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South Downs National Park Housing and Economic Development Needs Assessment

Addendum Report

Iceni Projects Limited on behalf of
South Downs National Park
Authority

November 2025

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ICENI PROJECTS LIMITED
ON BEHALF OF SOUTH
DOWNS NATIONAL PARK
AUTHORITY

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ADDENDUM REPORT

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APPENDIX 1 - ENGLISH NATIONAL PARKS AND BROADS – HOUSING PRINCIPLES

1. EXECUTIVE SUMMARY

- 1.1 This Addendum Report provides an updated assessment of housing needs for the South Downs National Park, supporting the ongoing review of the South Downs Local Plan.
- 1.2 This assessment of housing needs is 'policy off' – in that is it does not take account of any environmental or other constraints. These matters will be considered when setting the housing 'requirement' (provision) figure through the Local Plan. This will also take account of the legal duty to seek to further the purposes of the National Park, which are:
 - 1) To conserve and enhance the natural beauty, wildlife and cultural heritage of the area.
 - 2) To promote opportunities for the understanding and enjoyment of the special qualities of the National Park by the public.
- 1.3 The report reflects the updates to the National Planning Policy Framework (December 2024), and revised Planning Practice Guidance, ensuring that the evidence base aligns with current policy requirements and best practice.
- 1.4 The 2023 HEDNA provided a 'top down' and 'bottom up' housing need calculations for the South Downs National Park. The 'top down' calculation has been replaced by the South Downs National Park Standard Method Apportionment Study (July 2025) produced by AECOM, commissioned by the twelve local authorities overlapping the National Park under the legal duty to cooperate.
- 1.5 The AECOM study apportions housing need according to the Standard Method between areas inside and outside the National Park. The findings indicate an annual housing need of 1,048 dwellings within the South Downs National Park, using scenario 1, which it considers the most robust method of apportioning the Standard Method between local planning authority areas.
- 1.6 This Addendum Report provides an alternative calculation to the 'bottom up' housing need figure in the 2023 HEDNA. The Planning Practice Guidance allows National Park Authorities to use a locally derived method to calculate housing need rather than the Standard Method.
- 1.7 The ten English National Park Authorities and the Broads Authority have agreed a set of principles for such an alternative method, which are appended to this report (Appendix 1) and have informed its methodology. This Addendum Report:

- Develops alternative demographics - including 5- and 10-year trends and maintains the economically active population. These population projections are translated into household projections by taking account of household formation rates.
- Sets out the implications of the Standard Method – Drawing on the AECOM report, which calculates the ‘top down’ housing need for the National Park based on the standard method, it examines the resultant population growth if this level of housing need were delivered and occupied.
- Calculates affordable housing need – By updating the previous assessment within the HEDNA, considering more recent house prices and income data. In addition, and in line with the latest NPPF, it provides further commentary on the most suitable split of affordable tenures for the National Park.

1.8 The demographic analysis in this Addendum Report reveals that a continuation of recent trends would result in a population growth of around 4,000 people over 20 years. This would translate into a household growth of 323 dwellings per annum once a vacancy rate is applied

1.9 This figure replaces the 2023 HEDNA’s ‘bottom up’ need for 350 dwellings per annum. This figure is apportioned between the local authority areas within the National Park according to the proportion of existing housing stock within their areas, as shown in the table below. Figures are compared with the 2023 HEDNA which generally shows little difference in the figures.

Table 1.1 Bottom – Up Housing Need – South Downs National Park – by local authority

	2024 Dwelling Stock	% of stock	Housing need apportionment	2023 HEDNA	Difference
Adur	138	0.3%	1	1	0
Arun	2,117	4.0%	13	12	1
Brighton & Hove	163	0.3%	1	0	1
Chichester	15,579	29.6%	96	102	-6
East Hampshire	14,748	28.1%	91	106	-15
Eastbourne	18	0.0%	0	0	0
Horsham	1,544	2.9%	9	9	0
Lewes	10,533	20.0%	65	63	2
Mid Sussex	578	1.1%	4	5	-1
Wealden	1,676	3.2%	10	12	-2
Winchester	5,418	10.3%	33	38	-5
Worthing	56	0.1%	0	0	0
SDNP	52,568	100.0%	323	350	-27

Source: Icen analysis (dwelling stock data from AECOM)

- 1.10 The provision of 323 dwellings per annum would support 2,011 additional jobs across the National Park and exceed the amount needed to maintain the current proportion of economically active population. It would therefore support the duty of the National Park Authority, in carrying out its statutory purposes, to seek to foster the economic and social well-being of its local communities.

Affordable Housing Need – Summary

- 1.11 Overall, the analysis estimates a need for 259 affordable homes per annum to meet all needs; this is somewhat lower than the equivalent figure in the 2023 HEDNA (370 dwellings per annum).
- 1.12 The fall is due to the current need being annualised over a more extended period of 20 years rather than 10 and an increase in the affordability threshold to 35% rather than 30%.
- 1.13 While the affordable housing need has fallen, the National Park Authority would still be justified in seeking to maximise affordable housing.
- 1.14 The analysis indicates that provision of around 60% of rented affordable housing at social rents could be justified; however, in setting planning policies, this will need to be considered alongside viability evidence.
- 1.15 Our findings do not support a significant need for First Homes (or other discounted market products) in a local context, given the cost of new-build housing.
- 1.16 Whilst shared ownership may be more affordable than a discounted market sale product, that also may be very difficult to make 'genuinely affordable'
- 1.17 Despite the level of need being high, it is not considered that this points to any requirement for the Council to increase the Local Plan housing requirement due to affordable needs. The link between affordable need and overall need (of all tenures) is complex and in trying to make a link it must be remembered that many of those picked up as having an affordable need are already in housing (and therefore do not generate a net additional need for a home).
- 1.18 In addition, the private rented sector is providing benefit supported accommodation for many households. That said, the level of affordable need does suggest the Council should maximise the delivery of such housing at every opportunity..

2. INTRODUCTION

- 2.1 The South Downs National Park Authority (SDNPA) is in the process of updating the South Downs Local Plan (SDLP), which was adopted in 2019. The SDLP sets out the overarching planning policies for the South Downs National Park (SDNP).
- 2.2 To update the evidence base feeding into the Local Plan Review, the SDNPA commissioned Icen Projects and Justin Gardner Consulting to undertake a study examining the need for housing and employment land within the National Park. This study was published in 2023.
- 2.3 Since that time, there has been a change of government and a change of National Planning Policy Framework (December 2024) (NPPF) and Planning Practice Guidance (PPG), including an update to the method for calculating housing need.
- 2.4 The PPG in relation to Housing and Economic Development Needs¹ is clear that the standard method should not necessarily be applied to National Parks. The updated PPG (Paragraph: 014 Reference ID: 2a-014-20241212) also provides guidance to assess housing need for local planning authorities, such as National Parks, whose boundaries do not align with local authority boundaries, or where data is not available, it states:

“Such authorities may continue to identify a housing need figure using a method determined locally. In doing so, authorities should take into consideration the best available evidence on the amount of existing housing stock within their planning authority boundary, local house prices, earnings and housing affordability. In the absence of other robust affordability data, authorities should consider the implications of using the median workplace-based affordability ratio for the relevant wider local authority area(s)...”

- 2.5 The guidance therefore suggests that there is scope for National Park Authorities to deviate from the framework of the standard method, i.e. they still need to use housing stock and affordability considerations, but that other evidence and sources may also be taken into consideration.

South Downs National Park Standard Method Apportionment Study (July 2025)

- 2.6 In response to the updated NPPF and PPG, the National Park Authority and the 12 local authorities which overlap the National Park commissioned AECOM to disaggregate the Standard Method between the areas of these councils inside and outside the National Park based on the proportion of

¹ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

housing stock in each. This effectively replaces the 'top down' housing need calculation in the 2023 HEDNA.

- 2.7 The AECOM report develops a consistent method for assessing housing stock in each local authority, inside and outside of the National Park. Additionally, it conducts a 'sensitivity test' on how affordability ratios differ within and outside the National Park in those Local Authorities.
- 2.8 The report calculated the need for each local authority using the standard method and then apportions this to the area inside and outside the SDNP based on the proportion of dwellings in each area. To achieve this, AECOM has drawn on the Ordnance Survey Building Count data linked to GIS. This approach resulted in an overall need for the South Downs National Park of 1,048 per annum (scenario 1).
- 2.9 The report also developed a set of affordability ratios for the National Park and put these through the standard method uplift to the housing stock figures calculated previously. These affordability ratios are based on house price data for each MSOA, drawn from Land Registry data, and MSOA-based income data, which are converted to earnings by relating them to the income-to-earnings ratio at the local authority level (scenario 2).
- 2.10 The affordability ratio for the parts inside and outside the National Park is calculated based on the weighted average of each MSOA's affordability ratio and the degree to which the housing stock in each falls within and outside the National Park.
- 2.11 Overall, this shows that using the bespoke affordability ratios leads to a greater housing need inside the SDNP at 1,225 dpa. This is not surprising, given that affordability ratios are generally higher in the National Park than in the surrounding districts. However, the report notes exceptions to this in Chichester and Wealden.
- 2.12 The report also concludes that there are data limitations and assumptions required for scenario 2, and considers scenario 1 (1,048 per annum) to be the more robust way to apportion the Standard Method.
- 2.13 As with the previous HEDNA, the AECOM document provides an unconstrained assessment of the number of homes **needed** in the area. Assessing need is the first step in determining the housing **required**, i.e. how many homes should be planned for.
- 2.14 There are further steps in the plan-making process that consider environmental constraints, infrastructure and the availability of suitable sites, etc. Still, these are not covered in this study or the previous study.

Purpose

- 2.15 The purpose of this document is to provide an alternative 'bottom up' housing need calculation to the 350 dwellings per annum provided in the 2023 HEDNA. It is intended to be complementary to the work undertaken by AECOM and the previous HEDNA. Specifically, this report:
- 1) **Develops alternative demographics** - including 5- and 10-year trends and maintains the economically active population. These population projections are translated into household projections by taking account of household formation rates.
 - 2) **Implications of the Standard Method** – Drawing on the AECOM report, which calculates the 'top down' housing need for the National Park based on the standard method, we examine the resultant population growth if this level of housing need were delivered and occupied.
 - 3) **Calculates affordable housing need** – By updating the previous assessment within the HEDNA, considering more recent house prices and income data. In addition, and in line with the latest NPPF, we provide further commentary on the most suitable split of affordable tenures for the National Park.

Gypsy and Travellers

- 2.16 The report does not include gypsy and traveller accommodation, the need for which is set out at <https://www.southdowns.gov.uk/planning-policy/the-south-downs-local-plan-review/evidence-base/homes-and-economy/gypsy-and-traveller-accommodation-assessment/>

3. HEDNA UPDATE

- 3.1 This section of the report provides a selected update to the 2023 HEDNA, with the key areas of updating being analysis contained in Sections 4 (Overall Housing Need) and Section 5 (Affordable Housing Need). The reasons for updating are due to new data being published, as well as a new National Planning Policy Framework (NPPF) and related Planning Practice Guidance (PPG).

Updating Section 4 – Overall Housing Need

- 3.2 Regarding the updating of Section 4, the HEDNA looked at the overall need using a ‘top-down’ and ‘bottom-up’ approach, with this study only looking at the bottom-up figures.
- 3.3 In this case, there is new population data (mid-year estimates to 2022) and a new set of subnational population projections (SNPP 2022-based) against which local projections can be derived.
- 3.4 Some analyses in the HEDNA, such as estimates of households and past changes in households, remain unchanged because they are based on the 2021 Census, which has not been updated.

Background demographic data

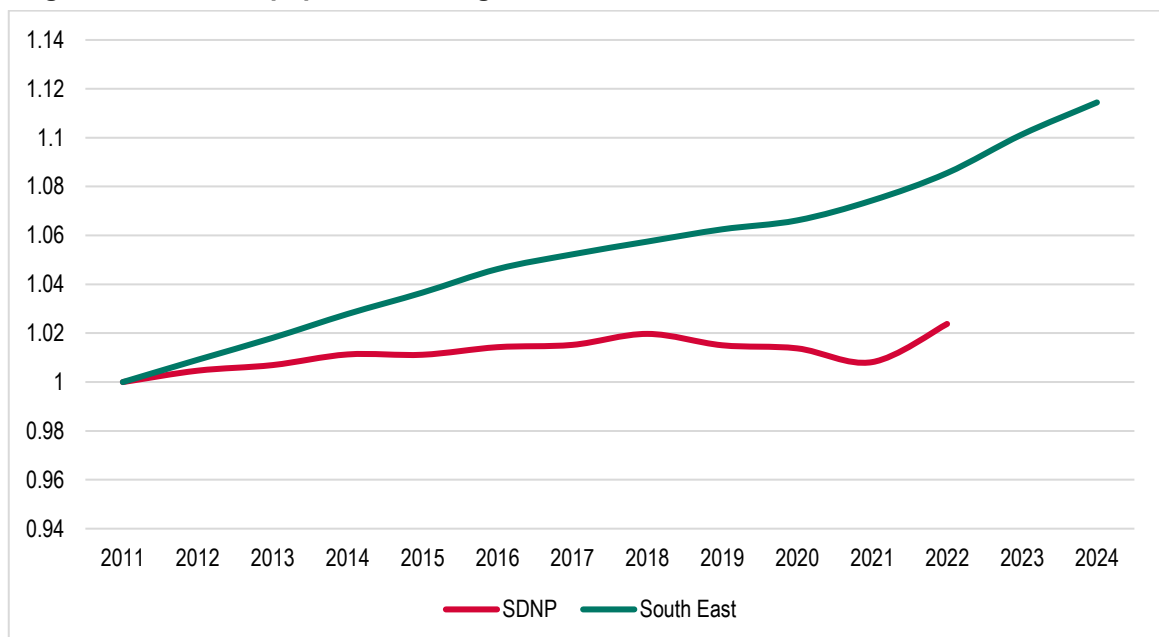
- 3.5 ONS publishes population estimates for small areas, including National Parks, with the last being updated in November 2024, and up to 2022. The table below shows the estimated population of the National Park from 2011 to 2022.
- 3.6 This shows the population as estimated to be 112,500 in 2011, rising to 115,200 in 2022, an increase of 2,700 people or 2.4%.
- 3.7 The table also shows there are some years where the population of the National Park is estimated to have fallen, with the data also showing notably strong growth in 2021-22.

Table 3.1 Estimated population of South Downs National Park (2011-22)

Year	Population	Change from the previous year	Change from 2011
2011	112,492		
2012	113,017	0.5%	0.5%
2013	113,274	0.2%	0.7%
2014	113,764	0.4%	1.1%
2015	113,749	0.0%	1.1%
2016	114,098	0.3%	1.4%
2017	114,204	0.1%	1.5%
2018	114,709	0.4%	2.0%
2019	114,185	-0.5%	1.5%
2020	114,043	-0.1%	1.4%
2021	113,410	-0.6%	0.8%
2022	115,168	1.6%	2.4%

Source: ONS

- 3.8 The figure below indexes this data (with 2011=1) and compares this with the South East region for which data up to 2024 is available and therefore included. This indicates significantly lower growth in the National Park compared to regional trends, although the increase for 2021-22 is notable. It will be interesting to see if this trend continues as the ONS publishes new estimates in the future.

Figure 3.1: Indexed population change since 2011 – SDNP and South East

Source: ONS

- 3.9 The table below shows changes in the total population when looking at data for the past 5 and 10 years (2017-22 and 2012-22, respectively). This shows an average population growth of just under 200 people per annum over the past 5 years, with a figure of just over 200 per annum when looking at the longer term.

Table 3.2 Estimated population change over the past 5- and 10-years (SDNP)

	Start population	Population (2022)	Change	% change
2017-22	114,204	115,168	964	193
2012-22	113,017	115,168	2,151	215

Source: ONS

- 3.10 The tables below show how the age structure of the population is estimated to have changed over a 5- and 10-year period. Over both timeframes, the analysis shows an ageing of the population with the number of people aged 65+ increasing notably alongside a decline in those aged 0-15 and 16-64. The data for the past five years, however, seems to show a slightly slower ageing of the population and a lower reduction in the population aged 16-64.

Table 3.3 Change in population by broad age group – 5 Years (2017-22) – SNDP

	2017	2022	Change	% change
Under 16	19,593	18,640	-953	-4.9%
16-64	65,930	65,613	-317	-0.5%
65+	28,681	30,915	2,234	7.8%
TOTAL	114,204	115,168	964	0.8%

Source: ONS

Table 3.4 Change in population by broad age group – 10 Years (2012-22) – SNDP

	2012	2022	Change	% change
Under 16	20,374	18,640	-1,734	-8.5%
16-64	66,759	65,613	-1,146	-1.7%
65+	25,884	30,915	5,031	19.4%
TOTAL	113,017	115,168	2,151	1.9%

Source: ONS

- 3.11 Consistent with the analysis in the HEDNA, for smaller areas, a base position has also been developed, using a best-fit of Output Areas (OAs). Using this method, the population of the National Park is estimated to be around 112,900 people in 2022.

- 3.12 Most of the National Park's population is located within four local authorities (Chichester, East Hampshire, Lewes and Winchester), with just 11% of the total being within the other eight local authorities – this is the same finding as in the HEDNA (which drew on 2021 Census data).
- 3.13 This estimate is around 2,200 people lower than the 2022 MYE based on the exact boundaries estimated, and this will be due to OAs crossing the National Park boundary and, in general, being more likely to be placed outside rather than inside the National Park (in terms of a best-fit). Indeed, given the best-fit to OAs, it is the case that the Census data picks up no National Park population within either Eastbourne or Worthing local authorities.
- 3.14 In terms of the analysis to follow, this information (along with more detailed age structure data) is used to develop population and household projections. However, all outputs are presented for the SDNP with population numbers constrained back to exact-fit estimates from ONS (as shown above).

Table 3.5 Estimated population in different parts of SDNP (2022)

Local Authority	Population	% of SDNP Population
Adur	433	0.4%
Arun	4,044	3.6%
Brighton & Hove	519	0.5%
Chichester	32,425	28.7%
East Hampshire	33,478	29.6%
Eastbourne	0	0.0%
Horsham	3,051	2.7%
Lewes	21,859	19.4%
Mid Sussex	1,541	1.4%
Wealden	3,183	2.8%
Winchester	12,388	11.0%
Worthing	0	0.0%
Total	112,921	100.0%

Source: IcenI analysis of ONS data

- 3.15 As with the HEDNA, this data has been split into five sub-areas of authorities (Chichester, East Hants, Lewes, Winchester and the rest of the National Park). Using the same data, the table below shows the age structure of the population in 2022 for each of the five areas.
- 3.16 Across the National Park, it is estimated that around 27% of the population is aged 65 and over, but this varies by location, from around 24% in Lewes, up to 32% for the Rest of the National Park area. The 'Rest' area also has the lowest proportion of children, with Winchester seeing the highest figures. These findings are broadly the same as in the HEDNA. The table below also shows the age structure

for the whole South Downs National Park from exact fit data; as shown, there is little difference between the figures.

Table 3.6 2022 Age structure by Sub-Area

	Under 15	15-64	65+
Chichester	15.5%	55.0%	29.5%
East Hants	16.8%	57.5%	25.7%
Lewes	16.3%	60.1%	23.6%
Winchester	16.9%	57.5%	25.6%
Rest of SDNP	15.0%	53.0%	32.0%
Total (best fit)	16.1%	56.8%	27.1%
Total (exact fit)	16.2%	57.0%	26.8%

Source: Icen analysis of ONS data

- 3.17 To draw trends, the table below shows how the population is estimated to have changed in the period between 2012 and 2022 (data again based on a best-fit of OAs). For the whole of the National Park, the data shows an increase in population of around 1,700 people, whereas the exact-fit data from ONS is slightly higher (2,200 people) – this is due to the use of a best-fit geography.
- 3.18 There are some differences by location. In particular, the data shows a notable decline in the population of Lewes but an increase in other locations, particularly Winchester. Focussing on Lewes, whilst a level of population decline is possible, a near 5% decline does feel relatively high. Given the uncertainties in the trend data, it is considered that it should be looked at with interest but not taken forward into looking at actual trends in any specific area.

Table 3.7 Population change by Sub-Area (2012 – 2022)

	2012	2022	Change	% change
Chichester	31,288	32,425	1,137	3.6%
East Hants	32,483	33,478	995	3.1%
Lewes	23,045	21,859	-1,186	-5.1%
Winchester	11,794	12,388	594	5.0%
Rest of SDNP	12,599	12,771	172	1.4%
Total	111,209	112,921	1,712	1.5%

Source: Icen analysis of ONS data

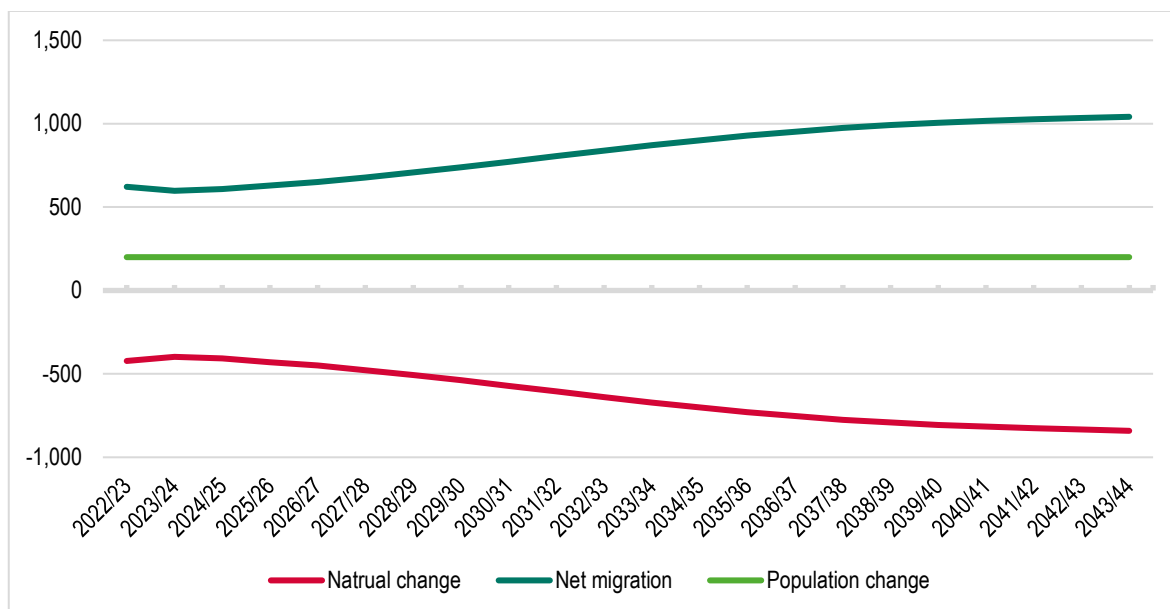
- 3.19 A similar analysis can be undertaken for the number of households. Still, as this data is from the Census and has not been updated since the 2023 HEDNA, figures are not repeated here.

Trend-based projection

- 3.20 The data above (specifically regarding population change) have been used to develop a trend-based population and household projection. The methodology used to assess population and household growth is based on a standard population projection methodology consistent with the methodology used by ONS in their national population and household projections.
- 3.21 Essentially, the method establishes the current population and how this will change in the period from 2024 to 2044, by estimating the birth rate, the death rate and the number of people that will move into or out of the area. These are the principal components of population change and are used to construct our principal trend-based population projections.
- 3.22 The range of assumptions necessary to develop the projections, based on data availability, means that the projections should be treated with a degree of caution, albeit that they follow a logical approach which is consistent with the national projections and thus can be considered to provide a reasonable estimate based on available information of housing need, leaving aside development constraints.
- 3.23 The key methodological approach is, however, to model for there to be a continued increase of population at a rate of around 200 people per annum – consistent with the per annum increases seen over the past 5- and 10-years (193 if looking over 5-years and 215 for the 2012-2022 period). For reference, at the time of the 2023 HEDNA, a lower trend-based level of population growth was identified (100 people per annum on average).
- 3.24 As this data is only available for the whole National Park, the projection uses that geography; however, the modelling is built up from local authority area data based on estimates of the population and households within the National Park in each location, including data such as the age structure.
- 3.25 In modelling this, it is estimated there would be a negative natural change (i.e. more deaths than births) and a positive level of net migration. The figure below shows estimated natural change and net migration for the core projection period.
- 3.26 Over the 2024-44 period, natural change is projected to fall from a loss of around 400 people in 2024/25 down to over 800 people in 2043/44 – this is mainly due to the ageing population (older people having higher death rates and lower fertility rates) but also due to the latest ONS projections showing lower levels of fertility in all ages than has been seen historically (this is a similar trend as seen in the 2023 HEDNA – although that only looked at a 2023-33 period).
- 3.27 To balance a population increase of 200 people per annum, net migration is estimated to run at around 600 people at the start of the period, rising to over 1,000 by 2043/44. Migration estimates are

generally slightly higher than projected in the 2023 HEDNA due to the modelling being linked to a higher level of population growth – the additional population is projected to be driven by additional net in-migration.

Figure 3.2: Components of Projected Population Change (2023/24-2032/33)



Source: Icen Projects, based on ONS data

3.28 With the projected population change, there is also projected to be a further ageing of the population, as shown in the table below. Over the 2024-44 period, a further population increase of 4,000 people is projected, including an increase in the population aged 65 and over of around 9,800.

3.29 Therefore, population losses are seen for both the 16-64 and 16 age groups, with the population of children seeing a particularly sharp decline (of approaching 20%). These findings are again consistent with the 2023 HEDNA.

Table 3.8 Projected Population change by broad age group – SDNP (2024-2044)

	2024	2044	Change	% Change
Under 16	18,349	14,711	-3,638	-19.8%
16-64	65,257	63,061	-2,196	-3.4%
65+	31,963	41,796	9,833	30.8%
Total	115,568	119,568	4,000	3.5%

Source: Icen Projects, based on ONS data

3.30 The finding that continuation of past trends results in a falling labour force may also have implications for the total number of homes the NPA plans for. This issue is examined in more detail below.

Household growth

- 3.31 Arguably, if looking at a trend-based projection, then household growth would also be fixed at the change seen in the 2011-21 period (which was shown in the 2023 HEDNA as around 129 per annum). However, it is considered that there is a possibility of some degree of suppressed household formation within this period (and potentially prior to 2011).
- 3.32 Therefore, in the modelling, data has been taken from the 2021 Census about household representative rates (HRRs) and adjusted to specific local data around household estimates by age. In projecting forward, the rates calculated have been held constant (where in reality it is likely that the trend is downward (i.e. fewer (particularly younger) households forming).
- 3.33 As with other analyses, a best-fit method has been used using data from the authorities, which are partially within the National Park, and the data is then adjusted to match the estimated number of households in 2021 (from exact-fit Census data) and rolled forward to 2022.
- 3.34 The table below shows estimated population growth using these HRRs. It shows an estimated increase of around 6,300 households over 20 years (at a rate of 314 per annum) – all this increase is in age groups aged 65 and over.
- 3.35 When compared with a similar analysis in the 2023 HEDNA, this report shows a higher projected household growth (previously 234 households per annum, based on a lower population projection, and over a 10- rather than 20-year period).

Table 3.9 Projected change in households – by age

	Households 2024	Households 2044	Change in households	% change	Per annum
Under 25	419	381	-38	-9.0%	-2
25-34	3,147	2,873	-273	-8.7%	-14
35-49	10,153	10,436	283	2.8%	14
50-64	15,959	15,677	-282	-1.8%	-14
65+	19,714	26,299	6,585	33.4%	329
TOTAL	49,392	55,666	6,275	12.7%	314

Source: Demographic projections

- 3.36 Because the ageing population is the largest driver of additional households, it may well impact the type and size of homes being delivered. Although not examined in detail, such a trend typically results in a greater need for specialist accommodation as well as smaller homes to support downsizing.

- 3.37 Because of the need to ensure a level of vacancy within the existing stock, household growth is often translated into a need for dwellings by applying a vacancy rate. Typically, this rate is in the region of 3% and when applied to the projected household growth, would result in a housing need of 323 dpa.
- 3.38 This compares to the 2023 HEDNA, which identified a need for 350 dwellings per annum, although it should be noted that the methods used do differ. In the 2023 HEDNA the methodology sought to broadly follow the Standard Method in use at the time (which was to include an affordability uplift on top of projections of household growth). The 323 dwellings per annum figure now calculated is just based on household growth. This figure replaces the 2023 HEDNA's 'bottom up' need for 350 dwellings per annum.
- 3.39 We have apportioned the 323 dpa figure between the local authority areas within the National Park according to the proportion of existing housing stock within their areas, as shown in the table below. Figures are also compared with the 2023 HEDNA (350 dpa) which generally shows little difference in the local authority-based figures. The only difference of note are the reduction in East Hampshire, Chichester and Winchester.

Table 3.10 Bottom – Up Housing Need – South Downs National Park – by local authority

	2024 Dwelling Stock	% of stock	Housing need apportionment	2023 HEDNA	Difference
Adur	138	0.3%	1	1	0
Arun	2,117	4.0%	13	12	1
Brighton & Hove	163	0.3%	1	0	1
Chichester	15,579	29.6%	96	102	-6
East Hampshire	14,748	28.1%	91	106	-15
Eastbourne	18	0.0%	0	0	0
Horsham	1,544	2.9%	9	9	0
Lewes	10,533	20.0%	65	63	2
Mid Sussex	578	1.1%	4	5	-1
Wealden	1,676	3.2%	10	12	-2
Winchester	5,418	10.3%	33	38	-5
Worthing	56	0.1%	0	0	0
SDNP	52,568	100.0%	323	350	-27

Source: Icen analysis (dwelling stock data from AECOM)

Relationship Between Housing and Economic Growth

- 3.40 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).
- 3.41 While there is nothing explicit within the PPG to suggest a need to align economic and housing growth, this is a typical approach undertaken by local authorities seeking to align their housing and economic policies and ensure there are no barriers to economic growth. National Park Authorities, in carrying out their statutory purposes, have a duty to seek to foster the economic and social well-being of their local communities.
- 3.42 However, as a National Park, the duty to foster economic well-being should not conflict with the duty to conserve, and if it does, the latter takes precedence. This is known as the Sandford Principle. This exercise is therefore somewhat academic but interesting, nevertheless.
- 3.43 To look at estimates of the job growth to be supported, a series of stages are undertaken. As with the 2023 HEDNA, 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.

Change in Resident Labour Supply

- 3.44 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 typical approach, with data being drawn in this instance from the Office for Budget Responsibility (OBR) – July 2018 (Fiscal Sustainability Report).
- 3.45 Base figures for 2021 have been adjusted for overall estimates of the number of economically active people in the National Park (based on an exact-fit geography) – these figures are consistent with those used in the 2023 HEDNA.
- 3.46 The table below shows the assumptions made for the National Park. 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 is linked to general reductions in pension provision).

Table 3.11 Projected changes to economic activity rates (2024 and 2044) – SDNP

	Males			Females		
	2024	2044	Change	2024	2044	Change
16-19	46.8%	47.3%	0.5%	50.6%	51.1%	0.4%
20-24	87.9%	87.9%	0.0%	81.7%	81.7%	0.0%
25-29	90.5%	90.4%	0.0%	80.1%	80.1%	0.0%
30-34	92.1%	92.1%	0.0%	81.0%	81.0%	0.0%
35-39	91.9%	91.7%	-0.1%	84.3%	85.2%	0.9%
40-44	90.3%	89.4%	-0.9%	83.9%	85.9%	2.1%
45-49	89.0%	87.8%	-1.2%	83.2%	86.6%	3.5%
50-54	88.1%	87.2%	-0.8%	79.2%	83.4%	4.1%
55-59	84.3%	83.5%	-0.8%	75.9%	78.7%	2.8%
60-64	72.0%	76.1%	4.1%	64.9%	70.6%	5.7%
65-69	32.1%	45.0%	12.9%	27.9%	40.9%	13.0%
70-74	16.7%	20.1%	3.4%	12.0%	18.7%	6.8%
75-89	6.1%	6.5%	0.4%	3.1%	5.8%	2.7%

Source: Based on OBR and Census (2011 and 2021)

- 3.47 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 National Park – this is set out in the table below.
- 3.48 The analysis shows that the projection linked to the trend-based projection (+200 people per annum) increases the economically active population by 1,960 people – a 3.5% increase. This is in contrast with the 2023 HEDNA, which, based on a trend-based projection of +100 people per annum, showed a modest projected decline in the economically active population (over 10 years).

Table 3.12 Estimated change to the economically active population (2024-44) – SDNP

	Economically active (2024)	Economically active (2044)	Total change in the economically active	% change
Trend-based	55,834	57,794	1,960	3.5%

Source: Derived from demographic projections

Linking Changes to Resident Labour Supply and Job Growth

- 3.50 The analysis above has set out potential scenarios for the change in the number of economically active people. 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

- 3.51 Given the nature of the National Park, it is difficult to determine a commuting ratio (the relationship between the number of people working in the area and the number of people living in the area who are working, regardless of location).
- 3.52 As with the 2023 HEDNA, the approach taken in this report is therefore to assume a 1:1 relationship between workers and jobs for new jobs. Such a scenario is typical even for areas where good commuting data exists, as it essentially assumes a match between homes and jobs – i.e. in this case, the National Park would not be relying on other areas to provide housing for local workers and would not be providing additional housing for people to work outside the National Park.
- 3.53 In reality, such is the complex nature of this National Park that it will inevitably draw its labour force from a wide range of areas. Notably, the southern part of the National Park is bounded mainly by urban settlements.
- 3.54 While this might be termed as unsustainable, this would depend on the location of the jobs and the modes of transport available.

Double Jobbing

- 3.55 The analysis also considers that some 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.

- 3.56 Data from the Annual Population Survey (available on the NOMIS website) suggests that typically about 4% of workers have a second job across the South East, and this figure has been used as a best estimate for SDNP – this is the same figure as estimated at the time of the 2023 HEDNA.
- 3.57 A double jobbing figure of 4% gives rise to a ratio of 0.96 (i.e. the number of jobs supported by the workforce will be around 4% higher than workforce growth). It has been assumed in the analysis that the level of double jobbing will remain constant over time.

Unemployment

- 3.58 The last analysis, when looking at the link between jobs and resident labour supply, is a consideration of unemployment. Essentially, this is considering whether there is any latent labour force that could move back into employment to take up new jobs. This is particularly important, given the likely notable increases in unemployment due to Covid-19, although it will be difficult to be precise about the numbers.
- 3.59 Given that the estimates of economic activity and job growth are taken from 2024, 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 Change in the Resident Labour Force

- 3.60 The table below shows how many additional jobs might be supported by population growth under the trend-based projection. Given a 1:1 commuting pattern and estimates about double jobbing, it is estimated that around 2,041 additional jobs would be ‘supported’ by the changes to the resident labour supply.

Table 3.13 Jobs supported by demographic projections (2024-44) – SDNP

	Total change in the economically active	Allowance for double jobbing	Allowance for net commuting (= jobs supported)
Trend-based	1,960	2,041	2,041

Source: Derived from a range of sources

- 3.62 A final analysis consistent with the 2023 HEDNA is to consider the level of households growth that might be projected to maintain a constant economically active population – i.e. the economically active population is the same at the start of the projection period as at the end – this zero change to labour-supply has been modelled for the 2024-44 period to be consistent with previous demographic projections as is presented below.

- 3.63 The table below shows that maintaining the economically active population at 2024 levels by 2044 would require household growth of around 4,900 over the 20 years – this is 244 per annum and is very similar to the figure calculated in the 2023 HEDNA (annual household growth of 251 over the 2023-33 period).

Table 3.14 Projected change in households – by age – zero change to economically active population

	Households 2024	Households 2044	Change in households	% change	Per annum
Under 25	419	353	-66	-15.7%	-3
25-34	3,147	2,595	-551	-17.5%	-28
35-49	10,153	10,036	-117	-1.1%	-6
50-64	15,959	15,357	-603	-3.8%	-30
65+	19,714	25,925	6,211	31.5%	311
TOTAL	49,392	54,266	4,875	9.9%	244

Source: Demographic projections

- 3.64 Again, if we were to apply a 3% vacancy rate to the household growth, it would result in a housing need of 251 dwellings per annum. This compares to a figure of 276 dwellings per annum within the 2023 HEDNA. This is a fairly modest difference and will be due to a slightly different age structure (both from a base position and projected forward).

4. DEMOGRAPHICS AND THE STANDARD METHOD

- 4.1 This section of the report examines the implications on population growth of delivery in line with the 'top down' housing need calculation which apportions the Standard Method. The analysis is based on the South Downs National Park Standard Method Apportionment Study produced by AECOM (see chapter 2 of this document for a full summary).
- 4.2 The study calculated two scenarios for apportioning the standard method growth. Both scenarios split the number of dwellings in the host local authorities between those inside and outside of the National Park.
- The first scenario then applied the relevant local authority-based affordability ratios, as published. This resulted in a housing need of 1,048 dwellings per annum.
 - The second scenario developed bespoke affordability ratios based on estimated earnings and house prices for each area. This resulted in a housing need of 1,225 dpa.
- 4.3 For the purposes of this analysis, it has been assumed that the population follows a trend-based position from 2022-24 (i.e. an increase of 200 people per annum) with the Standard Method being applied from 2024 onwards (to 2044).

Population Growth

- 4.4 The method used is to take the base demographic model developed for Chapter 2 and then flex the levels of migration so there is a sufficient population for the required number of homes to be filled (minus a standard 3% allowance for vacant homes to allow for movement in the market).
- 4.5 The table below shows how the population would be projected to change under each of these scenarios. With the Scenario 1 growth of 1,048 dpa, a growth of 40,800 people is projected (35%), and with the higher figure from Scenario 2 (1,225 dpa), growth is projected to be just under 50,000 people (a 43% increase).
- 4.6 These figures can be contrasted with a trend-based estimate of growth of 200 people per annum (4,000 over the 20 years). The scenarios below, therefore, project population growth of at least 10 times that seen in past trends.

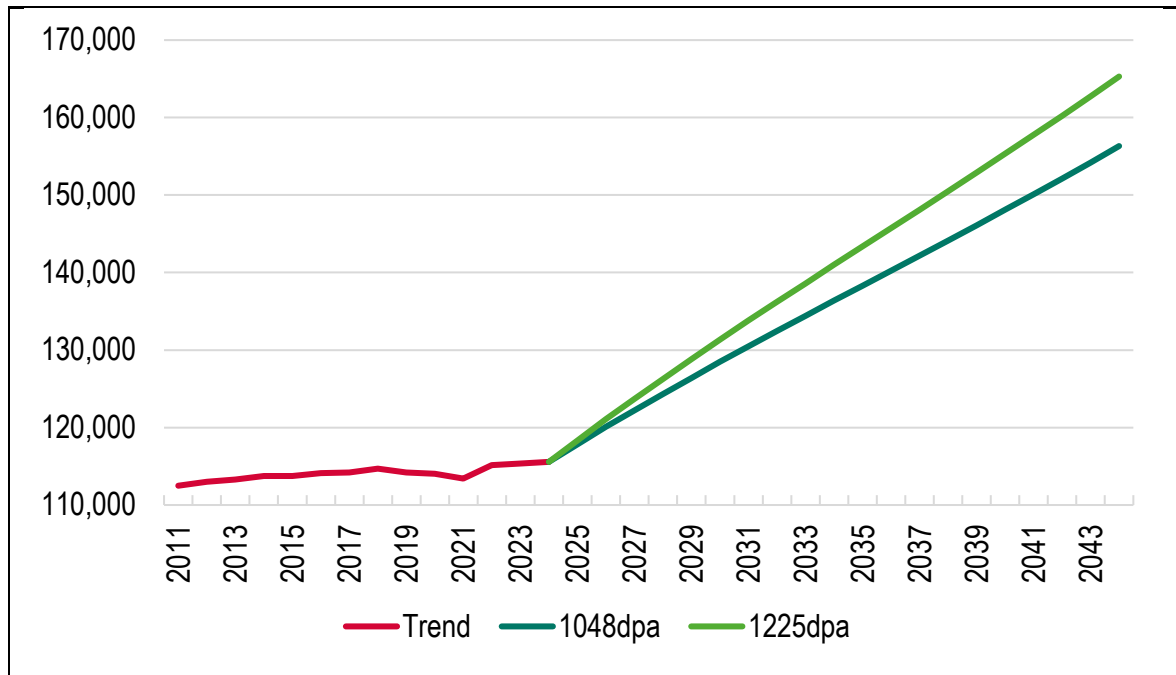
Table 4.1 Projected population growth under a range of scenarios – SDNP (2024-44)

	Population 2024	Population 2044	Change	% change
1,048 dpa	115,568	156,323	40,755	35.3%
1,225 dpa	115,568	165,297	49,728	43.0%

Source: Demographic projections

- 4.7 The projected growth for both scenarios is shown on the chart below. This fully emphasises that delivery of these higher levels of housing would drive a population growth that is entirely out of kilter with past trends seen back to at least 2011.

Figure 4.1: Past trends and projected population – SDNP



Source: ONS and demographic projections

Age Profile

- 4.8 Compared with the trend-based position, these projections would also show a notably different age structure. Whilst there would continue to be growth in the number of older people, there would also be notable increases in younger age groups (both children and those aged 16-64).
- 4.9 This finding arises as the modelling increases net migration, and younger people are typically more likely to be migrants (including people of a 'working-age' and their associated children). Indeed, in both scenarios, the main growth is projected to be in the 16-64 age group.
- 4.10 While an increase in the economically active population is generally considered a good thing, that would only be the case if there were a concurrent increase in jobs. This is unlikely to be the case, and under normal circumstances, it would either result in unsustainable commuting patterns or the jobs wouldn't materialise.
- 4.11 This analysis illustrates the scale of the challenge associated with the Standard Method if it were ever to be implemented in the South Downs.

Table 4.2 Projected population change 2024 to 2044 by broad age bands – 1,048 dpa – SDNP

	2024	2044	Change in population	% change from 2024
Under 16	18,349	22,051	3,702	20.2%
16-64	65,257	86,676	21,419	32.8%
65 and over	31,963	47,596	15,633	48.9%
Total	115,568	156,323	40,755	35.3%

Source: Demographic Projections

Table 4.3 Projected population change 2024 to 2044 by broad age bands – 1,225 dpa – SDNP

	2024	2044	Change in population	% change from 2024
Under 16	18,349	23,851	5,502	30.0%
16-64	65,257	92,435	27,178	41.6%
65 and over	31,963	49,011	17,048	53.3%
Total	115,568	165,297	49,728	43.0%

Source: Demographic Projections

5. AFFORDABLE HOUSING NEED

5.1 This section provides an update to Section 5 of the 2023 HEDNA, updating information relevant to the need for affordable housing, such as local house prices, rents and incomes. In addition, the section notes changes made in the NPPF (December 2024), which have put a stronger focus on social rented housing and less focus on forms of affordable home ownership.

5.2 In the 2023 HEDNA, an analysis was carried out for households unable to afford to rent or buy in the market and separately for those able to rent (privately) but not buy a home. In this update, the latter group of households has been excluded (as they do not have a need for affordable housing), although the possibility of forms of affordable home ownership being a 'genuinely affordable' product is discussed later in the section.

Overview of the method

5.3 The method used to assess affordable need is essentially unchanged from the 2023 HEDNA, and in summary, the methodology looks at a series of stages as set out below:

- Current affordable housing need (annualised to meet the current need over a period of time);
- Projected newly forming households in need;
- Existing households falling into need; and
- Supply of affordable housing from existing stock

5.4 The first three bullet points above are added together to identify a gross need, from which the supply is subtracted to identify a net annual need for additional affordable housing. Examples of different affordable housing products are outlined in the box below.

Affordable Housing Definitions

Social Rented Homes – are homes owned by local authorities or private registered providers for which rents are determined by the national rent regime (through which a formula rent is determined by the relative value and size of a property and relative local income levels). They are low-cost rented homes.

Affordable Rented Homes are let by local authorities or private registered providers to households who are eligible for social housing. Affordable rents are set at no more than 80% of the local market rent (including service charges).

Rent-to-Buy – where homes are offered, typically by housing associations, to working households at an intermediate rent which does not exceed 80% of the local market rent (including service charges) for a fixed period, after which the household has the chance to buy the home.

Shared Ownership – a form of low-cost market housing where residents own a share of their home, on which they typically pay a mortgage; with a registered provider owning the remainder, on which they pay a subsidised rent.

Discounted Market Sale – a home which is sold at a discount of at least 20% below local market value to eligible households, with provisions in place to ensure that housing remains at a discount for future households (or the subsidy is recycled).

First Homes – a form of discounted market sale whereby an eligible First-time Buyer can buy a home at a discount of at least 30% of market value. Councils can set out discounts and local eligibility criteria in their policies.

Affordability

- 5.5 An important first part of the affordable needs modelling is to establish the entry-level costs of housing to buy and rent. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an 'affordable housing need'. For the purposes of establishing affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes).
- 5.6 The table below shows estimated current prices to both buy and privately rent a lower quartile home in the National Park. Across all dwelling sizes, the analysis points to a lower quartile price of £380,000 and a private rent of £1,300 per month.

- 5.7 When compared with the 2023 HEDNA, the lower quartile house price has increased by around 5% (from £361,000) whilst private rents are estimated to have risen by 13% (from £1,150 per month).

Table 5.1 Estimated lower quartile cost of housing to buy and privately rent (by size) – SDNP

	To buy	Privately rent
1-bedroom	£180,000	£900
2-bedrooms	£295,000	£1,250
3-bedrooms	£400,000	£1,650
4-bedrooms	£550,000	£2,000
All dwellings	£380,000	£1,300

Source: Land Registry and Internet Price Search

- 5.8 Next, 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 subsidy).
- 5.9 Data about household income has been taken from the 2023 HEDNA and updated by reference to the Annual Survey of Hours and Earnings (ASHE) to consider changes since the previous study.
- 5.10 Overall, the average (mean) household income across SDNP is estimated to be around £67,400, with a median income of £57,800; the lower quartile income of all households is estimated to be £33,500.
- 5.11 To assess affordability, two different measures are used; firstly, to consider what income levels are likely to be needed to access private rented housing, and secondly, to consider what income level is needed to access owner occupation.
- 5.12 This analysis, therefore, brings together the data on household incomes with the estimated incomes required to access private sector housing. For the purposes of analysis, the following assumptions are used:
- Rental affordability – a household should spend no more than 35% of their income on rent, and

- Mortgage affordability – assume a household has a 10% deposit and can secure a mortgage for four and a half times (4.5×) their income.

- 5.13 The rental affordability test uses a slightly higher percentage than was used in the 2023 HEDNA (30%), with this change made to reflect the increase in rents observed, as well as a typical figure used in more recent studies.
- 5.14 The proportion also reflects typical proportions actually paid in the sector – ONS research² for 2023 estimates, private tenants are paying an average of 34% of their income on housing.

The Need for Affordable Housing

- 5.15 The table below shows an estimate of the need for affordable housing. This is based on an updating of the analysis in the 2023 HEDNA and, as noted, only considers households unable to buy OR rent housing in the National Park. Some key aspects of the updating include:
- Estimates of the number of households living in unsuitable housing have been updated by reference to national changes (e.g. in overcrowding) as shown in the English Housing Survey (EHS);
 - Affordability updated by reference to the prices, rents and incomes discussed above;
 - Estimates of the number of newly-forming households updated using more up-to-date projections – this does see an increase in estimated new formation from 614 households per annum up to 671, mainly due to the trend-based projection being based on a higher level of population growth; and
 - Supply of relets and resales updated to reflect data in the EHS about the turnover of stock.
- 5.16 Overall, the analysis estimates a need for 259 affordable homes per annum if all needs are to be met; this is somewhat lower than the equivalent figure in the 2023 HEDNA (for 370 dwellings per annum). There are two key reasons for the differences:

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<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/privaterentalaffordabilityengland/2023>

- The current need in this report has been annualised over 20 years (2024-44) rather than 10 years; and
- By moving to a 35% affordability threshold, more additional households will have been modelled as able to afford market housing

5.17 Regardless of any differences, both studies clearly show a need for affordable housing and that delivery should be maximised where opportunities arise.

Table 5.2 Estimated Need for Affordable Housing (per annum)

	2025 update	2023 HEDNA
Current need	41	93
Newly forming households	293	341
Existing households falling into need	78	99
Total Gross Need	413	533
Re-let Supply	153	163
Net Need	259	370

Source: Icenis analysis

Affordable Need and Overall Housing Numbers

5.18 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 (housing and economic needs) Ref ID 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”

- 5.19 However, the relationship between affordable housing need and overall housing need is complex. This was recognised in the Planning Advisory Service (PAS) Technical Advice Note of July 2015³. PAS conclude that there is no arithmetical way of combining the OAN (calculated through demographic projections) and the affordable need. There are a number of reasons why the two cannot be 'arithmetically' linked.
- 5.20 Firstly, the modelling contains a category in the projection of 'existing households falling into need'; these households already have accommodation and hence if they were to move to alternative accommodation, they would release a dwelling for use by another household – there is, therefore, no net additional need arising.
- 5.21 The modelling also contains 'newly forming households'; these households are a direct output from demographic modelling and are therefore already included in overall housing need figures (a point also made in the PAS advice note – see paragraph 9.5).
- 5.22 The analysis estimates an annual need for 259 affordable homes from households unable to buy OR rent housing. However, as noted, caution should be exercised in trying to make a direct link between affordable need and planned delivery, with the key point being that many of those households picked up as having a 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).
- 5.23 It is possible to investigate this in some more detail by re-running the model and excluding those already living in accommodation. This is shown in the table below, which identifies that meeting these needs would lead to an affordable need for 161 homes per annum across the National Park – around three-fifths of the figure when including those with housing.
- 5.24 This figure is, however, theoretical and should not be seen to be minimising the need (which is clearly acute). That said, it does serve to show that there is a difference in the figures when looking at overall housing shortages.
- 5.25 The analysis is arguably even more complex than this – it can be observed that the main group of households in need are newly forming households. These households are already included within demographic projections and so the demonstrating of a need for this group again should not be seen as additional to overall figures from demographic projections.

³ <https://www.local.gov.uk/sites/default/files/documents/objectively-assessed-need-9fb.pdf>. While the technical note produced by PAS is arguably becoming dated, there is no more up-to-date guidance on this matter from a Government source and the remarks remain valid.

Table 5.3 Estimated Need for Affordable Housing (households unable to buy OR rent) excluding households already in accommodation

	Including existing households	Excluding existing households
Current need	43	21
Newly forming households	293	293
Existing households falling into need	78	0
Total Gross Need	413	314
Relet Supply	153	153
Net Need	259	161

Source: Icení analysis

- 5.26 Additionally, it should be noted that the need estimate is on a per annum basis and should not be multiplied by the plan period to get a total need. Essentially, the estimates are for the number of households who would be expected to have a need in any given year (i.e., needing to spend more than 35% of income on housing).
- 5.27 In reality, some (possibly many) households would see their circumstances change over time such that they would 'fall out of need' and this is not accounted for in the analysis.
- 5.28 One example would be a newly forming household with an income level that means they spend more than 35% of income on housing. As the household's income rises, they would potentially pass the affordability test and therefore not have an affordable need.
- 5.29 Additionally, there is the likelihood when looking over the longer-term that a newly forming household will become an existing household in need and would be counted twice if trying to multiply the figures out for a whole plan period.
- 5.30 It also needs to be remembered the affordability test used for analysis is based on assuming a household spends no more than 35% of their income on housing (when privately renting). In reality, many households will spend more than this and so would be picked up by modelling as in need but in fact are paying for a private sector tenancy.
- 5.31 ONS research⁴ for 2023 estimates private tenants are paying an average of 34% of income on housing and this would imply that approaching half are spending more than the affordable level assumed in this report (if this figure were to be applicable to SDNP).

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<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/privaterentalaffordabilityengland/2023>

- 5.32 Finally, it should be recognised that Planning Practice Guidance does not envisage that all needs will be met (whether this is affordable housing or other forms of accommodation such as for older people). Paragraph 67-001 of housing needs of different groups states:

“This guidance sets out advice on how plan-making authorities should identify and plan for the housing needs of particular groups of people. This need 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”.

- 5.33 The discussion above has already noted that the need for affordable housing does not generally lead to a need to increase overall provision. It is however worth briefly thinking about how affordable need works in practice and the housing available to those unable to access market housing without Housing Benefit or Universal Credit. 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.
- 5.34 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.
- 5.35 It is also worth reflecting on the NPPF (Annex 2) definition of affordable housing. This says: *‘Affordable housing: housing for sale or rent, for those whose needs are not met by the market’* [emphasis added]. Clearly where a household is able to access suitable housing in the private rented sector (with or without Housing Benefit) it is the case that these needs are being met by the market (as within the NPPF definition). As such the role played by the private rented sector should be recognised – it is evidently part of the functioning housing market.
- 5.36 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.
- 5.37 Overall, it is difficult to link the need for affordable housing to the overall housing need; indeed, there is no justification for trying to make the link. Put simply the two do not measure the same thing and interpreting the affordable need figure consideration needs to be given to the fact that many

households already live in housing, and do not therefore generate an overall net need for an additional home.

- 5.38 Further issues arise as the need for affordable housing is complex and additionally the extent of concealed and homeless households needs to be understood as well as the role played by the private rented sector.
- 5.39 Regardless of the discussion above, 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 Park.
- 5.40 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.
- 5.41 As noted previously, the evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

Types of Affordable Housing

- 5.42 The analysis above has clearly pointed to a need for affordable housing. There is a range of affordable housing options that could meet the need, which will include rented forms of affordable housing (such as social or affordable rents) and products which might be described as intermediate housing (such as shared ownership or discounted market housing/First Homes). These are discussed in turn below.

Social and Affordable Rented Housing

- 5.43 In terms of rented affordable housing, there are two main products (social rents and affordable rents). Social rents are significantly below market rents (typically less than half market rents but likely to be even lower in higher value areas such as SDNP).
- 5.44 For affordable rents, Government policy allows rents to be set at up to 80% of market rent (including any service charges). Still, it could be provided at a lower percentage to ensure they are affordable to local households.
- 5.45 The analysis below considers the affordability of rents at between 50% and 80% of the market, where 50% might broadly equate to a social rent and other figures could be affordable rents at different levels below market values.

- 5.46 The table below suggests that around 16% of households that cannot afford to rent privately could afford an affordable rent at 80% of market rents, with a further 10% being able to afford at 70% of the market (and 12% more if rents are at 60% of market rents).
- 5.47 There are also an estimated 13% who can afford at 50% but not 60% and a total of 49% of households who would need some degree of benefit support (or spend more than 35% of income on housing) to be able to afford their housing (regardless of the tenure). This analysis points to a clear need for social rented housing.

Table 5.4 Estimated need for affordable rented housing (% of households able to afford to rent)

	% of households able to afford
Afford 80% of market rent	16%
Afford 70% of market rent	10%
Afford 60% of market rent	12%
Afford 50% of market rent	13%
Unable to afford 50% of market rent	49%
TOTAL	100%

Source: Icení analysis

- 5.48 On the assumption that affordable rents would not be provided at a rent any lower than 60% of the market, the analysis indicates that provision of around 60% of rented affordable housing at social rents could be justified; albeit in setting planning policies, this will need to be considered alongside viability evidence.
- 5.49 Higher provision at social rents will reduce the support through housing benefits required to ensure households can afford their housing costs. If affordable rents were always at 80% of the market, the need for social rents would increase notably.

Intermediate Housing

- 5.50 As well as rented forms of affordable housing, the Council could seek to provide forms of intermediate housing, with the analysis below considering the potential affordability of shared ownership and discounted market sale housing (which could include First Homes).

5.51 Generally, intermediate housing will be a new-build product, sold at a discount (or on a part-buy, part-rent arrangement with shared ownership). It will therefore be based on the Open Market Value (OMV) of a new home.

Discounted Market Sale

5.52 To be affordable to a household unable to buy or rent housing, the cost to buy should be equivalent to the cost of private rented housing that a household can afford. An example is given below:

- A lower quartile 2-bedroom home is estimated to have a rent of £1,250 per month;
- If a household spends 35% of their income on housing, then their income will be approximately £42,900 ($£1,250/0.35*12$);
- With an income of £42,900, a household would be expected to be able to afford a home costing around £214,000 (based on having a 10% deposit and a 4.5 times mortgage multiple); and
- This can be worked backwards to show a £214,000 home with a 10% deposit requires a mortgage of around £193,000. With a mortgage multiple of 4.5, this gives an income of around £42,900 (as shown above) – calculated as $£193,000/4.5$.

5.53 The table below, therefore, sets out a suggested maximum purchase price for affordable home ownership/First Homes by size. It works by first determining the affordable price (on the left-hand side), based on a 10% deposit and a mortgage at 4.5 times the income. The right-hand side of the table then sets out what Open Market Value (OMV) this might support, based on a 30% discount.

5.54 Focussing again on 2-bedroom homes, it is suggested that an affordable price is no more than £214,000, and therefore the open market value of homes would need to be in no more than £306,000 (if discounted by 30%).

Table 5.5 Affordable home ownership prices – SDNP

	What households that are able to rent but not buy could afford	Open Market Value (OMV) of Home with 30% Discount
1-bedroom	£154,000	£220,000
2-bedrooms	£214,000	£306,000
3-bedrooms	£283,000	£404,000
4-bedrooms	£343,000	£490,000

Source: IcenI analysis

- 5.55 It is difficult to definitively analyse the cost of newbuild homes as these will vary from site to site and will be dependent on a range of factors such as location, built form and plot size. We have, however, looked at newbuild schemes currently advertised on Rightmove, with the table below providing a general summary of existing schemes.
- 5.56 This analysis is interesting as it shows the median newbuild price to be above the top end of the OMV required to make homes affordable to those in the gap between buying and renting. Even homes at the bottom end of the price range sit above the OMV shown in the table above for 1- and 2-bedroom homes (which have limited supply).
- 5.57 This analysis shows how important it will be to know the OMV of housing before discounting to be able to determine if a product is going to be genuinely affordable in a local context – providing a discount of say 30% will not automatically mean it becomes affordable housing.

Table 5.6 Estimated newbuild housing cost by size – SDNP

	No. of homes advertised	Range of prices	Median price
1-bedroom	6	£265,000-£420,000	£275,000
2-bedrooms	35	£325,000-£1,195,000	£495,000
3-bedrooms	100	£345,000-£1,700,000	£610,000
4-bedrooms	61	£480,000-£1,800,000	£850,000

Source: IcenI analysis

- 5.58 An alternative way of looking at the data is to ask what level of discount is required to make homes genuinely affordable, and this is shown in the table below. The figures are based on median newbuild prices and indicate the discount required to achieve the previously calculated affordable price.
- 5.59 The table below shows (other than for 1-bedroom homes) that a discount in excess of 50% would be needed to make homes affordable (44% for 1-bedroom homes). Although it is arguably possible for discounts of this level to be provided, this would essentially be a subsidy that could potentially be spent in other ways (such as to support the provision of social rented housing).
- 5.60 Overall, it is considered that the evidence does not support any significant need for First Homes (or other discounted market products) in a local context due to the cost of newbuild housing.

Table 5.7 Discount required to make affordable home ownership a ‘genuinely affordable’ product

	Affordable price	Median newbuild	Discount required
1-bedroom	£154,300	£275,000	44%
2-bedrooms	£214,300	£495,000	57%
3-bedrooms	£282,900	£610,000	54%
4-bedrooms	£342,900	£850,000	60%

Source: IcenI analysis

Shared Ownership

- 5.61 The analysis below moves on to consider shared ownership. For this analysis, an assessment of monthly outgoings has been undertaken, with the core assumption that outgoings should be comparable to those for private renting, to ensure this tenure is genuinely affordable.
- 5.62 The analysis has looked at what the OMV would need to be for a shared ownership to be affordable with a 10%, 25% and 50% share. To calculate outgoings, the mortgage component is based on a 10% deposit (representing the equity share) and a 25-year repayment mortgage at 5% interest, with an additional 2.75% annual rent on any unsold equity.
- 5.63 The findings of this analysis do point to the possibility of shared ownership being a more affordable tenure than discounted market housing (including First Homes).
- 5.64 By way of an explanation of this table (focusing on 3-bedroom homes), if a 50% equity share scheme came forward, then it is estimated that the OMV could not be above £437,000 if it is to be genuinely affordable (due to the outgoings being in excess of the cost of privately renting). However, given the subsidised rents, the same level of outgoings could be expected with a 10% equity share but a much higher OMV of £638,000.
- 5.65 Although affordability can only be considered on a scheme-by-scheme basis, it is notable that we estimate a median 3-bedroom newbuild to cost around £610,000; this points to shared ownership and an equity share of above 10% as being genuinely affordable.

Table 5.8 Estimated OMV of Shared Ownership with a 50%, 25% and 10% Equity Share by Size – SDNP

	50% share	25% share	10% share
1-bedroom	£238,000	£297,000	£348,000
2-bedroom	£326,000	£406,000	£475,000
3-bedroom	£437,000	£544,000	£638,000
4-bedrooms	£530,000	£659,000	£773,000

Source: Icení analysis

- 5.66 Another way of looking at this data is to see what level of equity share might be needed to make shared ownership affordable, and this is shown in the table below. Overall, this points to very low shares in all sizes other than 1-bedroom homes, and whilst shared ownership may be more affordable than discounted market sale, it may be very difficult to make this a 'genuinely affordable' product. That said, this analysis should be treated as indicative as it is based on a specific set of data at a particular point in time.

Table 5.9 Estimated equity share required to make shared ownership affordable

	'Affordable' equity share
1-bedroom	33%
2-bedroom	8%
3-bedroom	14%
4-bedrooms	2%

Source: Icení analysis

Rent-to-Buy

- 5.67 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).
- 5.68 The expectation is that the discount provided in the first five years will be saved 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 onto the home ownership ladder.

- 5.69 At the end of the five years, depending on the scheme, the property is either sold as a shared ownership product or purchased outright as a full market property. If the occupant is unable to do either of these, the property is vacated.
- 5.70 To access this tenure, it effectively requires the same income threshold for the initial phase as a market rental property. However, the cost of accommodation will be that of affordable rent. The lower-than-market rent will enable the household to save for a deposit towards either shared ownership or a market property.
- 5.71 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.

Affordable Housing Need – Summary

- 5.72 We have updated the calculation of affordable housing need set out in the 2023 HEDNA using more recent local house prices, rents and incomes data.
- 5.73 In addition, we have responded to the changes made to the NPPF (December 2024), which have placed greater emphasis on social rented housing and less on forms of affordable home ownership.
- 5.74 Overall, the analysis estimates a need for 259 affordable homes per annum to meet all needs; this is somewhat lower than the equivalent figure in the 2023 HEDNA (370 dwellings per annum).
- 5.75 The fall is due to the current need being annualised over a more extended period of 20 years rather than 10 and also an increase in the affordability threshold to 35% rather than 30%.
- 5.76 While the affordable housing need has fallen, the National Park Authority would still be justified in seeking to maximise affordable housing.
- 5.77 The analysis indicates that provision of around 60% of rented affordable housing at social rents could be justified; however, in setting planning policies, this will need to be considered alongside viability evidence.
- 5.78 Our findings do not support a significant need for First Homes (or other discounted market products) in a local context, given the cost of new-build housing.
- 5.79 Whilst shared ownership may be more affordable than a discounted market sale product, that also may be very difficult to make 'genuinely affordable'

- 5.80 Despite the level of need being high, it is not considered that this points to any requirement for the Council to increase the Local Plan housing requirement due to affordable needs. The link between affordable need and overall need (of all tenures) is complex and in trying to make a link it must be remembered that many of those picked up as having an affordable need are already in housing (and therefore do not generate a net additional need for a home).
- 5.81 In addition, the private rented sector is providing benefit supported accommodation for many households. That said, the level of affordable need does suggest the Council should maximise the delivery of such housing at every opportunity.

A1. ENGLISH NATIONAL PARKS AND BROADS – HOUSING PRINCIPLES

Principle One: National Parks and The Broads Purposes.

- 5.82 National Parks and The Broads are treasured, beautiful landscapes, rich in cultural heritage and wildlife for all to enjoy. They were born of a post-war consensus that holds true today – that our countryside is much loved and needs conservation and enhancement. Purposes established at that time remain hugely relevant for the country’s new challenges: our health and well-being, clean air and water, and the nature and climate that all our futures depend on.**
- 5.83 The *Land Use Framework* consultation documents set out that protected landscapes have a role in delivering objectives for nature, water, rural housing and climate.⁵
- 5.84 Protected landscapes are key in the delivery of the 10 *Environmental Improvement Plan* goals.⁶
- 5.85 The Government recognises that National Parks are not suitable locations for unrestricted housing and does not therefore provide general housing targets for them. The expectation is that new housing will be focused on meeting affordable housing requirements, supporting local employment opportunities and key services.⁷ This is in line with our socio-economic duty and the need to ensure a vibrant local community.
- 5.86 The National Planning Policy Framework says that the landscape and scenic beauty in National Parks and The Broads have the highest status of protection, major development should not take place except in exceptional circumstances and the scale and extent of development should also be limited.⁸

⁵ [Land Use Consultation.pdf](#) p24

⁶ [Environmental Improvement Plan](#)

⁷ [National Parks Circular](#) para 67 and paras 76-79

⁸ [National Planning Policy Framework - GOV.UK](#)

Principle Two: Housing Need Standard Method

5.87 The standard method is a starting point for assessing housing need and plan-making.

5.88 Housing need in a protected area is part of the overall housing need of the relevant constituent authority.

5.89 We recognise that under the Government's standard methodology housing need inside and outside the boundary of nationally protected landscapes is broadly based on the proportion of stock. For context, only 0.7% of England's dwelling stock is within National Parks.⁹

5.90 In protected areas, stock-based methodologies will exaggerate housing need when compared to population-based methodologies. This is because in protected areas, compared to the national average, significantly more homes are under-occupied or used as holiday or second homes. Evidence also shows a tendency toward smaller households and a higher percentage of older / retirement age households. 29.5% of the population of England's National Parks is over the age of 65 compared to 18.4% nationally. The majority of households (51.2%) have two more spare bedrooms compared to England's figure of 35.6%¹⁰

5.91 In protected areas, affordability-based methodologies will significantly exaggerate housing need when compared to population-based methodologies. This is because demand is high (the areas are attractive places to live and/or earn income from short-term lets) and supply (by design) is low. This combines to increase prices so that relative to local incomes, houses are less affordable.

5.92 National policy confirms that housing need is not the housing requirement.¹¹ Housing need does not take into account environmental or other policy constraints.¹²

Principle Three: elements of an alternative approach to need and assessment.

5.93 In establishing a local plan housing need and from there a subsequent provision, Authorities will set out their objectives having regard to our statutory purposes and duty. In seeking to understand housing need in a National Park/The Broads context, we will look at population, housing stock, affordability and community services.

⁹ 2011 Census statistics for National Parks and the Broads Table KS401EW. Stock figures for 2021 are not available.

¹⁰ ONS 2021 Census Tables TS007 and TS052.

¹¹ NPPG Housing and Economic Needs Assessments, paragraph 002, ID: 2a-002-202412

¹² For example flood risk, landscape, habitats, cultural heritage or other Special Qualities.

5.94 An understanding of development capacity is a key part of this process. We cannot build homes at the volume that would be required to impact on affordability without irreparable damage to the very purpose of designation

5.95 Housing objectives will be positively framed and aligned to Authorities' socio-economic duty and the sustainable development social objective set out in the National Planning Policy Framework (paragraph 8b). We will plan for a prosperous rural economy and the homes that are needed to support this.

5.96 Housing objectives will support strong, vibrant and healthy communities, by ensuring that a sufficient range of homes can be provided to address the local needs of present and future generations.

5.97 Other evidence in relation to overall need may include: local affordable housing need; population and household projections (including dwelling-led scenarios); housing stock and its actual use, availability and affordability and economic and social well-being.

5.98 Through call for sites and other detailed work¹³ we will seek to understand the extent to which housing need, however derived, can be met within environmental constraints and the first purpose of a national park, in accordance with paragraph 11b of the NPPF.

Principle Four: Policy and plan-making.

5.99 Authorities will develop positively framed policy to meet their housing provision and objectives. We will work with partners collaboratively to achieve solutions. Whether through the duty to co-operate or any subsequent arrangements, through our own mechanisms and groups, this is to deliver a sound Local Plan and supply of dwellings. We are aware of Devolution and emerging Spatial Development Strategies and will work pro-actively to contribute to such plans.

5.100 National Park and Broads Authorities have an important role as planning authorities but are neither housing authorities nor housing providers.

5.101 We will share evidence and develop policies which seek to maintain a steady pipeline of sites for locally needed affordable homes that is balanced with our long-term conservation outcomes, as required in the National Parks Circular and NPPF (previously cited).

¹³ For example, through holistic (not just site-based) capacity assessments that consider the potential for development through impact on landscape, cultural heritage and special qualities.

5.102 Policies and arrangements that bring forward rural exception sites delivery are particularly significant for National Parks and The Broads.

Principle 5: Delivery.

5.103 Authorities will collaborate and build partnerships to encourage best practice in delivery.

5.104 Through our National Park Management Plans and other work, we will forge strong partnerships and working practices to get homes delivered on the ground and protected in perpetuity.

5.105 We will collaborate on local housing strategies that align with spatial planning policies to demonstrate a broad partnership commitment. This will maximise the potential for funding, enable appropriate delivery vehicles (for example S106 agreements, Rural Providers and Community Land Trusts) and bring confidence to the development industry.

5.106 We will also work in creative ways to deliver locally needed housing. For example with Housing Associations and Community land Trusts to purchase existing homes, estates and other large landowners to deliver bespoke local affordable housing. We may also on occasion build our own affordable homes.