, Bridge, East, Downswood and Otham, Fant, Heath, High Street, Langley, Loose, North, Parkwood, South, Shepway North, Shepway South, Sutton Valance,
Rural Centre and North	Broughton Monchelsea and Chart Sutton, Boxley, Coxheath and Hunton, Detley & Thurnham, Harrietsham and Lenham, Headcorn, Leeds, North Downs, Sutton Valance & Langley.
Rural South	Marden and Yalding, Staplehurst,

# APPENDIX C: COMPONENTS OF POPULATION CHANGE

**Components of Population Change, mid-2011 to mid-2019 – Maidstone**

	Natural change	Net internal migration	Net international migration	Other changes	Total change
2011/12	615	708	263	18	1,604
2012/13	583	1,021	286	-28	1,862
2013/14	496	1,067	644	73	2,280
2014/15	556	1,187	787	-21	2,509
2015/16	544	292	877	-13	1,700
2016/17	492	921	578	20	2,011
2017/18	465	1,289	481	-10	2,225
2018/19	404	1,175	303	-11	1,871

Source: ONS

APPENDIX D: ANALYSIS OF HOUSEHOLD REPRESENTATIVE RATES

Projected Household Representative Rates by age of head of household – Maidstone

15-24	25-34
35-44	45-54
55-64	65-74
75-84	85 and over
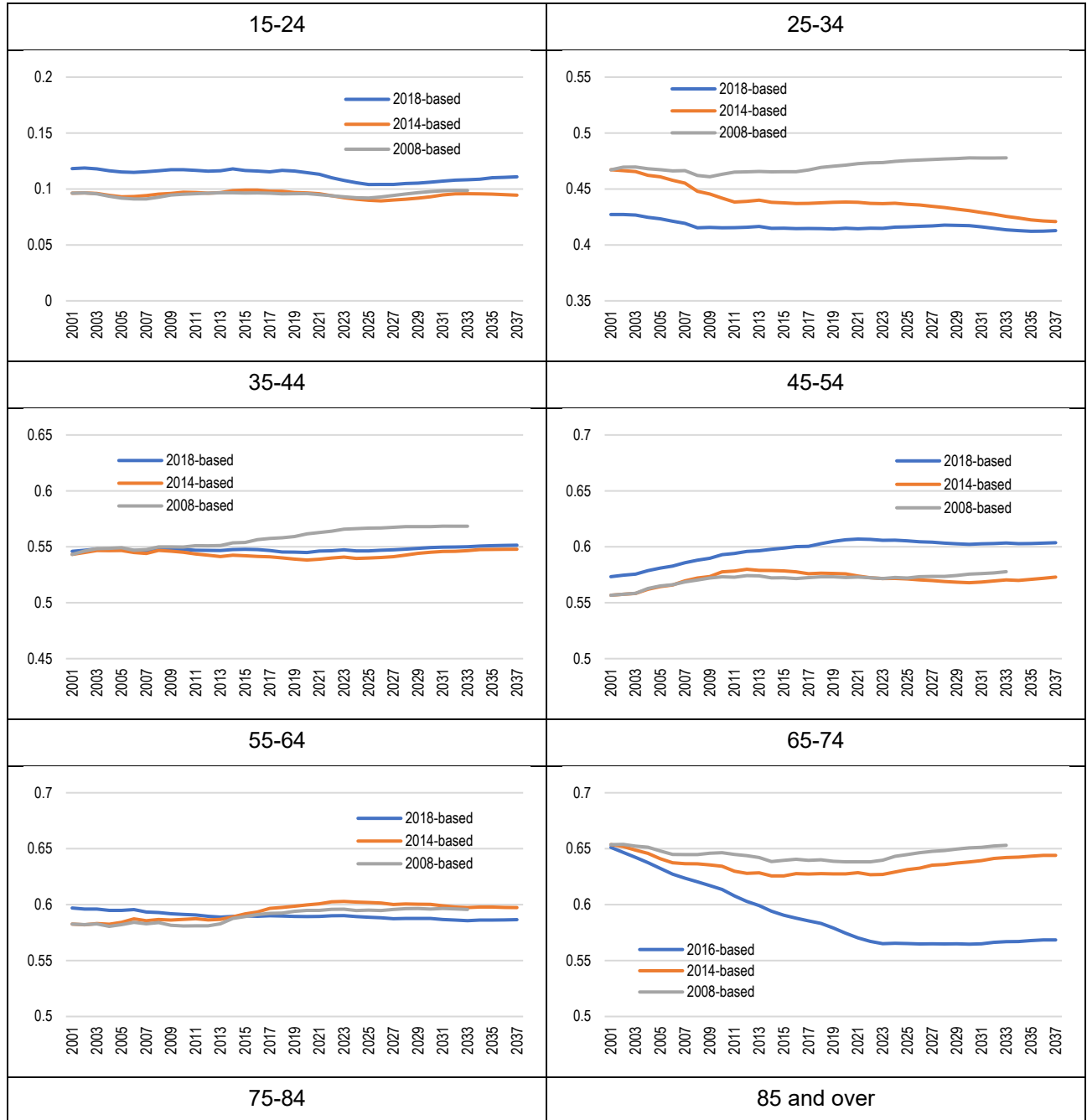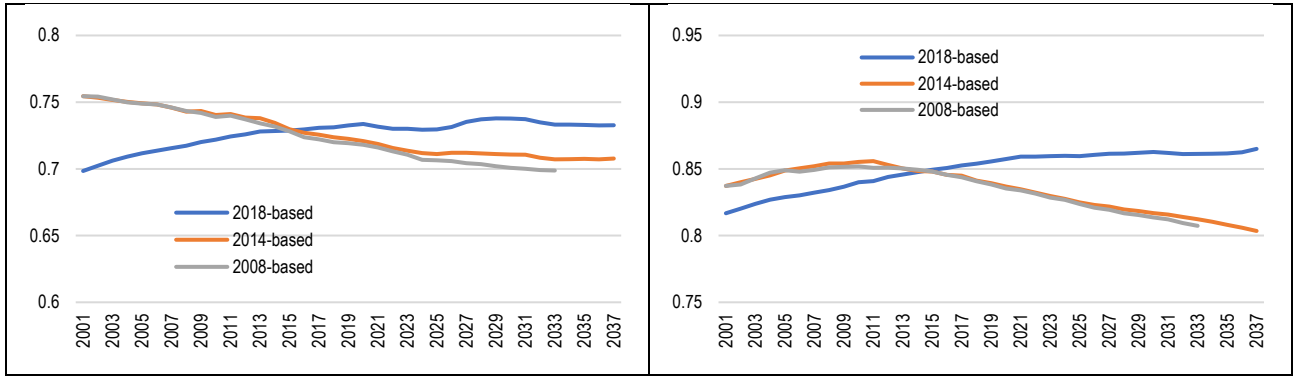
Source: Derived from ONS and CLG data

APPENDIX E: ECONOMIC ACTIVITY RATE ASSUMPTIONS

Projected Changes to Economic Activity Rates (2019 and 2037) – Maidstone

	Males			Females		
	2019	2037	Change	2019	2037	Change
16-19	49.4%	48.3%	-1.2%	51.1%	50.1%	-0.9%
20-24	90.2%	92.3%	2.1%	82.5%	84.1%	1.6%
25-29	94.9%	94.9%	0.0%	87.3%	87.3%	0.0%
30-34	94.0%	93.8%	-0.2%	82.5%	83.5%	1.0%
35-39	94.9%	94.0%	-0.9%	82.4%	84.9%	2.5%
40-44	94.5%	93.3%	-1.2%	83.7%	87.5%	3.8%
45-49	93.3%	92.5%	-0.8%	85.0%	89.2%	4.1%
50-54	92.7%	91.5%	-1.2%	83.5%	85.5%	2.1%
55-59	88.8%	89.2%	0.4%	79.3%	81.6%	2.3%
60-64	72.5%	79.0%	6.4%	58.6%	67.3%	8.7%
65-69	33.5%	44.5%	11.0%	20.9%	36.8%	15.8%
70-74	17.8%	20.0%	2.2%	11.0%	17.3%	6.3%
75-89	5.1%	6.3%	1.2%	2.1%	5.1%	3.0%

Source: OBR and Census 2011