



West Oxfordshire District Council:

Local Housing Needs Assessment 2025

Report of Findings

June 2025



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Executive Summary

Introduction

1. Opinion Research Services (ORS) was commissioned by West Oxfordshire District Council to prepare a Local Housing Needs Assessment (LHNA). This considers the needs of West Oxfordshire for the period 2025-2041 to identify the size, type and tenure of homes that would be needed in the future, and the housing needs of different groups, including affordable housing.
2. The Government published the National Planning Policy Framework (the Original NPPF) in 2012. This set out the planning policies for England and how these were expected to be applied. Since this time there have been many updates to the NPPF, with the most recent being in December 2024, following a consultation in July 2024 by the new Government. This report was developed and written under the current NPPF 2024 and therefore has incorporated the changes to the NPPF set out in December 2024. The standard method published by the government in December 2024 was 905 dwellings per annum for West Oxfordshire.

Establishing Current Unmet Need for Affordable Housing

3. To assess the current need for affordable housing, we initially calculated the number of households in West Oxfordshire who are not suitably housed and who are unable to afford market housing. These include: all households that are currently homeless, those who are currently housed in temporary accommodation, concealed households living as part of another household, households overcrowded in social or private rent, and people otherwise not counted who are in a reasonable preference category on the housing register.
4. Based on a detailed analysis of the past trends and current estimates of households considered to be in housing need, our analysis has concluded that an estimated **3,180 households in West Oxfordshire are currently living in unsuitable housing and are unable to afford their own housing**. Of these households, 367 currently occupy affordable housing that does not meet the households' current needs, mainly due to the number of bedrooms. **There is, therefore, a net need from 2,813 households in West Oxfordshire** (3,180 less 367 = 2,813) **that currently need affordable housing and do not currently occupy affordable housing** (although a higher number of new homes may be needed to resolve all the identified overcrowding).

Future Need for Affordable Housing

5. In addition to those who cannot currently afford market housing, it is also necessary to consider those households who will arise in the future; and households that can afford market rents but aspire to home ownership. Figure 1 summarises the overall impact of:
 - » New households adding to housing need;
 - » The households no longer present reducing housing need; and
 - » The changes in circumstances impacting existing households.

Figure 1: Annual components of Household Growth West Oxfordshire 2025-2041 (Source: ORS Housing Model)

West Oxfordshire	All households	Households able to afford housing costs	Households unable to afford housing costs
All new households	4,282	3,443	839
All households no longer present	3,650	2,960	689
Change in existing households	-	35	-35
Future affordable housing need 2025-41 (Annual average)	632	518	114

6. Overall, reviewing the contribution of each element amounts to an additional 114 households needing affordable housing in West Oxfordshire annually over the 16-year period 2025-41.

Needs of Households Aspiring to Homeownership

7. The Government have placed an emphasis on households that cannot afford to own their home reflecting concerns that the proportion of owner occupiers has reduced nationally over the last 20 years. One unexpected consequence of current policy is that households in the Private Rented Sector (PRS) who aspire to home ownership and can afford affordable home ownership are designated as being in housing need of affordable home ownership. At the same time, households in the PRS who can afford private sector rent but cannot afford affordable home ownership are designated as being adequately housed.
8. Figure 2 works through the numbers to separate these two groups out of the total numbers of households aspiring to own whether they be in the PRS or not. Overall, there are likely to be up to 10,089 households who cannot afford to buy their own home on the open market and aspire to homeownership in West Oxfordshire over the period 2025-41. These are the upper limit figures and are adjusted as part of the assessment to take account of any households that can afford market ownership. The vast majority of this group of private renters can be assumed to be potential first-time buyers.
9. Below, Figure 2 brings together the information on assessing the unmet need for affordable housing in 2025 together with the future need for affordable housing and those aspiring to home ownership arising over the 16-year period 2025-41. It can be noted that this assessment has no regard for whether those aspiring can access affordable home ownership options; some may be able to afford home ownership but have not found a suitable property yet.

Figure 2: Assessing total need for affordable housing in West Oxfordshire 2025-2041 (Source: ORS Housing Model)

WEST OXFORDSHIRE 2025-41	Affordable Housing Need Households unable to afford	Affordable Housing Need Households aspiring to home ownership	Overall Affordable Housing Need
Current housing need in 2025	2,813	5,217	8,030
Future housing need 2025-41	1,822	4,873	6,695
TOTAL HOUSING NEED	4,635	10,089	14,724

10. Neither the NPPF nor PPG identify that any affordability criteria should be applied to those households who aspire to homeownership but cannot afford to buy their own home. However, it is appropriate to consider the extent to which these households could afford homeownership products if they were provided.

11. Figure 3 identifies those households with income that would be insufficient to afford 30% of newbuild prices at the lower quartile for the local area, those households with savings of less than £5,000, and those households that both have sufficient income and savings to purchase an open market property but nonetheless choose to rent. It is important to recognise that no 4 or more-bedroom properties are taken forward because they sit over the affordability cap for house prices.

Figure 3: Aspiring affordable homeownership housing mix by household affordability 2025-2041 (Source: ORS Housing Model)

	All households aspiring to home ownership	MINUS properties over the cap limit or where the household can afford market home ownership	Households unable to afford market home ownership	MINUS households unable to afford 70% of newbuild LQ	Households able to afford 70% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford 70% of newbuild LQ and have savings of £5,000 or more
1 bedroom	1,067	146	921	534	387	218	169
2 bedrooms	3,830	608	3,223	2,312	911	632	280
3 bedrooms	3,983	491	3,492	2,597	896	702	193
4+ bedrooms	1,209	1,209	0	0	0	0	0
TOTAL	10,089	2,453	7,636	5,442	2,194	1,552	642

12. On this basis, 642 dwellings are needed for Discount Market Sales for households that aspire to homeownership but cannot afford it in West Oxfordshire. As previously noted, it is likely that the vast majority of these households would be first-time buyers.
13. We consider that it is appropriate to exclude the households who can afford to buy, but for those who lack income (households unable to afford 70% of newbuild LQ) or savings (households with savings less than £5,000) for a Discount Market Housing, alternative housing products may be more suitable. Instead, if a suitably priced Rent to Buy, or Shared Ownership product can be developed then they may move from a market need for private rent to an affordable housing need.
14. Whilst it is a policy decision as to how much additional housing in the form of affordable homeownership can be provided for households able to afford market rents but not market ownership, the needs of the 642 households in West Oxfordshire likely to form an effective demand for Discount Market Sales can be considered a minimum. Figure 4 provides a breakdown of the overall need for affordable housing on this basis:

Figure 4: Overall need for Affordable Housing 2025-2041, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

WEST OXFORDSHIRE	Affordable Housing Need Households unable to afford	Affordable Housing Need Households aspiring to home ownership	Affordable Housing (Households)
1 bedroom	957	169	1,126
2 bedrooms	2,603	280	2,882
3 bedrooms	807	193	1,001
4+ bedrooms	268	0	268
TOTAL HOUSING NEED	4,635	642	5,277

15. For West Oxfordshire this study identifies an overall affordable housing need from 5,277 households over the 16-year period 2025-41 (330 per annum).
16. Figure 5 includes the need from those modelled to require Class C2 and also an allowance for vacant homes, so the total number of dwellings required equals 14,480 over the period 2025-41. The figures also contain market needs which represents the need for Use Class C2 bedspaces, such as care homes, converted to dwellings. The Class C2 figure considers the projected growth in those in Class C2 in the population and household projections. It is important to note that we are not assuming that the equivalent of 383 dwellings in West Oxfordshire are delivered as Class C2 bedspaces, but instead that the population who are assumed to occupy these dwellings in the population projections are counted at some point in the model.

Figure 5: Overall need for Market and Affordable Dwellings (including affordable home ownership products) by property size
(Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Require Social Rent	Require Affordable Rent	Require Affordable to Own	Total Affordable Housing (Total columns 2-4)	Total Market Housing	Total (Total columns 5-6)
1 bedroom	837	59	259	1,155	326	1,481
2 bedrooms	2,057	212	687	2,956	1,474	4,430
3 bedrooms	589	79	358	1,026	4,478	5,504
4+ bedrooms	208	37	30	274	2,407	2,682
C2 Dwellings	-	-	-	-	383	383
TOTAL	3,691	387	1,334	5,412	9,068	14,480
1 bedroom	22.7%	15.4%	19.4%	21.3%	3.6%	10.2%
2 bedrooms	55.7%	54.7%	51.5%	54.6%	16.3%	30.6%
3 bedrooms	16.0%	20.5%	26.8%	19.0%	49.4%	38.0%
4+ bedrooms	5.6%	9.5%	2.2%	5.1%	26.5%	18.5%
C2 Dwellings					4.2%	2.6%

17. The ORS Model assumes that the number of households in receipt of housing benefit in the private rented sector remains constant. The 2021 figure for households in receipt of housing benefit was 1,569 households in West Oxfordshire. Given sufficient viability then these figures can be reduced in an area. The chart below shows the impact of the assuming that all households in receipt of housing benefit have their needs met in affordable housing. The impact is to increase the need for affordable housing from 30% to 38% in West Oxfordshire.

Figure 6: Overall need for Market and Affordable Dwellings (including social and affordable renting) in West Oxfordshire 2025-41 for LHN with Housing Benefit in PRS added to Affordable Need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Require Social Rent	Require Affordable Rent	Require Affordable to Own	Total Affordable Housing (Total columns 2-4)	Total Market Housing	Total (Total columns 5-6)
LHN	3,691	387	1,334	5,412	9,068	14,480
LHN Including HB in PRS as Affordable need	5,260	387	1,334	6,981	7,499	14,480

Housing for Older People

18. The population projections underlying the Local Housing Need figure for West Oxfordshire shows a substantial increase in the older population over the period 2025-2041 with an additional 7,844 persons and 5,424 households resident in the local area.
19. Figure 7 considers the need for specialist older person housing for older households in West Oxfordshire over the 16-year period 2025-2041. On this basis, there would be a need to provide an additional 929 specialist older person housing units in West Oxfordshire (equivalent to an average of 58 dwellings per year) of which 61% would need to be provided as affordable housing. The need for specialist older person housing represents 6% of the overall housing need identified for West Oxfordshire.

Figure 7: Modelled Need for Specialist Older Person Housing in West Oxfordshire 2025-2041

Form of Provision	Existing supply	Baseline rate per 1000 persons aged 75+	Benchmark range per 1000 persons aged 75+	Target rate per 1000 persons aged 75+	Gross need in 2041	Housing need 2025-2041
Market Housing	910	63	-	71	1,473	563
Housing with Care	318	22	6-26	22	456	138
Housing with Support	592	41	47-67	49	1,017	425
Affordable Housing	233	16	-	29	599	366
Housing with Care	44	3	8.75	6	122	78
Housing with Support	189	13	33	23	477	288
TOTAL	1,143	79	-	100	2,072	929
<i>Housing with Care</i>	362	25	-	28	578	216
<i>Housing with Support</i>	781	54	-	72	1,494	713

20. This analysis assumes a continuation of current types of housing although it is unclear if older people will aspire to these types of specialist housing in the future. Some types of specialist housing are already experiencing lower demand, and other, newer types of provision may appear to meet changing aspirations in the future. The policy aim of supporting people at home for longer along with assistive technology could also reduce or alter demand.

Housing for people with disabilities

21. The growth in need for wheelchair adapted housing for those aged over 75 years is 700 dwellings, while the identified need for older persons housing for those aged 75 year or more in West Oxfordshire is 929 dwellings. This means that there are likely to be some people who are identified in both categories – wheelchair adapted housing and specialist older person housing. Whilst not all over 75 households needing wheelchair adapted housing will live in specialist older person housing, it is likely that many of those living in specialist older housing will need wheelchair adapted homes. On that basis, seeking to deliver as much of the identified older person housing need, particularly the extra care need, as possible in the form of M4(3) dwellings will help to meet the needs of the ageing population.

Figure 8: Households needing Wheelchair Adapted Housing by age (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+		
	2025	2041	Net change 2025-41	2025	2041	Net change 2025-41
West Oxfordshire						
Market housing	670	750	+80	510	820	+310
Affordable housing	330	480	+150	230	620	+390
Total	1,000	1,230	+230	740	1,440	+700

1. Introducing the Study

Background to the project and wider policy context

Introduction

- 1.1 Opinion Research Services (ORS) was commissioned by West Oxfordshire District Council to prepare a Local Housing Needs Assessment (LHNA). This considers the needs of West Oxfordshire for the period 2025-2041 to identify the size, type and tenure of homes that would be needed in the future, and the housing needs of different groups, including affordable housing.

Government Policy

- 1.2 The Government published the National Planning Policy Framework (the Original NPPF) in 2012. This set out the planning policies for England and how these were expected to be applied.
- 1.3 Since this time there have been many updates to the NPPF, with the most recent being in December 2024, following a consultation in July 2024 by the new Government. This report was developed and written under the current NPPF 2024 and therefore has incorporated the changes to the NPPF set out in December 2024. The standard method published by the government in December 2024 was 905 dwellings per annum for West Oxfordshire.

Overview of the LHNA

- 1.4 The first key objective of this LHNA is to establish the need for housing (both market and affordable) in West Oxfordshire on the assumption that it delivers housing to meet the new government standard method number of dwellings to be supplied over the period 2025-2041, which is 14,480 (905 x 16 years) dwellings. The final calculation for this task is set out, broken down by affordable and market housing, in Figure 41.
- 1.5 It is important to recognise that the information from the LHNA should not be considered in isolation, but forms part of a wider evidence base to inform the development of housing and planning policies and in particular will link strongly to issues around viability. The LHNA does not seek to determine rigid policy conclusions but instead provides a key component of the evidence base required to develop and support a sound policy framework.

Summary of the ORS Approach to Modelling Housing Need

- 1.6 As noted above, this LHNA seeks to establish the need for housing (both market and affordable) in West Oxfordshire on the assumption that it delivers housing to meet the standard method number of dwellings to be supplied over the period 2025-2041, which is 14,480 dwellings.

- 1.7 In Chapter 4, we consider the affordable housing needs for West Oxfordshire based on the latest official projections. They are informed by the latest ONS mid-year estimates¹, and take account of the most up-to-date fertility and mortality rates and the latest migration trends. In particular, we focus upon the 2018 based 10-year migration trends variant population and household projections. The data within these projections is then adjusted in light of the Census 2021 and mid-year population estimates 2022 and 2023. The reason for choosing this set of projections is that they represent the best and most up to date information available for population and household growth trends currently published.
- 1.8 A backlog of households in affordable housing need is calculated, including any households who are currently concealed within other households who may wish to form within their own property. Any shortfall in the projected household growth and the need to deliver 14,480 dwellings is addressed by changes in net migration to West Oxfordshire.
- 1.9 Finally, in delivering the number of dwellings required it is also necessary to include the impact of vacant and second homes to uplift the household projection to become the need for dwellings. This gives a net need for new affordable dwellings for the period 2025-2041 which is consistent with the trend growth in population and household in West Oxfordshire. Therefore, the figures produced in Chapter 4 are the overall conclusions for housing need in West Oxfordshire for affordable and market housing.
- 1.10 It should also be noted that this study looks at other housing issues such as future need for student housing, older people homes, Build to Rent and the number of homes that may need to be specially designed housing for older people and people with disabilities/illnesses. These needs are all inclusive within the figure of 14,480 and not in addition to that number.
- 1.11 Figure 9 sets out a flow chart of the study process building from demographic data and housing costs to consider a wide range of housing needs.

Figure 9: Flow Chart of the Study



¹ The ONS reissued the official estimates for mid-2012 to mid-2016 in March 2018 following methodological improvements.

2. Demographic Projections

The starting point for establishing Local Housing Need

Official Household Projections

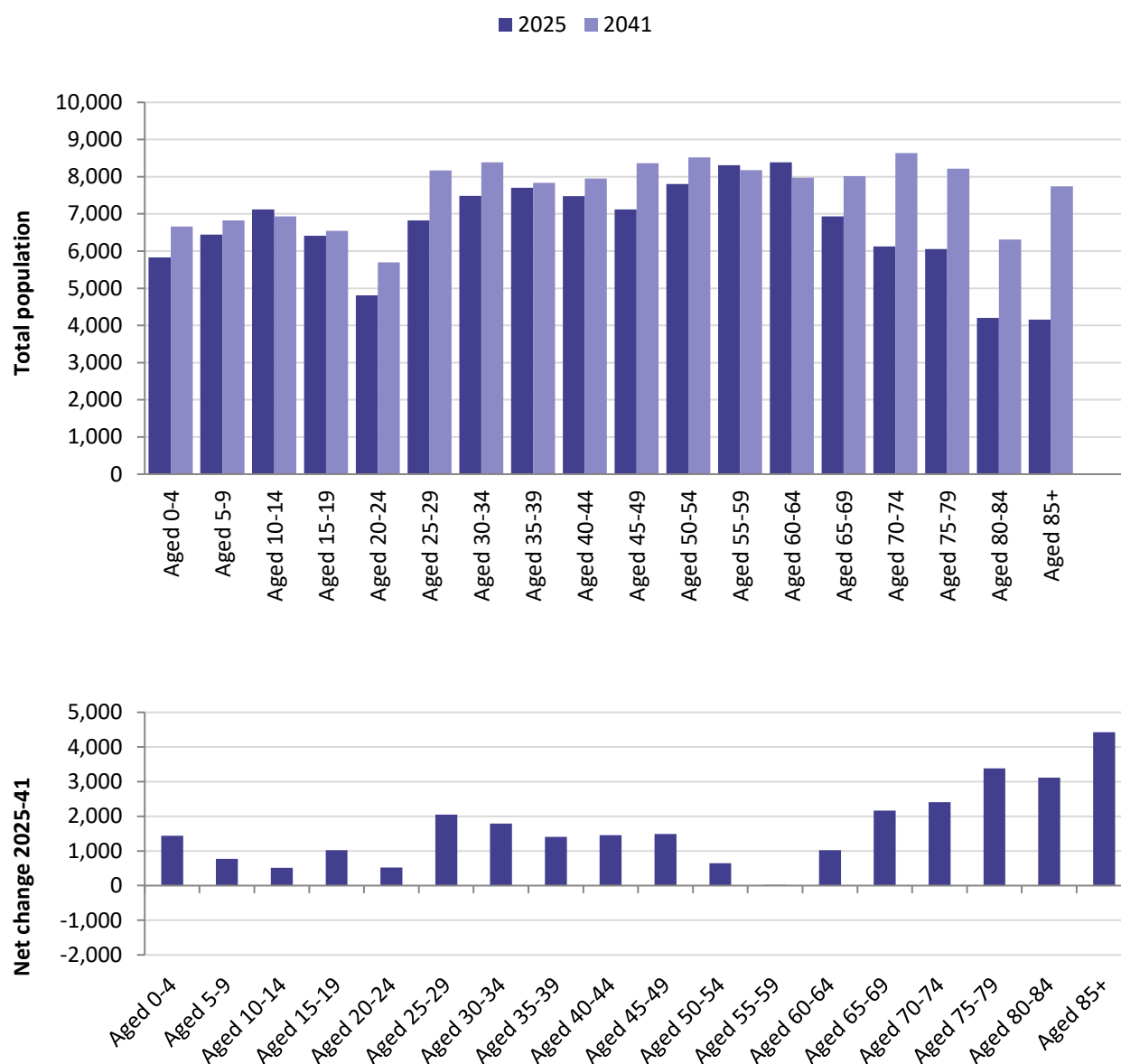
- 2.1 The first step in analysing housing needs must be to identify the household projections for West Oxfordshire, which are used as the basis for this report.
- 2.2 This chapter uses the available population projections for West Oxfordshire to explain the predicted growth of households during the plan period.

Projected Population Age Profile

- 2.3 The 2018-based ONS household projections represent the most up-to-date household projections at the time of writing, however since their publication a further set of Mid-Year Estimates (MYEs) of population have been released. By applying the 2018 household formation rates to these population estimates, a more up-to-date estimate of household numbers for 2021 can be derived. The projections presented below take account of these newly released figures by replacing the 2021 data in the household projections with these newly derived household numbers. The projection is then run based on this updated data to derive projected household change 2025-41 in West Oxfordshire.
- 2.4 Figure 10 below shows the projected change in West Oxfordshire population by 5-year age band for the 16-year period 2025-41. This period has been chosen to be consistent with the proposed new local plan.
- 2.5 Overall, for West Oxfordshire, the population growth is from 119,201 in 2025 to 136,945 in 2041. The projected growth in the older population is larger than the total population growth. The growth in the older person (65+) population is 15,500 persons, this includes an increase of 7,547 persons aged 80 or over.
- 2.6 For context, the 2021 Census identified 114,237 usual residents in West Oxfordshire².

² [2021 Census Profile for areas in England and Wales - Nomis \(nomisweb.co.uk\)](https://nomisweb.co.uk)

Figure 10: Population projections 2025-41 by 5-year age cohort for West Oxfordshire (Source: ONS 2018 based sub-national projections)



Projected Household Types

- 2.7 When considering future need for different types of housing, it is important to recognise that households of different ages are likely to have different housing needs. Similarly, households of different types (singles, couples and families) within each age group will also have different housing needs. We would note that the figure below has been rounded to 10,100 total household growth. The remainder of the 14,480 dwellings are accounted for by a backlog of currently hidden households, communally housed population and second homes and vacancy dwellings. These are reconciled in Figure 40.
- 2.8 Figure 11 shows the household numbers for West Oxfordshire for 2025 and 2041 based on the trend-based projections by household type and age; together with the net change for each group. The 2018 based projections do not consider household types, but changes in household type between the 2011 and 2021 censuses and the 2008, 2011 and 2014 based household projections can be used to identify trends in household types.

Figure 11: Total projected households for 2025 and 2041 and summary of 16-year change by household type and age of household representative for West Oxfordshire (Note: Figures may not sum due to rounding. Source: ORS Model)

Year	Household Type	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	TOTAL
2025	Single person	640	1,360	1,230	1,570	2,520	2,620	3,090	1,890	14,900
2025	Couple without children	550	2,240	1,160	2,200	5,480	4,230	3,460	900	20,200
2025	Families with child(ren)	500	2,730	5,430	4,070	1,010	60	10	0	13,800
2025	Other households	420	580	570	910	1,190	450	330	180	4,600
2025	TOTAL	2,100	6,900	8,400	8,700	10,200	7,400	6,900	3,000	53,600
2041	Single person	740	1,580	1,260	1,770	2,470	3,420	4,240	3,490	19,000
2041	Couple without children	660	2,610	1,200	2,360	5,190	5,330	5,100	1,680	24,100
2041	Families with child(ren)	560	3,160	5,630	4,690	990	70	10	0	15,100
2041	Other households	510	690	640	1,070	1,210	590	440	340	5,500
2041	TOTAL	2,500	8,000	8,700	9,900	9,900	9,400	9,800	5,500	63,700
Change	Single person	+100	+220	+30	+210	-50	+800	+1,150	+1,590	+4,000
Change	Couple without children	+110	+360	+50	+160	-290	+1,100	+1,640	+780	+3,900
Change	Families with child(ren)	+60	+430	+200	+620	-20	+10	+0	+0	+1,300
Change	Other households	+90	+110	+70	+160	+30	+140	+110	+160	+900
Change	TOTAL	+400	+1,100	+300	+1,100	-300	+2,100	+2,900	+2,500	+10,100

2.9 In summary:

- » In West Oxfordshire, families with dependent children are projected to raise by 1,300.
- » Single person households represent 40% of the net overall 2025-41 household growth in West Oxfordshire. This includes a significant growth in those aged over 65 years; but also some growth in younger single persons.
- » Couples without dependent children represent nearly 40% of the net household growth in West Oxfordshire. A couple without dependent children only contains two adults. Any household with non-dependent children living at home will be included in the “Other” group set out below.
- » The increase in “Other” households represents 9% of the growth in West Oxfordshire. Other households include multi-generation living, student households and Houses in Multiple Occupation (HMOs). This therefore represents quite a high share of the overall growth in West Oxfordshire but is likely to include many adults living at home with their parents. The existing households who are classified as being ‘Other’ would not include most of the households associated with RAF Brize Norton because the on-base accommodation would be considered communal housing and not comprising of ‘Other’ households.

3. Local Housing Market

Housing options and cost of housing in West Oxfordshire

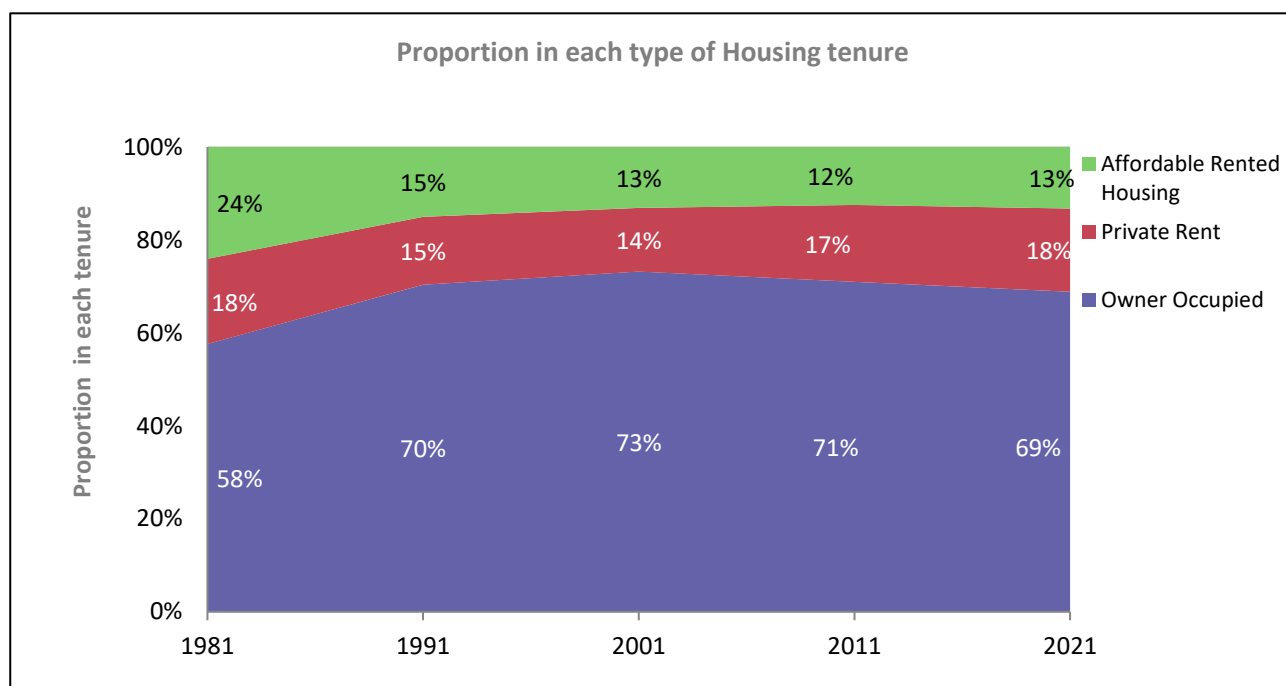
Introduction

- 3.1 This chapter explores the cost of housing in West Oxfordshire and the incomes needed to rent or buy at market prices.
- 3.2 It highlights the potential income gaps and identifies where and how people may fall into affordable housing need. This includes consideration of Social Rent, Shared Ownership and Discount Market Sales and access to housing benefit for those in the rental sector. Our modelling has a focus upon Discount Market Sales at 70% of market prices because this was the discount associated with the until recently recommend scheme entitled First Homes. In practice, households who can afford Discount Market Sales or First Homes can also normally afford Shared Ownership, so there is a large overlap between their needs.

Housing Tenure Trends

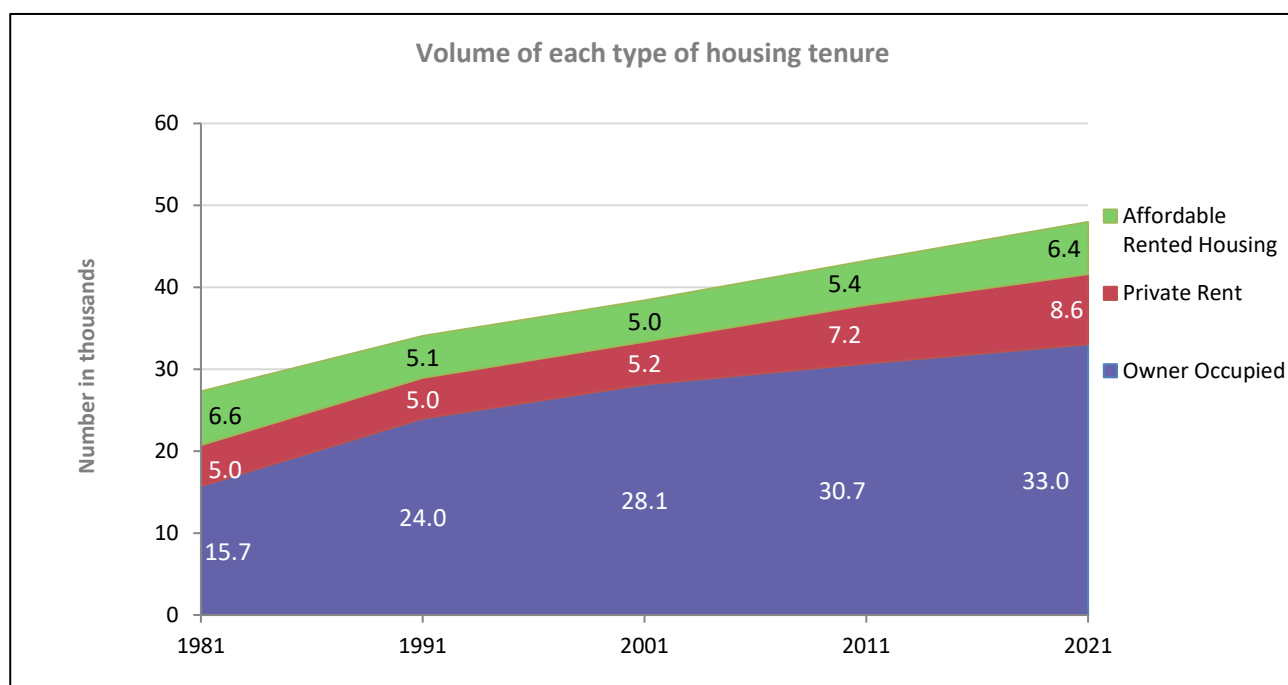
- 3.3 When considering the local housing market, it is worth noting the changes to tenure over the past forty years.
- 3.4 The chart below shows how the most notable change has been the decline in the proportion of people in affordable rented properties (comprising Social Rent and other affordable rented homes), which has fallen during the period (from 24% to 13%). In contrast, private rent has not changed. Between 1981 and 1991 there was a strong growth in owner occupiers, partly as a consequence of the introduction of Right to Buy policies. This peaked at 73% and is now falling slowly.

Figure 12: Housing tenure trends for West Oxfordshire (1981 – 2021). Source: UK Census of Population



3.5 During the same period, the actual volume of housing in West Oxfordshire has risen from 27,300 to 48,000 households. Importantly, the volume of households in affordable rented housing has fallen in West Oxfordshire, but did rise between 2011 and 2021.

Figure 13: Housing tenure trends for West Oxfordshire (1981 - 2021)



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

Figure 14: Number of Households in West Oxfordshire by Tenure 1981-2021 (Source: UK Census of Population)

	Number of Households					Net Change			
	1981	1991	2001	2011	2021	1981-1991	1991-2001	2001-2011	2011-2021
Owner occupied	15,732	23,968	28,111	30,689	33,040	+8,236	+4,143	+2,578	+2,351
Private rent	5,006	4,968	5,245	7,165	8,578	-38	+277	+1,920	+1,413
Affordable Rented Housing	6,573	5,111	5,041	5,387	6,363	-1,462	-70	+346	+976
TOTAL	27,311	34,047	38,397	43,241	47,981	+6,736	+4,350	+4,844	+4,740

3.7 The growth in the private rented sector (PRS) in West Oxfordshire is slower than national trends. PPG recognises the importance of understanding the likely future role of the private rented sector.

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

Planning Practice Guidance, ID 67-002-20190722

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

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

3.9 The growth of the private rented sector has been acknowledged as both a growing and long-term option for meeting the nation’s housing need. MHCLG (with the Intermediary Mortgage Lenders Association) forecast that the private rented sector will increase in size to 35% nationally by 2032.³ On this basis, the number of households renting privately could double again over the next twenty years.

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

3.11 The Office for Budget Responsibility analysis of the UK’s public finances for Government explicitly recognised a likely growth in the share of housing benefit claimants in the private rented sector in its Economic and Fiscal Outlook (March 2014)⁴:

³ <http://news.rla.org.uk/rpi-rent-revolution/>

⁴ <http://cdn.budgetresponsibility.org.uk/37839-OBRCm-8820-accessible-web-v2.pdf>

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

- 3.12 The Government sees the PRS having an important and long-term role in meeting the housing need of the nation; and although the NPPF and PPG do not mention the current or future role of housing benefit, the policy to support low-income households in the private rented sector with housing benefit is long-standing and housing benefit is explicitly factored into the long-term forecasts for public spending. In recent years the government’s focus has moved towards promoting build to rent schemes, which also offer the opportunity to deliver affordable housing. The June 2025 Government Spending Review⁵, sets out a £39 billion, 10 year investment in social and affordable housing, alongside programme which are designed to prevent homelessness. The aim of the investment is to deliver significantly more affordable housing over the next 10 years, which will predominantly be social rent, but can include affordable Build to Rent.
- 3.13 Policy by both Government and Local Authorities is focused on improving Management and Maintenance in the sector (via licensing or self-regulation schemes) and expanding supply⁶ (including the Build to Rent investment scheme⁷). The Government published “*Improving the Private Rented Sector and Tackling Bad Practice: A guide for local authorities*” in March 2012⁸, and the Foreword by the Minister stated:

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

- 3.14 It is important for local authorities to recognise the role of the private rented sector at a local level. Recent changes to letting policies and the reality of pressures on the housing stock make it less likely that single persons aged under 35 years will be allocated to a 1 bedroom Social Rented or Affordable Rented property. The private rented sector makes an important contribution towards providing affordable housing options.
- 3.15 Currently, the nature of the PRS is changing. There is some evidence of landlords leaving the sector, with other evidence suggesting that where this is so, other landlords may move in to the local market, often larger landlords.
- 3.16 National Residential Landlord Association published research in November 2022 that suggested landlords are leaving the sector because of three reasons; increasing landlord costs, changes in regulation, and changes in tax⁹. In contrast, the picture in the English Private Landlord Survey 2021 (published May 2022)

⁵ [Spending Review 2025 \(HTML\) - GOV.UK](#)

⁶ <https://www.gov.uk/government/publications/private-rented-homes-review-of-the-barriers-to-institutional-investment>

⁷ <https://www.gov.uk/government/publications/build-to-rent-round-2-initial-due-diligence>

⁸ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/412921/Improving_private_rented_sector.pdf

⁹ [Why are landlords exiting the PRS? | NRLA](#)

was mixed, reporting that similar proportions of landlords said they planned to increase their portfolio as did decrease their portfolio or sell off their portfolio¹⁰.

3.17 The English Housing Survey 2021/22 suggests a small decrease in the size of the PRS (emphasis added)¹¹:

*The private rented sector makes up 4.6 million or 19% of households. There is no change in the proportion of private rented households from the year previous (2020-21), but **there is a small, though significant decrease compared to the high point in 2016-17 (20%)**.*

3.18 Recent Conservative Governments pursued a policy entitled First Homes¹². Policies on First Homes were formally adopted in July 2021 and guidance on their delivery was published. First Homes prioritise first-time buyers, serving members and veterans of the Armed Forces, and key workers, such as nurses, police and teachers. They involve a reduction of at least 30% to be in perpetuity, so the buyer will own the entire property, but when they sell, they will only receive 70% of the value. When they wish to sell their property, the home will be independently valued and sold to someone from a waiting list held by the local authority with the discount being applied, so the property always remains below local house prices. There are restrictions on the use of First Homes so that they cannot be used as buy to let or holiday homes.

3.19 The First Homes policy was changed under the 2024 Labour Government. While First Homes can still be delivered, the new focus for delivery is on Social Rent, but products such as Discount Market Sales, with prices set at 20% or 30% below market prices in perpetuity, and Shared Ownership can also be delivered.

3.20 As discussed later, there are many households residing in the private rented sector in West Oxfordshire who aspire to home ownership. If affordable Discount Market Sales or Shared Ownership properties are provided for this group it would, potentially reduce the size of the private rented sector. This in turn would provide for households that meet the previous and current Government's definitions of affordable housing.

Property Type and Size

3.21 The 2021 Census provides detailed information on the types of properties occupied by households and also the number of bedrooms within these properties. Unfortunately, the data is not directly comparable with the 2011 Census because the 2021 Census does not include a record of property type or size for any vacant property, while this information was included on previous censuses.

3.22 The tables below are therefore a best match from the 2011 and 2021 Census information and show that in West Oxfordshire, the largest share of new housing has been for detached and semi-detached properties with at least 3 bedrooms.

Figure 15: Number of Households in West Oxfordshire by Property Type 2011-2021 (Source: UK Census of Population)

	Number of Households		
	2011	2021	2011-2021
Detached	14,745	16,180	+1,435

¹⁰ [English Private Landlord Survey 2021: main report - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/97844/English_Private_Landlord_Survey_2021_main_report.pdf)

¹¹ [English Housing Survey 2021 to 2022: headline report - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/97844/English_Housing_Survey_2021_to_2022_headline_report.pdf)

¹² <https://www.gov.uk/government/consultations/first-homes>

Semi-detached	14,152	16,129	+1,977
Terraced	9,804	10,215	+411
Flat or maisonette	4,231	5,126	+895
Caravan or other	289	331	+42
TOTAL	43,221	47,981	+4,760

Figure 16: Number of Households by bedrooms in West Oxfordshire 2011-2021 (Source: UK Census of Population)

	Number of Households		
	2011	2021	2011-2021
1 bed	3,162	3,505	+343
2 bed	10,774	11,764	+990
3 bed	17,657	19,124	+1,467
4+ bed	11,581	13,589	+2,008
TOTAL	43,174	47,982	+4,808

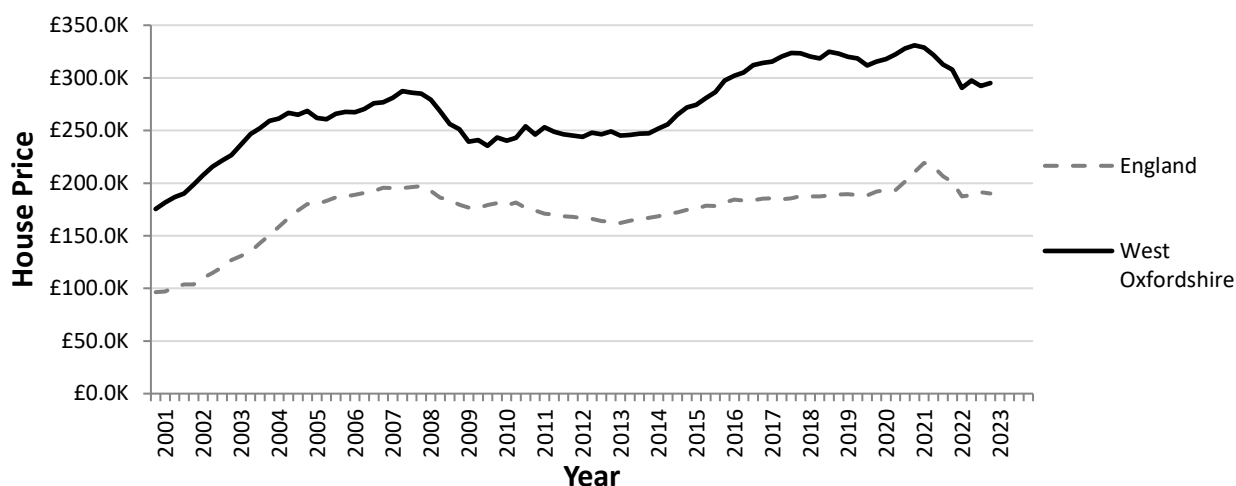
Cost of Home Ownership

^{3.23} House price trends (2001-2023) are shown in Figure 17 based on lower quartile house prices. Lower quartile prices are used to consider the entry level price for home ownership. As the value of money has also changed during this period, the data is adjusted to take account of and remove the impact of inflation through the Consumer Price Index (CPI)¹³; therefore, the values reflect real changes in house prices since 2001. Clearly, real incomes have also risen since 2001 (although there has been very slow change since 2008 in real incomes), so households are able to afford to pay more for housing based upon higher incomes.

^{3.24} It is evident that real house prices in West Oxfordshire increased substantially in the period 2001-2008. Values reduced during the economic downturn by mid-2008 and continued to decline over the period to 2010, but then increased until 2021, but showed signs of declining in real terms in 2022. For most of the time, movement in West Oxfordshire house prices has broadly mirrored changes in England as a whole though being higher than England as a whole.

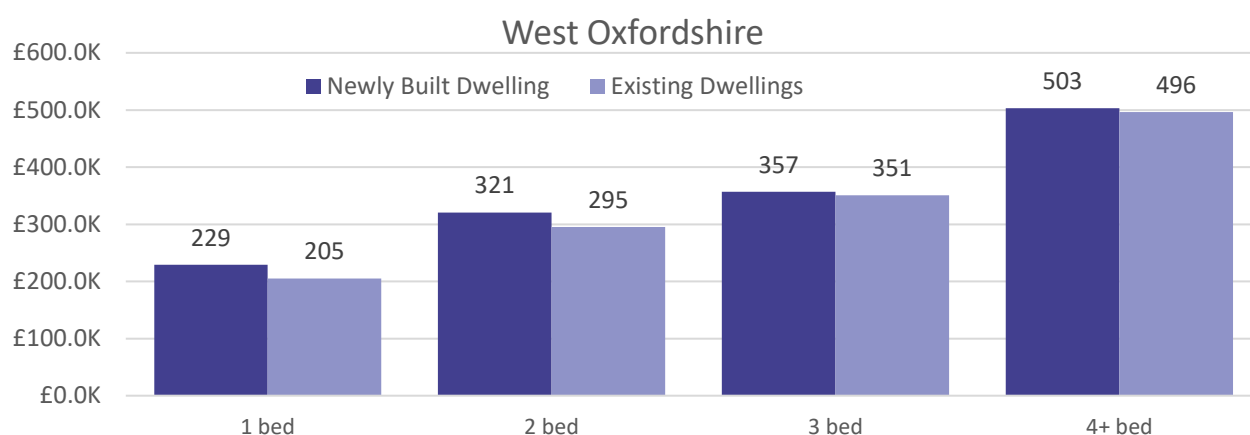
¹³ The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by consumers for a market basket of consumer goods and services.

Figure 17: Real House Price Trends: Lower Quartile Prices adjusted to 2023 values using CPI (Source: ONS; Bank of England)



- 3.25 Overleaf, Figure 18 shows the lower quartile house prices by bedroom size for West Oxfordshire. The lower quartile is used to show entry level house prices. The data shows both the lower quartile price for existing properties and new build dwellings, with prices taken from the Land Registry records for the sales prices of individual properties. When considering first time buyers in particular, many of the purchasers are likely to be newly forming households seeking one and two bed properties, although some will seek larger properties.
- 3.26 The degree to which new build properties in all price ranges are more expensive than existing homes varies considerably by size of dwelling. This is likely to be down to a range of factors which include the location of newbuild housing, the relative size of properties, gardens and the availability of parking, comparative quality and condition of existing stock, and other intangible factors such as character. Across much of England, new build properties are more expensive than existing dwellings, and this is the case for all properties in West Oxfordshire.

Figure 18: Lower quartile prices (adjusted to 2023 values using CPI) for existing dwellings and newly built dwellings (2022-2023) by property size in West Oxfordshire (Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)



Income Needed for Home Ownership

- 3.27 The income needed to purchase market housing will depend on the house price together with the mortgage income multiplier and the available deposit (or percentage loan to value).
- 3.28 Below is an illustrative example based on West Oxfordshire prices, for an existing 1-bedroom property. As this example is purely for illustration and not used in any calculation, it does not take account of some of the complexities of the market such as any increased borrowing rates for Affordable Home Ownership:
- » The lower quartile price recorded was £205,000;
 - » Based on a 90% loan-to-value mortgage, a deposit of £20,500 would be needed (equivalent to 10% of the overall price) with the mortgage covering the remaining £184,500;
 - » Using a mortgage income multiplier of 3.5x would therefore need an annual income of £52,750.
- 3.29 To purchase the same property with a 95% loan-to-value mortgage would reduce the deposit needed to £10,250 (equivalent to 5% of the overall price) but the income required would increase to £55,650 per year. Borrowing at a 4.0x income multiplier would reduce the income needed; but households would still need an income of between £46,125 and £48,690 based on a 5-10% deposit. Therefore, to purchase an existing 1-bedroom property at an overall cost of £205,000 is likely to require an annual income of at least £46,125 (assuming a 10% deposit and a 4.0x multiplier); but with a lower deposit and a lower income multiplier an income of up to £55,650 per year could be needed.
- 3.30 Whilst some households will have higher deposits available and others will seek to extend their borrowing as far as possible, taking the initial assumptions of a 10% deposit and a 3.5x mortgage multiplier provides a reasonable indication of the income that first-time buyer households are likely to need in order to afford home ownership.
- 3.31 Based on these assumptions, Figure 19 shows the household income levels needed to buy 1- and 2-bedroom properties in terms of both existing dwellings and newly built dwellings in West Oxfordshire. When purchasing larger homes, households will typically have larger deposits available which often include equity from the sale of a smaller property. On this basis, it is relatively artificial to consider

incomes in isolation. Nor do these figures take account of the variation in price across the authorities, in particular between some of the rural and urban areas in West Oxfordshire.

Figure 19: Annual income required to afford properties based on a 10% deposit and 3.5 times income mortgage by property size
(Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)

Property Age	Property Size	Annual Household Income Needed to Own at Lower Quartile Prices: West Oxfordshire
Newly Built Dwellings	1 bedroom	£58,908
Existing Dwellings	1 bedroom	£52,714
Newly Built Dwellings	2 bedrooms	£82,468
Existing Dwellings	2 bedrooms	£75,857
Newly Built Dwellings	3 bedrooms	£91,710
Existing Dwellings	3 bedrooms	£90,238
Newly Built Dwellings	4+ bedrooms	£129,392
Existing Dwellings	4+ bedrooms	£127,639

Cost of Renting

^{3.32} Local Housing Allowance (LHA) is the maximum payment for private rented claimants in receipt of housing benefit based on Broad Rental Market Areas (BRMAs). The LHA was previously based on the 30th percentile private rent, however more recent increases have been based on CPI and rates were frozen in the July 2015 Budget before being increased in 2020.

^{3.33} BRMAs do not align with local authority boundaries, and West Oxfordshire is covered by 4 different BRMAs.

^{3.34} Figure 20 sets out the maximum local housing allowance by size of property in each of the BRMA:

Figure 20: Maximum Local Housing Allowance thresholds 2023 (Source: Valuation Office Agency)

Property type	Weekly Rent £ Oxford BRMA	Weekly Rent £ Cherwell Valley BRMA	Weekly Rent £ Cheltenham BRMA	Weekly Rent £ Aylesbury BRMA
Room only	£126.58	£107.36	£100.45	£101.87
1 bedroom	£207.12	£178.36	£143.84	£184.11
2 bedrooms	£258.90	£218.63	£184.11	£228.99
3 bedrooms	£304.93	£272.71	£230.14	£306.08
4+ bedrooms	£402.74	£333.70	£338.30	£379.73

3.35 Figure 21 sets out the weekly rents for different property sizes. This includes:

- » Median and lower quartile private rent;
- » Affordable rent (80% of median market rents); and
- » Social rent based on existing average rents.

Figure 21: Weekly rent thresholds in West Oxfordshire 2023 (Source: Private Rental Market Statistics, Valuation Office Agency; Regulator of Social Housing Statistical Data Returns. Note: Private rent data excludes housing benefit funded tenancies)

Weekly Rent £	Median Private Rent	Lower Quartile Private Rent	Affordable Rent	Social Rent
West Oxfordshire				
1 bedroom	£200.08	£189.73	£207.12	£152.85
2 bedrooms	£252.98	£224.23	£258.90	£191.83
3 bedrooms	£310.47	£281.72	£304.93	£224.50
4+ bedrooms	£436.96	£367.97	£402.74	£279.83

3.36 It is evident that for almost all property sizes, the median private rent is the highest, except in 1- and 2-bedroom properties where affordable rent is higher. It is interesting to note that affordable rent is the second highest rent in West Oxfordshire.

Income Needed to Rent Housing

3.37 The income needed to rent housing will depend on the monthly rent together with the income multiplier allowed for housing costs. The previous CLG Strategic Housing Market Assessments Practice Guidance (Version 2, August 2007)¹⁴ stated:

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

3.38 However, this previous Guidance was rescinded in March 2014 following the publication of the Original NPPF and the launch of the then new Planning Practice Guidance (PPG). The PPG does not propose a specific multiplier for assessing housing costs; however, it notes that “*care should be taken ... to include **only those households who cannot afford** to access suitable housing in the market*” [ID 2a-020-20190220] (emphasis added).

3.39 Results from the English Housing Survey (EHS) 2015-16¹⁵ provides information about the percentage of gross household income that households currently spend on their housing costs¹⁶:

- » For the total gross income (excluding housing benefit) of the Household Reference Person and partner, households renting privately spent on average 48% of their income on rent, whilst the average was 40% for households in social rent; and

¹⁴ <https://www.gov.uk/government/publications/strategic-housing-market-assessments-practice-guidance>

¹⁵ <https://www.gov.uk/government/statistics/english-housing-survey-2015-to-2016-headline-report>

¹⁶ Annex Table 1.13: Mortgage/rent as a proportion of household income (including and excluding housing benefit), by tenure, 2010-11 to 2015-16

- » For the total gross income (excluding housing benefit) from all income earners in the household, irrespective of whether they contribute to the housing cost, households renting privately spent on average 41% of their income on rent, whilst the average was 37% for those in social rent.
- 3.40 The EHS 2021-22 Headline report updates these results for gross income, but included housing support when considering all income earners in a household making the figures difficult to compare at least until the full report is published¹⁷.
- » For the HRP and partner income only; excluding housing support, the average proportion of income spent on rent was 44% for private renters and 40% for social renters.
 - » Between 2011-12 and 2021-22, The proportion of household income (including housing support) that private renters spent on their rent decreased from 35% to 33%. In the same period, the proportion of household income that social renters spent remained similar (28% in 2011-12 and 27% in 2021-22).
- 3.41 The EHS demonstrates that many households in both private and social rented properties currently pay considerably more than 25% of gross household income on their housing costs. Whilst it is arguable that some households currently pay too much for their rent, it is unrealistic to suggest that all households paying more than 25% are unable to afford suitable housing in the market.
- 3.42 The proportion of household income allocated to housing costs is necessarily based on a judgement. At the lower end of the range, the previous CLG Practice Guidance sets out a percentage of 25%. However, as the EHS identifies that based on HRP and partner incomes, households renting privately currently spend 44% of their gross income on average, there must be many households currently spending more than 44% of their income on housing costs (which will be offset against others spending lower proportions).
- 3.43 On this basis, it would be reasonable to assume that the proportion of household income allocated to housing costs was at least 25% but no more than 45% of gross income. This leads to our judgement that **35% of income** provides a reasonable basis for assessing the maximum that households should reasonably expect to pay for their housing costs. Whilst this is notably higher than the 25% proposed by the previous guidance, it is still lower than the 44% average that households renting privately actually pay. The 35% of income spent on rent figure has been the standard assumption used by ORS in our housing needs analysis for a number of years, with many of these assessments having been used to support adopted local plans.
- 3.44 As an illustrative example, we can establish the income needed to rent a 1-bedroom property in West Oxfordshire based on a 35% income multiplier:
- » The lower quartile weekly rent recorded was £189.73;
 - » Based on a 35% income multiplier, a weekly income of £542 would be needed which equates to a gross annual income of £28,185.
- 3.45 Given this context, although some households will choose to pay a higher proportion of their income to rent their home (and others might be forced to do so due to the lack of any other housing options), taking the initial assumption of a 35% income multiplier provides a reasonable benchmark to establish the rental

¹⁷ [English Housing Survey 2021 to 2022: headline report - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/english-housing-survey-2021-to-2022-headline-report)

income needed. Based on this assumption, Figure 22 shows the gross household incomes needed to afford median and lower quartile private rent, affordable rent and social rent.

Figure 22: Annual income required to afford to rent properties at the lower quartile and median price based on 35% income multiplier by property size in West Oxfordshire (Source: ORS based on Valuation Office Agency data Oct 2020 to Sep 2023)

Number of Bedrooms	Median Private Rent	Lower Quartile Private Rent	Affordable Rent	Social Rent
West Oxfordshire				
1 bedroom	£29,829	£28,286	£22,787	£15,828
2 bedrooms	£37,714	£33,429	£28,598	£18,625
3 bedrooms	£46,286	£42,000	£33,469	£20,090
4+ bedrooms	£65,143	£54,857	£41,718	£22,439

3.46 Although a rental income multiplier is helpful for benchmark purposes, it does not take account of the disposable income available to households after their housing costs have been paid.

3.47 Considering some examples of disposable income:

- » A single person household with a gross income of £20,000 from employment would have £16,880 (£324 per week) after income tax and national insurance contributions. Therefore, housing costs at 35% of gross income would represent 41.4% of their net income, which would leave £9,880 (£189 per week) as disposable income to cover their other living expenses. The maximum amount of weekly income that a single person household can receive before their income starts to affect their housing benefit is currently £73.10 for those aged 25 or over and £57.90 for those aged 16-24; so, on this basis, this household could afford to pay at least 35% of their income on housing costs and still have sufficient disposable income;
- » A couple with two children with a gross income of £20,000 from employment would have up to £19,559 (£375 per week) after income tax and national insurance contributions (assuming both earned £10,000). Therefore, housing costs at 35% of gross income would represent 35.8% of their net income, which would leave £12,559 (£241 per week) as disposable income to cover their other living expenses. The maximum amount of weekly income that a couple with two children can receive before their income starts to affect their housing benefit is currently £248.65 (if one or both are aged 18 or over); so this household could not afford to pay 35% of their income on housing costs as it would not leave them with sufficient disposable income.

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

3.49 Eligibility for housing benefit will differ based on the type of household and the number of bedrooms needed. Figure 23 sets out the incomes for housing benefit eligibility for different types of households. We have only used the data for those who require a single room or 1 and 2 bedrooms to illustrate the way in which housing benefit changes as household sizes grow. Any new household in receipt of housing benefit cannot afford their own housing costs and will be assumed to require an affordable to rent properties.

Figure 23: Maximum annual income for households in receipt of housing benefit support by household type in West Oxfordshire (Source: ORS based on Department for Work and Pensions data)

Property type	Household type	Maximum Annual Income for HB support
ROOM ONLY	Single person aged 16-24	£13,182
ROOM ONLY	Single person aged 25-34	£13,975
1 BEDROOM PROPERTIES	Single person aged 35+	£20,441
1 BEDROOM PROPERTIES	Couple (both aged under 18)	£21,192
1 BEDROOM PROPERTIES	Couple (one or both aged 18 or over)	£22,619
2 BEDROOM PROPERTIES	Lone parent (aged 18 or over) with 1 child	£28,088
2 BEDROOM PROPERTIES	Lone parent (aged 18 or over) with 2 children	£31,579
2 BEDROOM PROPERTIES	Couple (aged 18 or over) with 1 child	£30,267
2 BEDROOM PROPERTIES	Couple (aged 18 or over) with 2 children	£33,757

Income Needed for Other Types of Housing

- ^{3.50} Another housing option that could be made available in West Oxfordshire, thereby increasing the variety of products available, is Build to Rent. Build to Rent is defined by the NPPF Glossary as:

Build to Rent: 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.

NPPF 2024 (Glossary)

- ^{3.51} Build to Rent housing tends to be somewhat more expensive than median rents (typically more comparable to upper quartile rents). Occupants tend to be those that can afford these higher rents, but are not currently seeking to own a property, since the income required to service such rents is typically in excess of that required to get onto the housing ladder through Low Cost Home Ownership options.
- ^{3.52} The National Planning Policy Framework states that Build to Rent is exempt from the requirement to provide affordable home ownership and by this implicitly confirms that affordable housing on build to rent schemes should be provided in the form of affordable private rent. The PPG on Build to Rent (September 2018¹⁸) offers a “generally suitable” benchmark that 20% of any given build to rent scheme should be provided as affordable rent (maintained in perpetuity). In terms of setting affordable rent levels, national affordable housing policy requires a rent discount of at least 20% for affordable private rent homes relative to local market rents (inclusive of service charges).
- ^{3.53} However, the affordability of these affordable Build to Rent options is highly dependent on the rent being discounted. Research by JLL¹⁹ shows that the average Build to Rent option is 9.3% more expensive than the median rent. If it is assumed that these rent levels were to be the case in West Oxfordshire, and a discount of 20% were to be applied to these rents (as is suggested by the NPPF) for the affordable units, then the range of rental costs available would be as Figure 24:

¹⁸ [Build to rent - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/748811/build-to-rent-guidance.pdf)

¹⁹ <https://www.jll.co.uk/content/dam/jll-com/documents/pdf/research/emea/uk/jll-residential-insight-build-to-rent.pdf>

Figure 24: Weekly rent thresholds in West Oxfordshire (Source: Valuation Office Agency 2020-21; SDR 2023, JLL)

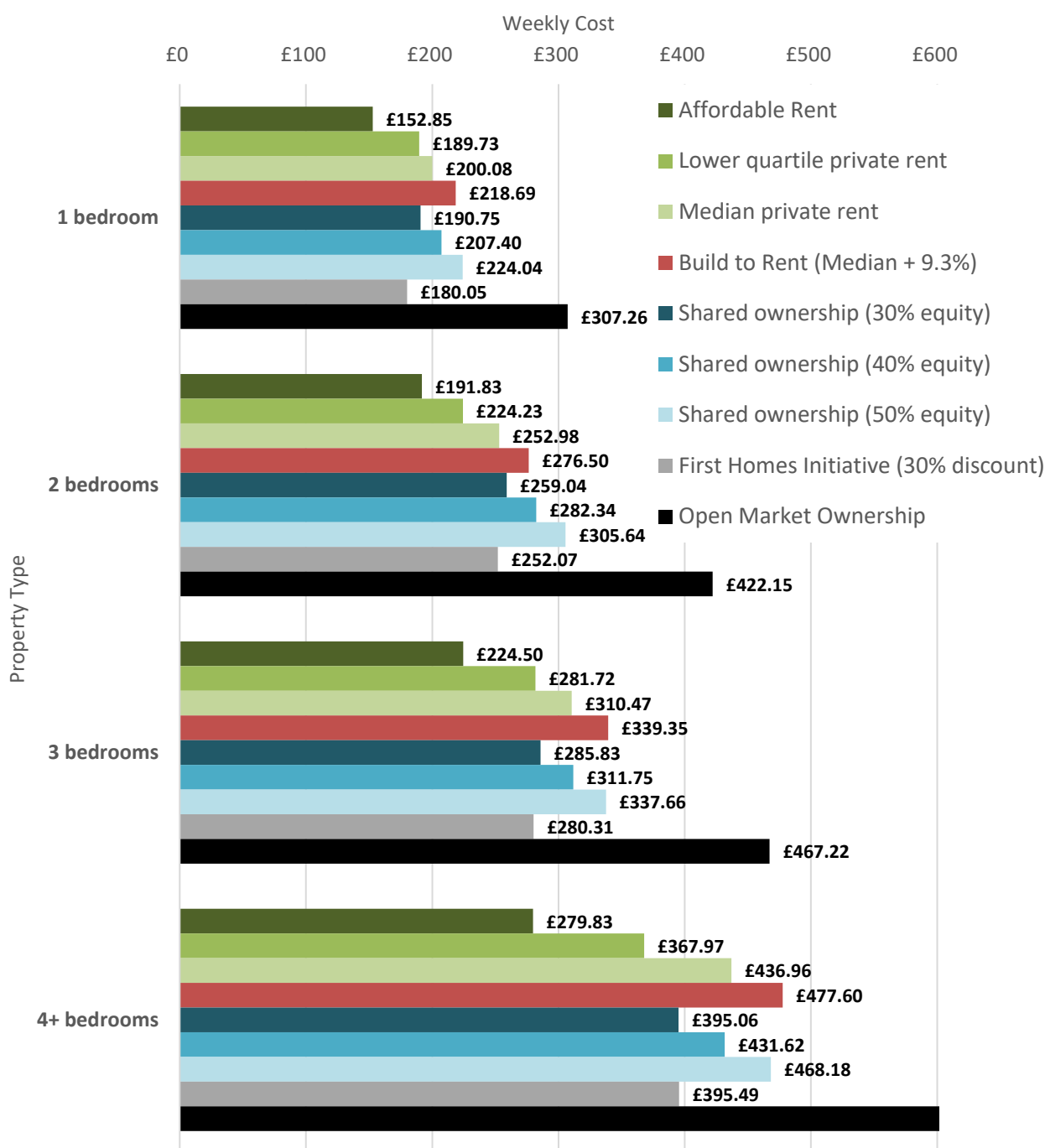
Number of Bedrooms	Upper Quartile Private Rent	Build to Rent (Median + 9.3%)	Median Private Rent	Local Housing Allowance	Lower Quartile Private Rent	Affordable Build to Rent (20% discount)	Affordable Rent	Social Rent
West Oxfordshire								
1 bedroom	£218.48	£218.69	£200.08	£207.12	£189.73	£174.95	£152.85	£106.17
2 bedrooms	£275.98	£276.50	£252.98	£258.90	£224.23	£221.20	£191.83	£124.93
3 bedrooms	£344.97	£339.35	£310.47	£304.93	£281.72	£271.48	£224.50	£134.76
4+ bedrooms	£597.95	£477.60	£436.96	£402.74	£367.97	£382.08	£279.83	£150.51

^{3.54} The local housing allowance is sufficient to cover the costs of affordable Build to Rent units for all dwelling types. As such, the promotion of build to rent with a substantial discount, such as at least 20%, could be a potentially useful mechanism for bringing forward affordable housing options, particularly on smaller properties. In effect, affordable Build to Rent can produce rents close to lower quartile rents which can help lower income households who would otherwise require social or affordable rent.

Summary of Housing Costs

^{3.55} This chapter has considered in some detail the cost of housing depending on tenure type and property size. Figure 25 summarises these costs for each property size using the same assumptions as throughout the report; assuming a 10% deposit for example.

Figure 25: Comparison of weekly housing costs by property size in West Oxfordshire (Source: VOA 2022-2023, Land Registry, ORS model)



^{3.56} Open market ownership, Build to Rent and Shared Ownership are the most expensive in terms of weekly costs, followed by median private rent.

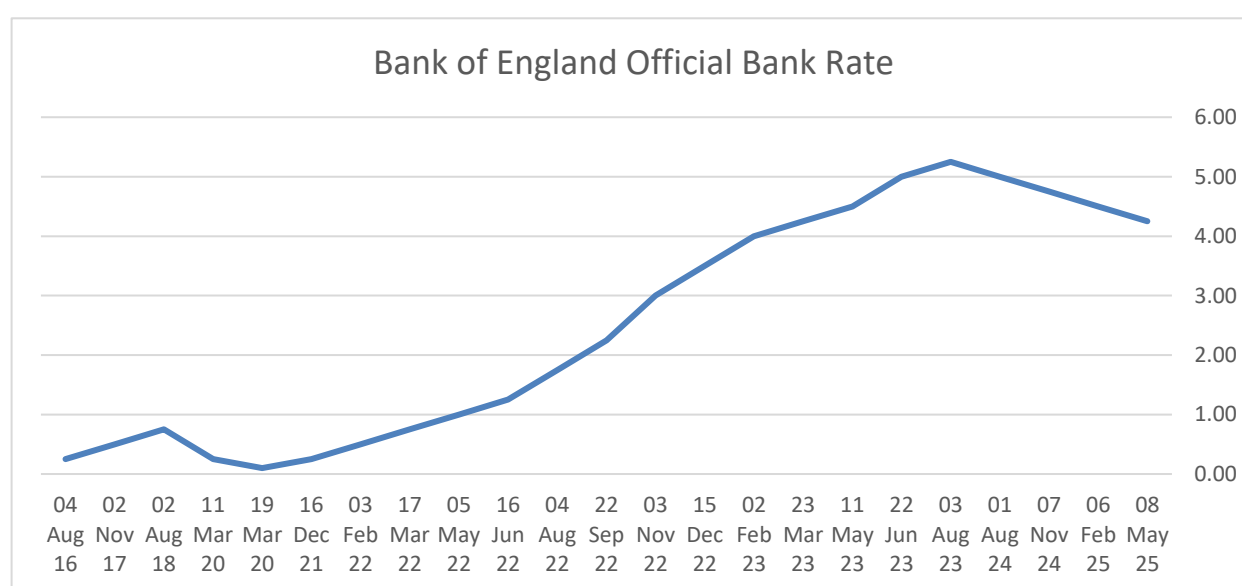
^{3.57} The cost of Shared Ownership predictably varies depending on the equity size purchased, however the fact that it is more expensive on a weekly basis than First Homes for all three equity levels illustrated is evidence of the significance of the rent payable on the equity retained and service charges on weekly costs (4 bedroom properties are the only exception to the rule where the lowest level of shared ownership equity is cheaper than the first home equivalent). Nonetheless, it is also much more flexible

than First Homes for reasons such as not being restricted to first time buyers and being able to ladder up the equity share, and therefore may meet the needs of different households.

^{3.58} Overall, compared to rental options, the range of affordable home ownership products shown appear to be relatively accessible, however it should be noted that the chart takes no account of the initial cost of a deposit on a property, which is a barrier to many households that seek to get onto the housing ladder. Furthermore, despite the weekly costs being cheaper, the underlying income necessary to obtain a mortgage on a First Home will be meaningfully higher than the underlying income required to rent a property due to the constraint of mortgage income multipliers discussed previously.

^{3.59} At the time of writing, the housing market is still in a period of uncertainty as interest rates rose in 2022 and 2023 but have since started to slowly fall as Figure 26 shows.

Figure 26: Official BoE Bank Rate 2016-2025 (Source: Bank of England)



^{3.60} This will impact mortgaged properties first but will also be followed quite quickly by a growing number of private rents as individual fixed terms reach renewal. Typically, as interest rates rise then house price will fall to maintain the monthly outlay facing new mortgages at the same level as they were previously.

4. Affordable Housing Need

Identifying households who cannot afford market housing

Introduction

- 4.1 The definition of affordable housing was changed by the NPPF 2019, with a specific emphasis now placed on affordable home ownership. This was retained in the NPPF 2024 update and does not explicitly include First Homes. Annex 2 of the Revised NPPF now defines affordable housing as being:

Affordable housing

Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions: ⁹⁰

a) Social Rent: *meets all of the following conditions: (a) the rent is set in accordance with the government's rent policy for Social Rent; (b) the landlord is a registered provider; and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision.*

b) Other affordable housing for rent: *meets all of the following conditions: (a) the rent is set in accordance with the government's rent policy for Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).*

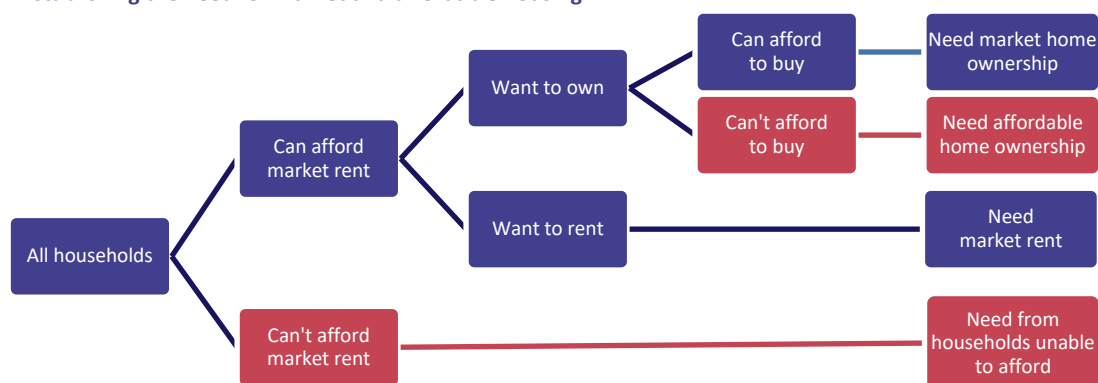
(c) Discounted market sales housing: *is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.*

(d) Other affordable routes to home ownership: *is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to government or the relevant authority specified in the funding agreement.*

NPPF 2024, Annex 2

- 4.2 To reflect this change, paragraphs of PPG were updated in February 2019. These were further updated with a new set of guidance on “*Housing needs of different groups*” published on 22nd July 2019²⁰, which covered:
- » Addressing the need for different types of housing
 - » Affordable housing
 - » Rural Housing.
- 4.3 Further guidance to reflect the need to consider First Homes was then added on May 24th 2021.
- 4.4 Relevant paragraphs of PPG have also been updated to confirm that the types of household to be considered in housing need should include “*those that cannot afford their own homes, either to rent, or to own, where that is their aspiration*” [PPG ID 2a-020-20190220]. The assessment of affordable housing need therefore needs to consider both those who cannot afford to rent and those households who can afford to rent but would like to buy. In Figure 27, blue indicates that the household can afford the option while red indicates that the household cannot afford the option.

Figure 27: Establishing the need for market and affordable housing



Affordable Housing Need: Households Unable to Afford

- 4.5 PPG notes that affordable housing need is based on households “*who lack their own housing or who cannot afford to meet their housing needs in the market*” [ID 2a-019-20190220]; though goes on to say that this should include the needs of those that can afford market rent but who want to own but can’t afford to buy. Given this context, the following section firstly considers the needs of those households who cannot afford to meet their housing needs, either through buying or renting. The additional needs of those who can afford to rent but who want to own will be considered in the next section.
- 4.6 PPG sets out the framework for this calculation, considering both the current unmet housing need and the projected future housing need in the context of the existing affordable housing stock:

How is the total annual need for affordable housing calculated?

The total need for affordable housing will need to be converted into annual flows by calculating the total net need (subtract total available stock from total gross need) and then converting total net need into an annual flow based on the plan period.

Planning Practice Guidance, ID 67-008-20190722

²⁰ <https://www.gov.uk/guidance/housing-needs-of-different-groups#affordable-housing>

Current Unmet Need for Affordable Housing

- 4.7 In terms of establishing the **current** unmet need for affordable housing, the PPG draws attention again to those types of households considered to be in housing need; whilst also emphasising the need to avoid double-counting and including only those households unable to afford their own housing.

How can the current unmet gross need for affordable housing be calculated?

Strategic policy-making authorities can establish the unmet (gross) need for affordable housing by assessing past trends and current estimates of:

- » *the number of homeless households;*
- » *the number of those in priority need who are currently housed in temporary accommodation;*
- » *the number of households in over-crowded housing;*
- » *the number of concealed households;*
- » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings); and*
- » *the number of households from other tenures in need and those that cannot afford their own homes, either to rent, or to own, where that is their aspiration.*

Care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market.

Planning Practice Guidance, ID 2a-020-20190220

Establishing Current Unmet Need for Affordable Housing for Households Unable to Afford

- 4.8 Households assumed to be unable to afford housing include:
- » All households that are currently **homeless**;
 - » All those currently housed in **temporary accommodation**; and
 - » People in a **reasonable preference category** on the housing register, where their needs have not already been counted.
- 4.9 Given this context, our analysis counts the needs of all these households when establishing the need for affordable housing at a base date of March 31st 2025.
- 4.10 The analysis counts the needs of all households living in overcrowded rented housing when establishing the need for affordable housing, (which could marginally overstate the affordable housing need) but it does not count the needs of owner occupiers living in overcrowded housing (which can be offset against any previous over-counting). Student households are also excluded, given that their needs are assumed to be transient and do not count towards the need for affordable housing in West Oxfordshire.
- 4.11 The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household; and enabling one household to move out would simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by improving the existing housing stock, and the Council have a range of statutory enforcement powers to improve housing conditions. If a property cannot be remediated, then this is the same as

losing the property from the stock through demolition and this requires to be added to the net need calculated on a one for one basis.

4.12 Concealed households include all potential households who are currently residing within another household and follow a three-step process:

- » Step 1 – uses Census 2021 data to identify anyone living in a household who isn't the household representative or their partner, and isn't in full-time education;
- » Step 2 – of the "Other" household members identified, identify those that want to live independently – this is based on rates from English Housing Survey data by age group; and
- » Step 3 – of those that who want to live independently, where more than one person are leaving the same household as a group, count only the eldest person, and where they expect to join another person/group then count the need as half.

4.13 That gives us a number of potential households for each area in 2025, which is converted to a potential household representative rate, which is then used to establish a number of potential households for the base year. Modelling suggest 840 of these households will be able to afford market housing, but 2,375 will require affordable housing.

4.14 Figure 28 sets out the assessment of current affordable housing need for West Oxfordshire. The 'increase in overall need' shows the number of households who will not be counted by the household projections because of being homeless or concealed households.

Figure 28: Assessing current unmet gross need for affordable housing – West Oxfordshire in 2021 (Sources: DLUHC P1E returns; Census 2001 and 2011; English Housing Survey 2021; DWP Housing Benefit; DLUHC, Local Authority Housing Statistics)

Current unmet need classification	Current status	Affordable Housing Gross Need	Affordable Housing Supply	Affordable Housing Net Need
Homeless households in priority need [Source: DLUHC P1E returns]	Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	0		0
Homeless households in priority need [Source: DLUHC P1E returns]	Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	31		31
Homeless households in priority need [Source: DLUHC P1E returns]	Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	31	31	0
Homeless households in priority need [Source: DLUHC P1E returns]	Households accepted as homeless but without temporary accommodation provided	0		0
Concealed households [Source: Census 2001 and 2011]	Number of potential households currently concealed	2,375		2,375
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]	Households living in overcrowded private rented housing	186		186
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]	Households living in overcrowded social rented housing	300	300	0

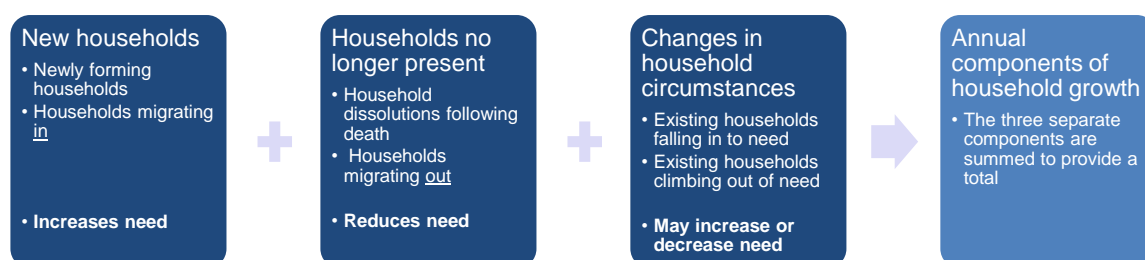
Other households living in unsuitable housing that cannot afford their own home [Source: DLUHC LAHS]	People who need to move on medical or welfare grounds, including grounds relating to a disability	256	36	220
Other households living in unsuitable housing that cannot afford their own home [Source: DLUHC LAHS]	People who need to move to a particular locality in the borough of the authority, where failure to meet that need would cause hardship	1	0	1
TOTAL	TOTAL	3,180	367	2,813

- 4.15 Based on a detailed analysis of the past trends and current estimates of households considered to be in housing need, our analysis has concluded that an estimated **3,180 households in West Oxfordshire are currently living in unsuitable housing and are unable to afford their own housing**.
- 4.16 Of these households, 367 currently occupy affordable housing that does not meet the households' current needs, mainly due to the number of bedrooms. Providing suitable housing for these households will enable them to vacate their existing affordable housing, which can subsequently be allocated to another household in need of affordable housing.
- 4.17 **There is, therefore, a net need from 2,813 households in West Oxfordshire (3,180 less 367 = 2,813) that currently need affordable housing and do not currently occupy affordable housing** (although a higher number of new homes may be needed to resolve all the identified overcrowding).

Projected Future Affordable Housing Need

- 4.18 When considering the number of newly arising households likely to be in affordable housing need, the PPG recommends a “*gross annual estimate*” (ID 2a-021) suggesting that “*the total need for affordable housing should be converted into annual flows*” (ID 2a-024).
- 4.19 This section analyses and brings together the annual components of household growth as shown in this flowchart:

Figure 29: Flow Chart of annual components of growth analysis



- 4.20 The affordability percentages in Figure 30 are calculated using detailed information on existing households living in West Oxfordshire from the 2011 and 2021 Census alongside data published by DWP about housing benefit claimants. For each type of household in each age group, the table identifies the percentage of households unable to afford their housing costs. The key data utilised is how many households are living in affordable housing now by age group and type and also the rate of housing

benefit take-up among those same groups. The household types have been slightly modified from those shown in Figure 11.

- 4.21 The defining factor here is whether a household can pay for their housing without requiring affordable housing or housing benefit. Therefore, this is the proportion of households in each age and household composition group that either occupy affordable housing or receive housing benefit to enable them to afford market housing.

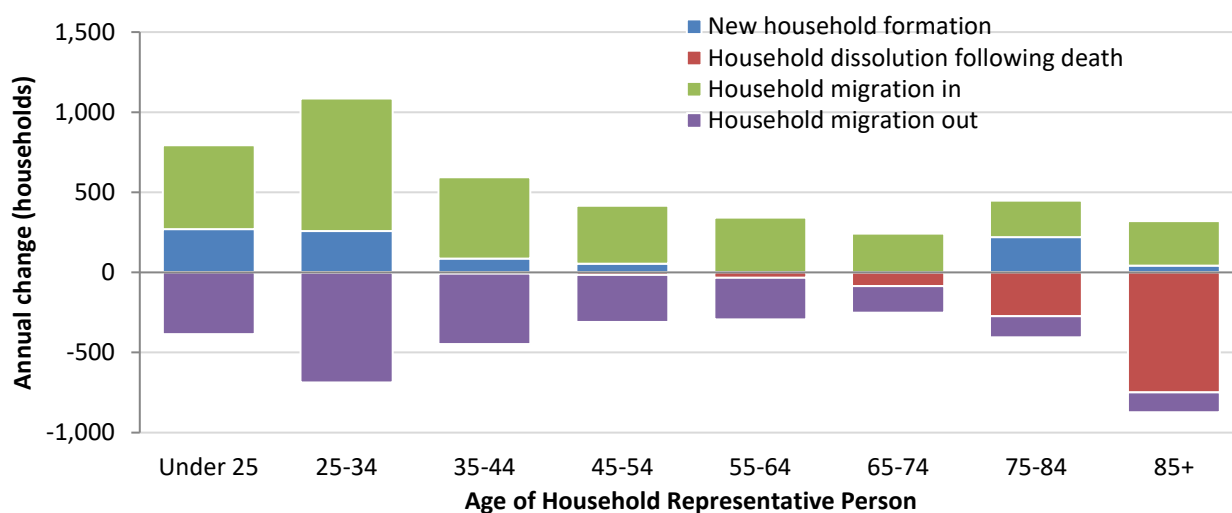
Figure 30: Assessing affordability by household type and age for West Oxfordshire (Source: Census 2011 and DWP)

Percentage unable to afford market housing in West Oxfordshire	Under 25	25-34	35-44	45-54	55-64	65+
Single person household	26%	9%	13%	18%	19%	24%
Couple family with no dependent children	11%	4%	6%	9%	6%	12%
Couple family with 1 or more dependent children	49%	22%	10%	8%	8%	19%
Lone parent family with 1 or more dependent children	89%	82%	57%	39%	39%	44%
Other household type	21%	15%	18%	20%	22%	16%

Establishing the Future Affordable Housing Need for Households Unable to Afford

- 4.22 When considering the number of newly arising households likely to be in affordable housing need, the PPG recommends a “*gross annual estimate*” [ID 2a-021-20190220] suggesting that “*the total need for affordable housing should be converted into annual flows*” [ID 2a-024-20190220].
- 4.23 Below, Figure 31 shows the age structure of each of the components of household change for 2025 to 2041. This again draws on the household types set out in Figure 11 while applying underlying modelled trends to the changes in household type. Note that this analysis is based on changes within each age cohort, so comparisons are based on households born in the same year and relate to their age at the end of the period. Therefore, all new households are properly counted, rather than only counting the increase in the number of households in each age group.

Figure 31: Annual change in West Oxfordshire household numbers in each age cohort by age of Household Representative Person for 2025-2041 (Source: ORS Housing Model, ONS 2018 based sub-national projections and CLG 2014 based sub-national projections)



- 4.24 Together with information on household type, this provides a framework for the model to establish the proportion of households who are unable to afford their housing costs. As an example, we have a modelled figure for newly forming households aged under 25 years in Figure 31 and figures for how many single persons aged under 25 years in Figure 11 plus a model for the affordability of single person households aged under 25 years in Figure 30. Bringing these together allows us to calculate the number of single persons under 25 years who cannot afford market housing. The same calculation is then made for every household type and every age cohort and these results are aggregated into the tables below.

Figure 32: Newly forming and in-migration: Annual components of Household Growth 2025-41 in West Oxfordshire (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

West Oxfordshire	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	937	730	206	22%
Households migrating into the area	3,345	2,713	632	19%
All new households	4,282	3,443	839	20%

- 4.25 The ORS Model identifies 937 new households projected to form in West Oxfordshire each year, of which 22% will be unable to afford their housing costs. This amounts to 206 households each year.
- 4.26 The model also considers new households migrating to the area. The projection is for 3,345 households per year, of which 19% (632 households) will be unable to afford their housing costs. Migrating households are less likely to be in housing need because they typically have higher incomes and equity from property elsewhere.
- 4.27 This results in a total of 839 new households in need of affordable housing per annum.
- 4.28 PPG identifies that “there will be a current supply of housing stock that can be used to accommodate households in affordable housing need” and that it is necessary to establish “the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need” (ID 2a-022).

Figure 33: Dissolution and out-migration: Annual components of Household Growth in West Oxfordshire 2025-41 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

West Oxfordshire	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Household dissolutions following death	1,165	947	218	19%
Households migrating <u>out</u> of the area	2,484	2,013	471	19%
All households no longer present	3,650	2,960	689	19%

- 4.29 In West Oxfordshire, the model identifies 1,165 households are likely to dissolve following the death of all household members. Many of these households will own their homes outright however, 218 of these are likely to have been unable to afford market housing and will mostly be living in social rented housing.
- 4.30 In addition, some households that are unable to afford housing will migrate away from the area, so their needs should be discounted to ensure consistency with the household projections. The model identifies that in West Oxfordshire 2,484 households will migrate out of the area each year, including 471 households who are unable to afford their housing costs. A proportion of these will vacate rented

affordable housing (which will become available for another household) whereas others that have not yet been allocated an affordable home will reduce the number of households waiting. It should be noted that some might have chosen to stay if housing costs were cheaper or more affordable housing was available. If these households stayed due to more affordable housing being available, then affordable needs would clearly rise on a one for one basis. Altogether, there are 689 households per annum who will vacate affordable dwellings or will no longer be waiting for a home in West Oxfordshire. This implies that more need is being generated by households moving to West Oxfordshire than from those leaving the area, so the impact of net migration is a small increase in net affordable housing need.

- 4.31 PPG also identifies that it is important to estimate “the number of existing households falling into need” (ID 2a-021). Whilst established households that continue to live in the local authorities will not contribute to household growth, changes in household circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these households are analysed on a cohort basis, using 5-year bands and periods. That means that the same households are considered at the start and the end of the period; so at the end of the period they will be 5 years older than at the start of the period. For example, the number of established households aged 30-34 unable to afford market housing at the start of the period is compared with the number aged 35-39 at the end of the period 5 years later. The analysis is undertaken based on a matrix of 15 age groups and 5 household types and repeated for 4 five-year periods. Those sub-groups where the number of established households unable to afford has increased are summed to identify the total falling into need. Those sub-groups where the number has reduced are summed to identify the total climbing out of need.
- 4.32 However, established households’ circumstances can also improve. For example:
- » When two single person households join together to form a couple, pooling their resources may enable them to locally afford their housing costs (even if neither could afford separately).
 - » Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period.
- 4.33 These improved circumstances can therefore reduce the need for affordable housing over time. The model identifies that the circumstances of 202 households will improve such that they become able to afford their housing costs having previously being unable to afford. This is again calculated by analysing flows of households moving into affordable housing and housing benefit claimants between different cohorts in the population.
- 4.34 Therefore, considering the changing needs of existing households overall, there is a net decrease of 35 existing households needing affordable housing each year in West Oxfordshire (Figure 34). Therefore, the circumstances of slightly more households are projected to improve than become worse each year and this in turn slightly offsets the need for affordable housing. While this may appear to be counter-intuitive, it is a common result with many households forming in housing need, but then seeing their circumstances improve.

Figure 34: Existing households: Annual components of Household Growth in West Oxfordshire 2025-41 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

West Oxfordshire	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Existing households falling into need	-	-167	167	100%

Existing households climbing out of need	-	202	-202	0%
Change in existing households	-	35	-35	-

4.35 The following table (Figure 35) summarises the overall impact of:

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

Figure 35: Summary annual components of Household Growth in West Oxfordshire 2025-41 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

West Oxfordshire	All households	Households able to afford housing costs	Households unable to afford housing costs
All new households	4,282	3,443	839
All households no longer present	3,650	2,960	689
Change in existing households	-	35	-35
Future affordable housing need 2025-41 (Annual average)	632	518	114

Overall Affordable Housing Need for Households Unable to Afford

4.36 Below, Figure 36 brings together the information on assessing the unmet need for affordable housing in 2025 and the associated impact on market housing, together with the future need for market and affordable housing arising over the 16-year period 2025-41.

Figure 36: Assessing total need for market and affordable housing for West Oxfordshire (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

West Oxfordshire	Housing Need (households) Market housing	Housing Need (households) Affordable housing	Overall Housing Need
Unmet need for affordable housing in 2025			
Total unmet need for affordable housing (a)	840	3,180	4,020
Supply of housing vacated (b)	438	367	805
Current housing need (c) = (a) - (b)	402	2,813	3,215
Projected future housing need 2025-41			
Average annual housing need (d)	+518	+114	+632
Future housing need (e) = (d) x 16	8,291	1,822	10,112
Total need for market and affordable housing (f) = (c) + (e)	8,693	4,635	13,329
Average annual household growth (g) = (f) / 16	543	290	833
Proportion of overall need for market and affordable housing	65.2%	34.8%	100.0%

4.37 Overall, there is a need to provide affordable housing for 4,635 households unable to afford to rent or buy over the Plan period 2025-41 which equates to **290 households per year**.

- 4.38 These figures relate only to households who cannot afford market housing costs, with an additional need for those who can afford market costs, but who aspire to own considered in the next section. There is no overlap in households between these two sections.
- 4.39 These levels would provide for the current unmet needs for affordable housing in addition to the projected future growth in affordable housing need, but any future losses from the current stock (such as demolition, or sales through Right to Buy) would increase the number of affordable dwellings needed by an equivalent amount.
- 4.40 The analysis also assumes that the level of housing benefit support provided to households living in the private rented sector remains constant. Private rented housing (with or without housing benefit) does not meet the definitions of affordable housing and is not counted as affordable housing supply; however households in receipt of housing benefit are assumed to be able to afford their housing costs, so they are not counted towards the current need for affordable housing. Nevertheless, if housing benefit support was no longer provided (or if there wasn't sufficient private rented housing available at a price they could afford) then this would increase the need for affordable housing.

Needs of Households Aspiring to Homeownership

- 4.41 To consider the need for those who aspire to own, but who can afford private rents, Figure 37 links together data for the number of households of each type in each age group living in private rented housing and paying their own rent, with the aspiration data from the English Housing Survey 2021/22. Figure 37 establishes the number of existing households likely to aspire to home ownership that have not been counted in the affordable housing need.

Figure 37: Households currently living in the Private Rented Sector and paying their own rent that aspire to home ownership
(Note: Figures may not sum due to rounding)

Household Type	15-24	25-34	35-44	45-54	55-64	65+	TOTAL
Single person	199	434	297	108	123	46	1207
Couple without children	284	886	200	113	104	51	1638
Families with child(ren)	86	602	697	258	0	0	1643
Other households	194	240	150	82	62	0	728
Total Volume	764	2,162	1,343	563	289	97	5,217
<i>Percentage of households</i>	15%	41%	26%	11%	6%	2%	100%

- 4.42 Based on this analysis, we can estimate that there is a total of around 5,217 households currently resident in West Oxfordshire who cannot afford to own their own home but would aspire to do so. 56% of these households are aged 15-34 with the substantial majority (92%) aged under 45. There is nothing in the modelling to state that the households need or would want to buy in West Oxfordshire, just that they are currently renting and want to buy a property. Note that the NPPF specifically talks about housing need, but talks of demand when considering affordable to own properties.
- 4.43 In addition to the current need, it is also important to consider new households that are projected to form over the period 2025-41. Through the same modelling process of combining future household projections with the aspiration data from the EHS, we can conclude that it is likely that there would be a further 4,873 households that form over the 16-year period who will be able to afford to pay market rent but unable to afford to own, despite that being their aspiration. **Overall, there are likely to be 10,089 households who aspire to homeownership but who cannot afford to buy their own home over the period 2025-41, a net annual need of 631 per year**

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

Identifying the Overall Affordable Housing Need

- 4.45 Figure 38 brings together the information on assessing the unmet need for affordable housing in 2025 together with the future need for affordable housing and those aspiring to home ownership arising over the 16-year period 2025-41. It can be noted that this assessment has no regard for whether those aspiring to ownership can access affordable home ownership options. We would also note that there is no double counting between those who cannot afford market rents and those who aspire to own. However, there is potential for some households who cannot afford market rents to also aspire to own, as shown in Figure 25.
- 4.46 Again, it should be noted that aspiring home ownership hugely inflates need and also doesn't capture if these people want to live in the same area that they rent, or that they might be able to buy elsewhere.

Figure 38: Assessing total need for affordable housing in the West Oxfordshire 2025-2041 (Source: ORS Housing Model)

WEST OXFORDSHIRE 2025-41	Affordable Housing Need Households unable to afford	Affordable Housing Need Households aspiring to home ownership	Overall Affordable Housing Need
Current housing need in 2025	2,813	5,217	8,030
Future housing need 2025-41	1,822	4,873	6,695
TOTAL HOUSING NEED	4,635	10,089	14,724

- 4.47 On this basis, we can conclude that the potential overall need for affordable housing for West Oxfordshire would comprise a total 14,724 households over the 16-year period 2025-2041, equivalent to an average of 920 per annum. We would note immediately that this does not represent the final need for affordable housing in West Oxfordshire for the reasons set out below
- 4.48 However, it is necessary to consider how affordable need can be addressed within the overall housing need established. It will be important for local authorities to plan for the needs of all households unable to afford to rent or own market housing if they are going to avoid the number of housing benefit claimants living in private rented housing increasing along with the costly use of temporary accommodation. Therefore, for the purpose of establishing the plausibility of low-cost home ownership access, we have assumed a maximum discount of 30% on open market prices for properties. This would be consistent with the First Homes scheme but is not restricted to being First Homes and instead can be Discount Market Sales.
- 4.49 Given this context, Figure 39 identifies those households with income that would be insufficient to afford 70% of newbuild prices at the lower quartile for the local area, those households with savings of less than £5,000, and those households that both have sufficient income and savings to purchase an open market property but nonetheless choose to rent. It should be remembered that, as set out in Figure 25, Discount Market Sales are typically more affordable than Shared Ownership in the West Oxfordshire, but of course Shared Ownership does often require a lower deposit. This is based on further analysis of the EHS data which considers the income distribution and savings data for households that rent privately but aspire to

homeownership. This data has been updated to reflect current income levels and scaled for each local area using indices from the ONS gross disposable household income (GDHI) tables.

- ^{4.50} Of the 10,089 households who can afford to rent but who aspire to homeownership, there would be 2,453 that would be able to afford market home ownership but choose not to (but aspire to do so at some point in the future). There would be a further 5,442 households with insufficient income to have a realistic prospect of being able to afford at 70% of open market values (Figure 39). Of the remaining dwellings for households with incomes above the minimum threshold, there would be 1,552 where the household had savings of less than £5,000²¹ and were therefore unable to afford the assumed deposit (nor the assorted up-front costs) of purchasing a home in the local area.

Figure 39: Affordable homeownership housing mix by household affordability 2025-2041 (Source: ORS Housing Model)

	All households aspiring to home ownership	MINUS properties over the cap limit or where the household can afford market home ownership	Households unable to afford market home ownership	MINUS households unable to afford 70% of newbuild LQ	Households able to afford 70% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford 70% of newbuild LQ and have savings of £5,000 or more
1 bedroom	1,067	146	921	534	387	218	169
2 bedrooms	3,830	608	3,223	2,312	911	632	280
3 bedrooms	3,983	491	3,492	2,597	896	702	193
4+ bedrooms	1,209	1,209	0	0	0	0	0
TOTAL	10,089	2,453	7,636	5,442	2,194	1,552	642

- ^{4.51} On this basis, between 2025 and 2041, 642 dwellings are needed for households that aspire to homeownership but cannot afford it, who also have at least £5,000 in savings and incomes above the relevant threshold.
- ^{4.52} Whilst it will be a policy decision as to how much of the additional need for affordable homeownership from households able to afford market rent should be provided, it would seem appropriate to only plan for the needs of those 642 households likely to be able to afford the various products that will potentially be available, in addition to the 4,635 households unable to afford to rent or own market housing. Figure 40 provides a breakdown of the affordable housing on this basis.

Figure 40: Overall need for Affordable Housing 2025-41, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

WEST OXFORDSHIRE	Affordable Housing Need Households unable to afford	Affordable Housing Need Households aspiring to home ownership	Affordable Housing (Households)
1 bedroom	957	169	1,126
2 bedrooms	2,603	280	2,882
3 bedrooms	807	193	1,001
4+ bedrooms	268	0	268

²¹ £5,000 is a minimum amount required as the seed of saving for a deposit. The modelling is not prescriptive regarding the amount of savings, only that the savings and income should give the household a reasonable chance of being able to buy a property, including the need to save more in many cases.

TOTAL HOUSING NEED	4,635	642	5,277
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- ^{4.53} This study identifies an overall affordable housing need from 5,277 households over the 16-year period 2025-41 (330 per annum). This includes the needs from all households unable to afford to rent or own market housing and also provides for those households who aspire to homeownership but who cannot afford to buy, where there is a realistic prospect of those households being able to access a 70% Discount Market Sale property. It is this figure, not the 14,724 set out in Figure 38, which represents the affordable housing need for households in West Oxfordshire over the period 2025-41.
- ^{4.54} However, it is important to recognise that there are many more households who aspire to homeownership who either do not have sufficient savings or sufficient income to realise their aspiration. Many of these households require an intermediate rent or ownership product if they are to be able to move from private rented in West Oxfordshire, though they may also decide to move to a more affordable area. It is also important to recognise that these figures assume that the number of households in receipt of housing benefit to enable them to afford market housing in the private rented sector does not change.

Size and Tenure Mix based Upon Overall Housing Needs

- ^{4.55} Within the overall need of 5,277 affordable homes identified for those unable to afford market rents, it is possible to further consider the mix of affordable housing products that would be appropriate based on the mix of households needing affordable housing. In order to profile affordability, income data from the English Housing Survey (2012-14)²² and ONS Survey of Personal Incomes (2014 and 2018) has been used and modelled to establish the income distribution by household type and age in West Oxfordshire.
- ^{4.56} Figure 41 provides a breakdown of the supply of 14,480 dwellings between market and affordable housing on this basis. Figure 41 shows the result of applying the vacancy rate for affordable homes to the summary of households in Figure 40. These affordable homes are subtracted from the overall dwelling need calculated above. The size mix for each tenure is derived from a mixture of the household type and past trend. **While numerically, there is a high need for all sizes of property, the highest need is for 2 and 3 bedrooms; around 70% of the overall affordable need is for 2 and 3 bedroom properties.** We would note that the model assumes that any overcrowded households requires to address their need in a larger property. However, there is no mechanism in place to compel smaller households to downsize, so we do not assume that any under-occupying households will move to a smaller property.
- ^{4.57} It is important to note that the affordable housing figures quoted are for net delivery. Therefore, if any properties are sold under right to buy, or lost through demolition then they require to be added to the figures one for one. Similarly, we have not counted any pipeline supply delivery and any homes brought back into use can be counted against the needs.
- ^{4.58} In terms of affordable home ownership, we have included all households who potentially can afford Discount Market Sales at 70% of the market price, and also those who can afford private rents but who aspire to own and have a realistic prospect of doing so through schemes such as Discount Market Sales or Shared Ownership. This represents 642 households from Figure 40, plus a further 659 households who cannot afford market rents plus an allowance for vacancies.

²² This is the most recent data available that allows this analysis

4.59 The table also contains an allowance to reconcile population and household estimate which derives from the way in which institutional population is treated within the household projections. The household projections exclude population in institutional settings and assume that the same ratio of over 75 year olds will be in institutional housing in the future as is currently the case. Therefore, not all people are assumed to be in households. However, the table below encompasses the entire population of the local authority, so it is necessary to reconcile the household projections with the total population and the number of dwellings to be provided. It is important to note that we are not assuming that the equivalent of 383 dwellings in West Oxfordshire are delivered as Class C2 bedspaces, but instead that the population who are assumed to occupy these dwellings in the population projections are counted at some point in the model.

4.60 The market housing figure contains both market rent and owned occupied dwellings. As noted above, market rent will grow by 4,873 dwellings for those who aspire to own (Figure 38) unless affordability improves so the market rented sector is likely to grow considerably.

Figure 41 Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Require Social Rent	Require Affordable Rent	Require Affordable to Own	Total Affordable Housing (Total columns 2-4)	Total Market Housing	Total (Total columns 5-6)
1 bedroom	837	59	259	1,155	326	1,481
2 bedrooms	2,057	212	687	2,956	1,474	4,430
3 bedrooms	589	79	358	1,026	4,478	5,504
4+ bedrooms	208	37	30	274	2,407	2,682
C2 Dwellings	-	-	-	-	383	383
TOTAL	3,691	387	1,334	5,412	9,068	14,480
1 bedroom	22.7%	15.4%	19.4%	21.3%	3.6%	10.2%
2 bedrooms	55.7%	54.7%	51.5%	54.6%	16.3%	30.6%
3 bedrooms	16.0%	20.5%	26.8%	19.0%	49.4%	38.0%
4+ bedrooms	5.6%	9.5%	2.2%	5.1%	26.5%	18.5%
C2 Dwellings					4.2%	2.6%

4.61 The most significant finding overall from Figure 41 is that **the need for affordable to rent housing (the vast majority of which will be social housing) is 4,078 dwellings.**

Sensitivity Testing

4.62 As noted in the introduction, all the figures set out above are for net changes in the housing stock. Factors which can cause the net outputs to vary from the gross need include:

- » Right to Buy sales which must be added to the net affordable housing needs figures on a one for one basis:
- » Housing benefit in the private rented sector. As noted in Chapter 4, the ORS Model assumes that the number of households in receipt of housing benefit in the private rented sector remains constant. As noted in Chapter 3, relatively recent changes to letting policies and the reality of pressures on the housing stock make it less likely that single persons aged under 35 years will be

allocated to a 1 bedroom Social Rented or Affordable Rented property. In 2021, the figure for households in receipt of housing benefit was 1,569 households in West Oxfordshire. Given sufficient viability then these figures can be reduced in an area;

- » Households who can afford to rent, but who aspire to own, but who cannot access Discount Market Sales. In West Oxfordshire they amount to 6,994 households for the LHN. Therefore, with vacancy rates added, there is a potential need for over 7,000 dwellings for households who aspire to own in West Oxfordshire.

4.63 West Oxfordshire stock transferred their affordable housing more than 20 years ago, so no household currently has Right to Buy, but a small number will have Right to Acquire or Protected Right to Buy. However, this issue generates very small numbers in each authority. Meanwhile the 7,000 households do represent a potential latent demand for affordable to own housing if it can be delivered.

4.64 The chart below shows the impact of the assuming that all households in receipt of housing benefit have their needs meet in affordable housing. The impact is to increase the need for affordable housing from 30% to 38% in West Oxfordshire.

Figure 42: Overall need for Market and Affordable Dwellings (including social and affordable renting) in West Oxfordshire 2025-41 for LHN with Housing Benefit in PRS added to Affordable Need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Require Social Rent	Require Affordable Rent	Require Affordable to Own	Total Affordable Housing (Total columns 2-4)	Total Market Housing	Total (Total columns 5-6)
LHN	3,691	387	1,334	5,412	9,068	14,480
LHN Including HB in PRS as Affordable need	5,260	387	1,334	6,981	7,499	14,480

5. Needs of Different Groups

Identifying the need for different types of housing

Introduction

- 5.1 Paragraph 63 of the NPPF requires that local planning authorities consider the needs of a range of groups within the population and this chapter considers the specific groups in turn. However, the affordable needs of families with children and those who rent their homes have already been considered within earlier chapters and are therefore not repeated.

Housing for Older People

- 5.2 The UK population is ageing, and people can expect to live longer healthier lives than previous generations, so the older population living in England is forecast to grow significantly over the next 20 years. Given this context, PPG recognises the importance of providing housing for older people.
- 5.3 These national trends are also evident across local areas, and the following section considers the evidence for West Oxfordshire.

Older People in West Oxfordshire

- 5.4 The 2021 Census identified a total of around 24,750 persons aged 65 or over resident in the local authority area at that time (Figure 43). This included around 12,060 persons aged 75 or over. Most residents were living in households, but 825 were recorded as living in communal establishments (mainly residential care or nursing care). There were a total of around 15,550 household representatives aged 65 or over, of which over two fifths (43.7%) lived as single person households.

Figure 43: Resident population and living arrangements of population aged 65+ living in West Oxfordshire by age and population aged 75+ (Source: 2021 Census)

	Aged 65-74	Aged 75-84	Aged 85+	Total Aged 65+	Total Aged 75+
RESIDENT POPULATION					
Household population	12,618	8,216	3,090	23,924	11,306
Communal Establishment population	71	236	518	825	754
Total Resident Population	12,689	8,452	3,608	24,749	12,060
HOUSEHOLD POPULATION					
Living as a single person household	v	2,569	1,657	6,785	4,226
Living in a couple household	3,304	555	89	3,948	644
Living in other types of household	6,755	5,092	1,344	13,191	6,436
Total Household Population	12,618	8,216	3,090	23,924	11,306
HOUSEHOLD REPRESENTATIVES					
Single person household representative	2,559	2,569	1,657	6,785	4,226
Couple household representative	4,188	2,890	785	7,863	3,675
Other household representative	446	283	162	891	445
Total Household Representatives	7,193	5,742	2,604	15,539	8,346

- 5.5 Whilst the proportion of residents living in communal establishments represented only 3.3% of the overall population aged 65 or over, the proportion was markedly higher for older age groups: 9.4% of those aged 85 to 89 and 22.5% of those aged 90 or over (Figure 44).
- 5.6 The proportion of residents living as single person households was also notably higher for older age groups, with more than a third of all household residents aged 80-84 or over (36.0%) and over half of those aged 85 or over (53.6%) identified as living alone. The overall household representative rates ranged from 0.555 for those aged 65 to 69 (i.e. for every 1,000 persons in the household population, 555 represented a household) up to 0.842 for those aged 85 or over (Figure 45).

Figure 44: Resident population living in communal establishments by age (Source: 2021 Census)

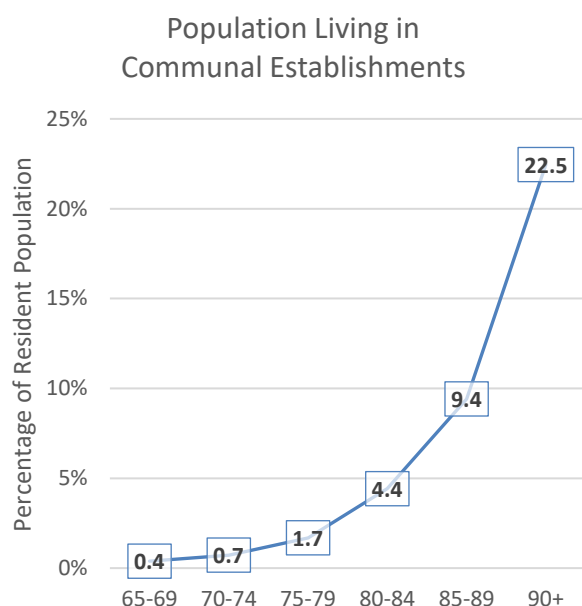
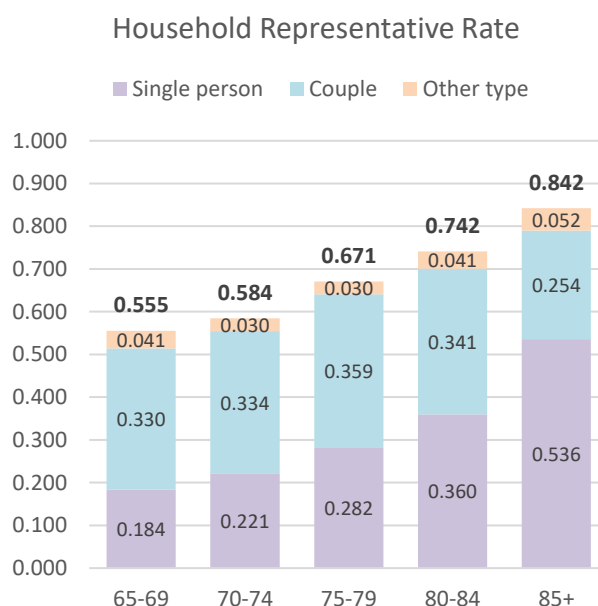


Figure 45: Household representative rates by age and household type (Source: 2021 Census)



- 5.7 Figure 46 identifies the type of dwellings occupied by households aged 75 or over based on 2021 Census data. Around 6,900 households were owner occupiers (82.4%), 509 rented privately (6.1%) and just under 1,000 lived in social rented homes (11.6%). Over two fifths of owner occupiers aged 75 or over had three bedrooms (45.7%) and a further quarter having four bedrooms or more (32.6%). Only a quarter of those in social rent had three bedrooms or more (21.6%).
- 5.8 The Census does not provide details about specialist older person housing, but information about this stock is maintained by the Elderly Accommodation Counsel (EAC).²³ Based on estimates for West Oxfordshire, there is a stock of 233 rented units and 910 units that are owned.

Figure 46: Existing dwelling stock in West Oxfordshire occupied by households aged 75+ (Source: 2021 Census; Specialist Housing Person Housing based on data published by EAC²⁴ for 2024)

West Oxfordshire	Owner occupied	Private rent	Social rent	TOTAL
DWELLINGS OCCUPIED BY HOUSEHOLDS AGED 75+				
1 bedroom	285	109	236	630
2 bedrooms	1,647	187	513	2,347
3 bedrooms	3,141	151	209	3,501
4 or more bedrooms	1,798	62	8	1,868
Total Households	6,871	509	966	8,346
SPECIALIST OLDER PERSON HOUSING UNITS				
Housing with Support	592	0	189	781
Housing with Care	318	0	44	362
Total Specialist Older Person Housing Units	910	0	233	1,143

²³ <http://www.housingcare.org/downloads/eac%20stats%20on%20housing%20for%20older%20people%20March%202015.pdf>

²⁴ The EAC data is based on the following definition: "a group of dwellings intended for older people and served by a resident or non-resident warden/scheme manager with specific responsibility for the group". This includes Extra Care, assisted living, and other forms of 'housing with care' but other forms of specialist older person housing may not be included within this definition.

- 5.9 It is notable that the number of rented units (233 homes) is only much lower than the number of households aged 75 or over living in one- and two-bedroom social rented housing at the time of the Census (749 households).
- 5.10 The owner-occupied stock of specialist older person housing (910 homes) represents nearly half (47.1%) of all one- and two-bedroom dwellings occupied by owner occupiers aged 75 or over. Nevertheless, as many older owner occupiers live in properties with three bedrooms or more, the specialist older person housing stock represents only 13.2% of households when considering all owner occupiers aged 75 or over.

Identifying the Need for Specialist Older Person Housing

- 5.11 National Planning Practice Guidance for “*Housing for older and disabled people*” was published in June 2019. This states [ID 63-004-20190626]:

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

- 5.12 The Housing Learning and Improvement Network (LIN) has published a number of different online toolkits that have provided standardised rates for estimating demand for specialist older person housing products. These have been based on applying prevalence rates per 1,000 people aged 75 or over, as summarised in Figure 47.^{25, 26} The table also presents baseline rates from a model developed by Sheffield Hallam University Centre for Regional Economic and Social Research (CRESR).²⁷
- 5.13 These rates provide a useful framework for understanding the potential demand for different forms of older person housing, but there is limited detail about the derivation of the figures published by the Housing LIN.
- 5.14 The More Choice, Greater Voice toolkit recognises that the suggested framework simply:
- “...represents an attempt to quantify matters with explicit numerical ratios and targets. It is contentious, but deliberately so, in challenging those who must develop local strategies to draw all the strands together in a way that quantifies their intentions.”* (page 44)
- 5.15 Similarly, the SHOP resource pack acknowledged that the framework simply provides a baseline, which extrapolates “...crude estimates of future demand from existing data” (page 36) and the 2016 Review acknowledged that the Housing in Later Life report had “suggested a large increase in leasehold housing for older people which were not substantiated at the time” (page 4).
- 5.16 In contrast, the baseline rates for the CRESR model were established based on:

²⁵ http://www.housinglin.org.uk/library/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf

²⁶ <http://www.housinglin.org.uk/library/Resources/Housing/SHOP/SHOPResourcePack.pdf>

²⁷ <https://www.shu.ac.uk/centre-regional-economic-social-research/projects/all-projects/older-peoples-housing-care-and-support-needs-in-greater-cambridge-2017-2036>

“the level and composition of supply of age-exclusive housing, specialist housing, and care beds across the 100 English local authorities with the highest overall provision of each broad type of older person housing per 1,000 older people (aged 75 years or older).” (page 26)

Figure 47: Benchmark Figures for Specialist Older Person Housing

Form of Provision <i>Demand per 1,000 persons aged 75+</i>	More Choice, Greater Voice Toolkit	Housing in Later Life SHOP Resource Pack	SHOP@ National Benchmark	Housing LIN Review Proposals	Sheffield Hallam CRESR Model
	2008	2011	2016	2016	2017
Housing with Support: Retirement Living or Sheltered Housing	125	180	100	100	153.2
Housing with Care: Extra Care or Enhanced Sheltered	45	65	14	35 “Proactive” rate	19.5
Sub-total	170	245	114	135	172.7
Residential care	65	-	43	40	110.8
Nursing care	45	-	45	45	
Sub-total	110	-	88	85	110.8
OVERALL TOTAL	280	-	202	220	283.5

- 5.17 The Housing LIN states that the More Choice, Greater Voice Toolkit and SHOP Resource Pack are both now out-of-date and remain published only as an ‘archived’ resource for public policy interest purposes. The more recent SHOP@ analysis tool is provided through the Housing LIN consultancy services, where target prevalence rates are established based on local circumstances.
- 5.18 The Housing LIN 2016 Review identified the following benchmarks for tenure mix based on the relative affluence or deprivation of the local authority area (Figure 48). Given that the English indices of deprivation ranked West Oxfordshire in the upper quartile of all local authorities,²⁸ the relevant tenure mix benchmark would be that proposed for the “Most Affluent” areas.

Figure 48: Proposed tenure mix for 2035 influenced by the affluence/deprivation ratio from the Housing LIN 2016 Review

SHOP@ MARKET SPLIT 2035 OPTIONS - DEPRIVATION/AFFLUENCE SPLIT								
	Most Deprived		Deprived		Affluent		Most Affluent	
	% Rented	% Leasehold	% Rented	% Leasehold	% Rented	% Leasehold	% Rented	% Leasehold
Sheltered, Age Exclusive	80	20	67	33	50	50	33	67
Housing with Care	75	25	50	50	33	67	25	75
Split based on quantiles of ONS deprivation index								
It can be expected that the % of public sector sheltered, age exclusive accommodation will retain a higher % than housing with care as there already exists a substantial level of current service provision.								

- 5.19 In contrast, the CRESR Model determined the tenure mix for each type of housing based on the proportion of residents aged 75 or over living in owner occupation. Given that the proportion for West Oxfordshire, the “Above median” benchmark applies.

²⁸ <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

Figure 49: Tenure splits for 2035 influenced by the affluence/deprivation ratio from the Housing LIN 2016 Review

		Proportion of 75 years and over in owner occupation	
		Above median	Below median
Age-exclusive	Rented	84	92
	Owner	16	8
Sheltered	Rented	69	84
	Owner	31	16
Enhanced sheltered	Rented	47	55
	Owner	53	45
Extra care	Rented	71	87
	Owner	29	13

^{5.20} Nevertheless, it is important to recognise that the CRESR Model is based on the mix of current provision, which may not reflect the most appropriate distribution when planning for additional provision.

“These tenure splits reflect current provision, which is significantly skewed towards social rented provision. If there is a desire to expand the provision of older people’s housing beyond current levels, this is likely to require disproportionate increases in ownership forms of supply. This is in part due to demand being focused on these ownership forms, particularly in areas with high levels of existing older homeowners.”

Reviewing the Existing Stock of Specialist Older Person Housing

^{5.21} As previously noted, the 2021 Census identified a total of around 12,060 persons aged 75 or over resident in West Oxfordshire at that time (Figure 43) and data published by the Elderly Accommodation Counsel (EAC) identifies that there is an overall stock of 1,143 specialist older person housing units across the area (Figure 46).

^{5.22} Figure 50 compares the rates for the different types of specialist housing for sale and rent with the suggested target benchmark rates from the Housing LIN Review and the baseline rates from the CRESR Model. This suggests that the owned stock is currently below, and the rented stock is well below the respective benchmark rates suggested by the Housing LIN. In contrast, baseline rates from the CRESR Model suggest that the existing owned stock is higher, whilst the existing rented stock is lower than would be expected (based on the 100 English local authorities with the highest overall provision).

Figure 50: Existing Specialist Older Person Housing for West Oxfordshire

Form of Provision	Existing Supply			Housing LIN 2016 Review		CRESR Model	
	Number of dwellings	Percentage	Rate per 1000 persons aged 75+	Benchmark rates	Supply-Demand balance	Benchmark rates	Supply-Demand balance
Housing with Support	781	-	54	100.0	-46	153.2	-99
Owned	592	76%	41	67.0	-26	47.5	-6
Rented	189	24%	13	33.0	-20	105.7	-93
Housing with Care	362	-	25	35.0	-10	19.5	6
Owned	318	88%	22	26.3	-4	5.7	16
Rented	44	12%	3	8.8	-6	13.8	-11
TOTAL	1,143	-	79	135	-56	172.7	-93
Owned	910	80%	63	93.3	-30	53.1	10
Rented	233	20%	16	41.8	-26	119.6	-103

- ^{5.23} Figure 46 previously established that the existing owner-occupied stock of specialist older person housing represented only 13% of owner occupiers aged 75 or over living in the area. Nevertheless, the CRESR Model identifies that the current rate (63 per 1000) is higher than the average for the 100 English local authorities with most provision based on actual stock (53 per 1000). Despite this, the current rate is lower than the benchmark from the Housing LIN Review (93 per 1000).
- ^{5.24} With regard to specialist older person housing for rent, the current rate (16 per 1000) is higher than the Housing LIN benchmark (42 per 1000) suggesting insufficient rented stock in West Oxfordshire. The current rate is much lower than the benchmark from the CRESR Model (120 per 1000) due to many other local areas having much higher rates of provision.
- ^{5.25} When considering the different types of specialist older person rented housing, it is apparent that the benchmark rates of Housing with Care (9 per 1000) is higher than the existing stock (3 per 1000), and the differences are even larger for Housing with Support.

Establishing the Future Need for Specialist Older Person Housing

- ^{5.26} The population projections underlying the Local Housing Need figure for West Oxfordshire show a substantial increase in the older population over the period 2025-2041 with an additional 7,844 persons and 7,155 households resident in the local area.

Figure 51: Projected population aged 75+ (Source: LHNA modelling, ORS)

	Total population 2025	Total population 2041	16-year change 2025-2041
RESIDENT POPULATION			
Household population	13,540	20,695	7,155
Communal Establishment population	878	1,566	688
Total Resident Population	14,417	22,261	7,844
HOUSEHOLD POPULATION			
Living as a single person household	4,982	7,725	2,742
Living in a couple or another type of household	8,558	12,971	4,413
Total Household Population	13,540	20,695	7,155
HOUSEHOLD REPRESENTATIVES			
Single person household representative	4,982	7,725	2,742
Couple household representative	4,372	6,794	2,422
Other household representative	523	783	260
Total Household Representatives	9,877	15,301	5,424

- 5.27 It is important to recognise that many of these extra residents will be aged 85 or over and likely to have increasingly complex care and support needs, including dementia, but also mental health needs and frailty related needs. It will therefore be necessary to consider the associated changes in the profile of housing need.
- 5.28 The household projections assume that the population aged 75 or over living in communal establishments will remain constant as a proportion for each 5-year age group, based on the rates identified by the 2021 Census (Figure 44). On this basis, it is projected that an additional 688 residents will need bedspaces to be provided in residential or nursing care homes in West Oxfordshire in the 16-year period 2025-2041.
- 5.29 Figure 52 considers the need for specialist older person housing for older households in West Oxfordshire over the 16-year period 2025-2041. This uses the baseline rates previously established based on existing supply (Figure 50) and considers appropriate target rates taking account of the range of different benchmarks identified by the toolkits.
- » The target rates are based on the average of (i) the baseline rate for the local authority, and (ii) the mid-point of the benchmark range; except for Affordable Housing with Support (which excludes the CRESR Model rate from the benchmark range, as it appears too high) and Affordable Housing with Care (which excludes the Housing LIN rate from the benchmark range, as it appears too low) as neither of these benchmarks seem appropriate for the local area.
 - » Based on the identified target rates, the projected number of residents aged 75 or over at the end of the 16-year period in 2041 (Figure 51) is used to establish the overall gross need.
 - » The existing supply is then offset to identify the housing need for the 16-year period 2025-2041.
- 5.30 On this basis, there would be a need to provide an additional 929 specialist older person housing units (equivalent to an average of 58 dwellings per year) of which 39% would need to be provided as affordable housing. The need for specialist older person housing represents 6.4% of the overall housing need identified for West Oxfordshire.

Figure 52: Modelled Need for Specialist Older Person Housing in West Oxfordshire 2025-2041

Form of Provision	Existing supply	Baseline rate per 1000 persons aged 75+	Benchmark range per 1000 persons aged 75+	Target rate per 1000 persons aged 75+	Gross need in 2041	Housing need 2025-2041
Market Housing	910	63	-	71	1,473	563
Housing with Care	318	22	6-26	22	456	138
Housing with Support	592	41	47-67	49	1,017	425
Affordable Housing	233	16	-	29	599	366
Housing with Care	44	3	8.75	6	122	78
Housing with Support	189	13	33	23	477	288
TOTAL	1,143	79	-	100	2,072	929
<i>Housing with Care</i>	362	25	-	28	578	216
<i>Housing with Support</i>	781	54	-	72	1,494	713

- 5.31 This analysis assumes a continuation of current types of housing although it is unclear if older people will aspire to these types of specialist housing in the future. Some types of specialist housing are already experiencing lower demand, and other, newer types of provision may appear to meet changing aspirations in the future. The policy aim of supporting people at home for longer along with assistive technology could also reduce or alter demand. However, it is important to recognise that the provision of dedicated older person housing schemes will form an important part of the overall housing mix.
- 5.32 The delivery of specific schemes for specialist older person housing need should be considered in partnership with other agencies, in particular those responsible for older person support needs. It will be important to consider other factors and constraints in the market:
- » **Demographics:** the changing health, longevity and aspirations of Older People mean people will live increasingly healthy longer lives and their future housing needs may be different from current need;
 - » **New supply:** development viability of schemes, and the availability of revenue funding for care and support services, need to be carefully considered before commissioning any new scheme. It will also be important for the Council and its partners to determine the most appropriate types of specialist older person housing to be provided in the area;
 - » **Existing supply:** this may be either inappropriate for future households or may already be approaching the end of its life. Other forms of specialist older person housing may be more appropriate than conventional sheltered housing to rent when considering future needs; and
 - » **Other agencies:** any procurement of existing supply needs to be undertaken with other agencies who also plan for the future needs of Older People, particularly local authority Supporting People Teams and the Health Service.

Housing for People with Disabilities

5.33 The Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This was reflected in the changes to building regulations relating to adaptations and wheelchair accessible homes that were published in the Building Regulations 2010 Approved Document Part M: Access to and use of buildings (2015 edition incorporating 2016 amendments – for use in England).²⁹

5.34 Three standards are covered:

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

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

5.36 For this section we have considered existing propensity rates for people who have their housing needs affected by health problems to consider the need for adapted homes.

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

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

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

Figure 53: Households with a long-term illness or disability in West Oxfordshire in 2025 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

WEST OXFORDSHIRE	TOTAL
Households with one or more persons with a limiting long-term illness or disability	13,456
Does not affect their housing need	9,571
Current home suitable for needs	3,197
Current home requires adaptation	347
Need to move to a more suitable home	340
Total households where a limiting long-term illness or disability affects their housing need:	3,885

²⁹ <https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m>

- 5.39 Building Regulations for M4(3) Category 3: Wheelchair user dwellings state that reasonable provision should be made for people to gain access to and use the facilities of the dwelling and that:
- 5.40 The model (Figure 53) identifies that there were 13,456 households living in West Oxfordshire in 2021 with one or more persons with a limiting long-term illness or disability. In 9,571 of these households, this does not affect their housing need, but in 3,885 households an illness or disability does impact on housing need.
- 5.41 Amongst those households where it does affect housing needs, 3,197 households are already living in a suitable home. This leaves 347 households needing adaptations to their current home and 340 households needing to move to a more suitable home. These households needing to move represent an existing **unmet need** for M4(2) housing and some may actually be wheelchair users needing M4(3) housing.
- 5.42 Based on household projections and the overall dwelling-led housing need, we can establish the future need for adapted housing based on the projected household growth and the changing demographics of the area. Figure 54 shows our calculation that there will be an additional 4,753 households either needing adaptations to their existing housing or suitable new housing to be provided by the end of the period in question.
- 5.43 To provide M4(2) housing for all of the identified need would require housing for up to 5,094 households to be provided. However, not all households will want to move to new housing – some will adapt their current homes and others will move to another dwelling which can be adapted to the standard required.
- 5.44 Although some households would prefer not to move, the EHS identifies that many existing homes are not suitable for adaptation to meet the M4(1) Category 1 standard and others would require major works and therefore these households would require to move to meet their housing needs. Still fewer dwellings would be adaptable to the M4(2) Category 2 standard given the additional requirements. Based on the housing mix in West Oxfordshire in combination with this EHS data, a robust estimate of the number of dwellings that could be converted to meet the M4(1) standard can be derived.
- 5.45 This provides a reasonable upper estimate of the number of households likely to be able to adapt existing homes rather than move to new housing. On this basis, we can calculate the need for adapted housing that could not be met by adaptation of existing homes; these households should be added to the households identified as needing to move at the start of the period (Figure 54). This figure clearly has a significant overlap with the need for older persons dwellings set out in the preceding section of this report. Therefore, there is a need for a high number of homes which can be used to accommodate people as their health deteriorates.

Figure 54: Households with a long-term illness or disability in West Oxfordshire by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

WEST OXFORDSHIRE	Affordable	% of Total Affordable Rent	Home Ownership	% of Total Home Ownership	TOTAL	% of Total LHN (Figure 50)
Existing need in 2025						
Households where an existing illness or disability affects their housing need and need to move in 2025	155		185		340	-
Projected future need 2025-41						
Additional households in 2041 where illness or disability affects their housing need or will develop within 10 years	1,695	-	3,058	-	4,753	-
Maximum need for adapted housing 2025-41 (households)	1,850	35%	3,244	39%	5,094	37%
Less households living in dwellings adaptable to M4(1) standard	1,074		1,939		3,013	
Minimum need for adapted housing 2025-41 (households)	776	15%	1,305	16%	2,081	15%

- 5.46 Therefore, the need for adapted housing 2025-41 can be expressed as a range between 2,081 and 5,094 dwellings (between 130 and 318 dwellings per annum). There is inevitably uncertainty about how many households will be able to meet their housing needs without moving and how many will move to existing homes rather than new housing.
- 5.47 Given the number of households likely to need to move due to a limiting long-term illness or disability affecting housing need (a significant proportion when compared to the LHN, see Figure 54), the evidence supports consideration of a high proportion of affordable homes being built to at least M4(2) standards.
- 5.48 It is important to recognise that the range presented in Figure 54 represents the combined need for both M4(2) Category 2 and M4(3) Category 3 housing; for households with a wheelchair user would be included within those households counted as having a health problem or disability that affects their housing need.
- 5.49 It should be noted that the Government have stated in their response to the September 2020 consultation on raising accessibility standards of new homes: “Raising accessibility standards for new homes: summary of consultation responses and government response”³⁰ that their intent is to change the building regulations so that M4(2) is the default minimum standard for new homes. M4(1) will apply by exception only:

73. Government proposes that the most appropriate way forward is to mandate the current M4(2) (Category 2: Accessible and adaptable dwellings) requirement in Building Regulations as a minimum standard for all new homes – option 2 in the consultation. M4(1) will apply by exception only, where M4(2) is impractical and unachievable (as detailed below). Subject to a further consultation on the draft technical details, we will implement this change in due course with a change to building regulations.

Raising accessibility standards for new homes: summary of consultation responses and government response

³⁰ Raising accessibility standards for new homes: summary of consultation responses and government response – updated July 2022: <https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes/outcome/raising-accessibility-standards-for-new-homes-summary-of-consultation-responses-and-government-response#government-response>

- 5.50 The timescale for this proposed change has not yet been released, with no response from the new Government on this issue.

Housing for Wheelchair Users

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

“The provision made must be sufficient to-
(a) allow simple adaptation of the dwelling to meet the needs of occupants who use wheelchairs, or;
(b) to meet the needs of occupants who use wheelchairs.” (Page 23)

- 5.52 In establishing the need for M4(3) Category 3 housing it is again important to consider the population projections and health demographics of the area, but with specific reference to households with wheelchair users.
- 5.53 The CLG guide to available disability data³¹ referenced by PPG³² [ID 56-007-20150327] shows that around one in thirty households in England (3.3%) currently has at least one wheelchair user, although the rate is notably higher for households living in affordable housing (7.1%). The rates are also higher for older households. Figure 55 identifies the proportion of households in England with a wheelchair user currently living in market housing and affordable housing by age of household representative. The data relates to 2013/14 when the issue was explored in the English Housing Survey.

Figure 55: Percentage of households with a wheelchair user by type of housing and age of household representative
 (Source: English Housing Survey 2013-14)

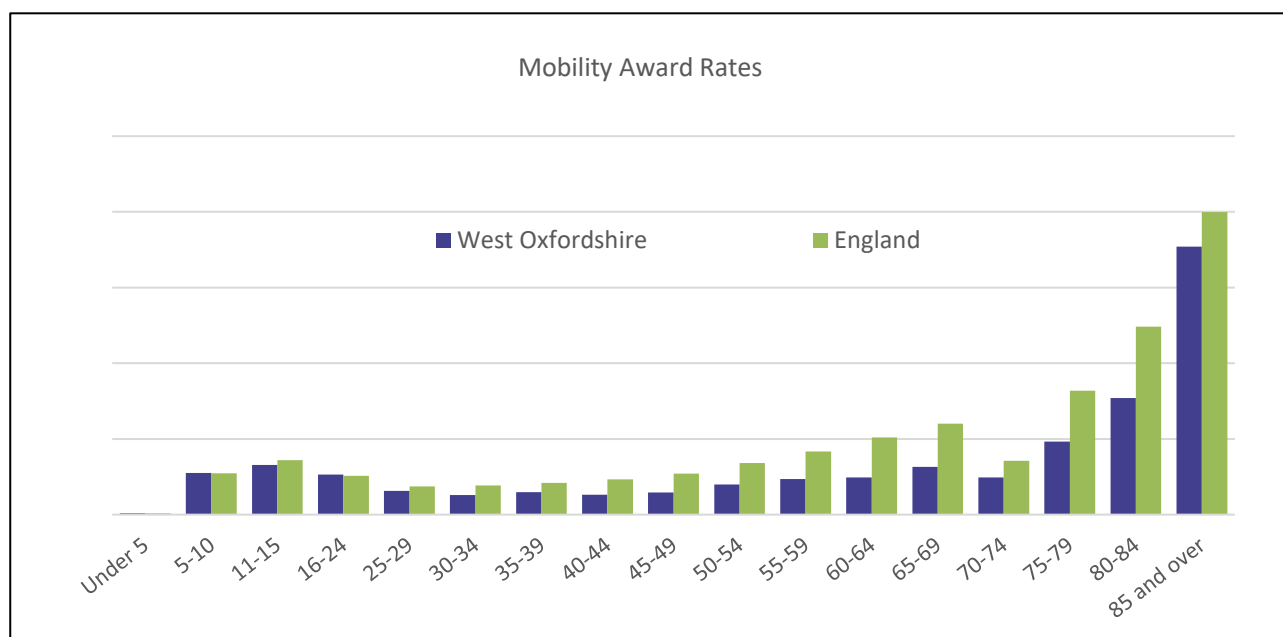
Housing Type	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Housing type								
Market housing	< 0.1%	0.4%	1.0%	1.6%	3.0%	4.0%	6.1%	9.3%
Affordable housing	0.3%	2.0%	2.9%	6.0%	6.0%	10.3%	12.7%	19.9%

- 5.54 To get a better understanding of the local West Oxfordshire data, Figure 56 compares the proportion of disability benefit claimants in receipt of mobility award (the majority of whom will be wheelchair users) for West Oxfordshire against the figures for England.

³¹ <https://www.gov.uk/government/publications/building-regulations-guide-to-available-disability-data>

³² [Housing: optional technical standards - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/housing-optional-technical-standards)

Figure 56: Disability benefit claimants in receipt of mobility award by age (Source: DWP, Aug 2024)



5.55 Through combining the information on local rates with the national data, we can establish the proportion of households in West Oxfordshire likely to have a wheelchair user by the age of the household representative in market housing and affordable housing (Figure 57).

Figure 57: Percentage of households with a wheelchair user by type of housing and age of household representative

Housing Type	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
West Oxfordshire								
Market housing	< 0.1%	0.4%	0.9%	1.5%	2.7%	3.7%	5.4%	8.3%
Affordable housing	0.3%	2.0%	2.9%	5.7%	5.7%	9.7%	11.4%	18.2%

5.56 If we apply these proportions to the population and household data for the area then we can identify the net change in the number of households with a wheelchair user over the period 2025 to 2041. (Figure 58). Using this approach we calculate the number of households likely to need wheelchair adapted housing is likely to increase by 920 over the 16-year period.

Figure 58: Households needing Wheelchair Adapted Housing Using Standard Method Housing Need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Modelled Need for Wheelchair Adapted Housing	2025	2041	Net change 2025-41
West Oxfordshire			
Market housing	1,180	1,570	+380
Affordable housing	560	1,100	+540
Total	1,750	2,670	+920

5.57 Importantly, as the model has included household age, it is possible to identify that a significant proportion of this growth (76%) comes from households which are aged over 75 years given the sharp projected growth in the population in this age group. This can be seen in Figure 59:

Figure 59: Households needing Wheelchair Adapted Housing by age (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+		
	2025	2041	Net change 2025-41	2025	2041	Net change 2025-41
West Oxfordshire						
Market housing	670	750	+80	510	820	+310
Affordable housing	330	480	+150	230	620	+390
Total	1,000	1,230	+230	740	1,440	+700

- 5.58 The growth in need for wheelchair adapted housing for those aged over 75 years is 700 dwellings, while the identified need for older persons housing for those aged 75 year or more in West Oxfordshire is 1,440 dwellings
- 5.59 This means that there are likely to be some people who are identified in both categories – wheelchair adapted housing and specialist older person housing. Whilst not all over 75 households needing wheelchair adapted housing will live in specialist older person housing, it is likely that many of those living in specialist older housing will need wheelchair adapted homes. It is also likely that some older households will progress to using a wheelchair whilst living in specialist housing due to a deterioration in their health. On that basis, seeking to deliver as much of the identified older person housing need, particularly the extra care need, as possible in the form of M4(3) dwellings will help to meet the needs of the ageing population. However, there will still be a need for M4(3) dwellings in the general housing stock as well.
- 5.60 We would note that the current West Oxfordshire local plan seeks to ensure that on larger schemes of 50 or more units that at least 5% are built to wheelchair adaptable standards. The analysis outlined above demonstrates that it remains appropriate for the Council to continue to seek Part M4(3) dwellings, particularly in relation to dedicated older persons housing

Second Homes, Holiday Lets and Buy to Leave

- 5.61 In recent years, an increasing share of the housing stock of the country has been moved to provide holiday lets through websites such as Airbnb, Booking.com and Tripadvisor, while other property has been held either as second homes or as property which is held as a potential investment opportunities. In April 2024, a total of 1,005 properties were listed across a range of booking sites in West Oxfordshire, which represents around 2% of the housing stock. However, this includes some properties renting out a spare room and others which are only let for part of the year. The 2021 Census shows a total of 420 properties listed as second homes without a usual resident in West Oxfordshire.
- 5.62 In April 2023, the government consulted on a new use class and permitted development rights for short-term lets.³³ This would be use Class C5 and would allow for properties moving between use Class C3 and C5. However, while this has not been formally ruled out, this has not been taken forward to date by the current government.

³³ [Introduction of a use class for short term lets and associated permitted development rights - GOV.UK](#)

- ^{5.63} Data from the Census shows a strong overlap between vacant properties and areas with high second and holiday homes numbers, with many holiday homes being empty at the time of the pandemic in 2021. Data from the Census shows that the vacancy rate for West Oxfordshire rose from 5.1% to 6.1. Across England as a whole, the vacancy rate rose from 4.1% to 6.1% between 2011 and 2021. Therefore, short-term lets and second homes do have some impact in West Oxfordshire, but do not appear to be excessively impacting upon the area.

Student Housing

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

Strategic policy-making authorities need to plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus ... Local Planning Authorities will also need to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements

Planning Practice Guidance, ID 67-004-20190722

5.65 There are no major higher education bodies based in West Oxfordshire. Previous censuses contained detailed information on student only households, but the 2021 Census has merged this information for now with a wider group of HMO type households. Therefore, the Census does not currently provide any information on students outside of halls of residence.

Service Families

5.66 West Oxfordshire is the home to RAF Brize Norton and a number of smaller military facilities. Ministry of Defence (MoD) annual location statistics³⁴ show that there have been a fall in the number of MoD personnel stationed in West Oxfordshire. Unless any further significant changes are planned, the needs of service personnel will not impact the identified LHN.

Figure 60: MoD personnel in West Oxfordshire 2013-2023 (Source: MoD Annual location statistics 2023)

West Oxfordshire		Apr 2013	Apr 2014	Apr 2015	Apr 2016	Apr 2017	Apr 2018	Apr 2019	Apr 2020	Apr 2021	Apr 2022	Apr 2023
Military	Officers	650	600	580	580	590	640	670	640	690	700	690
	Other Ranks	3,960	3,680	3,520	3,560	3,570	3,460	3,630	3,580	3,540	3,590	3,420
	Total	650	600	580	580	590	640	670	640	690	700	690
Civilians	Non Industrial	220	210	200	190	210	220	230	240	250	220	220
	Industrial	140	140	130	130	110	110	120	110	110	20	10
	Trading Funds	0	0	0	0	0	0	0	0	0	0	0
	Total	360	350	340	330	330	330	340	350	360	230	240
Grand Total		4,980	4,630	4,430	4,480	4,500	4,430	4,640	4,570	4,590	4,520	4,350

³⁴ <https://www.gov.uk/government/statistics/location-of-uk-regular-service-and-civilian-personnel-annual-statistics-2023>

Build to Rent

^{5.67} As noted in Chapter 4, another housing option that could be made available West Oxfordshire, is Build to Rent. Build to Rent is defined by the NPPF Glossary as:

Build to Rent: 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.

NPPF 2024 (Glossary)

^{5.68} Build to Rent can be seen as a potential solution for those who are seeking to remain in the private rented sector as a long-term tenure choice, rather than move on to owner occupation. ORS have recently completed a study of Build to Rent in Bath and North East Somerset, which showed that the weekly rental cost was similar to other properties in the area, but that property sizes typically had fewer square metres of space.

^{5.69} This accords with the evidence that Build to Rent is typically a more expensive, but higher quality private rent option. Build to Rent tends to have longer tenancy agreements and greater flexibility in the use of properties.

^{5.70} The current government are seeking to reform pension funds to encourage them to make longer-term investment, which could include properties such as Build to Rent. Therefore, far more Build to Rent is likely to be delivered in the future. To date, no Build to Rent properties have been delivered in West Oxfordshire, but the whole sector is expected to grow in size.

^{5.71} As shown in Figure 61, 28.8% of those current in the private rented sector expect to remain in that tenure as a long-term option. In 2021, there were 8,578 households in private rent in West Oxfordshire. When excluding households who currently claim housing benefit, this would leave around 2,100 households who are currently paying their rent in full in West Oxfordshire who expect to remain in private rent in the long-term.

Figure 61: Long-term aspirations (Source: English Housing Survey 2021/22)

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

^{5.72} A figure of 2,100 Build to Rent properties being required in West Oxfordshire is a top end estimate, but is consistent with recent trends for Build to Rent delivery. Savills produce a quarterly review of the Build to Rent market³⁵. This shows that in 2023, nearly 20,000 Build to Rent properties were completed nationally, with a strong focus on London, and another 50,000 are under construction and 54,000 with

³⁵ [Savills UK | UK Build to Rent Market Update – Q3 2024](#)

detailed permission. This is around 10% of the delivery of all new dwellings and is likely to rise in future years.

- 5.73 A further issue to consider is that while the Council cannot control the market rent on Build to Rent schemes, they would also include an affordable element, with guidance suggesting a minimum discount of 20% on the market prices and this would set prices below Local Housing Allowance rates.

People Wishing to Build their Own Homes

- 5.74 Planning practice guidance requires that people wishing to build their own homes are considered and states:

How can self-build and custom housebuilding needs be assessed?

Most local planning authorities (including all district councils and National Park Authorities) are now required to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in their area in order to build their own home. The Self-build and Custom Housebuilding (Register) Regulations 2016 set out these requirements. For further details, see guidance on self-build and custom housebuilding registers.

To obtain a robust assessment of demand for this type of housing in their area, local planning authorities should assess and review the data held on registers. This assessment can be supplemented with the use of existing secondary data sources such as building plot search websites, 'Need-a-Plot' information available from the Self Build Portal and enquiries for building plots from local estate agents.

Planning Practice Guidance, ID: 67-003-20190722

- 5.75 Over half of the population (53%) say that they would consider building their own home³⁶ (either directly or using the services of architects and contractors) and an Ipsos MORI poll commissioned by the National Self Build Association (NaSBA) in 2016 found that: "one in seven (14%) Britons (around 7 million people) now expect to research or plan how to build a home for themselves in the next 12 months; up from 12% last year. The poll also suggested that around one in 50 (2%) expect to buy a building plot, obtain detailed planning consent, start or complete construction work on their own new home during the coming year or so"³⁷. Nevertheless, given that the growth in the housing stock is only around 1% per annum, it is likely that these figures conflate aspiration with effective market demand. Self-build and custom housebuilding currently represents only around 10% of housing completions in the UK, so in practice around 0.1% of households utilise self-build and custom housebuilding each year, not 2%. The 10% of housing completions in UK can be compared to rates of around 40% in France and 70 to 80% elsewhere in Europe.
- 5.76 In the Budget 2014, the Government announced an intention to consult on creating a new 'Right to Build', giving 'Custom Builders' a right to a plot from councils.
- 5.77 The 2015 Act was amended by the Housing and Planning Act 2016³⁸ which placed a duty on local planning authorities to provide sufficient serviced plots which have planning permission to match entries on the register:

³⁶ Building Societies Association Survey of 2,051 UK consumers 2011

³⁷ <https://www.ipsos-mori.com/researchpublications/researcharchive/3347/One-in-seven-Britons-expect-to-look-into-building-their-own-home.aspx>

³⁸ <http://services.parliament.uk/bills/2015-16/housingandplanning.html>

An authority to which this section applies must give suitable development permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority's area arising in each base period.

Housing and Planning Act 2016 Section 2(a)(2)

April 2022 Self and Custom Build Action Plan (Bacon Report)

^{5.78} In April 2022, MHCLG produced a new action plan to further support the development of the self-build and custom housebuilding sector.³⁹ This focused upon four key areas:

- » **Mortgage finance:** – a multi-year funding for 'Help to Build' was announced at the 2020 Spending Review. In April the government confirmed an initial £150 million over 4 years to support the scheme to deliver low deposit mortgages and improve affordability of home ownership for self and custom builders similar to Help to Buy.
- » **Developer finance:** The Home Building Fund, offers £2.5 billion in short term loan finance targeted at small and medium sized builders, innovation and custom build. Funding is available to custom build developers bringing forward serviced plots on sites of 5 units or more.
- » **Access to land:** As part of the 2020 Spending Review, the government announced additional funding for local authorities to release their surplus brownfield land through the Brownfield Land Release Fund (BLRF). The £75 million BLRF will allocate up to £25 million to local authorities to enable them to bring forward serviced plots for self and custom build on public sector land. The 'Planning for the Future' White Paper also included specific proposals that allow local authorities to identify sites for self-build and custom housebuilding and community-led housing in their local plan, including ensuring sufficient provision to meet requirements identified in their self-build register, and proposals to explore how publicly owned land disposal can support SMEs and the self-build sector.
- » **Expertise/knowledge gap:** The National Custom and Self Build Association's (NaCSBA) Right to Build Task Force was established to help local authorities, community groups and other organisations help deliver self and custom build housing projects across the UK. Since 2020 it has been funded by government to provide expertise and support to local authorities on the implementation of the Right to Build and how to secure self and custom build delivery.

Review into Scaling Up Self and Custom Housebuilding

^{5.79} As part of the April 2022 Action Plan, the government commissioned an independent review into the scaling up of self and custom housebuilding. This report was published in August 2022⁴⁰ and the government responded to this review in June 2022⁴¹.

^{5.80} The review focuses primarily on supply side factors limiting the delivery of self and custom housebuilding and produced 6 key recommendations which were broadly supported by the government:

³⁹ [Self and custom build action plan - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/106444/self-and-custom-build-action-plan.pdf)

⁴⁰ [Independent review into scaling up self-build and custom housebuilding: report - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/106444/independent-review-into-scaling-up-self-build-and-custom-housebuilding-report.pdf)

⁴¹ [Government response to the independent review into scaling up self-build and custom housebuilding - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/106444/government-response-to-the-independent-review-into-scaling-up-self-build-and-custom-housebuilding.pdf)

- » Greater role for Homes England;
- » Raise awareness of the Right to Build;
- » Support community-led Housing, diversity of supply and Levelling Up;
- » Promote greener homes and more use of advanced manufacturing;
- » Support custom and self-build housebuilding through the planning reforms; **and**
- » Iron out issues around tax which act as disincentives to build.

Evidence for West Oxfordshire

^{5.81} West Oxfordshire have put arrangements in place to comply with the Self-Build and Custom Housebuilding Act, including providing a self-build and custom housebuilding register. The Council has applied a local connection test to those wishing to enter the Part 1 register since 2018, with all other entries appearing on Part 2. Additionally, there is a £25 fee charged for entry on Part 1 of the register, or £10 for Part 2.

^{5.82} Figure 62 shows those currently on Part 1 and Part 2 of the register and when they joined the register, along with recorded plot provision. This shows that as of October 2022, West Oxfordshire has not provided enough self and custom housebuilding plots to meet the needs identified on the register. The delivery of plots is calculated by Council planning records of permissions granted. For a property to qualify for a CIL exemption, the final occupier must use the property as their principal residence for a period of not less than three years. Therefore, this is a quite restrictive definition of self and custom housebuilding which rules out many properties which have some customisation attached to them, but where the developer cannot guarantee that the final occupier will remain in situ for at least 3 years. The Housing and Planning Act 2016 states that to be self or custom built the, *"initial occupier must have primary input into the final design and layout of the property"*. Therefore, many more properties may be self or custom built, but CIL exemption cannot be claimed because the occupier cannot be guaranteed to stay in place for 3 years.

Figure 62: Self-build and Custom Housebuilding Register and Plot Provision for West Oxfordshire (Source: Local Authority Data⁴². Note: * is not recorded)

Self-build and Custom Housebuilding Register and Plot Provision	Up to October 2016	Oct 2016-Oct 2017	Oct 2017-Oct 2018	Oct 2018-Oct 2019	Oct 2019-Oct 2020	Oct 2020-Oct 2021	Oct 2021-Oct 2022	Oct 2022-Oct 2023
New applicants on Part 1 of the register	254	163	82	193	76 (P1+P2)	109 (P1+P2)	126 (P1+P2)	37
New applicants on Part 2 of the register	N/A	N/A	N/A	N/A	*	*	*	11
Planning permissions for serviced plots granted	*	0	7	61	13	0	0	42

Future Need for Self-build and Custom Housebuilding

^{5.83} Policy H5 of the West Oxfordshire Local Plan sets a requirement on strategic sites of 100 or more dwellings that 5% of plots will be reserved for people who wish to build their own home. These are much

⁴² [Self-build and custom housebuilding data: 2016 to 2020-21 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/self-build-and-custom-housebuilding-data-2016-to-2020-21)

lower figures than many other local authorities who seek up to 10% of large sites to be self and custom built. Given the level of need identified, the District Council may wish to consider seeking a greater proportion of self and custom build homes through the emerging Local Plan 2041.

- 5.84 We would note that PPG recommends that alternative sources of data beyond the register, such as Need a Plot, can be considered to highlight the need for self and custom housebuilding plots. However, this now reverts back to council registers, so the only recorded information on the demand for self and custom housebuilding is the housing register and the actual up take of plots.
- 5.85 The first priority of the Council should be to ensure that they are complying with national policy and meet the demand from the self and custom housebuilding register. The evidence from countries like Germany indicate that the demand for self and custom housebuilding can be close to the total housing supply and that delivery is more supply constrained, with small and medium size builders delivering many of the custom housebuilding plots. It is these supply constraints that much of government policy is now focused towards addressing.
- 5.86 We would note that our experience across the country has been that the self-build and custom housebuilding sector works relatively well for households who are seeking to build bespoke properties on single plot sites and as part of multi-plot sites. However, this does tend to focus upon relatively affluent households who can afford to build to their own design. There is less evidence that those with lower budgets are having their needs met because the price of plots remains high. This in turn can be taken as a reflection that the market for self and custom housebuilding is supply constrained and that suitable plots attract a premium which is offsetting a reductions from CIL exemptions where in place. Within this group there are likely to be some households who are seeking to help design their own house, often from customising the interior of a set exterior. Meanwhile, other households will be seeking affordable homeownership dwellings where they can be heavily involved in the building of their final property. The government's new Help to Build scheme may help to make self and custom housebuilding more accessible and affordable.
- 5.87 It is for these two groups that West Oxfordshire could seek to work more proactively. There is potential for builders to deliver market homes which can either be customised at the outset, or which could be built as exteriors with the interior to be completed by the final occupant. Both of these approaches can be considered to fit within the definition of custom-built housing; and could both be encouraged with the provision of small and larger sites.
- 5.88 Meanwhile, West Oxfordshire could also seek to work with developers and Registered Providers to assess the potential demand for affordable to own self-build and custom housebuilding. This would be in lieu of providing completed affordable housing; but would allow households to help deliver their own affordable home ownership properties. This element could range from providing serviced plots at cost or partially completed dwellings which are sold to Registered Providers at cost.
- 5.89 Two provisions in the Levelling Up and Regeneration Act, which became an Act on 26 October 2023, should be noted.
- » The Act imposes a new duty on councils to include pre-existing unmet demand for self-build and custom build housing when calculating their current level of demand.
 - » The demand for self-build and custom housebuilding in any "12-month base period should be treated as including any demand from an earlier 12-month base period which has not been met within the time period allowed for complying with the duty to meet that demand".

Appendix A

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Appendix B

Glossary of Terms

Definitions

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

Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. For the purpose of this report we have used the definition in the Revised NPPF, which specifies the main categories of affordable housing to be: affordable housing for rent; starter homes; discounted market sales housing (sold at a discount of at least 20% below market value); shared ownership, relevant equity loans, other low cost homes for sale and rent to buy.

Affordable Rent is provided by social landlords and rented for less than would be paid if renting privately. It must be at least 20% cheaper than the equivalent private rent in the area and must also be below the value of the Local Housing Allowance in the area.

Build to Rent is purpose-built housing that is typically 100% rented out. 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.

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

Census Output Area is the smallest area for which UK Census of Population statistics are produced. Each Census Output Area had a population of around 250 people with around 100 dwellings at the time of the 2011 Census.

ECO underpins the Green Deal and places obligations on energy companies to facilitate installation of energy efficiency measures in homes. ECO fits within the Green Deal framework where Green Deal finance alone is not enough.

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

First Homes are discounted market sale units which must be sold with either a 30%, 40% or 50% discount in perpetuity to a person or persons meeting the First Homes eligibility criteria.

Green Deal is a market led framework that will allow individuals and businesses to make energy efficiency improvements to their buildings at no upfront cost. Finance needed for the improvements is repaid, in instalments, attached to an electricity bill.

Headship rates are defined by CLG as: *"the proportion of people in each age group and household type who are the 'head' of a household"*⁴³

⁴³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/182417/MethodologyFinalDraft.pdf

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Pent up demand is unfulfilled demand or need for housing from households within the existing population, such as hidden households.

Private Rented Sector includes all properties which are rented privately. This could be as second hand home rented by a single landlord, a property rented from a buy to let investor, a property which was built to be let out as Build to Rent, or a scheme such as Co-living.

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

Registered Social Landlord/Registered Provider see Housing Association.

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

Shared ownership see Low Cost Home Ownership.

Social rented housing is provided by social landlords and rented for less than would be paid if renting privately. It typically has lower rents than Affordable Rent.

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

Acronyms and Initials

BRMA	Broad Rental Market Area
CLG	Department for Communities and Local Government (now MHCLG)
CPI	Consumer Price Inflation
DWP	Department of Work and Pensions
LA	Local Authority
LHA	Local Housing Allowance
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
MHCLG	Ministry for Housing, Communities and Local Government
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
ORS	Opinion Research Services
PPG	Planning Practice Guidance
RSL	Registered Social Landlord
SHMA	Strategic Housing Market Assessment