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Breckland Housing and Economic Development Needs Assessment

Final Report

Iceni Projects Limited on behalf of
Breckland District Council

May 2024

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LIMITED ON BEHALF
OF BRECKLAND
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Development Needs Assessment
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1. Executive Summary

- 1.1 The HEDNA is intended to provide evidence regarding the overall need for housing, and type and mix of housing needed; together with an assessment of the quantity and type of employment land needed to provide robust evidence to inform the Full Update of the Breckland Local Plan.

Key Findings

Overall Housing Need

- Minimum annual Local Housing Need: 661 dwellings per year, based on standard method in 2023. Minimum need falls to 625 dpa using latest data but reasonably treated as a range of 625 – 661 dpa.
- No specific exceptional circumstances to divert from the standard method to calculate Local Housing Need are found. However Council can choose to plan for higher housing provision to support regeneration.

Affordable housing need

- Priority need is for social and affordable rented homes, with evidence pointing to need for 299 homes per year.
- There is additionally a modest scale need for affordable home ownership of 29 per year.

Affordable homes tenure mix

- Evidence on mix of homes set out to inform policy development alongside understanding of Council priorities and viability of development.
- The mix outlined below is intended to inform the Council's policy development. Provision within proposed plans should reflect Council priorities and the viability of development. Consideration of the requirement to include 25% First Homes and for 10% of all homes to be in low cost home ownership tenures should be considered in developing a target mix in policy.

	HEDNA Assessed Needs
Social and affordable rent	90%
Affordable home ownership	10%

First Homes:

- The recommended local threshold sale price for First Homes: £130,000.

Housing mix and type:

- Greatest need for 2 bed homes (35% to 45%). Recommended mix at strategic level, as shown below, to be considered alongside site location, form of development proposed and as appropriate other local evidence.

Strategic Recommendations on Housing Mix				
	1- bedroom	2-beds	3-beds	4+-beds
Market	5%	40%	35%	20%
Affordable home ownership	20%	45%	30%	5%
Affordable housing (rented)	35%	35%	20%	10%

Housing for older and disabled people:

- Consider requiring 100% of new homes to be M4(2) accessible and adaptable. Consider 5% of homes to be M4(3)(2)b wheelchair accessible (where the council has nomination rights) or adaptable M4(3)(2)a).
- a need for around 1,700 housing units with support, 1,300 additional housing units with care and a need for additional nursing care bedspaces but sufficient current supply of residential care bedspaces.

Self and custom build:

- Current needs for the self and custom house build register have been met. Council review of current register eligibility criteria creates uncertainty regarding future needs evidence.

Economic development

- Employment growth scenarios identified a range between 800 and 12,500 jobs over the plan period to 2046.
- Around 80 to 108 hectares of employment land may be required to support growth in labour and reflect historic trends.
- A “stretch target” of 130 hectares of employment land, linked to dualling of A47 and other Council priorities could be considered.

Economic Baseline

- 1.2 Icenl have sought to analyse the economic baseline of Breckland to identify key issues within the economy. Table 1.1 below summarises the Strength, Weaknesses, Opportunities and Threats for Breckland’s local economy.
- 1.3 The table below provides a SWOT of Breckland’s economy. The District has a strong small business base, with a growing manufacturing sector and wider growth opportunities in well-paid economic activities, including in professional, scientific and technical activities; digital; and renewable energy. The evidence points to a strong case for seeking to support business investment and growth and in skills

development to achieve a better balance of homes and jobs, improve affordability and address economic deprivation.

Table 1.1 SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • High business survival rates • Growing and strong manufacturing sector. • Low unemployment rate • Greater presence of medium and large businesses than comparator areas. • Recent employment growth in higher value sectors – professional, scientific and tech • Employment growth in the tourism sector 	<ul style="list-style-type: none"> • Lower levels of NVQ4+ educational attainment than comparator areas. • Low levels of labour productivity. • Low resident and worker earnings. • Low economic activity rate • Prevalence of lower skilled employment. • Underrepresentation of employment and low jobs density
Opportunities	Threats
<ul style="list-style-type: none"> • To build on a strong manufacturing sector through growth and/or innovation (e.g. a shift to more productive types of manufacturing) and provision of new employment space. • Potential to increase resident earnings through improved training and education enabling them to access well-paid employment in the Borough. • Attract investment and growth in digital, life sciences, agri-tech and renewable energy through the Cambridge-Norwich Tech Corridor • Increased home-working offers opportunity to attract high value, high skilled employees from urban areas and provide an improved lifestyle 	<ul style="list-style-type: none"> • Challenging business environment (high energy costs, general inflation and potential reduced spending) may lead to a reduction in business survival rates. • Loss of overall employment in the past 5 years.

Housing Stock

- 1.4 In terms of housing stock the number of dwellings in Breckland increased by 10% between 2011 and 2021. Much of this increase has been within the A11 corridor sub area, the Watton sub area has seen the largest growth in percentage terms.
- 1.5 The District has strong levels of home-ownership. Renting is more common in urban locations and the District's towns. However affordability pressures are evident: Owner occupation has decreased in Breckland between 2011 and 2021 by -2.8 percentage points; with A11 Corridor the largest decrease in ownership of -2.6 percentage points.
- 1.6 Detached dwellings are the most common property type in Breckland, with the housing offer focused towards family-sized homes. This is typical considering the rural nature of the district which lends itself better to less dense dwelling types such as detached dwellings. The A11 Corridor sees the lowest proportion of Detached properties and the highest proportion of Terraces and Flats, the opposite is true for Swaffham and Surrounds. Overall, 24% of all dwellings in Breckland have 4 or more bedrooms with the most common size being 3 bedrooms at 43%: higher than the HMA average for both types. Overcrowding is low and is much more common in both social and private rented properties than owner occupied homes.

Housing Market

- 1.7 Average house prices in the District stand at £260,000. The median House price in Breckland sits higher than only Norwich and below others, including the region and country. This will in part be an effect of the stock available and size of properties. Dereham and Surrounds is the most expensive sub-area overall, Watton and the A11 corridor see lower overall prices of under £300,000 but see higher prices for flats than the Dereham and Swaffham areas.

- 1.8 House prices have increased by 67.7% in the past 10 years with particular uptick in house prices in 2020 to 2021, caused by the Covid Stamp Duty Holiday. The value of homes increased by £83,000 over the 5 year period to 2022. More recently house prices have been decreasing as a result of national economic factors. Sales have also fallen as interest rates have risen. New build property sales have accounted for an average of 10.2% of all sales between 2012 and 2022, however dropped to just 4.5% in 2022.
- 1.9 Breckland's median affordability ratio – the ratio of the average house price to earnings – stands at 9.25 in 2022. This indicates that, as with many other areas, there are notable financial barriers to younger households in buying a home; which rising interest rates will have compounded. In Q2 2023 mortgages payments took an average of 39.7% of take-home pay for first time buyers in the East of England. Given that the help-to-buy equity loan scheme had been supporting in excess of 30% of all new-build dwelling sales in Breckland; the end of this and rising interest rates are likely to impact the new-build sales market in the short-term.
- 1.10 In the private rental sector average rental costs in Breckland sit at £750 pcm. This is below those for the Eastern region and England. Rents have grown by 25% since 2013-14. The number of people claiming benefits to support rent payments increased throughout Covid. This has since decreased however still remains over 6,000 which in itself is a symptom of affordability pressure. The rental market in the short-term is expected to see increased pressures as fewer households are able to buy; whilst rising interest rates and legislative changes could see private rental supply fall. This could in time put pressure on social housing.

Commercial Market

Industrial

- 1.11 Breckland has a modest-sized industrial market, which is focused towards SME occupiers. The market has been growing with stock increasing since 2013 and

positive net absorption recorded in recent years (at a most 4,950 sq.m per annum). Key sectoral drivers of demand include manufacturing and agri-tech¹.

- 1.12 The market evidence points towards the need to bring forward new-build space in a context of low vacancy rates, which stood at 2.3% at the time of writing, and to provide better quality supply enabling growth of existing local businesses. There are however some viability challenges as a result of low rental values.
- 1.13 Market interest appears strongest along the A11 Corridor, at Thetford and Snetterton Commercial Hub, taking account of wider connectivity. There are however opportunities for the dualling of the A47 to support growth along the A47 Corridor as well, particularly in agri-tech activities.

Office

- 1.14 Breckland has a small, localised office market which is focused on micro and small businesses, seeking space typically of < 100 sq.m. The nature of demand and prevailing rents are insufficient to support significant new commercial office development in the District.
- 1.15 Some modest schemes have/are being brought forwards which has contributed to recent floorspace growth, but also to a rising vacancy rate and downward pressure on rents. Wider market trends, particularly with growing home working, may well limit the potential for further substantive office development in the short-to-medium term. However in the longer-term, the public sector may have an important role in delivering managed provision of new-build space over time to help diversify the economy and support growth in higher value-added sectors.

Overall Housing Need

- 1.16 The demographic evidence overall points to slightly stronger population growth being seen than in the 2014-based projections over the period to 2021. Household
-

¹ Agri-tech refers to the use of technology applications in agriculture to increase its yield, efficiency and profitability.

growth has been similar. The HEDNA has tested different demographic scenarios – including alternative scenarios for migration and household formation.

- 1.17 With more recent population data, a need is shown for between 550 - 750 dpa. However migration has been variable over time and looking at longer-term trends which spans the economic cycle points to a lower need for between 564-614 dpa using the 2014-based headship scenarios.
- 1.18 Use of more recent household formation assumptions generally has a downward impact on housing need, but the market evidence suggests that affordability has deteriorated and there is evidence that the ability to form households has been constrained.
- 1.19 Overall, whilst housing need is evidently sensitive to the demographic inputs, the evidence does not point to (or provide clear evidence justifying) exceptional circumstances to move away from the standard method starting point (661 dpa using the 2022 affordability data and 625 dpa using the 2023 data). There is some basis in planning positively and recognising the volatility of the affordability data for taking the higher figure.
- 1.20 However, what should be made clear is that the standard method should only be considered a 'starting point' for the planning of the appropriate number of homes in the district. Although the analysis presented in the report shows no exceptional circumstances in terms of population growth to revise this figure downwards, it is open to the Council through the plan-making process to consider higher housing provision to support the economy and plans for additional economic growth, delivery of infrastructure or regeneration, or to increase the delivery of affordable housing. Equally strategic development constraints may affect what growth may be sustainably delivered in some areas.

Affordable Housing

- 1.21 Analysis has been undertaken to estimate the annual need for affordable housing. The analysis is split between a need for social/affordable rented accommodation (based on households unable to buy or rent in the market) and the need for

affordable home ownership (AHO) – this includes housing for those who can afford to rent privately but cannot afford to buy a home.

- 1.22 The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at rented needs, consideration is given to estimates of the supply of social/affordable rented housing. For AHO, consideration is given to the potential supply of resales of low-cost home ownership properties (such as shared ownership) and lower quartile sales of existing homes.
- 1.23 When looking at needs from households unable to buy or rent, the analysis suggests a need for 299 rented affordable homes per annum across the District, with a need shown in all sub-areas.
- 1.24 The analysis suggests there will be a need for both social and affordable rented housing – the latter will be suitable particularly for households who are close to being able to afford to rent privately and possibly also for some households who claim full Housing Benefit. It is however clear that social rents are more affordable and could benefit a wider range of households – social rents could therefore be prioritised where delivery does not prejudice the overall delivery of affordable homes.
- 1.25 The evidence is less conclusive about the scale of the need for affordable home ownership products, although it is certainly much lower than the need for rented affordable housing. The evidence does suggest that there are many households in Breckland who are being excluded from the owner-occupied sector (as evidenced by increases in the size of the private rented sector). It is likely that a key issue in the District is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy (although this will be an important factor for many households).

Table 1.2 Net Annual Need for Affordable Housing

	Social and Affordable Rented	Affordable Home Ownership	Total Affordable Housing
A11 Corridor	122	27	149
Dereham & Surrounds	93	11	104
Swaffham & Surrounds	39	-8	31
Watton	45	-2	43
Total	299	29	328

- 1.26 Both First Homes and Shared Ownership will have a role to play in supporting households into home ownership. Shared ownership is likely to be suitable for households with more marginal affordability (those only just able to afford to privately rent) as it has the advantage of a lower deposit and subsidised rent.
- 1.27 In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Council will need to consider the relative levels of need and also viability issues (recognising for example that providing AHO may be more viable and may therefore allow more units to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options).
- 1.28 This report identifies a high need for affordable housing in Breckland per annum (328 rented dwellings) which would be 50% or more of the district's total Local Housing Needs calculated using the standard method figure for housing need. Whilst the annual affordable housing need and Local Housing Need are not directly comparable, the affordable needs evidence highlights the importance of strong overall housing provision and that the Local Housing Need figure should be viewed as the minimum required to begin to address the areas housing needs.

Housing Mix

- 1.29 Analysis of the future mix of housing required takes account of demographic change, including potential changes to the number of family households and the ageing of the population. The proportion of households with dependent children in

Breckland is relatively low with around 29% of all households containing dependent children in 2021 (compared with around 29% regionally and nationally). There are notable differences between different types of household, with married couples (with dependent children) seeing a high level of owner-occupation, whereas as lone parents are particularly likely to live in social or private rented accommodation.

- 1.30 There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to future demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population – the analysis also models for there to be a modest decrease in levels of under-occupancy (which is notable in the market sector).
- 1.31 In all sectors the analysis points to a particular need for 2-bedroom accommodation, with varying proportions of 1-bedroom and 3+-bedroom homes. For rented affordable housing there is a clear need for a range of different sizes of homes, including 35% to have at least 3-bedrooms. Our recommended mix is set out below:

Table 1.3 Recommended Strategic Mix of Homes

	1-bedroom	2-beds	3-beds	4+-beds
Market	5%	40%	35%	20%
Affordable home ownership	20%	45%	30%	5%
Affordable housing (rented)	35%	35%	20%	10%

- 1.32 The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bedroom properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the

current mix of housing by tenure and also the size requirements shown on the Housing Register.

- 1.33 Given the nature of the area and the needs identified, the analysis suggests that the majority of units should be houses rather than flats although consideration will also need to be given to site specific circumstances (which may in some cases lend themselves to a particular type of development). There is potentially a demand for bungalows, although realistically significant delivery of this type of accommodation may be unlikely. It is however possible that delivery of some bungalows might be particularly attractive to older person households downsizing and may help to release larger (family-sized) accommodation back into family use.

Older and Disabled Persons Housing

- 1.34 A range of data sources and statistics have been accessed to consider the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. The analysis responds to Planning Practice Guidance on Housing for Older and Disabled People published by Government in June 2019 and includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).
- 1.35 The data shows that Breckland has an older age structure and slightly higher levels of disability compared with the national average. The older person population shows high proportions of owner-occupation, and particularly outright owners who may have significant equity in their homes (76% of all older person households are outright owners).
- 1.36 The older person population is projected to increase notably moving forward. An ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2021-46 period include:

- a 51% increase in the population aged 65+ (potentially accounting for around 62% of total population growth);
- an 86% increase in the number of people aged 65+ with dementia and 71% increase in those aged 65+ with mobility problems;
- a need for around 1,700 housing units with support (sheltered/retirement housing) – mostly in the market sector with a current surplus of affordable housing;
- a need for around 1,300 additional housing units with care (e.g. extra-care) – split between market and affordable housing;
- a need for additional nursing care bedspaces but sufficient current supply of residential care bedspaces; and
- a need for 730 dwellings to be for wheelchair users (meeting technical standard M4(3)).

- 1.37 The evidence indicates that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. Given the evidence, the Council could consider (as a start point) requiring all dwellings (in all tenures) to meet the M4(2) standards and around 5% of homes meeting M4(3) – wheelchair user dwellings in the market sector (a higher proportion of around a tenth in the affordable sector).
- 1.38 Where the authority has nomination rights M4(3) would be wheelchair accessible dwellings (constructed for immediate occupation) and in the market sector they should be wheelchair user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user). It should however be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.
- 1.39 In framing policies for the provision of specialist older persons accommodation, the Council will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this the viability of provision). There may also be

some practical issues to consider, such as the ability of any individual development being mixed tenure given the way care and support services are paid for).

Housing Needs of Other Groups

Armed Forces

- 1.40 The most recent Ministry of Defence (MOD) statistics suggest that there are 420 military and civilian MOD personnel stationed in the District. Census data shows that there were 7,500 residents in the District who had previously served in the UK Armed Forces. Annex 2 of the NPPF identifies Military Personnel as Essential Key Workers. Allocations policies for affordable housing should continue to support access for military personnel and veterans to affordable housing.

Self and Custom Build

- 1.41 Evidence regarding Self and Custom Build demand is informed primarily through past delivery and the number of entrants to a Council's Self and Custom Build Housing Register. For Breckland, this register is currently hosted jointly with Kings Lynn and West Norfolk Borough Council. In future years changes to the current arrangements for maintenance of Breckland self and custom build register are expected, and the Council is also considering the implementation of eligibility criteria. This may result in changes to the level of entrants to the Register in future base periods relative to analysis set out in this HEDNA. For the latest up to date position, reference should be made to the Council's published monitoring.
- 1.42 The number of entrants to the self and custom build register generates a duty for the Authority to provide sufficient suitable permissioned plots of land to meet the number of registrations. The statutory requirement for meeting this demand is established on a three year rolling basis; for example, if in 2016 (year 1) there were 100 entrants on the register, the need would be met if 100 plots were permissioned by 2019 (year 3). This requirement rolls forward for each subsequent year.

- 1.43 Notwithstanding the future changes to the Council's Register, at the time of writing there have been a total of 520 entrants to the self and custom build housing register since its introduction in 2016. At October 2023 a total of 333 plots were required to have been permissioned to meet the demand established by the Register. In total, planning approval for 381 plots for self or custom build schemes in the district meets this demand.
- 1.44 The Council has a duty to maintain and secure adequate delivery of serviced plots to meet the demand for self and custom house building. The Council should support the submission and delivery of self-build and custom housebuilding sites, where opportunities for land arise and where such schemes are consistent with other planning policies.

Economic Growth Assessment

- 1.45 The HEDNA has considered economic forecasts to inform consideration of economic growth potential. Oxford Economics expects growth in healthcare, professional, scientific and technical services, and construction; but sees productivity improvements and automation resulting in a contraction in manufacturing employment and employment in transport/warehousing in net terms. Overall employment growth forecast is minimal (+800 jobs to 2046).
- 1.46 Whilst these forecasts take account of macro-economic trends, they do not take into account local factors and as such some adjustments have been made to create an alternative forecast which responds to the wider evidence of growth potential in the local economy. These adjustments are based on consultation with key stakeholders and relevant economic strategy objectives and include:
- Increasing of job growth in Transportation and Storage;
 - Increasing of job growth in Manufacturing; and
 - Lowering of job growth in Accommodation and food services.

- 1.47 The adjustments made focus on supporting growth in higher value economic sectors, supporting wealth creation in the local economy and regeneration objectives. They also respond to infrastructure investment including the dualling of the A47.
- 1.48 This approach results in an Alternative Growth Scenario, reflecting labour demand, for 8,500 jobs to 2046; and to a Labour Supply Scenario which aligns to the standard method and sees 12,400 jobs growth over the 2021-46 plan period. There is a strong basis for taking this forwards to align with the conclusions on employment land provision and support balanced growth in jobs and homes.

Employment Land Requirements

- 1.49 When considering the scale of future needs for employment land, the Planning Practice Guidance (PPG, 2019) requires consideration of:
- sectoral and employment forecasts and projections (labour demand);
 - demographically derived assessments of future employment needs (labour supply techniques); and
 - analysis based on the past take-up of employment land and property and/or future property market requirements.
- 1.50 Labour demand modelling results in a need for between 23,000 – 33,000 sq.m of office space to 2046; and for 144,000 – 281,000 sq.m of industrial and warehousing space. A labour supply scenario, aligned to the standard method housing need shows a need for 40,000 sq.m office and 290,000 sq.m of industrial and warehousing space to 2046.
- 1.51 However the demand for employment space is focused towards industrial floorspace where there is a relatively weak relationship between job changes and space requirements, influenced by improvements in productivity and automation and replacement demand for better quality/ more modern buildings.

- 1.52 The HEDNA concludes that past take-up and completions of employment space provide a more reliable basis for considering future needs. Projections of completions trends show a need for between 14,500 – 51,800 sq.m of office space and between 371,000 – 411,000 sq.m of industrial and warehousing space. This includes a 2 year margin for office space and 5 year margin for industrial.
- 1.53 A ‘stretch’ model is then also provided which considers the potential to support additional growth, in particular taking account of A47 improvements and the role which this could potentially play in stimulating additional demand.

Table 1.4 Completions Forecasts with Margin

	Gross Completions	Net completions
Office	51,805	14,537
Industrial	410,711	371,207
Warehouse		
Mixed B		
Total	462,516	385,744
Total + 20% ‘stretch’	555,019	462,893

Source: Icení analysis of Local Authority data

- 1.54 In addition a scenario is run based on net absorption which points to a lower need (162,000 sq.m). This relates to historical trends in occupied space.
- 1.55 Drawing the evidence together, is recommended that the council plan for **72 to 109 ha of employment land over the plan period to 2046**, with the lower bound produced by the Alternative ‘Growth’ Labour Demand scenario and the upper bound by the gross completions trend. The gross completions trend includes the redevelopment of existing stock and so is considered ambitious. **Taking into account a 20% ‘stretch’ which reflects employment opportunities arising from A47 improvements, the upper bound is 130 ha.**
- 1.56 It is recommended that of this employment land provision, 8.9 – 17.3 ha is for office provision and 70.3 – 91.2 ha is for industrial and warehousing.

Employment Land Supply

- 1.57 Icenl have undertaken visits to approximately 60 sites in the borough including existing general and allocated employment sites as defined in the last local plan. Existing sites that are not defined by any plan policy and sites that have been promoted for new employment development through the most recent Call for Sites.
- 1.58 The written analysis for these sites can be found in as a separate Appendix to this report. Overall 353 ha of available land has been assessed, however this consists of sites that were promoted through the councils call for site as well as existing plan policy sites and allocations and sites not protected by any policy.
- 1.59 Further assessment of each of these sites estimates a current land supply total of 108 ha of land which comprises development potential on existing sits (34.5 ha), on allocated sites (66.3 ha) and other extant planning permissions (7.4 ha). In quantitative terms this is sufficient to meet future development needs, but would not support the 'stretch' provision.

Table 1.5 Demand-Supply Balance (Ha)

	Available supply as assessed and recommended (ha)
Allocated sites	66.3
Existing sites (not specifically allocated)	34.5
Permissions in other areas	7.4
Total Supply	108.2 (inc. 2.9 ha brownfield) +21.0 potential 'stretch' site promoted on A47 at Moorfield 129.2
Demand Range	72.9 - 108.6
Demand Range + '20% stretch'	130.3
Call for sites promoted	231.8 (inc 21ha at Moorfield as above)

- 1.60 The stretch provision represents an upper bound to reflect opportunities presented by A47 infrastructure improvements.
- 1.61 Breckland has a considerable employment supply, one that can meet the most optimistic 'needs' based trend modelling of gross completions. Given ambitions to attract economic growth and onward investment, the authority may see fit to pursue the 'stretch' target and focus additional allocations on the A47 as it benefits from further infrastructure enhancement. This additional employment land need should be met by additional sites at Dereham (and potentially Swaffham).
- 1.62 A range of site have been promoted for further economic growth around Breckland. Whilst these do not appear required to meet the assessed needs, they can be considered on their merits through individual planning applications. Some of this promoted land is in areas where there is already considerable supply (such as Snetterton) whilst there are other areas such as Shipdham Airfield where there may be specific business or cluster needs to consider.

2. Introduction

- 2.1 Breckland District Council adopted a new Local Plan in November 2019. The Plan sets out policies and allocations to meet development needs over the period to 2036. The Inspector examining the last Local Plan found that an early review of the Plan was required in order to consider changes to the national approach for assessing housing needs as well as the latest evidence; and to consider the implications for the Plan's economic strategy arising from the proposed dualling of the A47. The Council has therefore now commenced work on a full update of the Local Plan and needs to prepare updated evidence to inform the development of policies.
- 2.2 The Council has commissioned Icen Projects, supported by Justin Gardner Consulting, to prepare this Housing and Economic Development Needs Assessment (HEDNA). The HEDNA is intended to provide an integrated assessment of housing and economic development needs to 2046 to inform plan-making; whilst there are elements of the analysis – including regarding the need for different types of homes – which are relevant to informing considering of the mix of homes sought on different sites through the decision-making process.

HEDNA Objectives

- 2.3 The HEDNA is intended to provide updated evidence regarding the overall need for housing, and type and mix of housing needed; together with an assessment of the quantity and type of employment land needed to provide robust evidence to inform the Full Update of the Breckland Local Plan.
- 2.4 It has been prepared in accordance with current national policies, set out in the National Planning Policy Framework (NPPF) and associated Planning Practice Guidance (PPG) at the time of its preparation.
- 2.5 Specific objectives of the assessment in relation to housing needs and growth to 2046 are:

- To provide an up-to-date housing mix, type and affordability evidence that identifies the optimum mix of housing and affordable housing requirements as well as the headline need for specialist accommodation set in the context of overall housing requirements.
- Estimate of future households requiring market housing (including a profile of the number of bedrooms, size and type of housing required).
- Estimate of households that will require affordable housing, detailed by number of bedrooms, size and type for each affordable tenure, including:
 - i) Households that will require affordable housing for rent identifying between social rented and affordable rented requirements.
 - ii) Households that will require Shared Ownership/Shared Equity accommodation.
 - iii) Households that will require discounted market sales housing, including a profile of the number of bedrooms, size and type of housing required; and households that will require First Homes.
- Estimate of future households requiring private rented housing, including a profile of the number of bedrooms, size and type of housing required.
- Estimate of future households across all household groups and needs in the District, including:
 - i) Self-Build and Custom-Build,
 - ii) Housing for all types of specialist housing needs including older persons,
 - iii) Housing for Wheelchair Users,
 - iv) Housing for service (or ex-service) personnel.

2.6 Specific objectives in relation to economic needs and growth to 2046 include:

- To provide a baseline assessment of the economic performance and characteristics of the District, and the local and regional economic dynamics; and an overview of Breckland's future employment role across different sectors in light of existing and predicted market strengths and changing economic landscape. Developing an understanding of the scale of opportunity for

economic needs and investment in Breckland taking into account key infrastructure and policy interventions and informed by a sectoral analysis of the strengths and opportunities for growth in the District.

- Review the appropriateness of existing and potential additional employment land and premises within Breckland to meet the future needs of businesses to 2046.

Functional Geographies

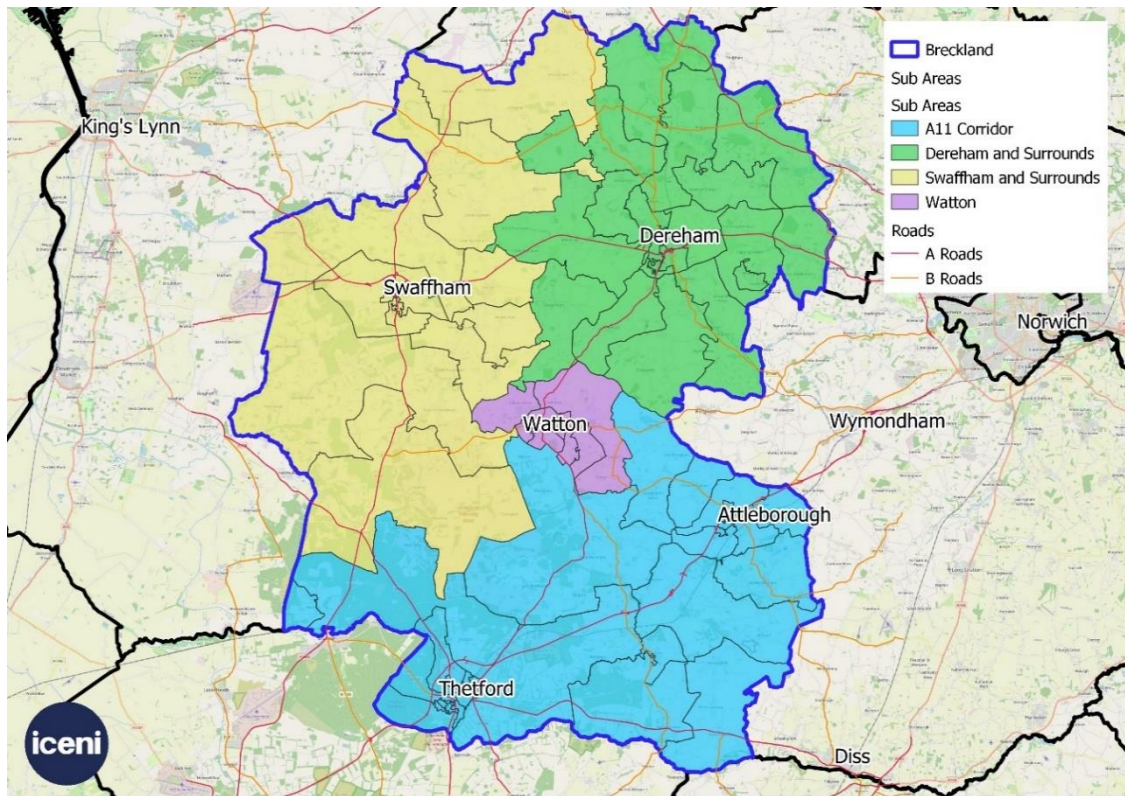
- 2.7 IcenI have sought to identify a series of Housing Market Sub-Areas in the district through analysis of Breckland’s overall Housing Market Area (HMA) and Functional Economic Market Area (FEMA). A detailed version of this analysis can be found in Appendix 2 of this report.
- 2.8 HMA’s are defined as a “geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work.” Through analysis of Migration Flows, House Prices, Travel to Work Areas IcenI consider that the current definition of the Breckland’s HMA remains reasonable. As such much of Breckland is considered to lie within the Central Norfolk HMA which contains Breckland as well as Broadland, Norwich, South Norfolk, and North Norfolk. The extent of the Central Norfolk HMA can be seen in the figure below.

Figure 2.1 Central Norfolk HMA



Source: Central Norfolk HMA Strategic Housing Market Assessment (2015)

- 2.9 Icenic have also undertaken analysis of the FEMA taking into account; administrative areas, transportation, health services, the New Anglia Local Enterprise Partnership, cultural and social facilities, retail services and the flow of goods. This analysis indicates that the FEMA largely matches that of the HMA.
- 2.10 The FEMA analysis as well as investigation into the distribution and composition of housing stock and property prices has identified four sub-areas within the district. These sub-areas are built up from Lower Layer Super Output Areas within and are shown in the Figure below.

Figure 2.2 Breckland Sub-Areas

Source: Icenii

Report Structure

2.11 This report is prepared as a “**draft for discussion.**” The remainder of the report is structured as follows:

Part 1: Understanding Breckland

- Section 2: Economic Baseline
- Section 3: Housing Stock
- Section 4: Housing Market Dynamics
- Section 5: Commercial Market Review
- Section 6: Business Survey and Stakeholder Engagement

Part 2: Future Housing Needs

- Section 8: Overall Housing Needs
- Section 9: Affordable Housing Need
- Section 10: Housing Mix
- Section 11: Older & Disabled Persons Housing Needs
- Section 12: Housing Needs of Other Groups

Part 3: Employment Land Needs

- Section 13: Economic Growth Assessment
- Section 14: Employment Land Requirements
- Section 15: Employment Land Supply
- Section 16: Supply-Demand Balance

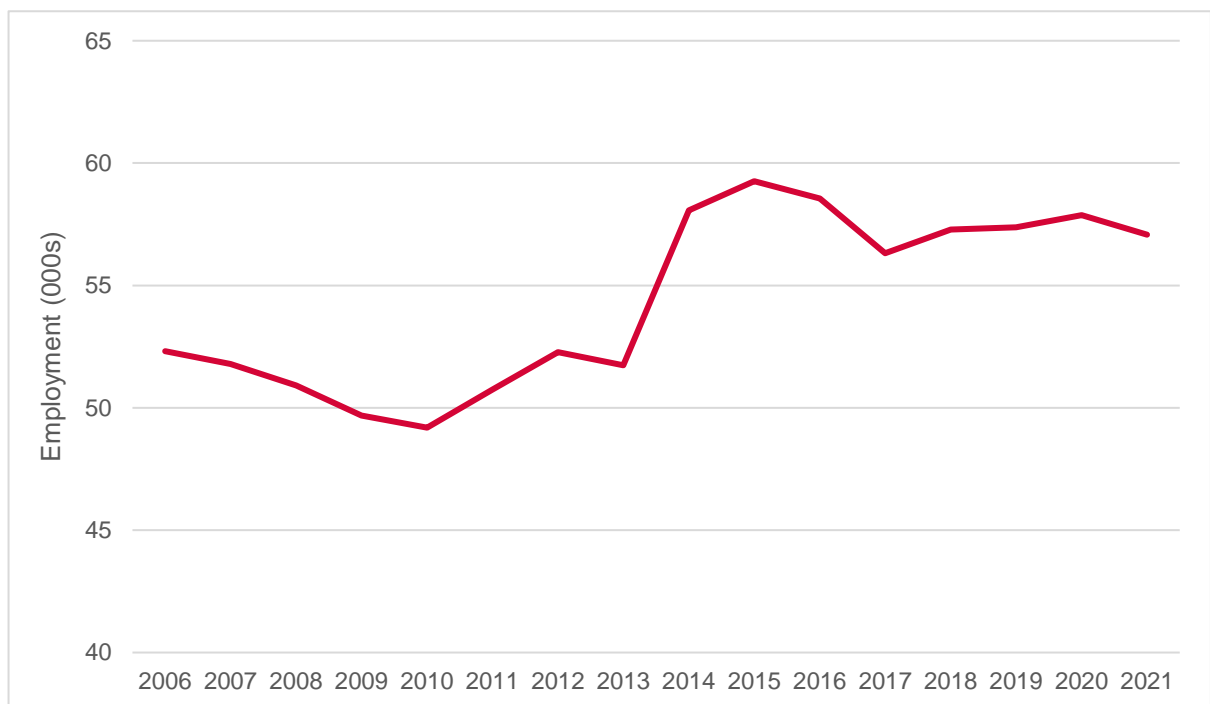
3. Economic Baseline

- 3.1 This section provides an overview of Breckland's economy in relation to the wider FEMA Area, the East of England region and England as a whole (or Great Britain in some instances). It draws on a wide range of data from the Office for National Statistics (ONS).

Total Employment

- 3.2 The graph below shows employment in Breckland over the past 15 years. As of 2021, there were 57,070 jobs in Breckland. Employment grew strongly between 2010 and 2015, seeing a growth of 10,070 jobs, equal to 2,000 jobs per annum and an average annual growth of 4.1%. From 2015 to 2017, employment declined from a peak of 59,260 by nearly 3,000. This was driven by a decline in Administrative and support jobs (-3,310 jobs). Since 2017, employment has remained stable at an average of 57,200 jobs.

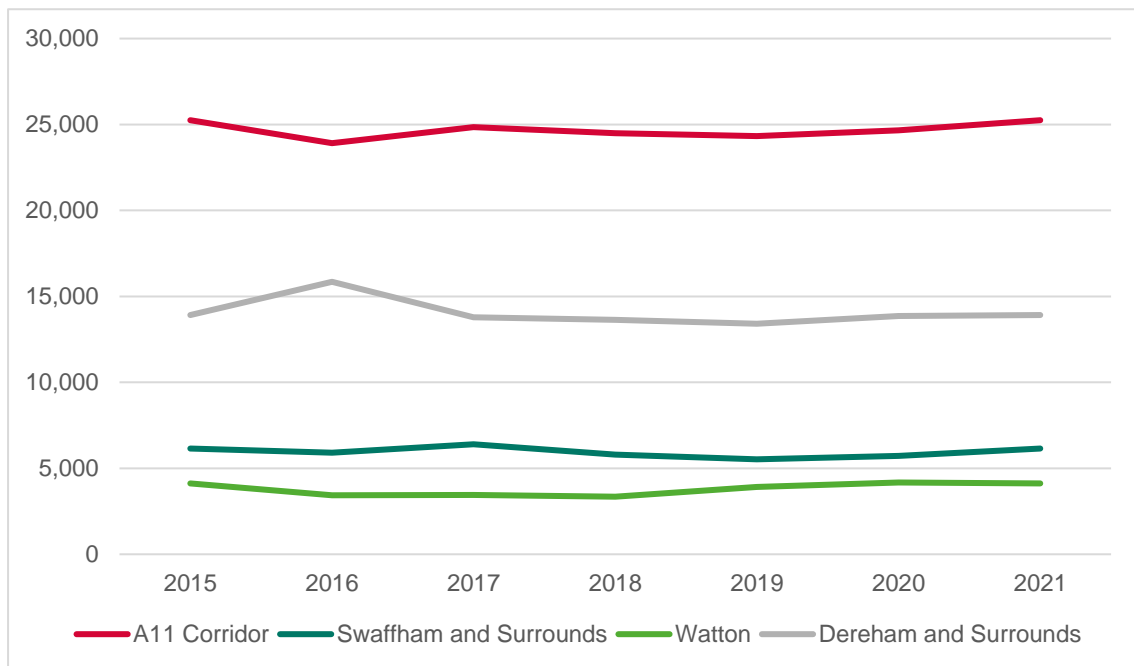
Figure 3.1 Total Employment – Breckland



Source: Oxford Economics (2023)

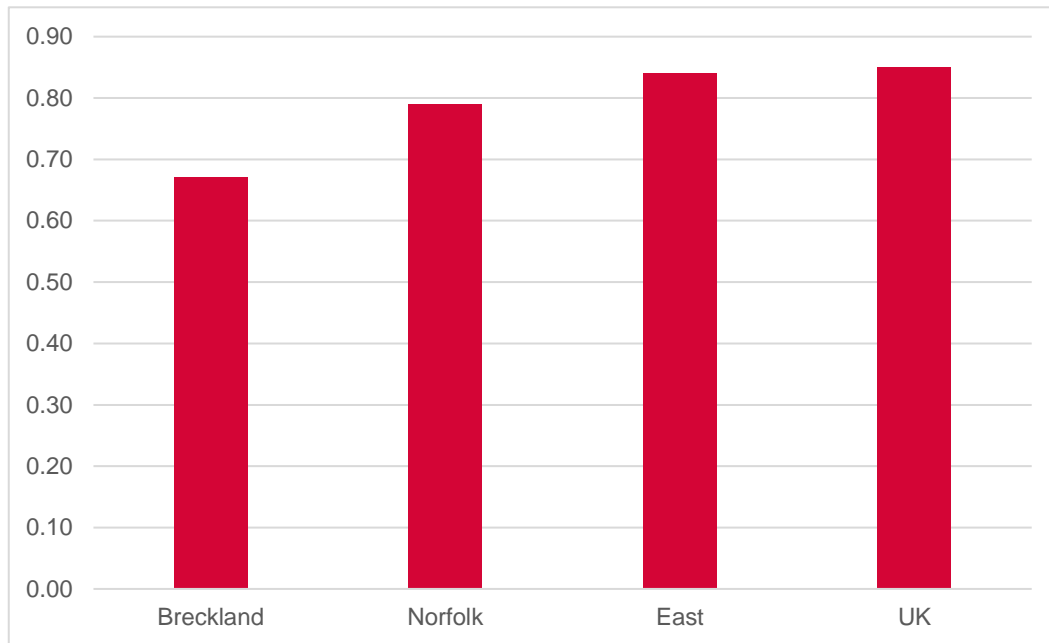
- 3.3 The graph below shows employment by sub-area since 2015. A majority of jobs are within the A11 Corridor – as of 2021 there were 25,250 jobs (51.1%). This is followed by Dereham and Surrounds of which 28.2% of jobs are located, translating to 13,920. Swaffham and Surrounds and Watton have minimal employment with just 12.4% and 8.3% of the district’s jobs. Over time employment in each sub area has remained fairly constant

Figure 3.2 Employment by Sub-Area



Source: BRES 2021

- 3.4 The graph below shows jobs density (the number of jobs per resident of working age) in Breckland in comparison to Norfolk, the East and the UK. As of 2021, Breckland had a jobs density of 0.67, much below Norfolk (0.79), the East (0.84) and the UK (0.85). This indicates that Breckland has a higher proportion of their population who do not work (dependants, retired etc).

Figure 3.3 Jobs Density

Source: Jobs Density (2021)

Sectoral Structure

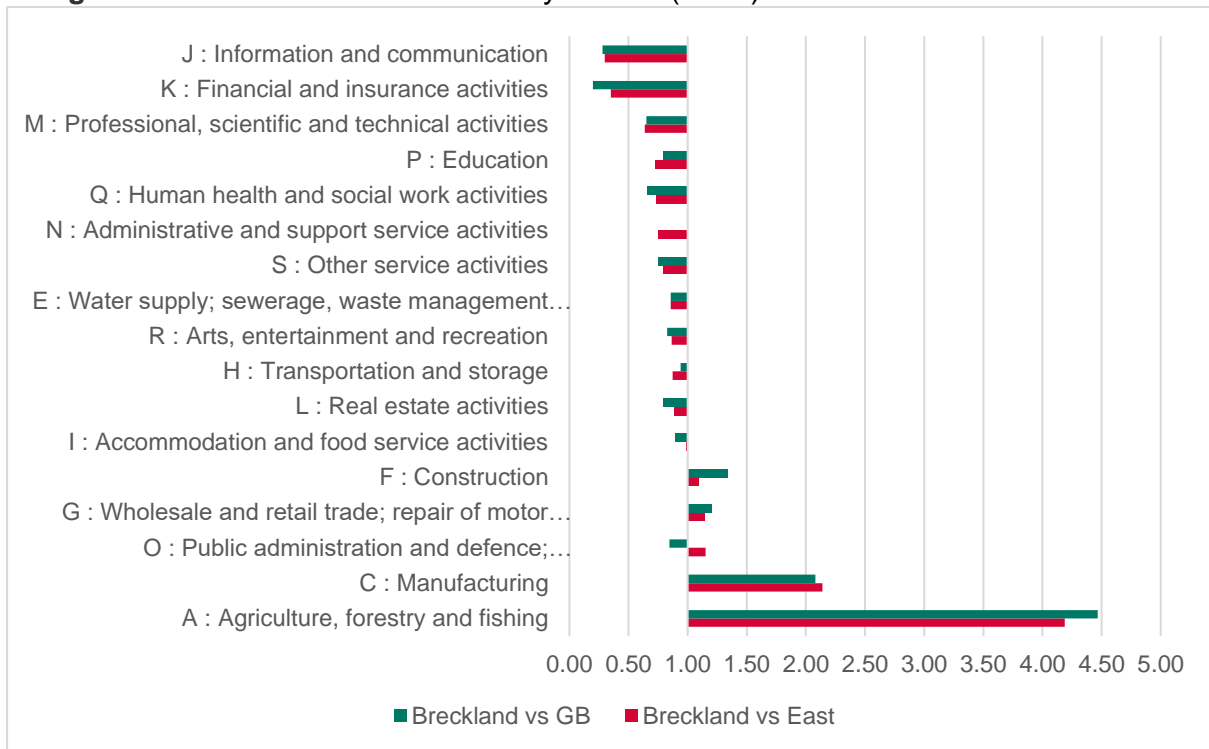
- 3.5 Table 3.1 shows the split of employees by sector in Breckland. It can be seen that wholesale and retail is the largest sector in Breckland with 17.3% of employment, closely followed by manufacturing with 15.4% of employment. Admin and support services and Health and care are the next largest sectors, making up 8.7% of employment each. Breckland's agricultural sector makes up 6.7% of employment recorded by BRES in the District but is known to under-record agricultural employment.

Table 3.1 Employee Jobs by Sector, Breckland vs the East and Great Britain

	Employment	(%)
Agriculture	3,500	6.7
Mining and Quarrying	5	0.0
Manufacturing	8,000	15.4
Utilities	10	0.0
Water	300	0.6
Construction	3,500	6.7
Wholesale And Retail	9,000	17.3
Transportation and Storage	2,500	4.8
Hospitality	3,500	6.7
Information and Communications	600	1.2
Financial and Insurance	350	0.7
Real Estate	800	1.5
Professional, Scientific And Technical	3,000	5.8
Admin and Support Service Activities	4,500	8.7
Public Admin And Defence	2,000	3.8
Education	3,500	6.7
Health Care And Social Work	4,500	8.7
Arts, Entertainments And Recreation	1,000	1.9
Other Services	800	1.5
Total	51,365	

Source: Icen analysis of ONS Business Register and Employment Survey (2021)

- 3.6 The figure below shows the location quotient for jobs by sector. A location quotient (LQ) compares Breckland's sector employment to the East and Great Britain (% employees in Breckland divided by % employees across East and GB).
- 3.7 Breckland has a higher proportion of employment in Agriculture, with an LQ of over 4. In addition, Breckland has a higher proportion of employment in manufacturing, with a location quotient of approximately 2.1. Within this key sub-sectors include food manufacturing which accommodates around 3,900 jobs across the District, with over 2,000 in the poultry sector. Other sectors which have an above average representation include construction and wholesale/retail.
- 3.8 Breckland has a lower proportion of employment in typically higher-value service sectors – such as Information and communication; Financial and insurance activities; and Professional, scientific and technical activities. The low representation of these sectors feeds into lower average earnings.

Figure 3.4 Location Quotient Jobs by Sector (2021)

Source: BRES (2021)

- 3.9 The table below shows the change in employment by sector for the past 10 and 20 years. Over the past decade **Administrative and support services** saw the highest change in jobs with a growth of 2,500 jobs and an average annual growth of 9.3% pa. High growth in this sector can also be seen over the past 20 years (6.6% pa).
- 3.10 There has been employment growth in high value sectors with a gain of 1,360 jobs in **Professional, scientific and technical services** and 300 jobs in **Information and communications** over the past 10 years, translating to an average annual growth of 4.6% and 10% respectively.
- 3.11 Between 2011-2021 other growing sectors include Accommodation and food services (+1,120 jobs), Construction (+600 jobs) and Public administration and defence (+610 jobs). These sectors all saw a similar growth rate 2001-2021 and 2011-2021.
- 3.12 Transport and storage experienced a loss of 440 jobs, declining by -1.4% on average annually; and Agriculture, forestry and fishery declined by 300 jobs, despite both seeing some long-term growth looking back the past 20 years. Other

service activities (-260 jobs) and Water supply (-110 jobs) also saw losses in employment over the past decade, following the 20-year trend.

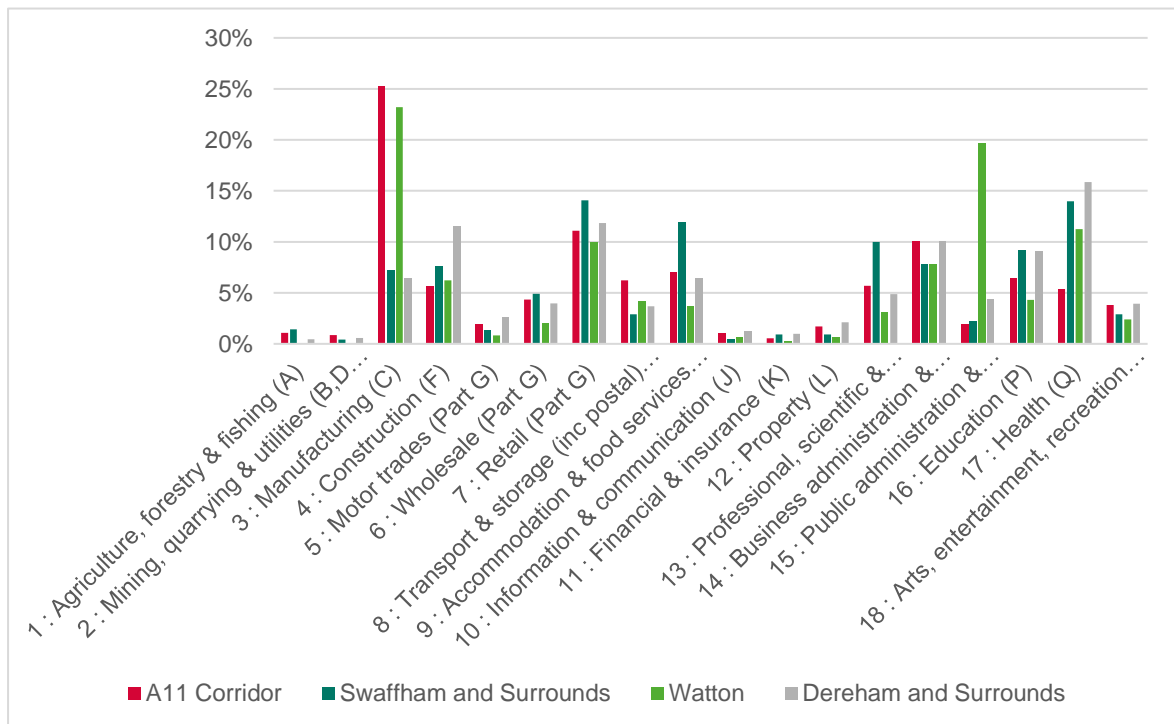
Figure 3.5 Jobs by Sector ('000s) and Average Annual Growth Rate

Total employment ('000s)	2001	2011	2021	10-year average change	20-year average change
Accommodation and food service	1.84	2.37	3.49	4.7%	4.5%
Administrative and support	2.23	2.68	5.18	9.3%	6.6%
Agriculture, forestry and fishing	2.6	3.26	2.96	-0.9%	0.7%
Arts, entertainment and rec.	1.04	1.28	1.4	0.9%	1.7%
Water supply	0.28	0.49	0.38	-2.2%	1.8%
Electricity, gas, steam and air	0	0.04	0.01	-7.5%	-
Financial and insurance	0.66	0.49	0.42	-1.4%	-1.8%
Human health and social work	4.48	4.88	5.3	0.9%	0.9%
Information and communication	0.3	0.32	0.64	10.0%	5.7%
Manufacturing - Total	11.27	8.3	8.56	0.3%	-1.2%
Mining and quarrying	0.08	0.03	0.01	-6.7%	-4.4%
Other service activities	1.52	1.55	1.26	-1.9%	-0.9%
Education	3.06	3.79	3.76	-0.1%	1.1%
Professional, scientific and tech	2.17	2.41	3.53	4.6%	3.1%
Public administration and defence	1.94	2.02	2.55	2.6%	1.6%
Real estate activities	0.64	0.58	0.86	4.8%	1.7%
Transportation and storage	2.4	3.2	2.76	-1.4%	0.8%
Construction	4.05	4.23	4.83	1.4%	1.0%
Wholesale and retail trade	8.63	8.8	9.17	0.4%	0.3%
Total	49.18	50.74	57.07	1.2%	0.8%

Source: Oxford Economics (2021)

3.13 The graph below shows the percentage of total sub-area employment by sector. The A11 Corridor and Watton have the highest proportion of their employment in Manufacturing (25% and 23% respectively). Watton also has a high proportion of employment in Public administration and defence (20%), attributing to 820 jobs. Swaffham and Surrounds sees the greatest employment in Health and Retail with 14% of its employment in each (845 jobs). This is closely followed by Accommodation and food services which contributes 12% of jobs. Dereham and Surrounds has a high proportion of its employment in Health (16% equivalent to 2,175 jobs), closely followed by Construction and Retail which make up 12% of employment each (1,580 jobs).

Figure 3.6 Percentage of Sub-Area Employment by Sector



Source: Icen Analysis of BRES (2021)

Business Sector Composition, Sizes, Formation and Survival

3.14 Data from the Inter-Departmental Business Register (IDBR) indicates that there are 272,695 enterprises, operating across the East of England in 2022, however this data does not capture businesses with a turnover below the VAT threshold. Data from the Department for Business, Energy and Industrial Strategy (BEIS),

which is not available at Local Authority level, provides a more accurate estimate of business numbers. It shows that there were in fact 542,895 private sector enterprises across the East of England at the start of 2022.

- 3.15 According to the IDBR data, there are 5,155 enterprises operating in Breckland. Based on the East of England ratio of IDBR to BEIS private enterprises, there are estimated to be around 10,300 private enterprises in Breckland.
- 3.16 The table below shows the percentage split of enterprises in Breckland (and the East of England and England) by broad industry group with the largest section first. It can be seen that the largest section in Breckland is Construction, followed by Agriculture (whereby Breckland performs strongly compared to the comparator areas); Professional, scientific and technical and Business administration and support services.
- 3.17 LQ analysis of all enterprises shows that Breckland has four key sectoral strengths: Agriculture, forestry and fishing; Manufacturing; Construction and Motor trades.

Table 3.2 Percentage of Enterprises by Broad Industry Group

	Breckland (No. of Business es)	Breckland	East	UK
41-43 : Construction	775	15.0%	17.0%	13.5%
01-03 : Agriculture, forestry & fishing	660	12.8%	4.0%	5.1%
69-75 : Professional, scientific & technical	575	11.2%	15.2%	15.6%
77-82 : Business administration & support services	415	8.1%	8.5%	8.3%
05-39 : Manufacturing	405	7.9%	5.7%	5.6%
47 : Retail	360	7.0%	6.8%	8.1%
90-99 : Arts, entertainment, recreation & other services	290	5.6%	6.0%	6.5%
55-56 : Accommodation & food services	270	5.2%	5.3%	6.3%
49-53 : Transport & Storage (inc postal)	265	5.1%	5.7%	5.0%
46 : Wholesale	225	4.4%	3.9%	3.9%
45 : Motor trades	215	4.2%	3.4%	2.9%
58-63 : Information & communication	165	3.2%	6.9%	7.1%
86-88 : Health	155	3.0%	3.6%	3.8%
68 : Property	140	2.7%	3.8%	4.0%
85 : Education	90	1.7%	1.8%	1.7%
64-66 : Finance & insurance	80	1.6%	1.9%	2.2%
84 : Public administration & defence	70	1.4%	0.5%	0.3%

Source: IDBR (2022)

- 3.18 Table 3.3 shows the split of enterprises in Breckland by size compared to the FEMA (Breckland, Broadland, North Norfolk, South Norfolk and Norwich), East and England as a whole. The differences are that Breckland has a slightly lower proportion of micro enterprises than the East and England but a higher proportion than the FEMA. Breckland has a greater number of small and medium enterprises than the East and England but less than the FEMA. In addition, Breckland only has 15 large enterprises and a lower proportion than all comparator areas.

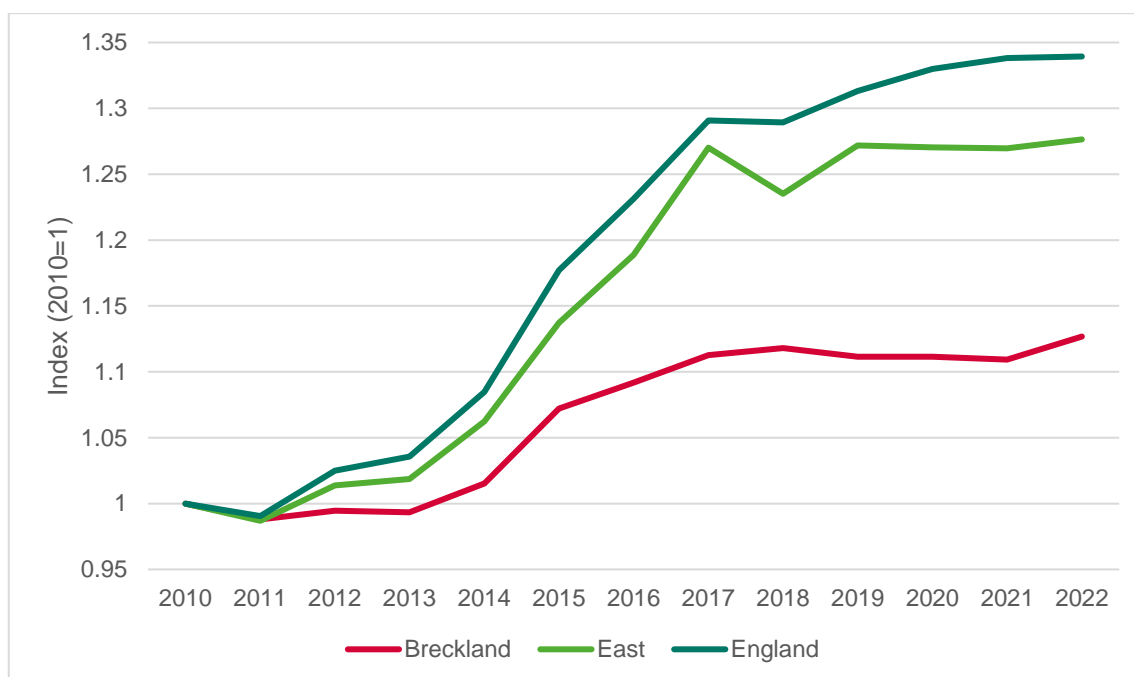
Table 3.3 Split of Enterprises by Size, Breckland vs the FEMA, East and England

	Breckland (no.)	Breckland	FEMA	East	England
Micro (0 to 9 employees)	4,580	88.85%	88.45%	89.97%	89.59%
Small (10 to 49)	460	8.92%	9.50%	8.22%	8.51%
Medium-sized (50 to 249)	100	1.94%	1.69%	1.46%	1.52%
Large (250+)	15	0.29%	0.36%	0.35%	0.39%

Source: ONS, IDBR (2022)

- 3.19 Figure 3.7 shows the indexed rate of change in the number of enterprises in Breckland compared to the East and England as a whole between 2010 and 2022. It can be seen that the rate of enterprise growth in Breckland was much slower than the wider comparator areas (although, as explored below, survival rates are relatively high). Since 2017, enterprise growth in Breckland has flattened off; a similar trend occurred in the East of England region.

Figure 3.7 Indexed Enterprise Growth, Breckland vs the East and England



Source: IcenI analysis of ONS, IDBR data

- 3.20 Table 3.3 shows business survival rates in Breckland compared to the East and England between 2016 and 2020. **This data strongly indicates that new start businesses in Breckland tend to do well and survive.** However levels of starts have evidently been below wider benchmarks.

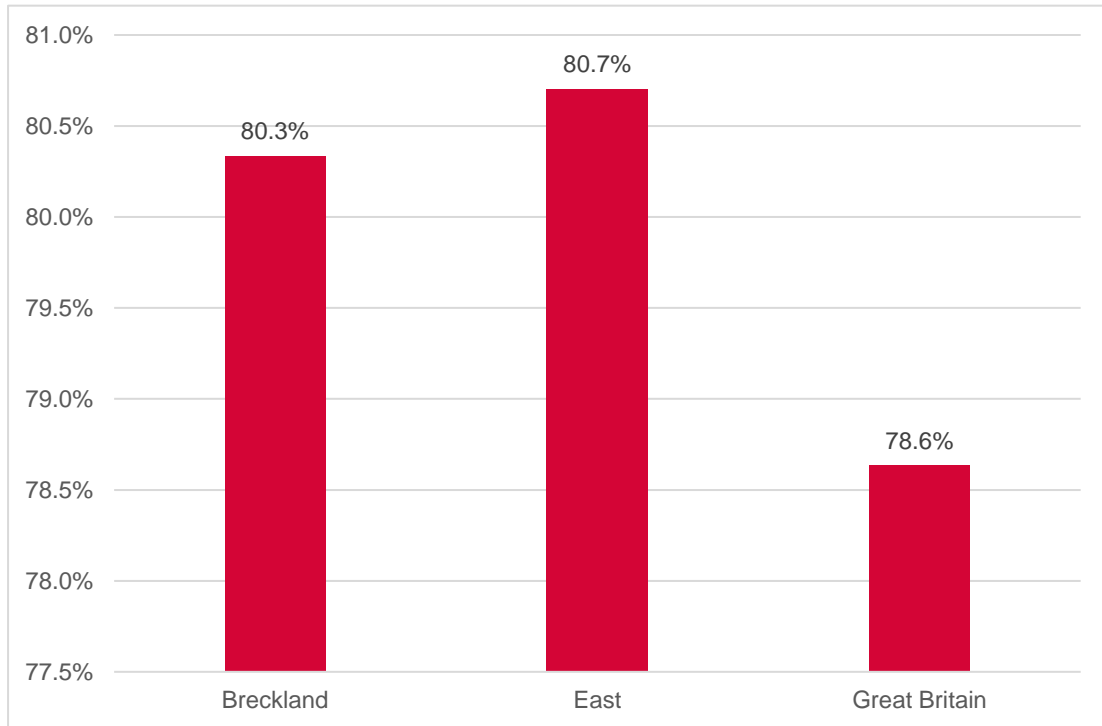
Table 3.4 Business Survival Rates, Breckland vs the East and England

Survived at least...	Breckland	East	England
1 year - Born 2020	95.2%	93.7%	92.9%
2 years - Born 2019	75.0%	76.6%	74.5%
3 years - Born 2018	63.5%	58.0%	57.5%
4 years - Born 2017	52.0%	45.2%	45.7%
5 years - Born 2016	44.8%	33.9%	38.0%

Source: ONS, IDBR

Labour Market

- 3.21 A key measure of an area's labour force is the percentage of economically active people in the population. This is defined as those 16-64 years old in employment plus those who are unemployed (seeking work). A three year average has been used due to survey nature of the data which generates some year-on-year volatility. The economic activity rate in Breckland is 80.3%, slightly lower than the East of England at 80.7%, but higher than Great Britain at 78.6%.

Figure 3.8 Economic activity rate, 3 year average (2019-2022)

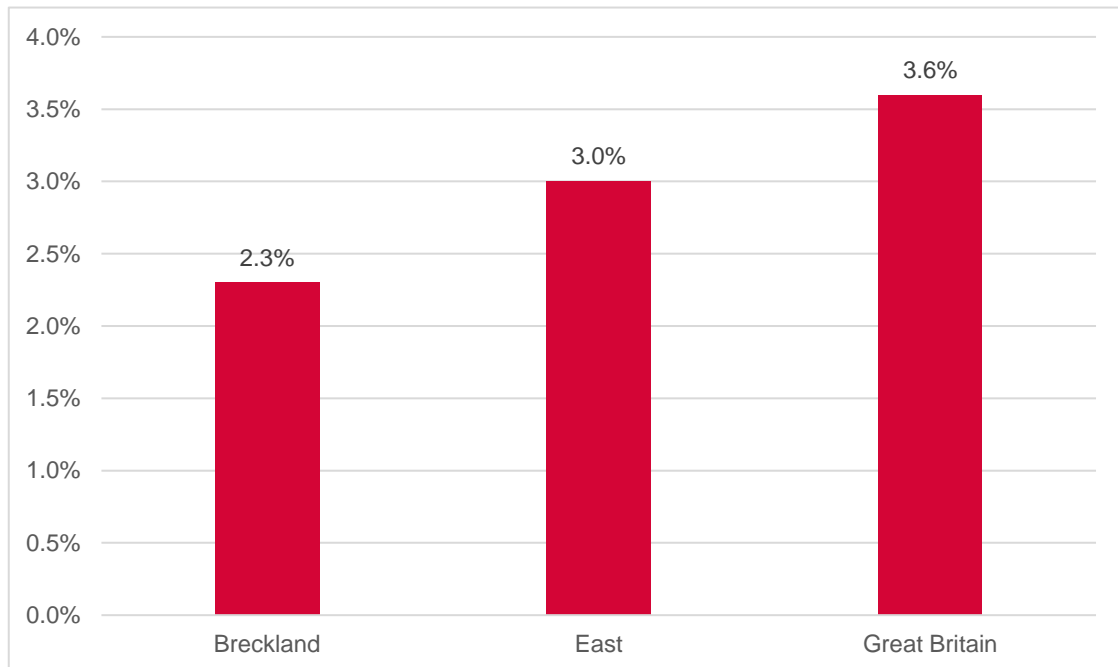
Source: ONS, Annual Population Survey

3.22

The headline measure of unemployment for the UK is the percentage of the economically active population aged 16 and over, which is presented in Figure 3.9. At 2.3%, Breckland has a lower unemployment rate than the East (3.0%) and Great Britain (3.6%). These estimates are in line with most recent data from the Annual Population Survey (October 2021-December 2022) which record the

unemployment rate for Breckland at 2.4%, 2.8% for the East and 3.7% for Great Britain

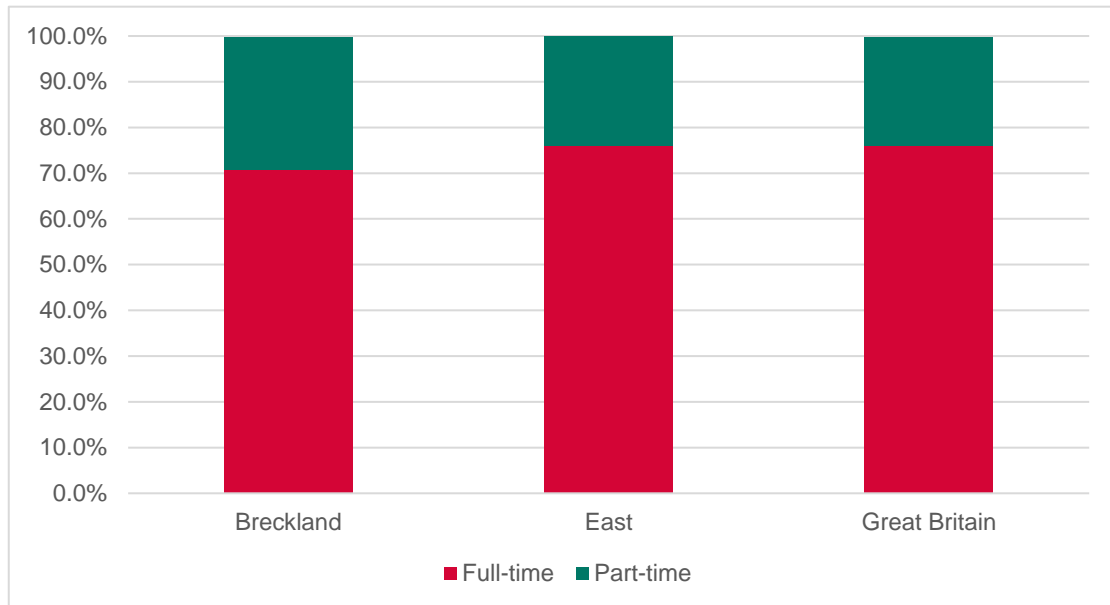
Figure 3.9 Unemployment rate, April 2022 – March 2023



Source: ONS, Model-based Estimates of Unemployment (2023)

- 3.23 The figure below shows the percentage split between full and part time workers out of all employed (aged 16-64). Breckland has a higher ratio of part-time workers (29.0%) compared to the East (23.9%) and Great Britain (23.6%). Whilst Breckland has a lower rate of unemployment than comparator areas, higher levels of part time work can indicate under-employment and as a result the labour force is being under-utilised.

Figure 3.10 Percentage split full/part-time of employed aged 16-64 (April 2022-March 2023)



Source: Annual Population Survey (2023)

- 3.24 The table below shows the proportion of employees that work part-time by sector in Breckland, the East and Great Britain. A significantly higher proportion of employees are part-time in the Arts, entertainment, recreation and other services sector at 60% compared to 51% in the East and 46% across Great Britain. In addition, there is a higher proportion of part-time employees in Health; Property; Financial and insurance; and Information and communication.

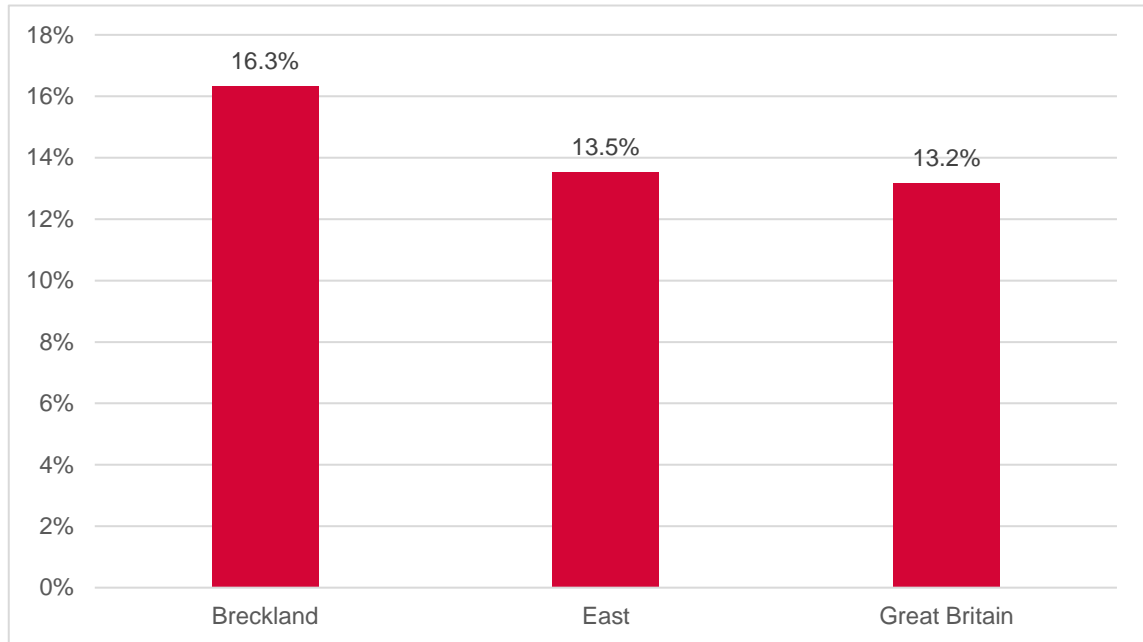
Table 3.5 Part-time Employment by Sector

Sector	Breckland	East	Great Britain
Arts, entertainment, recreation & other services (R,S,T and U)	60%	51%	46%
Retail (Part G)	58%	59%	58%
Accommodation & food services (I)	57%	61%	58%
Education (P)	50%	48%	44%
Health (Q)	50%	42%	42%
Property (L)	43%	30%	27%
Information & communication (J)	29%	21%	14%
Financial & insurance (K)	29%	20%	14%
Professional, scientific & technical (M)	23%	24%	19%
Public administration & defence (O)	23%	27%	22%
Business administration & support services (N)	22%	27%	32%
Transport & storage (inc postal) (H)	18%	18%	17%
Agriculture, forestry & fishing (A)	18%	18%	25%
Construction (F)	14%	19%	16%
Motor trades (Part G)	14%	15%	16%
Manufacturing (C)	10%	9%	9%
Wholesale (Part G)	9%	11%	14%
Mining, quarrying & utilities (B,D and E)	5%	6%	8%

Source: BRES (2021)

- 3.25 The figure below shows the proportion of self-employment within total employment in Breckland, the East and Great Britain. Breckland has a higher proportion of self-employment than the comparator areas, at 16.3%, compared to 13.5% and 13.2% for the East and Great Britain respectively.

Table 3.6 Percentage of self-employed employment, January-December 2022

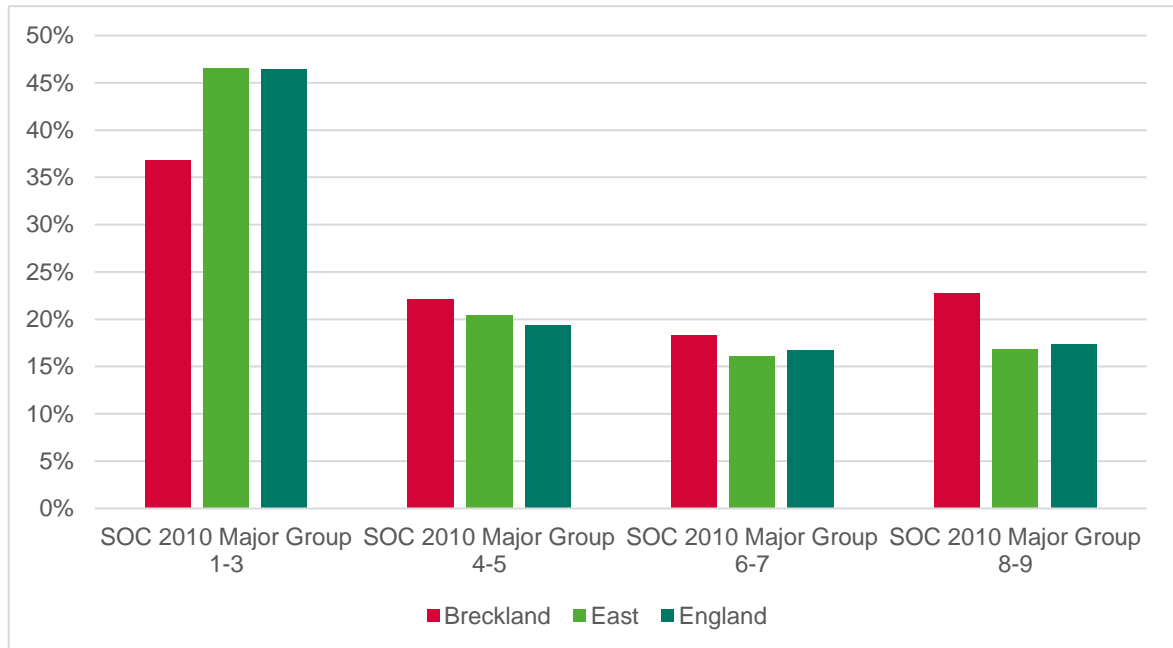


Source: Annual population survey (2022)

Skills and Qualifications

- 3.26 The figure below shows that Breckland has a significantly lower percentage of its population in the top three occupation groups (managers, professionals and technical roles) than the East of England and England.
- 3.27 As a result, Breckland has a higher percentage of its population in all of the other occupational groups, but most prominently the bottom two (22.7% compared to 17.4% and 16.8% for the East and England respectively) which accounts for Process Plant & Machine Operatives and Elementary Occupations. This high level of lower-level occupations is linked to the low average wage levels explored in more detail further below.

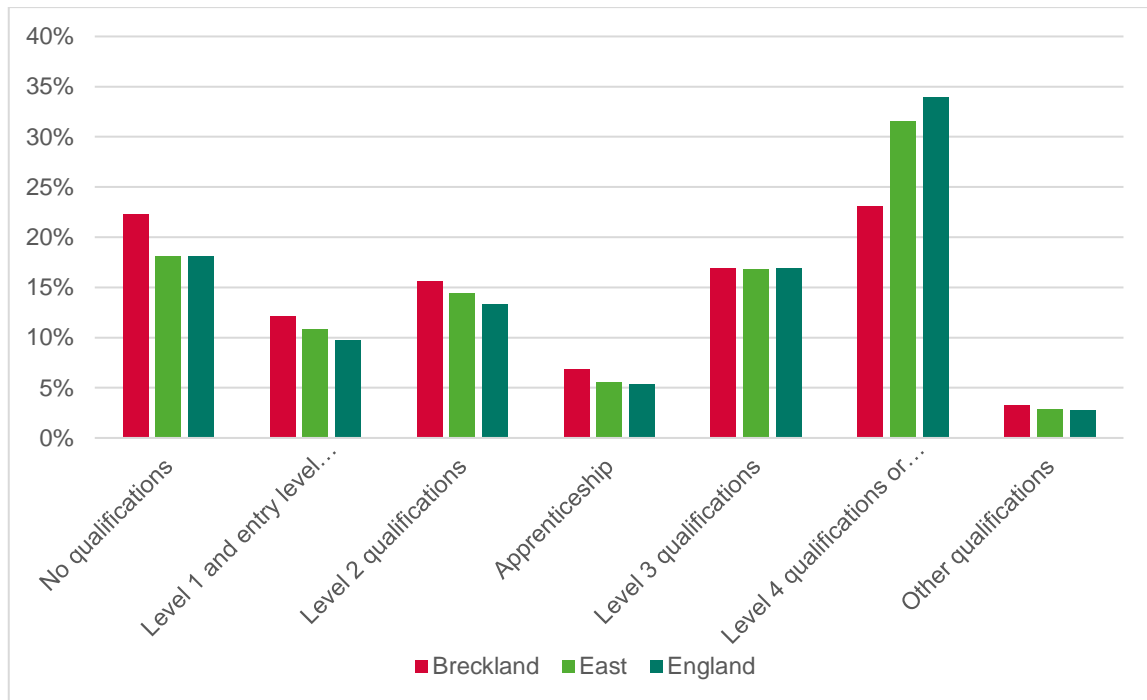
Figure 3.11 Figure 11.4 Occupation Level², 2021



Source: Census (2021)

3.28 The disparities in occupational levels can be closely tied with levels of educational attainment. Breckland’s working age population has less degree-educated workers (Level 4) than the wider comparator areas. It also has a higher proportion of its population with lower level qualifications (1 and 2) and a significant higher proportion without any qualifications compared to the East and England. Shortages of high-level skills creates a barrier to attracting and retaining high skill/ high wage employment.

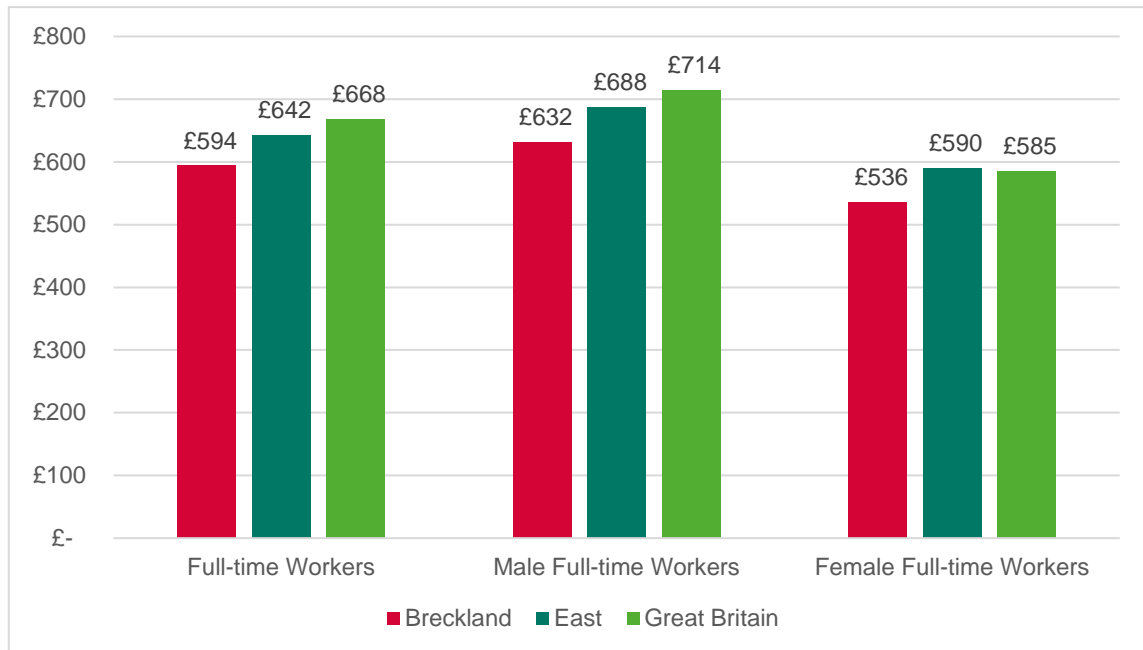
² 1 = Managers, Directors & Senior Officials, 2 = Professional Occupations, 3 = Associate Prof & Tech, 4 = Admin & Secretarial, 5 = Skilled Trades, 6 = Caring, Leisure and Other Services, 7 = Sales & Customer Services 8 = Process Plant & Machine Operatives, 9 = Elementary Occupations

Figure 3.12 Highest level of educational attainment, 2021

Source: Census (2021)

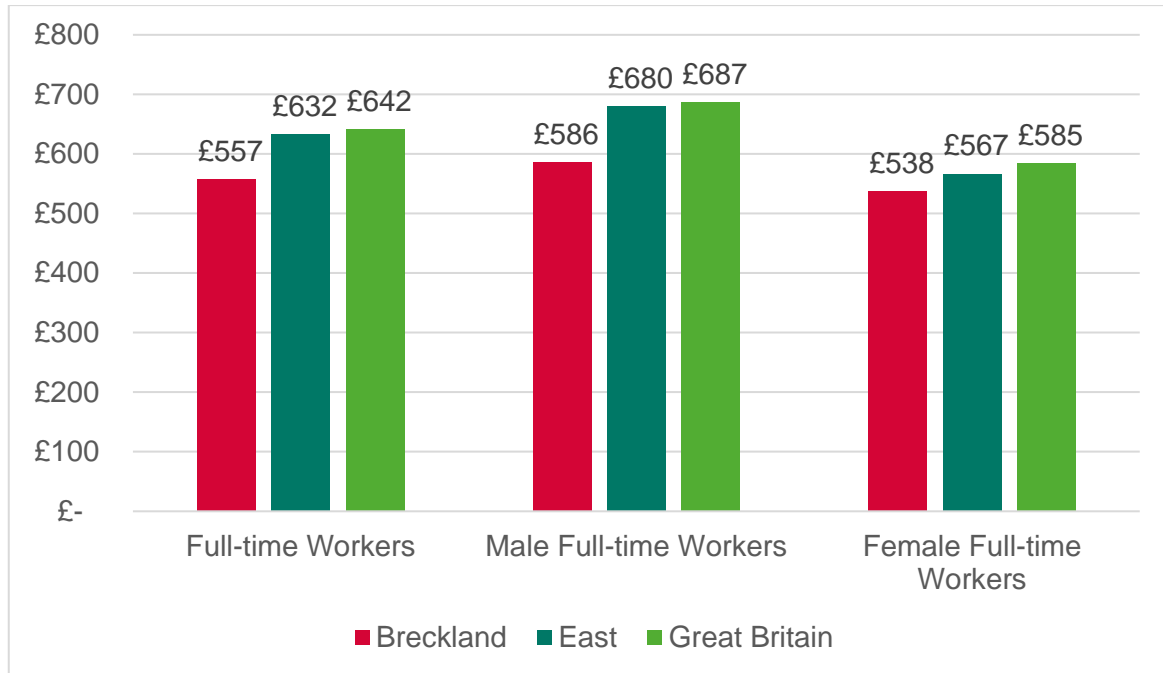
Earnings and Productivity

3.29 Higher than average levels of employment in the lower occupational levels and low levels of educational attainment feed into lower earnings for those living in Breckland, in comparison to the East and Great Britain. Median gross earnings for residents working full-time in 2022 stood at £593.70 per week for Breckland, this is 8.2% below the average for the East and 12.4% below the national average. There is a large differential between male and female residents' earnings, with men earning an average of 17.9% more than women (£96 per week).

Figure 3.13 Median Gross Weekly Residence Based Earnings, 2022

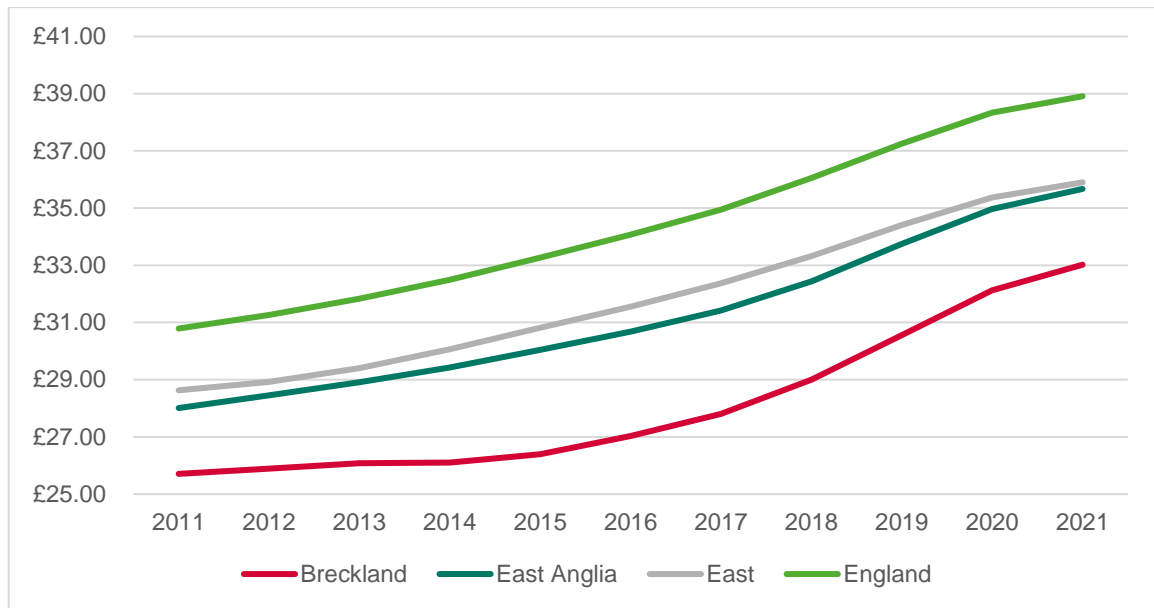
Source: ONS, Annual Survey of Hours and Earnings

- 3.30 While still lower than the wider comparator areas, those working in Breckland, on average earn less than those living in Breckland. This suggests that a portion of the population are commuting out to higher paid jobs. According to table 8.18, 23,227 residents commute out of Breckland; Travel to Work Areas in Breckland are Norwich, Kings Lynn and Thetford. Full time workers working in Breckland earn on average £557 a week compared to those living in Breckland earning an average of £632. Full-time workers in Breckland earn 13.5% less than those working in the East and 15.2% less than the national average. Again there is a large differential between male and female full-time earnings.

Figure 3.14 Median Gross Weekly Workplace Based Earnings, 2022

Source: ONS, Annual Survey of Hours and Earnings

- 3.31 Figure 4.6 shows that GVA per hour worked has been lower in Breckland than East Anglia, the East and much lower than England over the past decade indicating a lower level of productivity, which is attributed to by the under-representation of higher value, service-orientated sectors. In 2021 GVA per hour worked in Breckland was £33.02, 8% lower than the East and 15.1% below the national average.

Figure 3.15 GVA Per Hour Worked (Smoothed), 2021

Source: ONS Subregional Productivity

Local Economy SWOT Analysis

- 3.32 We have sought to bring the baseline analysis together to identify key issues for the Breckland economy. Table 3.7 summarises the Strength, Weaknesses, Opportunities and Threats for Breckland's local economy.

Table 3.7 SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • High business survival rates • Growing and strong manufacturing sector. • Low unemployment rate • Greater presence of medium and large businesses than comparator areas. • Recent employment growth in higher value sectors – professional, scientific and tech • Employment growth in the tourism sector 	<ul style="list-style-type: none"> • Lower levels of NVQ4+ educational attainment than comparator areas. • Low levels of labour productivity. • Low resident and worker earnings. • Low economic activity rate • Prevalence of lower skilled employment. • Underrepresentation of employment and low jobs density • Lack of grow on space for start ups.
Opportunities	Threats
<ul style="list-style-type: none"> • To build on a strong manufacturing sector through growth and/or innovation (e.g. a shift to more productive types of manufacturing) and provision of new employment space. • Potential to increase resident earnings through improved training and education enabling them to access well-paid employment in the Borough. • Attract investment and growth in digital, life sciences, agri-tech and renewable energy through the Cambridge-Norwich Tech Corridor • Increased home-working offers opportunity to attract high value, high skilled employees from urban areas and provide an improved lifestyle 	<ul style="list-style-type: none"> • Challenging business environment (high energy costs, general inflation and potential reduced spending) may lead to a reduction in business survival rates. • Loss of overall employment in the past 5 years.

4. Housing Stock

- 4.1 This section of the report considers the existing housing stock in Breckland, neighbouring authorities, the Central Norfolk HMA, the East of England region and England overall.
- 4.2 Of the HMA authorities South Norfolk sees the highest percentage change in dwellings between 2011 and 2021 this is followed by Breckland at 10%, this exceeds the England and region growth levels of 8.5% and 9% respectively. The percentage change in Breckland matches that of the HMA average.

Table 4.1 Number of Dwellings

Area	2011	2021	Net Change	% change
Breckland	57,425	63,154	5,729	10.0%
Norwich	63,313	67,624	4,311	6.8%
Broadland	54,860	59,870	5,010	9.1%
South Norfolk	54,617	63,849	9,232	16.9%
North Norfolk	53,224	56,680	3,456	6.5%
Central Norfolk HMA	283,439	311,177	27,738	10%
East of England	2,531,907	2,762,294	230,387	9%
England	22,976,066	24,927,591	1,944,934	8.5%

Source: Census 2011 and 2021

- 4.3 When split by sub area it can be seen that the A11 corridor has the highest number of dwellings overall and accounts for 36% of the Breckland dwelling stock. Given that this sub area contains two larger settlements, Thetford and Attleborough, this can be expected. Dereham sees the next highest proportion of dwellings followed by Swaffham, Watton sees the lowest.

Table 4.2 Number of Dwellings (sub-area)

Area	2021	% of total dwellings
A11 Corridor	24,899	39.4%
Dereham and Surrounds	20,112	31.8%
Swaffham and Surrounds	11,576	18.3%
Watton	6,567	10.4%

Source: Census 2011 and 2021

- 4.4 Looking at the change in dwellings from 2011 to 2021 it can be seen that although the A11 Corridor sees the highest total increase in dwellings, this is less in percentage terms, potentially a factor of a higher starting point. Dereham and Surrounds which is the next largest sub-area saw much less development in this period only just exceeding the number of new homes in Swaffham and Watton. Largely this indicates that much of the new development in the district has been focused towards the south in the A11 corridor and Watton, instead of the north in Swaffham and Dereham.

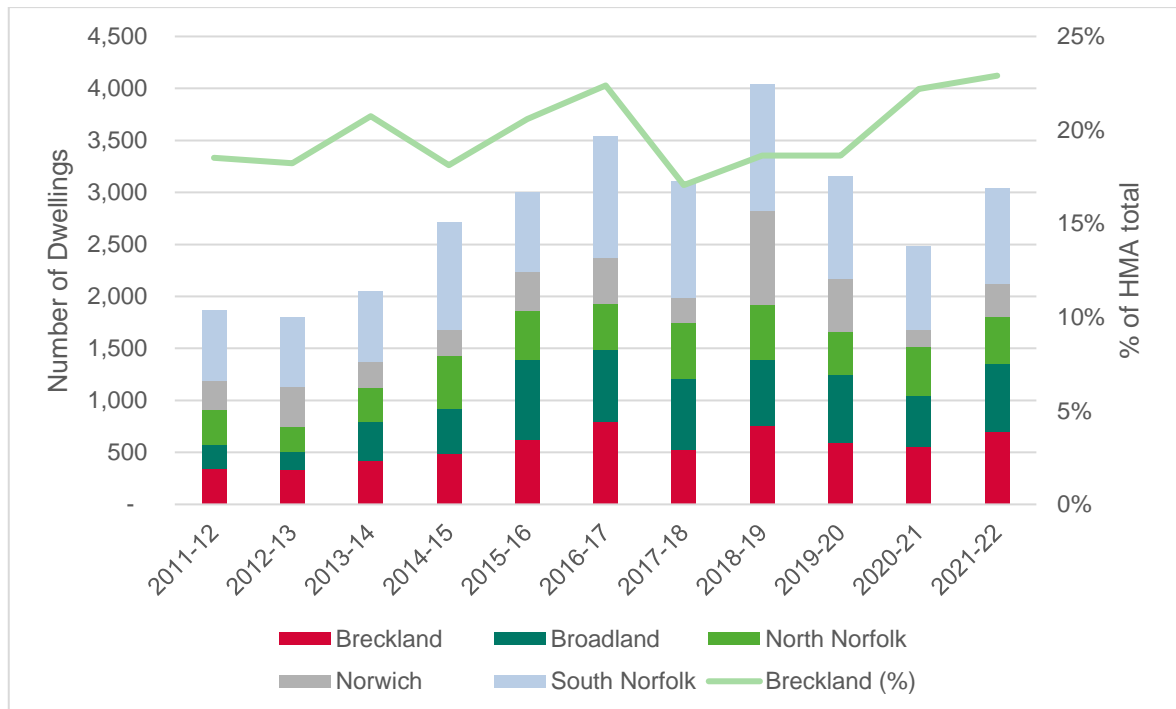
Table 4.3 Change in Dwellings (sub-area)

Area	2011	2021	Net Change	% change
A11 Corridor	22,707	24,899	2,192	9.7%
Dereham and Surrounds	18,881	20,112	1,231	6.5%
Swaffham and Surrounds	10,420	11,576	1,156	11.1%
Watton	5,417	6,567	1,150	21.2%

Source: Census 2011 and 2021

- 4.5 Figure 4.1 below shows the number of new build housing completions in each of the HMA authorities from 2011/12 to 2021/22. In Breckland the average delivery over the past 5 years is 624 dwellings per year, this average drops slightly across the 10 year period to 577 dpa. Breckland contributes an annual average of 20% of the total new dwellings in the HMA. South Norfolk delivers more dwellings overall with an average delivery of 1,007 dwellings over that past 5 years with Norwich contributing the least at 427 dpa (5 year average).

Figure 4.1 Net Dwelling Completions



Source: ONS Live Tables 118 and 122

4.6 In terms of vacant dwellings, 2.4% of homes in Breckland are vacant with a further 0.3% listed as Holiday Homes: this aligns largely with the other HMA authorities. North Norfolk differs from others in that it sees a higher presence of holiday homes, likely a result of the AONB.

Table 4.4 Vacancy

Area	Dwellings	Holiday Homes (Census 21)		Vacant Dwellings (Live Table 615)	
		Total	%	Total	%
Breckland	63,154	160	0.3%	1,524	2.4%
Norwich	67,624	70	0.1%	2,265	3.3%
Broadland	59,870	155	0.3%	1,083	1.8%
South Norfolk	63,849	110	0.2%	1,491	2.3%
North Norfolk	56,680	2,195	3.9%	1,614	2.8%
Central Norfolk HMA	311,177	2,690	0.9%	7,977	2.6%

Source: Census 2021, ONS Live Table 615

- 4.7 At a sub area level analysis of the number of households compared to the number of dwellings can indicate how many dwellings are vacant or vacant. It does not however discern between holiday homes and longer term vacant dwellings. Overall, this remains fairly level, the highest is in Swaffham and Surrounds at 5.4%. This may be a factor of the Swaffham areas proximity to KLWN and North Norfolk which have proportions of holiday homes which may in turn feed into higher numbers of holiday homes in this sub area. Other sub-areas do not share as large a boundary with these areas and therefore it is likely that the impact is felt less.

Table 4.5 Vacancy Rate, Sub-Area

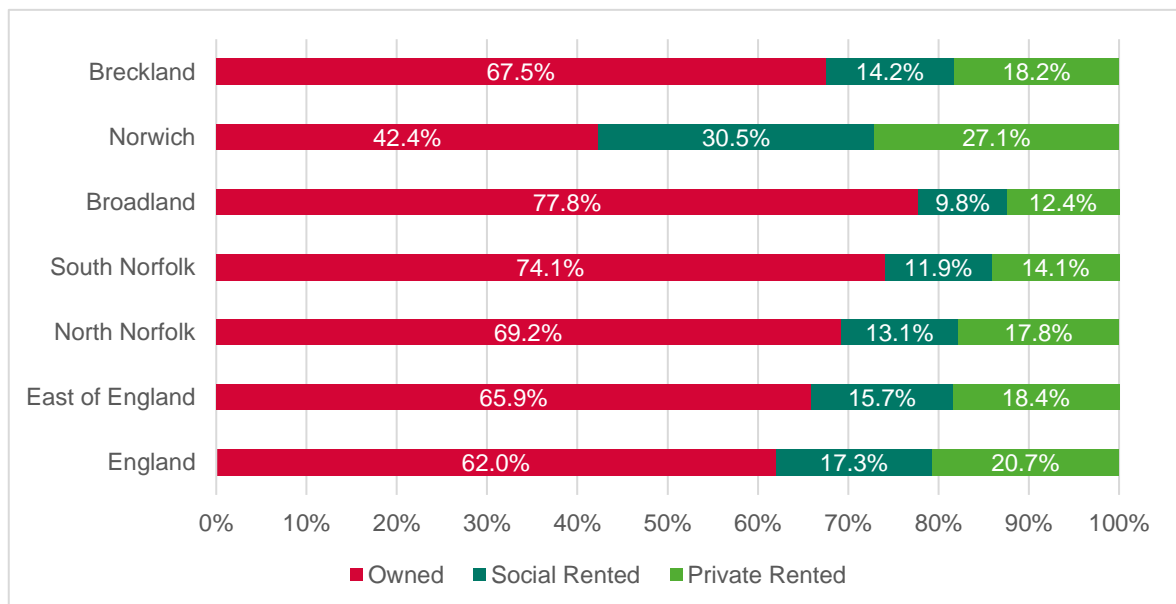
Area	Dwellings	Households	Vacancy Rate
A11 Corridor	24,899	23,866	4.1%
Dereham and Surrounds	20,112	19,239	4.3%
Swaffham and Surrounds	11,576	10,951	5.4%
Watton	6,567	6,301	4.1%

Source: Census 2021

Tenure

- 4.8 The most common tenure types are owner occupied properties across most areas with the exception of Norwich. Generally the Tenure split of Breckland much aligns with that of the HMA and the East of England average. Breckland has a slightly higher proportion of owner occupiers than the region, accounted for in a lower proportion of social rented properties. sees a high proportion of owner occupation. Considering the relatively rural nature of the HMA it is surprising to see a higher level of rental properties.

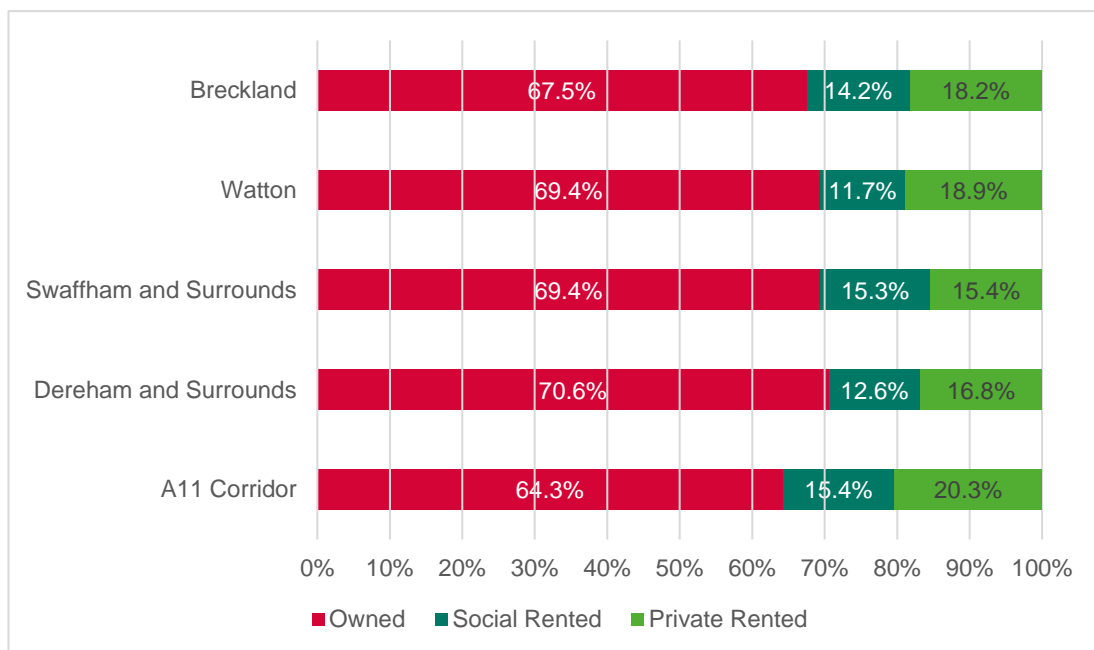
Figure 4.2 Tenure (2021)



Source: Census 2021

4.9 The tenure split in each of the sub-areas is broadly similar as can be expected, Watton and Swaffham are largely track each other albeit with slight differences in social and private rental. This may be a factor of stock levels, Swaffham being a larger town than Watton is likely to see slightly more properties available for social rent. The A11 corridor and the Dereham sub areas show the largest difference, with the A11 corridor seeing lower levels of ownership, compensated by higher levels of both private and social renting. This would go somewhat to indicate a sort of north/south divide within the district and also a higher level of renting in the districts towns.

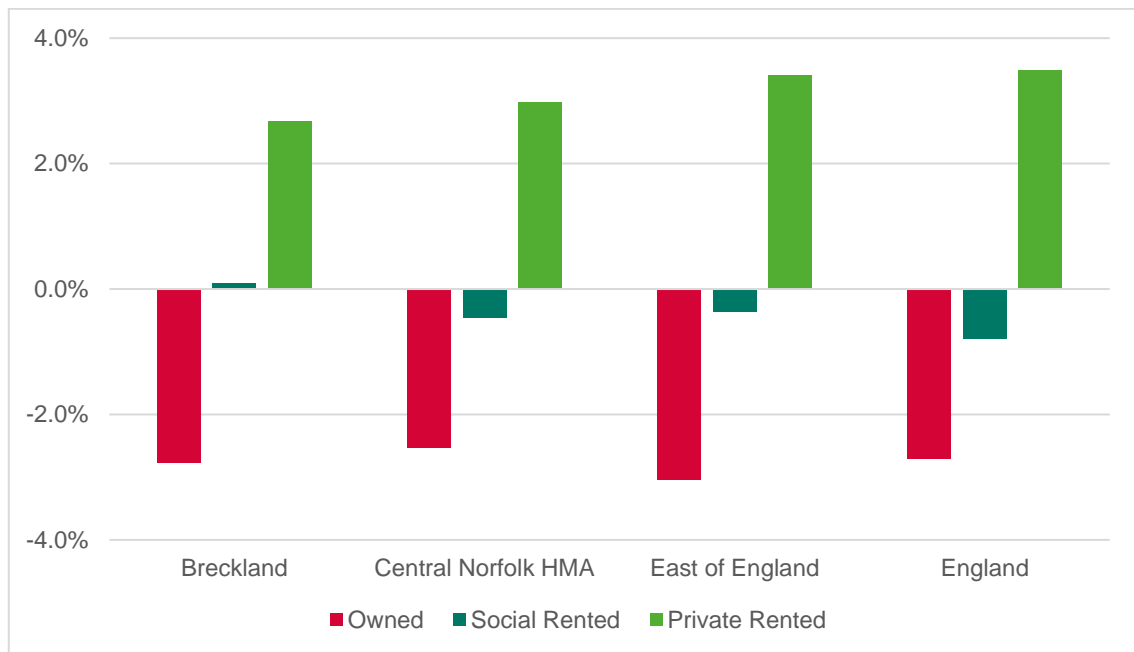
Figure 4.3 Tenure, Sub-Area



Source: Census 2021

- 4.10 Analysis of the change in tenure between the 2011 and 2021 Census's shows that private renting has increased significantly in all areas including Breckland. This increase in private renting and decrease in owner occupied dwellings is most likely a factor of worsening affordability, where many households are able to rent a property but not able to buy.

Figure 4.4 Change in Tenure 2011-2021 (%)



Source: Census 2011 and 2021

- 4.11 The overall change in tenures in the sub-areas can be seen in the Figure below, Swaffham and Surrounds has seen the least amount of change in both owned and social rented properties but the largest decrease in social rented properties (-0.5%), likely through loss via right-to-buy. The A11 corridor has seen the largest decrease in owned properties (-2.6%) with most of this loss being seen in gains of private renting (2.8%), it also sees the largest increase in social renting at 0.4%.

Figure 4.5 Change in Tenure, Sub-Area (2011-21)

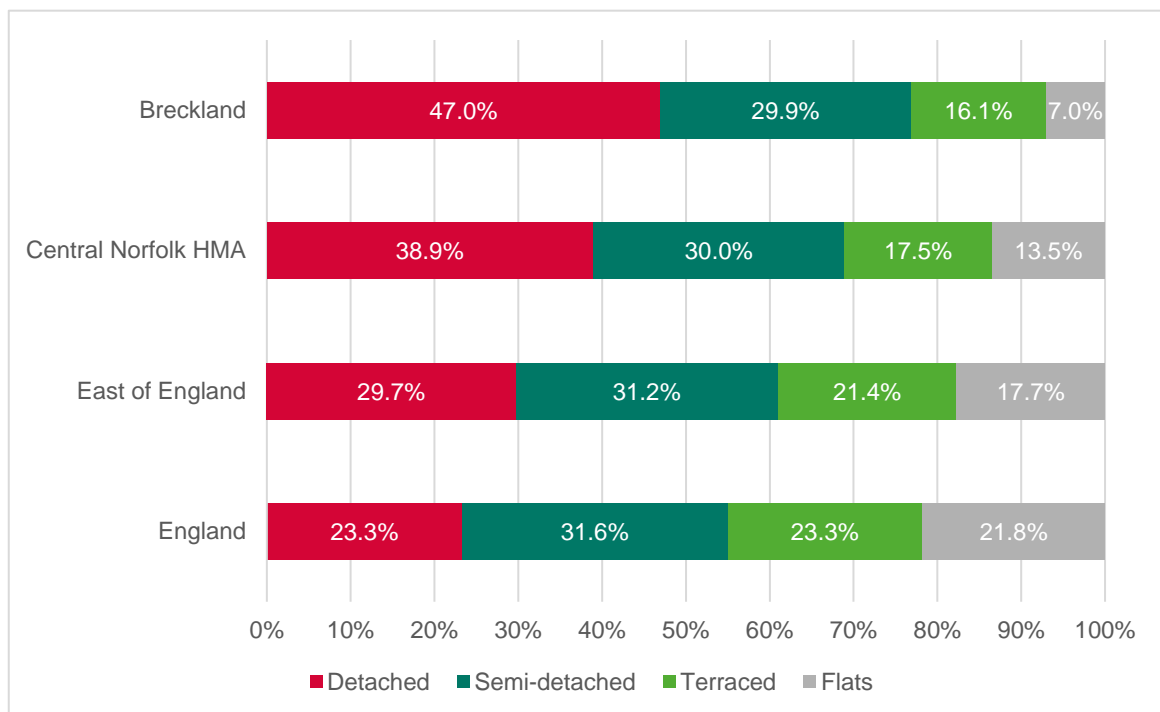


Source: Census 2011 and 2021

Dwelling Type and Size

4.12 Analysis of the type of dwelling in each area shows that largely Breckland aligns with neighbouring authorities. Overall, the HMA authorities assessed see particularly high levels of detached properties compared to the region and country, with a particularly high level in Breckland. This will largely reflect the rural nature of the area and lower land values which support the construction of detached dwellings.

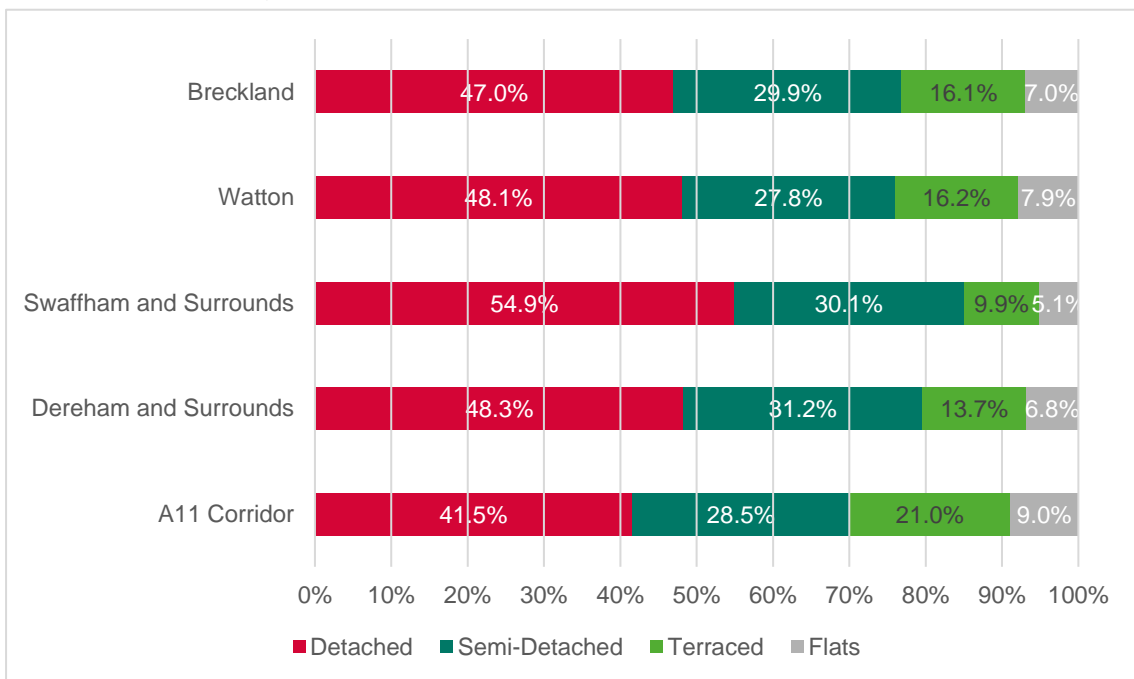
Figure 4.6 Dwelling type



Source: Census 2021

4.13 When assessed at a sub-area level there are some clear differences to be seen. The A11 Corridor see the lowest proportion of Detached properties and the highest proportion of Terraces and Flats, this largely indicates that this sub-area is more urban than the others with denser housing types. The opposite is true for Swaffham and Surrounds indicating that it is more rural. The Dereham and Surrounds and Watton areas are largely comparable. However, Watton sees a higher proportion of Terraces and Flats, given that the sub area is small and does not include a significant amount of rural areas this can be expected.

Figure 4.7 Dwelling type, Sub-Area



Source: Census 2021

- 4.14 The size of properties in each area largely reflects their type. A total of 23.7% of all dwellings in Breckland have 4 or more bedrooms, much higher than that in Norwich of 13.1%. The most common size of property is 3 bedrooms at 43.3%. There are less 1-bed properties in Breckland (6.8%) than in the East of England (10.7%) overall, given the lower proportion of flats which are the most likely to only have one bedroom this can be expected.

Figure 4.8 Size of dwelling (Bedrooms)

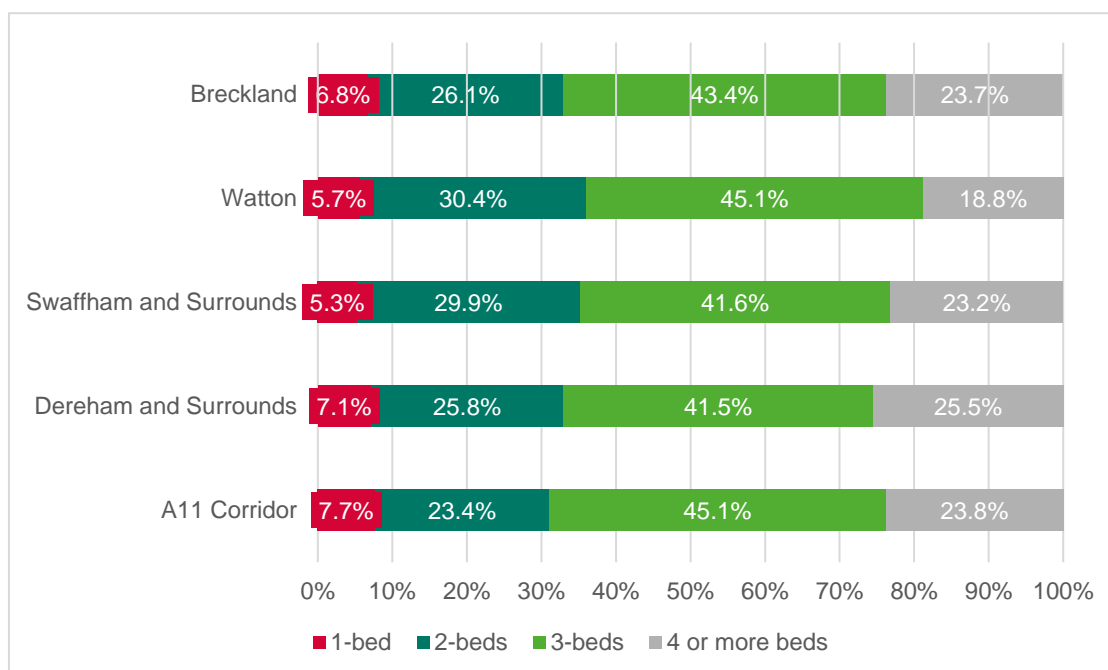


Source: Census 2021

- 4.15 When broken down to sub-area level the link between bedroom size and type of property is slightly less clear cut. As discussed above, the A11 Corridor sees the lowest proportion detached properties, given this it would be expected that it would also see the lowest proportion of 3 and 4+ bedroom properties. As detached and semi-detached houses are generally larger than terraces and flats. In fact the opposite is true with the A11 corridor seeing the highest proportion of 3 and 4+ bedroom properties, 68.7% overall.

- 4.16 Equally in Swaffham and Surrounds, it sees the highest overall proportion of detached and semi-detached properties at 85% overall, and one of the lower proportions of 3 and 4 bed properties (64.8%). This is likely to indicate a high number of Bungalows in the area which generally have fewer bedrooms than 2-storey detached properties.

Figure 4.9 Size of dwelling (Bedrooms), Sub-Area



Source: Census 2021

- 4.17 The Table below shows the split in size of dwelling by tenure of the household within it. Private and social rented dwellings are much more likely to have 3 bedrooms with over 50% of dwellings in this band. Owned properties are most likely to have 4 or more bedrooms at 51% but with 94.4% of all owned properties with 3 or more bedrooms.

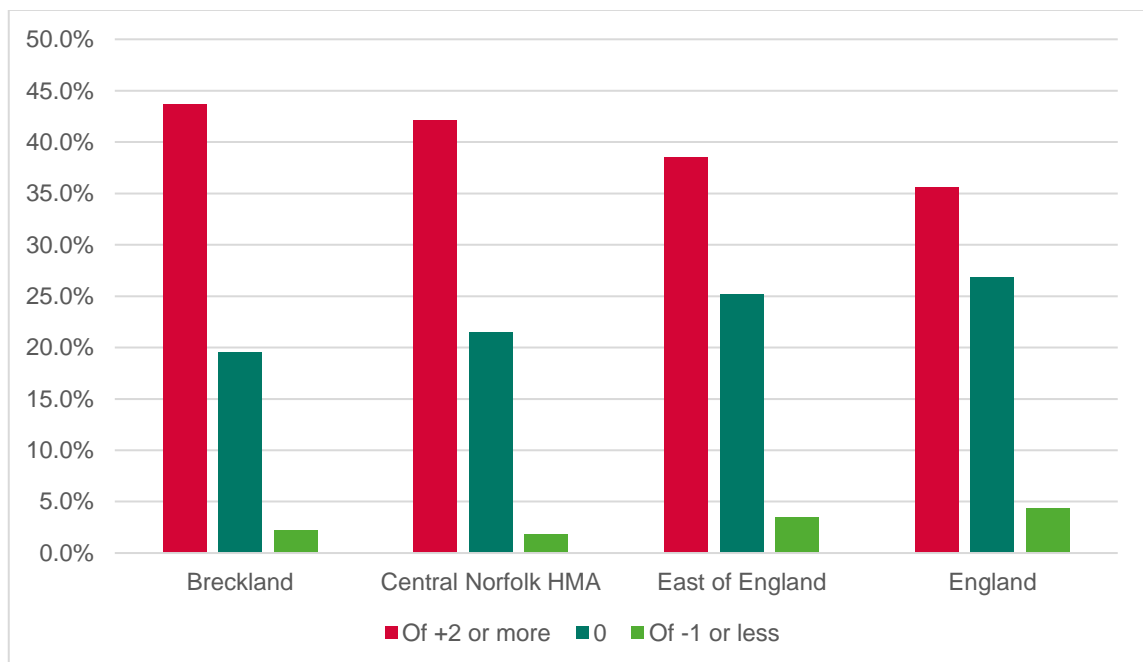
Table 4.6 Dwelling size by Tenure (2021)

Area	All	Owned	Social Rented	Private Rented
1 bedroom	0.6%	0.2%	0.8%	1.3%
2 bedrooms	14.7%	5.5%	30.6%	20.1%
3 bedrooms	49.3%	43.4%	57.3%	55.0%
4 or more bedrooms	35.4%	51.0%	11.3%	23.6%

Source: Census 2021

- 4.18 The Census bedroom occupancy rating standard can indicate how homes are occupied, a positive score of +1 or more indicates that a dwelling is under-occupied (it has one or more bedrooms than the household needs), 0 indicates a dwelling that is at capacity and -1 or less a dwelling that is over-occupied (it has at least 1 bedroom too few than the household needs). For the purposes of this analysis we have discounted dwellings with a score of +1, this is to account for properties with spare bedrooms or bedrooms used as home offices.
- 4.19 As shown in Figure 4.104.10, Breckland has a high proportion of dwellings which are under-occupied (43.7%) and a low level of properties that are over-occupied (2.2%). Although this proportion of over-occupied dwellings is lower than the East of England overall it sits higher than the HMA.
- 4.20 This may be linked to both the size of homes and also the nature of the population. The higher number of larger homes in Breckland will help support larger families.

Figure 4.10 Occupancy Rating (Bedrooms)



Source: Census 2021

- 4.21 When split by tenure it is clear to see that households in social rented properties are much more likely to be overcrowded than those in owner occupied properties. The same is true in comparing private rented and owned properties. Breckland sees

slightly higher levels of overcrowding in rental properties than the HMA but less than the region and England.

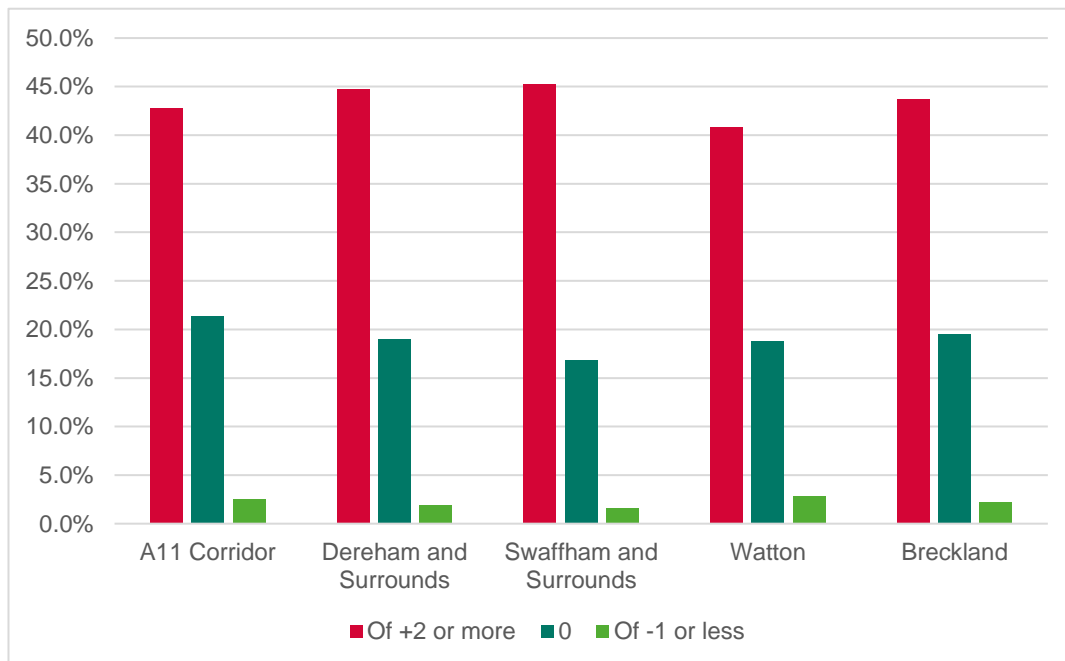
Table 4.7 Overcrowding by Tenure (2021)

Area	All	Owned	Social Rented	Private Rented
Breckland	2.2%	0.8%	6.1%	4.1%
Central Norfolk HMA	1.8%	0.7%	5.0%	3.0%
England	4.4%	1.9%	9.6%	7.5%
East	3.4%	1.5%	8.0%	6.6%

Source: Census 2021

- 4.22 Sub-area level analysis of occupancy shows that Watton sees the highest number of over occupied and lowest number of under occupied properties within Breckland. Swaffham and Surrounds see the highest under occupation and lowest over.

Figure 4.11 Occupancy Rating, Sub-Area



Source: Census 2021

Housing Stock - Summary

- 4.23 The number of dwellings in Breckland increased by 10% between 2011 and 2021, matching the HMA average. Much of this increase has been within the A11 corridor sub area, the Watton sub area has seen the largest growth in percentage terms. Breckland has contributed 20% of the total number of new dwellings in the HMA since 2011/12. The district also aligns with the HMA in terms of vacant dwellings and holiday homes.
- 4.24 In terms of Tenure, Breckland has a slightly higher proportion of owner occupiers than the region, accounted for in a lower proportion of social rented properties. Breckland sees a high proportion of owner occupation. Across sub areas, renting is more common in less rural locations. Owner occupation has decreased in Breckland between 2011 and 2021 by -2.8%, this has resulted in a 2.7% increase in private renting, indicating worsening affordability in the district. Watton has seen the largest increase in private renting at 3.3%. The A11 Corridor the largest decrease in ownership of -2.6% coupled with the largest increase of social rent at 0.4%.
- 4.25 Detached dwellings are the most common in Breckland followed by Semi-detached and Terraces, this is typical considering the rural nature of the district. The A11 Corridor see the lowest proportion of Detached properties and the highest proportion of Terraces and Flats, the opposite is true for Swaffham and Surrounds indicating that it is more rural. A total of 23.7% of all dwellings in Breckland have 4 or more bedrooms with the most common size being 3 bedrooms at 43.3%.
- 4.26 Breckland has a high proportion of dwellings which are under-occupied and a low level of properties that are over-occupied. Watton sees the highest number of over-crowded properties with Swaffham the lowest. Overcrowding is much more common in both social and private rented properties than owned.

5. Housing Market Dynamics

- 5.1 This section of the report examines housing market dynamics in Breckland and neighbouring authorities in both the purchase and rental market. Where possible these are compared to the East of England and England figures.

House Prices

- 5.2 In the year to September 2022 the median house prices in Breckland was £260,000, this lies below the regional and national averages. Amongst the HMA authorities this figure matches sits higher than only Norwich but below others, including the region and country.

Table 5.1 Median House Prices (Year ending September 2022)

Area	Price
Breckland	£260,000
Norwich	£228,500
Broadland	£300,000
South Norfolk	£290,000
North Norfolk	£300,000
East of England	£328,000
England	£275,000

Source: ONS Median House price for Administrative Geographies

- 5.3 The relatively lower property prices in Breckland compared to neighbouring areas will in part be an effect of the stock available and size of properties.
- 5.4 Table 5.2 shows the mean average sold prices for each type of property in the sub-areas. Dereham and Surrounds is the most expensive sub-area overall seeing the highest prices for all property types with the exception of flats. However, the price is only c. £3,000 higher than the Swaffham sub-area in second. Watton and the A11 corridor see lower overall prices of under £300,000 but see the higher prices for flats than the Dereham and Swaffham areas. It should however be noted that the number of sales for flats is notably lower than other types and as such the median prices will fluctuate more.

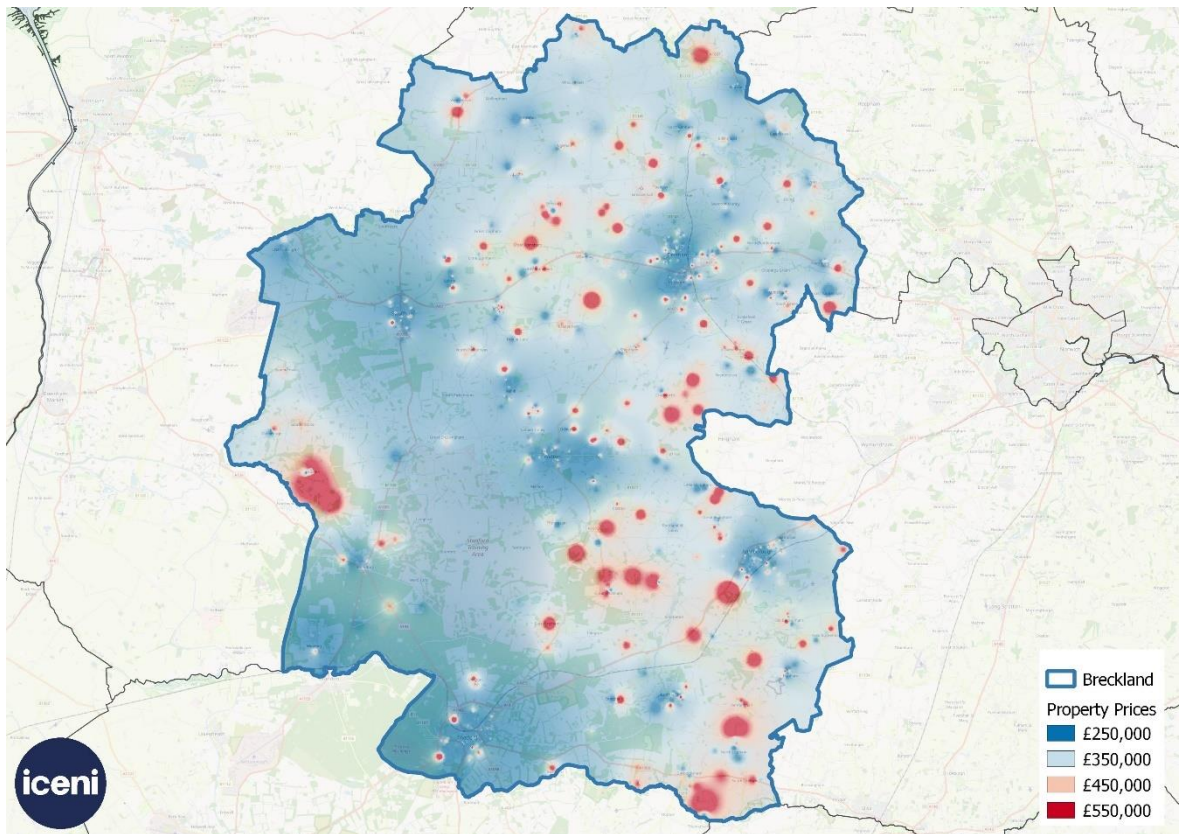
Table 5.2 Mean Price by Type, Sub-Area (2022)

Area	Detached	Semi	Terrace	Flats	Overall
A11 Corridor	£404,839	£250,499	£206,119	£131,257	£295,994
Dereham and Surrounds	£425,257	£260,077	£216,798	£114,040	£318,285
Swaffham and Surrounds	£376,957	£251,021	£217,612	£120,429	£315,014
Watton	£332,374	£223,202	£200,043	£138,278	£265,339

Source: Icen analysis of HM Land Registry Data

- 5.5 The Figure below shows the spatial difference of sold property prices from 2022 in Breckland. There are a number of hotspots across rural areas, reflecting the larger properties that will be seen in these locations, prices decrease within the towns as shown by the darker blue areas.

Figure 5.1 House Price Heatmap (2022)



Source: Icen analysis of HM Land Registry Data

House Price Change

- 5.6 Table 5.3 below shows the median house prices change in Breckland and the HMA authorities over 5 and 10 years. Breckland sits in the middle of the pack over the 10 year period at 67.7%, lower than Broadland and North Norfolk but higher than others. Growth over the 5-year period is expectedly less but remains high when compared to other HMA authorities at 46.9%, second only to North Norfolk at 50%.

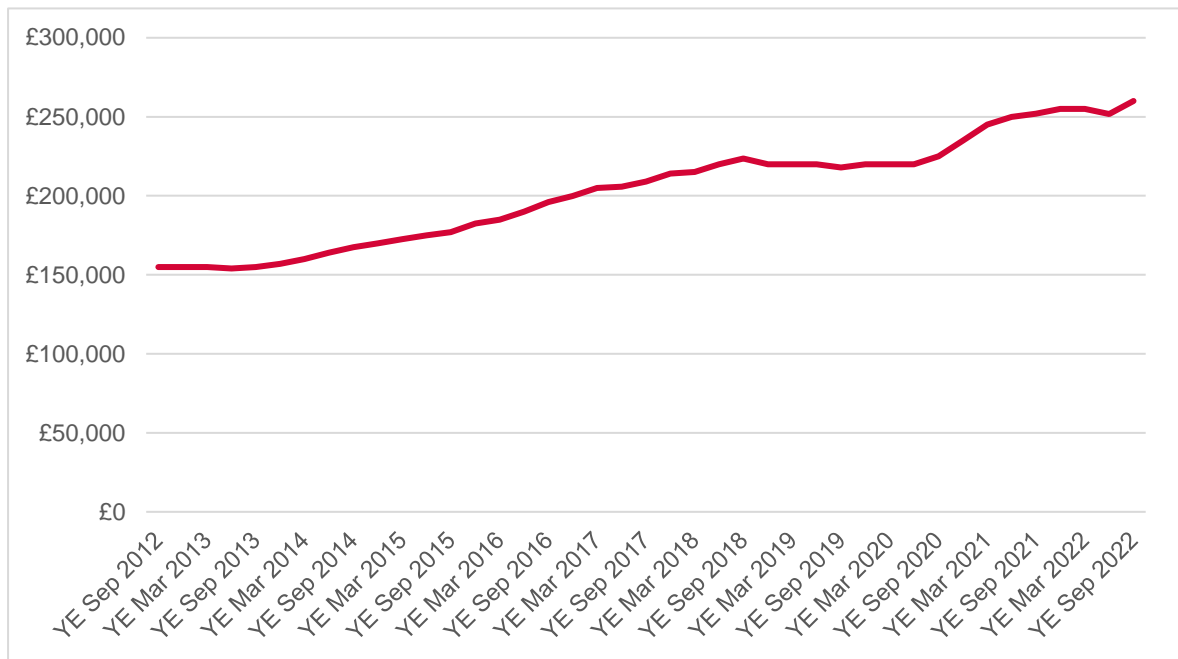
Table 5.3 Median House Price Change

Area	5 Year Change		10 Year Change	
	Absolute	%	Absolute	%
Breckland	£83,000	46.9%	£105,000	67.7%
Broadland	£95,000	46.3%	£130,000	76.5%
South Norfolk	£85,000	41.5%	£111,525	62.5%
North Norfolk	£100,000	50.0%	£125,000	71.4%
Norwich	£63,500	38.5%	£84,500	58.7%

Source: ONS, Median House price for Administrative Geographies

- 5.7 The Figure below shows the change in house prices over time for Breckland overall. In the more recent past there is a particular uptick in house prices in 2020 to 2021. This is likely an impact of Covid Stamp Duty Holiday which saw a much busier housing market nationally. Ultimately leading to increasing housing prices. Prices began to drop again up to June 2022 partly a result of increasing mortgage rates in 2022 which made properties less affordable.

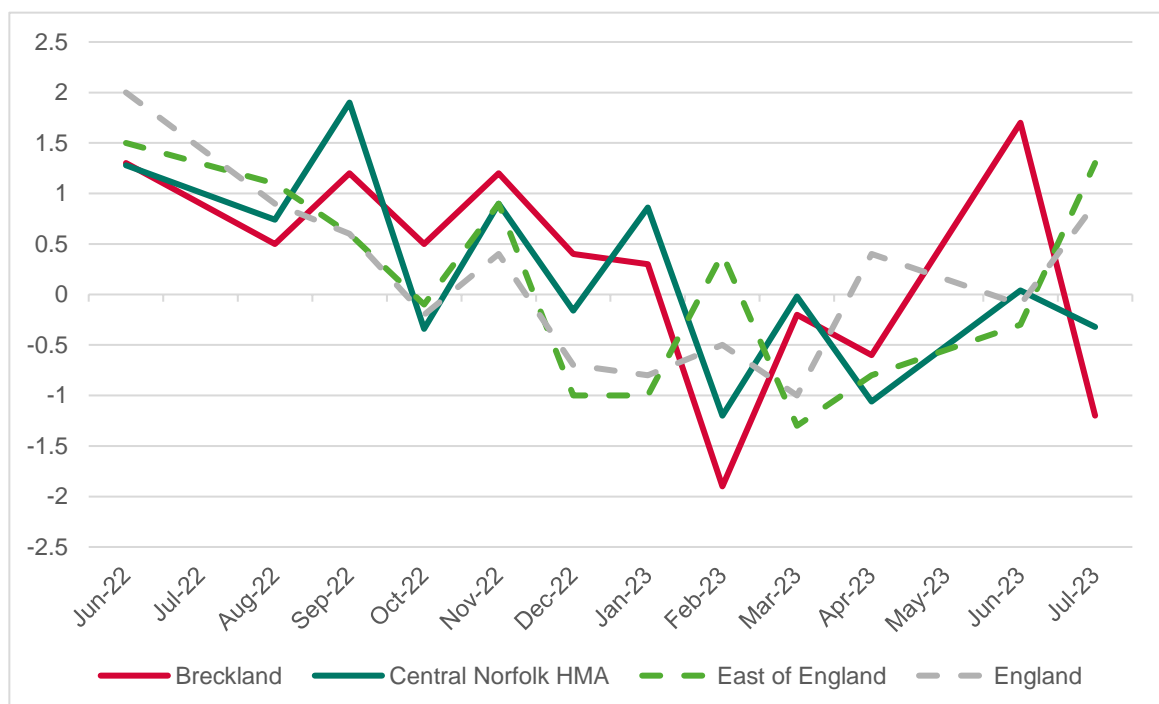
Figure 5.2 Breckland Median House Price Change



Source: ONS, Median House price for Administrative Geographies

5.8 The Figure below shows more recent monthly house price change in Breckland, the HMA and comparators since June 2022. Although the change varies from month to month, what is clear is that for all assessed areas the monthly change has been largely within the negative since June 2022, meaning house prices have been decreasing in this period.

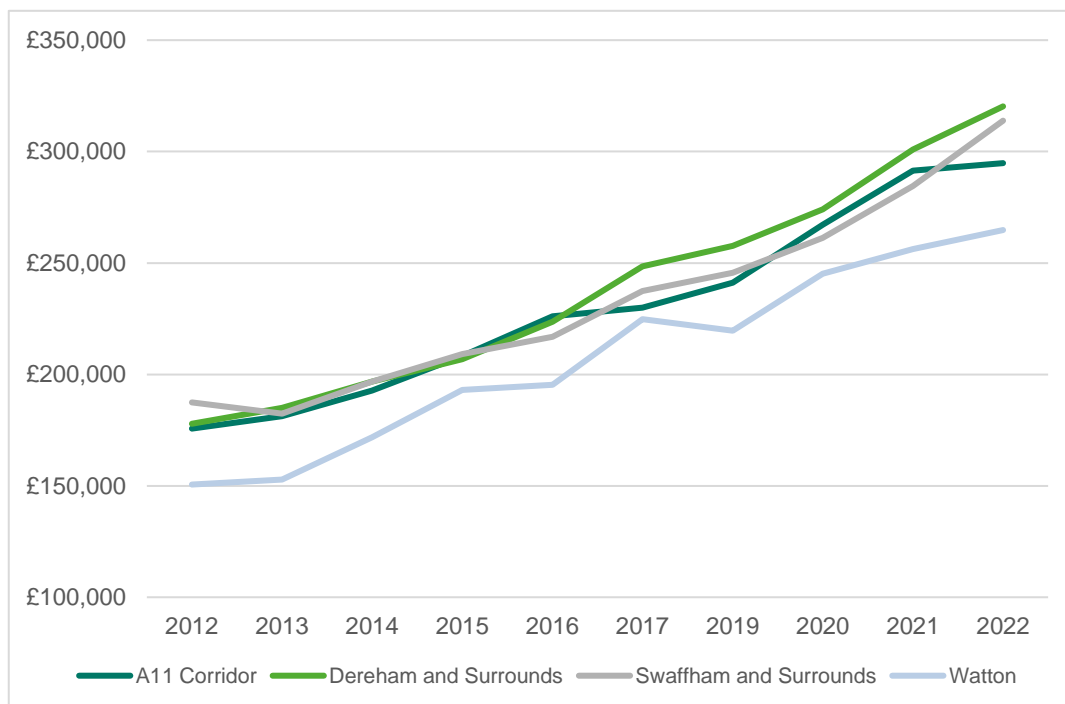
Figure 5.3 Percentage House Price Change



Source: UK House Price Index

- 5.9 Figure 5.44 shows the change of average house prices over time in each of the sub-areas. Although all sub-areas have seen increases in the average price over time Watton has consistently sat lower than the others and has seen the smallest absolute increase at c.£114,000, this is much less than c.£142,000 increase seen in the Dereham sub area.

Figure 5.4 Average House Price over time, Sub-Area



Source: Icen analysis of HM Land Registry Data

- 5.10 The lower prices seen in the Watton sub area are likely a factor of the slightly denser nature of the sub-area and the stock within it. Watton is the smallest sub area overall with less rural areas; given this, it sees higher density with less large rural detached or semi-detached properties which generally command higher prices than those in more urban locations.

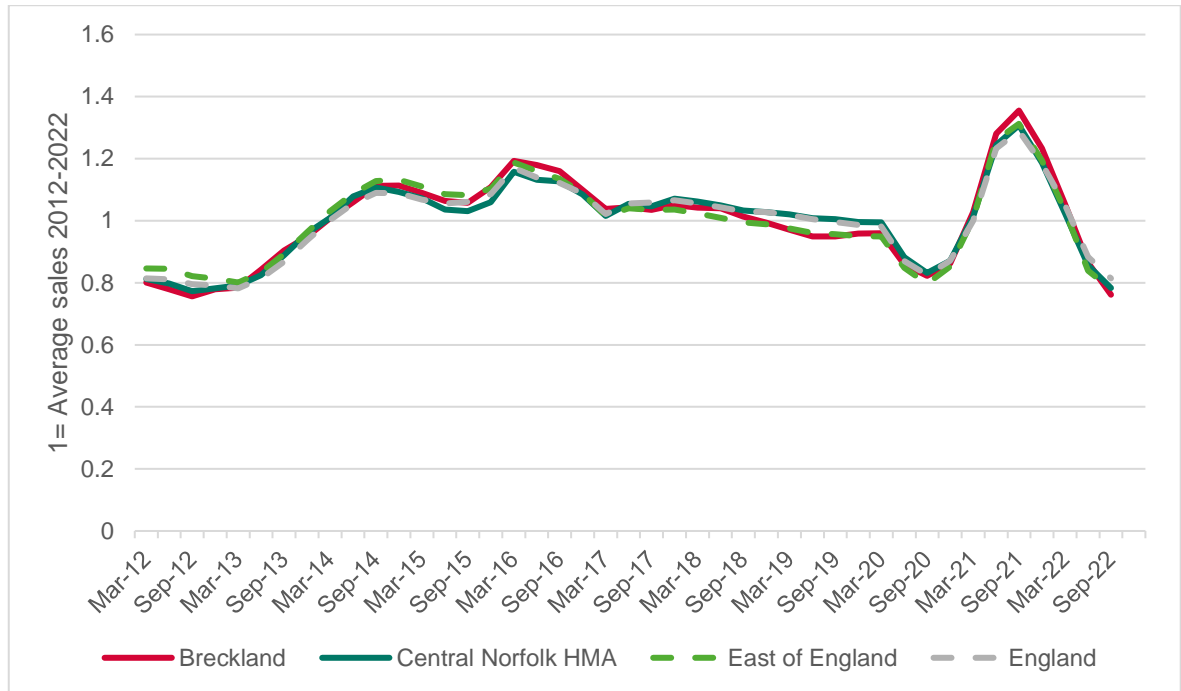
Sales

- 5.11 The table below demonstrates the number of property sales in Breckland and the HMA indexed to a 2012-2022 average. All areas saw a jump in sales between

2020 and 2021, most likely a result of the Covid-19 lockdown and Stamp Duty Holiday introduced to boost the housing market at that time.

- 5.12 Since the end of the Stamp Duty Holiday the number of sales have fallen again to levels last seen in 2012/2013. By and large the areas assessed track each other with increases in all areas from 2013 onwards.

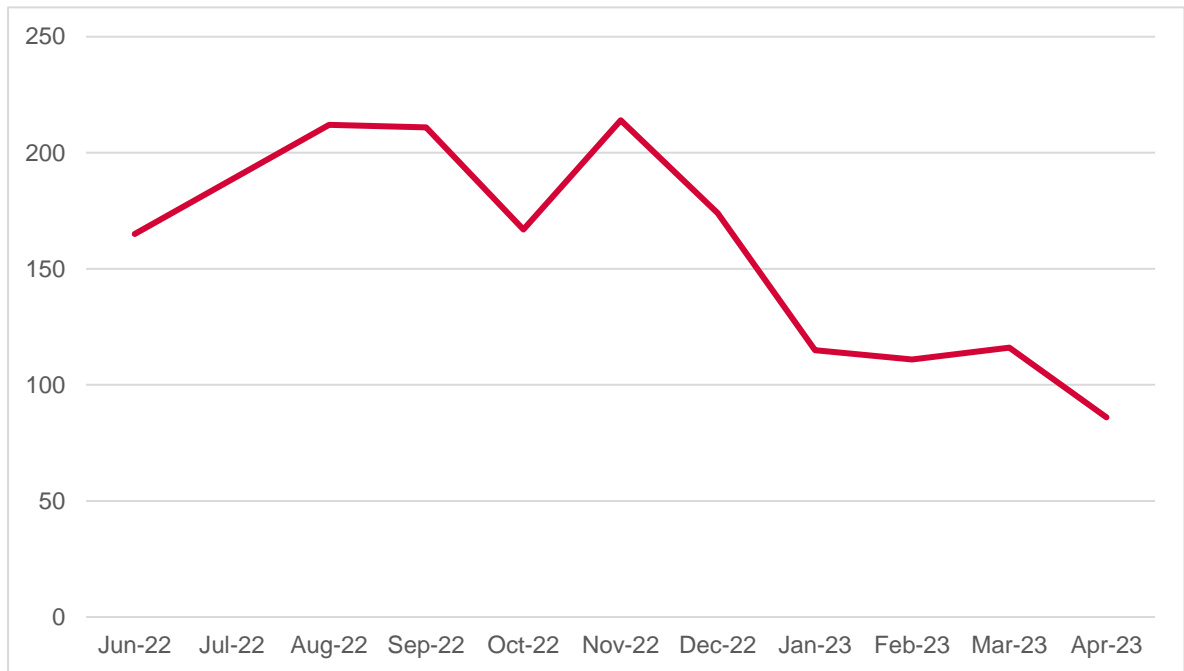
Figure 5.5 Indexed property sales



Source: Icen analysis of ONS data

- 5.13 The Figure below shows the monthly property sales in Breckland since June 2022, a clear decline in sales can be seen, reaching their lowest in April 2023. Consultation with sales agents would suggest that this has recovered somewhat, although not yet close to the levels seen during the pandemic.

Figure 5.6 Breckland Monthly Property sales

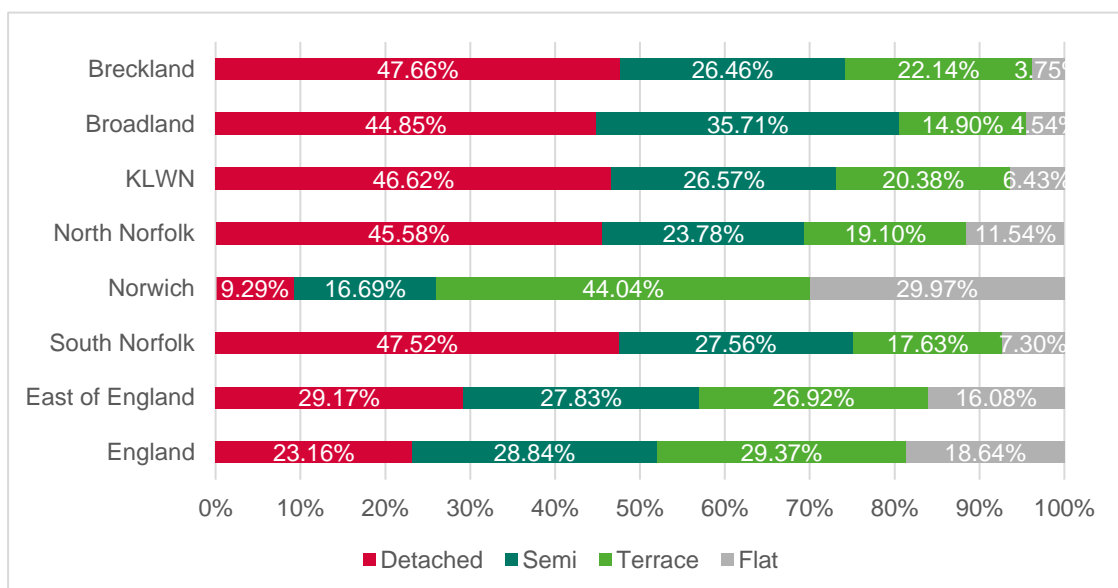


Source: UK House Price Index

5.14 Figure 5.7 below demonstrates the split in transaction by property type. Reflecting the stock there is a much higher percentage of detached sales in Breckland than other types of property, the near reverse of that of Norwich which sees a higher proportion of flat and terrace sales.

5.15 This split will contribute to the higher median prices in Breckland compared to Norwich as the City has a higher proportion of sales for smaller properties.

Figure 5.7 Property Sales by Type (YE December 2022)

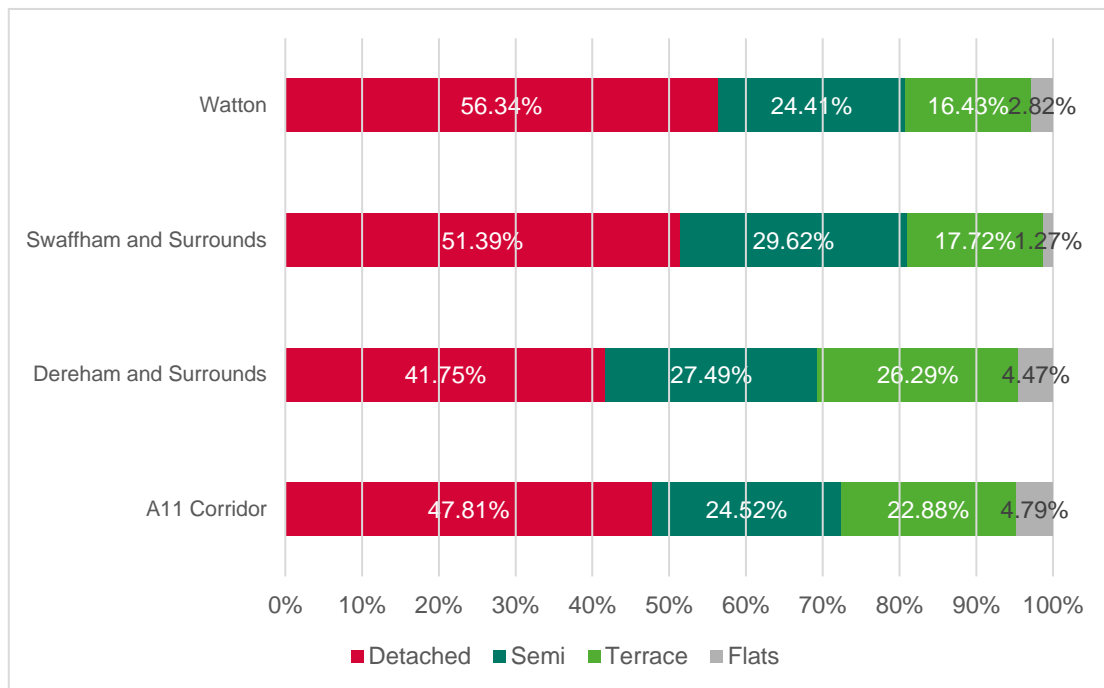


Source: Icen analysis of ONS data

5.16 Figure 5.8 below shows the split of sales within each of the sub-areas, as can be expected given the high proportion of detached sales in the district overall, this is the highest proportion in all of the sub areas as well. Surprisingly given the high overall cost in Dereham sub-area which would usually indicate a high proportion of detached and semi-detached dwellings. The sales proportions however show that this is not the case with the Dereham and surrounds sub-area seeing the lowest proportion of detached sales and highest of flat and terrace sales amongst the sub-areas. In a similar vein, Watton the cheapest sub area sees the highest proportion of detached sales and lowest of terraces.

5.17 With this in mind, it is likely then that there are other factors that feed into the higher prices seen in Dereham and Surrounds compared to the other sub-areas. Access to the A47 and therefore to Norwich is one of these factors, the high number of services in Dereham is another.

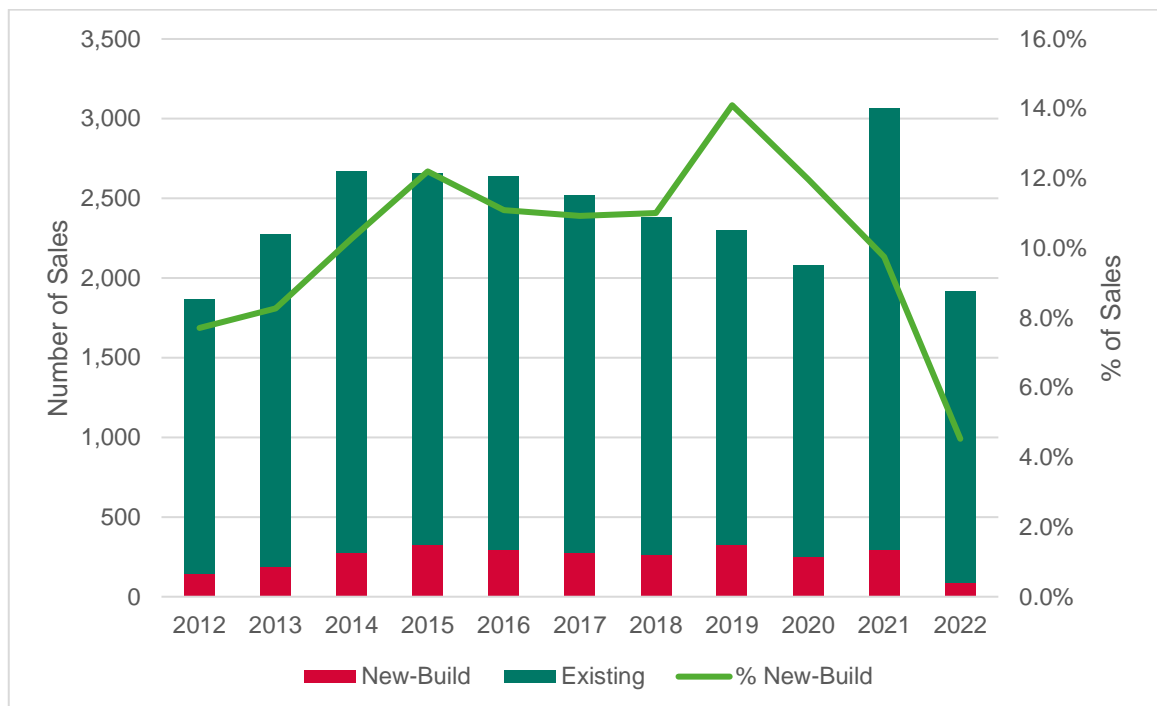
Figure 5.8 Property Sales by Type, Sub-Area (Jan-Dec 2022)



Source: Icen analysis of HM Land Registry Data

5.18 Analysis of the split of housing sales between new build and existing properties shows that despite a large fluctuation in the number of sales in Breckland, this is largely within the existing dwelling market and not down to new-build residential properties. New build sales have accounted for an average of 10.2% of sales between 2012 and 2022, they reached a peak in 2019 at 14.1% of all sales but have since dropped to just 4.5% in 2022. The recent trend will have been influenced by the end of the Help-to-Buy scheme.

Figure 5.9 New build vs Existing Sales, Breckland



Source: Icenis analysis of ONS data

5.19 A high proportion of new-build sales can encourage first-time buyers within the area, as new build properties are often subject to schemes and incentives that can make them more affordable such as payment of stamp duty.

Affordability

- 5.20 The Table below shows the Median workplace based affordability ratio for the Breckland, HMA authorities, the Eastern region and England in 2021 to 2022. In Breckland and most other areas, with the exception of Norwich and South Norfolk, affordability ratios have decreased and improved. This means that the areas have become more affordable and is likely a factor of decreasing house prices (as interest rate increases reduce the number of buyers) and increasing earnings in light of the cost of living crisis.

Table 5.4 Median Affordability Ratio (2021 and 2022)

Area	2021	2022	Change
Breckland	9.47	9.25	-0.22
Broadland	9.25	9.25	0
South Norfolk	9.19	9.13	-0.06
North Norfolk	11.61	10.64	-0.97
Norwich	7.16	7.83	0.67
East of England	10.57	10.08	-0.49
England	9.06	8.28	-0.78

Source: ONS, *Housing Affordability in England and Wales*

- 5.21 The Figure below shows the Median workplace based affordability ratio for the Breckland, the Eastern region and England over time. Although more recent trends have shown improvement, affordability has worsened over time in all areas. The ratio in Breckland is currently lower than that of the Eastern region but higher than England overall. This is likely a factor of housing costs where costs in Breckland are less than the Eastern region average but more than the England average.

Figure 5.10 Affordability Ratio (1997-2022)

Source: ONS, *Housing Affordability in England and Wales*

- 5.22 Analysis of the Lower Quartile (LQ) affordability ratio can indicate how affordable properties in the lowest quartile are to those whose annual earnings are also within that quartile. This difference of -0.13 is less than other areas, in particular that of the Eastern region (-0.21) and England (-0.99).

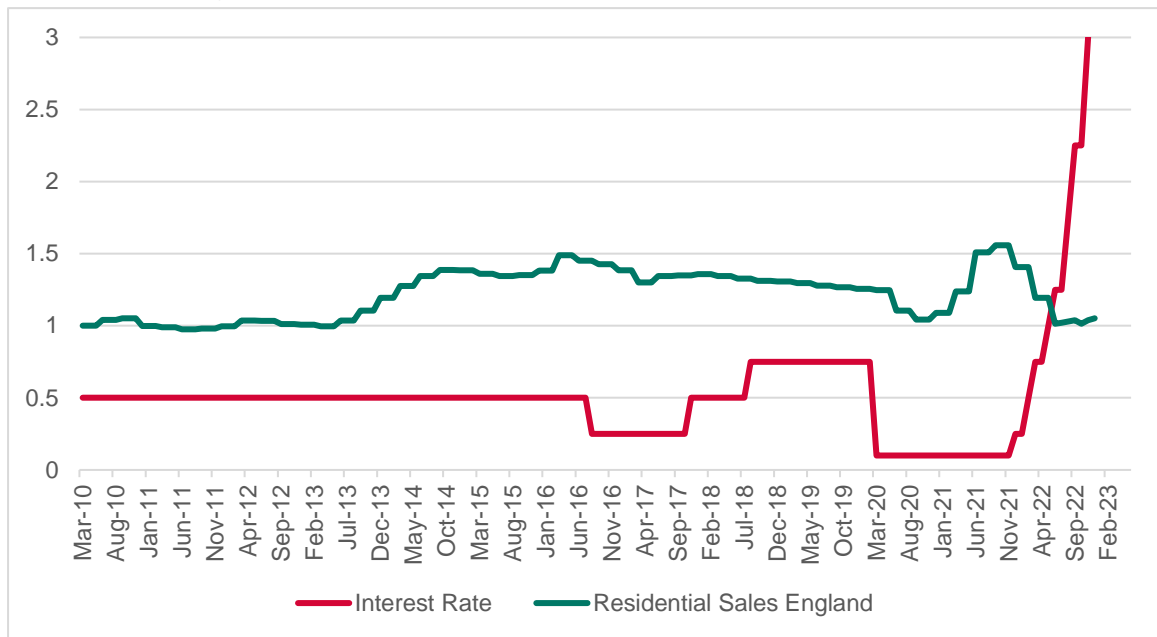
Table 5.5 Lower Quartile and Median Ratios (2022)

Area	Lower Quartile	Median	Difference
Breckland	9.12	9.25	-0.13
Broadland	9.89	9.25	0.64
South Norfolk	9.33	9.13	0.2
North Norfolk	9.79	10.64	-0.85
Norwich	7.55	7.83	-0.28
East of England	9.87	10.08	-0.21
England	7.29	8.28	-0.99

Source: ONS, *Housing Affordability in England and Wales*

- 5.23 The ONS affordability ratio is only one metric that considers affordability in an area, it looks at median earnings and median property prices overall. It does not consider additional factors of affordability such as savings, stamp duty and other associated moving costs.
- 5.24 Stamp Duty is a tax levied on the purchase of property or land in the United Kingdom. It is the responsibility of the buyer to pay this tax, and the amount payable depends on the value of the property or land being purchased. Stamp duty is charged on a tiered basis with residential tiers (for second time buyers buying their only home) as follows.
- Up to £250,000: 0%
 - £250,001 to £925,000: 5%
 - £925,001 to £1.5 million: 10%
 - Above £1.5 million: 12%
- 5.25 An additional factor that impacts property sales are interest rates, if interest rates are high on borrowing mortgages become less affordable. Raising interest rates can discourage buyers from taking larger mortgages and discourage first time buyers entirely.
- 5.26 The Figure below shows the indexed number of property sales against UK interest rates over time. What is clear is that in November 2021 when UK interest rates started climbing sales started falling, although this appears to have stabilised more recently.

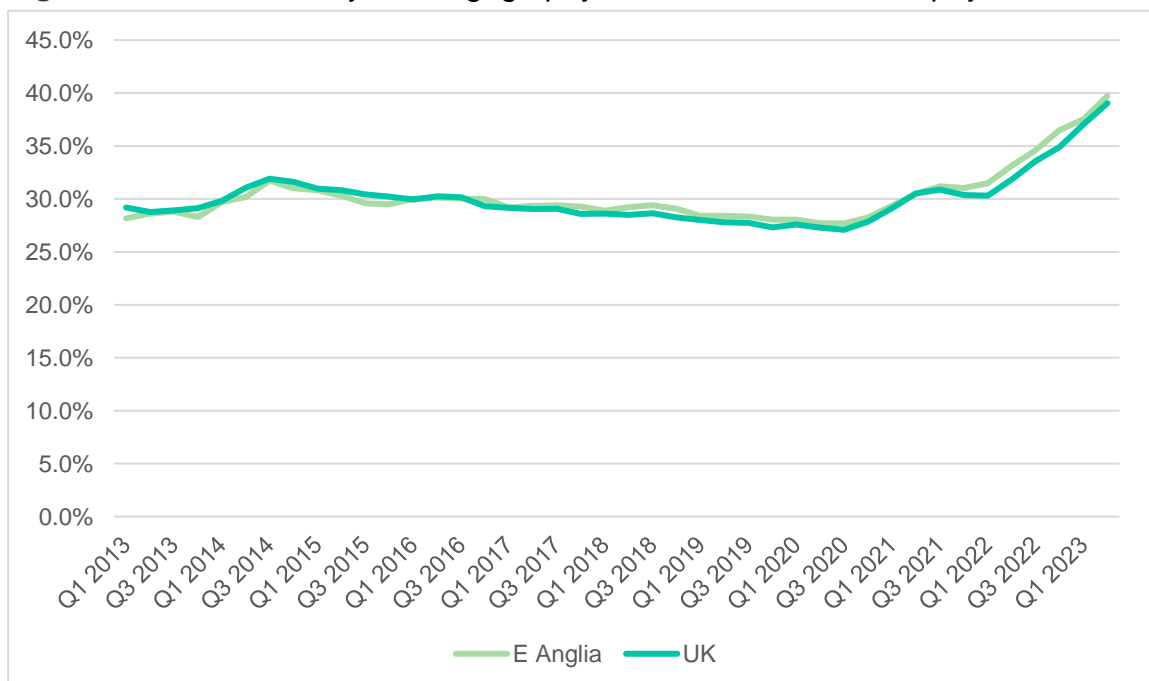
Figure 5.11 England Sales V UK Interest Rates



Source: Icen analysis of ONS and bank of England data

5.27 Interest rates rising makes mortgages less affordable, one metric of this can be looking at how much take home pay goes towards mortgage payments. The table below shows data from Nationwide on this percentage for first time buyers in the UK and East Anglia. In the second quarter of 2023 and average of 39.7% of first time buyer take home pay was spent on mortgage repayments.

Figure 5.12 First time buyer mortgage payments as % take home pay

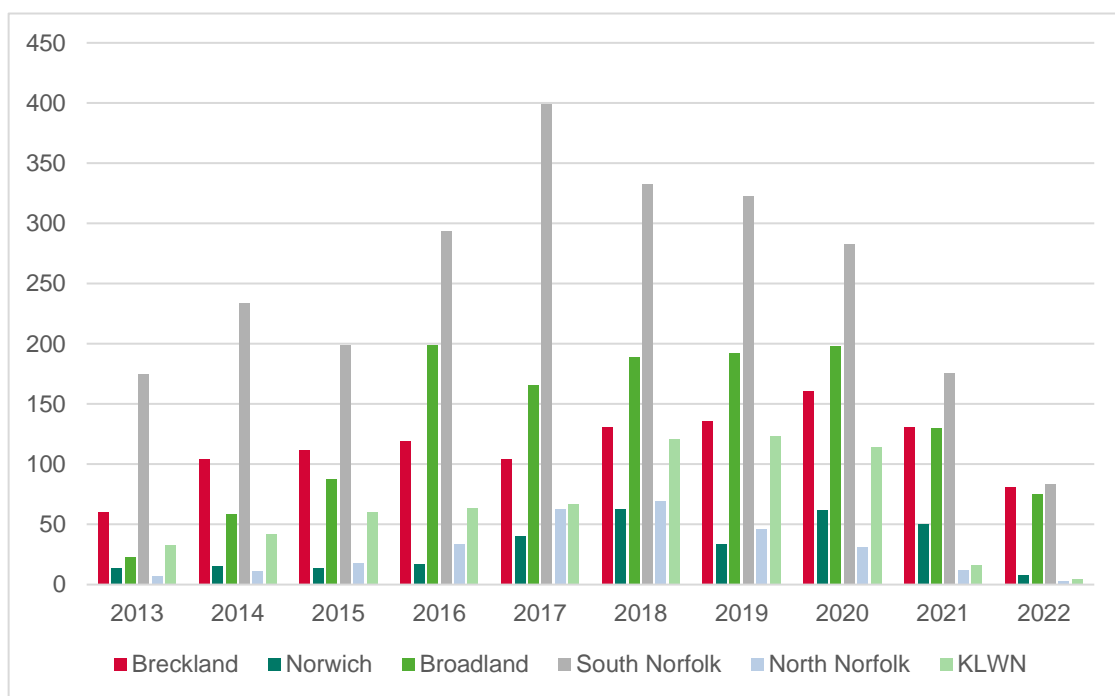


Source: Nationwide

5.28 What is clear is that although the overall East Anglia percentage is slightly higher than the UK overall, since 2022 the percentage has increased in all areas. Ultimately this will discourage first time buyers from purchasing particularly given the cost of living crisis which has increased the cost of many other essentials such as energy and food.

5.29 The help-to-buy loan is a government scheme designed to help first-time buyers and existing homeowners purchase a new-build property. Although now discontinued, the scheme provided financial assistance in the form of an equity loan, which is an interest-free loan for a set period. The number of buyers that utilised the governments help-to-buy equity loan in the assessed authorities can be seen in the table below.

Figure 5.13 Help-to-Buy equity loan statistics

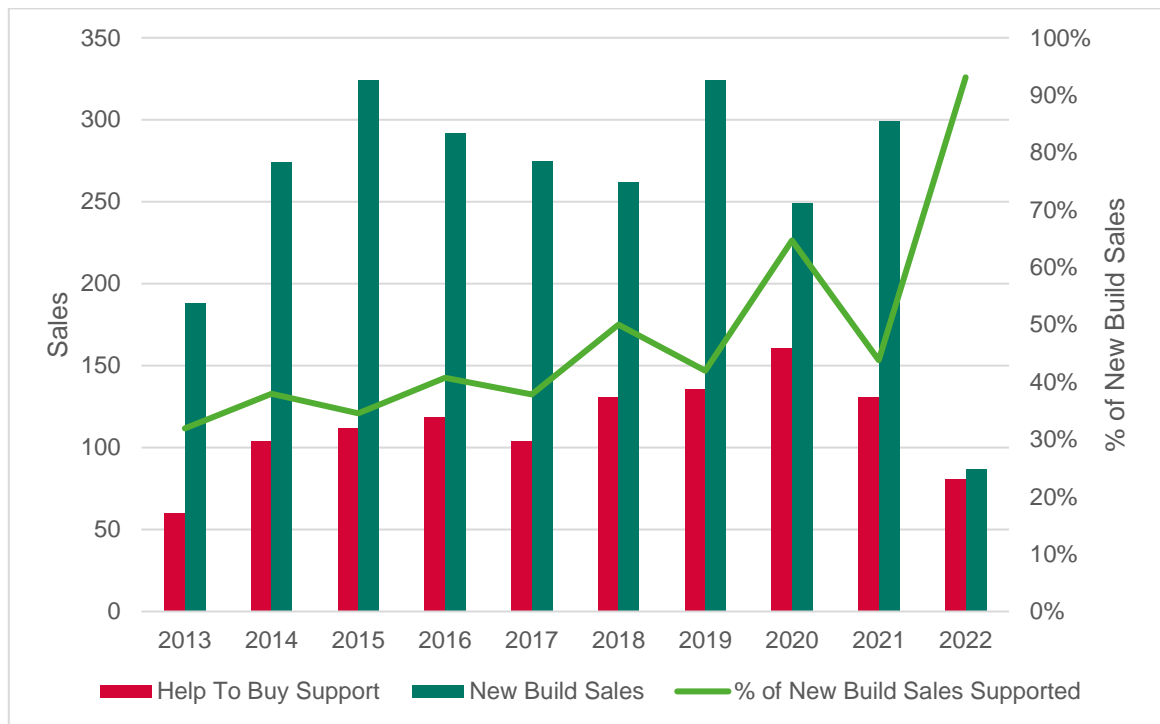


Source: Icen analysis of DLUHC data

5.30 South Norfolk sees the highest number of loan claimants by far, likely a result of a high delivery in the district. On average Breckland sees around half of the levels seen in South Norfolk. Typically the authorities with the fewest help to buy sales annually are North Norfolk and Norwich, likely a result of the much lower levels of new build delivery in each authority.

5.31 The Figure below shows the overall number of new build sales in Breckland compared to the number of these sales supported by Help-to-Buy. The overall number fluctuates with the number of sales supported usually lying between 30-45%, some years such as 2020 are much higher at 65%. Interestingly in 2022, 93% of new build sales were supported by Help-to-Buy. Given that the scheme has now ended it is likely that the new build sale market will be impacted.

Figure 5.14 New Build and Help to Buy, Breckland

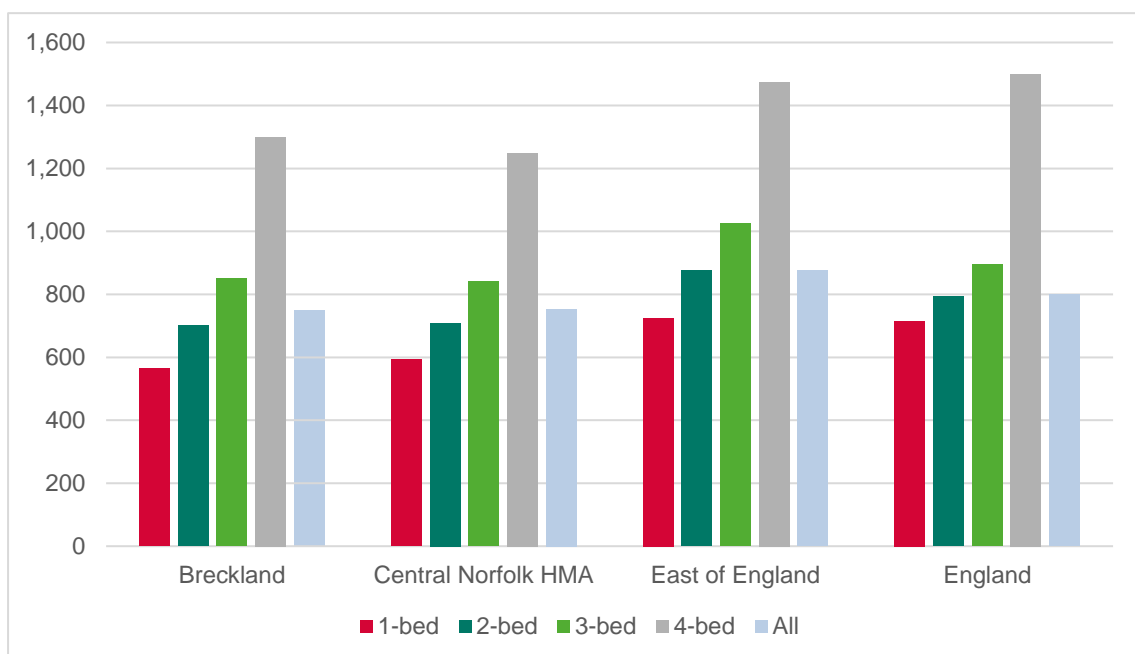


Source: IcenI analysis of DLUHC and ONS data

Private Rental Market

- 5.32 The private rental sector (PRS) makes an important contribution to the market, particularly for those people who cannot afford to buy. The table below shows the median rental costs in each of the HMA authorities, region and England.
- 5.33 Average rental costs in Breckland sit at £750 pcm. This, as well the HMA are below those for the East of England (£875) region and England (£800) overall. Which is not surprising considering the England average will also take into consideration London and the Eastern places like Cambridge which are much more expensive markets. Breckland largely matches the HMA average, indicating that other authorities sit both higher and lower than the district in terms of rental costs.
- 5.34 Given the lower rental costs seen across the HMA overall it is likely that the rental market across the area is largely quiet when compared to other parts of the region.

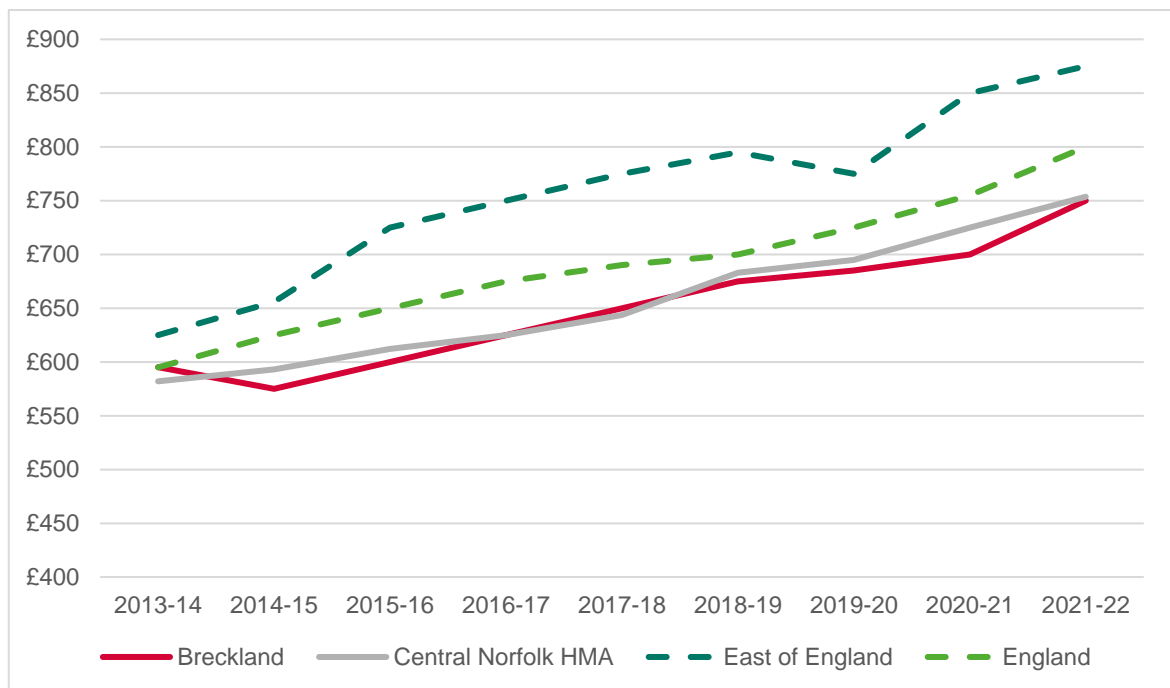
Figure 5.15 Rental Costs (£pcm, Year to September 2022)



Source: Icen analysis of VOA/ONS data

- 5.35 Rents have been increasing consistently in Breckland since 2014-15 which is consistent with the national trend and have increased by 25% overall since 2013-14. Breckland's growth largely matches that of the HMA average and but sits slightly lower in percentage terms with the HMA having grown by 29%.

Figure 5.16 Rental costs over time



Source: Icen analysis of VOA/ONS data

- 5.36 Table 5.6 below shows the median rental costs per calendar month in each of the sub areas and the number of properties listed as available at the time of assessment. The data shown does differ from that previously demonstrated for the whole district, this is a factor of the shorter assessment timescale, and that the data refers only to properties officially advertised for relet.

- 5.37 The A11 corridor sees the most available properties for rent and the second highest prices per calendar month, Swaffham and Surrounds sees the highest rent but also a lower number of available properties. All sub areas show a median price that is higher than the average price in Breckland, this is an impact of the smaller sample size, where the data below represents a snapshot of the rental market in each sub-area.
- 5.38 A number of the properties advertised for rent in Thetford, Brandon and other South Western parts of Breckland list proximity to RAF Lakenheath as one of the key benefits. This is likely to be an indication that many US Air Force service people serving at the base use rental properties in Breckland and in turn indicates that USAF rental allowances will impact private rents in these locations.

Table 5.6 Median Rental Costs by sub area (August 2023³)

Sub-Area	Available Properties	Median Price (pcm)
A11 Corridor	48	£1,250
Dereham and Surrounds	37	£1,050
Swaffham and Surrounds	12	£1,380
Watton	10	£1,125

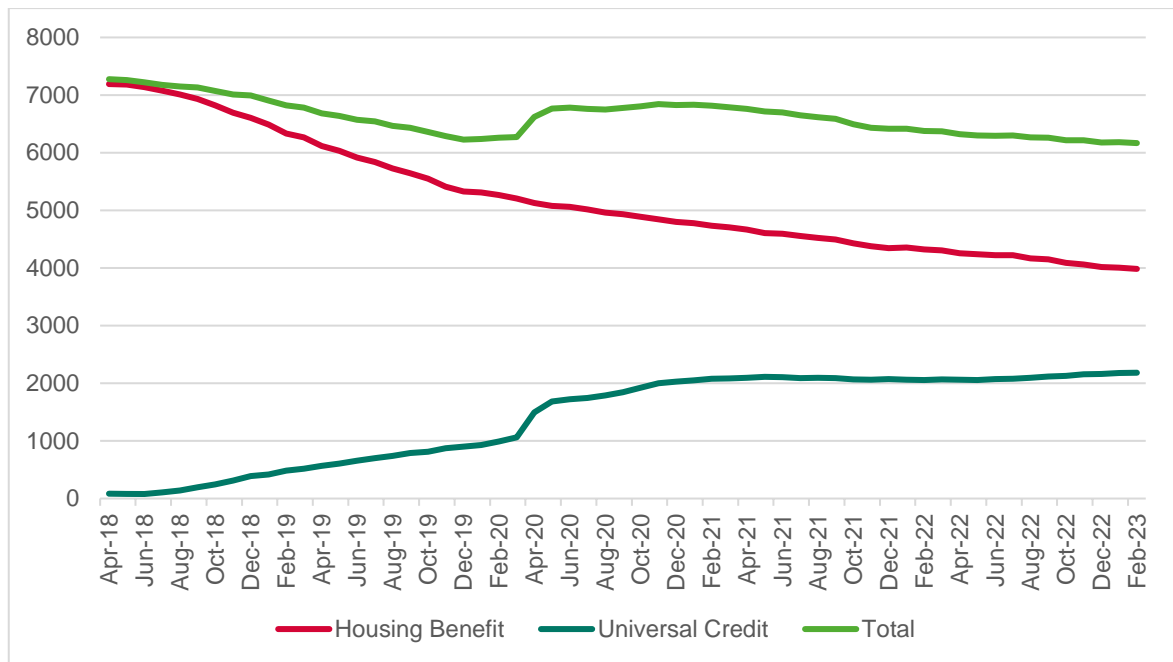
Source: Icen analysis of Rightmove data

³ This data relates to a snapshot of properties advertised for rent on Rightmove in August 2023

Benefit Supported Rents

5.39 The Private Rental Sector also has an important role in providing affordable housing, with many tenants only able to do so with the help of Universal Credit (or Housing Benefit). The table below shows the number of housing benefit claimants and claimants of the housing element of Universal Credit in PRS within Breckland. Housing Benefit is shown to be declining as claimants are gradually switched over to Universal Credit: the decline of Housing Benefit is not a sign of decreased need but a change in the benefit system.

Figure 5.17 Universal Credit and Housing Benefit Claimants, Breckland (2018-2023)



Source: DWP, 2023

- 5.40 Looking at the change over time it is clear that the Covid-19 lockdown impacted Breckland with the number of claimants jumping in March to July 2020 by 8%, this will be a factor of many people losing jobs and income.
- 5.41 However, this has recovered since the end of Covid-19 restrictions with the number of overall claimants droppings to below the levels seen prior to the pandemic. Overall, this indicates that the employment market in Breckland has largely recovered from Covid. However c.6,200 people remain claiming housing benefits in in order to afford to rent property, this is a further symptom of affordability pressure.

Housing Market Dynamics - Summary

- 5.42 Amongst the HMA authorities the median House price in Breckland sits higher than only Norwich and below others, including the region and country. This will in part be an effect of the stock available and size of properties. Dereham and Surrounds is the most expensive sub-area overall, Watton and the A11 corridor see lower overall prices of under £300,000 but see higher prices for flats than the Dereham and Swaffham areas.
- 5.43 House prices have increased by 67.7% in the past 10 years with particular uptick in house prices in 2020 to 2021, caused by the Covid Stamp Duty Holiday. More recently house prices have been decreasing as a result of national economic factors. Sales have also decreased as a factor of this. Reflecting the high proportion of detached properties in the district, there is a much higher percentage of detached sales in Breckland than other types of property. Within the sub-areas Dereham and surrounds sub-area sees the lowest proportion of detached sales and Watton the highest.
- 5.44 New build property sales have accounted for an average of 10.2% of all sales between 2012 and 2022, however dropped to just 4.5% in 2022.

- 5.45 Breckland's median affordability ratio is 9.25, this has decreased since 2021 indicating that affordability is improving. The Lower Quartile affordability ratio is lower than the median at 9.12 indicating that properties within the LQ are more affordable to those in that quartile than those in the median.
- 5.46 Interest rate rises have led to decreases in sales as mortgages become less affordable. In Q2 2023 mortgages payments took an average of 39.7% of take-home pay for first time buyers in the East of England. The help-to-buy equity loan scheme has supported in excess of 30% of all new-build dwelling sales in Breckland since 2013. Now that this scheme has finished this is likely to impact the new-build sales market.
- 5.47 In the private rental sector average rental costs in Breckland sit at £750 pcm. This is below those for the Eastern region and England, this has grown by 25% since 2013-14. The number of people claiming benefits to support rent increased throughout Covid, this has since decreased however still remains over 6,000 which in itself is a symptom of affordability pressure.

6. Commercial Market Review

- 6.1 This section of the report reviews commercial property market dynamics. It addresses the industrial and office sectors.

Industrial Market

UK Industrial Market Overview

- 6.2 Nationally, the tailwinds that propelled record occupiers and investor demand for industrial property through the height of the pandemic are fading amid high inflation and interest rates, Co Star reports. However the sector is expected to continue to benefit from the structural shift toward e-commerce and emerging industries like green energy, which should support leasing activity.
- 6.3 Net absorption (which relates to changes in the occupied stock) nationally has outweighed deliveries for much of the past decade, with vacancies falling near record lows at 3.6%. Properties with the highest BREEAM ratings are posting stronger rent growth than older/ lower grade stock and are expected to continue to do so. Sector-wide rent growth has begun to ease, as occupiers face growing cost pressures in a subdued economic climate.

Norfolk Industrial Market Overview

- 6.4 Norfolk's industrial market is among the 15 smallest in the UK and its rural location, away from cities and key national transport corridors, means it is not particularly dynamic. Much of the County's larger warehouses are clustered to the north of Norwich and around Kings Lynn in the west. Agri-food is a key economic and industrial demand driver with Princes Foods, Bernard Matthews and Mars all having a significant presence in the area.
- 6.5 The vacancy rate for industrial property has fallen in recent months, however it remains above its pre-pandemic level. With Norfolk's occupier base comprising mainly of manufacturing firms, the market has not seen the same level of activity

as other more distribution-orientated markets. Industrial rental growth has accelerated over the past 12 months, driven by competition for the market's relatively limited supply of newer and high quality industrial units. With average asking rents of £6,20 per sq ft, Norfolk is however more affordable than 75% of the UK's 55 industrial markets.

Breckland Industrial Market Overview

- 6.6 The industrial market in Breckland is considered to be mid-sized, containing around 6 million sq ft of industrial space. Vacancies has edged up slightly over the past year to 2.3% but remain relatively low. Annual net absorption came in at a decrease of 51,000 sq.ft in 2022, however over the past 5 years, average net absorption is positive at 14,000 sqft per annum.
- 6.7 There has been strong rental growth over the past year (7.3%) exceeding the decade annual average of 4.3%. There is 150,000 sqft of floorspace under construction at the time of writing in Summer 2023, representing the first new construction in more than 3 years.

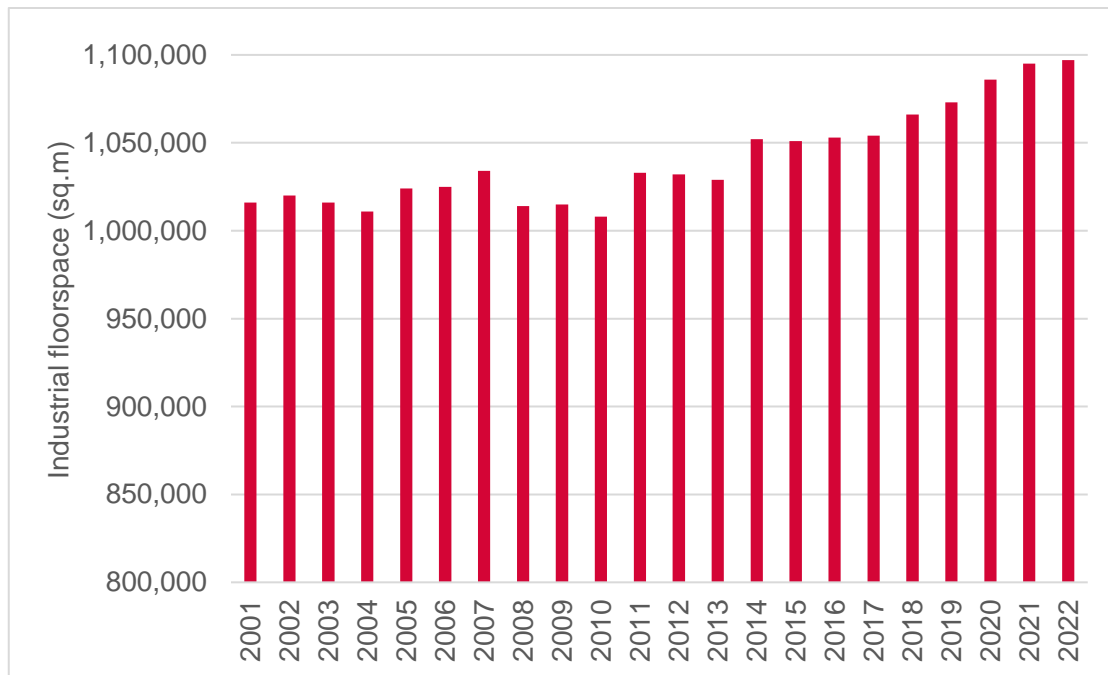
Breckland Industrial Stock

- 6.8 The VOA⁴ provide information on the amount of industrial floorspace by administrative area. In Breckland at the end of FY 2021/22, there was 1,097,000 sq.m of industrial floorspace in total across the District. This makes up 21% of total floorspace across Norfolk.
- 6.9 CoStar reports that in July 2023 Breckland has approx. 559,800 sq.m (6.0m sq.ft) of industrial floorspace, which is 49% less than the VOA data suggests. This reflects the definition of industrial space used by CoStar and that its data collection methods differs from that used by the VOA. In more rural areas CoStar typically does not pick up all small industrial properties and is thus likely to undercount the industrial inventory.

⁴ VOA: Non-domestic rating: stock of properties including business floorspace, 2019

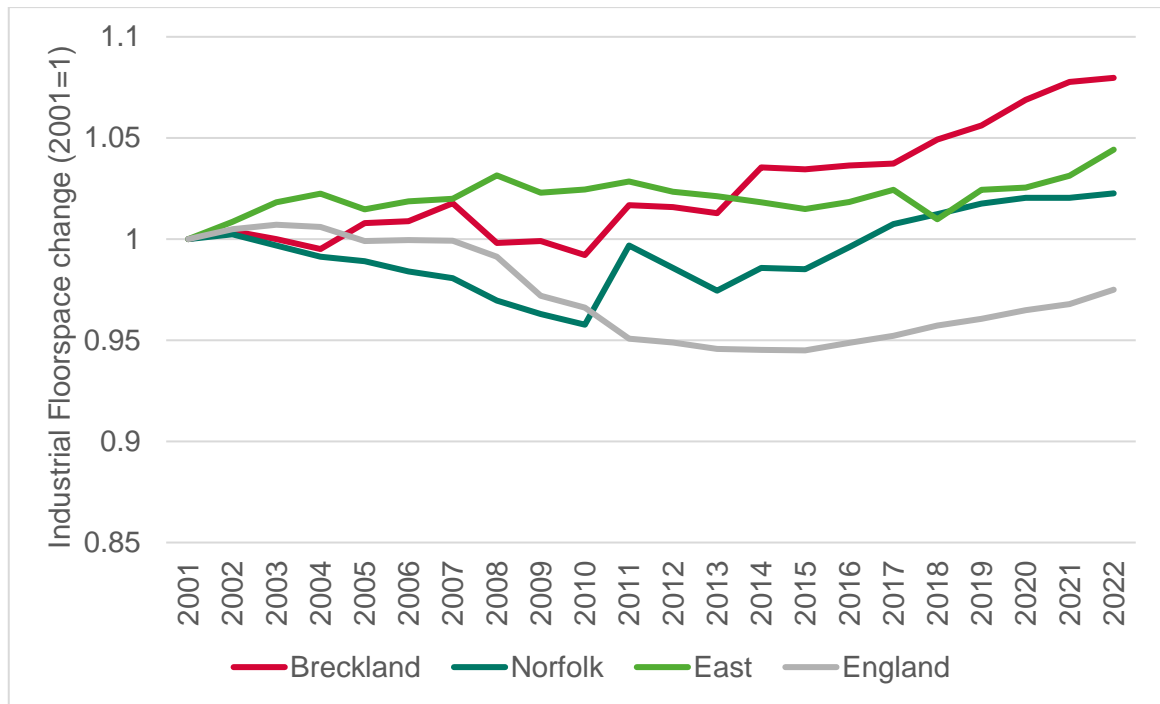
- 6.10 Figure 6.1 shows the change in the amount of industrial floorspace in Breckland between 2000/01 and 2021/22. After remaining stable between 2001 and 2013, floorspace has increased by 65,000 sqm in the past decade, growing by an average annual rate of 0.6%.

Figure 6.1 Industrial Floorspace (2001 – 2022) (sq.m.)



Source: Icen analysis of VOA data

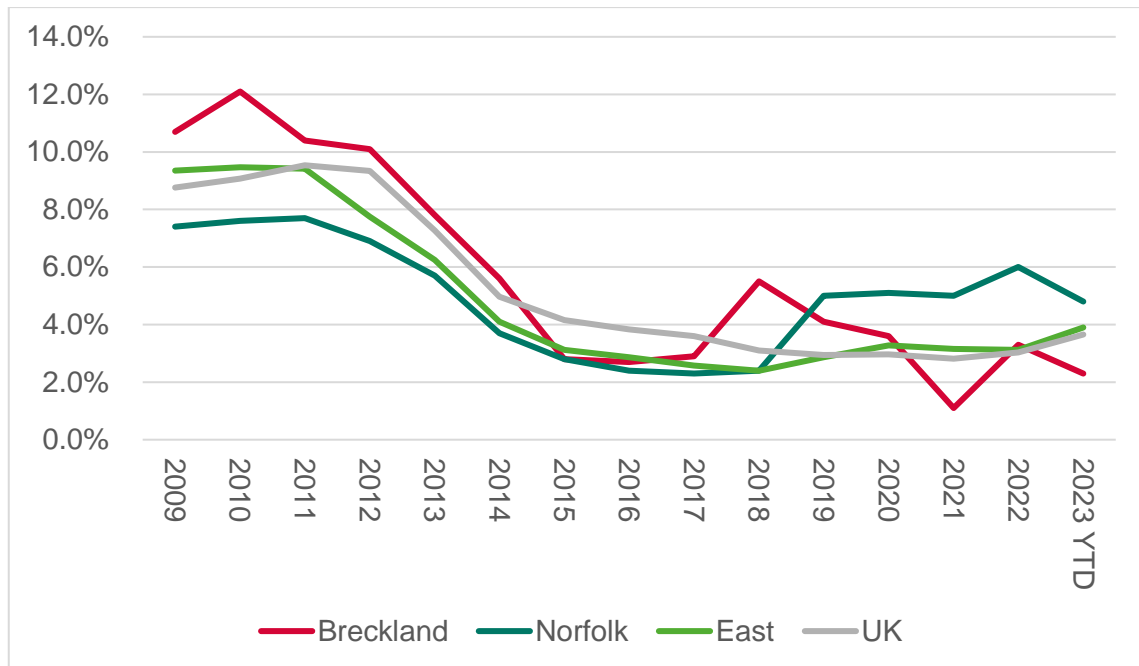
- 6.11 Figure 6.1 shows how the amount of industrial floorspace has changed in Breckland relative to the county, the region and England. Overall Breckland has increased by a larger proportional amount than other areas. Both Norfolk and the East of England have seen growth in industrial floorspace, unlike England which has experienced a contraction since 2005.
- 6.12 From 2013 onwards, Breckland's rate of growth of industrial floorspace has outpaced that of the wide East region which saw a flattening of industrial floorspace growth until 2019. Breckland's industrial floorspace has grown at a rate of 6.4% over the past 10 years, compared to 3.7% in Norfolk and 2.1% in the East.

Figure 6.2 Indexed Industrial Floorspace Change (2001 – 2022)

Source: Icen analysis of VOA data

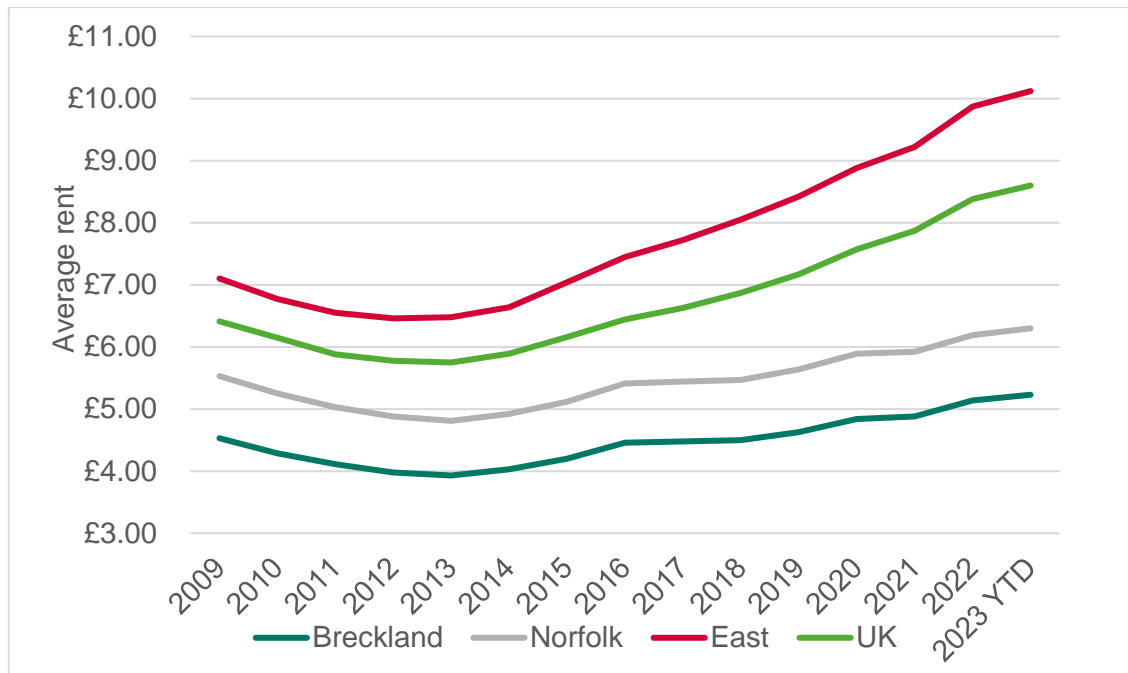
Indicators of Supply-Demand Balance

- 6.13 The overall supply-demand balance in Breckland’s industrial market has been assessed by looking at headline indicators – namely vacancy rates and rents. The drivers of changing vacancy rates, demand and supply have then been assessed by looking at net absorption and net deliveries.
- 6.14 Figure 6.3 shows how the vacancy rate in Breckland has changed over time compared to the county, the region and the UK. Vacancy rates have been declining since 2009, with a slight rise in 2018. Currently (July 2023) the vacancy rate in Breckland is low at 2.3%: lower than Norfolk, the East and the UK. The A vacancy rate of 5-10% is considered healthy as it allows for market churn and supports business growth. The vacancy rate is evidently tight and points to a need to bring forward additional supply.

Figure 6.3 Industrial Vacancy Rate

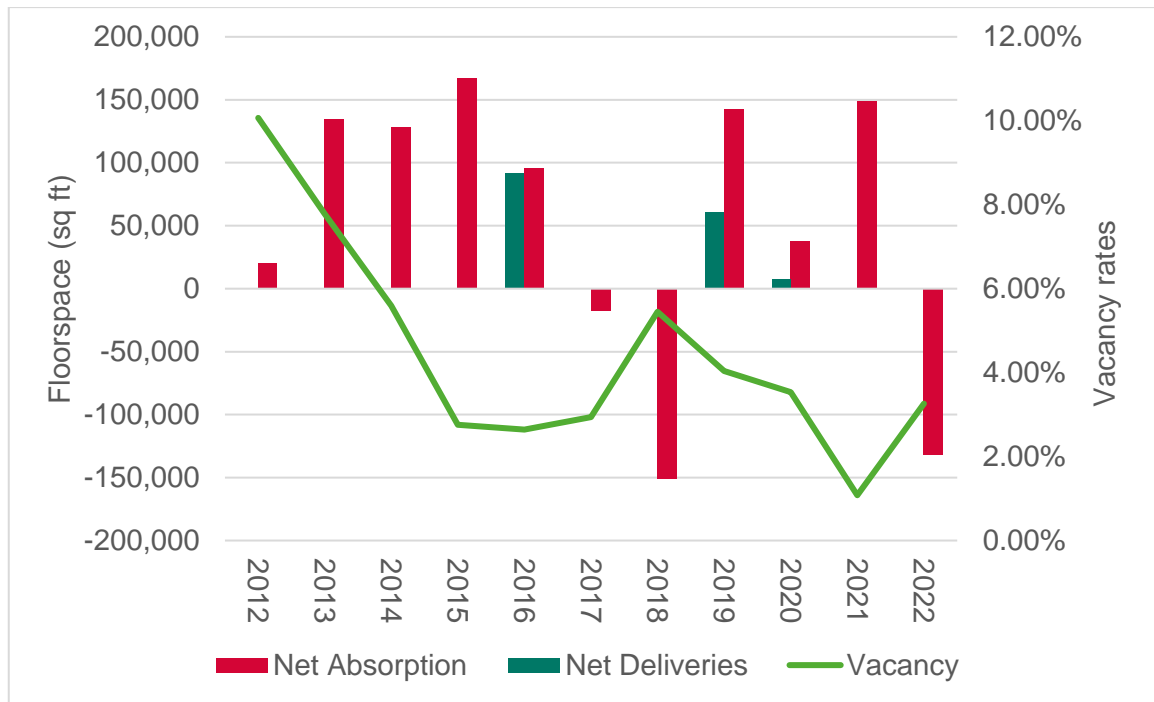
Source: Icen analysis of CoStar data

- 6.15 The graph below shows how inflation-adjusted average industrial rental prices in Breckland have changed over time relative to wider geographies. Rents have been steadily increasing since 2012 across Breckland, at an average rate of 2.9% per annum. A similar growth trend occurred in Norfolk and the East; whilst the UK experienced a higher average growth of around 5%. As of July 2023, industrial rents in Breckland are an average of £5.23 per sqft, lower than Norfolk (£6.30 per sqft), the UK (£8.60 per sqft) and approximately half of rents in the East (£10.12 per sq ft). Rental growth points towards demand exceeding supply; but the weaker rental tone indicates that the industrial market is not as strong as in some other areas.

Figure 6.4 Inflation Adjusted Average Rental Price (£ per sq. ft)

Source: Icen analysis of CoStar data

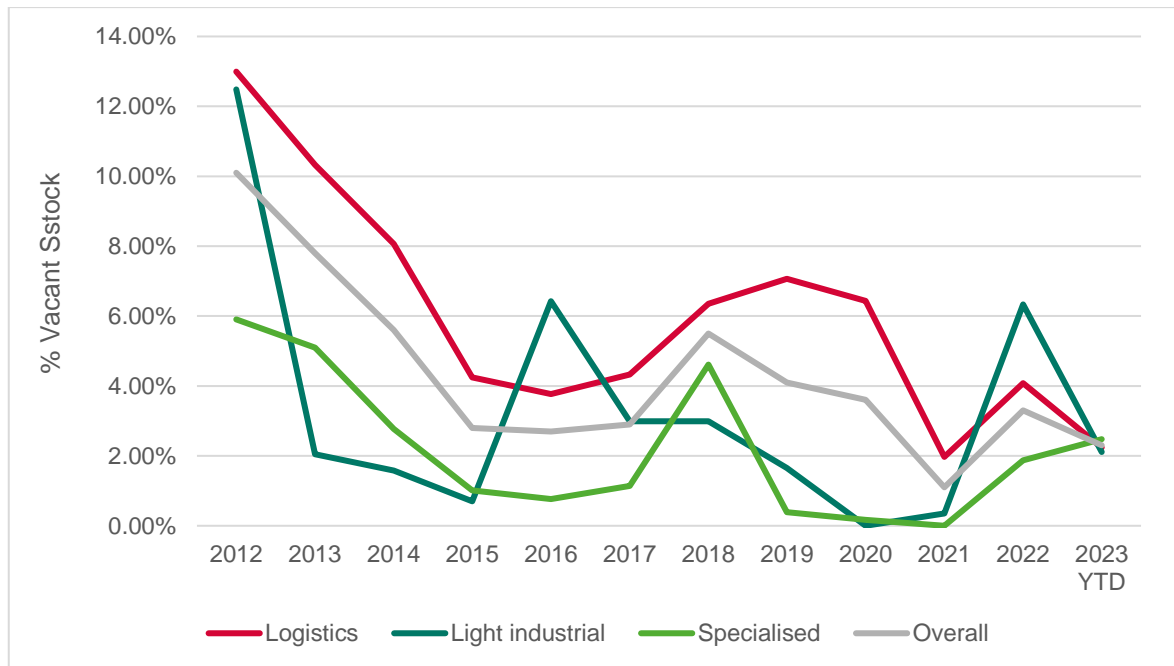
- 6.16 The figure below shows net absorption, net deliveries and their resulting impact on vacancy rates in Breckland. Net absorption relates to changes in the occupied stock, so positive net absorption points to a growing market.
- 6.17 Overall net absorption has been predominantly positive over the past decade, with the exception of negative rates in in 2017, 2018 and 2022. Over the past 10 years there was an average annual net absorption of 52,233 sqft (c. 4950 sq.m per annum). Most recently, net absorption was -132,054 sqft in 2022, which caused vacancy rates to rise up to 3.26% from a historical low of 1.08%.
- 6.18 In comparison to net absorption, deliveries have been extremely limited with just 159,000 sqft of industrial space delivered over the past decade compared to a total of 575,00 sqft of net take-up. Much of the industrial take-up has therefore been of second hand stock. No floorspace has been delivered since 2020.
- 6.19 However the low availability and restricted supply does appear to have spurred some schemes to progress. According to CoStar there us currently 155,000 sqft of floorspace under construction at Swaffham Trading Park, Harling Road and Bunns Bank.

Figure 6.5 Net Absorption, Net Deliveries and Vacancy Rates

Source: Icen analysis of CoStar data

Industrial Supply-demand Balance by Type and Size

- 6.20 It is important to understand if overall vacancy rates reflect the dynamics in different sub-markets. It is particularly important to understand vacancy rates in high quality stock, as this provides a good indicator of demand for new, high quality space.
- 6.21 The figure below shows an assessment of vacancy over time in each industrial class type, to demonstrate the type of industrial stock that is in most demand in Breckland. As of July 2023 all industrial class types have a very low vacancy of 2.1-2.5%. Historically, Logistics stock had a higher vacancy than other industrial stock and on average Specialised industrial stock sees vacancy rates of below 2%, indicating a lack of supply.
- 6.22 Due to the limited size of each industrial sub-market in Breckland, there tend to be high fluctuations in the vacancy rate and thus year on year variations should be treated with caution as only a few deals can drastically influence the vacancy rate.

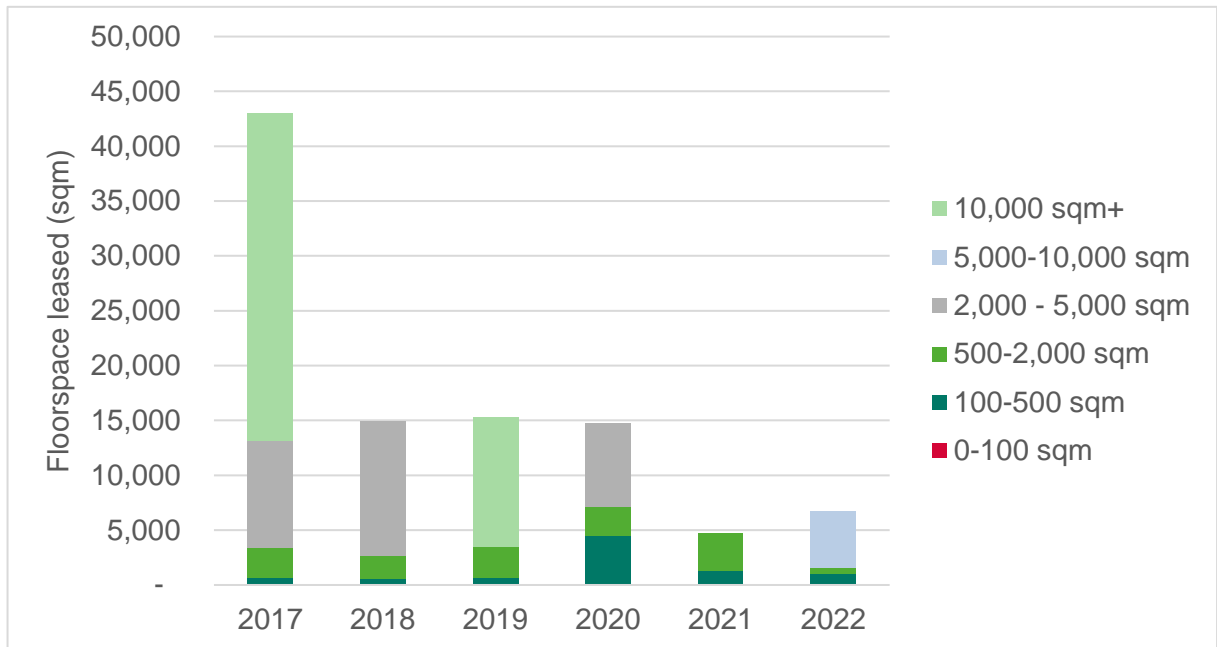
Figure 6.6 Vacancy Rate by Industrial Class Type

Source: Icen analysis of CoStar data

- 6.23 The amount of leasing activity which has occurred in various size bands has been assessed to provide an indication of demand by size. However, it should be remembered that leasing activity is constrained by the available stock. Therefore, our assessment of demand by size has been considered together with information from stakeholder engagement. Leasing activity differs from absorption in that it refers to the amount of space which is leased (i.e. signed for rather than physically moved in to).
- 6.24 Table 6.7 shows the amount of leasing activity by size band which has occurred since 2017. Two particularly large leases are seen in 2017 and 2019, the former being 29,886 sqm leased by easyCleaning on Brunel Way in Thetford. In 2019, Multimatic leased 11,799 sqm on Wyatt Way in Thetford. If these two deals are excluded it can be seen that leasing activity has been concentrated in the 2,000-5,000 sqm size band. Larger leasing events are relatively irregular.
- 6.25 In terms of the number of deals, 46% of deals were in the 100-500 sqm size band relating to 8,203 sqm of floorspace, followed by 27% in 2,000-5,000 sqm band.
- 6.26 Since 2017, 99,400 sqm of floorspace has been leased, however activity has slowed down in the past two years, averaging 5,7100 sqm year compared to

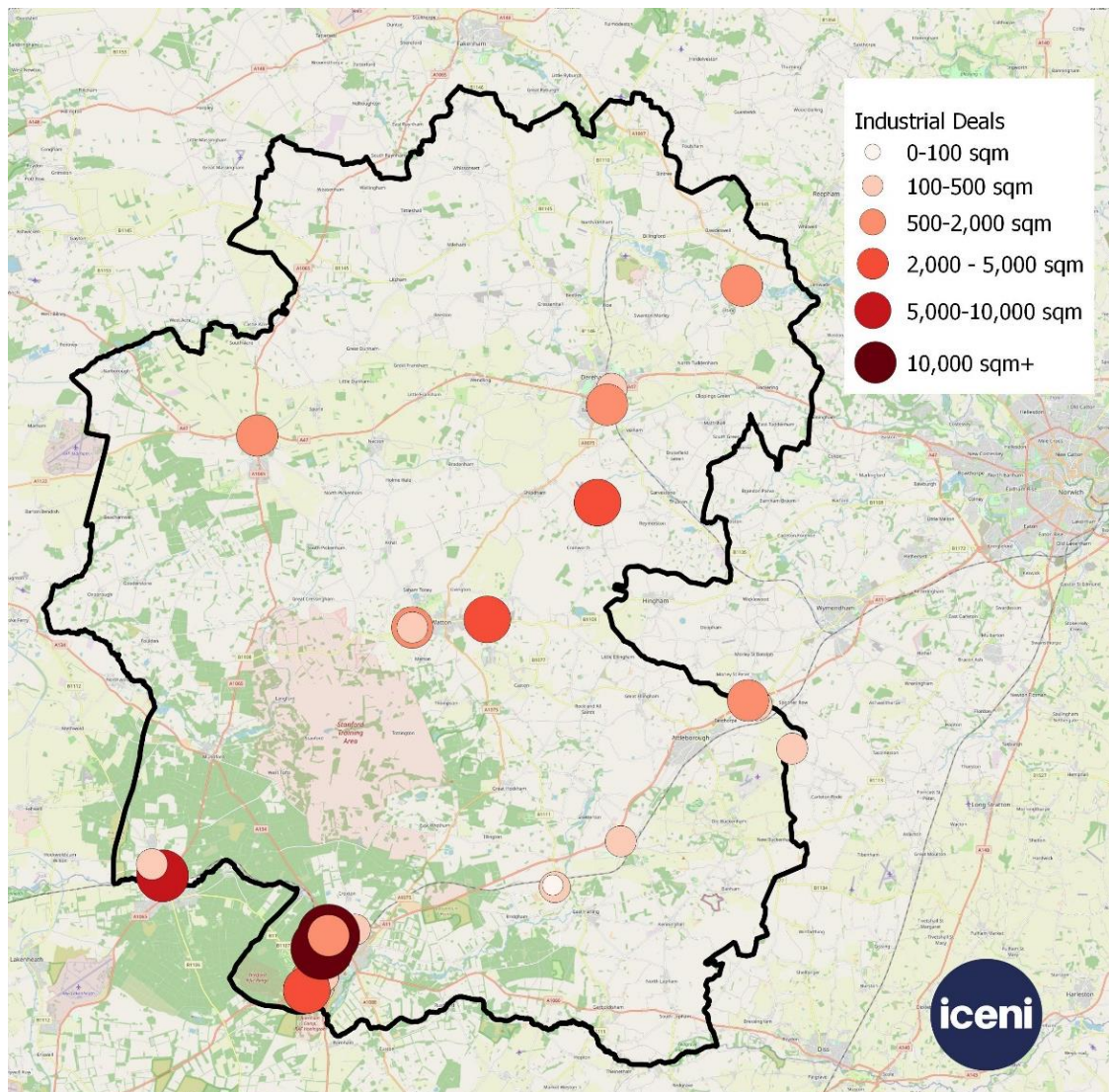
22,000 sqm in the four years prior. A combination of economic conditions and limited supply are likely to have fed into this.

Figure 6.7 Leasing Activity Over Time by Size Band (sq.m.)



Source: Icen analysis of CoStar data

6.27 The map below shows the location of the industrial deals 2017-2022 by size. A majority of industrial take-up has been in Thetford in the industrial estates to the north and south west of the town. The evidence points to the A11 Corridor being the strongest industrial market.

Figure 6.8 Industrial Deals (2017-2022)

Source: IcenI analysis of CoStar data

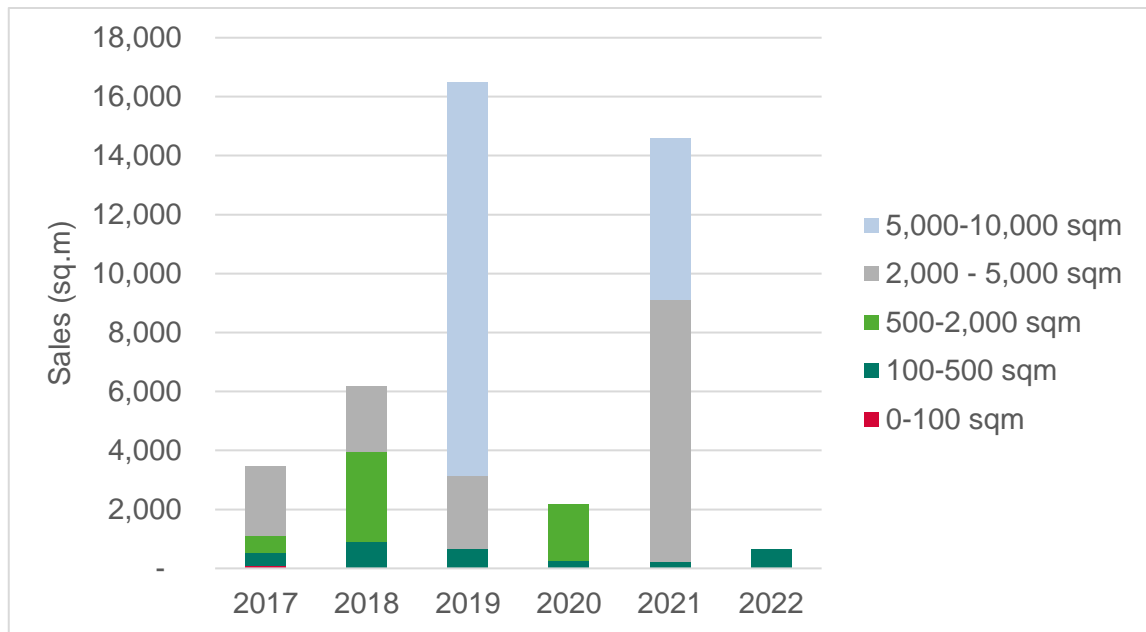
Owner-Occupier Demand

6.28 This section looks at demand for owner-occupier industrial space in Breckland. The figure below shows the amount of space sold each year by size. Investor sales have been filtered out, so the data below is representative of owner-user sales only.

6.29 The majority of floorspace sold is over 2,000 sq.m. with 15,953 sqm in the 2,000-5,000 sq.m band and 18,800 sqm in the 5,000-10,000 sqm size band sold since 2017. The sales over 10,000 sqm in Breckland have all been classed as investments and thus will be recorded in the lease deals data.

6.30 Whilst sales in the over 2,000 sq.m. band make up the most floorspace sold, much like in leasing activity the greatest number of deals are made in the 100-500 sqm band, which has seen 32 sales since 2017, making up a third of deals. The average number of deals made each year is 16 per annum.

Figure 6.9 Figure 6.9 Sum of Sales by Year and Size Band (sq.m.)



Source: Icenii analysis of CoStar data

Agent Feedback

- 6.31 Icenis has spoken to a number of commercially active local agents⁵ to understand current market conditions and gaps in supply. Agents stated that they receive enquiries from a range of occupiers, but primarily manufacturing and storage and distribution uses at Snetterton and around Thetford due to the connectivity to the A11.
- 6.32 A majority of the demand is for units of below 3,000 sq.ft. Smaller units are seeing a growing demand for leisure uses such as gyms. There was a consensus that the market is constrained in terms of providing readily available space for businesses to grow. Many allocated plots have not come forward for development due to viability issues.
- 6.33 Snetterton Commercial Hub has seen good interest with a focus on logistics, manufacturing, and motorsport engineering. New development will deliver high quality stock and as the Park becomes more established, agents consider that this may drive interest for high-skilled/high-value employment uses due to its location on the Cambridge Norwich Tech Corridor. New build industrial rents are currently around £9.50 per sq.ft.
- 6.34 There is some appetite to deliver an enterprise park to support manufacturing businesses within Breckland, specifically the automotive market, building on the proximity to Hethel Engineering Centre.
- 6.35 Agents also report the potential to capitalize on the dualling of the A47 by providing employment space, with some focus towards agri-tech.

⁵ Roche Chartered Surveyors, Eddisons and Breckland Council (August 2023)

Industrial Market: Key Findings

Breckland has a modest-sized industrial market, which is focused towards SME occupiers. The market has been growing with stock increasing since 2013 and positive net absorption recorded in recent years (at a most 4,950 sq.m per annum). Key sectoral drivers of demand include manufacturing and agri-tech.

The market evidence points towards the need to bring forward new-build space in a context of low vacancy rates, which stood at 2.3% at the time of writing, and to provide better quality supply enabling growth of existing local businesses. There are however some viability challenges.

Market interest appears strongest along the A11 Corridor, at Thetford and Snetterton Commercial Hub, taking account of wider connectivity. However, there are opportunities for the dualling of the A47 to support growth along the A47 Corridor as well, particularly in agri-tech activities.

Office Market

UK Office Market Overview

- 6.36 The national office market continues to face subdued demand, despite receding pandemic restrictions and more employees returning to offices which helped bring about a steady rebound in leasing in recent quarters.
- 6.37 According to the latest CoStar Office Market Report from July 2023, national net absorption has remained negative over the past year as firms continue to reduce their office footprint and release space onto the market. While demand losses have been lighter than in 2021, falling demand and rising net deliveries have continued to push the national office vacancy rate upwards to 7.6%, the highest level in nearly a decade.
- 6.38 Vacancies are likely to continue rising in the near term as there is 29.5 million sqft of new office space under construction across the county. Much of this space is due to deliver over the next 12 months, which allied to ongoing weak demand, should cause the vacancy rate to rise further.
- 6.39 Average asking rents have remained relatively resilient since the pandemic began, supported by the continued rent growth at the prime end of the market and by landlords offering more generous incentive packages.
- 6.40 Prime buildings should outperform secondary ones in the coming years, as firms continue to pivot to better-quality space – to attract staff, welcome clients and meet growing environmental commitments – even as many take less space overall amid a pivot to hybrid working. Thus we are likely to see a two-speed market: with good demand for high quality stock, but weaker demand for more dated lower grade office floorspace.

- 6.41 Supply-constrained markets with a strong TMT (Technology, Media & Telecoms), life science or professional services demand base and a highly educated workforce have outperformed other areas in recent years and should continue to do well over the forecast. The likes of Bristol, Cambridge and Edinburgh fall into this category; whilst markets such as Milton Keynes, Brighton and Leeds also likely to fare relatively well.

Norfolk Office Market Overview

- 6.42 Norfolk hosts one of the UK's smallest office markets, with 9.3 million sqft of stock. Demand is primarily driven by the public sector and service industries, as well as the medical sector thanks to Norwich Research Park. Insurance and pension giant Aviva and computing firm HP are among the most notable local office tenants.
- 6.43 The local office vacancy rate (currently 5.2%) has risen since the pandemic struck and firms increasingly adopted hybrid working practices. Aviva's departure from Willow House (62,000 sqft) at Broadlands Business Park (on the SE side of Norwich) and Marsh's later decision to move its staff there from Victoria House (112,000 sqft) in the City Centre negatively impacted net absorption in 2022. Norwich office vacancies continue to trend below the UK national average (7.7%), aided by a lack of deliveries and conversions to other uses.
- 6.44 Average office rental growth in Norfolk is running at an annualised rate of -3.9% (vs a national average of 1.2%), while local office landlords are likely offering generous incentive packages. Over the past decade office rents have risen by 2.5% versus a national rate of 3.5%. Norfolk is among the nation's most affordable markets with average rents of 13.80 per sqft.
- 6.45 In keeping with the picture across the country's more secondary office markets, investment activity remains subdued. Spending has amounted to £14.9 million over the past 12 months, down from nearly £50 million in the year to June 2019. Redevelopment sales continue to prop up investment. Volumes were lifted at the tail end of 2022 when GSA acquired St Crispin's House in Central Norwich for £12.1 million to redevelop it for student housing. More recent deals have tended to be smaller.

Breckland Office Market Overview

- 6.46 CoStar reports that the vacancy rate in Breckland has risen significantly over the past 12 months, and at 8.0%, the rate is the highest its been in over a decade.
- 6.47 Annual net absorption came in at a decrease of 36,000 sqft over the past year. The story improves over a longer timeframe and over the past five years the submarket has posted net absorption of about 5,600 sqft per year on average. Rents declined by 3.2% over the past 12 months, representing the worst annual performance in Breckland in more than five years.
- 6.48 There are no supply side pressures on vacancy or rent in the near term, as nothing is under construction. Through the pipeline is empty, the submarket has seen recent development. Roughly 11,000 sqft has delivered over the past three years, representing an inventory expansion of a modest 1.7%.
- 6.49 The acquisition of the Keystone Innovation Centre in Thetford by a property company known as Intrepid Number 1 for £1.5 million (£89/SF) occurred in 2023. The 2006-built property sits within the Cambridge-Norwich Tech Corridor.

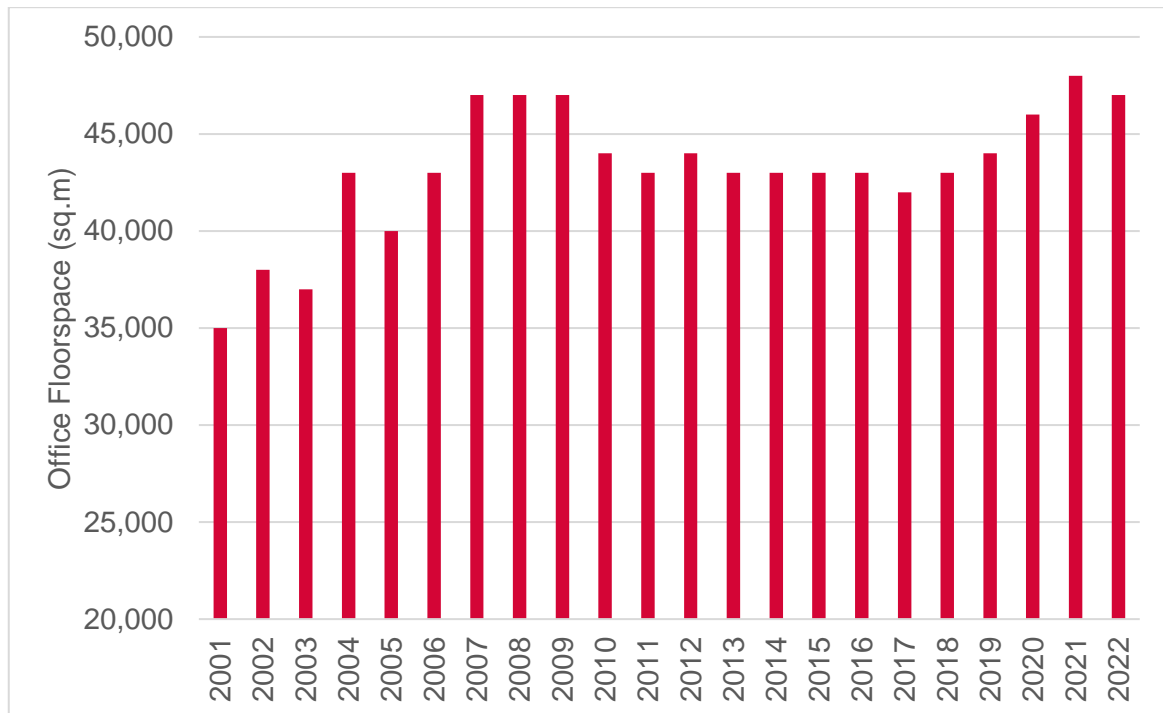
Breckland Office Stock

- 6.50 The Valuation Office Agency (VOA)⁶ provides information on the amount of office floorspace by administrative area. In Breckland at the end of the 2020/21 financial year, there was 47,000 sq.m (505,900 sq.ft) of office floorspace in total. This is equivalent to 6.6% of total floorspace in the Norfolk sub-market, suggesting that Breckland has a relatively modest office property market.
- 6.51 CoStar reports that Breckland had 56,978 sq.m (613,313 sq.ft) of office floorspace mid-2023, which is 18% higher than the VOA data suggests. This difference is because the definition of office space used by CoStar differs from that used by the VOA and the fact that data is collected in a different manner by each organisation.

⁶ VOA: Non-domestic rating: stock of properties including business floorspace, 2019

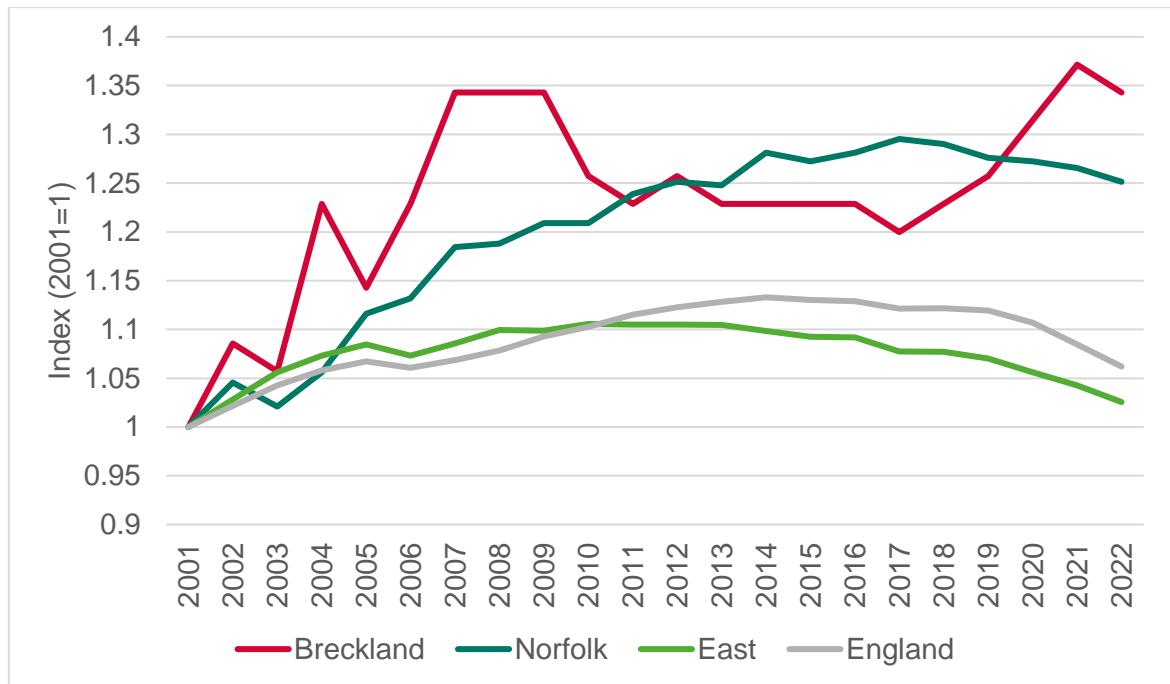
6.52 Figure 6.10 shows the total amount of office floorspace in Breckland between 2000/01 and 2021/22. The provision of floorspace has been increasing since 2018, after declining from 2009 onwards and remaining stable at 43,000 sqm 2013-2018. The recent increase in floorspace includes Phase II Trident Business Village.

Figure 6.10 Office Floorspace in Breckland (2000/01 – 2021/22)



Source: Icen analysis of VOA data

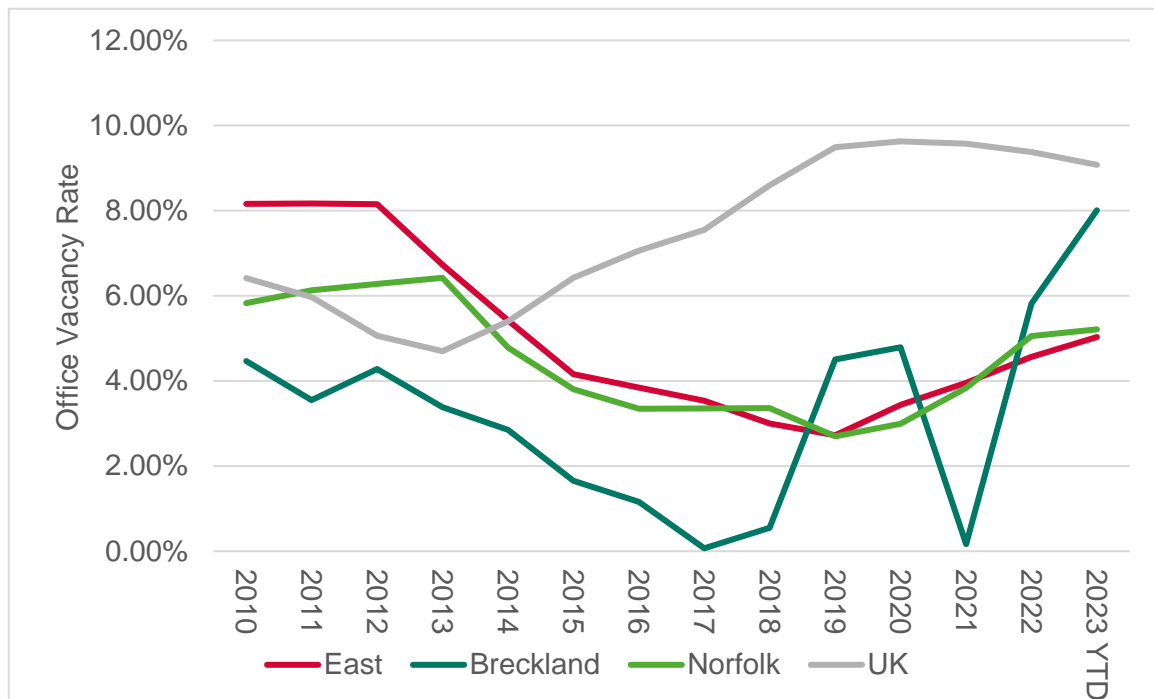
6.53 The figure below shows how the amount of floorspace has changed in Breckland relative to the county, the region and England. Overall Breckland has increased by a larger proportional amount, likely related to its lower starting point, as all other areas have also seen increases. Growth of office floorspace exceeding that of its comparator areas 2001-2007 (5.7% per annum), however Breckland experienced negative growth 2009-2017 (-1.8% per annum), influenced by losses – such as through permitted development.

Figure 6.11 Indexed Office Floorspace Change (2000/01 – 2021/22)

Source: Icen analysis of VOA data

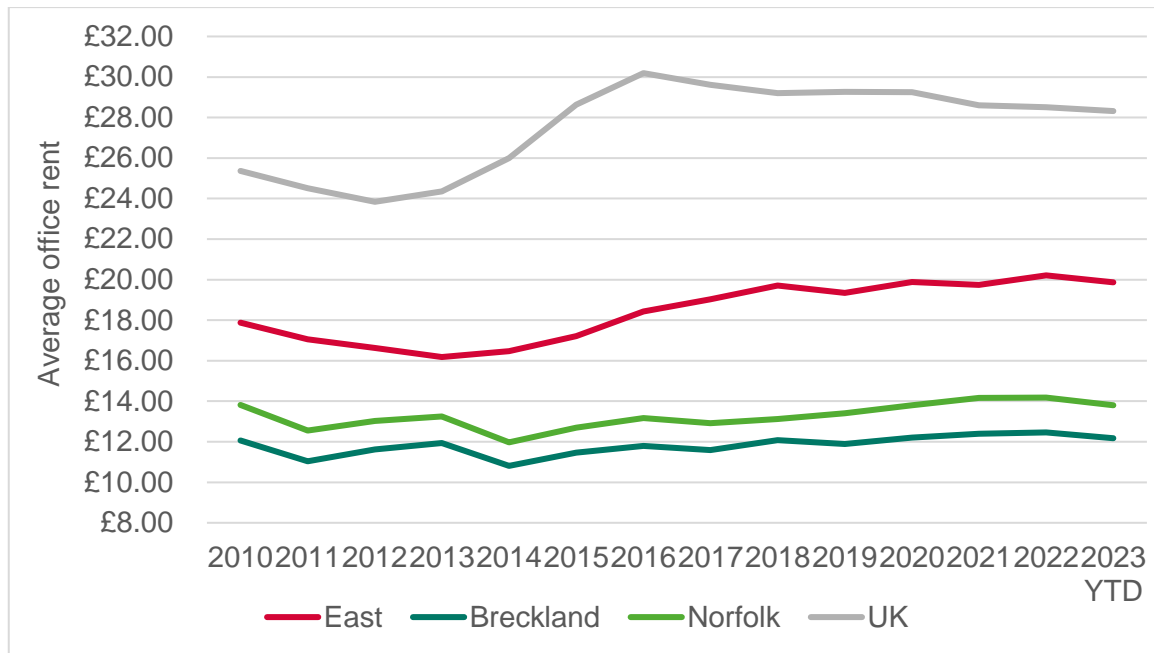
Overall Supply-Demand Balance – Breckland Office Market

- 6.54 The overall supply-demand balance has been assessed by looking at headline indicators – namely vacancy rates and rents. The drivers of changing vacancy rates, demand and supply have then been assessed by looking at net absorption and net deliveries.
- 6.55 The figure below shows that the office vacancy rate in Breckland has varied significantly since 2017 from a near 0% rate to 8.0% as of July 2023. This is most likely because the office market is relatively small and thus just a few deals, lease breaks or deliveries can disproportionately influence the vacancy rate. Increases since 2021 are likely due to the increase of hybrid working as a result of the pandemic.
- 6.56 Vacancy rates have also been rising in Norfolk and the East, currently around 5%, but remain lower than the rate in Breckland, and the UK office vacancy rate of 9.1%.

Figure 6.12 Vacancy Rate

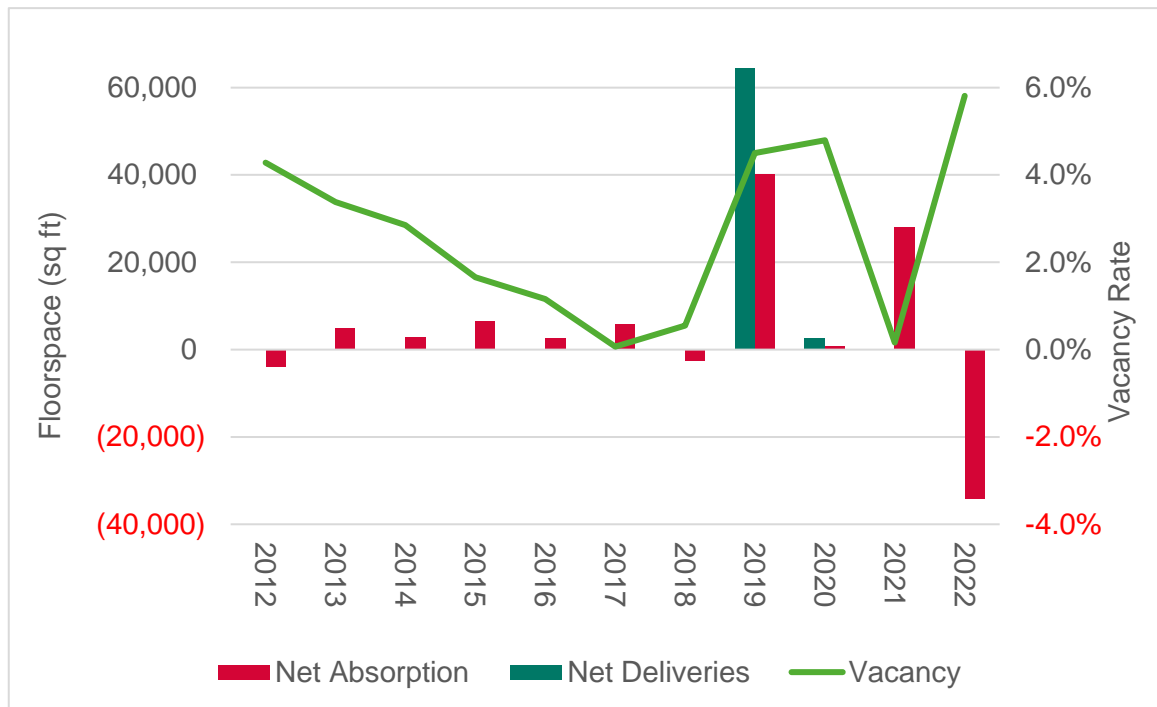
Source: IcenI analysis of CoStar data

- 6.57 The figure below shows how average rental prices in Breckland, adjusted for inflation, have changed over time compared to wider Norfolk, the East and the UK. Rental costs in Breckland currently sit at £12.18 per sq ft. In both Breckland and Norfolk office rental costs are low in comparison to the East (19.87 psf) and the UK (£28.32 psf), with Breckland's consistently the lowest of all the benchmark areas. This indicates the borough is a less attractive location for offices, and as such it is more affordable. At this level it is likely rents will not support speculative office development (and occupiers may have to pay a premium for new-build space).
- 6.58 Overall, office rental costs in both Norfolk and Breckland have remained constant from around 2010 onwards unlike the UK. Since 2010, rents have only risen by 0.9% in Breckland, compared to growth of 11.7% across the UK in the same time period. This is a symptom of a weak office market.

Figure 6.13 Inflation Adjusted Average Rental Price (£ per sq. Ft)

Source: Icen analysis of CoStar data

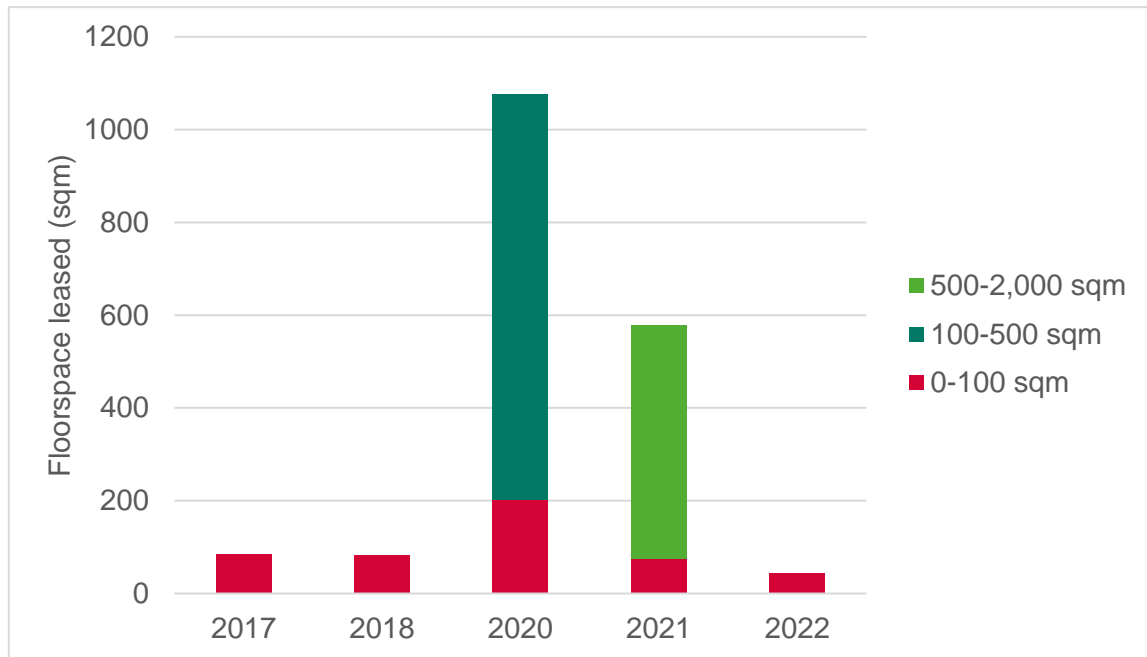
- 6.59 CoStar provides data on net absorption. This is the balance between the amount of floorspace occupied and vacated. It provides an indicator of the strength of demand. Net deliveries are the difference between floorspace delivered (i.e. constructed and brought onto the market) and demolished (or otherwise taken out of use and removed from the market).
- 6.60 A positive net absorption figure indicates that there is growing demand and leads to a falling vacancy rate (unless it is outweighed by net deliveries). On the other hand, a negative net absorption figure indicates weaker demand and leads to a rising vacancy rate (unless it is outweighed by negative net deliveries).
- 6.61 Figure 7.10 shows net absorption, net deliveries and their resulting impact on vacancy rates in Breckland. Historically, net absorption has been extremely low, between 2012 and 2018. In 2019 take-up peaked at 40,200 sqft alongside 65,400 sqft of deliveries. Net absorption was negative in 2022 at -34,200 sqft.
- 6.62 Over the past decade there has only been 67,160 sqft (c. 6,200 sq.m) of floorspace delivered, which was concentrated 2019-2020. This resulted in vacancy rates approaching zero in up until 2017.

Figure 6.14 Net Absorption, Net Deliveries and Vacancy Rates

Source: Icení analysis of CoStar data

Demand by Size

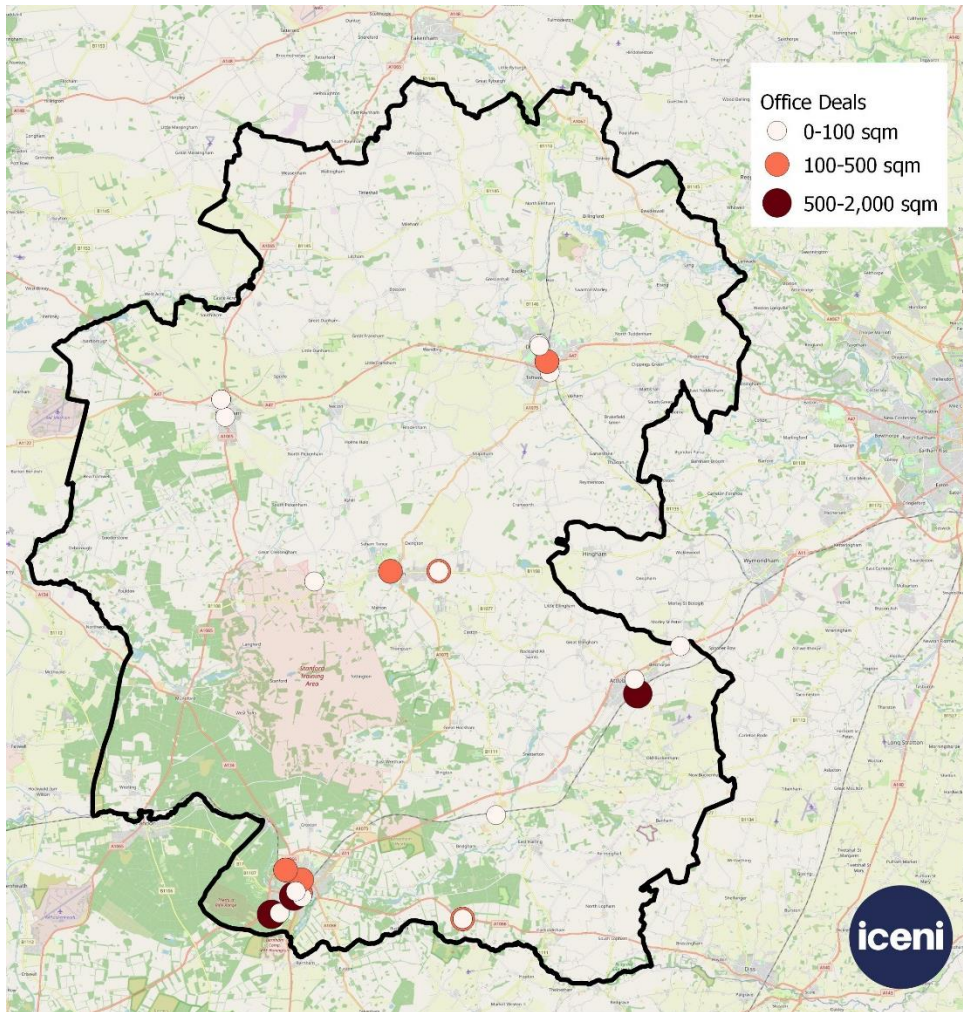
- 6.63 The amount of leasing activity which has occurred in various size bands has been assessed to provide an indication of demand by size. However, it should be remembered that leasing activity is constrained by the available stock. Therefore, our assessment of demand by size has been considered together with information from stakeholders.
- 6.64 Leasing activity differs from absorption in that it refers to the amount of space which is leased (i.e. signed for rather than physically moved in to). Figure 6.15 shows the amount of leasing activity by size band which has occurred since 2017.

Figure 6.15 Leasing Activity Over Time by Size Band (sq.m)

Source: IcenI analysis of CoStar data

- 6.65 Breckland has seen very little leasing activity since 2017: there have been just 15 deals, translating to 1,866 sqm of floorspace take-up. Much of the activity in the Borough is concentrated in the smaller size bands with 11 deals in the 0-100 sqm size band over the 2017-2022 period. The most amount of floorspace let was in the 100-500 sqm band, where 3 deals in 2020 translated to 873 sqm of take-up.
- 6.66 There was one larger deal in 2021 of 502 sqm at 21-25 Turbine Way, Eco Tech Business Park, Swaffham by an unknown tenant.

Figure 6.16 Map of Office Deals by Size 2012-2022



Source: IcenI analysis of CoStar data (2023)

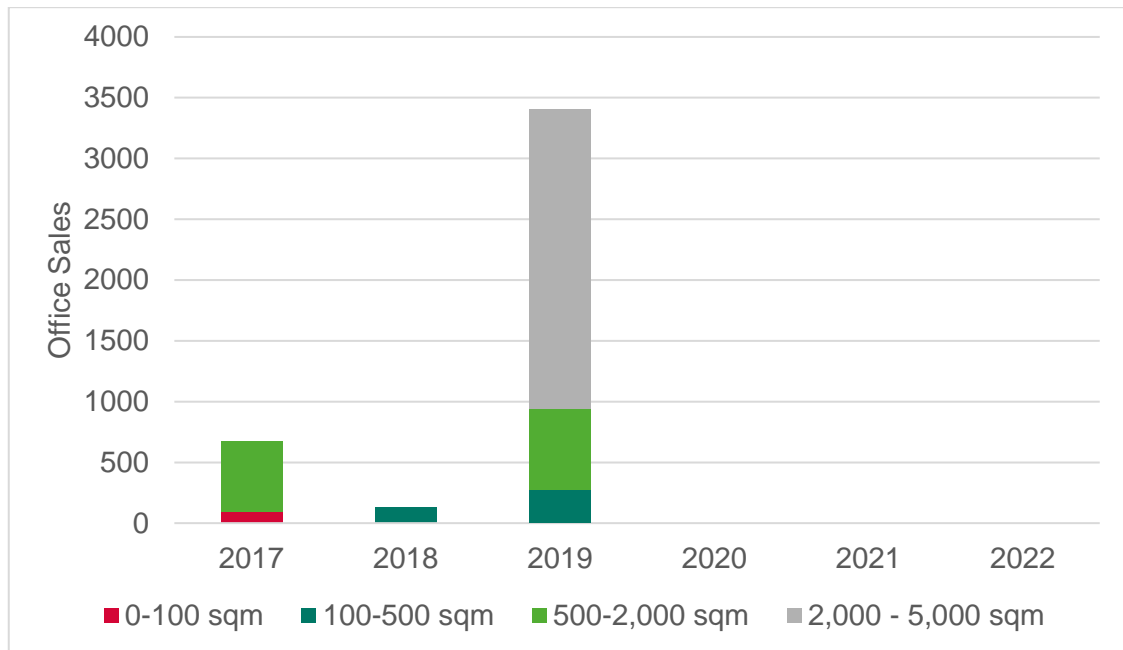
- 6.67 The map above shows the office deals since 2012 by size band. A majority of office take-up occurred in Thetford, with some deals in Dereham, Swaffham and Attleborough.

Owner-Occupier Demand

- 6.68 This section looks at the demand for owner-occupier office space in Breckland. Figure 6.17 shows the amount of space sold (rather than let) each year by size band. This data records sales to both owner occupiers and investors, so it does not accurately indicate the scale of owner-occupier demand, as sales made to investors will also be included.

- 6.69 There was no owner occupier activity in the market 2020-2022. In the three years prior to that a total 4,207sqm was sold, peaking in 2019 driven by a 2,469 sqm sale of 11 Maurice Gaymer Road. For completeness only complete years have been included in the analysis; however in March 2023 the sale of the Keystone Innovation Centre (1,514 sqm) was completed.

Figure 6.17 Sum of Sales by Year and Size Band (sq.m)



Source: IcenI analysis of CoStar data

Agent Feedback

- 6.70 IcenI has spoken to a number of commercially active local agents⁷ to understand current market conditions and gaps in supply. Agents highlighted that Breckland has a small office market which tends to be concentrated in the town centres and primarily Thetford. Historically there has been a low-level of confidence in Thetford's office market however recently larger buildings have been acquired which has instilled some confidence e.g. Keystone Innovation Centre.
- 6.71 Demand tends to be for the smaller end of the market, sub-1,000 sqft, for hybrid-working occupiers looking for an alternative to home working for 1-3 employees. It

⁷ Roche Chartered Surveyors, Eddison, Breckland Council (August 2023)

was expressed that there was not an appetite for co-working spaces as agents felt Thetford's office market was not established enough to support this.

- 6.72 Agents felt that there was not a market for larger out-of-town offices in Breckland as these types of premises have not been attracting demand in Norwich. Any demand for mid to large office space tends to be absorbed Bury St Edmunds and Norwich.
- 6.73 New development tends to be split evenly between owner occupied and speculative development. Currently rents are around £10 per sqft which do not justify significant speculative development. Some of the new development happening at Snetterton Innovation Hub is aimed at meeting demand for small units from professional services occupiers.

Office Market: Key Findings

Breckland has a small, localised office market which is focused on micro and small businesses, seeking space typically of < 100 sq.m. The nature of demand and prevailing rents are insufficient to support significant new commercial office development in the District.

Some modest schemes have/are being brought forwards which has contributed to recent floorspace growth, but also to a rising vacancy rate and downward pressure on rents. Wider market trends, particularly with growing home working, may well limit the potential for further substantive office development in the short-to-medium term.

7. Overall Housing Need

Introduction

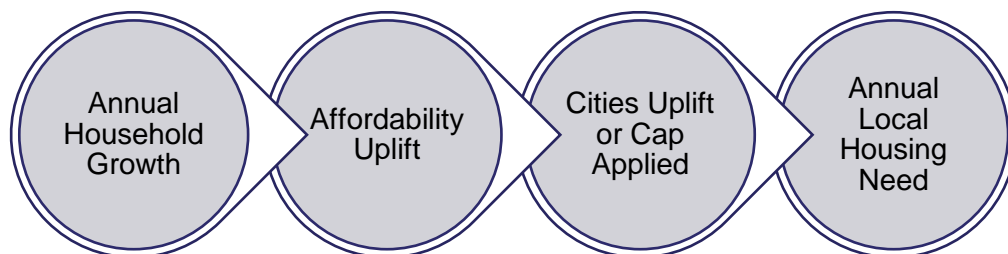
- 7.1 This section of the report considers overall housing need set against the framework of Planning Practice Guidance (PPG) – specifically the Standard Method for assessing housing need. The section also considers recent demographic trends to test if there are ‘exceptional circumstances’ that would point to the Standard Method as no longer being reasonable. Where projections are discussed in relation to the Standard Method, the analysis looks at the 2023-33 period with projections also being developed for the 2021-46 plan period (which are then used in other analysis in this report).
- 7.2 The December 2023 revisions to the NPPF emphasise that the outcome of the standard method is an ‘advisory starting point’ for establishing a housing requirement through the plan-making process (Paras 61 and 67). Read alongside the Government’s Consultation Response, it is clear that Government continues to expect local housing need to be determined using the standard method, unless there are exceptional circumstances, such as related to the demographic characteristics of the area, which justify an alternative approach).
- 7.3 The additional wording emphasises the difference between the ‘housing need’ and a ‘housing requirement’. A housing requirement figure may be different from the housing need as:
- There are strategic constraints, as set out in Para 11b or Fn7 in the NPPF, which affect the ability to sustainably accommodate housing need in full; or
 - There is unmet need that cannot be accommodated in neighbouring areas, as established through Statements of Common Ground (see Para 11b and Fn6); and/or
 - It reflects growth ambitions linked to economic development or infrastructure, which for instance might justify planning for higher housing provision. This is now explicitly recognised in the NPPF.

- 7.4 The insertion of references to an ‘advisory starting point’ are therefore focused on making the distinction between the assessment of housing need (which neither takes account of land availability, constraints, policy ambitions or unmet need) and the requirement or target which does take into account these factors. It simply confirms the long-standing distinction between these which can be traced back to the Hunston Properties judgement in the Court of Appeal in 2013.⁸

Standard Method

- 7.5 The analysis below considers the level of local housing need for Breckland using the Standard Method. The methodology for calculating housing need is clearly set out by Government in Planning Practice Guidance and follows a four-step process worked through in the following sub-sections. We consider first the implications of use of the 2014-based Household Projections, the use of which is required in the Planning Practice Guidance.

Figure 7.1 Standard Method Overview



Step One: Setting the Baseline

- 7.6 The first step in considering housing need against the Standard Method is to establish a demographic baseline of household growth. This baseline is drawn from the 2014-based Household Projections, as prescribed in Planning Practice Guidance, and should be the annual average household growth over a ten-year period, with the current year being the first year i.e. 2023 to 2033. This results in growth of 4,977 households (498 per annum) over the ten-year period.

- 7.7 Although this figure is calculated over a ten-year period from 2023 to 2033, Paragraph 12 of the PPG states that this average household growth and the local housing need arising from it can then “be applied to the whole plan period” in calculating housing need.

Step Two: Affordability Adjustment

- 7.8 The second step of the standard method is to consider the application of an uplift on the demographic baseline, to take account of market signals (i.e. relative affordability of housing). The adjustment increases the housing need where house prices are high relative to workplace incomes. It uses the published median affordability ratios from ONS based on workplace-based median house price to median earnings ratio for the most recent year for which data is available.
- 7.9 The latest (workplace-based) affordability data is for 2022 and was published by ONS in March 2023. The Government’s Guidance states that for each 1% increase in the ratio of house prices to earnings, above 4, the average household growth should be increased by 6.25%, with the calculation being shown below. For Breckland, the ratio for 2022 was 9.25, giving an uplift of 33% - this leads to a housing need of 661 dwellings per annum.

Step Three: The Cap

$$\textit{Adjustment factor} = \left(\frac{\textit{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

- 7.10 The third step of the Standard Method is to consider the application of a cap on any increase and ensure that the figure which arises through the first two steps does not exceed a level which can be delivered. There are two situations where a cap is applied:
- The first is where an authority has reviewed their plan (including developing an assessment of housing need) or adopted a plan within the last five years.

⁸ St Albans Council v Hunston Properties [2013] EWCA Civ 1610

In this instance the need may be capped at 40% above the requirement figure set out in the plan.

- The second situation is where plans and evidence are more than five years old. In such circumstances a cap may be applied at 40% of the higher of the projected household growth (step 1) or the housing requirement in the most recent plan, where this exists.

7.11 The last Local Plan was adopted in November 2019 and is therefore less than 5-years old. This plan included Policy HOU 01 which made provision for 15,298 (net) additional dwellings in the 2011-36 period (at an average of 612 per annum). A 40% cap on the plan requirement would give a figure of 857 dwellings per annum, which is above the Standard Method and therefore the housing need figure remains at 661 per annum.

Step Four: Urban Uplift

7.12 The fourth and final step in the calculation means that the 20 largest urban areas in England are subject to a further 35% uplift. This uplift ensures that the Governments stated target of 300,000 dwellings per annum is met and that *“homes are built in the right places, to make the most of existing infrastructure, and to allow people to live nearby the service they rely on, making travel patterns more sustainable.”* (Paragraph: 035 Reference ID: 2a-035-20201216). Breckland is not listed within the top 20 urban areas in the country and therefore no additional uplift is applied.

Standard Method Calculation using 2014-based Household Projections

- 7.13 The table below works through the Standard Method calculations for the Council area. This confirms the need for 661 dwellings per annum.

Table 7.1 Standard Method Housing Need Calculations using 2014-based Household Projections (March 2023)

	Breckland
Households 2023	61,500
Households 2033	66,477
Change in households	4,977
Per annum change	498
Affordability ratio (2022)	9.25
Uplift to household growth	33%
Uncapped need (per annum)	661

Source: Derived from a range of ONS and MHCLG sources

- 7.14 Just before the finalisation of the Study in March 2024, the ONS released new affordability data. The majority of this report is based on the calculation above, however the calculation above shows the update standard method calculation as at March 2024.

Table 7.2 Standard Method Housing Need Calculations using 2014-based Household Projections (March 2024)

	Breckland
Households 2024	62,017
Households 2034	66,927
Change in households	4,910
Per annum change	491
Affordability ratio (2022)	8.37
Uplift to household growth	27%
Uncapped need (per annum)	625

Source: Derived from a range of ONS and MHCLG sources

- 7.15 Because of the volatility of the affordability ratio, there is some case for treating the above figures as a range (625-661 dpa). We would note that with increasing interest rates, the evidence does not indicate that affordability has substantively improved over the last year.
- 7.16 As stated above the Standard Method figure can change year on year as inputs to it change. The Planning Practice Guidance⁹ requires Local Authorities to keep the standard method figure under review up until the point of submission, after which time it can be relied upon for a period of two years throughout the examination process.

Considering if there is a Case for divergence from the Standard Method

- 7.17 The table above sets out housing need using the Standard Method. However Planning Practice Guidance does allow for divergence from these figures (in both an upward and downward direction) where exceptional circumstances can be demonstrated.
- 7.18 An important start point is to understand Government Guidance on this topic. This can be found in Planning Practice Guidance 2a and below are some key quotes for the purposes of this document.

“Is the use of the standard method for strategic policy making purposes mandatory?”

No, if it is felt that circumstances warrant an alternative approach, but authorities can expect this to be scrutinised more closely at examination. There is an expectation that the standard method will be used, and that any other method will be used only in exceptional circumstances.” - Paragraph: 003 Reference ID: 2a-003-20190220.

⁹ Paragraph: 008 Reference ID: 2a-008-20190220

"If authorities use a different method how will this be tested at examination?"

Where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination. Any method which relies on using household projections more recently published than the 2014-based household projections will not be considered to be following the standard method." - Paragraph: 015 Reference ID: 2a-015-20190220 (whole paragraph not replicated).

- 7.19 Paragraph 2a-010 also sets out circumstances where it might be appropriate to plan for a higher housing need figure than the standard method indicates; this includes noting that the method *"does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore, there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates"*.
- 7.20 Regarding demographic trends and projections, the Guidance is therefore quite clear: there is an expectation that the 2014-based sub-national household projections (SNHP) should be used but that an alternative approach can be applied where there is justification for doing so. When using an alternative approach, it is necessary to take account of demographic growth and market signals, but this cannot simply include using more recent versions of published SNHP.
- 7.21 The PPG does not specifically set out examples of exceptional circumstances. but it is considered that there are likely to be two main considerations:
- Firstly, that demographic data on which projections are based is demonstrably wrong and cannot realistically be used as a trend-based projections on which the Standard Method is based; and

- Secondly that demographic trends have changed so much that it is unrealistic to use a set of projections based on information in a trend period to 2014, which is now over 8-years old.

7.22 The analysis below principally focuses on population projections as these are the main driver of household growth. Icen consider the calculation of the market signals uplift to be robust.

Data used in 2014-based projections

7.23 On the 22nd March 2018 ONS released revised population estimates for England and Wales: mid-2012 to mid-2016. The main justification ONS listed for this were that improvements had been made to international emigration and foreign armed forces dependents and that the distribution of people aged in their 20s and 30s has changed more than for other age groups.

7.24 By updating previous estimates of population change and migration (including in the period 2011-14) ONS were essentially changing the data used to underpin part of the 2014-based projections. It is therefore worthwhile seeing how significant these changes were for Breckland and if updated information point to the 2014-based projections as being substantially wrong.

7.25 The table below shows estimated population in 2014 from the original and revised MYE. For Breckland, the revised population estimate for 2014 is slightly higher than for previous data (data used for the 2014-SNPP). This would actually suggest the 2014-based projections slightly underestimated population growth (over the preceding 5 year input period). However, the scale of difference is not at all substantial and would be unlikely to have a notable impact on future projections.

Table 7.3 Original & Revised Estimate of Population in 2014

	Original estimate	Revised estimate	Difference
Breckland	133,986	134,287	+301

Source: ONS

Population Trends

- 7.26 The analysis below looks at population trends in the District. Two main sources are initially used, these are:
- MYE (unadjusted) – unadjusted ONS mid-year population estimates (MYE) – these are estimates of population made by ONS through its tracking of births, deaths and migration from 2021. This is an important source as the data contained within this data source (notably about migration) is likely to be used by ONS as part of the next round of population projections (2021-based SNPP); and
 - MYE (Census adjusted) – these are estimates of population in 2021 that take account of 2021 Census data. Essentially, ONS use the Census (which dates from March 2021) and roll forward to a mid-year estimates based on births, deaths and migration in the 3 month period. The Census adjusted MYE replace the unadjusted figures as the ONS view of population in 2021.
- 7.27 Eventually, ONS will revise the full back series of data from 2011 to take account of the new 2021 MYE. However, at the time of writing this had not been done and so there are only two reasonable data points (2011 and 2021). Much of the analysis to follow therefore looks at trends in this 10-year period drawing on the data for population change over the inter-Censal period.
- 7.28 Above it was noted that one exceptional circumstance might be that the 2014-based subnational household projections (SNHP) that underpin the Standard Method are clearly wrong – in this instance we are looking to consider if the trends that have actually occurred are substantially different from those projected back in 2014 and that this is locally exceptional. One way of considering this is to compare data for 2021 with recently published Census data and also MYE data (prior to a Census adjustment). Comparisons are made for both population (as this underpins the household projections) and household estimates.

- 7.29 The table below shows population figures for 2011 and 2021 from these sources. The data shows the 2014-based projections had projected the population of the Council area to reach 140,689 by 2021 and ONS in their monitoring of data had actually estimated a higher population figure (143,130). Following publication of the 2021 Census, ONS has revised downwards its estimate of population in 2021 to 142,164, a figure still above where the 2014-SNPP had projected.

Table 7.4 Estimated Population in 2011 and 2021 -range of sources

	2011	2021	Change	% change
2014-based SNPP/SNHP	131,009	140,689	9,680	7.4%
MYE (unadjusted)	131,009	143,130	12,121	9.3%
MYE (Census adjusted)	131,009	142,164	11,155	8.5%

Source: ONS

- 7.30 There is clearly a difference between the projections as used in the (2014-based) Standard Method and the reality of what seems to have happened in the 2011-21 period. Population growth in Breckland has been stronger than expected in the ONS 2014-based Projections.
- 7.31 Nationally there is also a difference in the figures but in the opposite direction – for England both MYE estimates sit slightly below the 2014-SNPP figures, as shown below.

Table 7.5 Estimated Population in 2011 and 2021 -range of sources – England

	2011	2021	Change	% change
2014-based SNPP/SNHP	53,107,200	57,248,400	4,141,200	7.8%
MYE (unadjusted)	53,107,200	56,536,400	3,429,300	6.5%
MYE (Census adjusted)	53,107,200	56,334,700	3,227,600	6.1%

Source: ONS

Household Trends

- 7.32 We can also look at household changes as projected in the 2014-SNHP and as now shown by the Census: this is shown in the table below. This shows across the District that household growth in the 10-year period to 2021 was projected to be at a similar level in the 2014-SNHP than the Census has now shown to be the case (very slightly higher in the Census).
- 7.33 As with the population data, this is the opposite trend to that observed regionally and nationally where the Census records lower household growth than projected across both the East of England and England. This finding does point to stronger demographic trends than previously projected and that this might point to needing to consider a higher projection when looking at housing need and requirements.

Table 7.6 Estimated Households in 2011 and 2021 – range of sources

		2011	2021	Change	% change
Breckland	2014-based SNHP	54,744	60,473	5,729	10.5%
	Census	54,519	60,360	5,841	10.7%
East of England	2014-based SNHP	2,429,904	2,702,704	272,800	11.2%
	Census	2,423,035	2,628,778	205,743	8.5%
England	2014-based SNHP	22,103,878	24,371,273	2,267,395	10.3%
	Census	22,063,368	23,436,085	1,372,717	6.2%

Source: ONS

Housing Completions

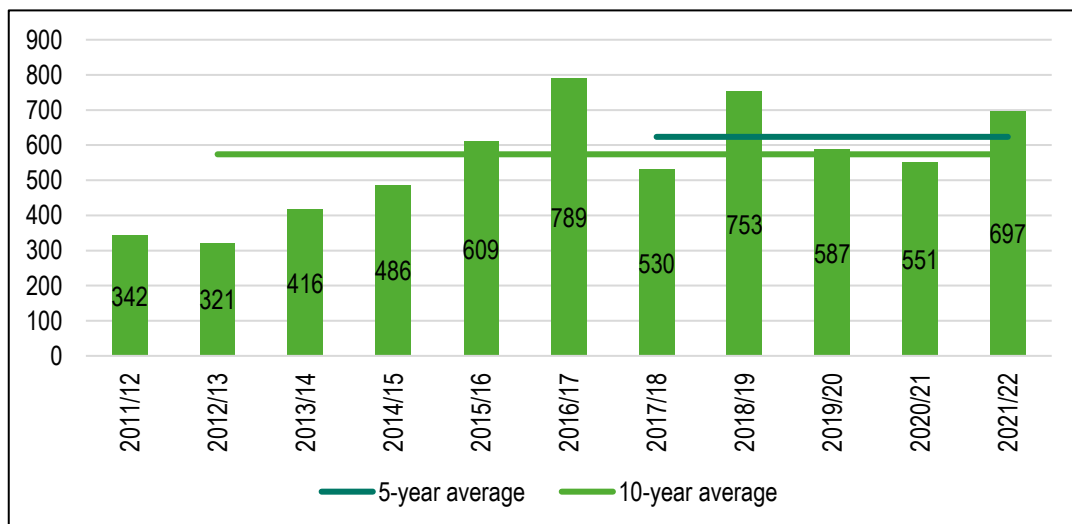
- 7.34 A further consideration for a housing requirement is looking at past housing delivery. This is a key part of the PPG, which says (2a-010):
- ‘There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method... Authorities will need to take this into account when*

considering whether it is appropriate to plan for a higher level of need than the standard model suggests'

7.35 The figure below shows housing completions over the period from 2011 to 2022 – this shows average completions of 574 per annum over the past decade in Breckland and a higher figure of 624 per annum over the past 5-years. Completions in the early part of the period studied below are particularly low and may in part be explained by weaker economic and market circumstances pre-2013.

7.36 The slightly higher completions in the recent past could help explain the stronger demographic trends (as additional homes provide opportunities for people to move to an area). However, it is not considered that the upturn in delivery is that substantial and it is also noted that delivery over the longer-term has fallen behind the adopted Local Plan target of 612 dwellings per annum – which is itself below the current Standard Method. Past completions do not therefore point to a higher need than the Standard Method.

Figure 7.2 Net Completions (2011-22)



Source: Annual Monitoring Report

Studying More Recent Projection Releases

- 7.37 All of the analysis above points to stronger demographic trends – both in terms of population and household growth than had been projected in the 2014-based subnational population and household projections and this could point to the need to consider a higher level of housing need/requirement.
- 7.38 Indeed, this was previously noted by the Local Plan inspector who stated ‘... the 2016 household projections have resulted in an increase in the number of expected households in Breckland than that anticipated in the 2014 household projections’ and as a result to ‘... consider that the most appropriate and pragmatic course of action to allow the Plan to be adopted without undue delay, is to require an immediate review of the Plan to review the housing requirement in Policy HOU 01’.
- 7.39 A starting point for our analysis to follow can therefore look at more recent projections, although this is done in the knowledge that the PPG clearly states ‘... *any method which relies on using household projections more recently published than the 2014-based household projections will not be considered to be following the standard method*’.
- 7.40 As well as the 2016-based projections noted by the inspector there is now also a 2018-based release and so this is also studied below. The 2018-based SNPP contain a number of assumptions that have been changed from the 2016-based version, these assumptions essentially filtering down from changes made at a national level. The key differences are:
- ONS’ long-term international migration assumptions have been revised upwards to 190,000 per annum compared to 165,000 in the 2016-based projections. This is based on a 25-year average;
 - The latest projections assume that women will have fewer children, with the average number of children per woman expected to be 1.78 compared to 1.84 in the 2016-based projections; and

- Life expectancy increases are less than in the 2016-based projections as a consequence of the continued limited growth in life expectancy over the last two years.

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

- Principal projection
- an alternative internal migration variant
- a 10-year migration variant

7.42 In the principal projection, data about internal (domestic) migration uses data for the past 2-years and data about international migration from the past 5-years. The use of 2-years data for internal migration has been driven by ONS changing their methodology for recording internal moves, with this data being available from 2016 only.

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

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

7.45 The table below shows the outputs from each of these three variant scenarios along with comparisons from the 2016- and 2014-based SNPP. This shows that the 2018-based principal projection shows projected population growth of 7.0%, with the alternative internal migration scenario being slightly lower than this (5.9%) – this latter scenario is close to the projected change in the 2014-based SNPP

(which is an important projection as it underpins the 2014-based SNHP which is used in the Standard Method).

Table 7.7 Projected population growth (2023-33) – Breckland – range of SNPP releases

	Population 2023	Population 2033	Change in population	% change
2018 (principal)	145,808	155,997	10,190	7.0%
2018 (alternative internal)	145,015	153,557	8,542	5.9%
2018 (10-year trend)	143,925	150,588	6,663	4.6%
2016-based	144,864	153,797	8,932	6.2%
2014-based	142,661	151,376	8,715	6.1%

Source: ONS

- 7.46 As well as looking at population growth, it is important to consider household growth as this is ultimately what drives estimates of housing need. In the ONS subnational household projections the same scenarios are run where estimates of households are set against the different population projections.
- 7.47 The table shows the 2018-based principal projection with a change in households of 596 per annum, the alternative internal migration projection sits at 535 – both of which are above the 2014-based figure (498 per annum). For reference the 2016-based figure (as noted by the Local Plan inspector was 558 per annum).

Table 7.8 Projected household growth (2023-33) – Breckland – range of SNHP releases

	Households 2023	Households 2033	Change in households	% change
2018 (principal)	61,912	67,875	5,963	9.6%
2018 (alternative internal)	61,571	66,923	5,352	8.7%
2018 (10-year trend)	61,052	65,573	4,521	7.4%
2016-based	61,499	67,082	5,583	9.1%
2014-based	61,500	66,477	4,977	8.1%

Source: ONS

- 7.48 Although this report is not proposing to take any of these figures forward as an estimate of need (due to the wording of the PPG) it does seem clear that more recent population and household projection releases do point to stronger growth – although on balance the figures are not considered to be substantial.
- 7.49 However, were we to specifically use one of these projections it is suggested that the alternative internal migration variant is likely to be the most robust in a local context. This is because the principal SNPP has too short a data period when looking at internal migration whilst the 10-year alternative is not thought likely to reflect recent changes (such as a slight uplift in housing completions and stronger recent demographic trends). The alternative internal migration scenario is also likely to be closest in methodological terms to the next round of (2021-based) projections.

Developing 2021-based Projections

- 7.50 The analysis below makes estimates of the level of population and household growth that might emerge from the next round of (2021-based) ONS population and household projections. This has in part been driven by the December 2022 NPPF consultation noting that the Government ‘*will review the implications on the standard method of new household projections data based on the 2021 Census, which is due to be published in 2024*’.
- 7.51 Whilst this section develops a series of projections using data up to 2021, some caution should be exercised in interpreting these – this is mainly because the methodology to be used by ONS in developing projections could change and therefore assumptions made in this report can only be considered as a best/educated guess. For example:
- We do not know what assumptions ONS will make about international migration in the future and how this filters down to subnational projections;
 - We do not know what the relationship between past trends in migration and the projection will be. Generally projections, whilst based on trends will actually show higher or lower levels of migration than the trends; and
 - We do not know how ONS will deal with trends in household representative rates (HRRs) – essentially the likelihood of a person of a particular age group being the ‘head of household’.

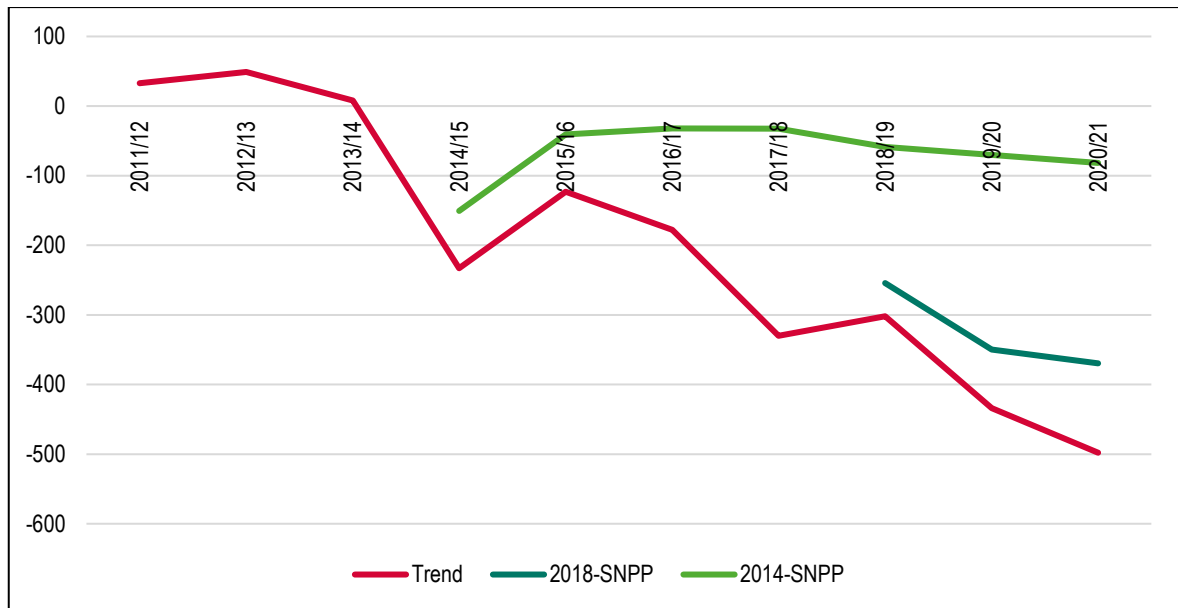
- 7.52 In addition, whilst the NPPF consultation said that Government is *'not proposing any changes to the standard method formula itself through this consultation'* it is possible once 2021-based projections are published that this is rethought. Alternatively, it could be that the 2021-based projections are rejected with continued use of 2014-based figures.
- 7.53 Where projections are developed, base data has been taken from the most recent subnational population and household projections (SNPP and SNHP) – these are a 2018-based release. The 2018-based projections included a number of variants and data has been drawn from the 'alternative internal migration' release as this is the one closest in methodology to the 2014-based projections.

Background Data on Population

- 7.54 The household projections have two components – population projections and then applying HRRs to make a household projection. This report treats these two elements separately starting with population estimates and projections.
- 7.55 Population projections have two main components – natural change (births minus deaths) and migration (in- and out-migration and conventionally split between internal (domestic) and international migration) – each of these are considered below.

Natural Change

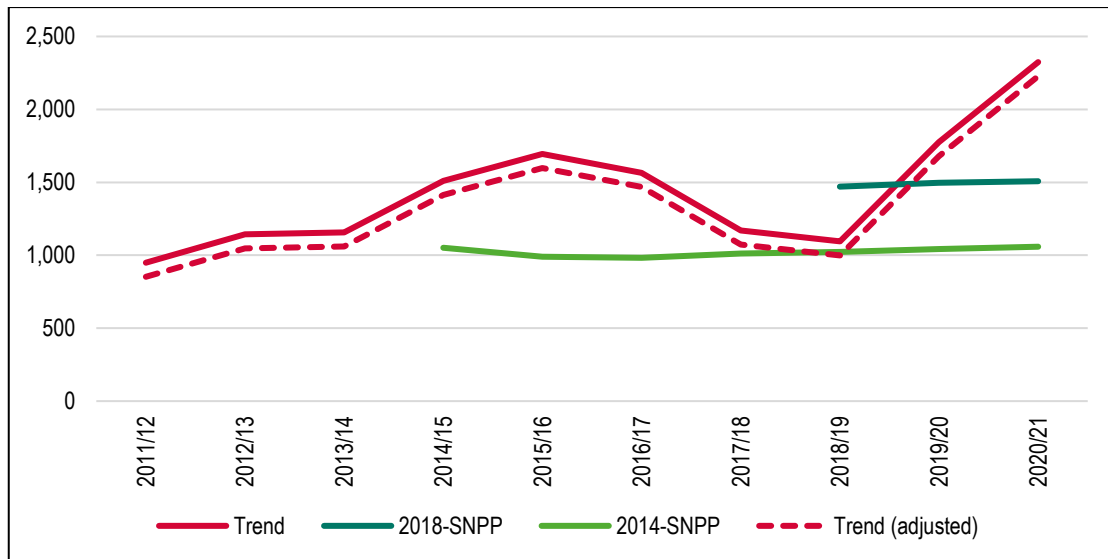
- 7.56 The figure below shows past trends in natural change (going back to 2011) and how this was projected forward in the 2014-SNPP. The data is clear that natural change has been falling but that the 2014-SNPP did not pick up on this trend (projecting forward a fairly flat level of natural change). The most recent (2018-based) SNPP does seem to have recognised this reduced level of natural change and therefore in developing a trend based projection the use of birth and death rates from the 2018-based figures seems reasonable.

Figure 7.3 Past trends and projected natural change – Breckland

Source: ONS

Migration

- 7.57 For migration it can often be difficult to identify trends as figures can be highly variable year on year (as demonstrated in the figure below). In addition, once Census data was published, ONS rebased population estimates and differences between pre- and post-Census estimates could arguably be due to under- or over-estimates of migration. This point was dealt with earlier in this section where it was noted that the population shown in the Census was around 966 people lower than ONS had previously estimated (an average of around 97 people per annum).
- 7.58 It is considered the most likely reason for the difference between the ONS monitoring of data and figures from the Census is due to a mis-recording of migration. However, this is far from certain and it is likely ONS when grappling with these differences will simply put this down as an Unattributable Population Change (UPC) – i.e. they are not certain of the reason for differences. This report uses the term UPC when developing projections that make an adjustment to migration for differences between the Census and ONS monitoring. The ONS monitoring is called mid-year population estimates (MYE).

Figure 7.4 Past trends and projected net migration – Breckland

Source: ONS

- 7.59 On the basis of variable data it is easier to look at averages for different time periods – for this 5-year periods are used. This is because conventionally ONS principal projections look at trends over the past 5-years. The table below also shows averages as projected in the 2018-SNPP. The table also shows figures if it is assumed that migration in the 2011-21 period was around 97 people per annum lower than estimated by ONS – to take account of differences between MYE data and the outcomes from the Census. Figures are shown for all migration together although in modelling this is split between domestic and international migration.
- 7.60 There are a number of observations that can be made from the data. Firstly, in projecting forward ONS is looking at migration at a similar (very slightly higher) level to the past trend – between 2013 and 2018 the average recorded level of net migration was 1,419 people per annum and the first 5-years of the projection is at 1,499. Additionally, it can be seen that whilst projected migration figures do vary on a year-by-year basis there is no clear upward or downward trend.
- 7.61 In using this data to project forward it is considered the most prudent approach is to assume past trend levels remain the same in the future. So for example, the last 5-years of recorded data shows an average net migration of 1,586 per annum and this level is assumed to continue in the future.

Table 7.9 Net Migration Trends and Projections – Breckland

	MYE Trend	MYE trend (Census adjusted)	2018-based
2011/12	949	852	-
2012/13	1,143	1,046	-
2013/14	1,156	1,059	-
2014/15	1,511	1,414	-
2015/16	1,695	1,598	-
2016/17	1,564	1,467	-
2017/18	1,170	1,073	-
2018/19	1,096	999	1,470
2019/20	1,776	1,679	1,497
2020/21	2,324	2,227	1,507
2021/22	-	-	1,518
2022/23	-	-	1,501
2023/24	-	-	1,483
2024/25	-	-	1,464
2025/26	-	-	1,459
2026/27	-	-	1,454
2027/28	-	-	1,463
Average (2013-18)	1,419	-	-
Average (2018-23)	-	-	1,499
Average (2016-21)	1,586	1,489	-
Average (2011-21)	1,438	1,342	-

Source: ONS

Developing Population Projections

7.62 On the basis of the table above, four projections have been developed with the names and migration assumptions being set out below:

- 5-year MYE – this takes average migration for the past 5-years (2016-21) and projects this level forward;
- 5-year UPC – this takes average migration for the past 5-years (2016-21) including an adjustment for differences between MYE and the Census;
- 10-year MYE – a similar projection to the 5-year MYE one, apart from using average migration over the past 10-years;

- 10-year UPC – a similar projection to the 10-year MYE one but including an adjustment for differences between MYE and the Census.

7.63 The table below shows estimated population growth from each of these projections. There are a range of figures, from population growth of 7,200 (5.0%) in the 10-year UPC scenario, up to 9,800 (6.8%) with the 5-year MYE figures.

Table 7.10 Projected population change with a range of scenarios – Breckland

	2023	2033	Change	% change
5-year MYE	144,489	154,285	9,797	6.8%
5-year UPC	144,294	153,052	8,759	6.1%
10-year MYE	144,191	152,404	8,213	5.7%
10-year UPC	143,998	151,183	7,185	5.0%

Source: Demographic Projections

Household Growth

7.64 Having developed a population projection, the next step in the process is to convert this information into estimates of the number of households in the area. To do this the concept of headship or household representative rates is used (HRRs). These can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)).

7.65 As with developing the population projections there will be some degree of assumption here about how ONS might deal with this point. From the 2021 Census it is possible for us to estimate HRRs for 2021 (for the purposes of this assessment 2018-based rates are used and then scaled to household estimates in 2021). However projecting forward there are a number of approaches that could be taken. The ones developed here are:

- ONS – for the HRRs to follow the trend from 2011 to 2021 for a further 10-years before levelling off – this is the same method as was used by ONS in the 2016- and 2018-SNHP although we would note that it is possible in the next round of projections for ONS to also include a longer time series back to 2001; and
- Flat – to maintain the HRRs at the rates calculated for 2021 – whilst this would be a departure from the normal ONS method, it is a possible alternative,

particularly as this would not continue any observed trends of suppressed household formation in the 2011-21 period.

7.66 The table below shows how HRRs are estimated to have changed in the 2011-21 period for a series of broad age groups – we would note that ONS is likely to use a more fine-grained analysis, but the table below reflects the data readily available at the time of writing. Generally, the data for Breckland actually shows little change in HRRs between the two Census points, although where changes occur these are mainly in a downward direction.

Table 7.11 Household Representative Rates by Age 2011 and 2021 – Breckland

	2011	2021
16-24	11.4%	10.1%
25-34	43.8%	42.8%
35-49	55.4%	54.3%
50-64	58.1%	58.8%
65 and over	66.5%	64.3%

Source: Census (2011 and 2021)

7.67 In addition, it is recognised one of the reasons for Government rejecting more recent projection releases than the 2014-based figures is that the HRRs in many areas build in a degree of suppression (i.e. rates for the younger population reducing over time due to difficulties in forming independent households due to market conditions (notably difficulties in obtaining mortgages). Therefore a third scenario has been run linking directly back to the 2014-SNHP rates.

- 14-b – for the HRRs from the 2014-based subnational household projections to be used as published. In this scenario the estimated number of households for 2021 has not been rebased to estimates derived from the 2021 Census.

7.68 Having developed these two alternative views of HRRs these are then modelled against the population projections giving a total of 8 scenarios for which household growth is estimated. These are shown in the table below. As with population there a range of outputs with the lowest scenario showing a household growth of 372 per annum and figures going up to 589 per annum. Interestingly, **the figures when linked to the 2014-SNHP sit somewhere between the two scenarios developed for this report.**

Table 7.12 Projected household change with a range of scenarios – Breckland

	2023	2033	Change	Per annum
5-year MYE – ONS	61,767	66,474	4,706	471
5-year MYE – Flat	62,001	67,889	5,888	589
5-year MYE – 14-b	-	-	5,436	544
5-year UPC – ONS	61,695	66,010	4,316	432
5-year UPC – Flat	61,927	67,415	5,488	549
5-year UPC – 14-b	-	-	5,035	504
10-year MYE – ONS	61,656	65,767	4,111	411
10-year MYE – Flat	61,889	67,166	5,277	528
10-year MYE – 14-b	-	-	4,824	482
10-year UPC – ONS	61,584	65,308	3,724	372
10-year UPC – Flat	61,817	66,698	4,881	488
10-year UPC – 14-b	-	-	4,427	443

Source: Demographic projections

Standard Method Outputs

- 7.69 It is possible to run these projections through the Standard Method, which for Breckland means adding 33% to the figures and this is shown in the final column of the table – a range of need from 472 - 748 dwellings per annum is shown.
- 7.70 In methodological terms we would suggest that the first scenario (leading to 598 dwellings per annum) is as close as we can get to future ONS projections from the data available – recognising there are a series of unknowns in terms of the method to be used by ONS for the next round of projections. This projection actually points to a lower level of need than the Standard Method (for 600-626 dwellings per annum versus 625-661 dpa). There is some alignment around the 625 dpa figure. It is however recognised that the modelling builds in some reduction in household representative rates – arguably building in suppression, but consistent with trends in the 2011-21 period.
- 7.71 Given the uncertainties and the fact that the figures are on balance not substantially different it is recommended to keep with the Standard Method until such a time as new projections are published and Government reveals how the projections are to be used (if at all). In suggesting keeping to the Standard Method, the analysis is also mindful that most scenarios (which are perfectly valid in their own right) do show needs lower than the Standard Method and therefore the standard method figures do look to be entirely reasonable.

Table 7.13 Estimated Standard Method Housing Need with a range of scenarios – Breckland

	Household growth	Standard Method need (2023)	Standard Method need (2024)
5-year MYE – ONS	471	625	600
5-year MYE – Flat	589	782	750
5-year MYE – 14-b	544	722	693
5-year UPC – ONS	432	573	550
5-year UPC – Flat	549	729	699
5-year UPC – 14-b	504	669	642
10-year MYE – ONS	411	546	523
10-year MYE – Flat	528	701	672
10-year MYE – 14-b	482	641	614
10-year UPC – ONS	372	495	474
10-year UPC – Flat	488	648	621
10-year UPC – 14-b	443	588	564

Source: Demographic projections and ONS affordability ratios

Drawing together the Demographic Evidence

The demographic evidence overall points to slightly stronger population growth being seen than in the 2014-based projections over the period to 2021. Household growth has been similar. The HEDNA has tested different demographic scenarios – including alternative scenarios for migration and household formation.

With more recent population data, a need is shown for between 550-750 dpa. However migration has been variable over time, and looking at a longer-term trends which spans the economic cycle points to a lower need for between 564-614 dpa using the 2014-based headship scenarios.

Use of more recent household formation assumptions generally has a downward impact on housing need, but the market evidence suggests that affordability has deteriorated and there is evidence that the ability to form households has been constrained. As a minimum the 'flat' household formation assumptions should be used.

Overall, whilst housing need is evidently sensitive to the demographic inputs, the evidence does not point to (or provide clear evidence justifying) exceptional

circumstances to move away from the standard method starting point (625 - 661 dpa).

Developing a Projection linking to the Standard Method

- 7.72 The data above suggests the Standard Method is a reasonable number to use in estimating housing need for the District and it is worthwhile looking at how population might change if providing this level of homes. A bespoke projection has been developed, linking to provision of 661 dwellings per annum, and this projection is then used for other analysis in the report (including looking at the mix of housing). This used the data and standard method calculation available at the time when the report was drafted.
- 7.73 A scenario has been developed which flexes migration to and from the Council area such that there is sufficient population for 661 additional homes each year. The modelling links to 2018-based population and household projections and also rebases population and households to the levels shown in the 2021 Census – of the household representative scenarios discussed above the ‘flat’ method is used so as to avoid the possibility of suppressed or additional suppressed household formation.
- 7.74 Within the modelling, migration assumptions have been changed so that across the Council area the increase in households matches the housing need (including a standard 3% vacancy allowance). Adjustments are made to both in- and out-migration (e.g. if in-migration is increased by 1% then out-migration is reduced by 1%).
- 7.75 In developing this projection a population increase of around 29,100 people is shown, with population growth shown in all broad age band, but particularly people aged 65 and over – a projected increase of over 50% in this age band from 2021 numbers, with this age group accounting for 63% of all population growth. A population growth of 29,079 over a 25-year period is at an average of around 1,160 per annum, similar to the annual population change recorded in the 2021 Census (1,120) for the 2011-21 period.

Table 7.14 Population change 2021 to 2046 by broad age bands – Breckland (linked to Standard Method 661 dpa)

	2021	2046	Change in population	% change from 2021
Under 16	23,671	25,872	2,201	9.3%
16-64	82,979	91,829	8,850	10.7%
65 and over	35,514	53,541	18,027	50.8%
Total	142,164	171,243	29,078	20.5%

Source: Demographic Projections

Small-area projections

- 7.76 The report has also sought to develop projections for the four sub-areas based on past trends (trends as shown in the 2011-21 Census period). These are useful in considering how the population of an area might change moving forward but must be treated with caution as to some extent the past trends will be influenced by locations where housing has been provided and this then gets ‘baked-in’ to the projections. It may be the case that a different spatial strategy in the future would see the pattern of development being different to that seen in the 2011-21 period.
- 7.77 The table below shows how the overall population has changed in each area over the 2011-21 period (from Census data). This clearly shows the strongest growth (in percentage terms) to have been in Watton, with the population increasing by 22% over this period – this is more than double the increase seen in any other area. The Dereham and Surrounds sub-area saw population growth of just 5%.

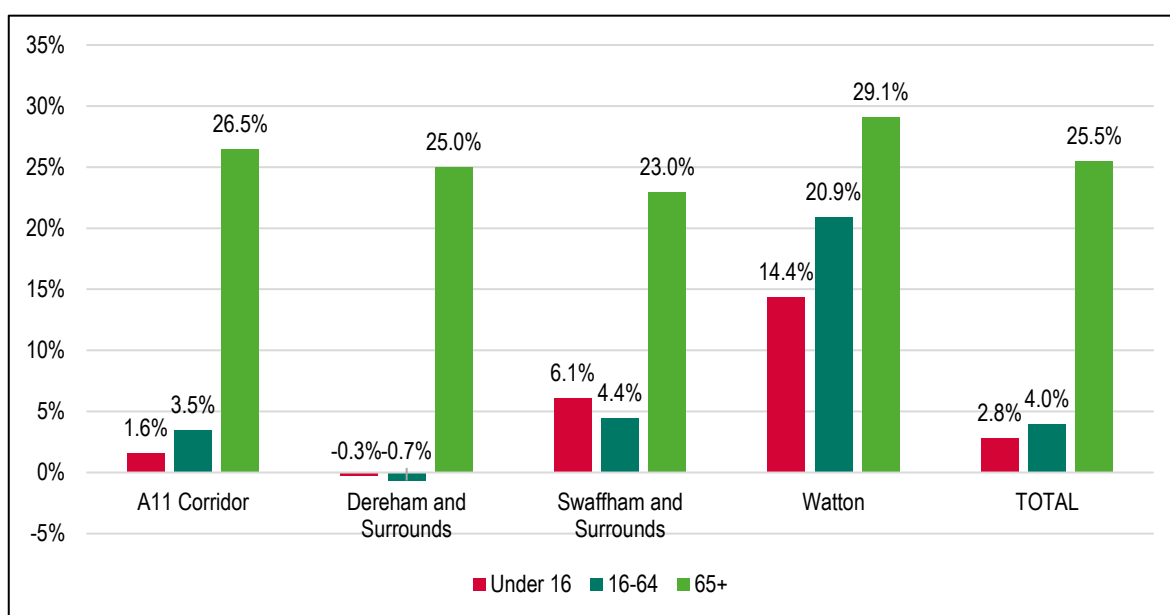
Table 7.15 Population change 2011 to 2021 by sub-area

	2011	2021	Change	% change
A11 Corridor	53,043	56,876	3,833	7.2%
Dereham and Surrounds	42,610	44,796	2,186	5.1%
Swaffham and Surrounds	22,144	24,335	2,191	9.9%
Watton	12,694	15,455	2,761	21.8%
TOTAL	130,491	141,462	10,971	8.4%

Source: Census (2011 and 2021)

7.78 Within this population change there will also be a change in the age structure with the figure below showing changes in each area split into three broad age bands. This analysis is interesting in showing a similar change in the older person population in each area, but widely differing changes in the number of people in 'younger' age groups. This makes sense considering older people tend to be less likely to move home and those areas with stronger population growth are typically drawing in more people of 'working age' and their associated children.

Figure 7.5 Population change by sub-area and broad age band (2011-2021)



Source: Census (2011 and 2021)

7.79 The table below shows how the number of households has changed over the 2011-21. This shows a similar pattern to population change with stronger growth in Watton, and a much lower change in Dereham and Surrounds.

Table 7.16 Household change 2011 to 2021 by sub-area

	2011	2021	Change	% change
A11 Corridor	21,697	23,865	2,168	10.0%
Dereham and Surrounds	18,021	19,233	1,212	6.7%
Swaffham and Surrounds	9,738	10,944	1,206	12.4%
Watton	5,063	6,298	1,235	24.4%
TOTAL	54,519	60,340	5,821	10.7%

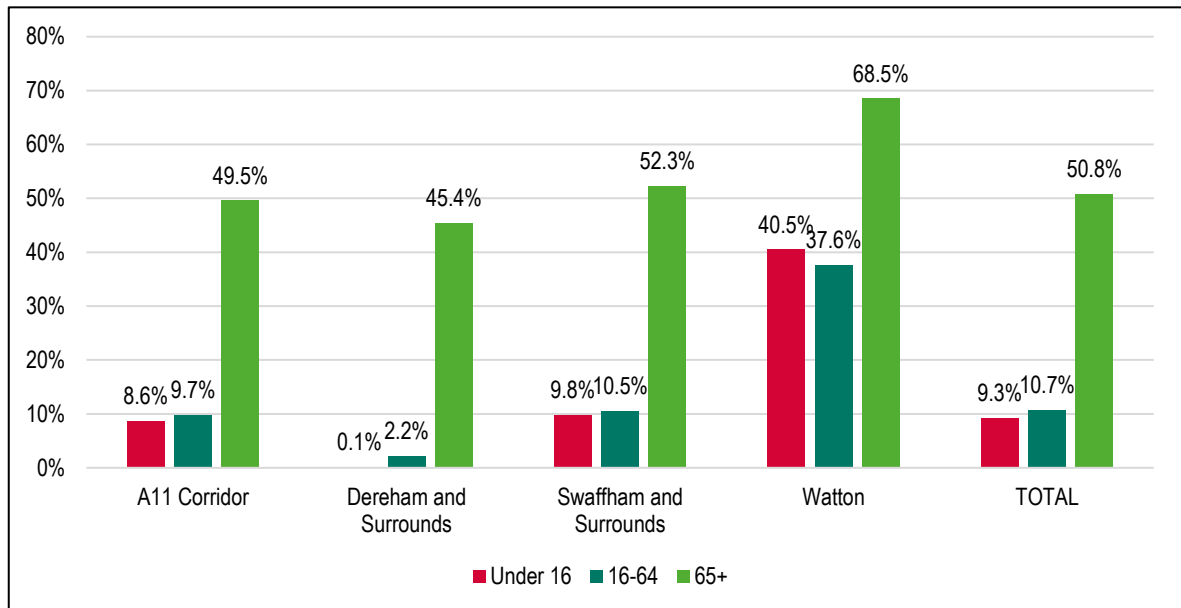
Source: Census (2011 and 2021)

7.80 The data above has been used to develop sub-area projections with approach being to look at past trends and apply these to estimates of population and household change in the Standard Method projection. Over the 25-year period to 2046, the Standard Method projection (661 dpa) points to population growth of 29,079 people and the population growth in the 2011-21 period (of 10,971) would point to a figure of 27,428 if extrapolated over 25-years – a difference of 1,651 people. This difference has been assigned to sub-areas based on the population in 2021. A similar approach has been taken for households with the Standard Method pointing to household growth of 16,044 (based on 16,525 dwellings and a 3% vacancy allowance. Below are the projected changes to population and households in each area:

- A11 Corridor – 10,246 (5,975 households);
- Dereham and Surrounds – 5,988 (3,340 households);
- Swaffham and Surrounds – 5,762 (3,324 households); and
- Watton – 7,083 (3,404 households).

7.81 As with the Standard Method projection discussed above the analysis links to the 2018-based SNPP with adjustments made to reflect population size (and structure) and estimates of the number of households in 2021. The figure below shows how the age structure in each sub-area is projected to change over the 25-year period – as with past trends, this shows an ageing population in all areas and the greatest increase in the younger population in Watton.

Figure 7.6 Projected population change by sub-area and broad age band (2021-2046)



Source: Census (2011 and 2021)

Relationship between Housing and Economic Growth

7.82 The analysis to follow considers the relationship between housing and economic growth; seeking to understand what level of jobs might be supported by changes to the local labour supply (which will be influenced by population change). To look at estimates of the job growth to be supported, a series of stages are undertaken. These can be summarised as:

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

- 7.83 Where projections are used or developed in this section a time period of 2021-46 is used. This is to be consistent with the emerging plan period and also to align with economic forecasts.

Growth in Resident Labour Supply

- 7.84 The approach taken in this report is to derive a series of age and sex specific economic activity rates and use these to estimate how many people in the population will be economically active as projections develop. This is a fairly typical approach with data being drawn in this instance from the Office for Budget Responsibility (OBR) – July 2018 (Fiscal Sustainability Report) – this data has then been rebased to information in the 2021 Census (for an updated estimate of the number of people who are economically active).
- 7.85 The table below show the assumptions made for the Council area. The analysis shows that the main changes to economic activity rates are projected to be in the 60-69 age groups – this will to a considerable degree link to changes to pensionable age, as well as general trends in the number of older people working for longer (which in itself is linked to general reductions in pension provision).

Table 7.17 Projected changes to economic activity rates (2021 and 2046) – Breckland

	Males			Females		
	2021	2046	Change	2021	2046	Change
16-19	48.8%	48.8%	-0.1%	54.1%	54.0%	0.0%
20-24	86.1%	85.9%	-0.2%	79.5%	79.4%	-0.2%
25-29	86.8%	86.8%	0.0%	79.3%	79.3%	0.0%
30-34	86.7%	86.5%	-0.2%	75.8%	76.4%	0.6%
35-39	87.7%	87.3%	-0.4%	80.0%	81.6%	1.5%
40-44	88.2%	86.9%	-1.3%	81.9%	84.9%	3.1%
45-49	86.7%	86.0%	-0.7%	81.1%	85.3%	4.2%
50-54	85.6%	84.4%	-1.2%	77.2%	81.1%	3.8%
55-59	84.2%	83.6%	-0.6%	72.9%	75.8%	2.9%
60-64	67.5%	73.8%	6.2%	56.3%	66.0%	9.8%
65-69	31.4%	46.4%	15.0%	21.7%	39.8%	18.1%
70-74	14.9%	18.5%	3.6%	8.4%	16.3%	7.9%
75-89	5.5%	6.3%	0.9%	2.6%	5.8%	3.2%

Source: Based on OBR and Census data

7.86 Working through an analysis of age and sex specific economic activity rates it is possible to estimate the overall change in the number of economically active people in the study area – this is set out in the table below. The analysis shows that the projection linked to the Standard Method results in growth in the economically-active population of 12,000 people – a 17% increase.

Table 7.18 Estimated change to the economically active population (2021-46)

	Economically active (2021)	Economically active (2046)	Total change in economically active	% change
Standard Method	68,710	81,064	12,354	18.0%

Source: Derived from demographic projections

Linking Changes to Resident Labour Supply and Job Growth

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

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

Commuting Patterns

- 7.88 The table below shows summary data about commuting to and from Breckland from the 2011 Census. Overall, the data shows the Council area having a notable level of net out-commuting. In Breckland the number of people resident in the area who are working being about 21% higher than the total number who work in the area. This number is shown as the commuting ratio in the final row of the table and is calculated as the number of people living in an area (and working) divided by the number of people working in the area (regardless of where they live).

Table 7.19 Commuting patterns (2011)

	Breckland
Live and work in Local Authority (LA)	25,903
Home workers	7,706
No fixed workplace	4,958
In-commute	12,388
Out-commute	23,227
Total working in LA	50,955
Total living in LA (and working)	61,794
Commuting ratio	1.213

Source: 2011 Census

- 7.89 In translating the commuting pattern data into growth in the labour-force, a core assumption is that the commuting ratio remains at the same level as shown by the 2011 Census. A sensitivity has also been developed where commuting for new jobs is assumed to be on a 1:1 ratio (i.e. the increase in the number of people working in the area is equal to the number of people living in the area who are working).

Double Jobbing

- 7.90 The analysis also considers that a number of people may have more than one job (double jobbing). This can be calculated as the number of people working in the local authority divided by the number of jobs. Data from the Annual Population Survey (available on the NOMIS website) for the past 5-years suggests that typically about 3.7% of workers have a second job and this has been used in the assessment (this figure is close to the regional average of 3.5%).
- 7.91 For the purposes of this assessment it has been assumed that around 3.7% of people will have more than one job moving forward. A double jobbing figure of 3.7% gives rise to a ratio of 0.963 (i.e. the number of jobs supported by the workforce will be around 3.7% higher than workforce growth). It has been assumed in the analysis that the level of double jobbing will remain constant over time.

Unemployment

- 7.92 The last analysis when looking at the link between jobs and resident labour supply is a consideration of unemployment. Essentially, this is considering if there is any latent labour force that could move back into employment to take up new jobs. This is particularly important given there is likely to have been notable increases in unemployment due to Covid-19, although it will be difficult to be precise about numbers. Given the estimates of economic activity and job growth are taken from 2021 it is considered that there is no need to include a further adjustment to take account of the pandemic. Essentially it is assumed that people who lost employment through the pandemic will now be back in work (where they are seeking work) and so there is no latent labour supply available to fill additional jobs.

Jobs Supported by Growth in the Resident Labour Force

- 7.93 The table below shows how many additional jobs might be supported by population growth under the Standard Method projection (661 dpa). Given different assumptions about commuting patterns and estimates about double jobbing, it is estimated that over 10,250 additional jobs could be supported by the changes to the resident labour supply over the plan period to 2046.

Table 7.20 Jobs supported by demographic projections (2021-46)

	Total change in economically active	Allowance for double jobbing	Allowance for net commuting (= jobs supported)
Census commuting	11,969	12,429	10,249
1:1 commuting	11,969	12,429	12,429

Source: Derived from a range of sources

- 7.94 Employment growth in line with the Census commuting scenario would see level of out-commuting remain consistent in proportional terms; whilst the 1-1 commuting scenario would see the scale of net out-commuting fall over time in proportional terms. If the Council aspires to claw back commuting from other areas (to support higher employment growth still) this would need to be discussed with other authorities, but the evidence does not suggest that the scale of employment demand would be sufficient to make this scenario likely.

8. Affordable Housing Need

8.1 This section provides an assessment of the need for affordable housing in Breckland. The analysis specifically considers general needs affordable housing, with further analysis of specialist housing (e.g. for older people) being discussed later in the report. The NPPF Glossary defined affordable housing as homes for sale or rent whose needs are not being met by the market. It includes the following types of housing:

Affordable homes for rent

- Homes rented out at below market values (typically social rents or affordable rents);

Affordable home ownership options

- First homes – homes available for sale to eligible first time buyers at a discounted price;
- Discounted market sales housing - homes for sale at least 20% below market values to eligible households;
- Other affordable routes to home ownership - including shared ownership, shared equity, other low cost homes for sale and rent to buy.

8.2 All affordable homes are expected to include provision for the properties to remain available for future eligible households at an affordable price, or for the subsidy to be recycled for alternative affordable housing provision.

- 8.3 The analysis follows the PPG (Sections 2a-018 to 2a-024) and provides two main outputs, linked to Annex 2 of the NPPF – this is firstly an assessment of the need from households unable to buy OR rent housing; and secondly from households able to rent but not buy. For convenience these analyses are labelled as a need for ‘social/affordable rented housing’ and ‘affordable home ownership’.
- 8.4 The analysis also considers First Homes as defined in First Homes Planning Practice Guidance in May 2021. First Homes are the government’s preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations.

Methodology Overview

- 8.5 The method for studying the need for affordable housing has been enshrined in Government practice guidance for many years, with an established approach to look at the number of households who are unable to afford market housing (to either rent or buy) – it is considered that this group will mainly be a target for rented affordable homes (social/affordable rented) and therefore the analysis looks at the need for ‘*affordable housing for rent*’ as set out in Annex 2 of the NPPF¹⁰. The methodology for looking at the need for rented (social/affordable) housing considers the following:
- **Current affordable housing need:** an estimate of the number of households who have a need now, at the point of the assessment, based on a range of secondary data sources – this figure is then annualised so as to meet the current need over a period of time;
 - **Projected newly forming households in need:** using demographic projections to establish gross household formation, and then applying an affordability test to estimate numbers of such households unable to afford market housing;

¹⁰ See definition within Annex 3 of this report

- **Existing households falling into need:** based on studying past trends in the types of households who have accessed social/affordable rented housing; and
- **Supply of affordable housing:** an estimate of the likely number of lettings that will become available from the existing social/affordable housing stock.

- 8.6 The first three bullet points above are added together to identify a gross need, from which the supply of relets of existing properties is subtracted to identify a net annual need for additional affordable housing. For the purposes of this assessment, this analysis is used to identify the overall (net) need for social/affordable rented housing.
- 8.7 This approach has traditionally been used to consider the needs of households who have not been able to afford market housing (either to buy or to rent). As the income necessary to afford to rent homes without financial support is typically lower than that needed to buy, the ability of households to afford private rents has influenced whether or not they are in need of affordable housing.
- 8.8 The NPPF and associated guidance has expanded the definition of those in affordable housing need to include households who might be able to rent without financial support but who aspire to own a home and require support to do so. The PPG includes households that “*cannot afford their own homes, either to rent, or to own, where that is their aspiration*” as having an affordable housing need.
- 8.9 This widened definition has been introduced by national Government to support increased access to home ownership, given evidence of declining home ownership and growth in private renting over the last 20 years or so. The PPG does not however provide specific guidance on how the needs of such households should be assessed and so this study adopts a broadly consistent methodology to that identified in the PPG and considers a current need; a newly-arising need on an annual basis; existing households falling into need; and an annual estimate of supply.
- 8.10 The analysis of affordable housing need is therefore structured to consider the need for rented affordable housing, and separately the need for affordable home

ownership. The overall need is expressed as an annual figure, which can then be compared with likely future delivery (as required by 2a-024).

- 8.11 Whilst the need for social/affordable rented housing and affordable home ownership are analysed separately, there are a number of pieces of information that are common to both assessments. In particular, this includes an understanding of local housing costs, incomes and affordability. The sections below therefore look at these factors.

Local Prices and Rents

- 8.12 An important part of the affordable needs model is to establish the entry-level costs of housing to buy and rent. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an 'affordable housing need'. For the purposes of establishing affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes).
- 8.13 The analysis below considers the entry-level costs of housing to both buy and rent across the District. The approach has been to analyse Land Registry and ONS data to establish lower quartile prices and rents. Using a lower quartile figure is consistent with the PPG and reflects the entry-level point into the market recognising that the very cheapest properties may be of sub-standard quality.
- 8.14 Data from the Land Registry for the year to December 2022 shows estimated lower quartile property prices by dwelling type. The data shows that entry-level costs to buy are estimated to start from about £110,000 for a second-hand flat and rising to £283,000 for a detached home. Looking at the lower quartile price across all dwelling types, the analysis shows **a lower quartile price of £210,000**. The figures are all based on cost of existing homes in the market although newbuild

prices are considered later in this section when looking at potential costs of affordable home ownership properties.

Table 8.1 Estimated lower quartile cost of housing to buy by type (existing dwellings) – year to December 2022

	Breckland
Flat/maisonette	£110,000
Terraced	£170,000
Semi-detached	£211,000
Detached	£283,000
All dwellings	£210,000

Source: Land Registry

- 8.15 It is also useful to provide estimates of property prices by the number of bedrooms in a home. Analysis for this draws together Land Registry data with an internet search of prices of homes for sale (using sites such as Rightmove). The analysis suggests a lower quartile price of about £95,000 for a 1-bedroom home, rising to £340,000 for homes with 4-bedrooms.

Table 8.2 Estimated lower quartile cost of housing to buy by size (existing dwellings) – year to December 2022

	Breckland
1-bedroom	£95,000
2-bedrooms	£175,000
3-bedrooms	£235,000
4-bedrooms	£340,000
All dwellings	£210,000

Source: Land Registry and Internet Price Search

- 8.16 A similar analysis has been carried out for private rents using ONS data – this covers a 12-month period to March 2023. For the rental data, information about dwelling sizes is provided (rather than types); the analysis shows **an average lower quartile cost (across all dwelling sizes) of £650 per month.**

Table 8.3 Lower Quartile Market Rents, year to March 2023

	Breckland
1-bedroom	£525
2-bedrooms	£650
3-bedrooms	£775
4-bedrooms	£1,080
All properties	£650

Source: ONS

- 8.17 It is of interest for this study to see how prices and rents vary by location. The table below shows an estimate of the overall lower quartile house price and private rent in each of the two sub-areas; this is based on Land Registry data for prices and analysis of online data on available lettings which has then been adjusted to be consistent with the data from ONS. The analysis shows some variation in prices and rents, with prices (and rents) estimated to be highest in the Swaffham and Surrounds area.

Table 8.4 Lower Quartile Prices and Market Rents, by sub-area

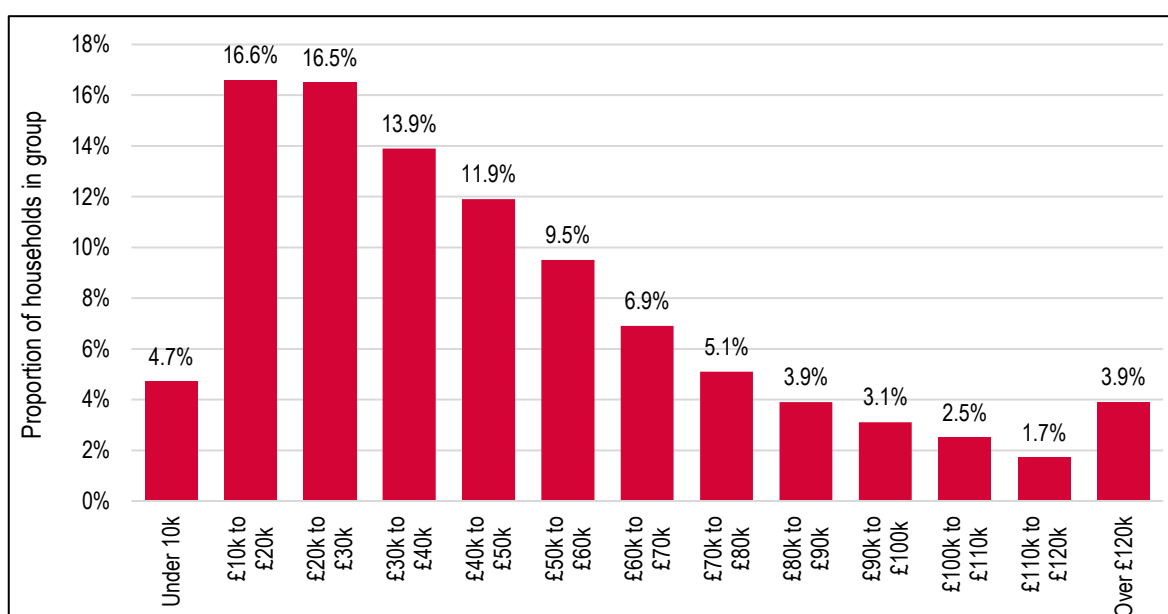
	Lower quartile price (existing dwellings)	Lower Quartile rent, pcm
A11 Corridor	£202,000	£630
Dereham and Surrounds	£219,000	£640
Swaffham and Surrounds	£224,000	£720
Watton	£195,000	£635
TOTAL	£210,000	£650

Source: Internet private rental cost search and Land Registry

Household Incomes

- 8.18 Following on from the assessment of local prices and rents it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability (i.e. the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy). Data about total household income has been based on ONS modelled income estimates, with additional data from the English Housing Survey (EHS) being used to provide information about the distribution of incomes.
- 8.19 Drawing this data together an income distribution for the District has been constructed for 2022. The figure below shows that around a fifth of households have incomes below £20,000 with a further third in the range of £20,000 to £40,000. Overall, the average (mean) income is estimated to be around £46,900, with a median income of £38,700; the lower quartile income of all households is estimated to be £22,200.

Figure 8.1 Distribution of household income (2022) – Breckland



Source: Derived from range of data sources

- 8.20 Analysis has also been undertaken to estimate how incomes vary by sub-area, with the table below showing the estimated median household income in each location, the table also shows the variance in incomes from the Council area

average. There is some modest variation in the estimated incomes by area, ranging from £37,200 in Watton, up to £39,800 in the A11 Corridor area.

Table 8.5 Estimated average (median) household income by sub-area (2022)

	Median income	As a % of Council area average
A11 Corridor	£39,800	103%
Dereham and Surrounds	£38,000	98%
Swaffham and Surrounds	£38,400	99%
Watton	£37,200	96%
TOTAL	£38,700	100%

Source: Derived from a range of data

Affordability Thresholds

- 8.21 To assess affordability two different measures are used; firstly to consider what income levels are likely to be needed to access private rented housing (this establishes those households in need of social/affordable rented housing) and secondly to consider what income level is needed to access owner occupation (this, along with the first test helps to identify households in the 'gap' between renting and buying). This analysis therefore brings together the data on household incomes with the estimated incomes required to access private sector housing. Additionally, different affordability tests are applied to different parts of the analysis depending on the group being studied (e.g. recognising that newly forming households are likely on average to have lower incomes than existing households).
- 8.22 A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a particular percentage of gross income. The choice of an appropriate threshold is an important aspect of the analysis – the PPG does not provide any guidance on this issue. CLG SHMA guidance prepared in 2007 suggested that 25% of income is a reasonable start point, it also noted that a different figure could be used. Analysis of current letting practice suggests that letting agents typically work on a multiple of 40%.

Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40%+ (depending on household characteristics).

- 8.23 At £650 per calendar month, lower quartile rent levels in Breckland are about average in comparison to those seen nationally (a lower quartile rent of £625 for England in the year to March 2023). This would suggest that a proportion of income to be spent on housing could be higher than the bottom end of the range (the range starting from 25%). On balance, it is considered that a threshold of 30% is reasonable in a local context, to afford a £650 pcm rent would imply a gross household income of about £26,000 (and in net terms the rent would likely be around 36% of income).
- 8.24 In reality, many households may well spend a higher proportion of their income on housing and therefore would have less money for other living costs – for the purposes of this assessment these households would essentially be assumed as ideally having some form of subsidised rent so as to ensure a sufficient level of residual income.
- 8.25 Generally, the income required to access owner-occupied housing is higher than that required to rent and so the analysis of the need for social/affordable rented housing is based on the ability to afford to access private rented housing. However, local house prices (and affordability) are important when looking at the need for affordable home ownership.
- 8.26 For the purposes of this assessment, the income thresholds for owner-occupation assume a household has a 10% deposit and can secure a mortgage for four and a half times their income. These assumptions are considered to be broadly in line with typical lending practices although it is recognised that there will be differences on a case by case basis.

8.27 The table below shows the estimated incomes required to both buy and rent (privately) in each sub-area. This shows a notable 'gap' in all areas across all areas, particularly locations where house prices are higher. The information in the table below is taken forward into further analysis in this section to look at affordable needs in different locations. The table shows averages across all property sizes for analytical purposes. Invariable there will be some variation for different dwelling sizes.

Table 8.6 Estimated Household Income Required to Buy and Privately Rent by sub-area.

	To buy	To rent (privately)	Income gap
A11 Corridor	£40,400	£25,200	£15,200
Dereham and Surrounds	£43,800	£25,600	£18,200
Swaffham and Surrounds	£44,800	£28,800	£16,000
Watton	£39,000	£25,400	£13,600
TOTAL	£42,000	£26,000	£16,000

Source: Based on Housing Market Cost Analysis

Need for Social/Affordable Rented Housing

8.28 The sections below work through the various stages of analysis to estimate the need for social/affordable housing in the Council area. Final figures are provided as an annual need (including an allowance to deal with current need). As per 2a-024 of the PPG, this figure can then be compared with likely delivery of affordable housing.

Current Need

8.29 In line with PPG paragraph 2a-020, the current need for affordable housing has been based on considering the likely number of households with one or more housing problems. The table below sets out the categories in the PPG and estimates of the number of households within each need category. This shows an

estimated need from around 3,742 households. The data draws on a number of sources, including the 2021 Census.

Table 8.7 Estimated housing need by category of household

	Concealed and homeless households	Households in over-crowded housing	Existing affordable housing tenants in need	Households from other tenures in need	TOTAL
A11 Corridor	381	608	80	555	1,623
Dereham & Surrounds	283	364	52	408	1,107
Swaffham & Surrounds	135	174	36	218	564
Watton	114	175	16	143	448
TOTAL	913	1,321	185	1,324	3,742

Source: Derived from a range of sources

8.30 In taking this estimate forward, the data modelling next estimates the need by tenure and considers affordability. The affordability in different groups is based on estimates of how incomes are likely to vary, for owner-occupiers there is a further assumption about potential equity levels. For homeless and concealed¹¹ households it is assumed incomes will be low and households unlikely to be able to afford. The table below shows around half of those households identified above are unlikely to be able to afford market housing to buy OR rent and therefore there is a current need from 1,944 households.

¹¹ Concealed families are couple or lone parent families living in multi-family households, where the Family Reference Person (FRP) is not the Household Reference Person (HRP).

Table 8.8 Estimated housing need and affordability by tenure

	Number in need	% unable to afford	Current need after affordability
Owner-occupied	820	3.7%	30
Affordable housing	704	74.3%	523
Private rented	1,306	36.6%	478
No housing (homeless/concealed)	913	100.0%	913
TOTAL	3,742	51.9%	1,944

Source: Derived from a range of sources

8.31 Finally, from these estimates, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). The total current need is therefore estimated to be 1,421. For the purposes of analysis, it is assumed that the local authority would seek to meet this need over a period of time. Given that this report looks at needs in the period from 2021 to 2046, the need is annualised by dividing by 25 (to give an annual need for around 57 dwellings across all areas). This does not mean that some households would be expected to wait 25-years for housing as the need is likely to be dynamic, with households leaving the current need as they are housed but with other households developing a need over time.

8.32 The table below shows this data for the four sub-areas – this includes the number in need (once taking account of affordability), the number once excluding housing in affordable housing and the annual figure this represents.

Table 8.9 Estimated current housing need by sub-area

	Number in need	Excluding those in affordable housing	Annualised
A11 Corridor	825	601	24
Dereham & Surrounds	572	425	17
Swaffham & Surrounds	313	213	9
Watton	234	182	7
TOTAL	1,944	1,421	57

Source: Derived from a range of sources

Newly-Forming Households

- 8.33 The number of newly forming households has been estimated through demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below, 5 years previously, to provide an estimate of gross household formation.
- 8.34 The number of newly-forming households is limited to households forming who are aged under 45 – this is consistent with CLG guidance (from 2007) which notes after age 45 that headship (household formation) rates ‘plateau’. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.
- 8.35 In assessing the ability of newly forming households to afford market housing, data has been drawn from previous surveys undertaken nationally by JGC. This establishes that the average income of newly forming households is around 84% of the figure for all households. This figure is remarkably consistent across areas and is also consistent with analysis of English Housing Survey data at a national level.
- 8.36 The analysis has therefore adjusted the overall household income data to reflect the lower average income for newly forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this it is possible to calculate the proportion of households unable to afford market housing. For the purposes of the need for social/affordable rented housing this will relate to households unable to afford to buy OR rent in the market.
- 8.37 The assessment suggests overall that around a two-fifths of newly forming households will be unable to afford market housing (to rent privately) and this equates a total of 368 newly forming households will have a need per annum on average across the Council area.

Table 8.10 Estimated Need for Social/Affordable Rented Housing from Newly Forming Households (per annum)

	Number of new households	% unable to afford	Annual newly forming households unable to afford to rent
A11 Corridor	415	36.6%	152
Dereham & Surrounds	284	39.3%	112
Swaffham & Surrounds	133	44.6%	59
Watton	115	39.9%	46
TOTAL	946	38.9%	368

Source: Projection Modelling/Affordability Analysis

Existing Households Falling into Affordable Housing Need

- 8.38 The second element of newly arising need is existing households falling into need. To assess this, information about past lettings in social/affordable rented has been used. The assessment looked at households who have been housed in general needs housing over the past three years – this group will represent the flow of households onto the Housing Register over this period. From this, newly forming households (e.g. those currently living with family) have been discounted as well as households who have transferred from another social/affordable rented property. Data has been drawn from a number of sources, including Local Authority Housing Statistics (LAHS) and Continuous Recording of Sales and Lettings (CoRe).
- 8.39 In the absence of any guidance in the PPG, this method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says on page 46 that *‘Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless household applicants)’*. Following the analysis through suggests a need arising from 115 existing households each year across the District.

Table 8.11 Estimated Need for Social/Affordable Rented Housing from Existing Households Falling into Need (per annum)

	Total Additional Need	% of Total
A11 Corridor	51	44.2%
Dereham & Surrounds	33	28.5%
Swaffham & Surrounds	18	15.8%
Watton	13	11.4%
TOTAL	115	100.0%

Source: Derived from a range of sources

Supply of Social/Affordable Rented Housing Through Relets

- 8.40 The future supply of affordable housing through relets is the flow of affordable housing arising from the existing stock that is available to meet future need. This focusses on the annual supply of social/affordable rent relets.
- 8.41 The Practice Guidance suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. Information from a range of sources (mainly CoRe) has been used to establish past patterns of social housing turnover. The figures are for general needs lettings but exclude lettings of new properties and also exclude an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock.
- 8.42 On the basis of past trend data it has been estimated that 242 units of social/affordable rented housing are likely to become available each year moving forward for occupation by households in need.

Table 8.12 Analysis of Past Social/Affordable Rented Housing Supply, 2019/20 – 2021/22 (average per annum)

	Total Lettings	% as Non-New Build	Lettings in Existing Stock	% Non-Transfers	Lettings to New Tenants
2019/20	596	80.0%	477	59.9%	286
2020/21	308	78.2%	241	67.2%	162
2021/22	521	86.4%	450	61.8%	278
Average	475	82.0%	389	62.2%	242

Source: CoRe

- 8.43 The table below shows the estimated supply of affordable housing from relets in each sub-area – figures varying from 21 per annum in Watton, up to 105 in the A11 Corridor.

Table 8.13 Estimated supply of affordable housing from relets of existing stock by sub-area (per annum)

	Annual supply	% of supply
A11 Corridor	105	43.3%
Dereham & Surrounds	69	28.3%
Swaffham & Surrounds	48	19.7%
Watton	21	8.8%
TOTAL	242	100.0%

Source: CoRe and data provided by Breckland Council

- 8.44 The PPG model also includes the bringing back of vacant homes into use and the pipeline of affordable housing as part of the supply calculation. These have however not been included within the modelling in this report. Firstly, there is no evidence of any substantial stock of vacant homes (over and above a level that might be expected to allow movement in the stock). Secondly, with the pipeline supply, it is not considered appropriate to include this as to net off new housing would be to fail to show the full extent of the need, although in monitoring it will be important to net off these dwellings as they are completed.

Net Need for Social/Affordable Rented Housing

- 8.45 The table below shows the overall calculation of affordable housing need. The analysis shows that there is a need for 299 dwellings per annum across the area – an affordable need is seen in all sub-areas. The net need is calculated as follows:

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

Table 8.14 Estimated Need for Social/Affordable Rented Housing (per annum)

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
A11 Corridor	24	152	51	227	105	122
Dereham & Surrounds	17	112	33	161	69	93
Swaffham & Surrounds	9	59	18	86	48	39
Watton	7	46	13	66	21	45
TOTAL	57	368	115	541	242	299

Source: Derived from a range of sources

The Relationship Between Affordable Need and Overall Housing Numbers

- 8.46 The PPG encourages local authorities to consider increasing planned housing numbers where this can help to meet the identified affordable need. Specifically, the wording of the PPG [2a-024] states:

'The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the strategic plan may need to be considered where it could help deliver the required number of affordable homes'

- 8.47 However the PPG is also clear [67-001] that the need for particular groups or for particular types of housing may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the

projected new households which form the baseline for the standard method. The PPG sets out that Councils will thus need to consider the extent to which these needs can be met, taking into account:

- the overall level of need identified using the standard method (and whether the evidence suggests that a higher level of need ought to be considered);
- the extent to which the overall housing need can be translated into a housing requirement figure for the plan period; and
- the anticipated deliverability of different forms of provision, having regard to viability.

8.48 They must also consider the implications of their duties under the Equality Act 2010.

8.49 Households in need of affordable housing is one such group and the analysis does consider the needs of the whole population. The affordable housing need therefore in part may reflect a tenure imbalance within an area, rather than a need for additional homes per se.

8.50 The analysis estimates an annual need for 299 rented affordable homes, which is notionally 45% of a Local Housing Need of 661 dwellings per annum (as calculated using the Standard Method). However many households with an affordable need will already be living in housing and so providing an affordable option does not lead to an overall net increase in the need for housing (as they would vacate a home to be used by someone else).

8.51 Specifically, the demographic analysis already captures newly forming households. Many existing households in need or who are projected to fall into need will be in existing homes. So by providing affordable homes for some households, their existing properties will be released for occupation by others. Ultimately only those concealed or homeless households may generate additional overall housing need, but the quantum of these is addressed in the 'affordability uplift' applied in the standard method.

8.52 As the table below shows, if existing households who need an alternative are notionally set aside, an affordable need for 163 homes per annum across Breckland – notionally 25% of the Standard Method. This figure is theoretical and should not be seen to be minimising the need (which is clearly acute). Indeed many of these households are newly forming households are already included within the demographic projections.

Table 8.15 Estimated Need for Affordable Housing (social/affordable rented) excluding households already in accommodation

	Including existing households	Excluding existing households
Current need	57	37
Newly forming households	368	368
Existing households falling into need	115	0
Total Gross Need	541	405
Re-let Supply	242	242
Net Need	299	163

Source: Derived from a range of sources

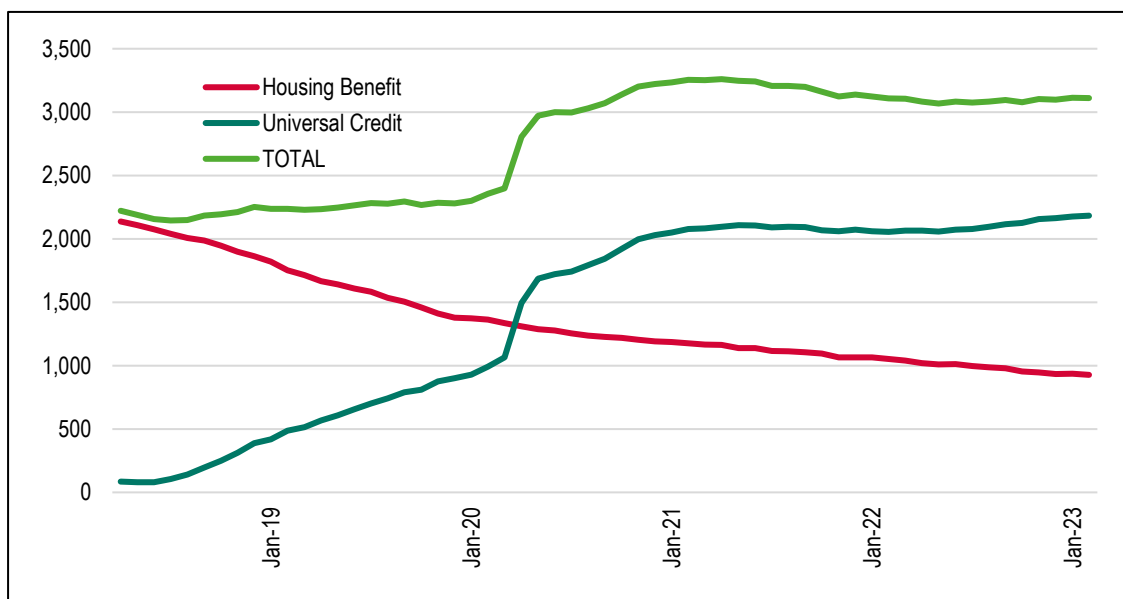
8.53 It is also worth briefly thinking about how affordable need works in practice and the housing available to those unable to access market housing without Housing Benefit. In particular, the role played by the Private Rented Sector (PRS) in providing housing for households who require financial support in meeting their housing needs should be recognised.

8.54 Whilst the Private Rented Sector (PRS) does not fall within the types of affordable housing set out in the NPPF (other than affordable private rent which is a specific tenure separate from the main ‘full market’ PRS), it has evidently been playing a role in meeting the needs of households who require financial support in meeting their housing need. Government recognises this, and indeed legislated through the 2011 Localism Act to allow Councils to discharge their “homelessness duty” through providing an offer of a suitable property in the PRS.

8.55 Data from the Department of Work and Pensions (DWP) has been used to look at the number of Housing Benefit supported private rented homes. As of February 2023, it is estimated that there were over 3,100 benefit claimants in the private rented sector in Breckland. From this, it is clear that the PRS contributes to the wider delivery of 'affordable homes' (or the shortfall in genuine affordable housing) with the support of benefit claims.

8.56 The figure below shows the trend in the number of claimants in the Council area. This shows there has been a notable increase since March 2020, which is likely to be related to the Covid-19 pandemic. However, even the more historical data shows a substantial number of households claiming benefit support for their housing in the private sector (typically around 2,200-2,300 households).

Figure 8.2 Number of Housing Benefit claimants in the private rented sector



Source: Department of Work and Pensions

8.57 Whilst housing delivery through the Local Plan can be expected to secure additional affordable housing it needs to be noted that delivery of affordable housing through planning obligations is an important, but not the only means, of delivery affordable housing; and the Council should also work with housing providers to secure funding to support enhanced affordable housing delivery on some sites and through use of its own land assets.

8.58 Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue across

the Council area. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise and that it is a consideration in setting an overall housing target, but care needs to be taken in considering the need in its proper context and how viability and funding availability may constrain delivery.

Split Between Social and Affordable Rented Housing

- 8.59 The analysis above has studied the overall need for social and affordable rented housing with a focus on households who cannot afford to rent in the market. These households will therefore have a need for some form of rented housing at a cost below typical market rates. Typically, there are two main types of rented affordable accommodation (social and affordable rented) with the analysis below initially considering what a reasonable split might be between these two tenures.
- 8.60 The table below shows current rent levels in the Council area for a range of products along with relevant local housing allowance (LHA) rates. The area is split across a number of Broad Rental Market Areas (BRMA) for the purposes of LHA, with Thetford being in Bury St. Edmunds BRMA, Dereham and Watton in Central Norfolk and Norwich BRMA and Swaffham in Kings Lynn BRMA – data for all three is shown below.
- 8.61 Data about average social and affordable rents has been taken from the Regulator of Social Housing (RSH) and this is compared with lower quartile and median market rents (from ONS data). This analysis shows that social rents are significantly lower than affordable rents; the analysis also shows that affordable rents are below lower than lower quartile market rents.
- 8.62 The LHA rates for all sizes of home are below median market rents for all sizes of accommodation in all areas with 1- and 2-bedroom rates also being below lower quartile rents for all locations. This does potentially mean that households seeking

accommodation in many locations may struggle to secure sufficient benefits to cover their rent.

Table 8.16 Difference between rent levels for different products – Breckland

	Social rent	Affordable rent (AR)	Lower quartile (LQ) market rent	Median market rent	LHA (Bury St Edmunds)	LHA (Central Norfolk & Norwich)	LHA (Kings Lynn)
1-bedroom	£326	£416	£525	£575	£524	£494	£449
2-bedrooms	£386	£515	£650	£700	£648	£598	£573
3-bedrooms	£416	£585	£775	£865	£798	£708	£673
4-bedrooms	£454	£673	£1,080	£1,300	£1,197	£947	£848
All	£394	£510	£650	£750	-	-	-

Source: RSH, ONS and VOA

- 8.63 To some extent it is easier to consider the data above in terms of the percentage one housing cost is of another and this is shown in the tables below. Caution should be exercised when looking at the overall averages as these will be influenced by the profile of stock in each category and so the discussion focusses on 2-bedroom homes. This shows that social rents are significantly cheaper than market rents (and indeed affordable rents) and that affordable rents (as currently charged) represent 79% of a current lower quartile rent (74% if comparing with a median rent).

Table 8.17 Difference between rent levels for different products – Breckland

	Social rent as % of affordable rent	Social rent as % of LQ market rent	Social rent as % of median market rent	Affordable rent as % of LQ market rent	Affordable rent as % of median market rent	LQ market rent as % of median market rent
1-bedroom	78%	62%	57%	79%	72%	91%
2-bedrooms	75%	59%	55%	79%	74%	93%
3-bedrooms	71%	54%	48%	75%	68%	90%
4-bedrooms	67%	42%	35%	62%	52%	83%
All	77%	61%	53%	78%	68%	87%

- 8.64 For the affordability test, a standardised average rent for each product has been used based on the proportion of stock in each size category. The table below suggests that around 31% of households who cannot afford to rent privately could afford an affordable rent, with a further 30% being able to afford a social rent (but not an affordable one). A total of 39% of households would need some degree of benefit support to be able to afford their housing (regardless of the tenure).

Table 8.18 Estimated need for affordable rented housing (% of households able to afford)

	% of households able to afford
Afford affordable rent	31%
Afford social rent	30%
Need benefit support	39%
All unable to afford market	100%

Source: Affordability analysis

- 8.65 The finding that only 31% of households can afford an affordable rent does not automatically lead to a policy conclusion on the split between the two types of housing. For example, many households who will need to access rented accommodation will be benefit dependent and as such could technically afford an affordable rent (with support from housing benefit) – hence a higher proportion of affordable rented housing might be appropriate. On the flip side, providing more social rents might enable households to return to work more easily, as a lower income would potentially be needed to afford the lower social (rather than affordable) rent. Higher delivery at social rents will also feed into scheme viability and potentially affect the affordable housing yield.
- 8.66 Furthermore, in considering a split between social and affordable rented housing it needs to be considered that having different tenures on the same site (at least at initial occupation) may be difficult – e.g. if tenants are paying a different rent for essentially the same size/type of property and services.

To reflect the analysis of housing needs and affordability, the Council might explore a policy approach that seeks provision of at least 30% of rented homes for social rent, subject to viability. Any policy approach should be mindful of the

Council's wider housing priorities and potential implications for the deliverability of housing.

The Council needs to balance need and viability considerations in determining appropriate policies regarding the mix of affordable housing. In negotiating affordable housing provision, regard should also be had to the Council's Tenancy Strategy.

Establishing a Need for Affordable Home Ownership

- 8.67 The Planning Practice Guidance confirms a widening definition of those to be considered as in affordable need; now including households *‘that cannot afford their own homes, either to rent, or to own, where that is their aspiration’*. However, at the time of writing, there is no guidance about how the number of households with a need for affordable home ownership should be measured.
- 8.68 The methodology used in this report therefore draws on the current methodology, and includes an assessment of current needs, and projected need (newly forming and existing households). The key difference is that in looking at affordability an estimate of the number of households in the ‘gap’ between buying and renting is used. There is also the issue of establishing an estimate of the supply of affordable home ownership homes – this is considered separately below.
- 8.69 The analysis has been developed in the context of First Homes with national policy now requiring that 25% of all affordable housing secured through developer contributions should be within this tenure. A definition of First Homes can be found later in this section.

Gross Need for Affordable Home Ownership

- 8.70 The first part of the analysis seeks to understand what the gap between renting and buying actually means in the Council area – in particular establishing the typical incomes that might be required. The information about incomes required to both buy and rent in different locations has already been provided earlier in this section and so the discussion below is a broad example.
- 8.71 Using the income distributions developed (as set out earlier in this section) along with data about price and rents, it has been estimated that of all households living in the private rented sector, around 39% already have sufficient income to buy a lower quartile home, with 24% falling in the rent/buy ‘gap’. The final 37% are estimated to have an income below which they cannot afford to rent privately (i.e. would need to spend more than the calculated threshold of their income on housing costs) although in reality it should be noted that many households will spend a higher proportion of their income on housing.

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

Table 8.19 Estimated proportion of households living in Private Rented Sector able to buy and/or rent market housing

	Can afford to buy OR rent	Can afford to rent but not buy	Cannot afford to buy OR rent
A11 Corridor	43%	23%	34%
Dereham & Surrounds	36%	27%	37%
Swaffham & Surrounds	35%	23%	42%
Watton	41%	22%	38%
TOTAL	39%	24%	37%

Source: Derived from Housing Market Cost Analysis and Affordability Testing

8.73 The finding that a proportion of households in the private rented sector are likely to have an income that would allow them to buy a home is also noteworthy and suggests for some households, barriers to accessing owner-occupation are not just about income/the cost of housing but also other factors (which could for example include the lack of a deposit or difficulties obtaining a mortgage (for example due to a poor credit rating or insecure employment)). However, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household's life stage (e.g. if moving location with employment).

8.74 To study current need, an estimate of the number of households living in the Private Rented Sector (PRS) has been established, with the same (rent/buy gap) affordability test (as described above) then applied. The starting point is the number of households living in private rented accommodation; as of the 2021 Census there were some 9,184 households living in the sector in Breckland (renting from private landlord or letting agency).

- 8.75 Additional data from the EHS suggests that 60% of all PRS households expect to become an owner at some point (5,510 households) and of these some 40% (2,204 households) would expect this to happen in the next 2-years. These figures are taken as the number of households potentially with a current need for affordable home ownership before any affordability testing.
- 8.76 As noted above, on the basis of income it is estimated that around 24% of the private rented sector sit in the gap between renting and buying (varying by location). Applying this proportion to the above figures would suggest a current need for around 529 affordable home ownership units (21 per annum if annualised over a 25-year period).
- 8.77 In projecting forward, the analysis considers newly forming households and also the remaining existing households who expect to become owners further into the future. Applying the same affordability test (albeit on a very slightly different income assumption for newly forming households) suggests an annual need from these two groups of around 263 dwellings (231 from newly forming households and 32 from existing households in the private rented sector).
- 8.78 Bringing together the above analysis suggests that there is a gross need for around 284 affordable home ownership homes (priced for households able to afford to rent but not buy) per annum across the Council area. This is before any assessment of the potential supply of housing is considered.

Table 8.20 Estimated Gross Need for Affordable Home Ownership (per annum)

	Current need	Newly forming households	Existing households falling into need	Total Gross Need
A11 Corridor	9	97	14	121
Dereham & Surrounds	7	78	10	95
Swaffham & Surrounds	3	30	4	38
Watton	2	25	3	30
TOTAL	21	231	32	284

Source: Derived from a range of sources

Potential Supply of Housing to Meet the Affordable Home Ownership Need and Net Need

- 8.79 As with the need for social/affordable rented housing, it is also necessary to consider if there is any supply of affordable home ownership products from the existing stock of housing. As with assessing the need for affordable home ownership, it is the case that at present the PPG does not include any suggestions about how the supply of housing to meet these needs should be calculated.
- 8.80 One source is likely to be resales of low cost home ownership products with data from the Regulator of Social Housing showing a total stock in 2022 of 361 homes. If these homes were to turnover at the same rate seen for the social housing stock, then they would be expected to generate around 12 resales each year. These properties would be available for these households and can be included as the potential supply.
- 8.81 In addition, it should be noted that the analysis looks at households unable to afford a lower quartile property price. By definition, a quarter of all homes sold will be priced at or below a lower quartile level. According to the Land Registry, in the Council area there were a total of 1,945 resales (i.e. excluding newly-built homes) in the last year (year to December 2022) and therefore around 486 would be priced below the lower quartile. This is 486 homes that would potentially be affordable to the target group for affordable home ownership products and is a supply higher than the estimated gross need.
- 8.82 It is then possible to provide a best estimate of the supply of lower quartile homes that are bought by the target group of households (assumed to be first-time buyers). Whilst dated, a report by Bramley and Wilcox in 2010 (Evaluating requirements for market and affordable housing) noted that around 40% of first-time buyer with a mortgage buy at or below the lower quartile¹². Other recent data suggests that first time buyers account for around half of home purchase loans¹³ with a total of around 65% of all homes being bought with a loan (35% as cash buyers¹⁴).

- 8.83 Bringing this together would point to 32.5% of homes being bought by first-time buyers and around 13% of all homes being a lower quartile home bought by a first-time buyer (32.5% x 40%) – this would point to around half of all lower quartile sales as being to first-time buyers (as half of 25% is 12.5%). Therefore, for the purposes of estimating a ‘need’ half of all lower quartile sales are included in the supply.
- 8.84 We can therefore now provide three supply estimates which can be considered in the context of the estimated need. These are:
- Only count the supply from affordable home ownership resales (12 per annum);
 - Include the supply from affordable home ownership and half of resales of lower quartile homes (255 per annum (243+12)); and
 - Include the supply from affordable home ownership and all resales of lower quartile homes (498 per annum (486+12)).
- 8.85 The table below shows the estimated net need from applying these three supply scenarios. Only including the resales of AHO shows a need for 272 dwellings per annum and this reduces to 29 if 50% of lower quartile sales are included. If all lower quartile sales are included in the supply, then there a surplus need for affordable home ownership shown.

Table 8.21 Estimated Net Need for Affordable Home Ownership (per annum)

	AHO resales only	AHO resales plus 50% of LQ sales	AHO resales plus 100% of LQ sales
Total gross need	284	284	284
LCHO supply	12	255	498
Net need	272	29	-214

Source: Derived from a range of sources

¹² https://thinkhouse.org.uk/site/assets/files/1614/2010_20nhpau_202.pdf

¹³ <https://www.mortgagesolutions.co.uk/news/2022/01/24/first-time-buyer-numbers-rose-to-nearly-410000-in-2021/#:~:text=First%2Dtime%20buyers%20accounted%20for,39%20per%20cent%20in%202009>

¹⁴ <https://www.ft.com/content/e0ad2830-094f-4e61-acaa-d77457e2edbb>

- 8.86 Focussing on the middle of the three scenarios above (50% of lower quartile sales) the table below shows a need for affordable home ownership in the A11 Corridor and Dereham & Surrounds and a small 'surplus' in other locations. Where a 'need' is shown, this is much lower than for rented products.

Table 8.22 Estimated Need for Affordable Home Ownership by sub-area (per annum)

	Total Gross Need	Supply	Net need
A11 Corridor	121	93	27
Dereham & Surrounds	95	84	11
Swaffham & Surrounds	38	45	-8
Watton	30	32	-2
Total	284	255	29

Source: Derived from a range of sources

- 8.87 It should be noted that the needs evidence herein may inform the mix of affordable homes within specific schemes, but should be considered alongside national policy, including the requirement for 10% affordable home ownership, as well as viability considerations.

Implication of the Analysis

- 8.88 Given the analysis above, it would be reasonable to conclude that there is a need to provide housing under the definition of 'affordable home ownership' – although it is difficult to precisely quantify this 'need'.
- 8.89 Regardless, it does seem that there are many households in Breckland who are being excluded from the owner-occupied sector (although they can afford private rented housing). This can be seen by analysis of tenure change, which saw the number of households living in private rented accommodation increasing by 26% from 2011 to 2021 (following a much higher increase in the 2001-11 period. Over the same period (2011-21), the number of owners with a mortgage has decreased by around 5%.
- 8.90 On this basis, and as previously noted, it seems likely in Breckland that access to owner-occupation is being restricted by access to capital (e.g. for deposits, stamp

duty, legal costs) as well as potentially some mortgage restrictions (e.g. where employment is temporary) rather than simply being due to the cost of housing to buy (although this will be a factor for some households).

- 8.91 The NPPF (last updated in July 2021) gives a clear direction that 10% of all new housing (on larger sites) should be for affordable home ownership (in other words, if 20% of homes were to be affordable then half would be affordable home ownership) and it is now the case that policy compliant planning applications would be expected to deliver a minimum of 25% affordable housing as First Homes (as a proportion of the total affordable housing), with Councils being able to specify the requirement for any remaining affordable housing (subject to at least 10% of all housing being for AHO).
- 8.92 Firstly regarding the 10%, it is not clear that this is the best solution in Breckland's specific circumstances. The NPPF does provide some examples of where the 10% might not be required (paragraph 65), most notably that the 10% would be expected unless this would '*significantly prejudice the ability to meet the identified affordable housing needs of specific groups*'. **In Breckland, the clear need for additional rented housing would arguably mean that providing the affordable home ownership would 'prejudice the ability' to meet the needs of the 'specific group' requiring rented accommodation.**
- 8.93 The evidence for Breckland at this time indicates that there is no specific need for a First Homes product. In terms of the national policy requirement that the 25% of affordable housing is provided as First Homes, it is not clear whether there is any scope to challenge the 'minimum of 25%', nor what role other tenures of affordable home ownership (such as shared ownership) might play. It is possible that provision of First Homes could squeeze out other forms of LCHO such as shared ownership, although it is likely that there will still be a role for this type of housing given typically lower deposit requirements. The Council might reasonably therefore set out policies for a proportion of affordable home ownership homes overall to provide flexibility for products to evolve.
- 8.94 Whilst there are clearly many households in the gap between renting and buying, they in some cases will be able to afford homes below lower quartile housing

costs. That said, it is important to recognise that some households will have insufficient savings to be able to afford to buy a home on the open market (particularly in terms of the ability to afford a deposit) and low-cost home ownership homes – and shared ownership homes in particular – will therefore continue to play a role in supporting some households.

- 8.95 The evidence points to a clear and acute need for rented affordable housing for lower income households, and it is important that a supply of rented affordable housing is maintained to meet the needs of this group including those to which the authorities have a statutory housing duty. Such housing is notably cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments).
- 8.96 There will also be a role for AHO on any 100% affordable housing schemes that may come forward (as well as through Section 106). Including a mix of both rented and intermediate homes to buy would make such schemes more viable, as well as enabling a range of tenures and therefore potential client groups to access housing.
- 8.97 In addition, it should also be noted that the finding of a ‘need’ for affordable home ownership does not have any impact on the overall need for housing. It seems clear that this group of households is simply a case of seeking to move households from one tenure to another (in this case from private renting to owner-occupation); there is therefore no net change in the total number of households, or the number of homes required.

How Much Should Affordable Home Ownership Homes Cost?

- 8.98 The analysis and discussion above suggest there are a number of households likely to fall under the PPG definition of needing affordable home ownership (including First Homes) – i.e. in the gap between renting and buying – but that the potential supply of low-cost housing to buy makes it difficult to fully quantify this need. However, given the NPPF, the Council may need to consider some

additional homes on larger sites as some form of affordable home ownership (AHO).

8.99 The analysis below focusses on the cost of First Homes (a form of discounted market sale) to make them genuinely affordable before moving on to consider shared ownership (in this case suggestions are made about the equity shares likely to be affordable and whether these shares are likely to be offered). It is considered that First Homes and shared ownership are likely to be the main affordable home ownership tenures moving forward although it is accepted that some delivery may be of other products. This section also provides some comments about Rent to Buy housing.

8.100 The reason for the analysis to follow is that it will be important for the Council to ensure that any affordable home ownership is sold at a price that is genuinely affordable for the intended target group – for example there is no point in discounting a new market home by 30% if the price still remains above that for which a reasonable home can already be bought in the open market.

First Homes

8.101 In May 2021, MHCLG published a new Planning Practice Guidance (PPG) regarding First Homes. The key parts of this guidance are set out below:

First Homes are a specific kind of discounted market sale housing and should be considered to meet the definition of ‘affordable housing’ for planning purposes.

Specifically, First Homes are discounted market sale units which:

- a) must be discounted by a minimum of 30% against the market value;*
- b) are sold to a person or persons meeting the First Homes eligibility criteria (see below);*
- c) on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and,*
- d) after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London).*

First Homes are the government's preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations.

8.102 In terms of eligibility criteria, a purchaser should be a first-time buyer with a combined annual household income not exceeding £80,000 (or £90,000 in Greater London) and a mortgage needs to fund a minimum of 50% of the discounted purchase price. Local authorities can set their own eligibility criteria, which could for example involve lower income caps, a local connection test, or criteria based on employment status. A First Home must be sold at least 30% below the open market value. However, local authorities do have the discretion to require a higher minimum discount of either 40% or 50% (if they can demonstrate a need for this).

8.103 As noted above, the problem with having a percentage discount is that it is possible in some locations or types of property that such a discount still means that the discounted housing is more expensive than that typically available in the open market. This is often the case as new build housing itself attracts a premium. The preferred approach in this report is to set out a series of purchase costs for different sizes of accommodation which ensure these products are affordable for the intended group. These purchase costs are based on current lower quartile rental prices and also consideration of the income required to access the private rented sector and then estimating what property price this level of income might support (assuming a 10% deposit and a 4.5 times mortgage multiple). Below is an example of a calculation based on a 2-bedroom home in Breckland:

- Previous analysis has shown that the lower quartile rent for a 2-bedroom home in Breckland is £650 per month;
- On the basis of a household spending no more than 30% of their income on housing, a household would need an income of around £2,170 per month to afford ($£650/0.3$) or £26,000 per annum; and
- With an income of £26,000, it is estimated that a household could afford to buy a home for around £130,000. This is based on assuming a 10% deposit (mortgage for 90% of value) and a 4.5 times mortgage multiple – calculated as $£26,000*4.5/0.9$.

- 8.104 Therefore, £130,000 is a suggested purchase price to make First Homes/discounted home ownership affordable for households in the rent/buy gap in Breckland. This figure is essentially the equivalent price that is affordable to a household who can just afford to rent privately. In reality, there will be a range of incomes in the rent/buy gap and so some households could afford a higher price; however, setting all homes at a higher price would mean that some households will still be unable to afford.
- 8.105 On this basis, it is considered reasonable to look at the cost of First Homes as a range, from the equivalent private rent figure up to a midpoint of the cost of open market purchase and the relevant private rented figure (for a 2-bedroom home this is £175,000, giving a midpoint of £152,500). The use of a midpoint would mean that only around half of households in the rent/buy gap could afford, and therefore any housing provided at such a cost would need to also be supplemented by an equivalent number at a lower cost (which might include other tenures such as shared ownership).
- 8.106 The table below set out a suggested purchase price for First Homes in Breckland. The table also shows an estimated Open Market Value (OMV) and the level of discount likely to be required to achieve affordability. The OMV is based on taking the estimated lower quartile price by size and adding 15% (which is the typically newbuild premium seen nationally). It should be noted that the discounts are based on the OMV as estimated, in reality the OMV might be quite different for specific schemes and therefore the percentage discount would not be applicable. For example, if the OMV for a 2-bedroom home were to actually be £250,000 (rather than the modelled £201,300) then the discount would be up to 48%.
- 8.107 On the basis of the specific assumptions used, **the analysis points to a discount of at least 30% being required for all sizes of accommodation.** Given there is a cap of £250,000 on the purchase price (and looking at the estimated pricing below), it may be difficult for 4+-bedroom homes to be provided as First Homes. The analysis also suggests it will be very difficult to make a 1-bedroom homes 'genuinely' affordable and no data is provided in the table below.

Table 8.23 Affordable home ownership prices – 2022/23 – Breckland

	LQ rent – equiv. purchase price	Midpoint purchase price	Estimated newbuild OMV	Discount required - midpoint	Discount required – PRS
1-bedroom	-	-	-	-	-
2-bedrooms	£130,000	£152,500	£201,300	24%	35%
3-bedrooms	£155,000	£195,000	£270,300	28%	43%
4+-bedrooms	£216,000	£278,000	£391,000	29%	45%

Source: Derived from a range of sources

Key Points in Relation to First Homes

- 8.108 The paragraphs below seek to answer a series of questions in relation to First Homes. This should help the Council in deciding the appropriate approach, although ultimately there will be choices and decision to be made by the Council that this report can only comment on. Whilst the analysis above has focussed on pricing, the discussion below also draws on this information to consider whether there are any specific local criteria that could be applied.

Q: Is there a justification for a discount of greater than 30%, if so, what should it be?

- 8.109 There is certainly a case to seek a discount in excess of 30% - a higher discount will make homes cheaper and therefore potentially open up additional households as being able to afford. However, providing a higher discount may have an impact on viability, meaning the Council will not be able to provide as many homes in other tenures (such as rented affordable housing which is likely to be needed by those with more acute needs and fewer choices in the housing market). The Council could therefore investigate higher discounts, but it is not recommended to seek a higher figure unless this can be proven to not impact on overall affordable delivery.

Q: Is the maximum price of £250K after discount an appropriate maximum sales value?

8.110 The table above shows that all of the affordable prices (with the exception of 4-bedroom homes) sit well below the £250,000 cap and therefore it is arguable that a lower cap would be appropriate. It is considered that the number of 4-bedroom homes likely to be provided as First Homes will be low (focus likely to be on 2- and 3-bedroom homes – see section on Housing Mix) and this gives further reason for looking at a lower cap.

8.111 A lower cap would help to ensure that homes are affordable even on schemes where the OMV is relatively high (although consideration about viability and potential loss of other forms of affordable housing will also be a consideration). Looking at the affordable prices, and also the analysis of actual newbuild costs it is considered that a cap of something in the region of £215,000 might be appropriate (based on the highest 3-bedroom figure plus 10% for ‘future proofing’). This could help to ensure that First Homes are only offered on properties where the initial OMV is not significantly above the affordable prices.

Q: Is the national threshold of £80,000 for household income appropriate?

8.112 To study the income threshold analysis has been provided below to consider the likely incomes required to afford both the lower end and midpoint Affordable Price. This is shown in table above and shows even the most expensive price would only require an income of about £56,000 – with an income of up to £39,000 shown for 3-bedroom homes. It should however be noted that these findings are based on a specific set of assumptions about mortgage multiples and deposit availability (10% deposit and a 4.5 times mortgage multiple) and in reality individual households will have their own specific circumstances.

8.113 That said, it is considered that an £80,000 threshold looks to be too high; households with that level of income would be expected to readily buy a home in the area without the need for any discount. On balance, and looking at the figures in the round (and recognising that there may be relatively few 4-bedroom homes delivered) it is considered that an income cap of around £45,000 might be appropriate across the study area.

Table 8.24 Incomes Required to Afford First Homes

	Affordable Price (lower end)	Affordable Price (midpoint)
1-bedroom	-	-
2-bedrooms	£26,000	£30,500
3-bedrooms	£31,000	£39,000
4+-bedrooms	£43,200	£55,600

Source: Derived from a range of sources

Q: What is the level of need for such products?

- 8.114 In some ways, this is a difficult question to answer. The analysis is clear that there are likely to be a number of households whose incomes sit in the range of being able to afford to privately rent, but not being able to buy a home. It can be concluded that as long as First Homes are made available for an affordable price, it is likely there will be a strong demand (although some households in the rent/buy gap may not choose a discounted product given that the discount is held in perpetuity). Alternatively, it is possible that First Homes will see demand from those who can technically afford housing in the existing market – this would not be meeting a need but would arguably provide some demand for this type of home.
- 8.115 Regardless of the need/demand, it is not recommended that the Council seek to reduce the amount of social/affordable rented homes by prioritising First Homes. The evidence does not support the Councils in seeking more than 25% of affordable housing as First Homes.

Q: Should the Council set local eligibility criteria?

- 8.116 First Homes are designed to help people to get on the housing ladder in their local area, and in particular to ensure that key workers providing essential services are able to buy homes in the areas where they work. The Council can therefore prioritise key workers for First Homes (for the first three months of marketing), and are encouraged to do so, especially if they have an identified local need for certain professions.
- 8.117 To ensure First Homes are available to local residents and workers a local connection eligibility criteria could be used. This could be in-line with any criteria

within local allocations policy and for example could require potential purchasers to demonstrate that they:

- Live in the Council area (for a period of time (possibly 2-years));
- Work over 16 hours a week in the area, or
- Have a close relative (parent, adult son or daughter or adult sibling) who has lived in the area for a period of time

8.118 Additional preference could be given to essential workers. Annex 2 of the NPPF also includes the needs of essential local workers *‘Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provided a subsidised route to home ownership and/or is for essential local workers’ [emphasis added]. Essential local workers are defined as *‘Public sector employees who provide frontline services in areas including health, education and community safety – such as NHS staff, teachers, police, firefighters and military personnel, social care and childcare workers’*.*

Shared Ownership

8.119 Whilst the Government has a clear focus on First Homes, they also see a continued role for Shared Ownership, launching a ‘New Model for Shared Ownership’ in early 2021 (following a 2020 consultation). This includes a number of proposals, with the main one for the purposes of this assessment being the reduction of the minimum initial share from 25% to 10%. A key advantage of shared ownership over other tenures is that a lower deposit is likely to be required than for full or discounted purchase. Additionally, the rental part of the cost will be subsidised by a Registered Provider which keeps monthly outgoings down.

8.120 For the purposes of the analysis in this report it is considered that for shared ownership to be affordable, total outgoings should not exceed that needed to rent privately.

- 8.121 Because shared ownership is based on buying part of a property, it is the case that the sale will need to be at open market value. Where there is a large gap between the typical incomes required to buy or rent, it may be the case that lower equity shares are needed for homes to be affordable (at the level of renting privately). The analysis below therefore seeks to estimate the typical equity share that might be affordable for different sizes of property with any share lower than 10% likely to be unavailable. The key assumptions used in the analysis are:
- Open Market Value at Lower Quartile price plus 15% (reflecting likelihood that newbuild homes will have a premium attached and that they may well be priced above a Lower Quartile level) – it should be noted that this is an assumption for modelling purposes and consideration will need to be given to the OMV of any specific product;
 - 10% deposit on the equity share;
 - Rent at 2.75% pa on unsold equity;
 - Repayment mortgage over 25-years at 4% (this is based on typical longer-term interest rates and it is noted at the time of writing that such a figure is unlikely to be achieved);
 - Service charge of £100 per month for flatted development (assumed to be 1- and 2-bedroom homes); and
 - It is also assumed that shared ownership would be priced for households towards the bottom end of the rent/buy gap and so the calculations assume that total outgoings should be no higher than the equivalent private rent (lower quartile) cost for that size of property.

- 8.122 The tables below show that to make shared ownership affordable, equity shares in the region of 20% could work across all dwelling sizes. Where such shares cannot be achieved the Council could consider additional affordable rental accommodation instead.
- 8.123 As with conclusions on First Homes, it should also be noted that the analysis below is predicated on a particular set of assumptions (notably about likely Open Market Value). In reality costs do vary across the area and will vary from site to site. Therefore, this analysis should be seen as indicative with specific schemes being tested individually to determine if the product being offered is genuinely (or reasonably) affordable.

Table 8.25 Estimated Affordable Equity Share by Size – Breckland

	1-bedroom	2-beds	3-beds	4-beds
Open Market Value	-	£201,300	£270,300	£391,000
Share	-	18%	23%	19%
Equity Bought	-	£36,200	£63,200	£74,700
Mortgage Needed	-	£32,600	£56,900	£67,200
Monthly Cost of Mortgage	-	£172	£301	£355
Retained Equity	-	£165,000	£207,000	£316,300
Monthly Rent on Retained Equity	-	£378	£474	£725
Service Charge per month	-	£100	£0	£0
Total Cost per month	-	£650	£775	£1,080

Source: Data based on Housing Market Cost Analysis

- 8.124 In policy terms, whilst the analysis has provided an indication of the equity shares possibly required by size, the key figure is actually the total cost per month (and how this compares with the costs to access private rented housing). For example, whilst the table suggests an 18% equity share for a 2-bedroom home, this is based on a specific set of assumptions. Were a scheme to come forward with an 18% share, but a total cost in excess of £650 per month, then it would be clear that a lower share is likely to be required to make the home genuinely affordable. Hence the actual share can only be calculated on a scheme-by-scheme basis. Any policy position should seek to ensure that outgoings are no more than can reasonably be achieved in the private rented sector, rather than seeking a specific equity share.

Rent to Buy

- 8.125 A further affordable option is Rent to Buy; this is a Government scheme designed to ease the transition from renting to buying the same home. Initially (typically for five years) the newly built home will be provided at the equivalent of an affordable rent (approximately 20% below the market rate). The expectation is that the discount provided in that first five years is saved in order to put towards a deposit on the purchase of the same property. Rent to Buy can be advantageous for some households as it allows for a smaller 'step' to be taken on to the home ownership ladder.
- 8.126 At the end of the five-year period, depending on the scheme, the property is either sold as a shared ownership product or to be purchased outright as a full market property. If the occupant is not able to do either of these then the property is vacated.
- 8.127 In order to access this tenure it effectively requires the same income threshold for the initial phase as a market rental property although the cost of accommodation will be that of affordable rent. The lower-than-market rent will allow the household to save for a deposit for the eventual shared ownership or market property. In considering the affordability of rent-to-buy schemes there is a direct read across to the income required to access affordable home ownership (including shared ownership). It should therefore be treated as part of the affordable home ownership products suggested by the NPPF.

Summary

- 8.128 Analysis has been undertaken to estimate the annual need for affordable housing. The analysis is split between a need for social/affordable rented accommodation (based on households unable to buy or rent in the market) and the need for affordable home ownership (AHO) – this includes housing for those who can afford to rent privately but cannot afford to buy a home.
- 8.129 The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at rented needs,

consideration is given to estimates of the supply of social/affordable rented housing. For AHO, consideration is given to the potential supply of resales of low-cost home ownership properties (such as shared ownership) and lower quartile sales of existing homes.

- 8.130 When looking at needs from households unable to buy OR rent, the analysis suggests a need for 299 affordable homes per annum across the Council areas, with a need shown in all sub-areas.
- 8.131 The analysis suggests there will be a need for both social and affordable rented housing – the latter will be suitable particularly for households who are close to being able to afford to rent privately and possibly also for some households who claim full Housing Benefit. It is however clear that social rents are more affordable and could benefit a wider range of households – social rents could therefore be prioritised where delivery does not prejudice the overall delivery of affordable homes.
- 8.132 When looking at AHO products, the analysis is less conclusive about the scale of the need, although it is certainly much lower than the need for rented affordable housing. The evidence does suggest that there are many households in Breckland who are being excluded from the owner-occupied sector (as evidenced by increases in the size of the private rented sector). It is likely that a key issue in the Council area is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy (although this will be an important factor for many households).
- 8.133 The study also considers different types of AHO (notably First Homes and shared ownership) as each will have a role to play – shared ownership is likely to be suitable for households with more marginal affordability (those only just able to afford to privately rent) as it has the advantage of a lower deposit and subsidised rent.
- 8.134 However, given the cost of housing locally, it may be difficult for some affordable home ownership products to be provided and be considered as ‘genuinely

affordable'. This again points to the need for the Council to prioritise delivery of rented affordable housing where possible.

- 8.135 In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Council will need to consider the relative levels of need and also viability issues (recognising for example that providing AHO may be more viable and may therefore allow more units to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options).

9. Housing Mix

9.1 This section considers the appropriate mix of housing across Breckland, with a particular focus on the sizes of homes required in different tenure groups. This section looks at a range of statistics in relation to families (generally described as households with dependent children) before moving on to look at how the number of households in different age groups are projected to change moving forward.

Background Data

9.2 The number of families in Breckland (defined for the purpose of this assessment as any household which contains at least one dependent child) totalled 15,100 as of the 2021 Census, accounting for 25% of households. This proportion is lower than that seen across the region and nationally, but is slightly higher than the figure for Norfolk.

Table 9.1 Households with dependent children (2021)

	No.	%	%	%	%
Married couple	7,382	12.2%	11.6%	15.5%	14.4%
Cohabiting couple	3,134	5.2%	4.9%	4.8%	4.5%
Lone parent	3,250	5.4%	5.7%	6.3%	6.9%
Other households	1,362	2.3%	1.8%	2.4%	2.7%
All other households	45,232	74.9%	76.1%	71.0%	71.5%
Total	60,360	100.0%	100.0%	100.0%	100.0%
Total with dependent children	15,128	25.1%	23.9%	29.0%	28.5%

Source: Census (2021)

9.3 The table below shows the same information for each of the sub-areas. There is some variation in the proportion of households with dependent children, ranging from 21% in Swaffham and Surrounds, up to 28% in the A11 Corridor.

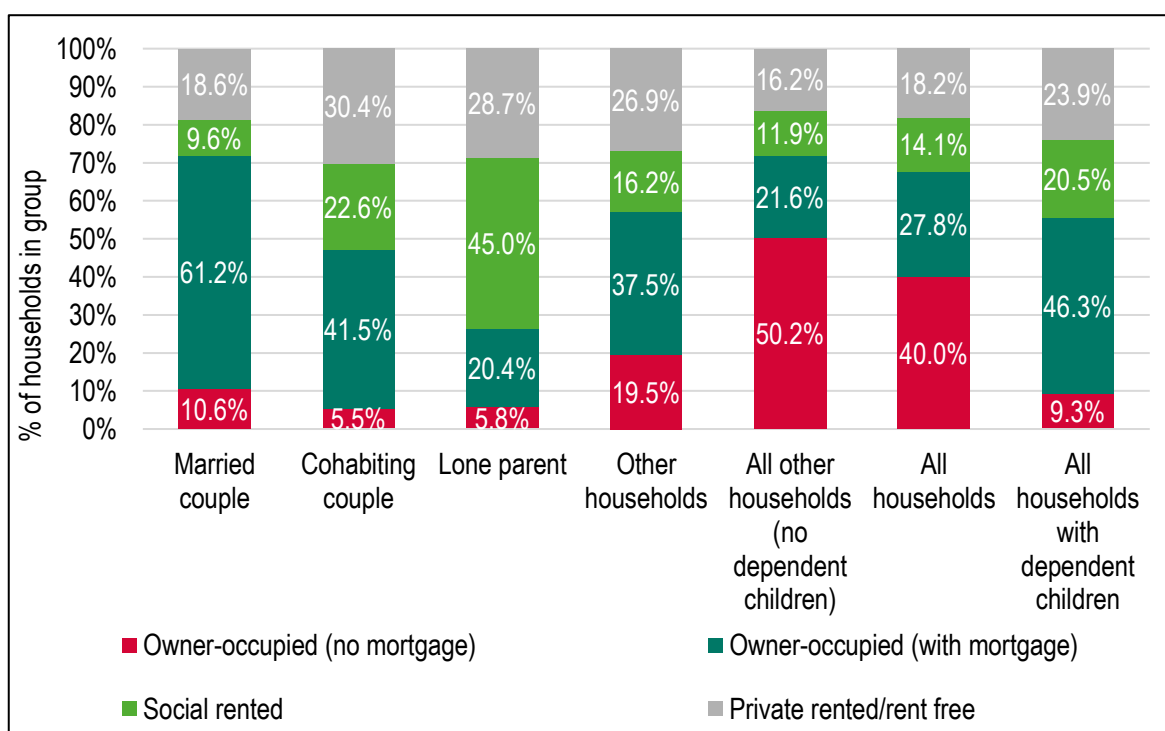
Table 9.2 Households with dependent children (2021)

Married couple	13.1%	12.6%	10.5%	10.8%	12.2%
Cohabiting couple	5.8%	4.9%	4.2%	5.5%	5.2%
Lone parent	6.1%	5.1%	4.7%	4.9%	5.4%
Other households	2.7%	2.0%	1.6%	2.5%	2.2%
All other households	72.3%	75.4%	79.0%	76.3%	74.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Total with dependent children	27.7%	24.6%	21.0%	23.7%	25.1%

Source: Census (2021)

- 9.4 The figure below shows the current tenure of households with dependent children. There are some considerable differences by household type, with lone parents having a very high proportion living in the social rented sector and also in private rented accommodation. In Breckland, only 26% of lone parent households are owner-occupiers compared with 72% of married couples with children.

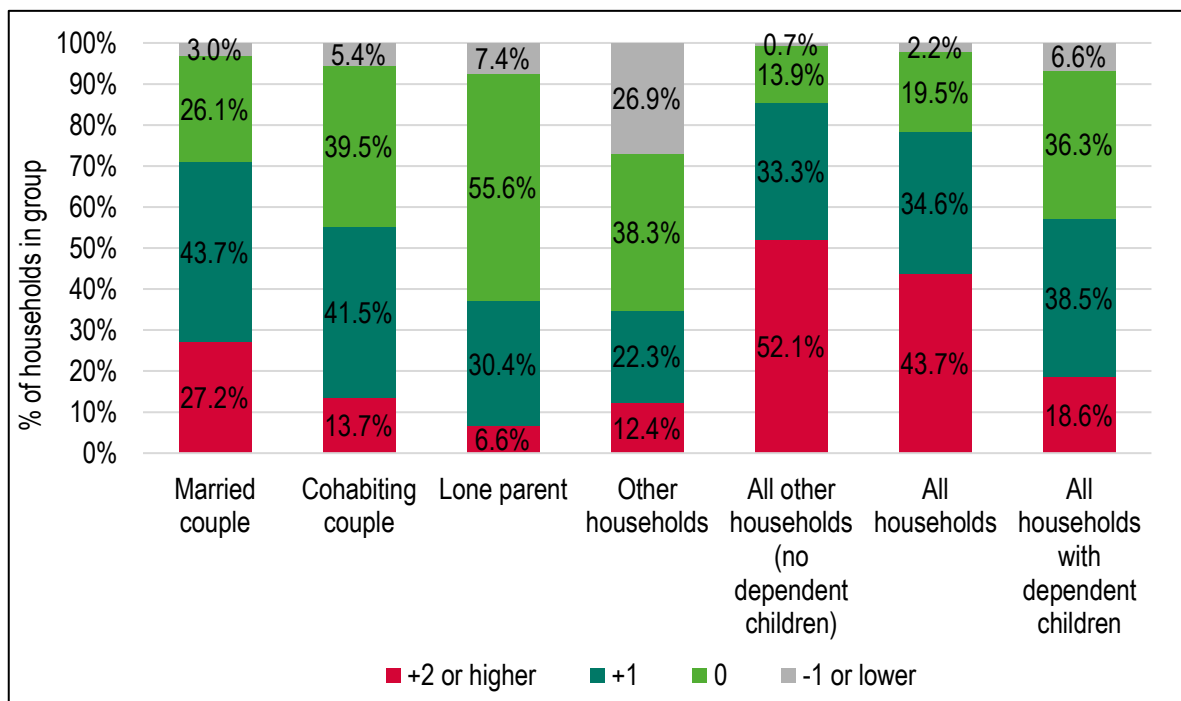
Figure 9.1 Tenure of households with dependent children (2021) – Breckland



Source: Census (2021)

9.5 The figure below shows levels of overcrowding and under-occupancy of households with dependent children. This shows higher levels of overcrowding for all household types with dependent children with 7% of all lone parents and 27% of ‘other’ households being overcrowded. This reflects larger household sizes. Overall, some 7% of households with dependent children are overcrowded, compared with 0.7% of other households. Levels of under-occupancy are also notably lower in households with dependent children.

Figure 9.2 Occupancy rating of households with dependent children (2021) – Breckland



Source: Census (2021)

The Mix of Housing

- 9.6 A model has been developed that starts with the current profile of housing in terms of size (bedrooms) and tenure. Within the data, information is available about the age of households and the typical sizes of homes they occupy. By using demographic projections linked to the local housing need (calculated through the standard method), it is possible to see which age groups are expected to change in number, and by how much.
- 9.7 1.7 On the assumption that occupancy patterns for each age group (within each tenure) remain the same, it is therefore possible to assess the profile of housing needed is over the assessment period (taken to be 2021-46 to be consistent with other analysis in this report).
- 9.8 An important starting point is to understand the current balance of housing in the area – the table below profiles the sizes of homes in different tenure groups across areas. The data shows a market stock (owner-occupied) that is dominated by 3+- bedroom homes (making up 77% of the total in this tenure group, a slightly higher proportion to that seen in other areas). The profile of the social rented sector is broadly similar across areas (slightly fewer 1-bedroom homes in Breckland) whilst the private rented sector is slightly larger than other locations. Observations about the current mix feed into conclusions about future mix later in this section.

Table 9.3 Number of Bedrooms by Tenure, 2021

		Breckland	Norfolk	East of England	England
Owner-occupied	1-bedroom	2%	3%	4%	4%
	2-bedrooms	21%	23%	20%	21%
	3-bedrooms	46%	46%	44%	46%
	4+-bedrooms	31%	29%	32%	29%
	Total	100%	100%	100%	100%
	Ave. no. beds	3.06	3.01	3.05	3.01
Social rented	1-bedroom	22%	26%	29%	29%
	2-bedrooms	39%	39%	35%	36%
	3-bedrooms	36%	32%	32%	31%
	4+-bedrooms	4%	3%	4%	4%
	Total	100%	100%	100%	100%
	Ave. no. beds	2.22	2.12	2.11	2.10
Private rented	1-bedroom	14%	17%	21%	21%
	2-bedrooms	35%	38%	38%	39%
	3-bedrooms	39%	33%	30%	29%
	4+-bedrooms	13%	11%	11%	11%
	Total	100%	100%	100%	100%
	Ave. no. beds	2.51	2.39	2.31	2.30

Source: Census (2021)

Overview of Methodology

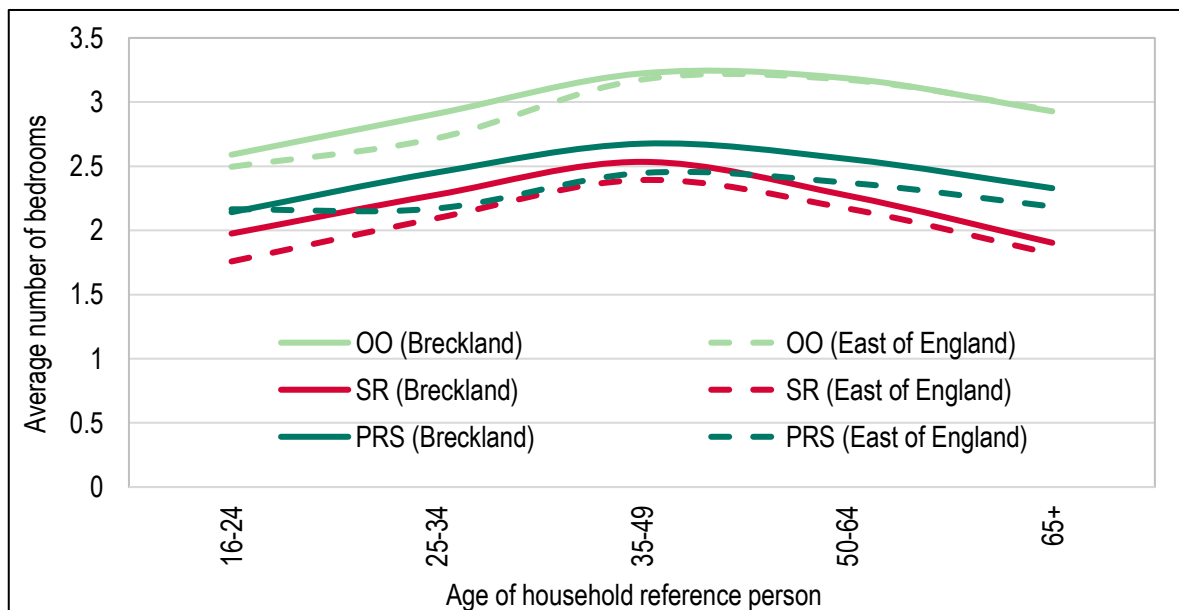
- 9.9 The method to consider future housing mix looks at the ages of the Household Reference Persons and how these are projected to change over time. The sub-sections to follow describe some of the key analysis.

Understanding How Households Occupy Homes

- 9.10 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector, households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.
- 9.11 The size of housing which households occupy relates more to their wealth and age than the number of people they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a 4-bedroom home as long as they can afford it, and hence projecting an increase in single person households does not automatically translate into a need for smaller units.
- 9.12 That said, issues of supply can also impact occupancy patterns, for example it may be that a supply of additional smaller level access homes would encourage older people to downsize but in the absence of such accommodation these households remain living in their larger accommodation.
- 9.13 The issue of choice is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) where households are allocated properties which reflect the size of the household, although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to under-occupy housing (e.g. those who can afford to pay the spare room subsidy ('bedroom tax')).

- 9.14 The approach used is to interrogate information derived in the projections about the number of household reference persons (HRPs) in each age group and apply this to the profile of housing within these groups (data being drawn from the 2021 Census).
- 9.15 The figure below show an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group for Breckland and the East of England region. In all sectors the average size of accommodation rises over time to typically reach a peak around the age of 50. After peaking, the average dwelling size decreases – as typically some households downsize as they get older. The analysis identifies some differences between Breckland and the region - with dwellings in Breckland typically being larger for most age groups in all tenures, although the general pattern of average dwelling sizes by age of HRP are similar in both areas.

Figure 9.3 Average Bedrooms by Age and Tenure in Breckland



Source: Census (2021)

9.16 The analysis uses the existing occupancy patterns at a local level as a start point for analysis and applies these to the projected changes in Household Reference Person by age discussed below. The analysis has been used to derive outputs for three broad categories. These are:

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

Changes to Households by Age

9.17 The table below presents the projected change in households by age of household reference person, this shows growth as being expected in all age groups and in particular older age groups. The number of households headed by someone aged 50-64 is projected to see only a modest increase over the period studied.

Table 9.4 Projected Change in Household by Age of HRP in Breckland (linked to Standard Method)

	2021	2046	Change in Households	% Change
Under 25	1,167	1,337	170	14.6%
25-34	6,461	7,314	853	13.2%
35-49	13,285	15,102	1,817	13.7%
50-64	17,514	18,406	892	5.1%
65-74	10,183	12,170	1,987	19.5%
75-84	8,772	15,211	6,439	73.4%
85+	3,299	7,183	3,884	117.7%
TOTAL	60,682	76,724	16,042	26.4%

Source: Demographic Projections

Initial Modelled Outputs

- 9.18 By following the methodology set out above and drawing on the sources shown, a series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures at a local authority level. Two tables are provided, considering both local and regional occupancy patterns. The data linking to local occupancy will to some extent reflect the role and function of the local area, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different sizes/tenures of homes when considered in a wider context.
- 9.19 The analysis for rented affordable housing can also draw on data from the local authority Housing Register with regards to the profile of need. The data shows a pattern of need which is focussed on 1- and 2-bedroom homes but with over a quarter of households as requiring 3+-bedroom accommodation.

Table 9.5 Size of Social/Affordable Rented Housing – Housing Register Information (March 2022)

	Number of households	% of households
1-bedroom	503	41.3%
2-bedrooms	402	33.0%
3-bedrooms	245	20.1%
4+-bedrooms	68	5.6%
TOTAL	1,218	100.0%

Source: LAHS

9.20 The tables below show the modelled outputs of need by dwelling size in the three broad tenures. Tables are providing by linking to local and regional occupancy patterns with a further table combining the outputs from the two models. There are some differences in the two models, most notably for larger market housing where the regional data points to a smaller profile. Market housing focusses on 3+-bedroom homes, affordable home ownership on 2- and 3-bedroom accommodation and rented affordable housing showing a slightly smaller profile again.

Table 9.6 Modelled Mix of Housing by Size and Tenure (linked to local occupancy patterns)

	1-bedroom	2-beds	3-beds	4+-beds
Market	2%	25%	46%	26%
Affordable home ownership	15%	37%	38%	10%
Affordable housing (rented)	24%	39%	33%	4%

Source: Housing Market Model

Table 9.7 Modelled Mix of Housing by Size and Tenure (linked to regional occupancy patterns)

	1-bedroom	2-beds	3-beds	4+-beds
Market	4%	24%	45%	27%
Affordable home ownership	22%	39%	29%	9%
Affordable housing (rented)	35%	33%	29%	3%

Source: Housing Market Model

Table 9.8 Modelled Mix of Housing by Size and Tenure (combining methodologies)

	1-bedroom	2-beds	3-beds	4+-beds
Market	3%	25%	46%	27%
Affordable home ownership	19%	38%	33%	10%
Affordable housing (rented)	29%	36%	31%	3%

Source: Housing Market Model

Adjustments for Under-Occupation and Overcrowding

- 9.21 The analysis above sets out the potential need for housing if occupancy patterns remained the same as they were in 2021 (with differences from the current stock profile being driven by demographic change). It is however worth also considering that the 2021 profile will have included households who are overcrowded (and therefore need a larger home than they actually live in) and also those who under-occupy (have more bedrooms than they need).
- 9.22 Whilst it would not be reasonable to expect to remove all under-occupancy (particularly in the market sector) it is the case that in seeking to make the most efficient use of land it would be prudent to look to reduce this over time. Indeed, in the future there may be a move away from current (2021) occupancy patterns due to affordability issues (or eligibility in social rented housing) as well as the type of stock likely to be provided (potentially a higher proportion of flats). Further adjustments to the modelled figures above have therefore been made to take account of overcrowding and under-occupancy (by tenure).
- 9.23 The table below shows a cross-tabulation of a household's occupancy rating and the number of bedrooms in their home (for owner-occupiers). This shows a high number of households with at least 2 spare bedrooms who are living in homes with 3 or more bedrooms. There are also a small number of overcrowded households. Overall, in the owner-occupied sector in 2021, there were 36,700 households with some degree of under-occupation and just 340 overcrowded households

Table 9.9 Cross-tabulation of occupancy rating and number of bedrooms (owner-occupied sector) – Breckland, 2021

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2	0	0	12,342	10,552	22,894
+1	0	7,357	4,736	1,708	13,801
0	780	1,195	1,614	274	3,863
-1	32	114	144	49	339
TOTAL	812	8,666	18,836	12,583	40,897

Source: Census (2021)

9.24 For completeness the tables below show the same information for the social and private rented sectors. In both cases there are more under-occupying households than overcrowded, but differences are less marked than seen for owner-occupied housing.

Table 9.10 Cross-tabulation of occupancy rating and number of bedrooms (social rented sector)

Occupancy rating	Number of bedrooms				TOTAL
	1-bed	2-bed	3-bed	4+-bed	
+2	0	0	760	108	868
+1	0	1,658	952	116	2,726
0	1,770	1,424	1,123	81	4,398
-1	60	213	209	35	517
TOTAL	1,830	3,295	3,044	340	8,509

Source: Census (2021)

Table 9.11 Cross-tabulation of occupancy rating and number of bedrooms (private rented sector)

Occupancy rating	Number of bedrooms				TOTAL
	1-bed	2-bed	3-bed	4+-bed	
+2	0	0	1,686	917	2,603
+1	0	2,418	1,609	337	4,364
0	1,375	1,200	867	95	3,537
-1	107	163	140	40	450
TOTAL	1,482	3,781	4,302	1,389	10,954

Source: Census (2021)

- 9.25 In using this data in the modelling an adjustment is made to move some of those who would have been picked up in the modelling as under-occupying into smaller accommodation. Where there is under-occupation by 2 or more bedrooms, the adjustment takes 25% of this group and assigns to a '+1' occupancy rating and a further 12.5% (i.e. an eighth) to a '0' rating. For households with one spare bedroom, 12.5% are assigned to a '0' rating (with the others remaining as '+1'). These do need to be recognised as assumptions, but can be seen to be reasonable as they do retain some degree of under-occupation (which is likely) but does also seek to model a better match between household needs and the size of their home. For overcrowded households a move in the other direction is made, in this case households are moved up as many bedrooms as is needed to resolve the problems (this is applied for all overcrowded households).
- 9.26 The adjustments for under-occupation and overcrowding lead to the suggested mix as set out in the following table. It can be seen that this tends to suggest a smaller profile of homes as being needed (compared to the initial modelling) with the biggest change being in the market sector – which was the sector where under-occupation is currently most notable.

Table 9.12 Adjusted Modelled Mix of Housing by Size and Tenure

	1-bedroom	2-beds	3-beds	4+-beds
Market	11%	35%	37%	17%
Affordable home ownership	23%	42%	27%	7%
Affordable housing (rented)	33%	37%	26%	5%

Source: *Housing Market Model (with adjustments)*

Indicative Targets for Different Sizes of Property by Tenure

9.27 We have set out below some indicative targets for different sizes of home (by tenure). The conclusions take account of a range of factors, including the modelled outputs and an understanding of the stock profile in different locations. The analysis (for rented affordable housing) also draws on the Housing Register data as well as taking a broader view of issues such as the flexibility of homes to accommodate changes to households (e.g. the lack of flexibility offered by a 1-bedroom home for a couple looking to start a family).

Social/Affordable Rented

9.28 Bringing together the above, a number of factors are recognised. This includes recognising that it is unlikely that all affordable housing needs will be met and that it is likely that households with a need for larger homes will have greater priority (as they are more likely to contain children). That said, there is also a possible need for 1-bedroom social housing arising due to homelessness (typically homeless households are more likely to be younger single people).

9.29 As noted, the conclusions also consider the Housing Register and also take account of the current profile of housing in this sector). In taking account of the modelled outputs, the Housing Register and the discussion above, it is suggested that the following mix of social/affordable rented housing would be appropriate:

- 1-bedroom: 35%
- 2-bedroom: 35%
- 3-bedroom: 20%
- 4+-bedroom: 10%

Affordable Home Ownership

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

- 1-bedroom: 20%
- 2-bedroom: 45%
- 3-bedroom: 30%
- 4+-bedroom: 5%

Market Housing

9.31 Finally, in the market sector, a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile (as well as observations about the current mix when compared with other locations and also the potential to slightly reduce levels of under-occupancy). The conclusions have also slightly boosted figures for larger (4+-bedroom) homes and away from 1-bedroom accommodation to provide more flexibility and to recognise the potential for a general increase in home working (and therefore households seeking an extra room/bedroom to use as office space). This sees a slightly larger recommended profile compared with other tenure groups:

- 1-bedroom: 5%
- 2-bedroom: 40%
- 3-bedroom: 35%
- 4+-bedroom: 20%

- 9.32 Although the analysis has quantified this on the basis of the market modelling and an understanding of the current housing market, it does not necessarily follow that the figures should be prescriptively applied to all sites. Demand can (and does) change over time linked to both local factors and macro-economic factors; and there are location and site specific recommendations.
- 9.33 The suggested figures can be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area. The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites, and the Council could expect justification for a housing mix on such sites which significantly differs from that modelled herein. Site location and area character are also however relevant considerations the appropriate mix of market housing on individual development sites.

Smaller-area Housing Mix

- 9.34 The analysis above has focussed on overall Council area-wide needs; given differences between locations it is however worth considering the potential mix at a smaller-area level. The table below shows the profile of housing by tenure for the sub-areas. The analysis shows a few features, including a slightly smaller market stock profile in Watton. There are also variations shown in the profile of the social rented and private rented sectors – including a relatively proportion of 1-bedroom homes in the social and private rented sector in Dereham and Surrounds.
- 9.35 The table below also shows the average number of bedrooms by area and tenure although it should be noted the actual average number of bedrooms will be higher than these figures as the Census data has a cut-off at 4+-bedrooms (and for the purposes of calculating an average 4+-bedroom homes are treated as having 4-bedrooms).

Table 9.13 Number of Bedrooms by Tenure, 2021 – sub-areas

		A11 Corridor	Dereham and Surrounds	Swaffham and Surrounds	Watton	TOTAL
Owner- occupied	1-bedroom	2%	2%	2%	2%	2%
	2-bedrooms	18%	21%	25%	27%	21%
	3-bedrooms	48%	45%	43%	48%	46%
	4+-beds	32%	33%	29%	24%	31%
	Total	100%	100%	100%	100%	100%
	Ave. no. beds	3.09	3.08	3.00	2.93	3.06
Social rented	1-bedroom	23%	25%	16%	18%	22%
	2-bedrooms	35%	39%	47%	42%	39%
	3-bedrooms	38%	34%	34%	34%	36%
	4+-beds	5%	3%	4%	6%	4%
	Total	100%	100%	100%	100%	100%
	Ave. no. beds	2.25	2.15	2.25	2.27	2.22
Private rented	1-bedroom	14%	16%	11%	12%	14%
	2-bedrooms	32%	38%	34%	36%	35%
	3-bedrooms	41%	35%	41%	43%	39%
	4+-beds	14%	11%	15%	9%	13%
	Total	100%	100%	100%	100%	100%
	Ave. no. beds	2.54	2.41	2.59	2.49	2.51

Source: Census (2021)

- 9.36 A modelling exercise has then been carried out using the same methodology as for Council area-wide data (but with some additional assumptions due to data availability) with the tables below showing the estimated mix of housing by tenure in each location. In all cases a consistent adjustment for overcrowding and under-occupancy is included.

Market Housing

- 9.37 Focussing on the market sector, and consistent with the analysis of current profiles, the analysis typically shows a slightly higher need for larger homes in the A11 Corridor although differences between areas are slight. It is not considered

that any differences are sufficiently clear-cut to suggest a different mix of housing at a sub-area level. If developments were provided in-line with the suggested mix in this report (Council area-wide), then over time there would be some degree of balancing the stock across areas, whilst still recognising the general role and function of different locations. That said, any specific developments could take account of the analysis below.

Table 9.14 Modelled size requirement by sub-area – market housing

	1-bedroom	2-beds	3-beds	4+-beds
A11 Corridor	12%	33%	38%	17%
Dereham and Surrounds	11%	38%	36%	15%
Swaffham and Surrounds	11%	38%	35%	16%
Watton	11%	37%	37%	16%
TOTAL	11%	35%	37%	17%

Source: Housing Market Model

Affordable Home Ownership

9.38 The table below shows estimates of mix for affordable home ownership. There are again differences between locations, although all areas show a particular focus on the need for 2-bedroom homes in this sector. Again, it is not clear-cut that the data points to the need for a mix of housing which is substantially different locally than would be suggested by the Council area-wide analysis.

Table 9.15 Modelled size requirement by sub-area – affordable home ownership

	1-bedroom	2-beds	3-beds	4+-beds
A11 Corridor	23%	41%	28%	8%
Dereham and Surrounds	26%	44%	24%	6%
Swaffham and Surrounds	22%	42%	28%	8%
Watton	21%	43%	29%	7%
TOTAL	23%	42%	27%	7%

Source: Housing Market Model

Social/Affordable Rented

9.39 In the social/affordable rented sector, there are differences shown between areas and this looks to be in part due to different levels of projected population and

households growth, most notably the analysis points to a slightly higher need for 4+-bedroom homes in Watton (and slightly fewer 1-bedroom homes). As with other sectors the differences are fairly modest.

- 9.40 It should be noted that the analysis above for sub-areas does not take account of any information from the Housing Register. It is possible at any point in time that the register will be able to provide additional data about a suitable mix of rented housing and this should be considered at the relevant time for any specific applications.

Table 9.16 Modelled size requirement by sub-area – social/affordable rented

	1-bedroom	2-beds	3-beds	4+-beds
A11 Corridor	32%	35%	28%	5%
Dereham and Surrounds	36%	36%	24%	4%
Swaffham and Surrounds	33%	40%	23%	4%
Watton	29%	39%	26%	6%
TOTAL	33%	37%	26%	5%

Source: *Housing Market Model*

Sub-area Conclusions

- 9.41 Overall, the analysis does not suggest that a substantially different mix should be proposed for smaller areas. There may however be a case on a site-by-site basis, or at a specific point in time for some minor adjustments to the overall conclusions. This is summarised below:
- a) Whilst there are modest differences in the stock profile in different locations this should not necessarily be seen as indicating particular surpluses or shortfalls of particular types and sizes of homes;
 - b) As well as looking at the stock, an understanding of the role and function of areas is important. For example, areas traditionally favoured by family households might be expected to provide a greater proportion of larger homes;
 - c) That said, some of these areas will have very few small/cheaper stock and so consideration needs to be given to diversifying the stock; and
 - d) The location/quality of sites will also have an impact on the mix of housing. For example, brownfield sites in urban locations may be more suited to flatted development (as well as recognising the point above about role and function) whereas a more suburban/rural site may be more appropriate for family housing. Other considerations (such as proximity to public transport) may impact on a reasonable mix at a local level.
- 9.42 Overall, it is suggested the Council should broadly seek the same mix of housing in all locations but would be flexible to a different mix where specific local characteristics suggest. The Council should also monitor what is being built to ensure that a reasonable mix is provided in a settlement overall. For example, if a recent housing site has provided nothing but 4+-bedroom 'executive' homes, then it could be expected that the next site in a similar location might provide a mix which includes more homes for younger/smaller family households and childless couples.
- 9.43 Additionally, in the affordable sector it may be the case that Housing Register data for a smaller area identifies a shortage of housing of a particular size/type which

could lead to the mix of housing being altered from the overall suggested requirement.

Built-form

- 9.44 A final issue is a discussion of the need/demand for different built-forms of homes. In particular this discussion focusses on bungalows and the need for flats vs. houses.

Bungalows

- 9.45 The sources used for analysis in this report make it difficult to quantify a need/demand for bungalows in the Council area as Census data (which is used to look at occupancy profiles) does not separately identify this type of accommodation. Data from the Valuation Office Agency (VOA) does however provide estimates of the number of bungalows (by bedrooms) although no tenure split is available.
- 9.46 The table below shows a substantial proportion of homes in Breckland are bungalows (27% of all flats and houses. The majority of bungalows have 2- or 3- bedrooms bedrooms (86% of the total). A notably lower proportion (9%) of homes across England are bungalows.

Table 9.17 Number of dwellings by property type and number of bedrooms
(March 2020)

	Number of bedrooms					All
	1	2	3	4+	Not Known	
Bungalow	1,220	7,600	6,190	960	50	16,020
Flat/Maisonette	2,390	1,600	170	10	20	4,210
Terraced house	530	3,850	6,950	620	20	11,960
Semi-detached house	140	2,620	8,150	1,030	30	11,970
Detached house	30	760	6,110	8,970	80	15,940
All flats/houses	4,310	16,430	27,570	11,590	200	60,100
Annexe	-	-	-	-	-	340
Other	-	-	-	-	-	360
Unknown	-	-	-	-	-	1,250
All properties	-	-	-	-	-	62,040

Source: Valuation Office Agency

- 9.47 In general, discussions with local estate agents (discussions nationally) find that there is a demand for bungalows and in addition, analysis of survey data (in other locations) points to a high demand for bungalows (from people aged 65 and over in particular).
- 9.48 Bungalows are often the first choice for older people seeking suitable accommodation in later life and there is generally a high demand for such accommodation when it becomes available (this is different from specialist accommodation for older people which would have some degree of care or support).
- 9.49 As a new build option, bungalows are often not supported by either house builders or planners (due to potential plot sizes and their generally low densities). There may, however, be instances where bungalows are the most suitable house type for a particular site; for example, to overcome objections about dwellings overlooking existing dwellings or preserving sight lines.
- 9.50 There is also the possibility of a wider need/demand for retirement accommodation. Retirement apartments can prove very popular if they are well located in terms of access to facilities and services, and environmentally attractive

(e.g. have a good view). However, some potential purchasers may find high service charges unacceptable or unaffordable and new build units may not retain their value on re-sale.

- 9.51 Overall, the Council could consider the potential role of bungalows as part of the future mix of housing. Such housing may be particularly attractive to older owner-occupiers (many of whom are equity-rich) which may assist in encouraging households to downsize. However, the downside to providing bungalows is that they are relatively land intensive and this is likely to limit opportunities for development – particularly in more urban locations.
- 9.52 Bungalows are likely to see a particular need and demand in the market sector and also for rented affordable housing (for older people as discussed in the next section of the report). Bungalows are likely to particularly focus on 2-bedroom homes, including in the affordable sector where such housing may encourage households to move from larger ‘family-sized’ accommodation (with 3+-bedrooms).

Flats versus Houses

- 9.53 Although there are some 1-bedroom houses and 3-bedroom flats, it is considered that the key discussion on built-form will be for 2-bedroom accommodation, where it might be expected that there would be a combination of both flats and houses. At a national level, 82% of all 1-bedroom homes are flats, 38% of 2-bedroom homes and just 5% of homes with 3-bedrooms.
- 9.54 The table below shows (for 2-bedroom accommodation) the proportion of homes by tenure that are classified as a flat, maisonette or apartment in Breckland, the East of England and England. This shows a low proportion of flats in Breckland (10% of all 2-bedroom homes). This would arguably point to the majority of 2-bedroom homes in the future being houses. The analysis does also show a higher proportion of flats in the social and private rented sectors (although it is still the case that the majority of homes in these sectors are houses).

Table 9.18 Proportion of 2-bedroom homes that are a flat, maisonette or apartment (by tenure)

	Breckland	East of England	England
Owner-occupied	3%	20%	25%
Social rented	18%	42%	48%
Private rented	19%	47%	52%
All (2-bedroom)	10%	32%	38%

Source: 2021 Census

- 9.55 For completeness, the table below shows the proportion of flats in Breckland for all sizes of accommodation and different tenures. Of particular note is the very small proportion of 3+-bedroom homes as flats – particularly in the market sector.

Table 9.19 Proportion of homes that are a flat, maisonette or apartment (by tenure and dwelling size)

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Owner-occupied	26%	3%	0%	0%
Social rented	63%	18%	2%	4%
Private rented	61%	19%	4%	4%
All	55%	10%	1%	1%

Source: 2021 Census

- 9.56 As noted, this analysis would suggest that most 2-bedroom homes should be built as houses (or bungalows) rather than flats given the nature of the current stock. Any decisions will have to take account of site characteristics, which in some cases might point towards flatted development as being most appropriate. The analysis would suggest that the affordable sector might be expected to see a higher proportion of flats than for market housing.

Summary

- 9.57 Analysis of the future mix of housing required takes account of demographic change, including potential changes to the number of family households and the ageing of the population. The proportion of households with dependent children in Breckland is relatively low with around 29% of all households containing dependent children in 2021 (compared with around 29% regionally and nationally).

There are notable differences between different types of household, with married couples (with dependent children) seeing a high level of owner-occupation, whereas as lone parents are particularly likely to live in social or private rented accommodation.

- 9.58 There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to future demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population – the analysis also models for there to be a modest decrease in levels of under-occupancy (which is notable in the market sector).
- 9.59 In all sectors the analysis points to a particular need for 2-bedroom accommodation, with varying proportions of 1-bedroom and 3+-bedroom homes. For rented affordable housing there is a clear need for a range of different sizes of homes, including 35% to have at least 3-bedrooms. Our recommended mix is set out below:

Table 9.20 Recommended Strategic Mix of Homes

	1-bedroom	2-beds	3-beds	4+-beds
Market	5%	40%	35%	20%
Affordable home ownership	20%	45%	30%	5%
Affordable housing (rented)	35%	35%	20%	10%

- 9.60 The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bedroom properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing by tenure and also the size requirements shown on the Housing Register.
- 9.61 The mix identified above could inform strategic policies although a flexible approach should be adopted. For example, in some areas Registered Providers

find difficulties selling 1-bedroom affordable home ownership (AHO) homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation. That said, this report also highlighted potential difficulties in making (larger) AHO genuinely affordable.

- 9.62 Additionally, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.
- 9.63 Given the nature of the area and the needs identified, the analysis suggests that the majority of units should be houses rather than flats although consideration will also need to be given to site specific circumstances (which may in some cases lend themselves to a particular type of development). There is potentially a demand for bungalows, although realistically significant delivery of this type of accommodation may be unlikely. It is however possible that delivery of some bungalows might be particularly attractive to older person households downsizing and may help to release larger (family-sized) accommodation back into family use.

10. Older and Disabled Persons Housing Need

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

Understanding the Implications of Demographic Change

- 10.2 At a national level, the population of older persons is increasing, and this will potentially drive a need for housing which is capable of meeting the needs of older persons. Initially below a series of statistics about the older person population of Breckland are presented.

Current Population of Older People

- 10.3 The table below provides baseline population data about older persons in Breckland and compares this with other areas. The table shows that the Council area has an older age structure than seen regionally or nationally with 25% of the population being aged 65 and over. The proportion of people aged 75 and over and 85 and over is also slightly above equivalent figures for other areas.

Table 10.1 Older Persons Population, 2021

	Breckland	Norfolk	East of England	England
Under 65	75.0%	75.5%	80.3%	81.5%
65-74	12.9%	12.7%	10.3%	9.8%
75-84	8.7%	8.5%	6.7%	6.2%
85+	3.3%	3.4%	2.7%	2.5%
Total	100.0%	100.0%	100.0%	100.0%
Total 65+	25.0%	24.5%	19.7%	18.5%
Total 75+	12.1%	11.9%	9.4%	8.7%

Source: ONS

- 10.4 The table below shows the same data for the four sub-areas. This is based on the 2021 Census and so is very slightly different to mid-year population estimates (MYE) as shown above. The analysis points to some variation in the proportion of older people, this being notably higher in Swaffham and Surrounds (lower in the A11 Corridor).

Table 10.2 Older Persons Population, 2021 – by sub-area

	A11 Corridor	Dereham and Surrounds	Swaffham and Surrounds	Watton
Under 65	78.9%	73.5%	68.5%	75.4%
65-74	11.3%	13.9%	15.9%	12.7%
75-84	7.1%	9.1%	11.3%	8.3%
85+	2.6%	3.5%	4.3%	3.6%
Total	100.0%	100.0%	100.0%	100.0%
Total 65+	21.1%	26.5%	31.5%	24.6%
Total 75+	9.8%	12.6%	15.5%	11.8%

Source: Census (2021)

Projected Future Change in the Population of Older People

- 10.5 Population projections can next be used to provide an indication of how the number of older persons might change in the future with the table below showing that Breckland is projected to see a notable increase in the older person population. The projection linked to the Standard Method shows a projected increase in the population aged 65+ of around 51% - the population aged Under 65 is in contrast projected to increase by a more modest 10%.
- 10.6 In total population terms, the projections show an increase in the population aged 65 and over of 18,000 people. This is against a backdrop of an overall increase of 29,100 – population growth of people aged 65 and over therefore accounts for around 62% of the total projected population change.

Table 10.3 Projected Change in Population of Older Persons, 2021 to 2046 – Breckland (linking to Standard Method)

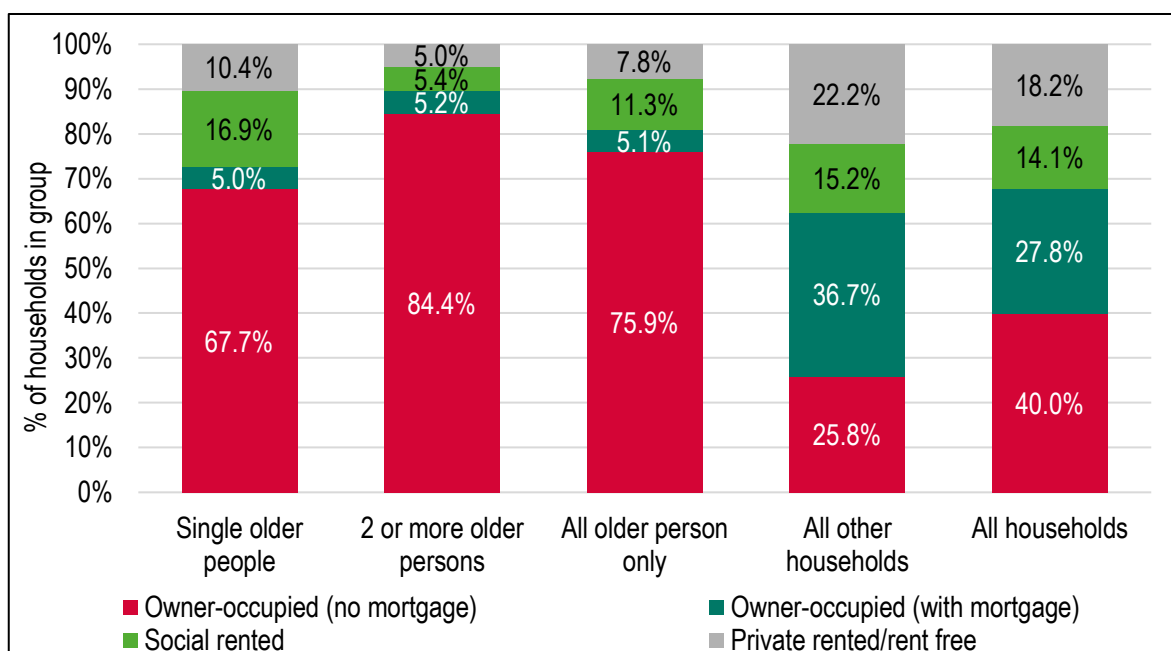
	2021	2046	Change in population	% change
Under 65	106,650	117,701	11,051	10.4%
65-74	18,375	21,867	3,492	19.0%
75-84	12,404	21,384	8,980	72.4%
85+	4,735	10,291	5,556	117.3%
Total	142,164	171,242	29,078	20.5%
Total 65+	35,514	53,541	18,027	50.8%
Total 75+	17,139	31,675	14,536	84.8%

Source: Demographic projections

Characteristics of Older Person Households

- 10.7 The figures below show the tenure of older person households. The data has been split between single older person households and those with two or more older people (which will largely be couples). The data shows that the majority of older persons households are owner occupiers (81% of older person households), and indeed most are owner occupiers with no mortgage and thus may have significant equity which can be put towards the purchase of a new home. Some 11% of older persons households live in the social rented sector and the proportion of older person households living in the private rented sector is relatively low (about 8%).
- 10.8 There are also notable differences for different types of older person households with single older people having a lower level of owner-occupation than larger older person households – this group also has a much higher proportion living in the social rented sector.

Figure 10.1 Tenure of Older Persons Households in Breckland, 2021



Source: 2021 Census

Prevalence of Disabilities

- 10.9 The table below shows the proportion of people who are disabled under the Equality Act drawn from 2021 Census data, and the proportion of households where at least one person has a disability. The data suggests that some 34% of households in the District contain someone with a disability. This figure is similar to that seen across Norfolk but above the regional and national average. The figures for the population with a disability show a similar pattern when compared with other locations – some 20% of the population having a disability.

Table 10.4 Households and People with a Disability, 2021

	Households Containing Someone with a Disability		Population with a Disability	
	No.	%	No.	%
Breckland	20,729	34.3%	27,724	19.6%
Norfolk	140,252	34.7%	184,290	20.1%
East of England	811,942	30.9%	1,053,832	16.6%
England	7,507,886	32.0%	9,774,510	17.3%

Source: 2021 Census

- 10.10 The table below shows the same information for sub-areas – this shows a higher proportion of population and households in Swaffham and Surrounds with a disability and lower proportions in the A11 Corridor. Generally areas with a higher proportion of older people also have higher proportions with a disability.

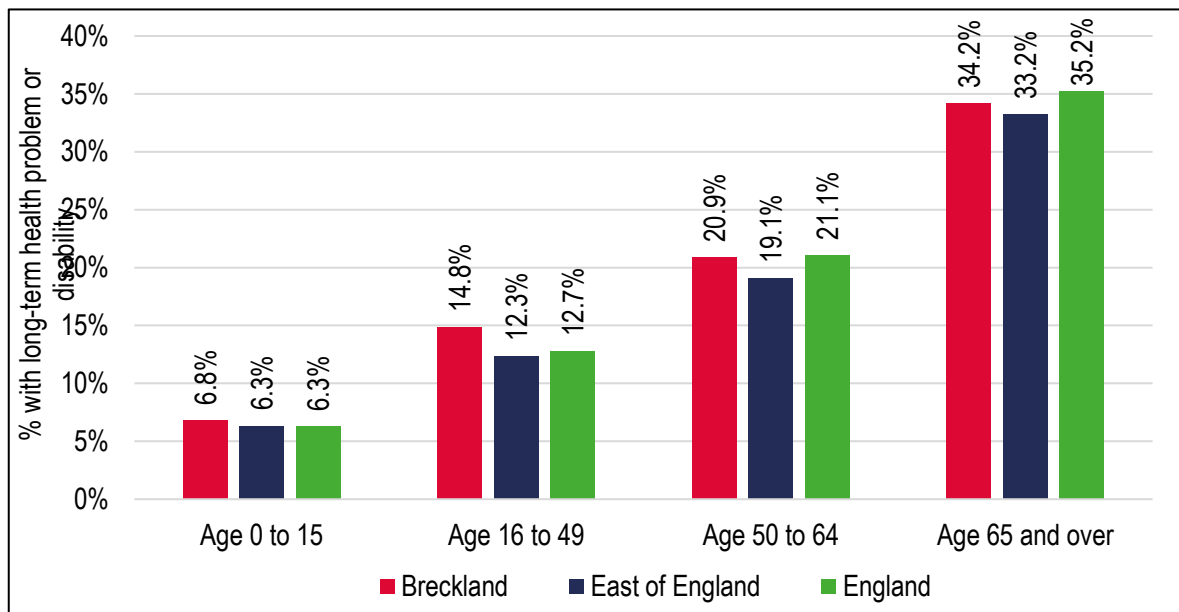
Table 10.5 Households and People with a Disability, 2021 – sub-areas

	Households Containing Someone with a Disability		Population with a Disability	
	No.	%	No.	%
A11 Corridor	7,818	32.7%	10,110	17.8%
Dereham and Surrounds	6,739	35.1%	9,007	20.1%
Swaffham and Surrounds	3,995	36.5%	5,304	21.8%
Watton	2,156	34.3%	3,305	21.4%
TOTAL	20,708	34.3%	27,726	19.6%

Source: 2021 Census

- 10.11 As noted, it is likely that the age profile will impact upon the numbers of people with a disability, as older people tend to be more likely to have a disability. The figure below shows the age bands of people with a disability. It is clear from this analysis that those people in the oldest age bands are more likely to have a disability. The analysis also typically shows similar levels of disability in each age band within Breckland when compared with the national position.

Figure 10.2 Population with Disability by Age



Source: 2021 Census

Health Related Population Projections

- 10.12 The incidence of a range of health conditions is an important component in understanding the potential need for care or support for a growing older population. The analysis undertaken covers both younger and older age groups and draws on prevalence rates from the PANSI (Projecting Adult Needs and Service Information) and POPPI (Projecting Older People Population Information) websites. Adjustments have been made to take account of the age specific health/disabilities previously shown.

- 10.13 Of particular note are the large increases in the number of older people with dementia (increasing by 86% from 2021 to 2046 and mobility problems (up 71% over the same period). Changes for younger age groups are smaller, reflecting the fact that projections are expecting older age groups to see the greatest proportional increases in population. When related back to the total projected change to the population, the increase of people aged 65+ with a mobility problem represents around 15% of total projected population growth.

Table 10.6 Projected Changes to Population with a Range of Disabilities – Breckland

Disability	Age Range	2021	2046	Change	% Change
Dementia	65+	2,406	4,514	2,107	87.6%
Mobility problems	65+	6,320	10,898	4,577	72.4%
Autistic Spectrum Disorders	18-64	881	963	82	9.3%
	65+	327	498	171	52.4%
Learning Disabilities	15-64	2,258	2,487	230	10.2%
	65+	718	1,074	356	49.5%
Impaired mobility	16-64	5,272	5,756	485	9.2%

Source: POPPI/PANSI and Demographic Projections

- 10.14 The series of tables below provide the same information at a sub-area level. The most notable finding is the higher projected increases in adult age groups in Watton – this reflects the sub-area projections which for this area projected notable increases in the number of people aged under 65.

Table 10.7 Projected Changes to Population with a Range of Disabilities – A11 Corridor

Disability	Age Range	2021	2046	Change	% Change
Dementia	65+	797	1,468	672	84.3%
Mobility problems	65+	2,110	3,574	1,465	69.4%
Autistic Spectrum Disorders	18-64	366	399	33	9.0%
	65+	112	167	56	49.7%
Learning Disabilities	15-64	949	1,043	94	9.9%
	65+	244	359	115	47.3%
Impaired mobility	16-64	2,131	2,315	185	8.7%

Source: POPPI/PANSI and Demographic Projections

Table 10.8 Projected Changes to Population with a Range of Disabilities – Dereham and Surrounds

Disability	Age Range	2021	2046	Change	% Change
Dementia	65+	809	1,453	643	79.5%
Mobility problems	65+	2,125	3,506	1,381	65.0%
Autistic Spectrum Disorders	18-64	270	274	4	1.6%
	65+	109	160	50	45.7%
Learning Disabilities	15-64	699	715	16	2.3%
	65+	241	346	104	43.2%
Impaired mobility	16-64	1,666	1,708	42	2.5%

Source: POPPI/PANSI and Demographic Projections

Table 10.9 Projected Changes to Population with a Range of Disabilities – Swaffham and Surrounds

Disability	Age Range	2021	2046	Change	% Change
Dementia	65+	534	997	463	86.7%
Mobility problems	65+	1,390	2,395	1,005	72.3%
Autistic Spectrum Disorders	18-64	137	150	13	9.6%
	65+	71	108	37	52.6%
Learning Disabilities	15-64	356	393	38	10.6%
	65+	156	233	78	50.0%
Impaired mobility	16-64	928	1,017	89	9.6%

Source: POPPI/PANSI and Demographic Projections

Table 10.10 Projected Changes to Population with a Range of Disabilities – Watton

Disability	Age Range	2021	2046	Change	% Change
Dementia	65+	266	552	285	107.1%
Mobility problems	65+	696	1,327	631	90.8%
Autistic Spectrum Disorders	18-64	108	148	40	36.6%
	65+	35	58	24	68.4%
Learning Disabilities	15-64	254	350	96	37.9%
	65+	77	128	51	65.9%
Impaired mobility	16-64	547	720	173	31.6%

Source: POPPI/PANSI and Demographic Projections

- 10.15 Invariably, there will be a combination of those with disabilities and long-term health problems that continue to live at home with family, those who chose to live independently with the possibility of incorporating adaptations into their homes and those who choose to move into supported housing.
- 10.16 The projected change shown in the number of people with disabilities provides clear evidence justifying delivering ‘accessible and adaptable’ homes as defined in Part M4(2) of Building Regulations, subject to viability and site suitability. The Council should ensure that the viability of doing so is also tested as part of drawing together its evidence base although the cost of meeting this standard is unlikely to have any significant impact on viability and would potentially provide a greater number of homes that will allow households to remain in the same property for longer.

Need for Specialist Accommodation for Older People

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

Definitions of Different Types of Older Persons' Accommodation

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

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

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

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

Source: Planning Practice Guidance [63-010]

- 10.18 The need for specialist housing for older persons is typically modelled by applying prevalence rates to current and projected population changes and considering the level of existing supply. There is no standard methodology for assessing the housing and care needs of older people. The current and future demand for elderly care is influenced by a host of factors including the balance between demand and supply in any given area and social, political, regulatory and financial issues. Additionally, the extent to which new homes are built to accessible and adaptable standards may over time have an impact on specialist demand (given that older people often want to remain at home rather than move to care) – this will need to be monitored.
- 10.19 There are a number of ‘models’ for considering older persons’ needs, but they all essentially work in the same way. The model results are however particularly sensitive to the prevalence rates applied, which are typically calculated as a proportion of people aged over 75 who could be expected to live in different forms of specialist housing. Whilst the population aged 75 and over is used in the modelling, the estimates of need would include people of all ages.
- 10.20 Whilst there are no definitive rates, the PPG [63-004] notes that ‘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, for example SHOP@ for Older People Analysis Tool)’. The PPG does not specifically mention any other tools and therefore seems to be indicating that SHOP@ would be a good starting point for analysis. Since the PPG was published the Housing Learning and Information Network (Housing LIN) has removed the Shop@ online toolkit although the base rates used for analysis are known.
- 10.21 The SHOP@ tool was originally based on data in a 2008 report (More Choice Greater Voice) and in 2011 a further suggested set of rates was published (rates which were repeated in a 2012 publications). In 2016, Housing LIN published a review document which noted that the 2008 rates are ‘outdated’ but also noting that the rates from 2011/12 were ‘not substantiated’. The 2016 review document therefore set out a series of proposals for new rates to be taken forward onto the Housing LIN website.

10.22 Whilst the 2016 review rates do not appear to have ever led to an update of the website, it does appear from reviewing work by Housing LIN over the past couple of years as if it is these rates which typically inform their own analysis (subject to evidence based localised adjustments).

10.23 For clarity, the table below shows the base prevalence rates set out in the various documents described above. For the analysis in this report the age-restricted and retirement/sheltered have been merged into a single category (housing with support).

Table 10.11 Range of suggested baseline prevalence rates from a number of tools and publications

Type/Rate	SHOP@ (2008) ¹⁵	Housing in Later Life (2012) ¹⁶	2016 Housing LIN Review
Age-restricted general market housing	-	-	25
Retirement living or sheltered housing (housing with support)	125	180	100
Extra care housing or housing-with-care (housing with care)	45	65	30-40 ('proactive range')
Residential care homes	65	(no figure apart from 6 for dementia)	40
Nursing homes (care bedspaces), including dementia	45		45

Source: Housing LIN

10.24 In interpreting the different potential prevalence rates it is clear that:

- The prevalence rates used should be considered and assessed taking account of an authority's strategy for delivering specialist housing for older people. The degree for instance which the Council want to require extra

¹⁵ Based on the More Choice Greater Voice publication of 2008

(https://www.housinglin.org.uk/assets/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf). It should be noted that although these rates are from 2008, they are the same rates as were being used in the online toolkit when it was taken offline in 2019.

¹⁶ https://www.housinglin.org.uk/assets/Resources/Housing/Support_materials/Toolkit/Housing_in_Later_Life_Toolkit.pdf

care housing as an alternative to residential care provision would influence the relative balance of need between these two housing types;

- The Housing LIN model has been influenced by existing levels of provision and their view on what future level of provision might be reasonable taking account of how the market is developing, funding availability etc. It is more focused towards publicly commissioned provision. There is a degree to which the model and assumptions within it may not fully capture the growing recent private sector interest and involvement in the sector, particularly in extra care; and
- The assumptions in these studies look at the situation nationally. At a more local level, the relative health of an area's population is likely to influence the need for specialist housing with better levels of health likely to mean residents are able to stay in their own homes for longer.

- 10.25 These issues are considered to provide appropriate modelling assumptions for assessing future needs. Nationally, there has been a clear focus on strengthening a community-led approach and reducing reliance on residential and nursing care – in particular focussing where possible on providing households with care in their own home. This could however be provision of care within general needs housing; but also care which is provided in a housing with care development such as in extra care housing.
- 10.26 We consider that the prevalence rates shown in the 2016 Housing LIN Review is an appropriate starting point; but that the corollary of lower care home provision should be a greater focus on delivery of housing with care. Having regard to market growth in this sector in recent years, and since the above studies were prepared, we consider that the starting point for housing with care should be the higher rate shown in the SHOP@ report (this is the figure that would align with the PPG).
- 10.27 Rather than simply taking the base prevalence rates, an initial adjustment has been made to reflect the relative health of the local older person population. This has been based on Census data about the proportion of the population aged 65 and over who have a long-term health problem or disability (LTHPD) compared with the England average. In Breckland, the data shows similar health in the older person population and so only modest changes are made to the prevalence rates.
- 10.28 A second local adjustment has been to estimate a tenure split for the housing with support and housing with care categories. This again draws on suggestions in the 2016 Review which suggests that less deprived local authorities could expect a higher proportion of their specialist housing to be in the market sector. Using 2019 Index of Multiple Deprivation (IMD) data, the analysis suggests Breckland is the 127th most deprived local authority in England (out of 317) – i.e. a higher than average level of deprivation – this suggests a greater proportion of affordable housing than a local authority in the middle of the range (for housing with support and housing with care).

- 10.29 The table below shows estimated needs for different types of housing linked to the population projections. The analysis is separated into the various different types and tenures although it should be recognised that there could be some overlap between categories (i.e. some households might be suited to more than one type of accommodation).
- 10.30 Overall, the analysis suggests that there will be a need for housing with support (retirement/sheltered housing) in the market sector with a sufficient current supply of affordable housing being shown. The analysis also points to a strong potential need for housing with care (e.g. extra-care) in both the market and affordable sectors. The analysis also suggests a need for some additional nursing care bedspaces but a sufficient supply of residential care at the current time.

Table 10.12 Specialist Housing Need using adjusted SHOP@Review Assumptions, 2023-46 – Breckland

		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall / surplus (-ve)	Addition -al demand to 2046	Shortfall /surplus by 2046
Housing with support	Market	44	153	754	601	640	1,241
	Affordable	77	1,999	1,318	-681	1,118	437
Total (housing with support)		121	121	2,152	2,073	-79	1,758
Housing with care	Market	23	0	398	398	338	736
	Affordable	20	54	348	294	295	589
Total (housing with care)		44	44	54	746	692	633
Residential care bedspaces		39	39	927	663	-264	562
Nursing care bedspaces		44	44	602	746	144	633
Total bedspaces		82	82	1,529	1,409	-120	1,195

Source: Derived from Demographic Projections and Housing LIN/EAC

- 10.31 The provision of a choice of attractive housing options to older households is a component of achieving good housing mix. The availability of such housing options for the growing older population may enable some older households to downsize from homes which no longer meet their housing needs or are expensive to run. The availability of housing options which are accessible to older people will also provide the opportunity for older households to ‘rightsize’ which can help improve their quality of life.
- 10.32 It should also be noted that within any category of need there may be a range of products. For example, many recent market extra-care schemes have tended to be focused towards the ‘top-end’ of the market and may have significant service charges (due to the level and quality of facilities and services). Such homes may therefore only be affordable to a small proportion of the potential market, and it will be important for the Council to seek a range of products that will be accessible to a wider number of households if needs are to be met.

Wheelchair User Housing

- 10.33 The analysis below draws on secondary data sources to estimate the number of current and future wheelchair users and to estimate the number of wheelchair accessible/adaptable dwellings that might be required in the future. Estimates of need produced in this report draw on data from the English Housing Survey (EHS) – mainly 2018/19 data. The EHS data used includes the age structure of wheelchair users, information about work needed to homes to make them ‘visitable’ for wheelchair users and data about wheelchair users by tenure.
- 10.34 The table below shows at a national level the proportion of wheelchair user households by the age of household reference person. Nationally, around 3.4% of households contain a wheelchair user – with around 1% using a wheelchair indoors. There is a clear correlation between the age of household reference person and the likelihood of there being a wheelchair user in the household.

Table 10.13 Proportion of wheelchair user households by age of household reference person – England

Age of household reference person	No household members use a wheelchair	Uses wheelchair all the time	Uses wheelchair indoors only	Uses wheelchair outdoors only	TOTAL
24 and under	99.4%	0.3%	0.0%	0.3%	100.0%
25-34	99.3%	0.3%	0.1%	0.2%	100.0%
35-49	98.2%	0.5%	0.1%	1.2%	100.0%
50-64	96.9%	0.7%	0.4%	2.0%	100.0%
65 and over	93.1%	0.9%	0.4%	5.6%	100.0%
All households	96.6%	0.6%	0.3%	2.5%	100.0%

Source: English Housing Survey (2018/19)

- 10.35 The prevalence rate data can be brought together with information about the household age structure and how this is likely to change moving forward. The data estimates a total of 2,092 wheelchair user households in 2021, and that this will rise to 2,917 by 2046.

Table 10.14 Estimated number of wheelchair user households (2021-46) – Breckland

	Prevalence rate (% of households)	Households 2021	Households 2046	Wheelchair user households (2021)	Wheelchair user households (2046)
24 and under	0.5%	1,167	1,337	6	6
25-34	0.6%	6,461	7,314	41	46
35-49	1.8%	13,285	15,102	234	266
50-64	2.4%	17,514	18,406	429	451
65 and over	6.2%	22,255	34,564	1,383	2,148
All households	-	60,682	76,724	2,092	2,917

Source: Derived from a range of sources

- 10.36 The finding of an estimated current number of wheelchair user households does not indicate how many homes might be need for this group – some households will be living in a home that is suitable for wheelchair use, whilst others may need improvements to accommodation, or a move to an alternative home. Data from the EHS (2014-15) shows that of the 814,000 wheelchair user households, some 200,000 live in a home that would either be problematic or not feasible to make fully ‘visitable’ – this is around 25% of wheelchair user households.
- 10.37 Applying this to the current number of wheelchair user households and adding the additional number projected forward suggests a need for around 1,348 additional wheelchair user homes in the 2021-46 period. If the projected need is also discounted to 25% of the total (on the basis that many additional wheelchair user households will already be in accommodation) leads to a need estimate of 729 homes. These figures equate to a need for 29-54 dwellings per annum.

Table 10.15 Estimated need for wheelchair user homes, 2021-46

	Current need	Projected need (2021-46)	Total current and future need
Total	523	823	1,348
@ 25% of projection	523	206	729

Source: *Derived from a range of sources*

- 10.38 Furthermore, information in the EHS (for 2018/19) also provides national data about wheelchair users by tenure. This showed that, at that time, around 7.1% of social tenants were wheelchair users (including 2.2% using a wheelchair indoors), compared with 3.1% of owner-occupiers (0.7% indoors). These proportions can be expected to increase with an ageing population but do highlight the likely need for a greater proportion of social (affordable) homes to be for wheelchair users.

Table 10.16 Proportion of wheelchair user households by tenure of household reference person – England

Tenure	No household members use a wheelchair	Uses wheelchair all the time	Uses wheelchair indoors only	Uses wheelchair outdoors only	TOTAL
Owners	96.9%	0.5%	0.2%	2.4%	100.0%
Social sector	92.9%	1.6%	0.6%	4.8%	100.0%
Private renters	98.8%	0.1%	0.1%	0.9%	100.0%
All households	96.6%	0.6%	0.3%	2.5%	100.0%

Source: English Housing Survey (2018/19)

10.39 To meet the identified need, the Council could seek a proportion (up to 5%) of all new market homes to be M4(3) compliant and potentially a higher figure in the affordable sector (around 10%). These figures reflect that not all sites would be able to deliver homes of this type. In the market sector these homes would be M4(3)A (adaptable) and M4(3)B (accessible) for affordable housing.

10.40 As with M4(2) homes it may not be possible for some schemes to be built to these higher standards due to built-form, topography, flooding etc. Furthermore, provision of this type of property may in some cases challenge the viability of delivery given the reasonably high build out costs (see table below).

10.41 It is worth noting that the Government responded on a consultation on changes to the way the needs of people with disabilities and wheelchair users are planned for as a result of concerns that in the drive to achieve housing numbers, the delivery of housing that suits the needs of the households (in particular those with disabilities) is being compromised on viability grounds¹⁷.

10.42 The key outcome is: 'Government is committed to raising accessibility standards for new homes. We have listened carefully to the feedback on the options set out in the consultation and the government response sets out our plans to mandate the current M4(2) requirement in Building Regulations as a minimum standard for

¹⁷ <https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes>

all new homes'. This change is due to be implemented through a change to building regulations which the Government reaffirmed in February 2024 that it intended to be taken forwards.¹⁸

10.43 The consultation outcome still requires a need for M4(3) dwellings to be evidenced, stating 'M4(3) (Category 3: Wheelchair user dwellings) would continue as now where there is a local planning policy in place in which a need has been identified and evidenced. Local authorities will need to continue to tailor the supply of wheelchair user dwellings to local demand'.

10.44 As well as evidence of need, the viability challenge is particularly relevant for M4(3)(B) standards. These make properties accessible from the moment they are built and involve high additional costs that could in some cases challenge the feasibility of delivering all or any of a policy target. The table below shows estimated costs for different types of accessible dwellings, taken from research sitting behind the initial PPG on accessible housing – these costings are now 8-year old but do still provide an indication of the relative costs of different options.

Table 10.17 Access Cost Summary

	1-Bed Apartment	2-Bed Apartment	2-Bed Terrace	3-Bed Semi Detached	4-Bed Semi- Detached
M4(2)	£940	£907	£523	£521	£520
M4(3)(A) – Adaptable	£7,607	£7,891	£9,754	£10,307	£10,568
M4(3)(B) – Accessible	£7,764	£8,048	£22,238	£22,791	£23,052

Source: EC Harris, 2014

10.45 It should be noted that local authorities only have the right to request M4(3)(B) accessible compliance from homes for which they have nomination rights. They

¹⁸ <https://hansard.parliament.uk/lords/2024-02-05/debates/CBD9ECFC-7CC3-45B8-B9B4-AFA0D282E182/HousingAccessibilityStandards>

can, however, request M4(3)(A) adaptable compliance from the wider (market) housing stock.

- 10.46 A further option for the Council would be to consider seeking a higher contribution, where it is viable to do so, from those homes to which they have nomination rights. This would address any under delivery from other schemes (including schemes due to their size e.g. less than 10 units or 1,000 square metres) but also recognise the fact that there is a higher prevalence for wheelchair use within social rent tenures. This should be considered when setting policy.

Summary

- 10.47 A range of data sources and statistics have been accessed to consider the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. The analysis responds to Planning Practice Guidance on Housing for Older and Disabled People published by Government in June 2019 and includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).
- 10.48 The data shows that Breckland has an older age structure and slightly higher levels of disability compared with the national average. The older person population shows high proportions of owner-occupation, and particularly outright owners who may have significant equity in their homes (76% of all older person households are outright owners).
- 10.49 The older person population is projected to increase notably moving forward. An ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2021-46 period include:
- a 51% increase in the population aged 65+ (potentially accounting for around 62% of total population growth);

- an 86% increase in the number of people aged 65+ with dementia and 71% increase in those aged 65+ with mobility problems;
- a need for around 1,700 housing units with support (sheltered/retirement housing) – mostly in the market sector with a current surplus of affordable housing;
- a need for around 1,300 additional housing units with care (e.g. extra-care) – split between market and affordable housing;
- a need for additional nursing care bedspaces but sufficient current supply of residential care bedspaces; and
- a need for 730-1,350 dwellings to be for wheelchair users (meeting technical standard M4(3)).

- 10.50 This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. Given the evidence, the Council could consider (as a start point) requiring all dwellings (in all tenures) to meet the M4(2) standards and around 5% of homes meeting M4(3) – wheelchair user dwellings in the market sector (a higher proportion of around a tenth in the affordable sector).
- 10.51 Where the authority has nomination rights M4(3) would be wheelchair accessible dwellings (constructed for immediate occupation) and in the market sector they should be wheelchair user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user). It should however be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.
- 10.52 In framing policies for the provision of specialist older persons accommodation, the Council will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this the viability of provision). There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure given the way care and support services are paid for).

11. Housing Needs of Other Groups

11.1 This section of the report turns to consider the housing needs of selected other groups, including service families; homeless households; and the need for self- and custom housebuilding.

Service Families

11.2 There are a number of military establishments in and within proximity to Breckland including Robertson Barracks near Swanton Morley. In addition there are a number of establishments close to the District's boundaries including RAF Markham and RAF Honington. Robertson Barracks is however due to close in 2027/28.

11.3 The most recent Ministry of Defence (MOD) statistics suggest that there are 420 military and civilian MOD personnel stationed in the District. This will be principally at Robertson Barracks.

11.4 In addition, 2021 Census data showed that there were 7,500 residents in the District who had previously served in the UK Armed Forces, with the greatest concentration in Swaffham.

11.5 Icenl have engaged with Breckland's Armed Forces Covenant Officer in order to understand the current and future housing needs of Service Personnel and Veterans in the District. The main issues of access to housing in Breckland appear to relate to ex-service personnel. Icenl note that:

- Military personnel are identified as essential local workers (as per the NPPF) and the Council's Housing Allocations Policy, which sets out how affordable housing is allocated, awards additional priority to servicing forces members, veterans and bereaved spouses/partners, who are able to access affordable housing regardless of their financial resources.

- National policies for First Homes disapply any eligibility criteria for these services/ former service personnel, enhancing their ability to access First Homes. Services personnel/ veterans are also able to establish a 'local connection' in seeking wider forms of affordable housing in areas which they are serving or have served.
- Furthermore, any ex-armed forces personnel with mental health issues who present themselves to the Council as homeless would be assisted as a vulnerable group and will be given priority need for housing.

- 11.6 This suggests that there may be a need to develop a policy which addresses the specific need of MOD personnel. That said Annex 2 of the NPPF identifies Military Personnel as Essential Key Workers. As such, accommodation specifically comes under the definition of affordable housing. Depending on their incomes this group will already be accounted for within the affordable housing need and will largely not be additional to it.
- 11.7 The Planning Practice Guidance for First Homes includes insuring that any local connection criteria is disapplied for all active members of the Armed Forces, divorced/separated spouses or civil partners of current members of the Armed Forces, spouses or civil partners of a deceased member of the armed forces (if their death was wholly or partly caused by their service) and veterans within 5 years of leaving the armed forces.
- 11.8 The most acute and pressing issue is likely to be finding accommodation for those transitioning out of the forces. First Homes could play a part in meeting this demand as it would provide a discounted route to home ownership.
- 11.9 In addition, the Allocation of Housing (Qualification Criteria for Armed Forces) (England) Regulations ensure that Service personnel (including bereaved spouses or civil partners) are allowed to establish a 'local connection' with the area in which they are serving or have served.
- 11.10 This means that ex-service personnel would not suffer disadvantage from any 'residence' criteria chosen by the Local Authority in their allocations policy. Furthermore, any ex-armed forces personnel with mental health issues who

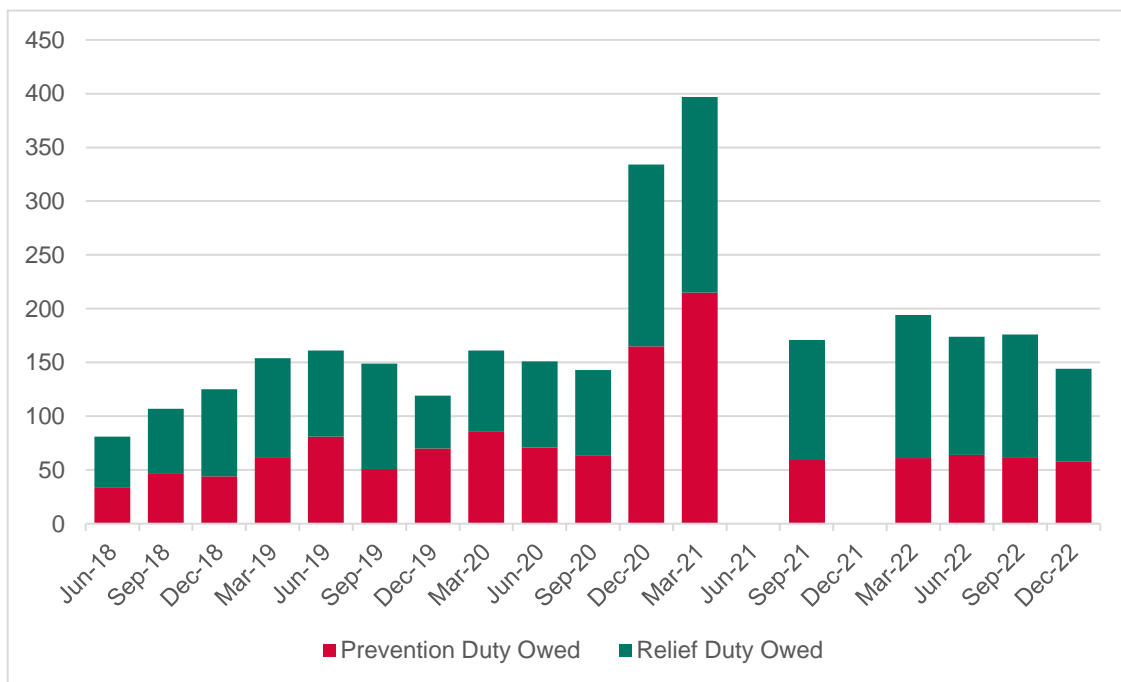
present themselves to the Council as homeless would be assisted as a vulnerable group and will be given priority need for housing.

Homelessness

11.11 Based on H-CLIC data produced by DLUHC, on average 155 households have approached Breckland Council per quarter for homelessness support since June 2018. Of these 44% were owed a prevention duty while 56% were actually homeless and owed a relief duty.

11.12 The following tables illustrate how representations have changed over the last five years. As illustrated Breckland saw a huge increase in the number of presentations in December 2020 and March 2021, this is likely an impact of the covid-19 pandemic.

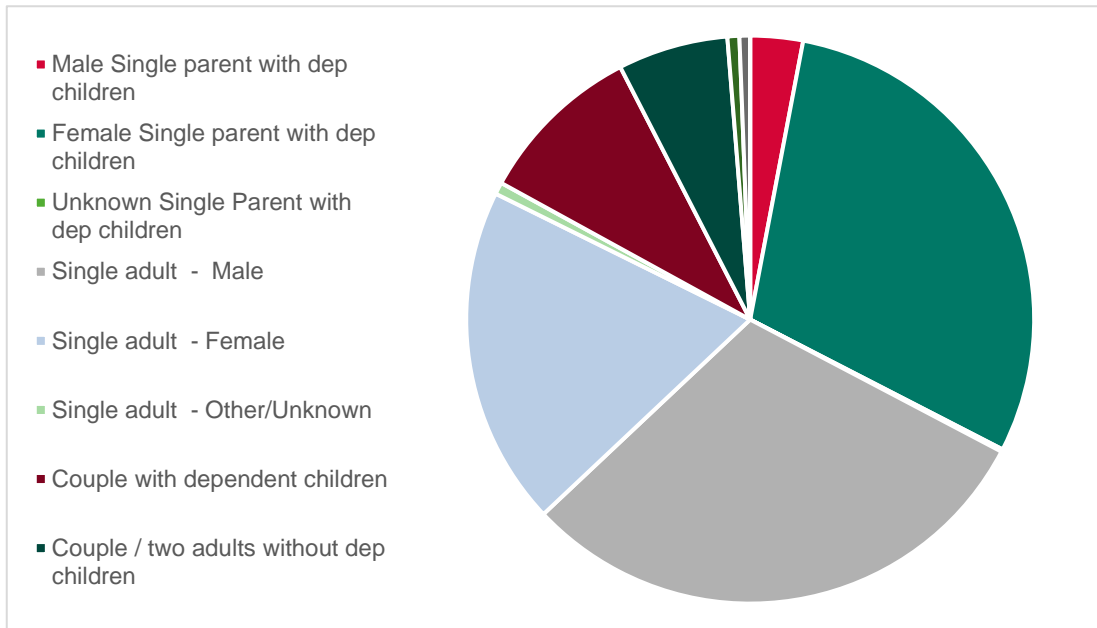
Figure 11.1 Prevention and Relief Duty



Source: DLUHC

11.13 Those approaching the council are in the main are either single male adults (30%) or female single parents with children(30%). They are broadly younger with over 50% are aged between 18 and 34, a further 33% are aged between 35 and 54. Only 1.6% are aged over 65.

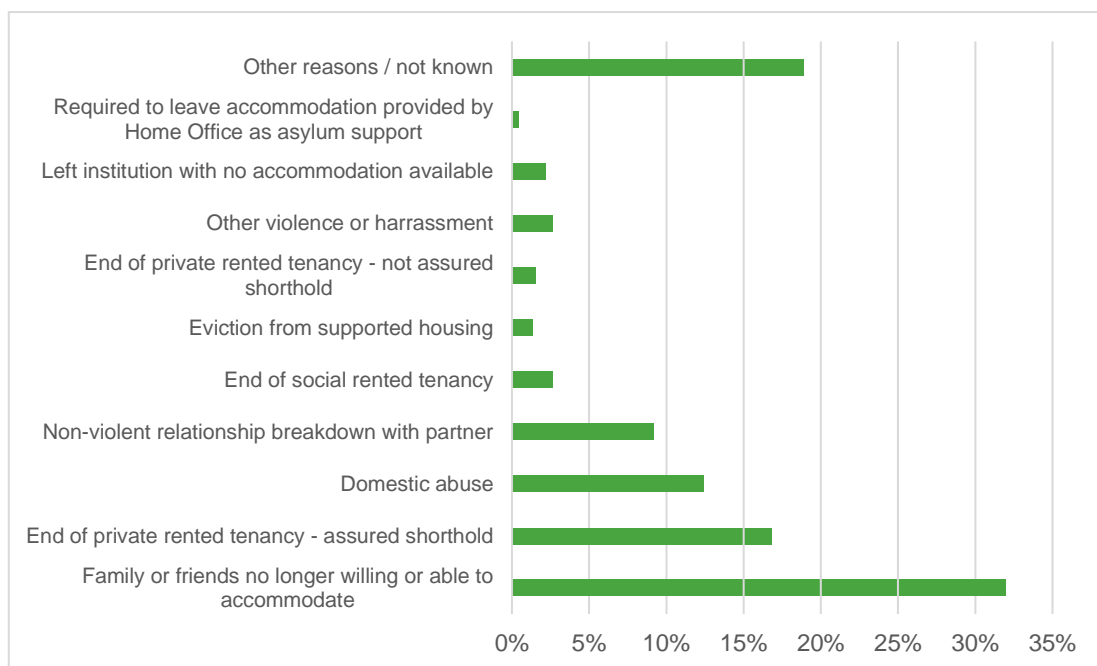
Figure 11.2 Household type owed prevention or relief duty



Source: *DLUHC*

11.14 The main reasons cited for being homeless or threatened with homelessness in Breckland are that family or friends are no longer willing to accommodate them (32%), end of PRS tenancy (17%) or domestic abuse (12%).

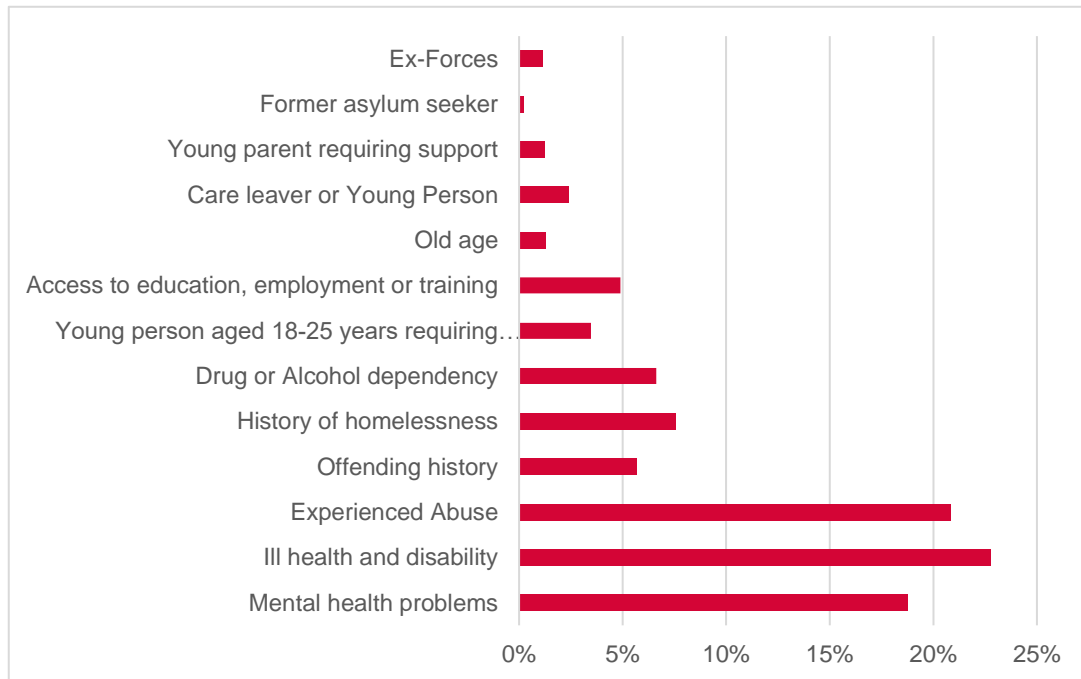
Figure 11.3 Reasons for Homelessness



Source: *DLUHC*

- 11.15 Many of those approaching the Council have varied and multiple support needs this includes physical ill health and disability (23%), have experienced abuse (21%) or have mental health problems (19%).

Figure 11.4 Support Needs



Source: DLUHC

Self and Custom Build

- 11.16 As of 1st April 2016, and in line with the 2015 Act and the Right to Build, relevant authorities in England are required to have established and publicised a self-build and custom housebuilding register which records those seeking to acquire serviced plots of land in the authority's area in order to build their own self-build and custom houses.

- 11.17 The Breckland Self-Build and Custom Housebuilding Registers was introduced on the 1st of April 2016 and there have now been seven and a half base periods¹⁹ up to 30th October 2022. Breckland does not require applicants to the register to demonstrate a local connection and therefore it is only in one part.
- 11.18 The Council is required to grant sufficient planning permissions to meet the demand identified on the Register as per the 2015 Act (as amended) within 3 years of the each of each base period. The table below provides a base period breakdown of those individuals who have expressed demand for serviced plots of land in Breckland.

Table 11.1 Breckland Self and Custom Build Register (2016 – 2023)

Base Period	Annual Entries	Permissions
Base Period 1 (1 st April 2016 to 30 th October 2016)	53	
Base Period 2 (31 st October 2016 to 30 th October 2017)	78	157
Base Period 3 (31 st October 2017 to 30 th October 2018)	70	6
Base Period 4 (31 st October 2018 to 30 th October 2019)	64	123
Base Period 5 (31 st October 2019 to 30 th October 2020)	68	71
Base Period 6 (31 st October 2020 to 30 th October 2021)	114	21
Base Period 7 (31 st October 2021 to 30 th October 2022)	62	3
Base Period 8 (31 st October 2022 to 30 th October 2023) ²⁰	11	
Total	520	381
Average	69	59

Source: Council data and right to build register monitoring

¹⁹ A base period is a period of typically 12 months in which demand for custom and self-build is recorded. However, the first base period. The first base period began on the day on which the register (which meets the requirement of the 2015 Act) was established and ended on 30 October 2016. Each subsequent base period is the period of 12 months beginning immediately after the end of the previous base period. Subsequent base periods will therefore run from 31 October to 30 October each year.

²⁰ Entries as at May 2023

11.19 Breckland's Register is currently hosted jointly with Kings Lynn and West Norfolk Borough Council. In future years changes to the current arrangements for maintenance of Breckland self and custom build register are expected, and the Council is also considering the implementation of eligibility criteria. This may result in changes to the level of entrants to the Register in future base periods relative to analysis set out above.

Broader Demand Evidence

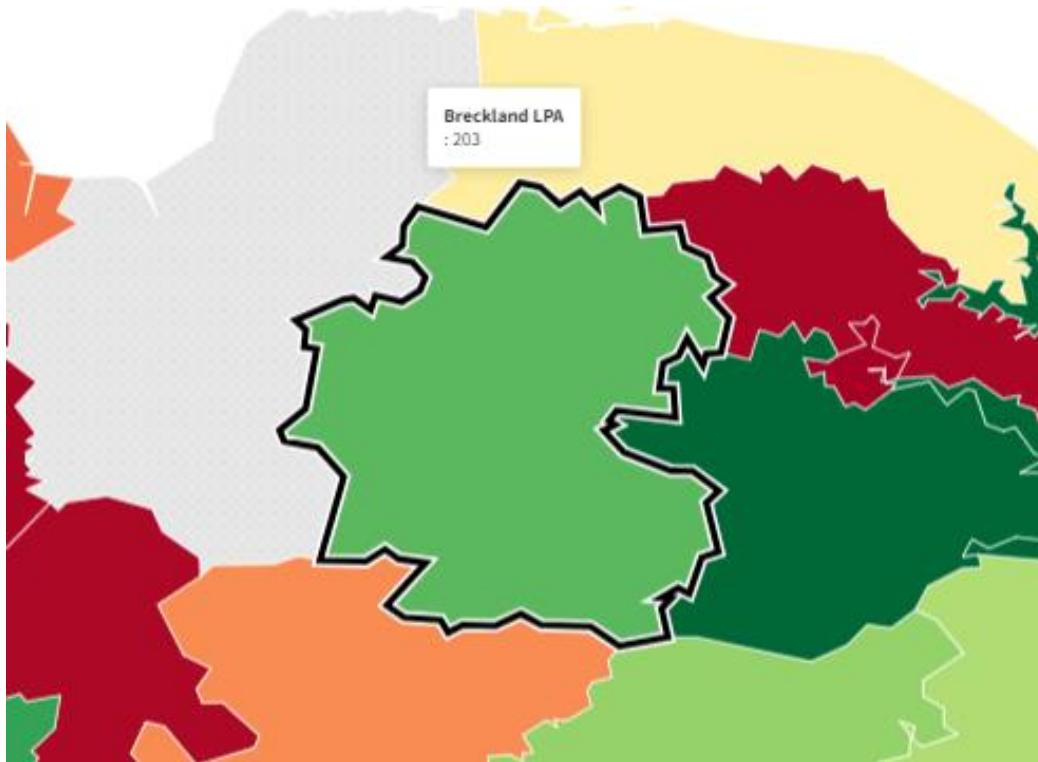
11.20 In order to supplement the data from the Council's register, we have looked to secondary sources as recommended by the PPG, which for this report is data from NaCSBA - the national association for the custom and self-build housing sector.

11.21 First, it is worth highlighting that the October 2020 survey undertaken by YouGov on behalf of NaCSBA found that 1 in 3 people (32%) are interested in building their own home at some point in the future, including 12% who said they were very interested. Notably, almost half (48%) of those aged between 18 and 24 were interested in building their own home, compared to just 18% of those aged 55 and over. This is notable as, traditionally, self-build has been seen as the reserve of older members of society aged 55 and over, with equity in their property

11.22 Second, we can draw on NaCSBA data to better understand the level of demand for serviced plots in Breckland in relative terms. The association has published analysis with supporting maps and commentary titled "Mapping the Right to Build" in 2020. This includes an output on the demand for serviced plots as a proportion of total population relative to all other local authorities across England.

11.23 One of the key maps within the report highlights the areas of strongest demand and this is shown in the figure below. This shows that Breckland has a need for 203 units per 100,000 head of population. This would imply that Breckland's Self-Build need is high.

Figure 11.5 Overall Demand for Self-Build Plots per 100,000 of Population



Source: NACSBA, 2020

Policy Response

- 11.24 The Self-Build and Custom Housebuilding PPG sets out how authorities can increase the number of planning permissions which are suitable for self-build and custom housebuilding and support the sector.
- 11.25 The PPG²¹ is clear that authorities should consider how local planning policies may address identified requirements for self and custom housebuilding to ensure enough serviced plots with suitable permission come forward and can focus on playing a key role in facilitating relationships to bring land forward. There are a number of measures which can be used to do this, including but not limited to:
- Supporting Neighbourhood Planning groups where they choose to include self-build and custom build housing policies in their plans;

²¹ Paragraph: 025 Reference ID: 57-025-20210508

- Working with Homes England to unlock land and sites in wider public ownership to deliver self-build and custom build housing; and
- When engaging with developers and landowners who own sites that are suitable for housing, encouraging them to consider self-build and custom housebuilding, and facilitating access to those on the register where the landowner is interested;
- Working with local partners, such as Housing Associations and third sector groups, to custom build affordable housing for veterans and other groups in acute housing need.

- 11.26 Icenii would note that an increasing number of local planning authorities have adopted self-build and custom housebuilding policies in respective Local Plans to encourage delivery, promote and boost housing supply. There are also a number of appeal decisions in the context of decision-taking which have found that paragraph 11(d) of the Framework is engaged in the absence of specific policy on self-build housing when this is the focus of a planning application
- 11.27 As a general principle, the Councils should support the submission and delivery of self-build and custom housebuilding sites, where opportunities for land arise and where such schemes are consistent with other planning policies. The analysis in the previous two tables shows that permissions have exceeded annual entries therefore there is no apparent block to delivery.
- 11.28 In reviewing and creating strategic policies as part of the new local plans, the Council might also consider whether larger sites should make a contribution (e.g. 5%- 10% of plots marketed for Custom and Self-build before reverting back to Affordable or General Housing if there is a lack of interest after 12 months). This might help to ensure its duties under the 2015 Act are achieved. Alternatively the Councils could allocate sites specifically for this self and custom build housing.

12. Economic Growth Assessment

12.1 This section of the report examines the structure of the local economy as well as forecasting employment growth and linked to this housing need. To do this we draw on forecasts produced by Oxford Economics. These are used as a starting point and then alternative growth scenarios developed.

Baseline Growth

12.2 As illustrated in the chart below, OE baseline projections are expecting employment growth to be lower than long term historic trends. The OE baseline forecasts show initial employment growth to 2030 followed by a longer-term stagnation. Overall, the OE baseline scenario suggests an overall growth of 1.4% over the next 25 years which is a total of 820 jobs or an average of 33 jobs per year.

Table 12.1 Projected Baseline Growth (2001-2046)

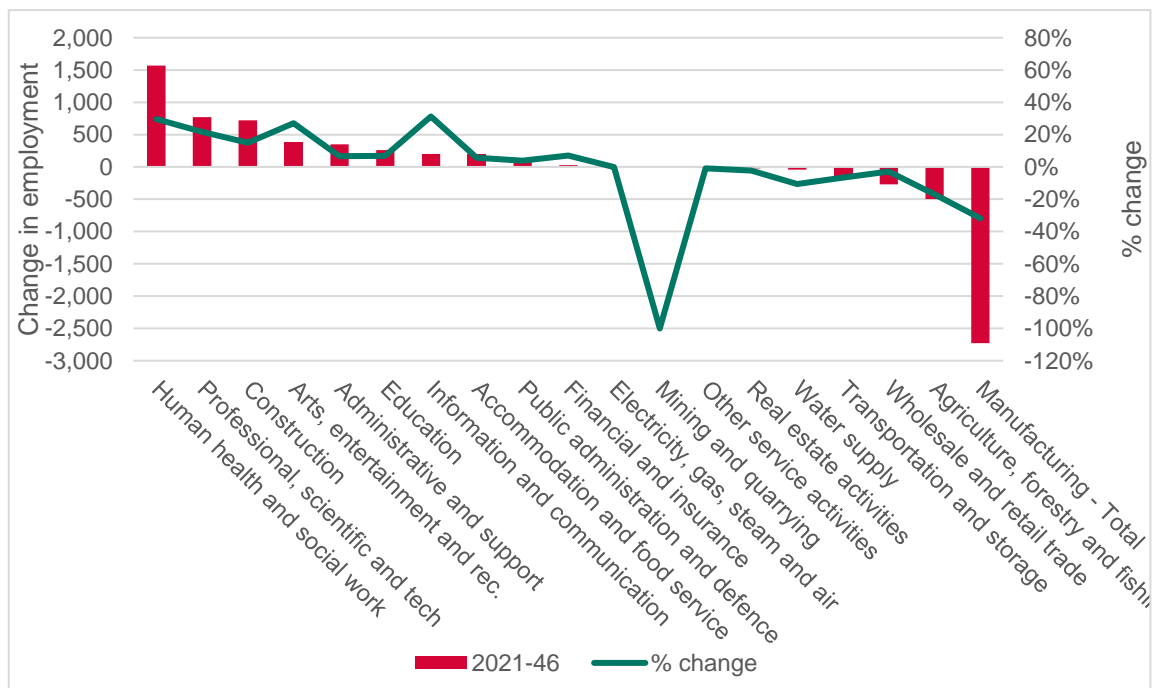


Source: OE 2023

12.3 There are a number of sectors which are expected to see the most significant growth including, in absolute terms being Healthcare (+1,570), Professional, scientific and technical services (+770) and construction (+720 jobs). In percentage terms the largest growth is expected in Information and Communications (+31%).

12.4 In contrast, a number of sectors are expected to decline including Manufacturing (-2,730 jobs), Agriculture (-500 jobs), Wholesale and retail (-270 jobs) and Transport and Storage (-180 jobs). The forecast loss of over 2700 jobs in Manufacturing offsets many of the gains in other industries.

Table 12.2 Projected Baseline Growth by Sector (2021-2046)



Source: OE 2023

12.5 However, the baseline economic forecasts do not take into account local knowledge of sector strengths or trends nor do they take into account economic or sector strategies nor known investment and divestment activity, or labour supply growth. In order to estimate such things we have developed and alternative forecast scenarios below.

Alternative Scenario

- 12.6 To inform these alternative forecasts we have analysed the trends between 2011 and 2019 and 2001-19, excluding 2020-21 from the trend to avoid distortions that occurred during the pandemic, in addition to regional forecasts. We have held discussions with key stakeholders including economic development officers. We have also undertaken literature review or relevant planning and strategy documents (see Appendix A1). The results of this have informed the adjustments to the baseline forecasts. Economic development officers provided the following feedback.
- 12.7 A local priority is to bring forward new commercial space along the A11 and there is an expectation that there will be strong sector growth in logistics. It is likely that positive progress will be made towards the dualling of the A47, which will unlock employment floorspace in this area, which will likely to be agri-tech focussed.
- 12.8 Energy has been an important feature of the economy and there are aspirations to take this further, building on the Snetterton Energy Park and opportunities around hydrogen energy production.
- 12.9 There are aspirations to attract mobile talent / remote workers by improving the offer of market towns and making Breckland an attractive place to live e.g. 20 minute neighbourhoods. There is the opportunity to benefit from growth seen in Cambridge and Norwich by offering commercial space for businesses to expand as well as somewhere to live for those commuting into the cities.
- 12.10 The following adjustments have been made:
- Manufacturing – This sector has seen significant growth in employment in recent years (+590 jobs 2011-19) and there are opportunities for further growth to be supported at Snetterton Commercial Hub and through growth in advanced manufacturing, agri-tech and renewable energy sectors. It is likely that the district will continue to see employment growth in the sector as was seen historically, but with automation in the sector contributing to the lower rate of growth to some extent, therefore an employment growth equivalent to the 2011-19 projected trend has been used.

- Construction – The sector has seen significant employment growth historically (+1,210 jobs 2011-19). Growth is expected to continue, driven by planned housebuilding, therefore a growth equivalent to 50% of the mid-point of the 2001-19 and 2011-19 projected trends has been applied, equivalent to 1,430 jobs.
- Transportation and Storage – Given the planned expansion at Snetterton Commercial Hub, including 750,000 sqft of extant permissions and a further 25ha of further development opportunities, it is likely that higher levels of growth will be seen in the sector. Regional employment forecasts for the East of England, estimate a growth of 6.3% over the Plan period and so this has been applied to the Breckland baseline to produce an additional 170 jobs.
- Accommodation and food services – Historically the sector has seen high growth with an additional 530 jobs between 2011 and 2019, which contrasts the baseline forecasts of just an additional 200 jobs over the planned period. It is assumed that growth will not continue at this rate and so 50% of the mid-point of the 2011-19 and 2001-19 projected trends is deemed most suitable, equivalent to 780 jobs.
- Professional, scientific and technical services – This sector has seen historical growth at a much higher rate than the baseline forecasts and growth is expected to continue, driven by the developments within the Cambridge-Norwich corridor. Therefore an uplift equivalent to 50% of the mid-point of the 2011-19 and 2001-19 projected trends has been applied.
- Admin and support – This sector saw a growth of 1,800 jobs 2011-19. The baseline only forecasts a growth of 350 jobs, which is significantly lower than historical growth trends, therefore it is deemed more suitable to use 50% of the mid-point of the 2011-19 and 2001-19 projected trends which equates to 2,190 jobs over the Plan period.

12.11 The table below illustrates the changes made to baseline forecasts to reflect these growth sectors. In total, these changes result in an additional 7,680 jobs forecast, taking the overall number of jobs to 65,566 jobs by 2046. This is a total jobs growth of 8,496 over the same period (2021-46), compared to the baseline forecast of 820 additional jobs.

Table 12.3 Alternative Growth Scenario (figures per 1,000 FTE jobs)

Sector	2011	2019	2021	2046 base line foreca st	2046 (from 2011-19 trend, absolut e change)	2046 (from 2001-19 trend, absolut e change)	2046 Alterna tive scenari o	Comments
Agriculture etc.	3.26	2.77	2.96	2.46	1.43	3.20	2.46	N/A
Mining	0.03	0.02	0.01	0	0	-0.07	0.00	N/A
Manufacturing	8.3	8.89	8.56	5.83	10.40	5.25	9.48	50% of the 10 year historic growth trend due to strong recent growth and planned growth in the sector
Utilities	0.04	0.08	0.01	0.01	0.14	0.12	0.01	N/A
Water	0.49	0.56	0.38	0.34	0.60	0.77	0.34	N/A
Construction	4.23	5.44	4.83	5.55	8.61	6.76	6.26	N/A
Wholesale & retail	8.8	8.65	9.17	8.9	8.70	9.20	8.90	N/A
Transport & storage	3.2	3.12	2.76	2.58	2.51	3.76	2.93	Estimate based on 10 year forecast regional growth rate (6.3%)
Accommodatio n and food services	2.37	2.9	3.49	3.69	5.15	4.96	4.27	50% of the mid-point between the 10 and 20 year historic trends
Info & Comms	0.32	0.64	0.64	0.84	1.64	1.11	0.84	N/A
Finance	0.49	0.45	0.42	0.45	0.30	0.13	0.45	N/A
Real estate	0.58	0.71	0.86	0.84	1.27	0.96	0.84	N/A
Prof, sci & tech	2.41	3.5	3.53	4.3	6.94	5.38	4.84	50% of the mid-point between the 10 and 20 year historic trends
Admin & support	2.68	4.48	5.18	5.53	10.81	8.31	7.37	50% of the mid-point between the 10 and 20 year historic trends
Public admin & defence	2.02	2.5	2.55	2.65	4.05	3.33	2.65	N/A

Education	3.79	4.47	3.76	4.02	5.89	5.72	4.02	N/A
Healthcare	4.88	5.36	5.3	6.87	6.80	6.52	6.87	N/A
Arts, ents and rec.	1.28	1.6	1.4	1.78	2.40	2.18	1.78	N/A
Other services	1.55	1.22	1.26	1.25	0.23	0.84	1.25	N/A
Total	50.74	57.38	57.07	57.89	77.84	68.46	65.57	

Source: Oxford Economics, IcenI Projects adjustments

- 12.12 The above is not intended to provide a definitive likely alternative outcome but rather an illustration of a potential alternative (labour demand) scenario that draws more significantly on recent trends.
- 12.13 Due to concerns about the delinking jobs and floorspace densities, as well as considering the alternative jobs forecast, it would be reasonable to explore a stretch target based on floorspace deliveries (see next chapter).

Labour Supply Scenario

- 12.14 In addition, IcenI has sought to model a labour supply scenario which considers the level of jobs which could be supported by the conclusions on housing needs. Details of the specific modelling assumptions are set out in the next section, but in broad terms, housing provision in line with the standard method is expected to support workforce growth of around 12,500 (12,429) over the 2021-46 plan period.
- 12.15 We have assumed in the labour supply scenario that alternative scenario forecast is the start point. For the sectors that experienced positive employment growth under the OE baseline scenario, the additional 3,933 jobs, needed to reach an increase of 12,429 from the baseline, have been split based on the proportion they contributed to positive employment growth (out of 4,580 jobs). The table below shows the employment forecasts by sector.

Table 12.4 Labour Supply Scenario

Sector	2021 OE Baseline	2046 Alternativ e Scenario	OE Baseline Jobs Change (2021-46)	% of positive growth (Out of 4,580 jobs)	2046 Labour Supply Scenario
Agriculture etc.	2.96	2.46	-0.50		2.46
Mining	0.01	0.00	-0.01		0.00
Manufacturing	8.56	9.48	-2.73		9.48
Utilities	0.01	0.01	0.00		0.01
Water	0.38	0.34	-0.04		0.34
Construction	4.83	6.26	0.72	16%	6.88
Wholesale & retail	9.17	8.90	-0.27		8.90
Transport & storage	2.76	2.93	-0.18		2.93
Accommodation and food services	3.49	4.27	0.20	4%	4.44
Info & Comms	0.64	0.84	0.20	4%	1.01
Finance	0.42	0.45	0.03	1%	0.48
Real estate	0.86	0.84	-0.02		0.84
Prof, sci & tech	3.53	4.84	0.77	17%	5.50
Admin & support	5.18	7.37	0.35	8%	7.67
Public admin & defence	2.55	2.65	0.10	2%	2.74
Education	3.76	4.02	0.26	6%	4.24
Healthcare	5.3	6.87	1.57	34%	8.22
Arts, ents and rec.	1.4	1.78	0.38	8%	2.11
Other services	1.26	1.25	-0.01		1.25
Total	57.07	65.57	0.82		69.50

13. Employment Land Requirements

- 13.1 In this section, we consider the demand for employment land and floorspace over the period from 2021-46. The section considers requirements for employment land in the Office and Industrial uses. These correlate with Use Class E(g)(i) offices, E(g)(ii) R&D and E(g)(iii) industrial (light), B2 Industrial and B8 Warehousing.
- 13.2 The analysis is of 'demand' for employment land and does not take account of any supply-side factors such as existing employment land allocations or commitments or constraints to potential delivery. This report does go on to consider the current supply-side and the demand-supply balance as a result.
- 13.3 When considering the scale of future needs the Planning Practice Guidance (PPG, 2019) requires consideration of:
- sectoral and employment forecasts and projections (labour demand);
 - demographically derived assessments of future employment needs (labour supply techniques); and
 - analysis based on the past take-up of employment land and property and/or future property market requirements.
- 13.4 There are relative benefits of each approach. Econometric forecasts take account of differences in expected economic performance moving forward relative to the past, overall concerning the sectoral composition of growth. However, a detailed model is required to relate net forecasts to use classes and to estimate gross floorspace and land requirements.
- 13.5 The baseline projections take account of national trends but may not reflect local circumstances which are reflected in a locally adjusted model set out earlier in this report. There may also be distortions between typical floorspace densities and future needs caused by replacement demand requirements or productivity gains (as explored below). This means that labour demand scenarios, driven by

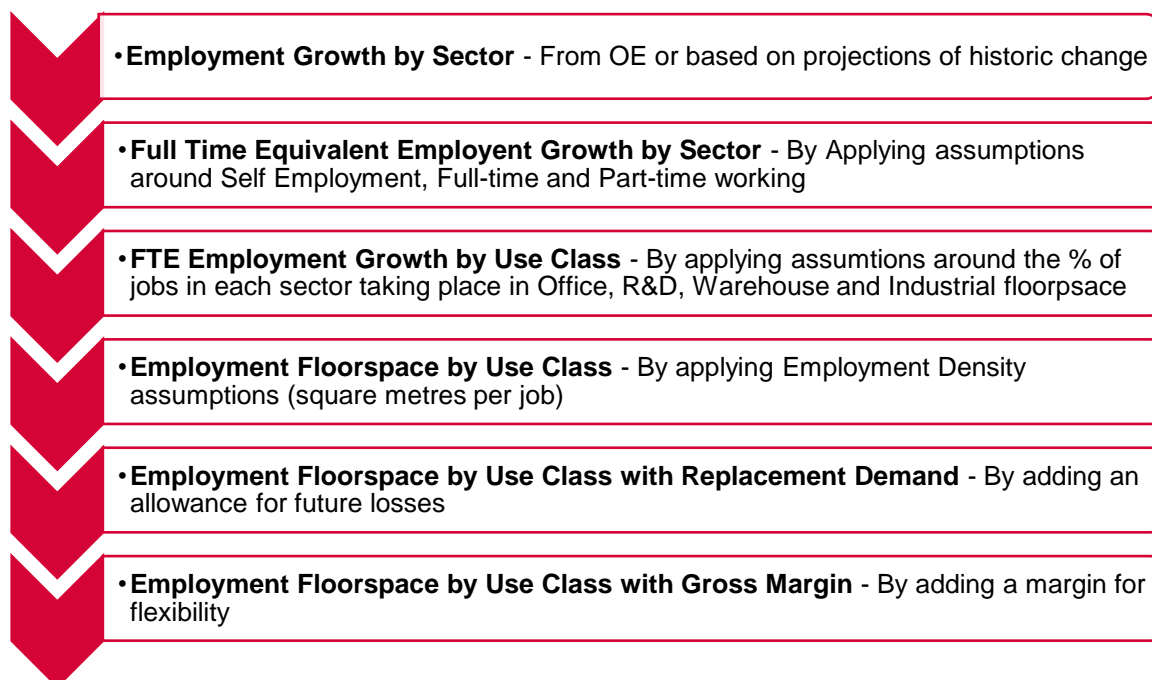
employment forecasts, may be less suitable for some activities – particularly industrial.

- 13.6 Labour supply modelling is based on economically active persons derived from modelling future population changes associated with housing growth and changes in demographic structure. This relies on an understanding of future housing delivery and the relationship between labour supply and demand. This also needs to be converted to floorspace needs through a modelling exercise as with labour demand.
- 13.7 In contrast, past take-up is based on the actual delivery of employment development; but does not take account of the implications of potential growth in labour supply associated with housing growth nor any potential differences in economic performance relative to the past.
- 13.8 Monitoring data for employment floorspace has drawn on both Council data (for the 2008/9 – 2016/17 period as published in the AMR). For later years estimates have been provided using CoStar although this will not be a full dataset. VOA data on net changes in floorspace has also been considered. The Council data is also used to understand replacement demand.
- 13.9 The quantitative evidence here is supplemented by the wider analysis of the market and economic dynamics set out earlier in this report. We have also included within this section an estimate of demand based on net absorption trends.

Labour Demand

- 13.10 Jobs forecasts are translated to employment floorspace requirements through a series of steps.

Table 13.1 Overview of Labour Demand Model



- 13.11 The first step is to translate forecast employment growth into full-time equivalent (FTE) employment growth. This is required as the employment densities that are used relate to FTE jobs. The number of FTE jobs is calculated by looking at the number of self-employed, full-time and part-time employees in each sector. Full-time and self-employment jobs have been assumed to equate to 1 FTE; while part time jobs have been assumed to equate to half an FTE (in line with HCA Guidance).
- 13.12 Table 14.2 shows that forecast FTE jobs growth over the period from 2021 to 2046 is equivalent to c. 340 jobs under the baseline scenario, 7,086 under the Alternative Scenario and 10,311 under the Labour Supply Scenario. The lower FTE figures reflects sectors such as accommodation and food services, education and health which have higher numbers of part time workers.

Table 13.2 Total Jobs and FTE Jobs Growth by Model, 2021-2046

Model	Total Jobs	FTE Jobs
OE Baseline Forecast	820	339
Alternative Scenario	8,496	7,086
Labour Supply Scenario	12,429	10,311

Source: Icen analysis of OE / BRES data

- 13.13 The labour demand scenario sees jobs growth in line with growth in labour supply in the District with delivery of 661 homes per year in line with the standard method. This would see the balance between homes and jobs improve over time, given current net out-commuting. There is some flexibility to support higher jobs growth still through reducing current out-commuting should employment growth be strong enough, but the implication of this on other areas would warrant consideration.
- 13.14 The next step disaggregates the number of FTE jobs to each broad employment use class (Offices and R&D, Industrial and Warehouse and Distribution) and those in non-b / relevant e-class use classes.
- 13.15 The next step translates FTE employment growth by sector into FTE employment growth by use class. For the purposes of this study, we have proportioned the number of FTE jobs in each sector into jobs in Industrial, Warehouse, Office and R&D floorspace.
- 13.16 Within this calculation we also make an adjustment for those jobs typically located in Offices to reflect working from home. Working from home levels post-pandemic is also further considered through a sensitivity later in the modelling.
- 13.17 The majority of employment growth is expected to be in non-b and Non-E(G)(i-iii) use classes including those working from home, while jobs in employment premises (E(g)(i-iii), B2 and B8) are forecast to decline (-1,590 jobs) under the baseline scenario - this is driven by loss of manufacturing employment. B-class employment is forecasted to increase under the alternative and labour supply scenarios.

Table 13.3 FTE Jobs Growth by Model and Use Class, 2021-2046

Model	FTE Jobs	FTE Jobs in E(G)(i-iii), B2 and B8 Premises
OE Baseline Forecast	339	-1,590
Alternative Scenario	7,086	2,190
Labour Supply Scenario	10,311	2,846

Source: *Iceni analysis of OE / BRES data*

- 13.18 To translate FTE employment growth to floorspace we have assumed a set of employment densities²², which are set out in Table 14.4 below. These are informed by the Homes and Communities Agency Employment Density Guide third edition²³, but also take into account Icen Projects' experience and the nature of development in Breckland.

Table 13.4 Employment Densities Assumptions - Gross Employment Area per job

	Office	R&D	Industrial	Warehouse
Employment	12	40	40	70

Source: HCA Employment Densities Guide: 3rd Edition (Drivers Jonas Deloitte, 2015), adapted by Icen Projects

- 13.19 Applying these employment densities to the FTE forecasts results in the employment floorspace requirement set out in Table 14.5. This takes into account reduced post-pandemic levels of working from home, when compared to pre-pandemic levels.
- 13.20 We have then undertaken a sensitivity analysis for office space. This is informed by Icen Projects review of information published by real estate agency Savills²⁴ and Remit Consulting²⁵ on the occupancy of in-use office floorspace pre and post pandemic. Based on this information Icen Projects has concluded that post-pandemic office occupancy is at c45% of pre-pandemic levels. Therefore, we have reduced levels of employment growth and replacement demand in the 'Post-Pandemic Working from Home' scenario by a 50% factor.

²² Employment Densities are the assumed floorspace per FTE e.g. for offices it is assumed that every FTE will have 14 sqm (GEA) of floorspace

²³ https://www.kirklees.gov.uk/beta/planning-policy/pdf/examination/national-evidence/NE48_employment_density_guide_3rd_edition.pdf

²⁴ https://www.savills.co.uk/research_articles/229130/343549-0

²⁵ <https://return.remitconsulting.com/resource-centre/35-news-release-latest-data-reveals-improved-uk-office-occupancy-levels>

- 13.21 We also take into account a 'margin for flexibility.' This allows for the allocation of sufficient land to cover inaccuracies in forecasting, helps to provide a choice of sites to facilitate competition and allows for delays in any sites coming forward.
- 13.22 Based on past experience and industry standards, we recommend that a 'margin for flexibility' equivalent to two years' worth of gross completions for offices and five years for industrial and warehousing should be used. This equates to a total of 3,837 sqm for office and R&D and 68,452 sqm for industrial, warehousing and mixed B. It is necessary to group these together due to the way historic completions data is recorded.
- 13.23 We have also included an allowance for replacement demand which refers to the demand for land (expressed in terms of floorspace at this stage) that is required to accommodate losses of floorspace elsewhere.
- 13.24 We consider historic floorspace losses to be a good predictor of future losses given the fact that there is still only a limited amount of modern stock in the Borough – according to CoStar around 50% of industrial floorspace is pre 1990s and 59% pre 2000 suggesting further stock renewal is required.
- 13.25 As there is not monitoring data available detailing employment floorspace losses, we have calculated employment floorspace losses for the period 2008/09-2017/18 using VOA floorspace data. The VOA data can be used to calculate the net floorspace change over the period which in turn provides the loss of floorspace when subtracted from the gross completions.
- 13.26 However, we do not recommend that replacement demand should be assumed to be at the full rate of historic losses as some will be due to structural changes in the economy, which means that less floorspace is required to accommodate the same number of jobs and/or economic activity (for example given potential weaknesses in manufacturing employment outlook).
- 13.27 The calculations therefore assume that replacement demand will be the equivalent of half the rate of historical losses for industrial / warehouse (being 3,810 sqm per annum) and at 20% of historical losses for offices (428 sqm per annum). The replacement rate for offices is lower because whilst vacancy is low, rents are

stagnating and market feedback is that future needs are weaker, whereas industrial rents are climbing.

Table 13.5 Employment Floorspace Requirement by Labour Demand Models Baseline and Alternative Scenarios and Labour Supply Model, 2021-2046 (sqm)

	OE Baseline Scenario	Alternative Scenario	Labour Supply Scenario
Office	6,808	12,785	18,656
Office - Post Pandemic WFH 50%	3,404	6,392	9,328
R&D	1,200	1,860	2,891
Industrial	-86,605	35,171	37,595
Warehousing	-1,577	13,899	19,575

Source: Icen analysis of CE data

Table 13.6 With Margin for Flexibility (equal to 2 years' worth of gross deliveries for office and 5 years for industrial/warehouse)

	OE Baseline Scenario	Alternative Scenario	Labour Supply Scenario
Office/R&D	15,686	22,319	29,222
Office/R&D - Post Pandemic WFH	12,279	15,927	19,894
Industrial/Warehousing/Mixed B	48,722	185,974	194,074

Source: Icen analysis of CE data

Table 13.7 With Replacement Demand @50% of rate of historical losses for industrial / warehouse. Replacement Demand @20% of rate of historical losses for offices

	OE Baseline Scenario	Alternative Scenario	Labour Supply Scenario
Office/R&D	26,382	33,019	39,921
Office/R&D - Post Pandemic WFH	22,978	26,627	30,593
Industrial/Warehousing/Mixed B	143,977	281,229	289,329

Source: Icen analysis of CE data

13.28 Once the flexible margin and replacement demand are accounted for the baseline forecasts result in a need for between 23,000 – 26,400 sq.m of office space to 2046; and for 144,000 sq.m of industrial and warehousing space. The forecasted need is higher under the alternative scenario with an office need of 26,600-33,000 sq.m and an industrial and warehousing need 281,000 sq.m. The labour supply scenario produces a similar forecasted need of 30,600-39,900 sq.m of office floorspace and 289,300 sq.m of industrial and warehousing.

Past Completions

13.29 Historic completions, based on local authority monitoring data, have been considered and projected forward to provide an indication of future floorspace needs. Both gross and net historic completions have been considered:

- **Gross completions** are useful as they inherently take into account all demand including replacement demand (on site and off site redevelopment and redeployment). However, using gross completions may overestimate demand given some historic gross completions may have been on plots where the previous use was the same (i.e. re-development for the same use but with newer stock).
- **Net completions** do not inherently take into account replacement demand and will underestimate needs.

13.30 An appropriate historic completion-based projection of need may therefore be in-between the gross and net completion trends. Gross completions where used need to factor in that some estates will most likely be intensified to meet the need in part; and on their own are likely to over-estimate needs; whilst net completions do not take account of replacement demand.

13.31 A separate forecast for R&D floorspace has not been produced as monitoring data does not differentiate B1 floorspace into sub-classes.

13.32 Table 14.8 shows the average gross completions and estimated net completions over the time period for which Local Authority Monitoring data is available (2008/09-16/17). Net completions have been calculated for the period 2008/09-

2021/22 using VOA floorspace data. The historic average completions rates presented have then been projected forward to estimate employment floorspace requirements for 2021-2046.

Table 13.8 Average Completions (sqm)

	Gross Completions	Net Completions*
Time Period	2008/09 – 2017/18	2008/09 – 2021/22
Office & R&D	1,919	0
Industrial	4,532	8,300
Warehousing	4,809	
Mixed B	4,350	
Total	15,609	8,300

Source: Icen analysis of Local Authority data, *VOA

13.33 The results of the historic completions-based projections are presented in Table 14.9, as well as the employment floorspace requirements after considering replacement demand (for net completions only) and a margin for flexibility. It should be noted that, for gross completions, an allowance for replacement demand has not be added as gross completions inherently take replacement demand into account.

13.34 Recognising the potential for additional growth, as discussed in section 13, a potential 'stretch' of 20% is added to the below, in particular recognising growth associated with A47 improvements.

Table 13.9 Employment Floorspace Requirement by Completions Projection, 2021-2046 (sqm)

	Gross Completions	Net completions
Office	47,968	-0
Industrial	113,300	207,500
Warehouse	120,213	
Mixed B	108,747	

Source: Icen analysis of Local Authority data

Table 13.10 With Replacement Demand @50% of rate of historical losses for industrial / warehouse, Replacement Demand @20% of rate of historical losses for offices applied to net only.

	Gross Completions	Net completions
Office	47,968	10,700
Industrial	342,259	302,755
Warehouse		
Mixed B		

Source: IcenI analysis of Local Authority data

Table 13.11 With Margin for Flexibility (equal to 2 years' worth of gross deliveries for office and 5 years for industrial/warehouse)

	Gross Completions	Net completions
Office	51,805	14,537
Industrial	410,711	371,207
Warehouse		
Mixed B		
Total	462,516	385,744
Total + 20% 'stretch'	555,019	462,893

Source: IcenI analysis of Local Authority data

Past Take-Up (Net Absorption)

- 13.35 A third supply-based calculation looks at past take-up of space occupied (rather than land delivered) measured by net absorption using CoStar data. As explained in the Property Market Review chapter this is the balance between the amount of space moved into and moved out of (i.e. Net absorption = Move ins – Move outs).
- 13.36 This differs from the net completions-based projections in that it predicts future floorspace requirements directly based on demand for floorspace rather than past completions of floorspace (which is a proxy for floorspace demand).

13.37 CoStar has data on net absorption in Breckland's office and industrial market Table 17.8 shows the average rate of delivery since 2011²⁶. We have grouped industrial and warehousing as, for small rural areas like Breckland, CoStar does not differentiate well between the two types of floorspace and a combined forecast is likely to be more reliable.

13.38 It is important to note that not all deals are captured by CoStar particularly for smaller owner occupied estates in rural areas, so the data will inherently under estimate need.

Table 13.12 Average Net Absorption (sqm)

Time Period	2010-2022
Office	424
Industrial and Warehousing	4,796

Source: Icení analysis of CoStar data

13.39 The historic net absorption rates for the 2012-2022 period presented in the table above have then been projected forward to estimate employment floorspace requirements for 2021-2046.

13.40 The estimated floorspace requirements below also show the employment floorspace requirements after considering a margin for flexibility. It should be noted that an allowance for replacement demand has not been added as the net absorption based projection would already include such deals.

Table 13.13 Employment Floorspace Requirement by Net Absorption Projection, 2021-2046

Types	Net Absorption
Office	10,845
Industrial/Warehousing	119,905

Source: Icení Projects based on CoStar Datay

²⁶ A start year of 2011 was used as there was a record high office net absorption in 2010 (9,237 sqm) which does not follow the historical trend and is therefore not representative of future need.

Table 13.14 With Margin for Flexibility (equal to 2 years' worth of gross deliveries)

Types	Net Absorption
Office	14,682
Industrial/Warehousing	147,286
Total	161,968

Source: Icen Projects based on CoStar Datay

Overall Need Conclusions

- 13.41 This section undertaken a range of detailed modelling to consider the future employment land needs of the district. The table below summarises the total employment land need 2021-46 across the various models discussed above.
- 13.42 It is recommended that the council plan for **79.2 to 108.6 ha of employment land**, with the lower bound produced by the Alternative 'Growth' Labour Demand scenario and the upper bound by the gross completions trend. The gross completions trend includes the redevelopment of existing stock and so is considered ambitious. Taking into account a 20% 'stretch' which reflects employment opportunities arising from A47 improvements, the upper bound is **130.3 ha**.
- 13.43 It is recommended that of this employment land provision, 8.9 – 17.3 ha is for office provision and 70.3 – 91.2 ha is for industrial and warehousing.
- 13.44 Whilst the gross completions trend and 'stretch' beyond this are higher than the equivalent figures generated by the labour demand scenario, this does not imply that there is an upward impact on labour demand as these models capture a significant component of replacement demand, such as that arising from the relocation of existing businesses to better premises, as well as jobless growth associated with productivity improvements. In addition it is considered to provide for some wider related activities on employment sites (including waste/recycling, transport etc.).

Table 13.15 Employment Floorspace and Land Requirement Summary, 2021-2046 (including margin and replacement demand) (sqm)

Floorspace (Sq.m)	OE Baseline	Alternative Scenario	Labour Supply Scenario	Gross Completions	Net Completions	Net Absorption
Office and R&D	26,382	33,019	39,921	51,805	14,537	14,682
Office and R&D Post Pandemic	22,978	26,627	30,593			
Industrial and Warehousing	143,977	281,229	289,329	410,711	385,744	147,286

Table 13.16 Employment Floorspace and Land Requirement Summary, 2021-2046 (including margin and replacement demand) (Ha)

Area (Ha)	OE Baseline	Alternative Projections	Labour Supply Scenario	Gross Completions	Net Completions	Net Absorption
Office and R&D	8.8	11.0	13.3	17.3	4.8	4.9
Office and R&D Post Pandemic	7.7	8.9	10.2			
Industrial and Warehousing	32.0	70.3	72.3	91.3	82.5	32.7
Total	39.7	79.2	82.5	108.6	87.3	37.6
Total + 20% 'stretch'				130.3		

Figures include margin and replacement demand where appropriate.

Source: Iceni analysis of OE, Local Authority Monitoring and OE data

14. Employment Land Supply

- 14.1 Icen have undertaken visits to approximately 60 sites in the borough including existing general and allocated employment sites as defined in the last local plan. Existing sites that are not defined by any plan policy and sites that have been promoted for new employment development through the most recent Call for Sites. It should be noted that not all sites submitted to the Call for Sites have been assessed (including land at Twells Business Park, Snetterton and an additional site North of Bunns Bank Industrial Area), this is due to some sites being submitted after the site visits were undertaken.
- 14.2 The written analysis for these sites can be found in as a separate appendix to this report. The table below summarises the overall recommendations of the employment land supply assessment.
- 14.3 Overall 352.6ha of available land has been identified, however this consists of sites that were promoted through the councils call for site as well as existing plan policy sites and allocations and sites not protected by any policy.
- 14.4 Further assessment of each of these sites estimates a total of 132.1 ha of land that is available within Breckland from a number of existing sites/allocations as well as some promoted sites that are considered appropriate for employment development.

Table 14.1 Supply Summary

Name	Available supply assessed (ha)	Type	Summary	Supply contribution
West of Ecotech Business Park (SW3)	6.29	Allocated	Lack of development suggests some deliverability issues. Option to retain subject to strategy -	

Coughtrey Industrial Estate	0	Unallocated	Existing employment site. Council could consider designation as an employment area.	
Attleborough SUE	0	Allocated	No employment proposed	
Chalk Lane	33.4	C4S	Potentially suitable, but less commercially attractive. Option to allocate subject to strategy	
East of Shipdham Airfield	6.91	C4S	Potentially suitable, but less commercially attractive. Option to allocate subject to strategy	
Land at Heath Road	2.92	C4S	Potentially suitable, but less commercially attractive. Option to allocate subject to strategy	
Land off West Acre Road	12.8	C4S	Potentially suitable. Option to allocate subject to strategy	
Land South of Norwich Road, Norwich Road`	9.8	C4S	Potentially suitable, but less commercially attractive. Unlikely to be required as part of the development strategy	
Land off Falcon Road	54.23	C4S	Option to allocate subject to strategy	

Land to East of Dereham Rd	1.76	C4S	Potentially suitable, but less commercially attractive. Unlikely to be required as part of the development strategy	
Land to North-West of Thetford Road (A1075)	51.9	C4S	Potentially suitable in the long term. Unlikely to be required as part of the development strategy	
Land to the south of Kilverstone Road	4.5	C4S	Potentially suitable, but unlikely to be required as part of the development strategy	
North of Bunns Bank Road (Between Bunns Bank and Foundry Corner)	10.98	C4S	Potentially suitable as an extension to the existing industrial area. Option to allocate subject to strategy	
Parcel R1	7	C4S	Potentially suitable. Option to allocate subject to strategy	
Parcels P and Q, Snetterton	4.98	C4S	Potentially suitable, but less commercially attractive given shape of site. Option to allocate subject to strategy	
Shipdham Airfield (Extension)	17.43	C4S	Potentially suitable as an extension to existing employment site. Option to allocate subject to strategy	

Willows Field	1.57	C4S	Unlikely to be required given high vacancy in other Besthorpe locations.	
Snetterton Park	7.92	C4S	Option to allocate subject to strategy - forms a natural extension to Snetterton	
Little Langford Farm	0	C4S	Not Suitable	
Land at Grain Store, Bridgham Road	6.9	C4S	Not Suitable	
Land east of Brandon Road, West of Mundford Road, Weeting	25.1	C4S	Part of site is potentially suitable subject to planning constraints. However unlikely to be required	
Land To The South Of Dereham Road	2.7	C4S	Not Suitable	
Old Hall	2.3	C4S	Not Suitable	
Rookery Field		C4S	Not Suitable	
East of Dereham Business Park	3.33	Allocated	-Potential to release subject to strategy	

Rookery Business Park	0.88	Unallocated	Possible expansion, unallocated but within settlement boundary.. Potential to allocate subject to strategy	0.88
Bunns Bank Industrial Area	0.68	Existing	Possible infill	0.68
Fengate Drove	2.98	Allocated	Deliverability issues identified. Option to deallocate subject to strategy	2.98
Dereham urban extension	0	C4S	Option to allocate, particularly with stretch target	0
Moorfield	20.95	C4S	Option to allocate based on strategy applied	20.95
Caxton Way Industrial Estate	2.58	Existing	Retain	2.58
Fison Way Industrial Estate	1.03	Existing	Retain	1.03
Lodge Way (Thetford SUE)	6.54	Unallocated	Retain	6.54
Off Croxton Road (Thetford SUE)	4.24	Allocated	Retain	4.24

Off Norwich Road (Thetford SUE)	4.17	Allocated	Retain	4.17
Neaton Business Park	0.31	Existing	Retain	0.31
North of Ecotech Business Park (SW2)	3.2	Allocated	Retain	3.2
Thetford Enterprise Park	18.17	Allocated	Retain	18.17
Employment Allocation 1 (LP[087]009)	8.29	Allocated	Retain	8.29
Employment Allocation 2 (LP[087]010A)	15.85	Allocated	Retain	15.85
Snetterton	23.62	Existing	Retain	23.62
Haverscroft Industrial Area	6.25	Existing	Retain - delivery may be enhanced by SUE	6.25
London Road Allocations	12.38	Allocated	Retain but recommend further landowner engagement - delivery may be enhanced by SUE	12.38

Total (ha)	352.6			132.1
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15. Supply-Demand Balance for Employment Land

15.1 The table below summarises the overall demand-supply balance for Breckland

Table 15.1 Demand-Supply Balance (Ha)

	Available supply as assessed and recommended (ha)
Allocated sites	60.2
Existing sites (not specifically allocated)	28.2
Permissions in other areas	7.4
Total Supply	95.8 (inc. 2.9 ha brownfield) +21.0 potential 'stretch' on A47 at Moorfield 116.8
Demand Range	72.9 - 108.6
Demand Range + '20% stretch'	130.3
Call for sites promoted	231.8 (inc 21ha at Moorfield as above)

15.2 As discussed previously, a 20% 'stretch' has been applied to the upper bound to reflect opportunities presented by A47 infrastructure improvements. This additional employment land need should be met by additional sites at Dereham (and potentially Swaffham).

15.3 Breckland has a considerable employment supply, one that can meet the most optimistic 'needs' based trend modelling of gross completions. Given ambitions to attract economic growth and onward investment, the authority may see fit to pursue the 'stretch' target and focus additional allocations on the A47 as it benefits from further infrastructure enhancement.

15.4 A range of sites have been promoted for further economic growth around Breckland. Whilst these do not appear required to meet the assessed needs, they can be considered on their merits through individual planning applications. Some

of this promoted land is in areas where there is already considerable supply (such as Snetterton) whilst there are other areas such as Shipdham Airfield where there may be specific business or cluster needs to consider.

A1. Policy Review

A1.1 This Appendix reviews relevant sub-regional and local policies which may influence economic needs and investment potential in Breckland. It considers factors which may influence growth potential – including investment in infrastructure; and local economic and regeneration ambitions. This feeds through to the development of economic scenarios as presented in Section 13 of the Report.

Future Breckland: Thriving People and Places

A1.2 The Future Breckland project has create five town delivery plans for each of Breckland’s main market towns, Attleborough, Dereham, Swaffham, Thetford and Watton. It provides a comprehensive framework for investment and regeneration across the District.

A1.3 There are 6 key objectives for the towns which are :

- **Regenerating and placemaking** - The Town Delivery Plans set out to deliver approx. 30,000 sq.m of improved public realm. It lists Dereham Marketplace, Swaffham Marketplace and Watton Town Centre as projects with high potential for redevelopment within the next 10 years.
- **Building on our heritage and culture** - Thetford and Watton are identified as places with high potential to reimagine heritage in the District. The overall success objectives will be seeing neglected and historic buildings are reinvigorated, high quality placemaking in towns as well as new homes and commercial space.
- **Growing our business and enterprise base** - The Town Delivery Plans seek 110,000 sqm of new employment space across 6 sites. Future Breckland aims to create of a new Manufacturing Enterprise Park in the District, which provides high-quality employment spaces, supports supply chain development and has the potential to create over 1,000 new jobs.

- **Investing in housing and infrastructure** - District wide, Future Breckland, lists the Breckland Active Travel project as one with high potential. This, alongside large scale housing developments such as Thetford Riverside and Attleborough, are intended to support enhance the delivery of new dwellings.
- **Improving sustainability and wellbeing** - In response to the Councils declared Climate Emergency, this objective hopes to create better access to employment without need for a car. Potential projects are listed as the enhancement of outdoor, leisure and community facilities in Attleborough, Watton and Swaffham.
- **Encouraging educational attainment** - Future Breckland identifies social mobility as a chronic issue within the district. It proposes innovation activity in each of the five towns as well as two new education and development facilities in Watton and Thetford.

Breckland Corporate Plan, 2021 to 2025

A1.4 The Council's Corporate Plan is based around four key themes: inspiring communities; thriving places; Breckland 2035; and working smarter. The Council has defined a number of strategic priorities under each of the four themes, which are:

Theme	Priorities
Inspiring Communities	<ul style="list-style-type: none"> • Work to prevent homelessness in the district. • Ensure that our residents have suitable, safe, and secure homes. • Support vulnerable residents through our £1 million Inspiring Communities programme. • Work to address health inequalities in our communities. • Actively work with partners to further develop Breckland's communities.

	<ul style="list-style-type: none"> • Enhance leisure provision within the district. • Continue to support our businesses and resident's recovery from COVID-19
Thriving Places	<ul style="list-style-type: none"> • Develop a coherent Strategic Infrastructure Plan / Growth Pipeline for the future. • Improve housing supply in Breckland. • Ensure the success and effectiveness of the Future Breckland project. • Build out, in each Town, opportunities of significant strategic impact to unlock future growth, with a full pipeline of investable opportunities in the longer-term. • Develop a focus on creating an 'Inclusive Economy'.
Breckland 2035	<ul style="list-style-type: none"> • Make improvements to our buildings and explore renewable energy options to reduce their carbon footprint. • Shape our planning service and the Local Plan to deliver our sustainability goals.
Working Smarter	<ul style="list-style-type: none"> • Maximise external funding income. • Promote our Council to protect and enhance its reputation, helping us to attract and retain high-calibre staff, and making sure we are seen to be a partner of choice to work with others across the district and beyond. • Ensure that we have an efficient asset portfolio by diversifying it as necessary, allowing us to seek new investments, which will continue to generate an income which will support our services.

The Cambridge/Norwich Tech Corridor

A1.5 The Cambridge Norwich Tech Corridor is a public/private partnership which aims to promote growth and investment in the area. Boasting growing sectors in digital, life-sciences, food and agri-tech, deep-tech and renewable energy, as well as labour expertise in engineering and manufacturing, the Tech Corridor aims to be internationally recognised with tech firms looking to establish and grow.

A1.6 The corridor stretches from Cambridge to Norwich along the A11 within Breckland and aptly Thetford and Attleborough are considered growth clusters within the Corridor; with Snetterton Business Park listed as a key asset in advanced engineering and manufacturing. Snetterton Heath, Thetford Enterprise Park and Urban Extension are also listed as key investment opportunities.

Norfolk & Suffolk Unlimited

A1.7 This is a Partnership between New Anglia LEP, Norfolk County Council and Suffolk County Council. It aims to encourage new business to the region offering financial grants and support as well as connections to over 10 other business networks.

A1.8 It has identified specific sector opportunities to be in digital, agri-tech and clean energy and pushes the low baseline business costs as one of the great strengths of the region.

Norfolk and Suffolk Economic Strategy (2022)

A1.9 The Norfolk and Suffolk Economic Strategy has been prepared by the New Anglia LEP and was published in 2022. The strategy aims for Norfolk and Suffolk to be:

- A higher performing clean, productive and inclusive economy.
- An inclusive economy with an appropriate and highly skilled workforce, where everyone benefits from clean economic growth.
- The place where high growth businesses with aspirations choose to be.

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- A well-connected place, locally, nationally and internationally.
 - An international-facing economy with high value exports.
 - A centre for the UK's clean energy sector.
 - A place with a clear, defined, ambitious offer to the world.

A1.10 Much like Norfolk and Suffolk Unlimited it also identifies clean energy, Agri-food and digital as key sectors. These sectors are underpinned by advanced manufacturing, construction, creative industries and finance amongst others.

A1.11 The strategy aims to upskill and reskill the regions workforce, connect businesses and supply chains through innovation and transform the economy to one of the best in the world.

Norfolk Investment Framework (2023)

A1.12 The Investment Framework, developed by Norfolk County Council, aims to maximise Norfolk's potential by focussing investment in key areas. It identifies four Grand Challenges that are faced by the County including:

- Opportunities for residents – to create new opportunities for residents by increasing skills and labour market dynamism;
- Efficient public services - provide effective and efficient public services to a spatially dispersed population;
- Future-proof business clusters - strengthen and future-proof business clusters to grow the economy; and
- Protect from climate change - protect Norfolk's economic and natural assets from climate change.

A1.13 One of the Frameworks 12 pilot projects is led by Breckland Council, this is the Wayland Digital and Creative Media Centre (DCMC) at Wayland House on the High Street in Watton. This aims to support growth in creative industries.

Norfolk Strategic Infrastructure Delivery Plan (2022)

- A1.14 The Strategic Infrastructure Delivery Plan, prepared by Norfolk County Council, pulls together information on the key infrastructure needed to deliver economic growth in Norfolk.
- A1.15 Breckland features heavily within this with key housing growth sites in Thetford and Attleborough, employment sites in Swaffham; Dereham; Lodge Way, Thetford; and Snetterton. Strategic infrastructure is also particularly important, with energy supply projects in Thetford, Snetterton and Attleborough listed as key infrastructure; alongside the Attleborough Link Road.
- A1.16 The Delivery Plan has been successful in funding the Thetford Enterprise Park roundabout and is supporting the delivery of Phase 1 of the Snetterton Heath energy supply and Thetford Water and Sewerage schemes. Thetford Sustainable Urban Extension (SUE) currently sits within the funding pipeline.

Norfolk Rural Economic Strategy (2021)

- A1.17 This Strategy, prepared by Norfolk County Council, aims to support rural economic growth.
- A1.18 The overall vision for Rural Norfolk is inclusive, sustainable communities with a dynamic, connected economy and healthy natural environment, able to meet the needs of all rural residents and visitors. It identifies changes that have been accelerating - which include transition to online working and learning, focus on clean growth and seeking net zero, emphasis on healthy communities and 'Build Back Better'.
- A1.19 Six priority themes are listed including:
- **Delivery** – advocating for rural investment, and production of a Delivery Plan.

-
- **New Rural Economy and Market Towns** – examining challenges and opportunities and making a case for rural business diversification funding.
 - **World Class Environment and the Green Economy** – support markets in eco-system services and bio-economy, use the natural environment to support sustainable tourism.
 - **Community Resilience** – support the needs of the young people and families, produce a Bus Service Improvement Plan, work with partners to identify projects to address challenges.
 - **Skills and Rural Innovation** – re-skilling and upskilling the workforce.
 - **Digitalisation and technology adoption** – work with partners to explore innovative ideas and demonstration projects to help businesses make the best from online services.
 - **Modern Infrastructure** – deliver broadband and digital infrastructure as well as roads, public transport, walking and cycling infrastructure.

Key Themes

Key themes arising from the policy review are the case for economic investment and regeneration in Breckland, and a significant existing programme and pipeline of projects to do so. This ranges from proposals for town centre regeneration in Breckland's main towns, through to economic investment opportunities including the Manufacturing Enterprise Park and Snetterton Heath.

Economic growth opportunities are identified in a number of target sectors, which are: digital/ creative, life sciences, food and agri tech, and clean/renewable energy; as well as the importance of sustaining jobs in advanced manufacturing and engineering.

The need to retain vibrant town centres, respond to the climate crisis, address skills challenges and improve the skills base; are identified, as well as the opportunity to develop local supply chains.

A2. Functional Geographies

Context: Planning Practice Guidance

A2.1 Paragraph 18 of the Planning Practice Guidance (PPG) relating to Plan Making 27 defines what a Housing Market Area (HMA) is and sets out the approach local authorities should take when defining these. A housing market area is a “geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work.” The PPG goes on to add:

“These can be broadly defined by analysing:

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

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

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

A2.2 The guidance finally sets out a range of suggested data sources for doing this. These include ONS data on internal migration and travel to work areas and Land Registry Price Paid data.

A2.3 The now slimmed down guidance notably omits any self-containment threshold for defining HMAs. This is unlike the previous version of the PPG which stated that migration self-containment of “typically 70 per cent” excluding long distance moves can help identify a suitable HMA. The scale of a Housing Market Area and its required self-containment rate is therefore less definitive, as long as it is identified

²⁷ Reference ID: 61-018-20190315

using the approach in the PPG. However, the Government’s previous advice remains of some relevance and the 70% threshold had become accepted industry best practice.

A2.4 It is also worth noting that HMA and FEMA boundaries do not stop and start at administrative boundaries. Despite this, it is often commonplace and sensible for housing market areas to be defined using local authority boundaries. This is because many of the key datasets used in assessing housing need (such as the household projections) and employment needs (such as economic forecasts) are only published at a local authority level. In many areas, a pragmatic response has therefore been to define HMAs and FEMAs at a local authority level.

A2.5 These issues were touched upon in the Planning Advisory Services (PAS) Technical Advice Note on Objectively Assessed Housing Need and Housing Targets²⁸ (July 2015) which concluded that:

“it is best if HMAs, as defined for the purpose of needs assessments, do not straddle local authority boundaries. For areas smaller than local authorities data availability is poor and analysis becomes impossibly complex..”

A2.6 However, the Technical Advice Note notably adds that “this is not always possible and it may be the case that some [local authority] areas, particularly those covering an expansive area fall into more than one HMA.”

A2.7 The PPG also provides specific guidance on how Functional Economic Market Areas (FEMA) can be defined. However it notes that no standard approach is possible as patterns of economic activity vary from place to place. However it does suggest that when defining a FEMA the following:

- extent of any Local Enterprise Partnership within the area;
- travel to work areas;

²⁸ <https://www.local.gov.uk/sites/default/files/documents/objectively-assessed-need-9fb.pdf>

-
- housing market area;
 - flow of goods, services and information within the local economy;
 - service market for consumers;
 - administrative area;
 - catchment areas of facilities providing cultural and social well-being; and
 - transport network.
 - As the FEMA also considers the HMA and Travel to Work areas there is an element of overlap between the two strands.

Previous Housing Market Area Definitions

A2.8 The Central Norfolk Strategic Housing Market Assessment (2017)²⁹ examined migration and commuting flows and house price differentials. The report concluded that while the HMA did not fit exactly to local authority boundaries, it extended across all of Norwich, Broadland and South Norfolk administrative districts as well as substantial parts of Breckland, North Norfolk and the Broads Authority as in the Figure below.

²⁹ [Central Norfolk Strategic Housing Market Assessment - 2017 \(breckland.gov.uk\)](http://breckland.gov.uk)

Table A2.1 Central Norfolk HMA



Source: Central Norfolk HMA Strategic Housing Market Assessment (2015)

A2.9 This paper intends to look specifically at Breckland district as part of the Central Norfolk HMA, assessing its status as part of the wider HMA as well as identifying sub-areas within the district itself.

Migration Flows

A2.10 The ONS provides annual data on internal migration flows (both in- and out-migration flows) which is informed by a range of official datasets including NHS GP registrations data (which records when people change their GP). To avoid year-on-year blips in the data we have taken an average of the flows shown over three years.

A2.11 We have sought to appraise gross migration flows (the sum of flows in both directions) between areas to understand the relative strength of housing market interactions between different local authorities.

A2.12 Migration flows refer to the number of people moving to and from a given area. We use gross flows to understand the strength of the migratory relationship between

two authorities, these are benchmarked against the combined population size of the two local authorities in question to understand the relative strength of links. This recognises that two larger authorities will have a larger absolute flow than two smaller authorities. Table A2.3 below shows the top migration flows for each of the Central Norfolk HMA authorities.

Table A2.2 Top Migration Flows with Central Norfolk Authorities (per 1,000 Population)

Breckland	Norwich	Broadland	South Norfolk	North Norfolk
South Norfolk (6.52)	Broadland (14.92)	Norwich (14.92)	Norwich (12.36)	Broadland (6.88)
Norwich (3.80)	South Norfolk (12.36)	North Norfolk (6.88)	Broadland (6.63)	Norwich (3.82)
King's Lynn and West Norfolk (3.77)	North Norfolk (3.82)	South Norfolk (6.63)	Breckland (6.52)	Breckland (2.99)
West Suffolk (3.44)	Breckland (3.80)	Breckland (3.01)	East Suffolk (3.19)	King's Lynn and West Norfolk (2.31)
Broadland (3.01)	Great Yarmouth (2.99)	Great Yarmouth (2.56)	Mid Suffolk (3.06)	Great Yarmouth (2.05)
North Norfolk (2.99)	East Suffolk (2.25)	East Suffolk (0.88)	Great Yarmouth (1.90)	South Norfolk (1.85)
Mid Suffolk (1.18)	Cambridge (1.33)	King's Lynn and West Norfolk (0.53)	North Norfolk (1.85)	East Suffolk (0.51)
Great Yarmouth (0.95)	King's Lynn and West Norfolk (1.32)	Lincoln (0.46)	West Suffolk (0.86)	Lincoln (0.36)
East Suffolk (0.62)	Ipswich (1.12)	Cambridge (0.33)	King's Lynn and West Norfolk (0.74)	West Suffolk (0.33)
East Cambridgeshire (0.54)	West Suffolk (0.92)	Mid Suffolk (0.28)	Ipswich (0.57)	Cambridge (0.33)

Source: Internal migration - Matrices of moves between local authorities year ending June 2017 to June 2020

- A2.13 As shown, Breckland sees the other four HMA authorities (as defined previously) within its top 6 migration flows, with others seeing all within at least the top 7.
- A2.14 HMA geographies are often centred on larger urban centres. The evidence continues to point to a high level of inter-connectedness between the four authorities in the Central Norfolk HMA as previously defined which would lead us

to conclude that the Central Norfolk HMA as defined in the 2017 SHMA continues to be supported by analysis of migration dynamics.

A2.15 Examining Breckland in more detail shows that West Suffolk and King’s Lynn and West Norfolk also see high migration to and from the district, more so than Broadland and North Norfolk. This is likely a factor of geography, where both West Suffolk and Kings Lynn and North Norfolk are directly adjacent to Breckland, Broadland and North Norfolk lie on the opposite side of the HMA and therefore are less likely to see moves between the areas.

A2.16 The evidence suggests that there are potentially parts of the Breckland District where the strongest links are in different directions: with flows from the eastern side of the District towards Norwich; the western side towards Kings Lynn; and from the south of the District towards Bury St Edmunds. This is to be expected given its geography; however it is notable that the strongest relative flows are towards Norwich.

A2.17 We have also examined the cumulative trends for Breckland in the table below. This shows that the greatest relationship is with South Norfolk, reflecting the position of the two authorities a direct neighbours and confirming the inclusion of much of Breckland within the Central Norfolk HMA.

Table A2.3 Top Ten Migration Flows with Breckland per 1,000 Population

	Gross Migration Per 1,000		In Migration		Out Migration	
1st	South Norfolk	6.52	South Norfolk	888	South Norfolk	965
2nd	Norwich	3.80	King's Lynn and West Norfolk	607	Norwich	552
3rd	King's Lynn and West Norfolk	3.77	West Suffolk	601	King's Lynn and West Norfolk	497
4th	West Suffolk	3.44	Norwich	525	West Suffolk	494
5th	Broadland	3.01	Broadland	478	Broadland	346
6th	North Norfolk	2.99	North Norfolk	397	North Norfolk	341
7th	Mid Suffolk	1.18	Mid Suffolk	153	Mid Suffolk	137
8th	Great Yarmouth	0.95	Great Yarmouth	122	East Suffolk	126
9th	East Suffolk	0.62	East Suffolk	118	Great Yarmouth	106
10th	East Cambridgeshire	0.54	East Cambridgeshire	69	Scotland	90

Source: Internal migration - Matrices of moves between local authorities year ending June 2017 to June 2020

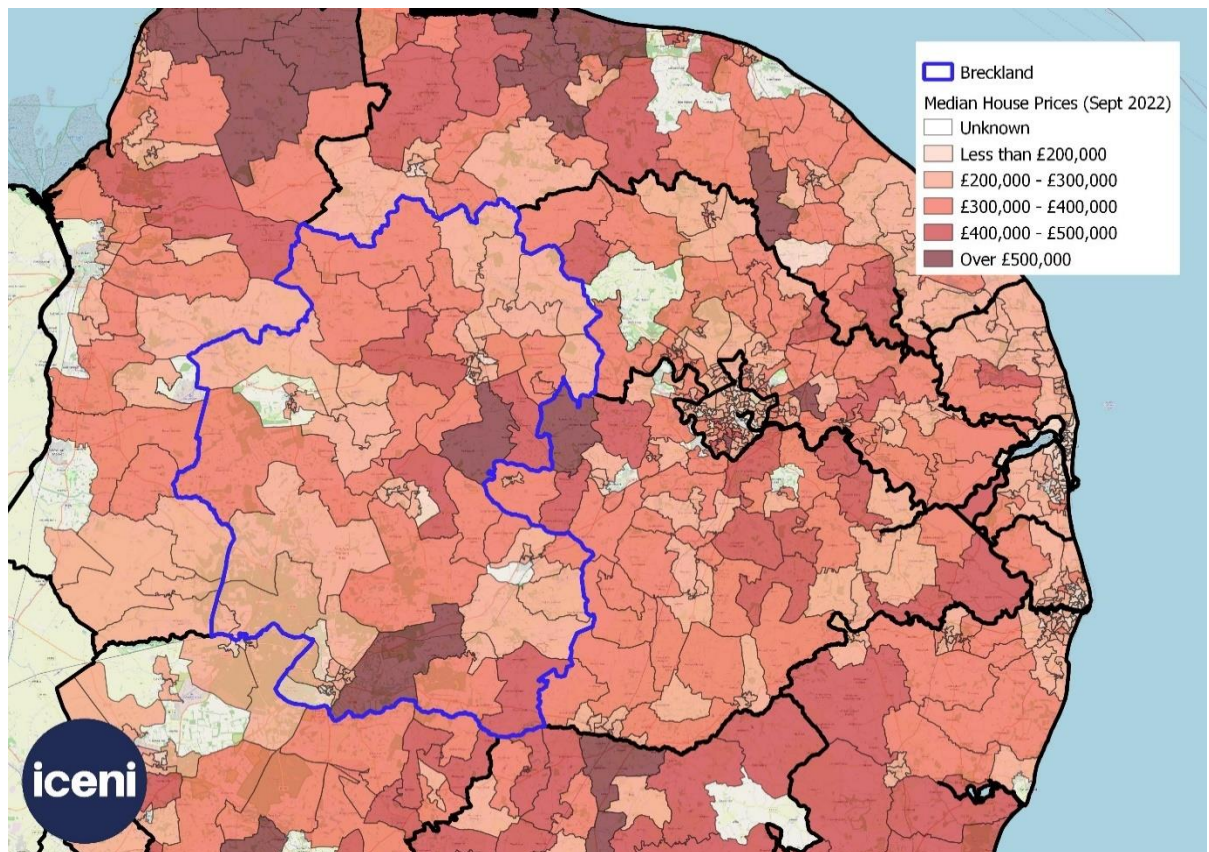
-
- A2.18 The list also includes a number of other district outside of the HMA, King's Lynn and West Norfolk in particular sees high in migration to Breckland but slightly lower out migration.
- A2.19 Overall this information would suggest that migration patterns have not changed significantly enough since the previous SHMA, therefore suggesting that the extent of the HMA has not changed either.

House Prices and House Price Change

- A2.20 The PPG indicates that when identifying HMAs the "relationship between housing demand and supply across different locations, using house prices and rates of change in house prices" should be considered. It goes on to say that "this should identify areas which have clearly different price levels compared to surrounding areas."

15.5 The map below examines the cost of housing in Breckland and the surrounding areas. Largely it appears that properties in the north and east of the district see higher prices, likely a result of closer proximity and connection to Norwich via the A47 and A11.

Table A2.1 Median House Prices - LSOA (2020)



Source: HM Land Registry, 2022

A2.2 Looking beyond the Breckland boundary we can see higher value areas particularly in the north and towards the North Norfolk coast as well as to the south of the district closer following the A140. The central belt of Norfolk, largely sees similar property prices with some pockets of higher prices. This potentially demonstrates the difference between the Central Norfolk market and the surrounding areas.

A2.3 The difference in price is unlikely to reflect solely a different mix of housing and is more likely to show the function of each area: for example Mid Suffolk and East Suffolk are slightly more affluent with proximity to Ipswich and Colchester. Similarly with West Suffolk which has good connections to Cambridge. Whereas

house prices in areas along the North Norfolk Coast are likely to be influenced by their location within an AONB.

A2.4 The table below analyses house prices by type (to account for the difference in sales profile) by local authority. House prices in the East of England do vary with Broadland and North Norfolk seeing high overall costs and Norwich and Great Yarmouth seeing lower. In Norwich the low overall costs is likely a factor of the nature of the stock which is likely to be dense and lower cost types of terraced and flatted housing. Breckland however, sees low below average costs across all property types, similar to Kings Lynn and West Norfolk. This would indicate sub-areas within the study area that may be based on the most dominant type of housing within the area and overall built form.

Table A2.2 Median House Prices by Type, Year to Sept 2022

	Overall	Detached	Semi-Detached	Terraced	Flats
Broadland	£300,000	£386,750	£270,000	£230,000	£161,375
North Norfolk	£300,000	£415,000	£260,000	£235,500	£167,500
Mid Suffolk	£300,000	£430,000	£265,000	£228,000	£133,500
South Norfolk	£290,000	£395,000	£265,000	£240,000	£150,000
West Suffolk	£285,000	£400,000	£277,000	£236,000	£170,000
East Suffolk	£280,000	£395,000	£263,000	£200,000	£165,000
Breckland	£260,000	£338,000	£238,000	£195,000	£120,000
King's Lynn and West Norfolk	£260,000	£335,000	£235,000	£185,000	£125,000
Norwich	£228,500	£405,000	£265,000	£235,000	£155,000
Great Yarmouth	£213,000	£320,000	£225,000	£165,000	£100,000
East of England	£328,000	£465,000	£335,150	£294,625	£200,000
England	£275,000	£425,000	£260,000	£225,000	£220,000

Source: Derived from ONS Small Area House Price Statistics Dataset 9

A2.5 The Table below shows house prices changes by local authority over the last 5 and 10 years. We see a wide range of price growth with the largest growth within the previously defined HMA. In absolute terms, in the higher value areas of Broadland, Mid Suffolk and North Norfolk prices grew by over £120,000 whereas Breckland grew by £105,000 over the last 10 years. All districts grew by less than the regional average for the East of England (influenced by stronger price growth nearer to London).

Table A2.3 House Price Growth in HMA Local Authorities

	2012	2017	2022	5 Year Change	10 Year Change	5 Year % Change	10 Year % Change
Breckland	£155,000	£209,000	£260,000	£51,000	£105,000	24.40%	67.74%
Broadland	£173,225	£238,500	£300,000	£61,500	£126,775	25.79%	73.19%
Great Yarmouth	£132,500	£165,000	£213,000	£48,000	£80,500	29.09%	60.75%
KLWN	£150,000	£200,000	£260,000	£60,000	£110,000	30.00%	73.33%
North Norfolk	£172,500	£235,000	£300,000	£65,000	£127,500	27.66%	73.91%
Norwich	£141,000	£186,000	£228,500	£42,500	£87,500	22.85%	62.06%
South Norfolk	£175,000	£243,500	£290,000	£46,500	£115,000	19.10%	65.71%
Mid Suffolk	£176,000	£255,000	£300,000	£45,000	£124,000	17.65%	70.45%
East Suffolk	£170,000	£230,000	£280,000	£50,000	£110,000	21.74%	64.71%
West Suffolk	£168,000	£235,000	£285,000	£50,000	£117,000	21.28%	69.64%
East of England	£189,000	£190,000	£230,000	£40,000	£41,000	21.05%	21.69%
England	£180,000	£181,500	£209,500	£28,000	£29,500	15.43%	16.39%

Source: Derived from ONS Small Area House Price Statistics Dataset 9

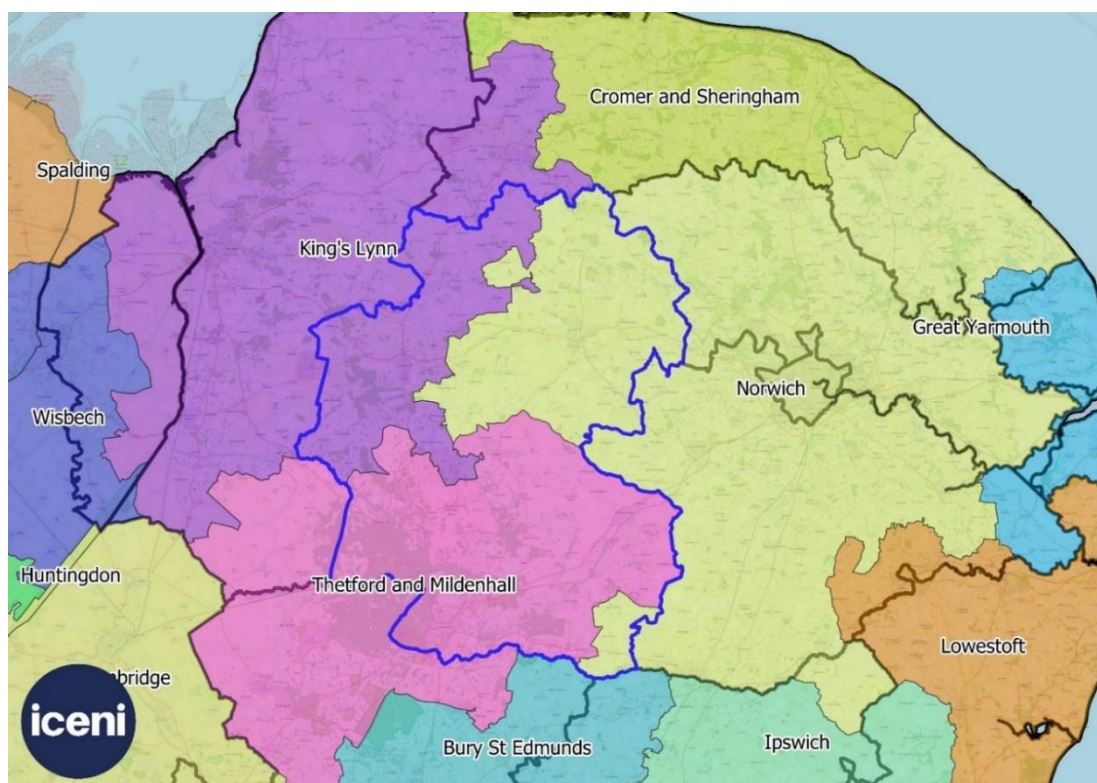
- A2.6 In percentage terms Breckland sees middling growth in the past 5 and 10 years relative to other Norfolk and Suffolk authorities. In the past 10 years prices have grown by 24.4% and 67.74% in the past 10 years. Broadland sees the highest 10 year growth with the lowest in Great Yarmouth and Norwich.
- A2.7 There is an evident urban/rural distinction in the geography of price growth but this will be influenced by housing mix and mix of sales. It will also be impacted by migration factors, particularly commuting with areas in commuting distance to Norwich likely to see higher property prices.

Travel to Work Areas

- A2.8 Different parts of Breckland District fall within three separate travel to work areas (TTWA). As demonstrated in the map below, the NE of the District falls within the Norwich TTWA including Dereham and North Elmham. The west of the District, including Swaffham and Litcham fall within the Kings Lynn TTWA. The Thetford and Mildenhall TTWA covers much of the south of the District including Attleborough and Thetford. This split in TTWAs supports the existence of different sub-markets and shows the differential influence of other larger centres on

different parts of Breckland. It however shows that Ipswich and Bury St Edmunds TTWAs do not extend to include parts of Breckland.

Table A2.4 ONS Travel to Work Area Geography



Source: ONS Travel to Work Area

A2.9 Drawing the commuting and migration patterns information together would suggest the current definition of the HMA remains a reasonable approximation for the Central Norfolk HMA. Using a 'best fit' to local authority boundaries this would include Breckland, Broadland, Norwich, South Norfolk, and North Norfolk. There are however evident influences to adjoining areas, as the TTWA map above shows, particularly to Kings Lynn and with Mildenhall/Lakenheath.

A2.10 The definition of a sub-area geography aims to help to examine these distinctions within the District, and recognise these inter-relationships with other adjoining areas.

FEMA

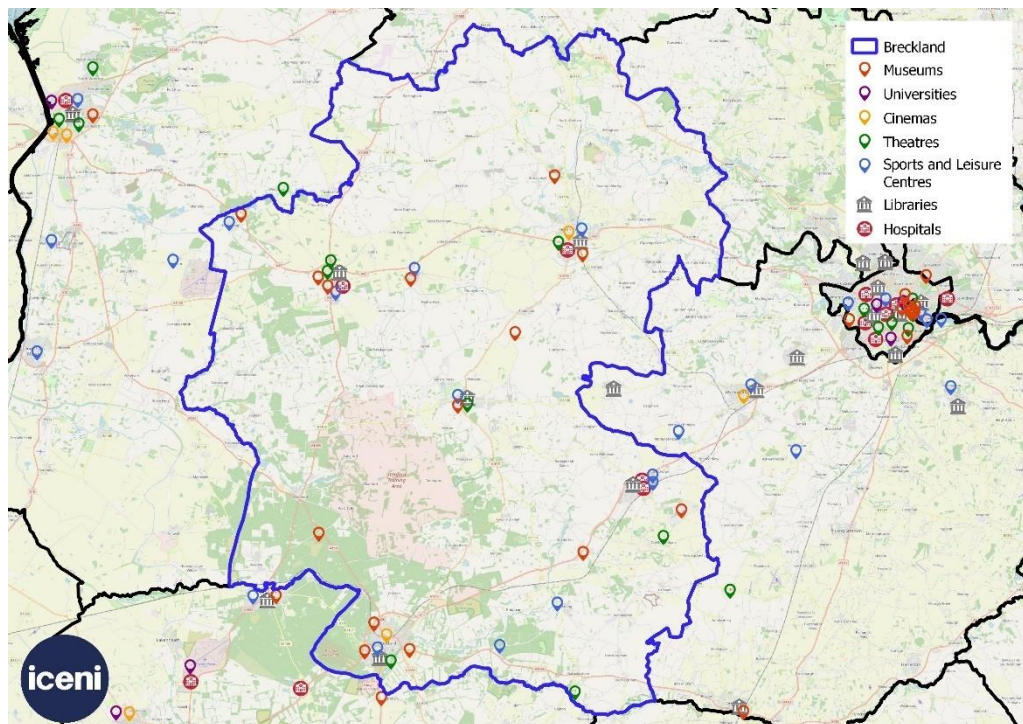
A2.11 The extent of the housing market area and the travel to work areas also have an impact on the FEMA definition. There are also a range of factual considerations when examining the FEMA that do not need interpretation for example:

- Administrative Area – These can be taken as the local authority or County Council area: which are Breckland and Norfolk respectively;
- The area covered by Transport East which manages the provision and development of transport infrastructure in the district, but covers a wider geography spanning Norfolk, Suffolk and Essex;
- Health services are managed by the NHS Norfolk and Waveney Integrated Care Board, which covers the County of Norfolk and Waveney; and
- The New Anglia Local Enterprise Partnership covers the whole of Norfolk and Suffolk, including the District.

Cultural and Social Facilities

A2.12 The map below illustrates the location of key cultural and social facilities in Breckland and the wider area. While there is a larger cultural cluster in Norwich which has regional significance all of the key facility types are located within the district. It is clear however that these facilities; are largely based within Swaffham, Dereham and Thetford. There is also a notable cluster outside the district in King's Lynn as well as some other provision to the in RAF Mildenhall: however it is likely that this provision at Mildenhall is aimed to serve the US Air Force service people based at the station.

Table A2.5 Cultural and Social Facilities



Source: Icen Projects and Open Streetmap

- A2.13 There is a notable absence of higher-order cultural facilities throughout Breckland likely a result of its rural nature. The area is reliant on larger nearby centres such as Norwich or King's Lynn for these.

Service Market for Consumers

- A2.14 The Breckland Retail and Town Centre Study (2014) set out the Management Horizon Europe (MHE) retail centre scores: the table below shows the retail centres within and around Breckland. This can be used to understand where people in the district are likely to shop.

Table A2.6 Management Horizons Europe Shopping Index (2008)

Centre	Rank	MHE Index Score
Norwich	6	541
Cambridge	74	234
King's Lynn	121	185
Bury St Edmunds	221	127
Thetford	570	60
Diss	600	57

Dereham	669	52
Fakenham	1,139	32
Swaffham	1,325	27
Downham Market	1,590	22
Attleborough	1,660	21
Watton	1,789	19
Wymondham	1,866	18
Brandon	2,247	14

Source: Breckland Retail and Town Centre Study (2014)

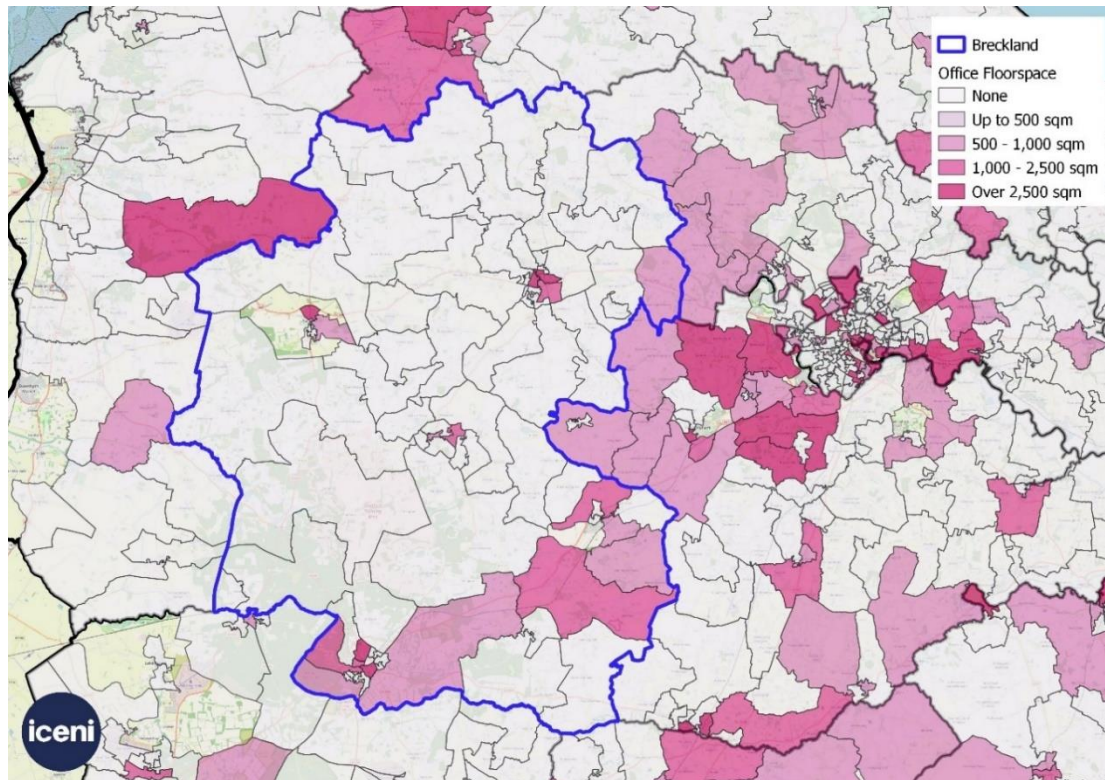
- A2.15 Thetford is considered as the main retail centre within Breckland sitting at 570th of all the retail centres of the UK, this is followed by Dereham at 669th. Higher order centres which people will travel to for comparison goods shopping include Norwich, which is high within the ranking at 6th; with King's Lynn also high at 121st. These high scores in nearby areas likely indicates that Breckland residents will rely somewhat on these retail centres.
- A2.16 It is also likely that King's Lynn and Norwich (and to a lesser extent Cambridge and Bury St Edmunds) will provide higher end retail opportunities for District residents.

Flow of Goods and Services

- A2.17 The flow of goods, services and information within the local economy is difficult to quantify. Our approach therefore is to look at office and industrial clusters across Breckland and neighbouring authorities. Using VOA floorspace data we have identified the areas with the greatest concentrations of office and industrial floorspace.
- A2.18 Within the Breckland office floorspace is limited and focused along the A11 corridor, this stretches north west towards Norwich where office space appears to Cluster in the East of the City Centre, centrally and to the west of the A47. There are smaller secondary clusters within Breckland aligning much with the retail centres of the district at Swaffham, Dereham, Watton and Thetford. Thetford sees a higher amount of floorspace than the other centres of the district, likely a factor of its proximity to the A11 and its larger overall size.

A2.19 Notably there are large swathes of the district that see no office floorspace at all, this is unsurprising given Breckland's rural nature.

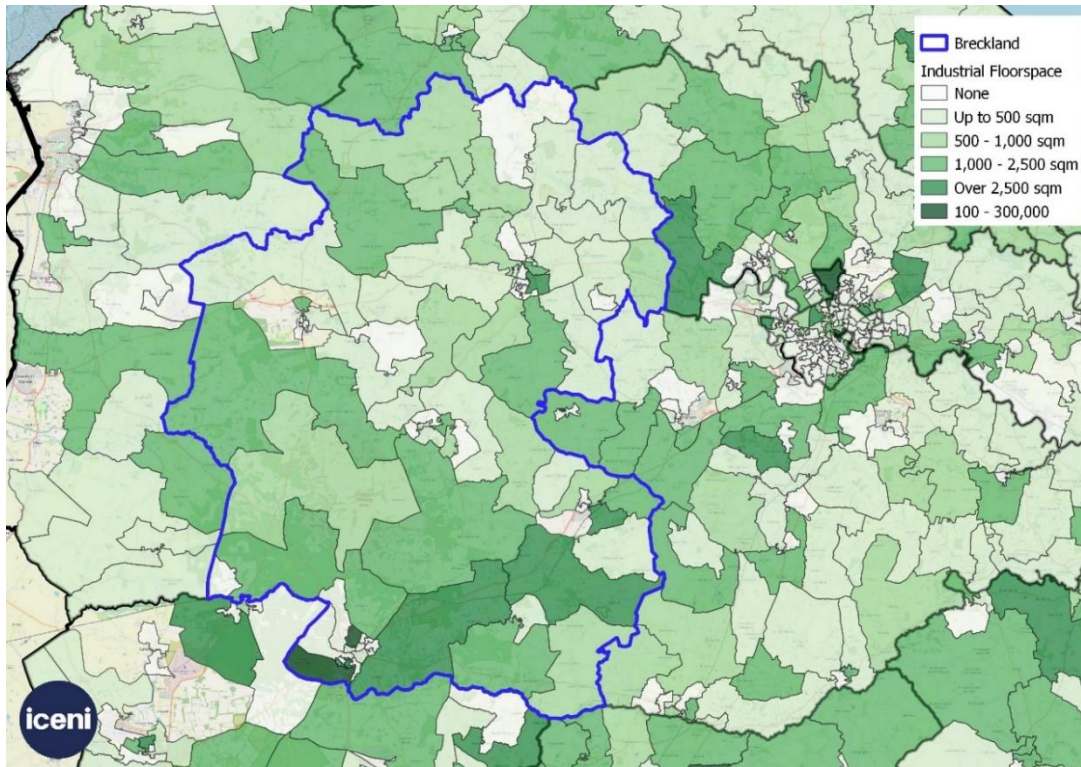
Table A2.7 Office Floorspace (2021)



Source: VOA, 2021

A2.20 Industrial floorspace varies slightly from office floorspace in that very few output areas in the District see zero industrial floorspace. This will reflect the presence of agricultural buildings in more rural areas, plus the generally higher levels of floorspace required by industrial employment buildings. However, similarly to office floorspace there is a greater density of industrial floorspace towards the south of the district, particularly along the A11 corridor and surrounding Thetford. Again there are some smaller clusters at Swaffham and Dereham.

Table A2.8 Industrial Floorspace (2021)



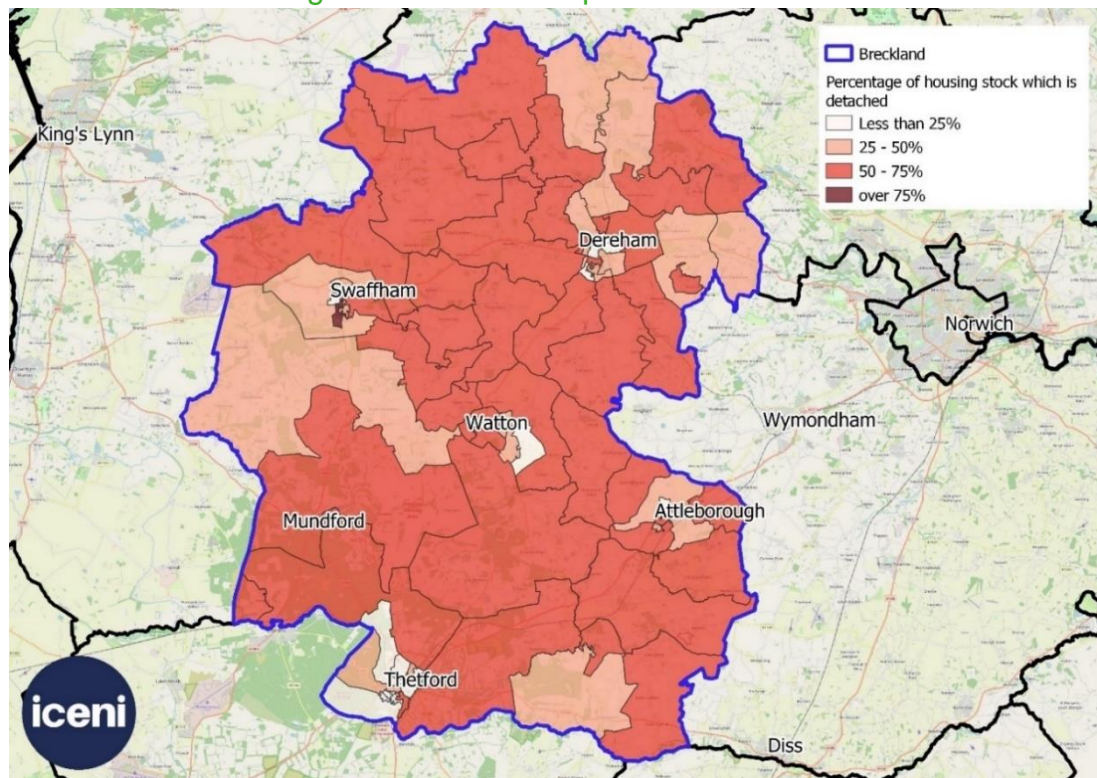
Source: VOA, 2021

A2.21 In time we recognise that the dualling of the A47 may strengthen the economic role of this corridor in the north of the District.

Sub Areas

A2.22 In order to identify sub-areas within Breckland it is prudent to further analyse the housing market and stock within the district. The Figure below considers the percentage of detached properties within each LSOA. A clear majority of the district sees over 50% of its stock as a detached dwelling, this reduces around the towns and retail centres, a product of the rural nature of much of the district and denser built form of the towns which will naturally see less detached dwellings.

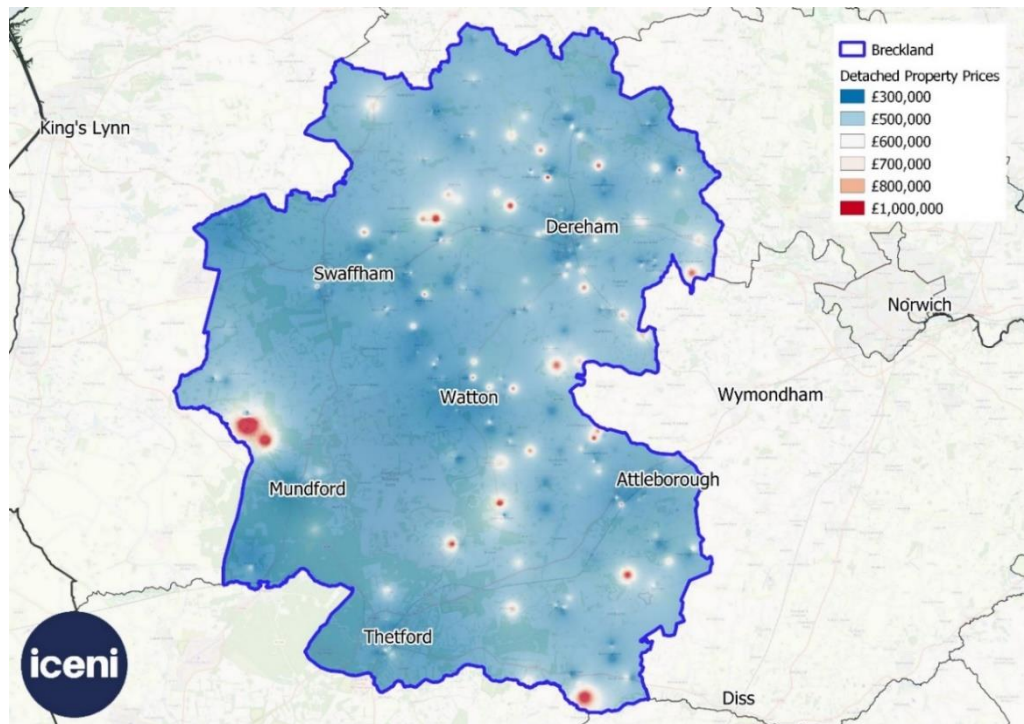
Table A2.9 Percentage of Detached Properties



Source: Census 2021

A2.23 The figure below looks at the prices paid for detached dwellings in the District. While it is apparent that some detached dwellings have sold for considerably high prices these tend to be within the more rural areas of the District and not within the towns. Thetford and Dereham in particular see cold price spots.

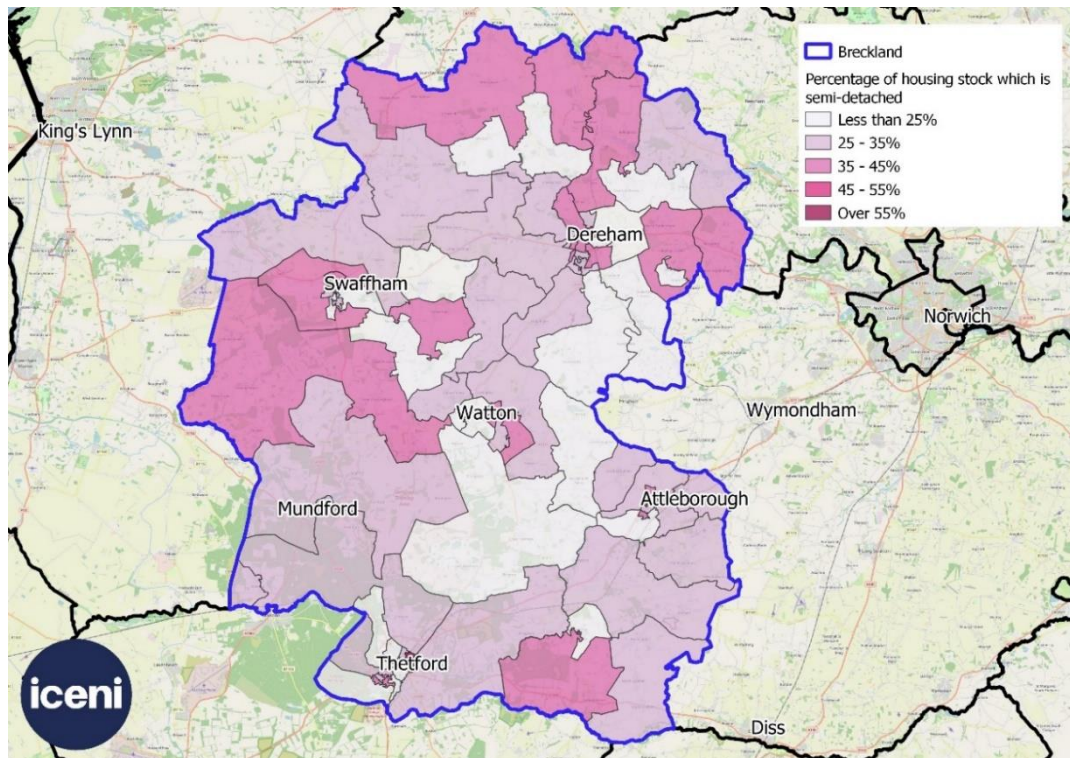
Table A2.10 Price of detached properties (Jan-Dec 2022)



Source: HM Land Registry Price Paid data

A2.24 Turning to analysis of semi-detached housing stock, as can be seen in Figure 1.9 semi-detached properties are generally more common in the north of the District. The south of Breckland sees a much lower proportion of semis particularly surrounding Thetford.

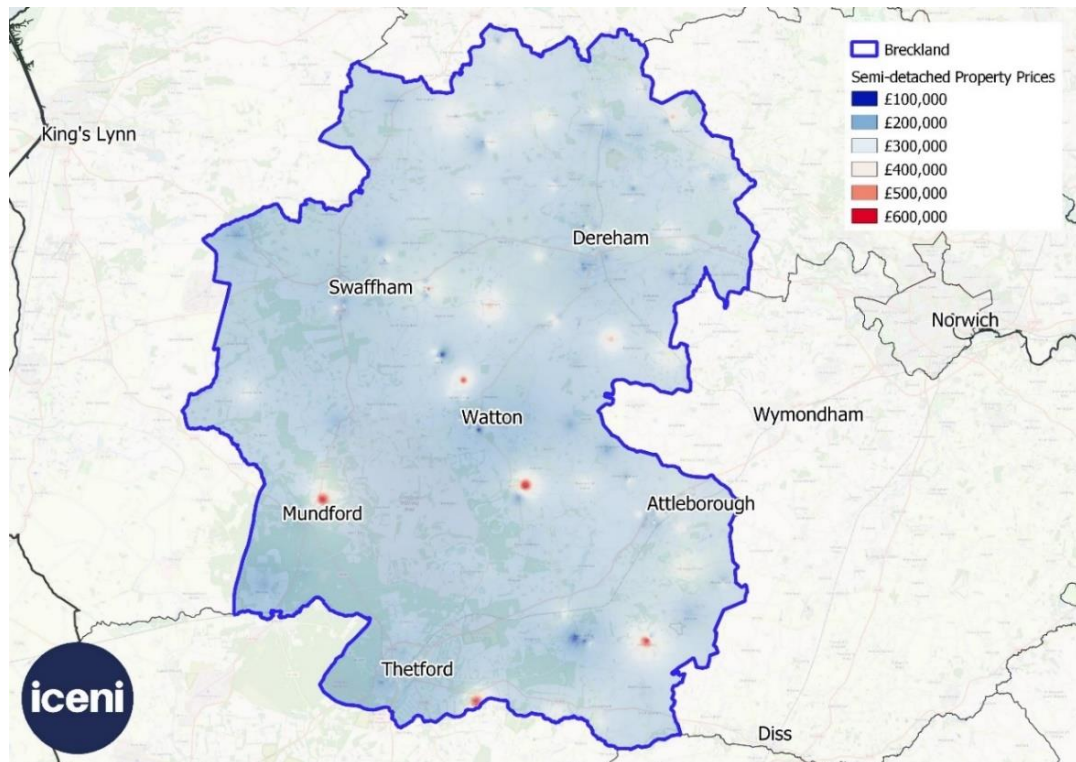
Table A2.11 Percentage of Semi-Detached Properties (YE September 2022)



Source: Census 2021

A2.25 Looking at price paid data for semis, as can be expected, prices are overall less than detached properties. Price cold spots are however seen in the south of the district where the blue is darker. Dereham and the north west of the district sees a much lighter colour blue indicating prices within the middling range. Given the fact that there is more semi-detached stock within the north of the district than the south this likely indicates that overall property prices in the north are higher.

Table A2.12 Price of semi-detached properties (2022)



Source: HM Land Registry

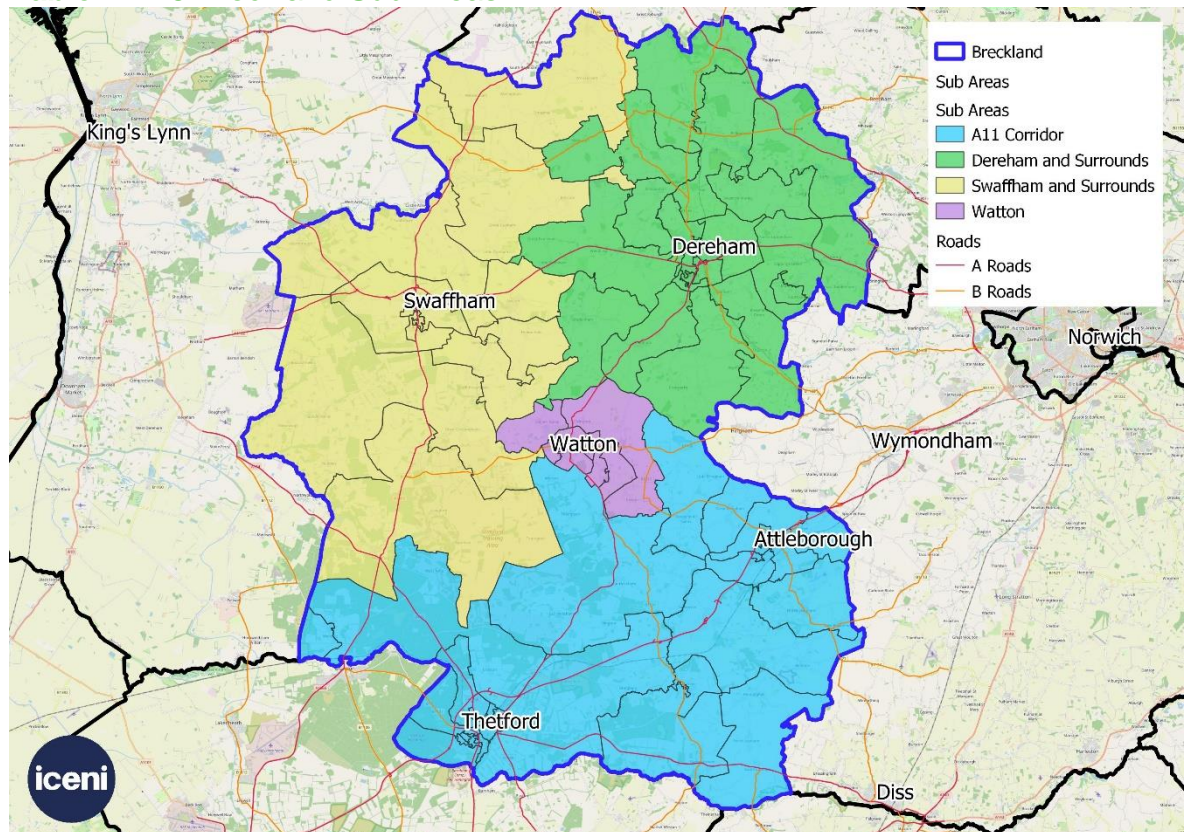
Drawing the Evidence Together

- A2.26 The evidence presented herein presents no clear evidence that the overall Central Norfolk HMA boundaries have changed, and shows that Breckland still lies within it. The strongest relationship from the District is towards Norwich. However the eastern and southern parts of the District do equally have functional links in other directions – towards Kings Lynn and Bury St Edmunds.
- A2.27 The evidence examining the extent of the FEMA does not provide any strong evidence to suggest a different definitions from the HMA. The south of Breckland in particular shows strong links to Norwich in terms of flows of goods and services aided primarily by the A11. There is also link to King's Lynn in the north but its overall smaller size makes the draw less weighty than that to Norwich.
- A2.28 Analysis of commuting patterns as well as overall housing stock and prices shows a further split between the south and the north of the district with higher property

prices in the north than the south as well as separate TTWAs. For the purpose of the HEDNA's preparation this would support the definition of separate sub-areas.

A2.29 With this in mind we have identified four sub-areas built up from Lower Layer Super Output Areas within Breckland as demonstrated in Table A2.13 below.

Table A2.13 Breckland Sub-Areas



Source: Icen

A2.30 The LSOA based boundaries largely align with Parish boundaries with the exception of Saham Toney and Bradenham. The southern section of the Bradenham LSOA (Breckland 008A) lies within the Saham Toney parish. As the main centre of population of the Bradenham LSOA lies is Bradenham which much more clearly relates to the Dereham than Watton, this has been included within the Dereham and Surrounds sub-area.

A2.31 One of the purposes of defining market areas is to identify the “appropriate functional geographical area to gather evidence and develop policies to address these (Strategic) matters, based on demonstrable cross-boundary relationships.”

Where these areas are identified the relevant local planning authorities are required to cooperate on strategic matters. This cooperation includes, according to Paragraph 11 of the Plan-Making PPG (reference ID: 61-011-20190315), agreeing a statement of common ground which contains:

“if applicable, the housing requirements in any adopted and (if known) emerging strategic policies relevant to housing within the area covered by the statement”; **or**

“distribution of needs in the area as agreed through the plan-making process, or the process for agreeing the distribution of need (including unmet need) across the area”.

A2.32 It will be therefore important for the Councils to continue to liaise with surrounding authorities on strategic planning matters including a discussing any issues associated with unmet housing needs. Based on the evidence set out within this report this is particularly relevant the other local authorities in the Central Norfolk HMA as well as King’s Lynn and West Norfolk to the north west and West Suffolk to the south west.

A3.