JULY 2024

Reigate & Banstead Housing Needs Assessment 2024

Final Report

ICENI PROJECTS LIMITED ON BEHALF OF REIGATE & BANSTEAD BOROUGH COUNCIL

Iceni Projects Limited on behalf of
Reigate & Banstead Borough Council

July 2024

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A1. Housing Market Area & Sub-Markets

1. Executive Summary

1.1 This Housing Needs Assessment 2024 provides updated evidence regarding the overall need for housing in Reigate and Banstead, and the need for different types of homes including affordable housing and specialist housing for older people.

Housing Offer and Market Conditions

1.2 The Borough contains around 63,200 homes. Levels of home ownership are high (71% of households), but home ownership is falling and there has been particular growth in the private rented sector which increased in size by 31% between 2011-21. The Borough's housing offer is focused towards larger homes, with 63% of homes having 3- or more bedrooms, but there are geographical variations within the area with the Central sub-area (Redhill and Reigate) have a higher incidence of 1- and 2-bed properties (44%). Net housing completions have averaged 573 homes a year over the last decade, with 53% delivery of houses and 47% flats, the latter particularly concentrated in Redhill. On average 103 affordable homes have been delivered per year. The current pipeline supply is however strongly focused towards 1- and 2-bed flats influenced by the land supply. The mix of sites identified within the new Local Plan will influence the profile of housing delivered moving forwards; with suburban and greenfield sites more likely to deliver family-sized homes and affordable housing.

1.3 The median house price at the time of the Study is £485,000 with higher housing costs in the north of the Borough closer to London. Over the longer-term house prices have grown substantially in absolute terms, and relative to incomes; but rising interest rates since October 2022 have seen a short-term fall in real terms and declining sales. Affordability constraints however remain significant: with the average house price being 14 times average earnings, and rising interest rates will have further constrained the ability of first-time buyers to get on the housing ladder.

1.4 In 2023 we have seen a strong slowdown in the sales market, with sales falling 58% as interest rates have risen impacting on effective market demand, but not underlying housing need. The new-build market has also been affected by the end of the Help-to-Buy scheme. Delivery in the Borough could be particularly affected short-term by the focus of pipeline supply on flatted schemes – where for sale schemes are vulnerable to changing market conditions. There is a case for the to Council consider what actions can be taken to support housing delivery in the short-term.

Overall Housing Need

1.5 National planning policies set out that the local housing need is an unconstrained assessment of the need for homes in an area. There is an important distinction between this and the housing requirement or target which the local plan will set out, by bringing together the housing needs evidence in this Study with wider analysis of land availability and development constraints (including Green Belt) and appraisal of different development growth options.

1.6 The standard method, set out in national policy, is used to identify a local housing need for (1) 644 homes per annum when capped against the adopted Core Strategy housing target or (2) a potential figure of 1,123 homes per annum with the cap set against household growth. The latter represents a more reasonable 'policy off' assessment of housing need for plan-making purposes, as the cap as currently applied generates a level of need which is below the base household growth projected. The latest data published available at a late stage of preparation of this report indicates that using a 2024 base and 2023 affordability data, the higher figure drops to 1,119 homes per annum – a minimal change.

1.7 The report has considered whether there are exceptional circumstances to move away from the standard method (either in an upward or downward direction). It does not find that any such circumstances exist.

1.8 First, the report has considered more recent demographic trends and information from the 2021 Census. These point to some divergence from the 2014-based projections in the Borough, but these mirror trends nationally and do not point to particular local circumstances which justify deviation from the standard method.

1.9 The inter-relationship with employment growth is then considered. This shows that the upper-level standard method of 1,123 homes per annum would support employment provision of up to 26,100; whilst housing delivery in line with past completions over the past 5 years (633 dpa) would support up to 11,400 jobs. In both cases these provide sufficient headroom to support both forecast local employment growth and any additional economic impacts arising from the growth of Gatwick Airport and regular use of its Northern Runway.

Affordable Housing Need

1.10 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.

1.11 The analysis suggests an overall need for 689 affordable homes per year, within which there is a need for 654 rented affordable homes and 35 affordable home ownership homes – a 95% / 5% split.

Table 1.1 Affordable Housing Need – Reigate and Banstead

Sub-Area	Annual Need for Social/ Affordable Rented Homes	Annual Need for Affordable Home Ownership	Total Affordable Need
North	270	8	278
Central	244	30	274
South	140	-1	139
Total	654	35	689

1.12 National policy requires that 10% of all housing is provided for affordable home ownership (and 25% of provision through planning obligations as First Homes). These factors, together with viability evidence, may justify a 75/25 split in policy between social/ affordable rented and affordable home ownership homes.

1.13 The relationship between overall housing need and the need for affordable housing needs to be treated with care, and the latter is influenced by the scale of existing affordable housing stock and current market conditions, and is in part a reflection of a tenure imbalance. However the scale of affordable housing need is a consideration in setting a housing requirement through the Local Plan. Insufficient supply of affordable housing has direct consequences for households, including a lack of stable, secure homes - and can result in direct costs to the Council in housing households in Temporary Accommodation.

1.14 The scale of affordable housing need is acute, and the Council should look to maximise delivery on sites where possible and should look at a range of means of boosting delivery – including through its own housing delivery programme.

1.15 There is strong evidence to support delivery of homes at social rent levels, which the needs evidence indicates could account for up to 60% of the rented need. However in setting policies within the Local Plan, this needs to be balanced against viability and funding availability.

1.16 The affordable home ownership need is focused towards the Central Sub-Area. Delivery of First Homes would do little to meet genuine local affordable housing needs, with only 1-bed units currently likely to be delivered given the property price cap of £250,000. Shared ownership homes can be a genuinely affordable product for the Borough and therefore should be prioritised within the provision of affordable home ownership homes.

Need for Different Types and Sizes of Homes

1.17 There are a range of factors which will influence demand for different sizes of homes, including demographic changes. The Study analysis points to a particular need for 2-bedroom accommodation, with varying proportions of other sized 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. The recommended mix is set out below:

Table 1.2 Strategic Recommendations on Housing Mix

	1-bed	2-beds	3-beds	4+ beds
Market	10%	30-35%	35-40%	20-25%
AHO	25-30%	40-45%	20-25%	5-10%
Rented	30-35%	30-35%	25-30%	10-15%

1.18 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. The conclusions also take account of the current mix of housing by tenure and also the size requirements shown on the Housing Register.

1.19 The mix identified above could inform strategic policies. However 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.

1.20 The evidence suggests that new development has been increasingly focused on flatted schemes and conversions which deliver higher levels of 1 and 2-bed properties, rather than family-sized homes with 3+ bedrooms. Since 2020, 55% of housing completions have been of flats and 69% of the pipeline of homes with planning consent are of flats (with ¾ of the pipeline being 1 and 2-bed properties). If the conclusions on housing mix are compared to the current pipeline supply by size, the evidence points to the need to bring forward additional supply of larger family-sized homes with 3 or more bedrooms in particular.

1.21 The older person population is projected to increase notably in the Borough over the plan period to 2043, with the evidence indicating a 58% increase in the population aged 65+. Whilst many older people will be able to remain in mainstream housing, a projected 76% increase in the number of people aged 65+ with dementia and 68% increase in those aged 65+ with mobility problems means it will be important to deliver specialist housing to provide a choice of high quality housing options and provide for those needing support. The Study analysis indicates:

Table 1.3 Specialist Older Persons Housing Needs - Housing with Support

	Shortfall/Surplus
Market	502
Affordable	475
Total	**977**

Table 1.4 Specialist Older Persons Housing Needs – Housing with Care

	Shortfall/Surplus
Market	633
Affordable	207
Total	**840**

1.22 The evidence 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).

Specific Housing Market Segments

Self- and Custom-Build

1.23 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. The evidence points demand for serviced plots in the Borough; albeit relatively low.

1.24 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. This is recommended.

1.25 As a general principle, 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. In reviewing and creating strategic policies as part of the new Local Plan, the Council should also consider whether a proportion of homes on larger sites should be allocated as serviced plots; or the Council could also allocate sites specifically for self and custom build housing in the Local Plan.

Build to Rent

1.26 The private rented sector now accommodates 16% of households in Reigate and Banstead and is a sector which has been growing strongly. Over the 2011-21 period, the sector grew in size by 31% with growth of 2,200 households living in the Sector over this period.

1.27 Thus far, the focus of Build to Rent developments in R&B has been in urban locations that benefit from very good rail connections. However, there may be potential for other markets to emerge, including a suburban Build to Rent model which sees family homes built to rent on more suburban sites. If the market were to develop in this way, Build to Rent developments could also be expected on other larger strategic development sites, where it can contribute to the pace of build out/ delivery.

1.28 It is appropriate, therefore, that the Council seeks to include policies related to Build to Rent development within the local plan which address their expectations for such development, such as common management of private rent and affordable products, provision for longer-term tenancies of 3 or more years, policies regarding affordable housing provision and clawback provisions in the event of scheme disposal. Affordable housing policies should take account of viability evidence.

Mobile Homes & Caravans

1.29 There are currently five public Mobile Home sites in the Borough totalling 343 pitches, all of which are run privately. Through linking the existing demographic profile of caravan and mobile home households by age of Household Reference Persons (HRPs) in Reigate & Banstead with the demographic projections detailed in this report, it is expected that the demand for mobile home and caravan accommodation could increase by 177 households over the period to 2043. This is equal to 0.3% of all HRP growth.

2. Introduction

2.1 Reigate and Banstead Borough Council has commissioned Iceni Projects ('Iceni') and Justin Gardner Consulting ('JGC') to prepare this Housing Needs Assessment 2024. The Assessment considers the overall need for housing in the Borough, including affordable housing as well as the needs for different types of homes; and the housing needs of older persons and those with disabilities.

Purpose of the Assessment

2.2 The Assessment has been prepared to inform, alongside other evidence, the preparation of a new Local Plan for the Borough. The new Local Plan is envisaged to have a plan period looking to 2043, and therefore the Assessment considers housing needs over this period. It updates the 2019 Housing Needs Assessment report.

2.3 The specific purposes of the Housing Needs Assessment are to:

- Review and confirm the relevant housing market area;
- Consider and draw conclusions on overall housing need;
- Assess the need for affordable housing including the need for different affordable housing products;
- Appraise the need for different sizes of homes in different tenures;
- Consider needs for specific forms of housing including Build-to-Rent and self- and custom-build development;
- Appraise the needs of groups within the population with specific housing needs, including older people and those with disabilities.

2.4 As well as informing the preparation of a new local plan, the evidence regarding the need for different types of homes is relevant to the consideration of individual planning applications.

2.5 The baseline for the assessment is 2023. Therefore if the plan period for the new Local Plan starts at a later date, the Council should subtract completions over the intervening period (e.g. 2023-8) to calculate needs over the relevant plan period.

2.6 The policy framework for assessing housing need is set out by Government in the National Planning Policy Framework (NPPF, 2023) and the associated Planning Practice Guidance on *Housing and Economic Development Needs Assessments.* The Assessment has been prepared in accordance with the relevant policy and guidance at the time of its preparation.

2.7 The Housing Needs Assessment does not in itself set out how much housing should be planned for in the Borough. In setting the housing requirement through the plan-making process, the Council will need to consider the evidence of housing need within this report alongside evidence of potential land availability, strategic development constraints which include environmental and policy designations including the Green Belt, and issues related to infrastructure provision. National policy requires that housing need is assessed first on an unconstrained basis, before land availability and development constraints are overlaid. The revised NPPF (Dec 2023) emphasises that housing need calculations are an ‘advisory starting point’ and different to a housing requirement. It is the role of the plan-making process to overlay these factors on the housing need in determining how much land can be planned for.

Geographical Building Blocks

2.8 The report addresses housing needs for Reigate and Banstead Borough. Within the Borough, it considers housing needs for three sub-market areas. These are defined as follows:

- **North**: the northern part of the Borough, including Banstead, Tadworth, Kingswood and Hooley. This area is characterised by a greater functional inter-relationship with Epsom, Sutton and Croydon. It has a stronger functional relationship to London.

- **Central:** this area includes Redhill, Reigate and Merstham: there is a significant level of commuting across this area, and with Nutfield/South Nutfield in Tandridge to the east, and with Brockham and Dorking to the West. The evidence points to a local A25 Corridor Sub-Market. Reigate and Redhill also fall within a commuter market to Central London influenced by the train service. There is a stronger flatted market in this area relative to other parts of the Borough.

- **South:** this area includes Salfords and Horley. It sees a strong relationship with Crawley and Gatwick to the South, which reflects its geographical proximity and the strength of that area as an employment destination with it being one of the largest in the South East region; as well as lower relative housing costs.

2.9 In addition, dynamics within the Borough are compared to those across the wider housing market area. The Housing Market Area geography is considered in **Appendix A1** which concludes that the Borough falls within a common housing market with Mole Valley and Tandridge Boroughs; but the report recognises that this market area also has a strong relationships to Greater London. The housing market geography reflects that London is treated as a single housing market area by the Mayor and London Boroughs.

Report Status and Structure

2.10 The remainder of the report is structured as follows:

- Section 3: Housing Offer;

- Section 4: Housing Market Dynamics;

- Section 5: Overall Housing Need;
- Section 6: Need for Affordable Housing;
- Section 7: Need for Different Sizes of Homes;
- Section 8: Older People and Disabilities;
- Section 9: The Needs of Specific Groups; and
- Section 10: Conclusions

3. Housing Offer

3.1 This section considers the demographic and housing stock profile of Reigate & Banstead against the HMA authorities, the South East and England. This draws on the latest data available including the 2021 Census and other relevant data published by ONS. Iceni has also considered sub-area dynamics within Reigate & Banstead Borough.

Dwellings and Households

3.2 At the point of the 2021 Census, there were 62,509 dwellings in Reigate & Banstead which is an increase of 5,456 dwellings since the last Census in 2011 equal to a 10% increase in dwelling stock. This compares with an increase in stock in the South East and England of 9% and 8% respectively and is above the rest of the HMA authorities.

Table 3.1 Number of Dwellings and Households, 2011-21

	Dwell-ings	Dwell-ings	Dwell-ings	House-holds	House-holds	House-holds
	2011	2021	Change	2011	2021	Change
Reigate & Banstead	57,053	62,509	10%	55,423	59,849	8%
Tandridge	36,971	38,907	5%	35,828	37,137	4%
Mole Valley	34,718	37,377	8%	33,342	35,623	7%
South East	3,694,388	4,026,340	9%	3,555,463	3,807,965	7%
England	22,976,066	24,927,591	8%	22,063,368	23,436,085	6%

Source: ONS Census 2011 and 2021

3.3 As is clear, not all dwellings were occupied at the time the Census was carried out with the number of households in the Borough slightly lower at 59,849 households. This puts the rate of vacant, second homes and holiday lets in Reigate & Banstead at 4% which is below the rate seen across England as a whole at 6%. This rate of vacant and second homes has increased since 2011 when it was just 3%.

3.4 Typically there is a need for around 2.5 – 3.0% vacant homes within a functioning housing market to account for repairs and turnover of homes. Council Tax data for October 2022 indicates that the vacancy rate was 2.5% of stock (1,595 dwellings) which is at the lower end of this range. The evidence does not thus point to a particular surplus of vacant homes that could contribute to meeting housing need.

3.5 The Levelling Up and Regeneration Act 2023 provides the legislative framework allowing the Government to bring forward a Registration Scheme for short-term lets and to introduce a new use class for short-term lets (C5 use). It also provides the legislative basis to allow the Council to (in due course) potentially charge a Council Tax premium of up to 100% on dwellings that are periodically occupied.

3.6 There is some potential that the expansion of Gatwick Airport, should it move forwards, could see growth in short-term lets in the south of the Borough. Government intends to put in place a national mandatory registration scheme for short-term lets which will help, in due course, to provide the Council with the necessary information on short-term lets and consider if there are any associated community and housing impacts and how these can be managed.

3.7 Since the 2021 Census was undertaken, the Council's monitoring records for the 2021/22 and 2022/23 period show that there have been a total of 1,381 net completions. This brings the total dwelling stock to 63,231 in 2023.

Table 3.2 Latest Dwelling Stock Position, 2023

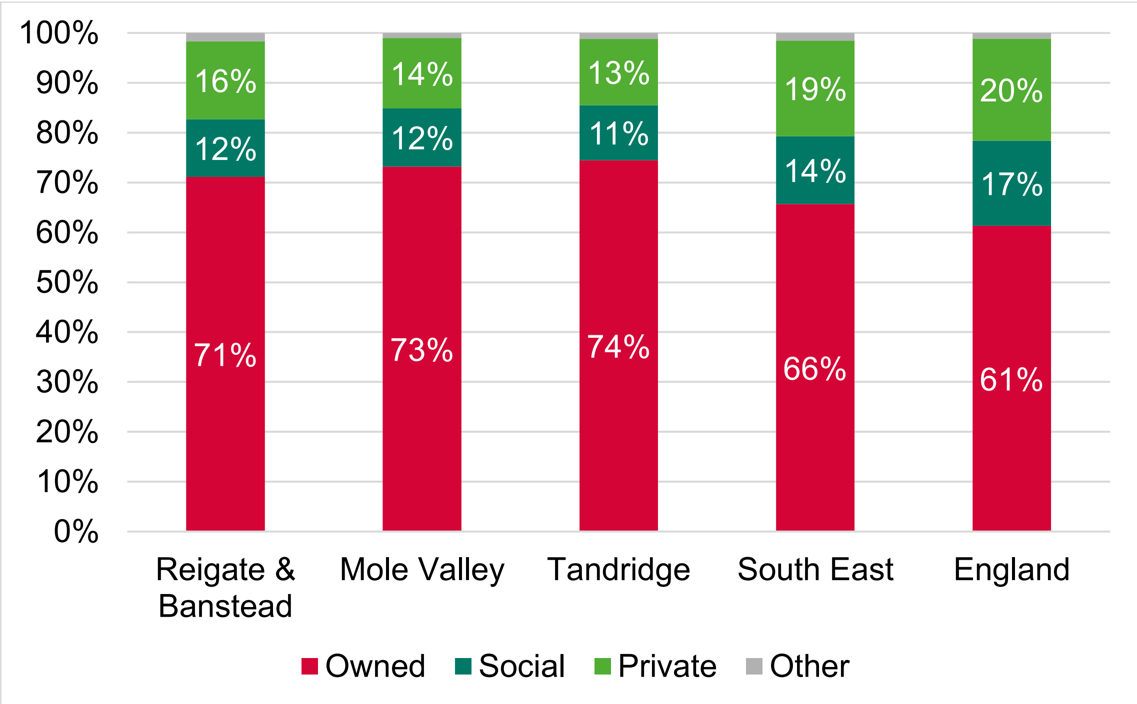
	Dwellings 2021	Completions 2021-23	Dwellings 2023
Reigate & Banstead	62,509	1,381	63,890

Source: ONS, Census 2021 and Council Monitoring Records

Tenure

3.8 Drawing on the 2021 Census returns, as is clear from the Figure 3.1 below, the owner occupier tenure is the most prevalent type in Reigate & Banstead. At around 71% of all stock, the proportion is markedly higher than that seen across the region at 66% and nationally at 61%; however, there is a higher proportion of home owners in Mole Valley and Tandridge.

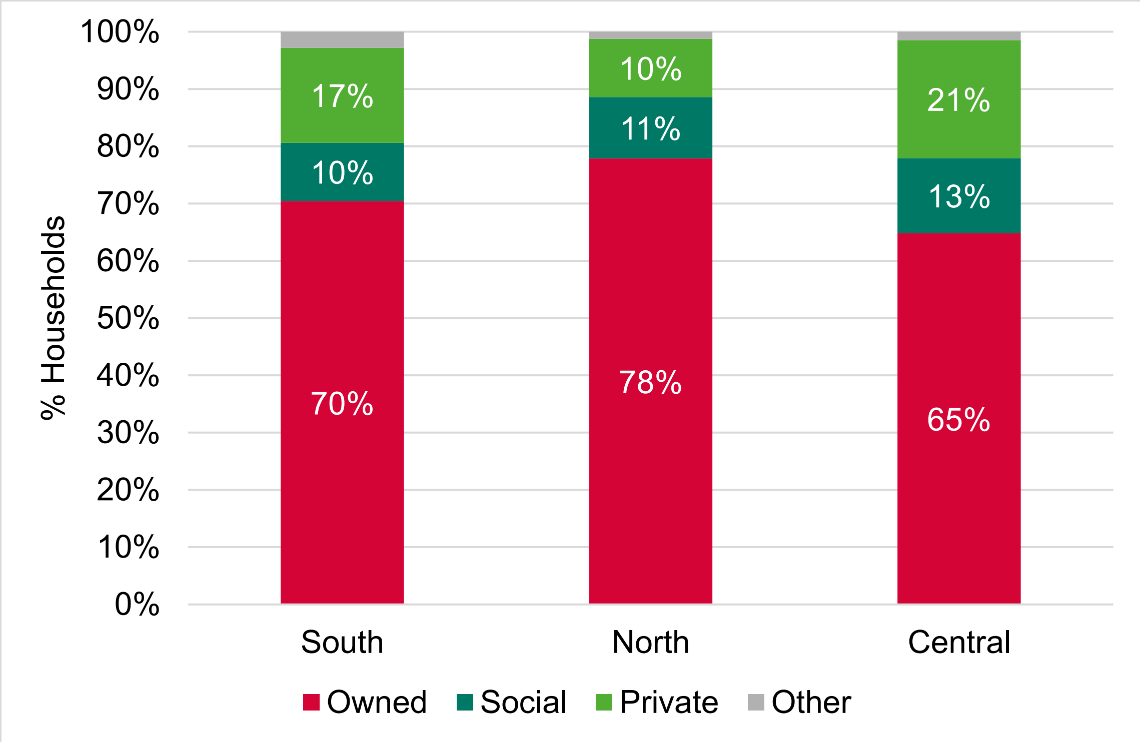
Figure 3.1 Households by Tenure, 2021



Source: ONS, Census 2021

3.9 At a sub-area level, there is a higher level of owner occupation in the North sub-area with particularly high levels in the Nork and Lower Kingswood, Tadworth & Walton wards. In contrast, we see higher levels of private renting in the Central sub-area in wards such as Redhill where there is more flatted stock.

Figure 3.2 Households by Tenure by Sub-Area, 2021



Source: ONS, Census 2021

3.10 Comparing the 2011 and 2021 Census tenure data releases allows us to look at how the tenure profile has changed since 2011.

3.11 Table 3.3 shows that the largest increase between 2011 and 2021 was in privately rented properties with a significant 31% increase, the sector now comprising 16% of the market. The owner occupied and social rented sectors also experienced growth but a relatively modest rate of 5%.

3.12 As a proportion of total dwellings in the Borough:

- The private rented sector has grown from accommodating 12.9% of households in 2011 to 15.7% in 2021;
- There has been a modest decline in the proportion of households in the social rented sector, from 11.9% to 11.5%;
- Home ownership has fallen, with the proportion of home owners dropping from 73% to 71.1%.

3.13 Whilst the tenure changes seen are similar to the national trend, they illustrate the impacts of declining affordability which has constrained the ability of younger households to buy. That said, home ownership levels in the Borough in relative terms evidently remain high.

Table 3.3 Change in Private and Social Tenure, 2011-21

Reigate & Banstead	Owned	Social Rent	Private Rent
2011	40,486	6,605	7,169
2021	42,570	6,907	9,387
% of All Households 2021	71%	12%	16%
Change	2,084	302	2,218
% Change	5%	5%	31%

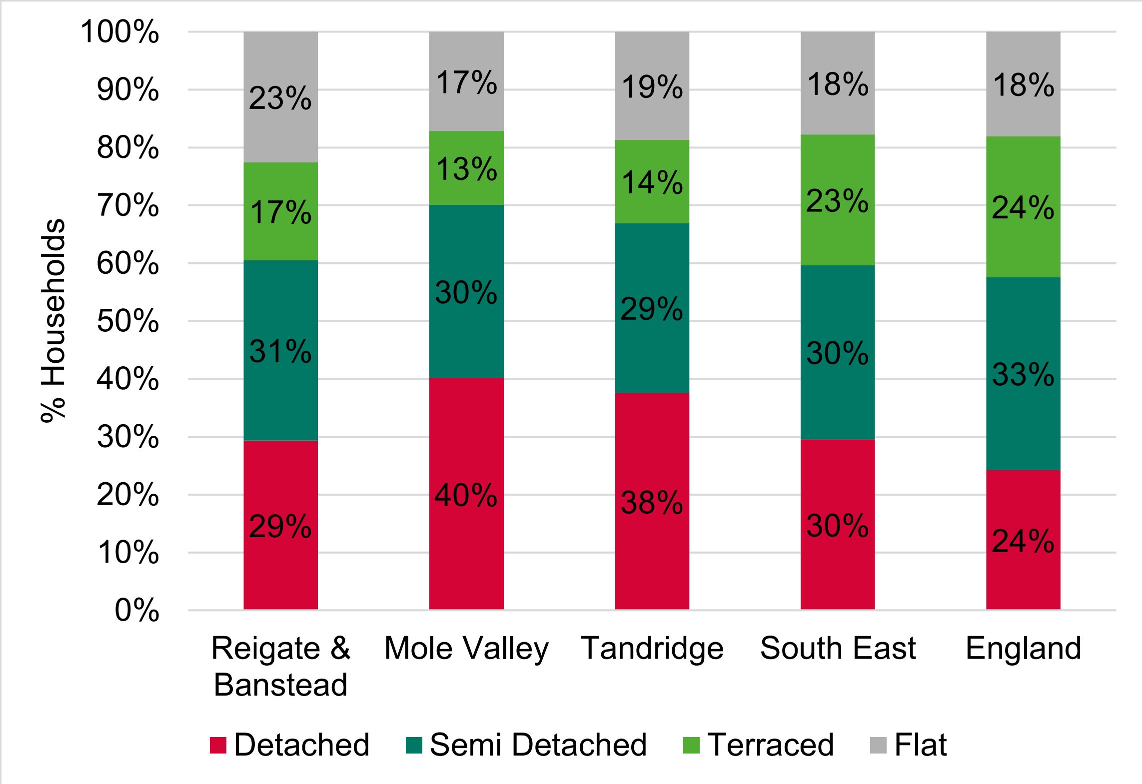
Source: ONS Census 2011 and 2021 [excl. “Other” which is equal to 2% of all households in 2021]

Dwelling Type

3.14 The 2021 Census results show that semi-detached housing was the most common dwelling type in Reigate & Banstead accounting for 31% of all households followed by detached properties and flats at 29% and 23% respectively. The volume of terraced properties was least common at 17%.

3.15 The dwelling stock of Reigate & Banstead varies with the rest of the HMA, the South East and England. Compared to the rest of the HMA, there is a lower proportion of households living in non-terraced homes (61%) compared with Mole Valley (70%) and Tandridge (67%). On the other hand, there is a notably higher proportion of flats (23%) compared with Mole Valley (17%) and Tandridge (19%) owing to the high volume of flats around the main commuter towns of Redhill, Horley and Reigate.

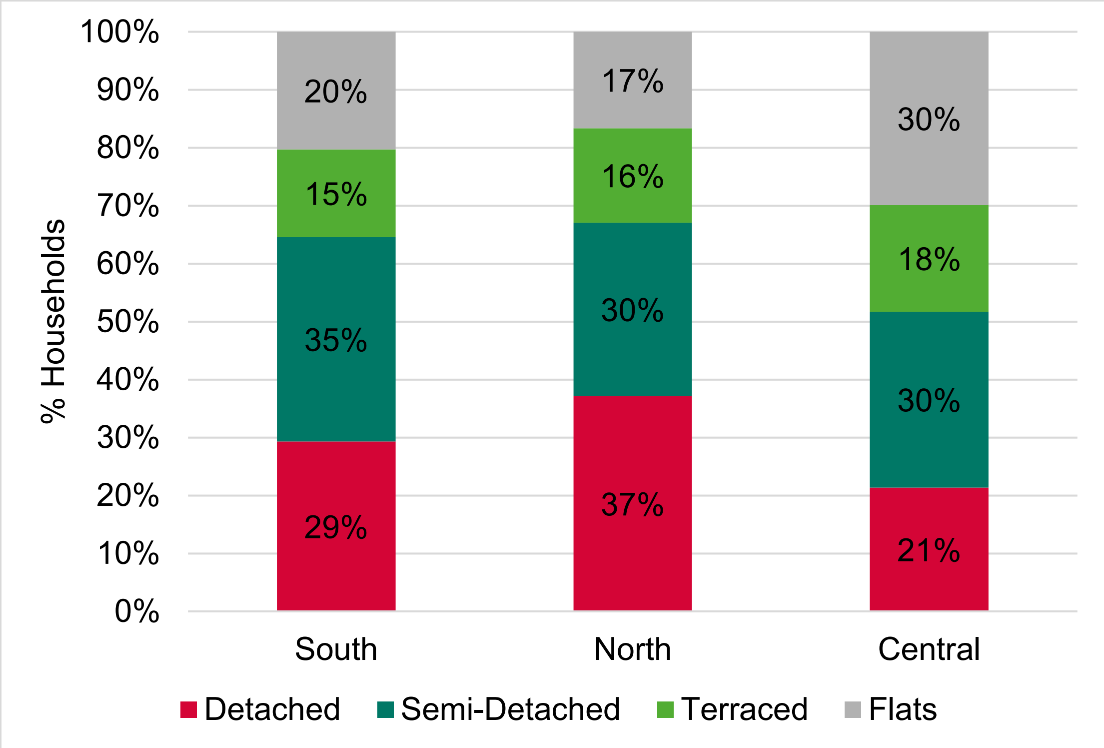
Figure 3.3 Household Accommodation by Type, 2021



Source: ONS Census 2021

3.16 The relatively high proportion of flats seen at a Borough level is most evident in the Central sub-area where flats account for 30% of all households – particularly in the wards of Redhill West and Wray Common, Redhill East and Reigate as well as Earlswood & Whitebushes. In contrast, we see a higher proportion of detached properties in the North sub-area and in particular in the Nork and Lower Kingswood, Tadworth & Walton wards.

Figure 3.4 Household by Type by Sub-Area, 2021



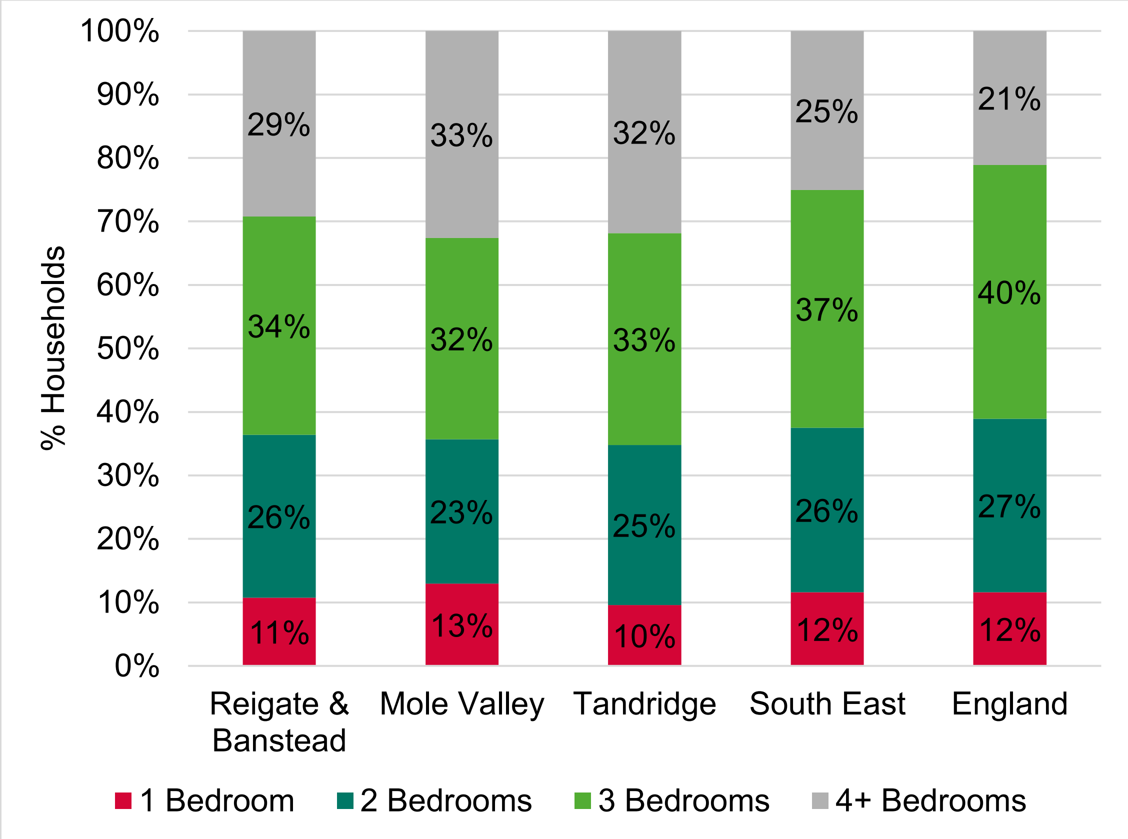
Source: ONS Census 2021

Size of Homes

3.17 The 2021 Census returns show that the most common size of dwelling occupied by households in Reigate & Banstead is 3 bedrooms properties (This is the number of bedrooms of residence that a household resides in. Therefore, it will not include unoccupied household spaces). This size accounts for 34% of all households in the Borough which sits in line with the profile across the HMA but below the profile across the South East (37%) and England (40%).

3.18 There is however a higher proportion of households residing in four or more bedroom properties (29%) in the Borough compared with the South East and England albeit this is a slightly level below that seen in Mole Valley (33%) and Tandridge (32%).

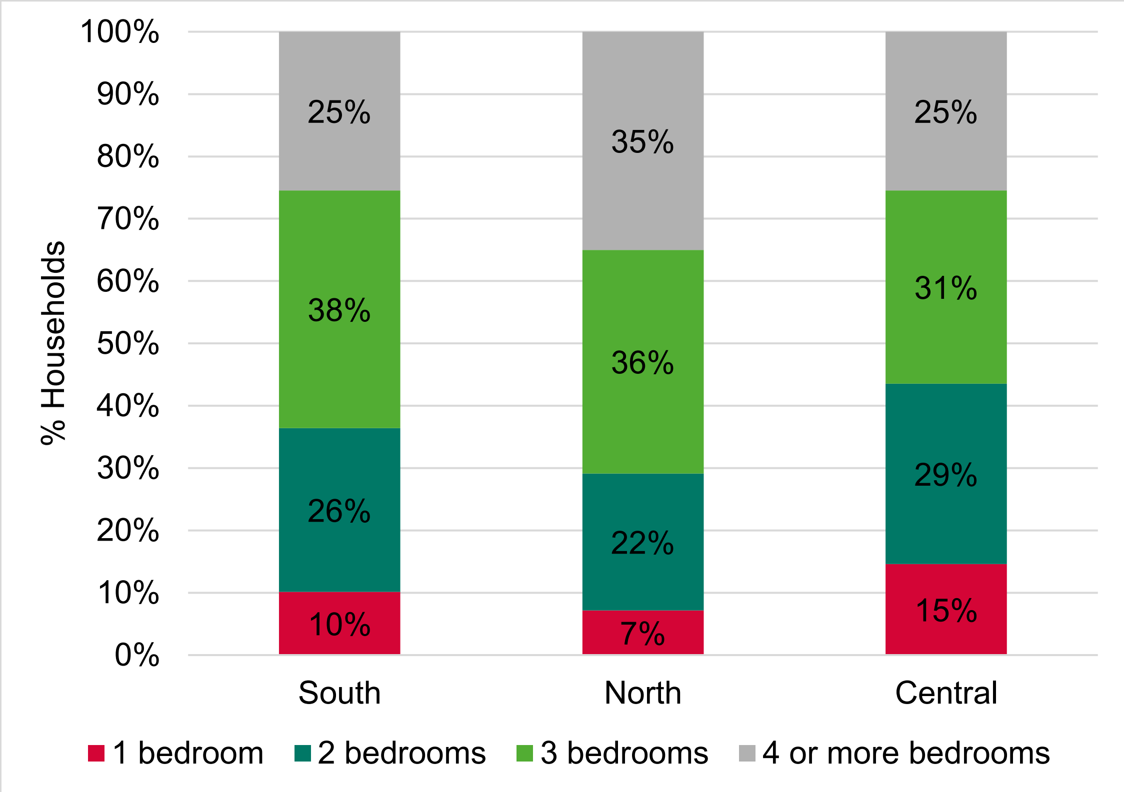
Figure 3.5 Households by Bedroom Size, 2021



Source: ONS, Census 2021

3.19 At a sub-area level, around 44% of households live in a 1 or 2 bedroom home in the Central sub-area where there is also a high proportion of flats in the wards around Reigate and Redhill. Conversely, the South and North sub-areas have a higher proportion of family-sized homes.

Figure 3.6 Households by Bedroom Size by Sub-Area, 2021



Source: ONS, Census 2021

3.20 These spatial differences in part reflect the role and function of different areas, with higher proportions of smaller properties in central locations in the main towns in the Central Sub-Area.

Completions Trends and Pipeline Supply

3.21 Iceni has analysed completions trends including overall trends, by type of property, as well as by tenure – considering affordable housing delivery. We have also considered the short-term pipeline supply (i.e. sites with planning permission) by size and type of property.

3.22 Annual net residential completions in Reigate & Banstead Borough have averaged out at 573 homes per annum over the period from 2012-2023. This compares with a Core Strategy annual target of 460 homes per annum. The Core Strategy target was however informed by the South East Plan and what it was considered could sustainably be achieved having regard to environmental constraints, capacity and deliverability considerations in the Borough (based on the evidence at that time) and fell below the then identified need of 660 dpa.[1]

3.23 Since 2020, housing completions have increased to an average of 722 homes per annum with peak delivery of 785 homes in 2020/21.

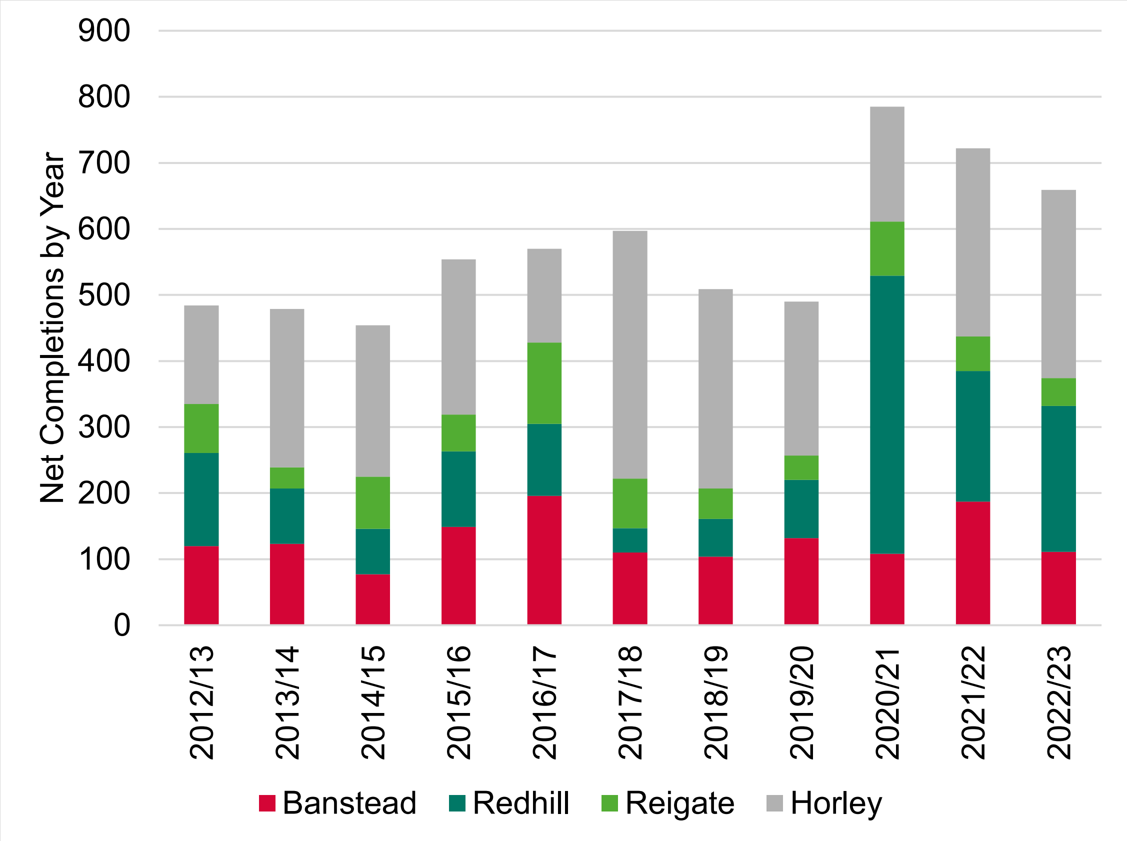
3.24 Figure 3.7 below sets out housing completions in the Borough's four main settlement areas, which relate to the study sub-areas as follows:

- Banstead (North Sub-Area)
- Redhill and Merstham (Central Sub-Area)
- Reigate (Central Sub-Area)
- Horley (South Weald Sub-Area)

3.25 Over the monitoring period, 42% of the Borough housing completions have come forward in the Horley area which has largely been driven by completions on the Horley North West Sector site which is delivering around 1,500 homes in total. Over the previous three years, where delivery has been higher, the majority of completions have been in Redhill (39%) followed by Horley (34%).

[1] See Core Strategy Inspector's Report for a full commentary on consideration of these issues, Paras 19-69

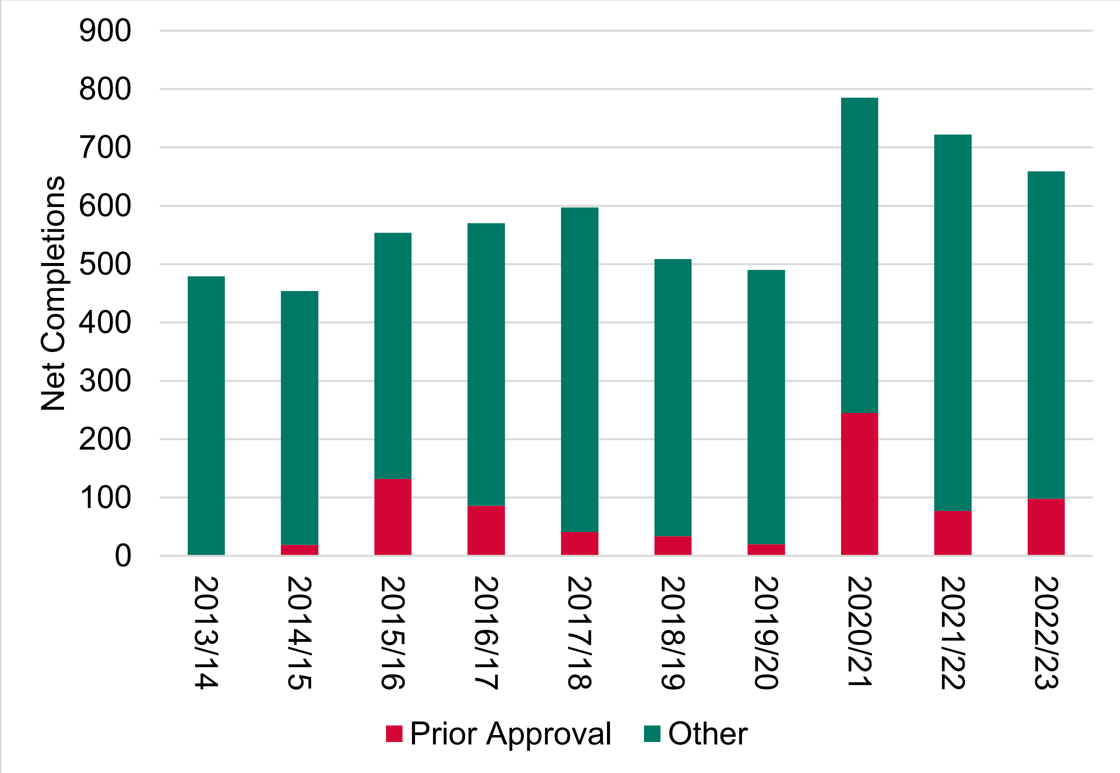
Figure 3.7 Net Completions by Area, 2012-23



Source: RBBC Monitoring Data

3.26 The upturn in completions can in part be attributed to key changes to permitted development rights first introduced in 2013 including (1) the introduction of Class A allowing for an the construction of up to two additional storeys of flats on top of a detached block in 2020 and (2) the introduction of Class MA which allows buildings in Use Class E to change use to Class C3 subject to the prior approval process in 2021. As Figure 3.8 below shows, prior approval completions have contributed strongly in recent years alongside larger development sites in Redhill and Horley.

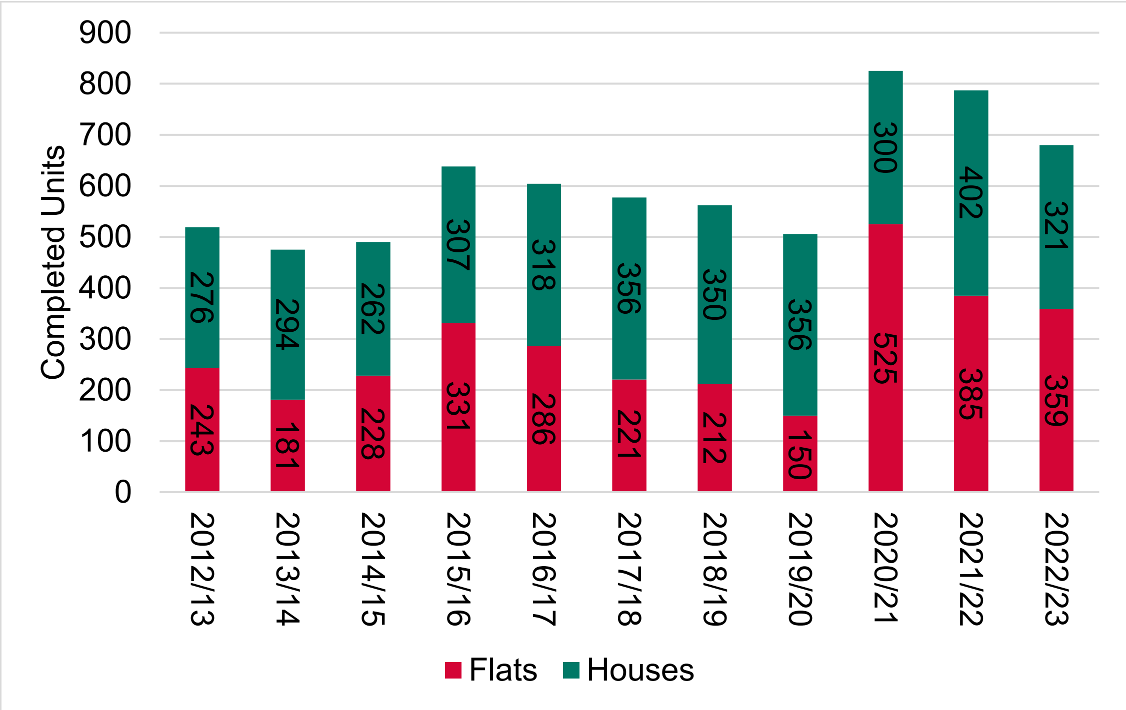
Figure 3.8 Influence of Prior Approvals on Net Completions, 2013-23



Source: RBBC Monitoring Data

3.27 In respect of the types of homes delivered, Figure 3.9 shows that of the 6,663 homes delivered in gross terms over the 2012-23 period, 53% were houses and 47% flats; however, since 2020/21, a higher 55% of completions have been flats. This shift has been driven in particular by high levels of flatted development in Redhill.

Figure 3.9 Gross Completions by Type, 2012-23

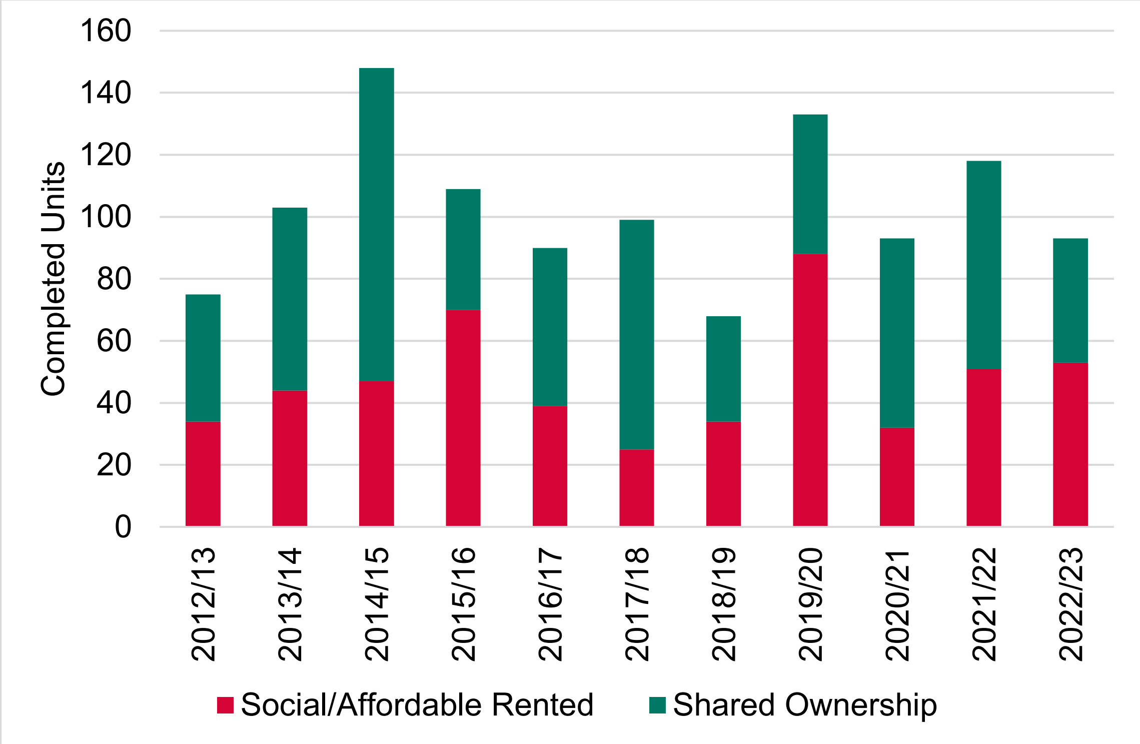


Source: RBBC Monitoring Data

3.28 Turning to affordable housing, delivery over the 2012-23 period has, on average, been of 103 affordable homes per annum - which is just above the Core Strategy annualised target of 100 per annum. As is clear, delivery has fluctuated with a peak of 148 affordable homes in 2014/15. The majority of affordable completions have been for shared ownership homes over this period (54%) with affordable rented homes averaging out at around 47 homes per annum.

3.29 Relative to overall completions of 573 homes, the proportion of delivery as affordable housing is around 18%. Affordable housing delivery is not secured through permitted development schemes – and therefore whilst we have seen an uptick in overall housing delivery since 2020, affordable housing delivery in the Borough has not substantively improved.

Figure 3.10 Gross Affordable Completions by Tenure, 2012-23



Source: RBBC Monitoring Data

Pipeline Supply

3.30 Iceni has also considered all pipeline planning permissions by type and size (gross numbers; excluding C2 developments) as of 1st April 2023. Table 3.4 below shows that there are around 1,477 homes in the short-term pipeline coming forward in the Borough.

3.31 The data shows that around three quarters (73%) of the pipeline supply coming forward is for 1 and 2 bedroom properties. In addition in terms of the type of properties, 69% is for flats. As a result, overall the vast majority of pipeline supply is for smaller flatted homes with 27% of homes in the pipeline coming forward as family-sized accommodation. A notable proportion of this is coming through smaller prior approval schemes in line with recent completions trends.

Table 3.4 Reigate & Banstead Pipeline Supply by Size and Type

	Flats	Homes	Total
1 bedroom	510	13	523
2 bedrooms	487	73	560
3 bedrooms	18	181	199
4 or more bedrooms	1	194	195
Total	1,016	461	1,477

Source: RBBC Monitoring Data

3.32 There is a clear inter-relationship between land supply and the types of homes delivered. Urban brownfield development opportunities and conversions (including through permitted development) are more likely to deliver smaller units; whereas there is greater potential to deliver family housing and affordable housing in more suburban locations and on greenfield sites.

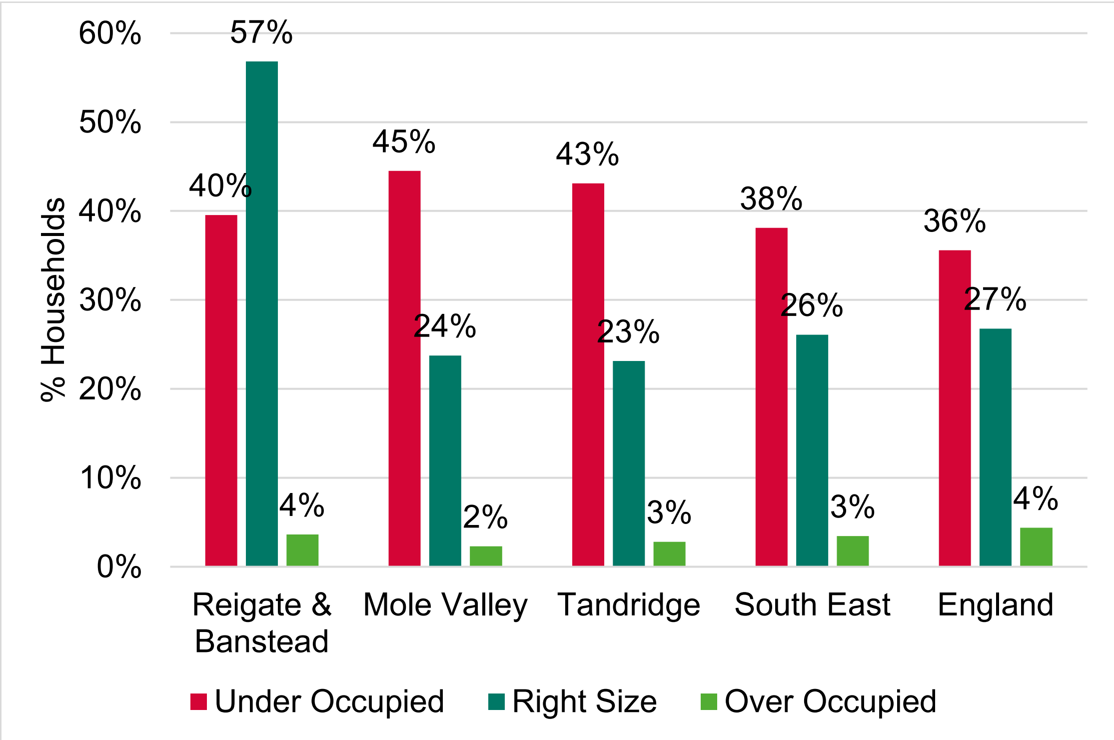
Overcrowding and Concealed Households

3.33 The occupancy of housing is assessed in the 2021 Census by comparing the number of bedrooms the household requires to the number of available bedrooms. The required number of bedrooms is based on the age, sex and relationship of the members of each household. Over occupied homes means the households has fewer bedrooms than they need, whereas under occupied means that the household has more bedrooms than it requires.

3.34 There is a higher proportion of under occupied homes (40%) in the Borough than is seen across the South East and England as a whole. The level of under-occupation in Reigate & Banstead does however sit below that in Mole Valley (45%) and Tandridge (43%). On the other side, the proportion of over occupied properties is broadly in line with all comparators.

3.35 The reasons for under-occupancy can be varied but a high level of under-occupied homes can by symptomatic of older households, whose family have left home i.e. empty-nesters. It can also reflect a degree of affluence – as for market housing, households can buy larger properties if they can afford to do so, and owner occupying households often seek additional rooms to allow friends and family to come to stay.

Figure 3.11 Occupancy Rating, 2021



Source*:* ONS, 2021 Census

3.36 A higher percentage of over-occupied properties is a symptom of housing market pressures, where households cannot afford to move into larger properties, or as a sign of a lack of supply of larger properties and that an increased number are required.

3.37 Since 2011 the number of overcrowded households in the Borough has increased by 219 households. The number of under-occupied households have increased significantly by over 1,800 – as a result of an ageing population. This should be a consideration when examining the mix of homes that need to be delivered in the borough and how the existing stock can be best utilised.

Housing Offer: Summary

As of 2023, there were 63,890 dwellings in Reigate & Banstead. At the point of the 2021 Census, there were 62,609 dwellings.

Housing completions since the start of the plan period in 2012 have averaged 573 homes per annum. Whilst this is above the Core Strategy requirement, that was not based on fully meeting housing need. Since 2020, housing completions have been notably higher at an average of 722 homes per annum with peak delivery of 785 homes in 2020/21 – influenced by increased permitted development; but affordable housing delivery has not seen commensurate growth.

Home ownership is the largest tenure, accounting for 72% of households in the Borough, but has been declining – with the proportion of home owners falling from 74.6% in 2011 to 72.3% in 2021, with commensurate growth in households privately renting (which now accommodates 16% of households in the Borough). This reflects affordability pressures for younger households.

Reigate & Banstead has a relatively balanced profile of housing with regards to the size and type of homes overall; but the evidence suggests that new development has been increasingly focused on flatted schemes and conversions which deliver higher levels of 1- and 2-bed properties, rather than family-sized homes with 3+ bedrooms. Since 2020, 55% of housing completions have been of flats and 69% of the pipeline of homes with planning consent are of flats (with ¾ of the pipeline being 1- and 2-bed properties).

The mix of sites identified within the new Local Plan will influence the profile of housing delivered moving forwards; with suburban and greenfield sites more likely to deliver family-sized homes and affordable housing.

4. Housing Market Dynamics

4.1 This section of the report examines housing market dynamics in the Borough in the purchase market. Our analysis of the rental market is considered as part of our review of the private rented sector.

House Prices

4.2 In the year to March 2023, the median house price in Reigate & Banstead Borough was £485,000. The median house price in Reigate & Banstead was below that of the HMA comparators (influenced by the mix of properties sold) but notably above the South East and England.

Table 4.1 Median House Prices, 2023

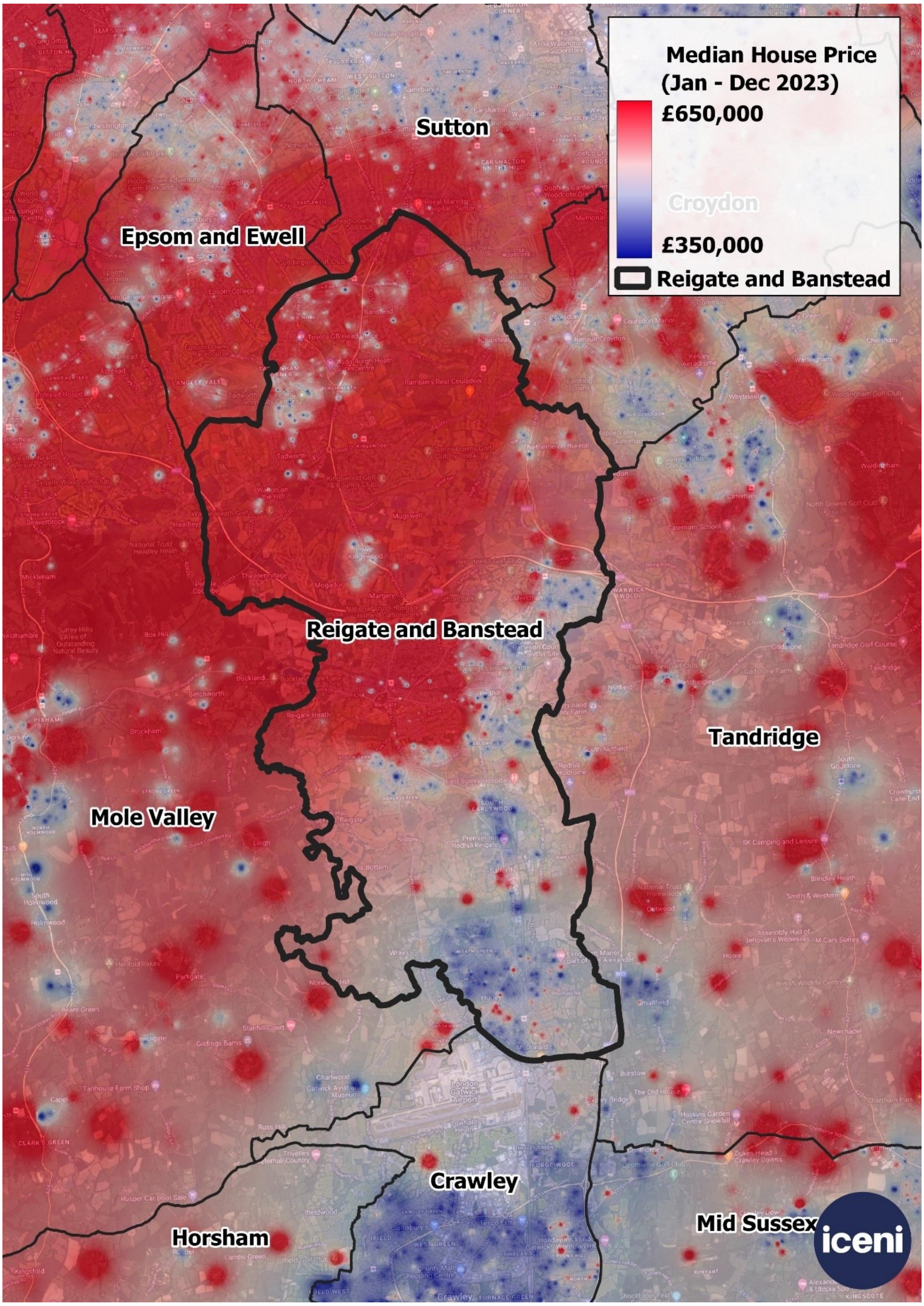
Area	Median Price
Reigate & Banstead	£485,000
Tandridge	£500,000
Mole Valley	£580,000
South East	£385,000
England	£290,000

Source: ONS Median House Price for Administrative Geographies, Year to March 2023

4.3 An important feature of the South East regional housing market is the influence of London including long-distance commuting and household movements out of London. This pattern produces a 'commuter effect', increasing demand for housing in specific locations, hence increasing prices. As is clear, this effect is evident in Reigate & Banstead where travel to London is relatively convenient from a number of towns in the Borough including Redhill, Reigate and Horley.

4.4 A map of house prices is shown below. It generally highlights higher house prices in the north of the borough than the south; and lower values in more urban areas. Reigate is more expansive than Redhill; with lower values in Horley and Salfords.

Figure 4.1 House Price Heat Map – Reigate & Banstead



Source: Iceni / HM Land Registry

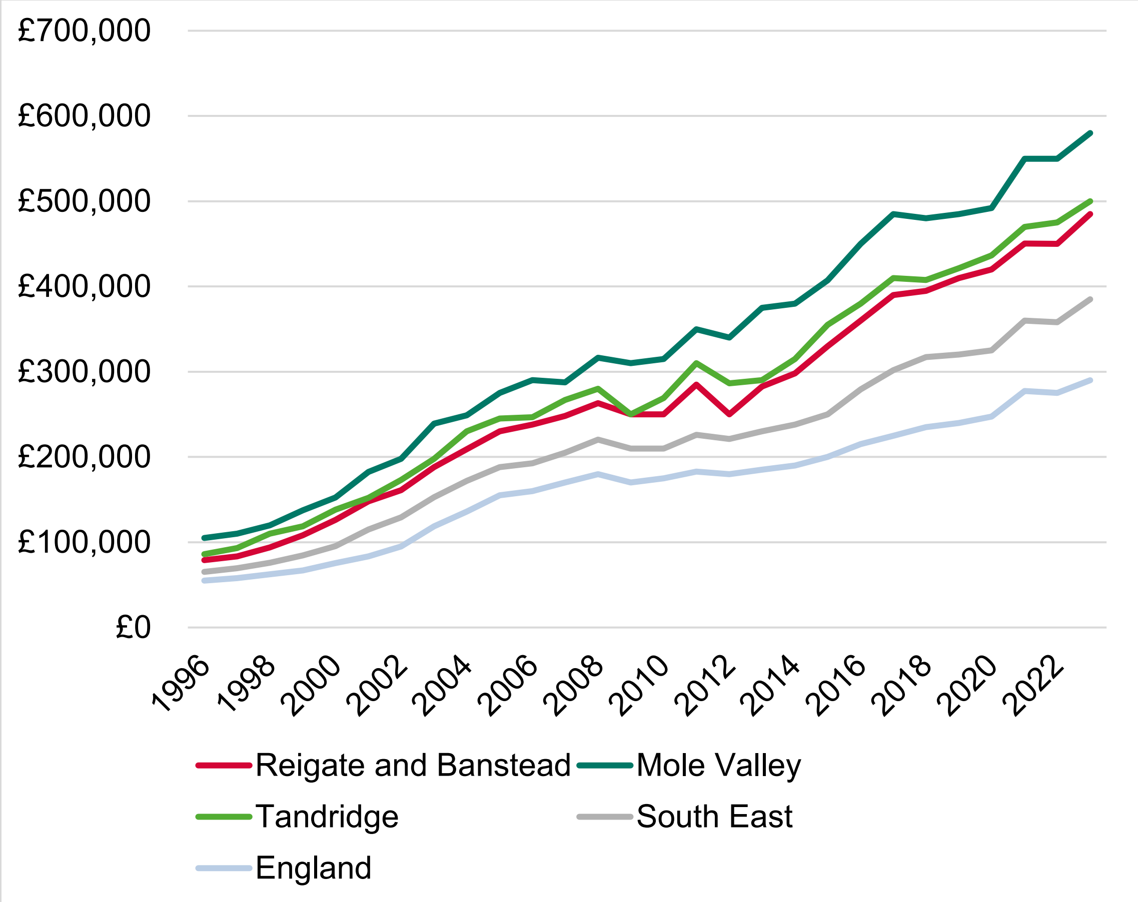
House Price Change

4.5 Median house prices in Reigate & Banstead have grown by 514% since 1996 outperforming all comparators including Mole Valley (452%), Tandridge (481%), the South East (490%) and England as a whole (427%). The long-term substantial growth in house prices points towards a supply/demand imbalance and under-provision of new homes. But house price growth has also been supported by low interest rates, availability of mortgage finance and the attractiveness of housing as an investment.

4.6 The data shows a sharp increase in the median house price in the Borough between 2019 and 2023 with prices jumping by 15% or £65,000 in absolute terms; although it should be noted that the rate of growth was equal to or higher than this in other comparator areas. This growth was supported by the Stamp Duty Holiday as well as increased demand for housing with outdoor space throughout the COVID-19 pandemic, with some buyers moving from larger cities such as London to areas like Reigate & Banstead.

4.7 House price growth continued across England as a whole in the year to 31st March 2023 with 5% growth; whereas Reigate & Banstead has seen the median price rise by 8% in line with the trend seen across the South East.

Figure 4.2 Median House Price Growth Over Time, 1996-23



Source: ONS, Median House price for Administrative Geographies

4.8 Housing market conditions turned in Autumn 2022 and since market demand has been significantly affected by rising interest rates; whilst the new-build market has also been affected by the end of the Help-to-Buy Equity Loan scheme which had been supporting demand and sales.

4.9 Between 2009-22 interest rates have been low with the Bank rate being below 1% meaning credit was very cheap. However, to address inflationary pressures, the Bank of England has been progressively increasing interest rates – with the Bank rate rising from 0.25% at the end of 2021 to 5.25% at the time of writing. This has had a significant effect on what households have been able to borrow, and housing demand.

4.10 House prices in Reigate and Banstead have been relatively resilient: with the HM Land Registry House Price Index recording prices peaking at £494,000 in the

Borough in October 2022, but with the latest data pointing to an average price achieved in August 2023 of £489,000 which is relatively similar. This represents a real term fall in values, taking account of inflation.

Median Price by Type

4.11 In looking at median prices by property type, Reigate & Banstead exhibits prices significantly above the South East and England for all types of property with the exception of flats where the median price is more modestly above the wider comparators. For instance, the median price for detached properties is around 96% above that in England and 38% above the South East figure.

4.12 Reigate & Banstead and Tandridge exhibit generally similar values for non-terraced and terraced housing with the former achieving more of a price premium (i.e. £862,500 in Reigate & Banstead for a detached property vs £846,000 in Tandridge). However, the reverse can be said for Mole Valley where values are higher across the board for all types of property.

Table 4.2 Median Price by Type

Geography	Detached	Semi-Detached	Terraced	Flats
Reigate & Banstead	£862,500	£526,050	£445,875	£271,500
Tandridge	£846,000	£500,000	£432,000	£280,000
Mole Valley	£950,000	£586,250	£452,000	£284,500
South East	£625,000	£410,000	£335,000	£225,000
England	£440,000	£274,000	£240,000	£232,000

Source: ONS Median House Price for Administrative Geographies, Year to March 2023

4.13 In Reigate & Banstead, as shown in Table 4.3, the highest house price growth can again be seen for detached properties at an increase of £217,500: which is notably higher growth in absolute terms than is seen in the rest of the HMA. The same is also true for semi-detached properties with absolute growth of £91,050. This is likely to have been driven in part by the increased demand for larger properties and more space during the COVID-19 pandemic with an increase in outward migration from more central areas including London.

Table 4.3 Median House Price Change, 2018-23

	All Sales	Detached	Semi-Detached	Terraced	Flat
Reigate & Banstead	£90,000	£217,500	£91,050	£80,875	£8,750
Tandridge	£92,500	£161,000	£78,750	£82,000	£2,000
Mole Valley	£100,000	£176,500	£86,300	£55,000	£14,500
South East	£68,000	£135,000	£80,000	£60,000	£14,000
England	£55,000	£105,000	£65,000	£55,000	£17,000

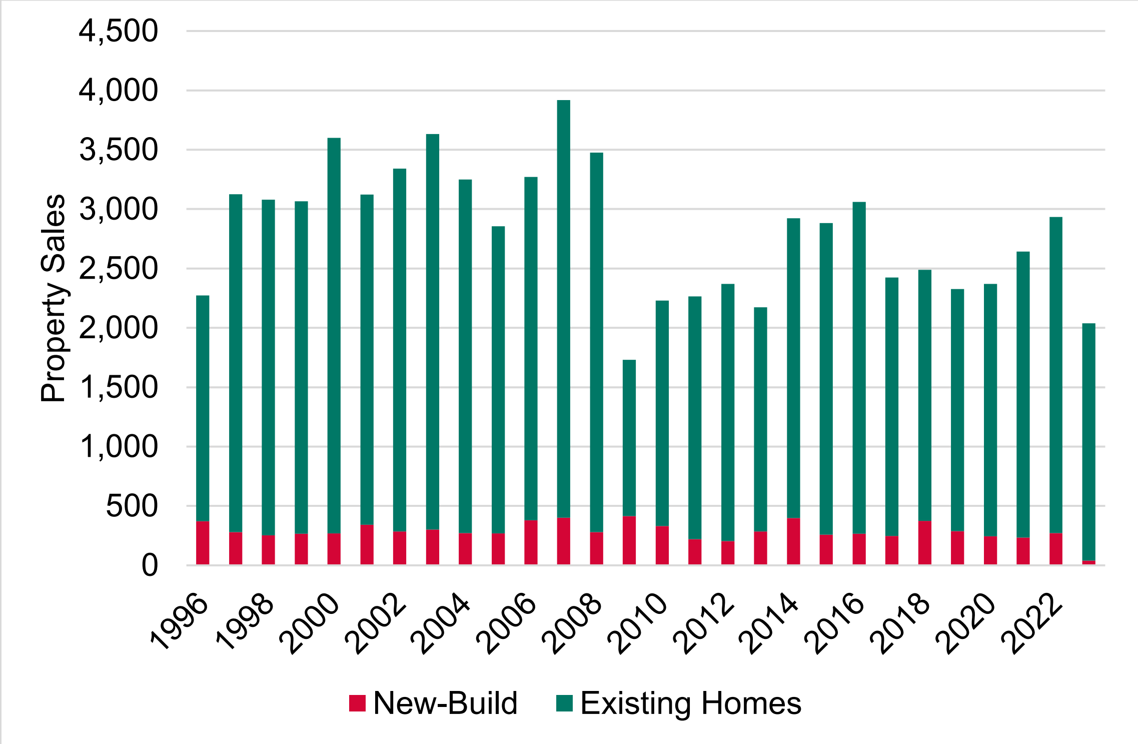
Source: ONS Median House Price for Administrative Geographies, Year to March 2023

Sales

4.14 In respect of overall transaction levels, sales have averaged out at around 2,800 per annum over the period from 1996-2023. In the period which preceded the economic downturn in 2008-09, sales were notably higher on average at around 3,200 per annum but since 2014 have averaged out at 2,600 per annum.

4.15 With regards to the split between new-build sales and existing home sales, Figure 4.3 shows that the vast majority of sales are of existing stock. Over the last five years, new-build sales have accounted for around 9% of all sales on average which is below the long-term average of 11%. Many other parts of the country have seen stronger relative new-build sales (influenced by the Help-to-Buy Equity Loan scheme).

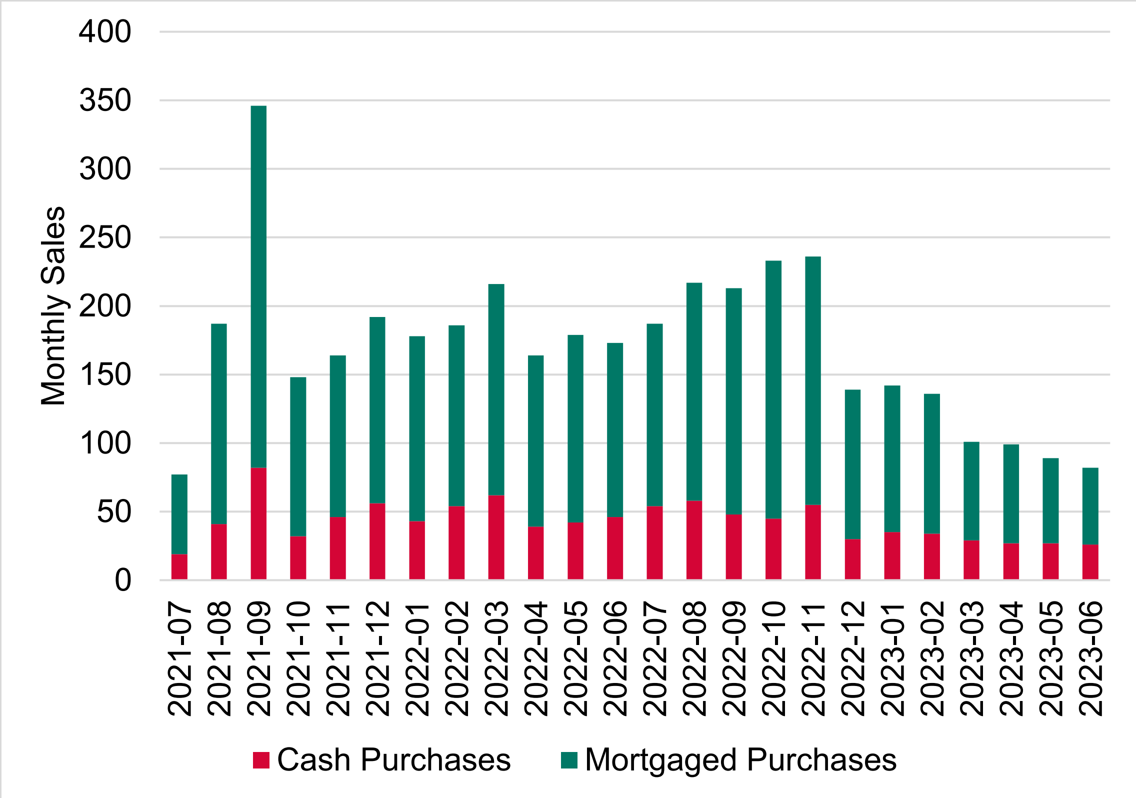
Figure 4.3 Overall Sales in Reigate & Banstead, New-Build vs Existing, 1996-23



Source*:* HM Land Registry

4.16 The chart below shows the monthly sales performance in the Borough over the last two years. Since December 2022, sales have fallen notably, with both a reduction in cash, and particularly mortgaged, purchases.

Figure 4.4 Monthly Sales of Homes – Reigate and Banstead



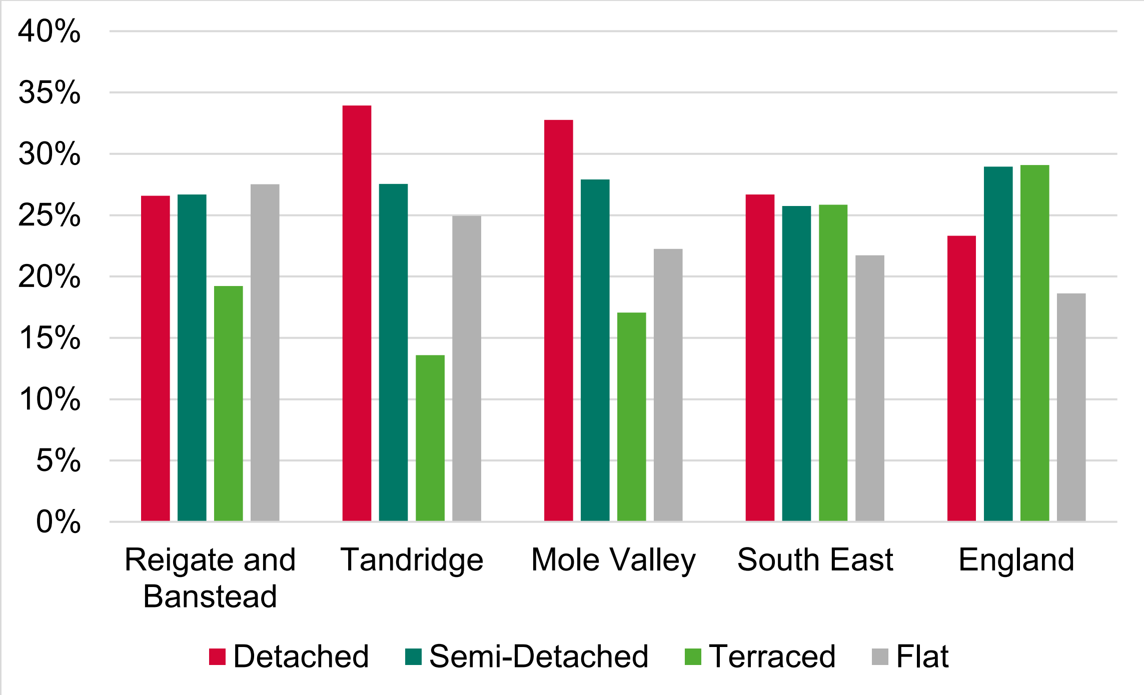
Source: HM Land Registry House Price Index/ Iceni

4.17 This is likely to reflect a combination of the increasing cost of debt finance, the impact of this on affordability, and market confidence. The last three months have seen sales levels almost 60% lower than the position pre November 2022.

4.18 The Figure 4.5 below demonstrates property sales by type in Reigate & Banstead and its comparators based on an average across the 2018-23 period. The proportional split in property sales is influenced by the existing dwelling stock in the Borough which is comprised of a high proportion of non-terraced properties and flats. This results in a relatively balanced sales profile between larger properties and smaller flats in the Borough with a greater proportion of sales of the former in the North sub-area and a greater proportion of the latter in the Central and South sub-areas in and around Redhill, Reigate and Horley.

4.19 The data demonstrates that flats in Reigate & Banstead accounted for 28% of all sales compared with 22% in the South East and 19% across England. In line with the regional and national average (52%), just over half (53%) of sales were for non-terraced homes – this is however someway below the HMA comparators both at 61%.

Figure 4.5 Property Sales by Type (Average sales 2018-23)



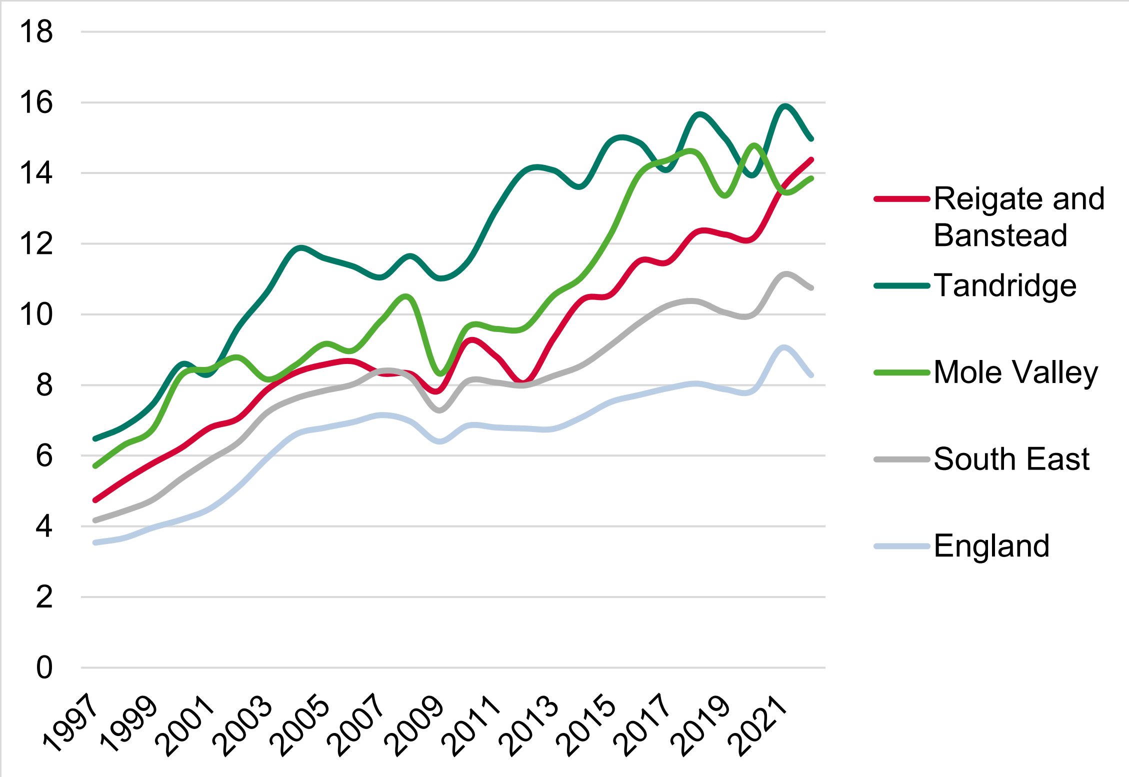
Source: Iceni analysis of HM Land Registry Price Paid Data

Affordability

4.20 Figure 4.5 shows median workplace-based affordability ratios over time. This is the ratio between median house prices and median earnings of those working in Reigate & Banstead. In all areas affordability has worsened between 1997 and 2022. Reigate & Banstead now has an affordability ratio of 14.38 which is notably above both the South East (10.75) and England (8.28). The Borough's ratio currently sits below the ratio is Tandridge (14.97) but above Mole Valley (13.85).

4.21 The Reigate & Banstead affordability ratio has increased year-on-year since the start of the COVID-19 pandemic from 12.17 in 2020 to 14.38 in 2022 which is an all-time high. The ratio is up from 9.31 in 2013, at the end of the last major recession. The increase is reflective of the high price growth seen – which has exceeded growth in earnings of those working in the Borough.

Figure 4.6 Median Affordability Ratio (1997-2022)



Source: ONS, Housing Affordability in England and Wales

4.22 The position has gradually worsened in the Borough over-time and the affordability ratio is now at a point which is reflective of the difficulty of securing a mortgage for households that do not already have considerable equity with lenders typically only willing to consider mortgages of 4 to 4.5 times income. Many households will thus require two incomes to be able to afford to buy a home.

4.23 Housing affordability is also affected by interest rates and service charges. Rising interest rates since 2022 will have put pressure on households' ability to cover mortgage costs.

4.24 To provide an overview of the position in respect of service charges, we have analysed flats listed for sale in December 2023 on Prime Location in the RH1 postcode with sales values of between £250,000 - £350,000. These are shown below. Service charges vary considerably, from £1,300 - £4,200 per year. The median is around £2,400. Ground rents are lower and generally between £150 - £300.

Table 4.4 Service Charge Analysis, Dec 2023

Location	Beds	Price	Annual Service Charge	Annual Groun d Rent
Ladbroke Road, Redhill RH1	2	£350,000	£4,099	£304
Royal Earlswood Park, Redhill RH1	2	£350,000	£3,800	£200
Alpine Road, Redhill RH1	2	£325,000	£3,800	£0
High Street, Redhill RH1	2	£325,000	£1,418	£450
Brighton Road, Redhill	2	£325,000	£1,500	£264
Caberfeigh Close, Redhill, RH1	2	£320,000	£1,806	£250
Princes Road, Redhill	2	£315,000	£1,340	£0
Royal Earlswood Park, Redhill RH1	2	£315,000	£4,162	£200
Warwick Road, Redhill RH1	2	£300,000	£1,698	£195
The Kilns, Redhill RH1	2	£300,000	£1,700	£325
Talfourd Way, Redhill RH1	2	£285,000	£3,188	£150
Nuffield Road, Merstham RH1	2	£280,000	£1,700	£0
Markfield Way, Redhill RH1	1	£270,000	£1,250	£0
Burridge Road, Redhill RH1	2	£265,000	£3,200	£120
Yoxhall Mews, Redhill RH1	2	£260,000	£6,066	£392
Old School Close, Redhill RH1	1	£260,000	£2,524	£323
Brighton Road Redhill, RH1	2	£250,000	£2,368	£175
Royal Earlswood Park, Redhill RH1	1	£250,000	£4,200	£200
Upper Quartile			**£3,800**	**£294**
Median			**£2,446**	**£200**
Lower Quartile			**£1,699**	**£128**

Source*:* Iceni analysis of properties listed on Prime Location

4.25 Since 2022, ground rents have essentially been banned for new leases. Service charges are intended to reflect the upkeep of properties, and thus they will be more expensive for some schemes (such as those with significant gardens, landscaping and communal areas which need to be maintained). However the scale of costs in some instances is quite notable, and the Council should be aware that this can affect housing affordability.

Market Outlook

4.26 The short-term outlook is of prices falling overall in 2023. Savills forecast that they will remain flat in the SE region in 2024, before returning to modest growth. In September 2023, the Bank of England reported mortgage approvals were a third below 2017-19 levels. Fundamentally values and transactions will be sensitive to interest rates, with higher rates constraining mortgaged purchases.

4.27 It seems likely that a combination of factors are likely to provide some challenges to the delivery of schemes in the short-term, including:

- The end of the Help-to-Buy Equity Loan scheme which was supporting sales;

- Higher costs of debt finance, which affect both First-time Buyer numbers and those who would need to re-mortgage. Scheme with higher cash sales, such as for retirees, will be more resilient;

- Strong growth in build costs since 2019, which has partly been offset by price growth. However price growth has now stalled and interest rates are also impacting on development finance costs. Combined these issues may put pressure on viability and land values.

4.28 There may well be a greater effect of these issues on the deliverability of new-build flatted development schemes in the short-term, where all of the units in a building come to market at the same point in time; and where the demand profile is more focused towards younger buyers who are more affected by the availability and cost of debt finance. The 2009-13 recession and market downturn saw a notably greater impact of weaker market conditions on the delivery of flats than houses, and we consider that this is likely to be replicated in the short-term. This is a risk for Reigate and Banstead where the supply pipeline is particularly focused on flatted development. However the pipeline is partly from Permitted Development conversions of former office space, which will be less affected.

4.29 There may be opportunities for the Council to help to support housing delivery, and the delivery of affordable housing, such as through:

- Supporting bulk sales of units on schemes that are under construction to RPs, or indeed the Council acquiring properties at a discounted value on sites, for affordable housing; and
- Supporting the delivery of Build-to-Rent development which is not affected by the same issues as the sales market, albeit that there are some issues – including construction and finance costs which are common. There is however clearly the potential for BTR schemes to deliver at pace short-term.

Housing Market: Summary

In Reigate & Banstead, house prices are significantly higher than the regional and national benchmarks. At the end of March 2023, the median house price was around £485,000 compared with £290,000 across England and £385,000 across the South East. House price growth since 1996 has outperformed the HMA, county and national benchmarks and points to a long-term supply/demand imbalance. Median prices in the Borough have risen to 14.4 times incomes – pointing to acute affordability pressures and notable barriers to buying a home. This has fed through into the trend in declining home ownership.

House prices have grown strongly between 2020-23, supported by the Stamp Duty Holiday and households' re-evaluating living circumstances; but price growth stalled in Autumn 2022 and in 2023 we have seen a strong slowdown in the sales market, with sales falling 58% as interest rates have risen. The new-build market has also been affected by the end of the Help-to-Buy scheme.

The short-term outlook is of falling prices, particularly in real terms, which will help affordability; but which combined with much lower sales volumes may make the delivery of new-build development more challenging. Delivery in the Borough could be particularly affected short-term by the focus of pipeline supply on flatted schemes – where for sale schemes are vulnerable to changing market conditions. Whilst conversions of buildings will be less affected, there is a case for the Council consider what actions can be taken to support housing delivery in the short-term.

5. Overall Housing Need

5.1 In this section we turn to consider overall housing need. The approach adopted follows that set out in national policy and guidance which is clear that housing need is an ‘unconstrained assessment of the number of homes needed in an area’ which should be undertaken first, and separately from assessing land availability and considering constraints, in deriving a housing requirement for the new Local Plan (See Planning Practice Guidance, ID: 2a-001-20190220). In these terms it is an advisory starting point in considering the housing requirement or target which is set out within a new local plan.

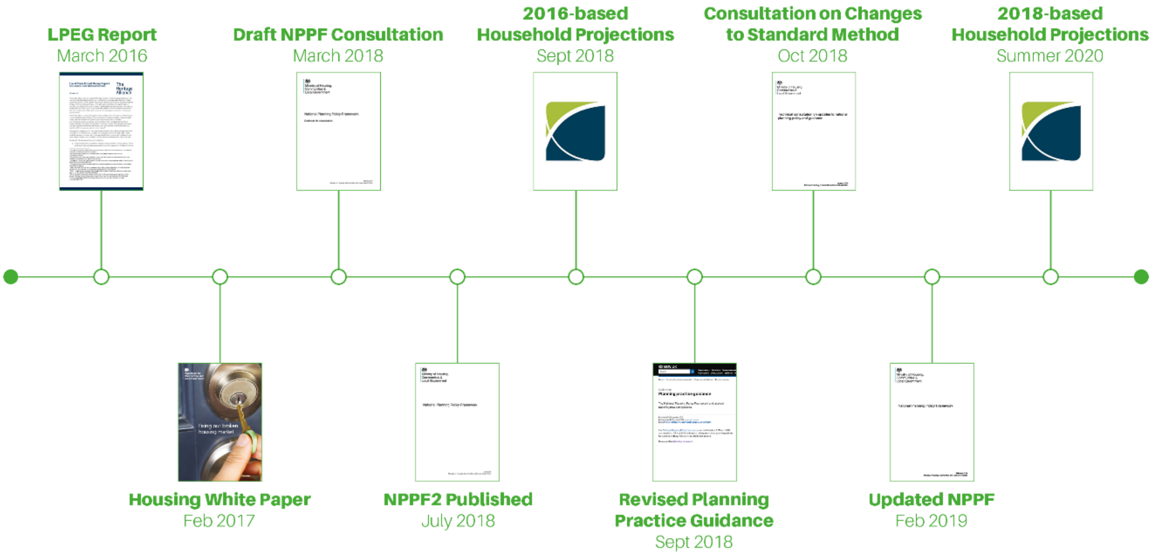
Context: Standard Method Starting Point

5.2 The Government implemented a new “standard method” for assessing housing need through a revision to the National Planning Policy Framework (NPPF) in July 2018. This replaced the process of defining an area’s ‘objectively assessed housing need’ (OAN) under the 2012 NPPF and associated Planning Practice Guidance (PPG) which was the approach under which the Core Strategy was examined.

5.3 The new standard method was informed by a review of the plan-making process for which the Government commissioned a number of experts – the Local Plans Expert Group (LPEG) – and which reported to the Secretary of State in March 2016. LPEG identified that agreeing housing needs was one of the principal difficulties affecting the plan-making process and that the preparation of Strategic Housing Market Assessments (SHMAs) had “*become one of the most burdensome, complex and controversial aspects of plan making.”* It recommended a shorter, simplified standard methodology for assessing housing need, with the aim of saving time and resources and removing what Government considered to be unnecessary debate; with the aim that this would speed up plan-making process.

5.4 Government endorsed these sentiments in its 2017 Housing White Paper and initiated a process of reviewing national planning policies and the process for calculating housing need, which culminated in the publication in July 2018 of a revised NPPF and associated changes to Planning Practice Guidance.

Figure 5.1 Evolution of the Standard Method



5.5 The standard method was designed around the Government's 2014-based Household Projections, with the aim of meeting 300,000 homes nationally. The Government's core ambitions in reforming the method were to establish an approach which was ***simpler, quicker and more transparent*** than the approach to calculating OAN which it replaced, with the aim of speeding up plan-making. In doing so, the assessment takes account of less specific local information; but also removes much of the scope for 'professional judgement' in what scale of housing provision should be sought in a local authority.

5.6 Since the preparation of these (2014-based) household projections, Government has transferred responsibility for preparing official household projections to the Office for National Statistics (ONS). ONS made a number of methodological changes to how household growth was projected in its 2016-based Household Projections, which were released in September 2018, and has equally influenced subsequent sets of household projections. The overall result when these were inputted to Government's standard method formula was to reduce significantly the aggregate level of housing need across England (to around 213,000 homes). These equally affect other subsequent national household projections (such as the 2018-based household projections).

5.7 Government consulted on changes to standard method in Autumn 2018. It set out its views on the way forward in February 2019, concluding that the 2014-based Household Projections (around which the method was designed) should continue to be used to provide the demographic baseline within the assessment. Government's argument was that:

- Household projections are constrained by housing supply: if new homes are not built, households are unable to form; and the projections are trend-based;
- The historic under-delivery of housing means there is a case for public policy supporting delivery in excess of household projections, even if those projections fall;
- Other things being equal, a more responsive supply of homes through local authorities planning for more homes where we need them will help to address the effects of increased demand, such as declining affordability, relative to a housing supply that is less responsive.
- Population changes are only one aspect of the driver for housing supply. Rising incomes, changing social preferences and factors such as real interest rates and credit availability contribute to demand for housing.

5.8 Government set out on this basis that its judgement was that there is no need to change its aspirations for housing supply (to deliver 300,000 homes pa). It set out that the continued use of the 2014-based Household Projections provided **stability and certainty for the planning system**.

5.9 Government has since consulted on changes to the standard method in Autumn 2020 in a consultation on *'Changes to the current planning system'*, proposing adjustments to the formula which placed enhanced emphasis on affordability issues and introduction of a baseline related to an area's housing stock. However it did not take these forward, and instead in April 2021 introduced a 35% ‘urban and cities uplift’ which is applicable on top of the previous stages to London and 19 other large urban areas/cities across England. This does not specifically affect Reigate & Banstead.

5.10 The most recent consultation – *Reforms to National Planning Policy* – ran between December 2022 and March 2023. This set out that it remains important that there is a clear starting point for the plan-making process, and did not propose any changes to the standard method formula itself. However, it did propose changes to the NPPF and associated Planning Practice Guidance to support local authorities to set out local housing requirements that respond to demographic and affordability pressures while being realistic given local constraints.

5.11 Specifically on the provisions related to housing need, the consultation set out that

> “*local authorities will be expected to continue to use local housing need, assessed through the standard method, to inform the preparation of their plans; although the ability to use an alternative approach where there are exceptional circumstances that can be justified will be retained. We will, though, make clearer in the Framework that the outcome of the standard method is an advisory starting-point to inform plan-making – a guide that is not mandatory – and also propose to give more explicit indications in planning guidance of the types of local characteristics which may justify the use of an alternative method, such as islands with a high percentage of elderly residents, or university towns with an above-average proportion of students*.”

5.12 The revised NPPF was released in December 2023. This affirms 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 particular demographic characteristics of the area, which justify an alternative approach. Any alternative approach to calculating the need should also reflect current and future demographic trends and market signals.

5.13 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 NPPF Para 11b or Footnote 7 in the NPPF, which affect the ability to sustainable 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 NPPF Para 11b and Footnote 6); and/or

- It reflects growth ambitions linked to economic development or infrastructure, which for instance might justify planning for higher housing provision.

5.14 The insertion of references to an ‘advisory starting point’ therefore reflect, in part, 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. This confirms the long-standing distinction between these which can be traced back to the *St Albans Council v Hunston Properties* judgement in the Court of Appeal in 2013.

Standard Method Calculation for Reigate & Banstead

5.15 In this section we move on to calculating the starting point housing need for Reigate and Banstead 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.

Step One: Setting the Baseline

5.16 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 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 8,019 households (802 per annum) over the ten-year period.

5.17 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

5.18 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.

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

5.19 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 0.25%, with the calculation being shown above. For Reigate and Banstead, the ratio for 2022 is 14.38, giving an adjustment factor of 1.65 - this leads to an uncapped housing need of 1,322 dwellings per annum (802 dpa x 1.65).

Step Three: The Cap

5.20 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. 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.

5.21 Reigate and Banstead BC undertook a Section 10(a) review in July 2019 and in March 2024, which concluded that the housing need figure remained up-to-date. At the current time, this means that the housing need is capped at 40% above the annual requirement in the 2014 Core Strategy which is a figure of 460 dpa. The capped need is therefore 644 dpa. This is below the baseline household growth.

5.22 The cap has a significant effect on lowering the housing need in the Borough. The requirement to undertake a Section 10(a) review applies every 5 years. The position will however change in March 2027 at the end of the Core Strategy plan period: beyond this point the cap would apply to the household growth figure.

Step Four: Urban Uplift

5.23 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."[2] Reigate & Banstead is not one of the top 20 urban areas in the country and therefore there is no additional uplift.

Standard Method Calculation using 2014-based Household Projections

5.24 Table 5.1 works through the standard method calculations for the Borough. This shows a local housing need for (1) 644 homes per annum when capped against the adopted Core Strategy housing target or (2) a potential figure of 1,123 homes per annum with the cap set against household growth based on 2023 data.

5.25 We consider the latter to represent a more reasonable 'policy off' assessment of housing need, as the cap as currently applied generates a level of need which is below the base household growth projected. The higher figure is considered to represent a more appropriate basis for assessment of housing need for the purposes of preparing a new Local Plan.

Table 5.1 Standard Method Housing Need Calculations (2023)

	Cap (1)	**Cap (2)**
Households 2023	65,462	65,462
Households 2033	73,481	73,481
Change in households	8,019	8,019
Per annum change	802	802
Affordability ratio (2022)	14.38	14.38
Adjustment Factor	165%	165%
Cap on (1) Core Strategy or (2) HH Growth	644	1,123

Source: Derived from a range of ONS and MHCLG sources

5.26 As set out in the Planning Practice Guidance in Para 2a-008, housing need should be calculated at the start of the plan-making process and kept under review and revised where appropriate.

[2] PPG Para ID: 2a-035-20201216

5.27 At a late stage in the preparation of this report, new affordability data for 2023 was published. This shows the affordability ratio having marginally reduced to 13.77. This sees the need using the second approach (of applying the cap based on household growth) fall slightly to 1,119 dpa. The difference in figures is modest and considered de minimus: it does not affect wider conclusions and analysis in this report.

Table 5.2 Standard Method Housing Need Calculations (2024)

	Cap (1)	Cap (2)
Households 2024	66,286	66,286
Households 2034	74,276	74,276
Change in households	7,990	7,990
Per annum change	799	799
Affordability ratio (2023)	13.77	13.77
Adjustment Factor	161%	161%
Cap on (1) Core Strategy or (2) HH Growth	644	1,119

Source: Derived from a range of ONS and MHCLG sources

Review of Demographic Dynamics

5.28 The standard method uses 2014-based projections which are now some 9-years old (in terms of the base date). It is therefore worth briefly reflecting on whether these can still be considered appropriate for use in the context of more recent demographic trends.

5.29 The analysis below looks at population trends across the Borough. Two main sources are 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 estimates year-on-year. 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 (2022-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.

5.30 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.

5.31 Table 5.2 below shows population figures for 2011 and 2021 from these sources. The data shows the 2014-based projections had projected the population of the Borough to reach 155,836 by 2021 and ONS in their monitoring of data had estimated a lower population figure (150,900). Following publication of the 2021 Census, ONS has revised upwards slightly its estimate of population in 2021 to 151,423 a figure still below where the 2014-SNPP had projected.

Table 5.3 Estimated Population in 2011 and 2021, Reigate & Banstead

Source	2011	2021	Change	% change
2014-based SNPP/SNHP	138,375	155,836	17,461	12.6%
MYE (unadjusted)	138,375	150,900	12,525	9.1%
MYE (Census adjusted)	138,375	151,423	13,048	9.4%

Source: ONS

5.32 On this basis it could be suggested the 2014-based projections do not reflect demographic trends. However, it should be noted the differences between sources as seen in Reigate & Banstead also broadly play out at a national level (see Table 5.4). One of the reasons for Government continuing to use the 2014-based projections was to provide stability in the baseline for considering housing need; and a recognition that an under provision of homes historically, whilst influencing trend-based household projections, does not mean we necessarily need fewer homes.

5.33 Recognising lower trends in more recent years nationally, there is really nothing in the data for Reigate & Banstead that necessarily points to a need to set aside the 2014-based figures.

Table 5.4 Estimated Population in 2011 and 2021, England

Source	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

5.34 In terms of more recent trends, we can also look at household changes as projected in the 2014-SNHP and as now shown by the Census. This shows across the Borough that household growth in the 10-year period to 2021 was projected to be at a higher level in the 2014-SNHP than subsequently shown in the Census. This is again a consistent trend with that seen regionally and nationally and again does not point to any specific issues with the 2014-based projections in Reigate & Banstead.

Table 5.5 Estimated Households in 2011 and 2021

Geography	Source	2011	2021	Change	% change
Reigate & Banstead	2014-based SNHP	55,629	63,820	8,191	14.7%
Reigate & Banstead	Census	55,423	59,845	4,422	8.0%
South East	2014-based SNHP	3,563,050	3,946,235	383,185	10.8%
South East	Census	3,555,463	3,807,967	252,504	7.1%
England	2014-based SNHP	22,103,878	24,371,273	2,267,395	10.3%
England	Census	22,063,368	23,436,085	1,372,717	6.2%

Source: ONS

Developing a Projection Linked to the Standard Method

5.35 The data above suggests the 2014-based SNHP continue to be reasonable for use with the standard method and the analysis below looks at how population might change if providing this level of homes (1,123 dwellings per annum).

5.36 A second sensitivity projection has also been developed looking at past completion rate over the last 5 years projected forwards (633 dwellings per annum) in order to understand (in broad terms) the demographic implications of lower housing provision. This is not intended to inform conclusions on overall housing need.

5.37 Bespoke projections have been developed, linking to provision of 1,123 and 633 dwellings per annum, and the first of these projections is then used for other analysis in the report (including looking at the mix of housing) – this projection looks at demographic change over the 2023-43 period.

5.38 A scenario has been developed which flexes migration to and from the Borough such that there is sufficient population for 1,123 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.

5.39 Within the modelling, migration assumptions have been changed so that across the Borough 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%).

5.40 In developing this projection a population increase of around 49,000 people is shown, with population growth shown in all broad age bands. The main increase is in the ‘working-age’ population (aged 16-64) although in proportionate terms the older person population is projected to see the greatest increase (increasing by 58%).

Table 5.6 Projected population change 2023 to 2043 by broad age bands – Reigate & Banstead (linked to Standard Method) – 1,123 dpa

	2023	2043	Change in population	% change from 2023
Under 16	31,316	38,938	7,622	24.3%
16-64	96,864	121,730	24,866	25.7%
65 and over	28,185	44,671	16,486	58.5%
Total	156,366	205,339	48,973	31.3%

Source: Demographic Projections

5.41 If the Council were to continue to deliver housing at the rate seen over the past 5-years (an average of 633 dwellings per annum) then a very different population profile would be projected to emerge with much lower growth in the working-age population and older people making up over half of all population growth.

Table 5.7 Projected population change 2023 to 2043 by broad age bands – Reigate & Banstead (linked to past delivery) – 633 dpa

	2023	2043	Change in population	% change from 2023
Under 16	30,977	32,358	1,381	4.5%
16-64	95,261	103,597	8,336	8.8%
65 and over	27,989	41,420	13,431	48.0%
Total	154,227	177,375	23,147	15.0%

Source: Demographic Projections

Relationship between Homes and Jobs

5.42 This next sub-section moves on to consider 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.

Growth in Resident Labour Supply

5.43 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 Reigate & Banstead (for an updated estimate of the number of people who are economically active).

5.44 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 Borough – this is set out in Table 5.8. The analysis shows that the projection linked to the standard method results in growth in the economically-active population of 25,300 people – a 31% increase. Linking to past delivery shows a much lower projected increase in the number economically active (11,100 persons).

Table 5.8 Estimated change to the economically active population (2023-43)

	Economically active (2023)	Economically active (2043)	Total change in economically active	% change
Standard Method	81,362	106,709	25,347	31.2%
633 dpa	80,037	91,117	11,080	13.8%

Source: Derived from demographic projections

Linking Changes to Resident Labour Supply and Job Growth

5.45 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

5.46 The study has drawn on the latest 2021 Census data about commuting. This shows the Borough as having a balanced level of commuting. In Reigate & Banstead the number of people commuting into the area being only 0.2% higher than the number commuting out.

5.47 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 2021 Census which has been applied as 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).

5.48 In 2011, the number of people commuting out was around 5% higher than the number of people commuting in. The shift to a balanced profile in 2021 is likely to have been influenced by COVID-19 impacts with increased home-working and a reduction in out-commuting during the time the 2021 Census was undertaken. As a result, a sensitivity has also been developed to align with the 2011 commuting pattern.

Double Jobbing

5.49 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% of workers have a second job and this has been used in the assessment.

Unemployment

5.50 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 2023 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

5.51 Table 5.8 shows how many additional jobs might be supported by population growth under the Standard Method projection. Given different assumptions about commuting patterns and estimates about double jobbing, it is estimated that up to 26,100 additional jobs could be supported by the changes to the resident labour supply over the 2023-43 period.

5.52 With delivery in line with recent trends, the jobs supported would be notable lower at around 10,900 – 11,400 to 2043.

Table 5.9 Jobs supported by demographic projections (2023-43)

Source	Projection	Total change in economically active	Allowance for double jobbing	Allowance for net commuting (= jobs supported)
Standard Method	2021 Census Commuting (1:1)	25,347	26,131	26,131
Standard Method	2011 Census Commuting (Sensitivity)	25,347	26,131	24,896
633 dpa	2021 Census Commuting (1:1)	11,080	11,423	11,423
633 dpa	2011 Census Commuting (Sensitivity)	11,080	11,423	10,883

Source: Derived from a range of sources

Wider Considerations

5.53 Planning Practice Guidance sets out that the standard method does not predict the impact that future Government policies, changing economic circumstances or other factors may have. The PPG (Para 2a-010-20190220) states that there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.

5.54 The circumstances where this may be appropriate include:

- Where funding is in place to promote and facilitate additional growth (i.e. Housing Deals, City Growth Deals, etc.); or
- Where strategic infrastructure improvements are likely to drive an increase in the homes needed locally; or
- An authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground.

5.55 There are currently no Housing Deals or City Growth Deals which would promote or facilitate additional growth for the borough.

5.56 Iceni is aware that Redhill and Horley did have New Growth Point status in the 2000s, however this needs to be interpreted in the context whereby the Core Strategy housing requirement was below the Borough's identified housing needs. Dwelling stock growth over the 2009-14 period which feeds into the household projections in the standard method was very similar in the Borough, at 0.7% per annum, to that seen nationally (0.6%). We would expect higher housing stock growth in South East local authorities close to London generally to be higher than the national average reflecting stronger housing demand characteristics.

5.57 Equally an analysis of average net completions, measured as C3 dwellings, over different periods indicates that completions in the 2009-14 period feeding into the 2014-based household projection were lower than those both immediately before this (2006-9) and since. There is thus no evidence that the standard method figures have been 'inflated' by the impact of the Growth Point on local housing delivery.

Table 5.10 Net Housing Completions in Reigate & Banstead over different time periods

	Average Annual Net Completions (C3 dwellings)
2006-9	682
2009-14	494
2014-19	522
2019-23	648

Source: RBBC Annual Monitoring Reports

5.58 However, strategic infrastructure improvements are relevant in a Reigate & Banstead context with the proposed expansion of Gatwick Airport via a second runway. There is also the potential for unmet need from neighbouring authorities – however there is no current agreement that the Borough takes unmet need from an adjoining area.

5.59 The PPG(Para 2a-024-20190220) also requires consideration to be given to the inter-relationship with the assessed need for affordable housing. It sets out that:

> *"The total affordable housing need [once assessed] can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by eligible market housing led developments. An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes."*

5.60 This is considered towards the end of this sub-section; with the expansion of Gatwick Airport and its potential impact on housing provision considered upfront below.

Gatwick Airport Expansion

5.61 Gatwick Airport adjoins the southern boundary of the Borough and therefore potential growth at Gatwick could impact upon the need for housing in the Borough.

5.62 The expansion of Gatwick Airport, in respect of a potential second runway for the airport, as well as the desire to increase capacity through its existing runways is well documented and widely publicised. In September 2012, the Government set up a commission chaired by Sir Howard Davies – "the Airport Commission" – tasked with examining the need for additional UK airport capacity before recommending how this can be met in the short, medium and long term.

5.63 Over the period from 2013 to 2015 relating to the Airport Commission process, Gatwick Airport made numerous detailed submissions to promote a second runway at Gatwick Airport as a long-term proposal. A Final Report was published by the Airport Commission in July 2015 which unanimously concluded a third runway at Heathrow Airport was the strongest case; before the Government expressed support for this option in October 2016, as "the right one for the UK".

5.64 Following the recommendation in the Airports Commission that the Government explore how UK airports could grow their domestic and international connectivity before the opening of a new runway (Para 16.40), in June 2018 the Government published the '*Beyond the Horizon: The Future of UK Aviation*' policy statement which considered the needs case for making best use of existing runways across the UK concluded that "*as a result of the consultation and further analysis to ensure future carbon emissions can be manged, government believes there is a case for airports making best use of their existing runways across the whole of the UK*".

5.65 In response, in July 2019 Gatwick Airport published a "final masterplan" following a 12-week period of public consultation on a draft masterplan in winter 2018/19 which outlined how the airport would develop and grow over the next 15 years. This included using new technology to build capacity and resilience on the main runway; bringing the existing standby runway into routine use for departures, alongside the main runway, by the mid-2020s; and recommended that planning policy would continue to safeguard land for an additional runway, although, it was made clear that the Airport was no longer actively pursuing plans for an additional runway.

5.66 On 18th July 2019, Gatwick Airport Ltd. confirmed that it has started preparing a Development Consent Order ("DCO") Application to bring the standby existing Northern Runway into routine use and on 28th August 2019 they submitted a notice to the Planning Inspectorate of their intention to prepare an application for development consent.

5.67 A 12-week public consultation was carried out between 9th September and 1st December 2021 on the core plans to bring the Northern Runway into regular use. This was followed by a 6-week focussed public consultation between 14th June and 27th July 2022 on the airport's revised plans for the roads around the airport. The DCO was then submitted to the Planning Inspectorate ("PINS") on 6th July 2023 and on 3rd August 2023, it was accepted for detailed examination by PINS.

5.68 The DCO application material is key evidence which we can use to consider the impact of this expansion on housing. In particular, the Environmental Statement - in its Socio-Economic chapter - details the potential effects on population and housing within its baseline and assessment sections. The chapter also includes employment growth figures during the operational period drawn from the Local Impact Assessment prepared by Oxera. The Planning Statement and Design & Access Statement also include a host of key information of the proposals.

5.69 The DCO material notes that Gatwick Airport in 2019 - the last full year before the COVID-19 pandemic - served 46.6 million passengers - up by 14 million over the decade prior (i.e. 44% growth in numbers since 2009).

5.70 The Planning Statement (paragraph 3.4.3) states that in the absence of the Northern Runway, the airport can continue to achieve incremental growth (i.e. "the base case"). The expectation would be growth from 46.6 million passengers per annum ("mppa") in 2019 to 67.2 mppa in 2047. This could be achieved through growth in capacity at off-peak times, up-gauging of the fleet over time to larger aircraft, and higher average load factors.

5.71 The more detailed forecasts for this base case scenario show passenger volumes moving from 46.6 mppa in 2019 to 57.3 mppa in 2029 before growing to 62.4 mppa in 2038 and finally 67.2 mppa in 2047.

5.72 Incorporating the routine use of the Northern Runway, passenger numbers are forecast to increase from 46.6 mppa in 2019 to 80.2 mppa in 2047 with the extra capacity created. The forecasts for both scenarios are set out in Table 5.11.

Table 5.11 Gatwick Passenger Growth Forecasts (mppa)

	2019	2029	2032	2038	2047
Base Case	46.6	57.3	59.4	62.4	67.2
Northern Runway	57.3	61.3	72.3	75.6	80.2

Source: DCO Application Material, Planning Statement (Table 3.4)

Construction Employment

5.73 There is a planned 15-year construction programme for the delivery of the Northern Runway. A Gatwick Construction Workforce Distribution Technical Note (London Gatwick Environmental Statement Appendix 17.9.1) has been prepared in support of the DCO application which considers the spatial distribution of the likely supply of workers, the split of home-based (“HB”) and non-home based (“NHB”) workers as well as the need from NHB workers for temporary accommodation. Home based workers are those which are permanently resident, whilst non-home based are those who move to the area on a temporary basis for all or part of the construction period (and are assumed to require temporary accommodation).

5.74 The Technical Note uses a Gravity Model (“GM”) based on the peak workers occurring in Year 4 where it is expected to consist of 1,350 workers. These workers are then split between HB and NHB workers under two scenarios:

- Scenario 1 (Primary): 80% of HB workers and 20% NHB, in order to test the maximum population impact and need for housing arising from a temporary construction workforce;
- Scenario 2: 100% HB Workers where the construction workforce is drawn from those already working in the catchment area, which is focused on Crawley, Mole Valley, Reigate & Banstead, Croydon, Tandridge, Wealden, Lewes, Brighton & Hove, Mid Sussex, Horsham, Eastbourne, Adur, Worthing and Arun local authorities.

5.75 The first scenario is considered to be the primary scenario based on Gatwick Airport’s own experience that a higher proportion of NHB workers than the regional average is likely. This is also seen as the worst-case scenario in accommodation terms due to the 20% NHB assumption being seen as the highest likely proportion.

5.76 Table 5.12 sets out the number of temporary construction workers expected under both scenarios in the Borough. Scenario 1 would see the need for 110 NHB workers from Reigate & Banstead at its peak. HB workers are those who will commute from their regular place of residence to the Gatwick site.

Table 5.12 Temporary Construction Workers with Northern Runway

Reigate & Banstead	HB Workers	NHB Workers	Total
Scenario 1	137	110	247
Scenario 2	171	0	171

Source: Gatwick Airport Environmental Statement, Appendix 17.9.1, Table 5-1 and Table 5-2

Operational Employment

5.77 In respect of the forecast operational employment growth expected to be required in relation to the passenger growth forecasts, the DCO application notes that around 24,000 employees worked on site in 2019. In 2020 and 2021, the pandemic led to a reduction in airport employees to an estimated 19,400. Airport employment has since started to return to close to previous levels with an estimated 20,450 workers in 2022 (The DCO application bases this on Gatwick Airport Identification Card passholder data from 3rd January 2023).

5.78 On-airport employment is expected to return to previous levels in the coming years, and the total number of employees on site is forecast to increase to over 27,000 by 2029 and then grow to approaching around 29,700 for the base case scenario and around 32,800 with the Northern Runway scenario by 2047.

5.79 We anticipate that Airport expansion in the base case scenario would therefore support growth in direct airport employment by c. 8,800 jobs over the plan period. Assuming 7.6% of these are residents of Reigate and Banstead – based on the commuting assumptions applied by Oxera as a proportion of all jobs generated nationally - this **base scenario could support (residence-based) growth in employment of 669 jobs.**

5.80 In order to assess the impact of the increase in employment associated with use of the Northern Runway, the Environmental Statement's Assessment of Population and Housing Effects (London Gatwick Environmental Statement Appendix 17.9.3) has defined a study area covering 17 authorities including Reigate & Banstead. This incorporates the 14 local authorities in the Labour Market Area ("LMA") which the area from which Gatwick currently draws the majority of its operational workforce and can be expected to do in the future as well as a further three authorities.

5.81 In addition to the on-airport employment (i.e. direct jobs), this assessment also considers indirect, induced and catalytic jobs supported over and above the baseline by delivering the Northern Runway. As Table 5.13 shows, any 'peak' in housing demand is likely to occur in 2032 where the number of additional workers associated with the Northern Runway are highest.

Table 5.13 Increase in Total Employment Associated with Northern Runway, Study Area

Study Area	2029	2032	2038	2047
Direct	703	2,260	2,290	2,209
Indirect	365	1,153	1,188	1,146
Induced	366	1,156	1,191	1,149
Catalytic	1,596	4,902	4,617	4,190
Total Jobs	3,030	9,471	9,286	8,694

Source: Gatwick Airport Environmental Statement, Appendix 17.9.3, Table 3.1.2

5.82 The assessment also disaggregates the additional employment to local authority level estimates on the basis of the residency of on-site employees for direct and induced jobs, the job location using distribution of Gross Value Added (GVA) for indirect jobs and job location using the percentage of passengers departing from Gatwick originating from each local authority for catalytic jobs.

5.83 The 'catalytic effects' relate to an assessment of the economic impacts arising from firms choosing to locate close to Gatwick because of the connectivity and business opportunities that it offers (over and above supply chain and employee spending effects). We understand that the detailed appraisal of the ES has identified a number of concerns around the methodology employed which are considered to over-estimate the employment growth effects. Utilising this approach, Table 5.14 shows that over the long-term forecast period, **the routine use of the Northern Runway could lead to up to an additional 826 jobs in Reigate & Banstead** over and above the baseline, at the point of its peak in 2032.

Table 5.14 Increase in Total Operational Employment Associated with Northern Runway, Reigate & Banstead Borough

Reigate and Banstead	2029	2032	2038	2047
Direct	75	241	245	236
Indirect	38	119	123	118
Induced	39	124	127	123
Catalytic	112	342	323	293
Total Jobs	263	826	817	770

Source: Gatwick Airport Environmental Statement, Appendix 17.9.3, Table 3.1.2

Drawing Together

5.84 Iceni has set out the construction and operational forecast employment associated with delivering the Northern Runway at Gatwick Airport. Taking the baseline operational level of growth into account alongside the construction and operational level of growth for delivering the Northern Runway, it can be expected that the Airport would support up to an additional 1,605 jobs in the Borough at peak. This is shown in Table 5.15 below. We would note that the ES modelling on which this is based takes an optimistic view of job creation.

Table 5.15 Gatwick Airport: Reigate & Banstead Jobs (Peak)

	Jobs
Construction	110
Operational (Baseline)	669
Operational (Additional – Runway)	826
Total Jobs	1,605

5.85 Set against this, our demographic projections show that delivering the standard method would support labour force growth of 25,347 people over the plan period to 2043. Once the latest Census commuting patterns and double jobbing allowance are factored in, this translates to 24,896 jobs.

5.86 The employment forecast generated by Cambridge Econometrics for the Borough in April 2023 shows that growth of 4,728 jobs can be expected over the same period to 2043.

5.87 As a result, taking all of the above together, there is evidently sufficient headroom in the labour market – equal to around 19,000 jobs - for the Northern Runway in the Borough to come forward without the need to provide for additional levels of housing (over and above the standard method). There is headroom for out-commuting to other employment centres to grow.

5.88 Even with housing delivery in line with the capped standard method figure (644 dpa), there is more than adequate workforce growth to support local employment growth and both the temporary construction and operational effects of the delivery of the Second Runway at Gatwick.

5.89 It would nonetheless be advisable for the Council to work with Gatwick Airport Limited and other nearby boroughs as appropriate to monitor housing market impacts over time, particularly in Horley, should the regular use of the Northern Runway be granted.

Affordable Housing Need

5.90 The adopted Development Management Plan under Policy DES6 sets out a policy target for 30% of all new homes on schemes of 11 homes or more to be provided as affordable housing, rising to 35% on allocated greenfield urban extension sites.

5.91 Since the beginning of the Core Strategy plan period in 2012, the delivery of affordable housing has averaged at 18% of housing completions across all sites. The total number of affordable homes delivered year-on-year over this period has ranged from 68 homes to 148 homes with an average of 103 per annum achieved (as discussed in Section 3).

5.92 The PPG[3] outlines that an increase in the total housing figures included within a Local Plan should be considered where it could help deliver the required number of affordable homes. The analysis in this report at Section 6 shows a total need for 689 affordable homes per annum (i.e. both social/affordable rented and affordable ownership). This equates to either 61% or 107% of the standard method local housing need figure depending on the cap applied – levels which are likely to be unrealistic to achieve and would ultimately constrain the delivery of market housing.

5.93 Furthermore, on the basis of the Council's adopted affordable housing policy at 30% for larger schemes, overall housing need would have to be equal to around 2,300 homes per annum if the full extent of affordable housing need was to be met. On the basis of historic average affordable housing delivery at 18%, local housing need would have to be equal to around 3,800 homes per annum to achieve this.

[3] PPG ID: 2a-024-20190220

5.94 Iceni considers that neither of these scenarios are realistic and ultimately, it is inappropriate to use a mechanical relationship to consider how affordable housing provision and overall housing need relate to one another. The affordable housing need is a point-in-time assessment based on current housing costs relative to earnings and takes account of current supply. The reality is that many households with an affordable housing need, including those who aspire to own a home, are existing households living in the private rented sector. The affordable housing need is thus in part a reflection of a tenure imbalance.

5.95 It is also the case that the intention behind the affordability uplift in the standard method is to improve the affordability of market housing over time. This envisages reducing the cost of market housing relative to earnings over time, and in doing so would have the effect of reducing the affordable housing need which is influenced by the cost of market homes relative to earnings.

5.96 Nonetheless, the affordable housing need is relevant in considering overall housing provision. Insufficient supply of affordable housing in a context of increasing needs can result in direct costs to the Council in housing households in Temporary Accommodation (which numbered 169 households in March 2023).

Overall Housing Need: Summary

The standard method for assessing housing need shows a need for 644 homes per annum or 1,123 homes per annum depending on whether the cap is applied to the Core Strategy housing requirement or household growth. Iceni uses the 1,123 homes per annum figure throughout the remainder of the report. The calculation changes annually, with the 2024 data showing this dropping slightly to 1,119 homes per year – a minimal change.

The report has considered whether there are exceptional circumstances to move away from the standard method (either in an upward or downward direction).

First, the report tested the appropriateness of using the 2014-projections. More recent data, and information from the 2021 Census, shows some divergence from the 2014-based projections, however this mirrors the picture at the national level and will in part have been influenced by an under-provision of homes. Based on current Government policy and guidance it is not considered that exceptional circumstances are thus evident to move away from the standard method.

The data shows that ultimately the 2014-based projections do not reflect demographic trends on the basis of the latest MYE; however, the discrepancy between the sources is mirrored at a national level and thus no exceptional circumstances. The report then looks at more recent demographic trends – taking account of 2021 Census data. Again, this did not point to any exceptional circumstances.

The report sets out a bespoke demographic projection was developed linked to delivering the upper-level standard method of 1,123 homes per annum alongside a sensitivity analysis linked to past completion trends of 633 homes per annum. These projections look at how the population might change if this level of development is achieved over the 2023-43 period. The former is then used for other analysis in the report.

The standard method projections show growth of 48,973 people between 2023-43, with growth shown in all broad age bands. The main absolute increase is in the working age population (aged 16-64) although in percentage terms the older population is projected to see the greatest increase.

There are proposals for growth at Gatwick Airport which, if delivered, could support growth in employment; of which around 1,605 jobs might be taken by Borough residents.

The employment forecasts for the Borough generated by Cambridge Econometrics project an increase of 4,728 jobs over the period to 2043. Set against this, our demographic projections show that the labour force growth associated with delivering the standard method could support 24,896 jobs over the same period.

As a result, there is sufficient headroom in the Borough for all additional jobs growth associated with delivering the Northern Runway at Gatwick Airport and there is no justification on the basis of wider circumstances to increase the local housing need.

Whilst the relationship between overall housing need and the need for affordable housing needs to be treated with care, and the latter is in part a reflection of a tenure imbalance, the scale of affordable housing need is a consideration in setting a housing requirement. Insufficient supply of affordable housing has direct consequences for households, including a lack of stable, secure homes - and can result in direct costs to the Council in housing households in Temporary Accommodation.

6. Affordable Housing Need

6.1 This section provides an assessment of the need for affordable housing in Reigate and Banstead. The analysis follows the methodology set out in Planning Practice Guidance (Sections 2a-018 to 2a-024) and provides two main outputs: 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.’

6.2 The method for studying the need for affordable housing has been enshrined in Government practice guidance for many years and was used in the previous Housing Needs Assessment in 2019. In summary, the methodology looks at a series of stages as set out below:

- Current affordable housing need (annualised so as 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

6.3 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.

6.4 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 change 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 are able to set the discounts and local eligibility criteria out in policies.

Affordability

6.5 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).

6.6 Table 6.1 shows estimated current prices to both buy and privately rent a lower quartile home in the Borough (excluding newbuild sales when looking at house prices). Compared with the previous assessment, the analysis shows an increase in both house prices and rents, with the 2019 study showing lower quartile values of £300,000 and £875 (per month) respectively. In comparing the private rent figures, some caution needs to be exercised as the 2019 figures included all lettings, whereas the table below is just an estimate of current rent for households starting a new tenancy in new accommodation.

Table 6.1 Estimated lower quartile cost of housing to buy (existing dwellings) and privately rent (by size) – Reigate & Banstead

	To buy	Privately rent
1-bedroom	£200,000	£1,075
2-bedrooms	£280,000	£1,475
3-bedrooms	£450,000	£1,800
4-bedrooms	£625,000	£2,250
All dwellings	£340,000	£1,325

Source: Land Registry and Internet Price Search

6.7 Table 6.2 shows how prices and rents vary by location. The analysis shows some variation in prices and rents, with prices (and rents) estimated to be highest in the North area.

Table 6.2 Lower Quartile Prices and Market Rents, by sub-area

	Lower quartile price (existing dwellings)	Lower Quartile rent, pcm
North	£416,000	£1,615
Central	£308,000	£1,180
South	£294,000	£1,220
Total	£340,000	£1,325

Source: Land Registry and Internet Price Search

6.8 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 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. Data has also been drawn from the Annual survey of Hours and Earnings (ASHE) to consider changes since the ONS data was published.

6.9 Overall, the average (mean) household income in the Borough is estimated to be around £65,200, with a median income of £55,900; the lower quartile income of all households is estimated to be £32,500 – the previous assessment put the mean income at around £60,900 (median of £46,200).

6.10 The median income is the middle figure when incomes are ordered from least to greatest; whilst the mean is the average figure if incomes are added together and then divided by the number of households. The median figure is more useful as it is not skewed by very low or high incomes. A lower quartile figure is the value under which a quarter of data points are below; and is commonly used to estimate typical incomes for younger households.

6.11 Analysis has also been undertaken to estimate how incomes vary by sub-area, with Table 6.3 showing the estimated median household income in each location.

Table 6.3 Estimated average (median) household income by sub-area

	Median income	As a % of Borough average
North	£58,200	104%
Central	£55,000	98%
South	£53,100	95%
Total	£55,900	100%

Source: Derived from a range of data

6.12 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. For the purposes of analysis and consistent with the 2019 assessment, the following assumptions are used:

- Rental affordability – a household should spend no more than a third 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 (4.5x) their income.

6.13 Table 6.4 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.

Table 6.4 Estimated Household Income Required to Buy and Privately Rent by sub-area

	To buy	To rent (privately)	Income gap
North	£83,200	£58,140	£25,060
Central	£61,600	£42,480	£19,120
South	£58,800	£43,920	£14,880
Total	£68,000	£47,700	£20,300

Source: Based on Housing Market Cost Analysis

Need for Social & Affordable Rented Housing

6.14 The analysis below set out an updated estimate of the need for social and affordable rented housing across the borough and sub-areas. The methodology and sources are virtually identical to the previous assessment, with the main difference being to update using 2021 Census information where relevant.

6.15 Table 6.5 sets out the overall Borough-wide estimate of need and includes a brief description of the sources of information and methodology used. The analysis suggests **an annual need for 654 rented affordable homes** if all needs were to be met.

Table 6.5 Assessment of need for social and affordable rented housing – Reigate & Banstead (2023) – per annum

Stage	Number	Notes
Current need	88	Updated by reference to Census data and homelessness statistics and based on 1,762 households in need annualised over a 20-year period
New household formation	602	Updated figures based on latest ONS household projections and based on gross formation of 1,168 households with 52% unable to afford the market. Updated figure recognises higher lower quartile cost in private rented sector.
Existing households falling into need	71	Households from other tenures annually receiving lettings or registering need
Gross Annual Need	761	Total of above categories
Lettings to new tenants	107	Update based on lettings in the 2019-22 period
Net Annual Need	654	Gross need - lettings

Source: Derived from a range of sources

6.16 Table 6.6 summarises this information by sub-area and shows a notable need in all locations.

Table 6.6 Estimated Need for Social/Affordable Rented Housing (per annum)

	Current need	Newly forming house-holds	Existing house-holds falling into need	Total Gross Need	Relet Supply	Net Need
North	33	257	19	309	39	270
Central	36	221	36	292	48	244
South	20	124	16	160	20	140
Total	88	602	71	761	107	654

Source: Derived from a range of sources

6.17 Table 6.7 provides a comparison between the findings of this study and the 2019 study. The figures from 2019 do not exactly match those in the published report as minor adjustments have been made to make the methodology consistent: the main changes are to annualise the current need over a 20-year period (rather than 10-years in 2019) and to exclude the pipeline supply as this is not included in this assessment.

6.18 The analysis suggests **a notable increase in affordable need** over the period with much of this being due to a rapid decline in estimates of future relet supply (although need has also increased due to higher estimates of the cost to access the private rented sector).

Table 6.7 Comparison of Estimated Need for Affordable Housing (social/affordable rented) 2019 and this assessment (all figures per annum)

	2019 study	This assessment
Current need	55	88
Newly forming households	472	602
Existing households falling into need	137	71
Total Gross Need	664	761
Re-let Supply	281	107
Net Need	383	654

Source: Derived from a range of sources

6.19 The analysis does suggest that affordable housing delivery should be maximised where opportunities arise but caution should be used in trying to make any direct links between the affordable need and overall need. This is because part of the affordable need is existing households who already have accommodation (and therefore do not give rise to a net need for housing) and also because the role of the wider housing market needs to be understood – particularly the extent to which the private rented sector provides benefit supported lettings to those unable to afford.

6.20 As of May 2023, there were 2,836 households claiming Housing benefit or Universal Credit (with a housing component). There will however be concerns about the potential gap between rents paid and the amount of benefit received.

6.21 Typically, there are two main types of rented affordable accommodation (social and affordable rented) with the analysis below considering what a reasonable split might be between these two tenures. The analysis has looked at current social and affordable rents, along with market rents to see what proportion of households are likely to be able to afford different products.

6.22 Table 6.8 suggests that around 13% of households who cannot afford to rent privately could afford an affordable rent at 80% of market rents, with a further 41% being able to afford a social rent (but not an affordable one). A total of 47% of households would need some degree of benefit support (or spend more than a third 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 6.8 Estimated need for affordable rented housing (% of households able to afford)

	% of households able to afford
Afford affordable rent	13%
Afford social rent	41%
Need benefit support	47%
All unable to afford market	100%

Source: Affordability analysis

6.23 The analysis indicates that provision of between 40-85% of rented affordable housing at social rents could be justified; albeit in setting planning policies, this will need to be considered alongside viability evidence. Within this range, higher provision at social rents will reduce the support through housing benefits required to ensure households can afford their housing costs.

Need for Affordable Home Ownership

6.24 Table 6.9 updates analysis in the 2019 study looking at the need for affordable home ownership. This is housing for households who are able to afford to privately rent, but cannot afford to buy. The same methodology as used in 2019 has been applied with the table below showing a fairly modest need when compared with the need for rented affordable housing – although the gross need does identify there are clearly many households in the gap between buying and renting.

6.25 The calculation includes supply from the relets of existing Low Cost Home Ownership (LHMO) properties, such as existing shared ownership dwellings; as well as 50% of sales below of market homes sold below Lower Quartile (LQ) prices, which are considered to contribute to meeting the needs identified.

Table 6.9 Estimated Need for Affordable Home Ownership (p.a.)

	North	Central	South	Borough
Current need	14	23	10	48
Newly forming households	81	97	41	219
Existing households falling into need	22	35	16	72
Total Gross Need	117	155	67	340
Supply (50% of LQ sales)	103	115	59	277
Supply (LCHO sales)	8	10	10	28
Net Need	6	30	-1	35

Source: Derived from a range of sources. Some figures may not sum due to rounding issues.

6.26 Table 6.10 shows a comparison between this study and the 2019 report. This shows a much lower net need in this study and this is entirely driven by a much lower estimate of gross need (supply being estimated to be broadly similar). This reflects the smaller gap in incomes between those necessary to buy or rent in this Study relative to that found in the 2019 Study: the income differential in this Study is £20,300 relative to £28,500 in 2019.

Table 6.10 Comparison of Estimated Need for Affordable Home Ownership (p.a.) 2019 and this study

	2019	This study
Current need	45	48
Newly forming households	369	219
Existing households falling into need	134	72
Total Gross Need	548	340
Supply (50% of LQ sales)	256	277
Supply (LCHO sales)	22	28
Net Need	270	35

Source: Derived from a range of sources

6.27 Interestingly, if the need for rented affordable housing and affordable home ownership are added together, the two studies show a similar level of need (653 units per annum in 2019 and 689 in this study).

6.28 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 fully quantify this 'need' and the analysis below focusses on the cost of discounted market sale (which would include First Homes) 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).

6.29 Table 6.11 sets out a suggested purchase price for affordable home ownership/First Homes in Reigate & Banstead by size. It works through first (on the left hand side) what households with an affordable home ownership need could afford (based on a 10% deposit and a mortgage at 4.5 times' income). The right-hand side of the table then sets out what Open Market Value (OMV) this might support, based on a 30% discount. The lower end of the range is based on households who could afford to rent privately without financial support at LQ rents; with the upper end based on the midpoint between this and the lower quartile house price.

6.30 Focussing on 2-bedroom homes, it is suggested that an affordable price is between £265,500 and £272,800 and therefore the open market value of homes would need to be in the range of £379,300 and £389,600 (if discounted by 30%). **Given a £250,000 cap for First Homes, this analysis suggests it would be unlikely to be possible to provide this tenure in other than 1-bedroom homes, and therefore a mix of homes would not be achievable.**

6.31 The evidence does not support central Government's position that 25% of affordable housing should be provided as First Homes in a local Reigate and Banstead context.

Table 6.11 Affordable home ownership prices – 2023 – Reigate & Banstead

	What households with an affordable home ownership need could afford	Open Market Value (OMV) of Home with 30% Discount
1-bedroom	£193,500 - £196,800	£276,400 - £281,100
2-bedrooms	£265,500 - £272,800	£379,300 - £389,600
3-bedrooms	£324,000 - £387,000	£462,900 - £552,900
4+-bedrooms	£405,000 - £515,000	£578,600 - £735,700

Source: Derived from a range of sources

6.32 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 Table 6.12 providing a general summary of existing schemes.

6.33 This analysis is interesting as it shows the median newbuild price for all sizes of homes (other than 1-bedroom) is above the top end of the OMV required to make homes affordable to those in the gap between buying and renting. That said, homes at the bottom end of the price range could potentially be discounted by 30% and considered as affordable.

6.34 This analysis shows how important it will be to know the OMV of housing before discount to be able to determine if a product is going to be genuinely affordable in a local context – providing a discount of 30% will not automatically mean it becomes affordable housing.

Table 6.12 Estimated newbuild housing cost by size – Reigate & Banstead

	No. of homes advertised	Range of prices	Median price
1-bedroom	21	£175,000-£333,000	£225,000
2-bedrooms	43	£220,000-£1,400,000	£550,000
3-bedrooms	41	£475,000-£925,000	£650,000
4+-bedrooms	30	£549,000-£3,500,000	£900,000

Source: Derived from a range of sources

6.35 The analysis below moves on to consider shared ownership, for this analysis an assessment of monthly outgoings has been undertaken with a core assumption being that the outgoings should be the same as for renting privately so as to make this tenure genuinely affordable. The analysis has looked at what the OMV would need to be for a shared ownership to be affordable with a 25% and 50% share.

6.36 The findings for this analysis are interesting and do point to the likelihood that **shared ownership can be a genuinely affordable tenure across all sizes of accommodation**. Indeed, it seems possible for shared ownership to be able to be provided at an outgoing below that of a private rent and could therefore be a tenure which meets a wider need (including for some households with higher incomes but still unable to afford private rented accommodation).

Table 6.13 Estimated OMV of Shared Ownership with a 50% and 25% Equity Share by Size – Reigate & Banstead

Bedroom size	50% share	25% share
1-bedroom	£305,000	£370,000
2-bedroom	£419,000	£508,000
3-bedroom	£511,000	£619,000
4-bedrooms	£639,000	£774,000

Source: Derived from market cost analysis

6.37 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.**

6.38 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.

6.39 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.

Affordable Housing: Summary

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.

The analysis suggests an overall need for 689 affordable homes per year, within which there is a need for 654 rented affordable homes and 35 affordable home ownership homes – a 95% / 5% split. However national policy requires that 10% of all housing is provided for affordable home ownership (and 25% of provision through planning obligations as First Homes). These factors, together with viability evidence, may justify a 75/25 split in policy between social/ affordable rented and affordable home ownership homes.

The scale of affordable housing need is acute, and the Council should look to maximise delivery on sites where possible, and should look at a range of means of boosting delivery – including through its own housing delivery programme.

There is strong evidence to support delivery of homes at social rent levels, which the needs evidence indicates could account for up to 60% of the rented need. However in setting policies within the Local Plan, this needs to be balanced against viability and funding availability.

The affordable home ownership need is focused towards the Central Sub-Area. Delivery of First Homes would do little to meet genuine local affordable housing needs, with only 1-bed units currently likely to be delivered given the property price cap of £250,000. Shared ownership homes can be a genuinely affordable product for the Borough and therefore should be prioritised within the provision of affordable home ownership homes.

7. Need for Different Sizes of Homes

Mix of Housing

7.1 As set out in Section 3, Reigate & Banstead has a relatively balanced profile of housing with regards to the size and type of homes overall; but the evidence suggests that new development has been increasingly focused on flatted schemes and conversions which deliver higher levels of 1- and 2-bed properties, rather than family-sized homes with 3+ bedrooms. Since 2020, 55% of housing completions have been of flats and 69% of the pipeline of homes with planning consent are of flats (with ¾ of the pipeline being 1- and 2-bed properties).

7.2 The method to consider future housing mix is broadly similar to that in the 2019 assessment but updated to take account of data from the 2021 Census (around how different household groups occupy housing) and also updated demographic projections (aligned to the standard method). The method also considers Census data about overcrowding and under-occupation.

7.3 The analysis uses existing occupancy patterns as a start point for analysis and applies these to the projected changes in the age profile of households. The analysis has been used to derive outputs for three broad categories. These are:

- **Market Housing**;
- **Affordable Home Ownership**; and
- **Rented Affordable Housing** – which in this study is split between general needs housing and housing for older people.

7.4 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 requiring 3+-bedroom accommodation.

Table 7.1 Size of Social/Affordable Rented Housing – Housing Register Information February 2024)

	Number of households	% of households
Studio/ 1-bedroom	475	36%
2-bedrooms	486	37%
3-bedrooms	309	24%
4+-bedrooms	42	3%
TOTAL	1,312	100%

Source: Reigate and Banstead BC

7.5 The modelling then works by considering how households of different ages typically occupy homes, and how this differs in the different tenures. For affordable housing there is a closer relationship between household and dwelling size, whereas for market housing, more households have additional bedrooms than they might need when they can afford to do so.

7.6 Table 7.2 shows the initial modelled outputs of need by dwelling size in the three broad tenures. Market housing focusses on 3+-bedroom homes, affordable home ownership on 2-bedroom accommodation and rented affordable housing showing a slightly smaller profile again.

Table 7.2 Initial Modelled Mix of Housing by Size and Tenure

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	22%	40%	33%
Affordable home ownership	27%	41%	23%	10%
Affordable housing (rented)	32%	35%	30%	4%

Source: Housing Market Model

7.7 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).

7.8 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 to 2043. 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).

7.9 Table 7.3 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 36,769 households with some degree of under-occupation and just 533 overcrowded households.

Table 7.3 Cross-tabulation of occupancy rating and number of bedrooms (owner-occupied sector)

Occupancy rating	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2	0	0	8,662	13,357	22,019
+1	0	6,656	5,647	2,447	14,750
0	1,816	1,979	2,077	362	6,234
-1	105	211	145	72	533
TOTAL	**1,921**	**8,846**	**16,531**	**16,238**	**43,536**

Source: Census (2021)

7.10 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 7.4 Cross-tabulation of occupancy rating and number of bedrooms (social rented sector)

Occupancy rating	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2	0	0	497	109	606
+1	0	831	596	86	1,513
0	1,860	1,243	814	86	4,003
-1	174	384	202	27	787
TOTAL	**2,034**	**2,458**	**2,109**	**308**	**6,909**

Source: Census (2021)

Table 7.5 Cross-tabulation of occupancy rating and number of bedrooms (private rented sector)

Occupancy rating	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2	0	0	522	531	1,053
+1	0	1,757	771	275	2,803
0	2,092	1,943	566	104	4,705
-1	383	337	98	27	845
TOTAL	**2,475**	**4,037**	**1,957**	**937**	**9,406**

Source: Census (2021)

7.11 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’).

7.12 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).

7.13 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 7.6 Adjusted Modelled Mix of Housing by Size and Tenure

	1-bedroom	**2-bedrooms**	**3-bedrooms**	**4+-bedrooms**
Market	9%	32%	38%	21%
Affordable home ownership	26%	43%	23%	8%
Affordable housing (rented)	31%	34%	28%	6%

Source: Housing Market Model (with adjustments)

7.14 Across the Borough, the analysis points to around a third of the social/affordable housing need being for 1-bedroom homes and it is of interest to see how much of this is due to older person households. In the future household sizes are projected to drop whilst the population of older people will increase. Older person households (as shown earlier) are more likely to occupy smaller dwellings. The impacts of older people have on demand for smaller stock is outlined in Table 7.7.

7.15 This indeed identifies a larger profile of homes needed for households where the household reference person (HRP) is aged Under 65, with a concentration of 1-bedroom homes for older people. This information can be used to inform the mix required for General Needs rather than Specialist Housing, although it does need to be noted that not all older people would be expected to live in homes with some form of care or support.

7.16 The 2, 3, and 4+-bedroom categories have been merged for the purposes of older persons as we would not generally expect many households in this category to need more than 2-bedrooms in the rented affordable housing sector.

Table 7.7 Adjusted Modelled Mix of Housing by Size and Age – affordable housing (rented) – Reigate & Banstead

Age of HRP	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Under 65	26%	36%	30%	7%
65 and over	43%	57% across 2-, 3- and 4+-bedrooms	57% across 2-, 3- and 4+-bedrooms	57% across 2-, 3- and 4+-bedrooms
All affordable housing (rented)	31%	34%	28%	6%

Source: Housing Market Model (with adjustments)

7.17 A further analysis of the need for rented affordable housing is to compare the need with the supply (turnover) of different sizes of accommodation. This links back to estimates of need in the previous section (an annual need for 654 dwellings per annum) with additional data from Continuous Online Recording (CoRe) data about the sizes of homes let over the past three years.

7.18 This analysis is quite clear in showing the very low supply of larger homes relative to the need for 4+-bedroom affordable accommodation where it is estimated the supply is only around 5% of the need arising each year. Whereas for all other sizes a higher proportion of the need can be met (albeit still only a fraction of the need). In the context in which the Council is unlikely to meet needs in full, it is also appropriate to consider how affordable housing should be prioritised. There is a more acute need for larger properties from families, who are less able to access other housing options.

Table 7.8 Need for rented affordable housing by number of bedrooms

	Gross Annual Need	Gross Annual Supply	Net Annual Need	As a % of total net annual need	Supply as a % of gross need
1-bedroom	210	39	170	26.0%	18.6%
2-bedrooms	281	45	236	36.1%	16.0%
3-bedrooms	219	20	199	30.4%	9.1%
4+-bedrooms	50	2	48	7.3%	4.9%
Total	761	107	654	100.0%	14.1%

Source: Derived from a range of sources

7.19 Table 7.9 shows the outputs from the modelling in the 2019 study for each broad tenure (note the rented affordable housing was not split further). This can be compared to the analysis in Table 7.6 herein. The main difference between these assessments is this study shows a slightly greater focus on need on smaller homes in the market sector. This is largely linked to the additional assumptions around addressing under-occupancy and the need to make more efficient use of the existing stock by addressing this.

Table 7.9 Modelled Mix of Housing by Size and Tenure – 2019 study

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	4%	22%	44%	30%
Affordable home ownership	25%	41%	24%	10%
Affordable housing (rented)	33%	32%	32%	3%

Source: Reigate & Banstead 2019 housing needs assessment)

Need for Different Sizes of Homes: Summary

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).

In all sectors the analysis points to a particular need for 2-bedroom accommodation, with varying proportions of other sized 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 7.10: Strategic Recommendations on Housing Mix

	1-bed	2-beds	3-beds	4+ beds
Market	10%	30-35%	35-40%	20-25%
Affordable home ownership	25-30%	40-45%	20-25%	5-10%
Affordable housing (rented)	30-35%	30-35%	25-30%	10-15%

Across the Borough, the analysis points to around a third of the social/affordable housing need being for 1-bedroom homes – additional analysis identifies a larger profile of homes needed for households where the household reference person is aged Under 65 with a concentration of 1-bedroom homes for older people.

The analysis is also clear in showing the very low supply of larger affordable and social rented homes relative to the need for 4+-bedroom accommodation. It is estimated the supply is only around 5% of the need arising each year, whereas for all other sizes a higher proportion of the need can be met (albeit still only a fraction of the need).

The strategic conclusions in the affordable sector thus recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households (through supporting chains of moves). The conclusions also take account of the current mix of housing by tenure and also the size requirements shown on the Housing Register. The effect of this is to slightly increase the number of larger 4+ bed properties required.

The mix identified above could inform strategic policies. However 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.

The Section 3 evidence suggests that new development has been increasingly focused on flatted schemes and conversions which deliver higher levels of 1- and 2-bed properties, rather than family-sized homes with 3+ bedrooms. Since 2020, 55% of housing completions have been of flats and 69% of the pipeline of homes with planning consent are of flats (with ¾ of the pipeline 1- and 2-bed properties).

If the conclusions on housing mix are compared to the current pipeline supply by size, the evidence points to the need to bring forward additional supply of larger family-sized homes with 3 or more bedrooms in particular.

8. Older People & Disabilities

8.1 At a national level and in the Borough, 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. An ageing of the population can also be expected to see an increase in the number of people with some form of disability.

8.2 Population projections can next be used to provide an indication of how the number of older persons might change in the future with Table 8.1 showing that Reigate & Banstead 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 58% - the population aged Under 65 is in contrast projected to see a significant but more modest increase (25%).

Table 8.1 Projected Change in Population of Older Persons, 2023 to 2043 – Reigate & Banstead (linking to Standard Method)

Age group	2023	2043	Change in population	% change
Under 65	128,181	160,668	32,487	25.3%
65-74	13,718	20,028	6,310	46.0%
75-84	10,026	16,157	6,131	61.1%
85+	4,440	8,485	4,045	91.1%
Total	156,366	205,339	48,973	31.3%
Total 65+	28,185	44,671	16,486	58.5%
Total 75+	14,467	24,643	10,176	70.3%

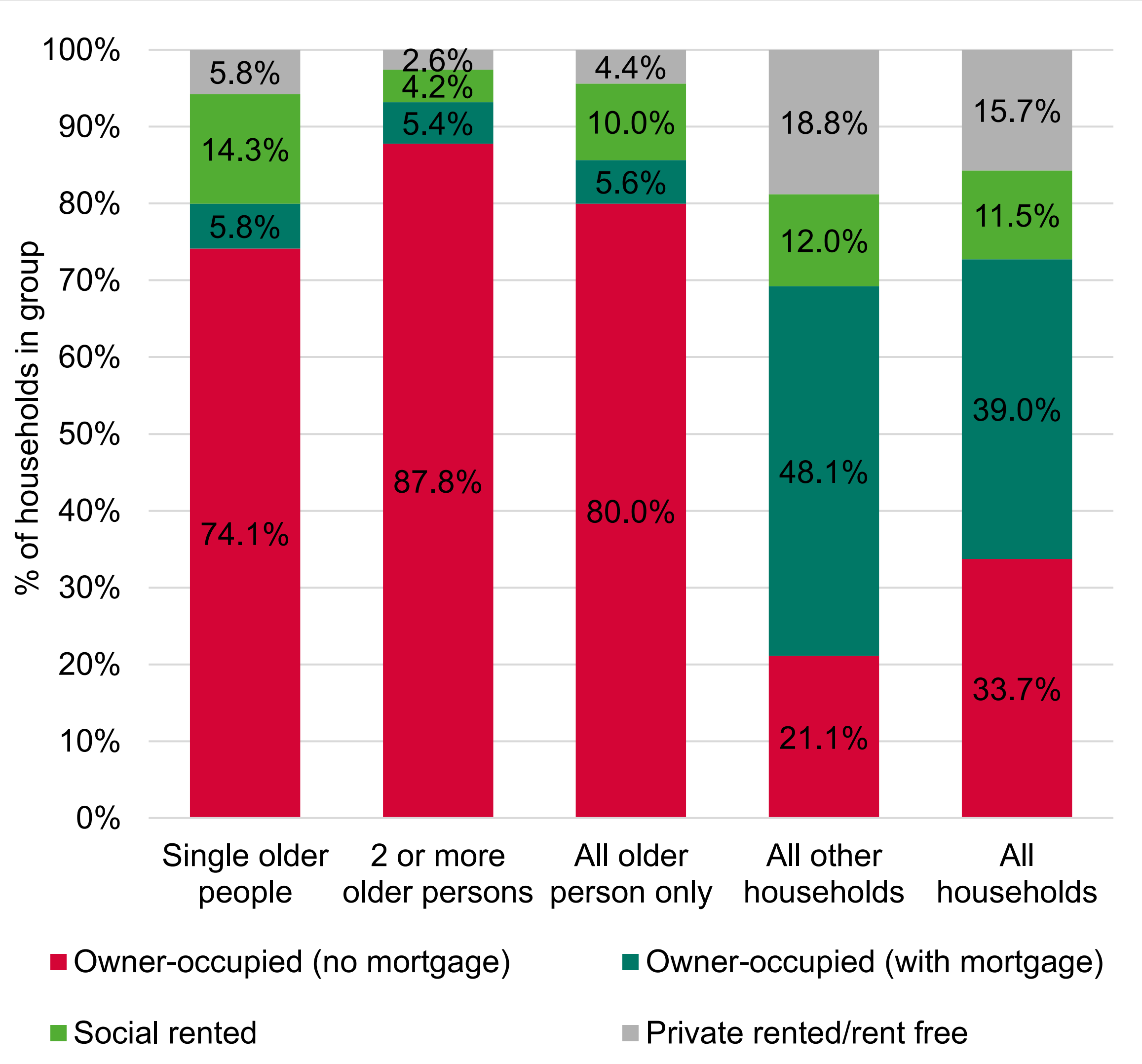
Source: Demographic projections

Characteristics of Older Person Households

8.3 Figure 8.1 shows 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 (86% 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 10% 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 4%).

8.4 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 8.1 Tenure of Older Persons Households in Reigate & Banstead, 2021



Source: 2021 Census

Health Related Population Projections

8.5 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 drawn from the 2021 Census.

8.6 Of particular note are the large increases in the number of older people with dementia (increasing by 76% from 2023 to 2043) and mobility problems (up 68% 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.

Table 8.2 Projected Changes to Population with a Range of Disabilities – Reigate & Banstead

Disability	Age Range	2023	2043	Change	% Change
Dementia	65+	1,851	3,255	1,404	75.9%
Mobility problems	65+	4,705	7,915	3,209	68.2%
Autistic Spectrum Disorders	18-64	718	905	187	26.0%
Autistic Spectrum Disorders	65+	226	363	136	60.3%
Learning Disabilities	15-64	1,888	2,367	480	25.4%
Learning Disabilities	65+	507	799	292	57.6%
Impaired mobility	16-64	4,168	5,145	978	23.5%

Source: POPPI/PANSI and Demographic Projections

8.7 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.

8.8 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

8.9 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.

8.10 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.

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]

8.11 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.

8.12 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.

8.13 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.

8.14 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).

8.15 For clarity, Table 8.3 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 8.3 Range of suggested baseline prevalence rates (per 1000 population aged 75+) from a number of tools and publications

Type/Rate	SHOP@ (2008)[4]	Housing in Later Life (2012)[5]	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 for Residential care homes and Nursing homes apart from 6 for dementia)	40
Nursing homes (care bedspaces), including dementia	45	(no figure for Residential care homes and Nursing homes apart from 6 for dementia)	45

Source: Housing LIN

8.16 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 County Council want to require extra care housing as an alternative to residential care provision

[4] 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.

[5] https://www.housinglin.org.uk/_assets/Resources/Housing/Support_materials/Toolkit/Housing_in_Later_Life_Toolkit.pdf

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.

8.17 An input to the analysis is the strategy of the relevant Adult Social Care authority, which in this case is Surrey County Council (SCC). SCC's Accommodation with Care and Support Strategy for Extra Care Housing focuses on provision / commissioning of social and affordable housing and sets out a target of delivering 725 additional affordable ECH units between 2019 and 2030 across Surrey. This aims to enhance choice of affordable options for older people as an alternative to moving to residential care (either now or in the future).

8.18 In respect of market provision, our engagement with SCC indicates that their aspirations are to see market extra care schemes come forwards at a range of different price points.

8.19 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.

8.20 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, and potential for some younger people under 75 to seek provision, we consider that the starting point for housing with care should be the higher rate shown in the SHOP@ report.

8.21 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 Reigate & Banstead, the data shows slightly better health in the older person population and so a modest reduction has been made to the prevalence rates.

8.22 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 Reigate & Banstead is the 276th most deprived local authority in England (out of 317) – i.e. a lower than average level of deprivation – this suggests a greater proportion of market housing than a local authority in the middle of the range (for housing with support and housing with care).

8.23 Table 8.4 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).

8.24 Overall, the analysis suggests that there is currently only a need for housing with care (e.g. extra-care) with around 80% of this need being for market housing. All other types of housing currently appear to have a surplus, although an ageing population over time means that additional needs will arise in the future. This aligns with our engagement with SCC who indicates an adequate supply of care homes in the Borough.

8.25 It should be borne in mind that identifying care home need doesn't imply that we won't see the redevelopment of some older / smaller care homes which are either not fit for purpose or do not meet modern standards or which do not offer sufficient economies of scale to remain viable businesses. The Council can reasonably therefore expect some older and smaller care homes to be redeveloped over time; and will need to encourage the development of some modern care homes alongside these.

Table 8.4 Specialist Housing Need using adjusted SHOP@Review Assumptions, 2023-43 – Reigate & Banstead

		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall / surplus (-ve)	Addition-al demand to 2043	Shortfall / surplus by 2043
Housing with support	Market	70	1,225	1,014	-211	713	502
Housing with support	Affordable	46	656	664	8	467	475
Housing with support	Total	116	1,881	1,678	-203	1,180	977
Housing with care	Market	30	107	434	327	305	633
Housing with care	Affordable	12	82	170	88	119	207
Housing with care	Total	42	189	604	415	425	840
Residential care	Total	37	713	537	-176	378	201
Nursing care	Total	42	966	604	-362	425	63
Total (residential and nursing care)	Total	79	1,679	1,141	-538	802	264

Source: Derived from Demographic Projections and Housing LIN, Elderly Accommodation Council supply data

8.26 Taking account of demographic change, the analysis shows:

- A modest net need for an additional 264 care/nursing home bedspaces to 2043;

- A stronger need for housing with care developments with a need for 840 units to be delivered to 2043 of which 65% of the need is for market (leasehold) provision;

- A need for 977 units of housing with support, such as retirement or sheltered housing, with a broad balance of need between market and affordable provision.

8.27 These figures represent the net need over the 2023-43 period and do not take account of the pipeline supply (as this will change over time). At the time of writing, larger schemes in the pipeline include the Legal and General site in Kingswood (150 extra care units), Banstead Place (29 C2 extra care units) and Banstead Day Care Centre (54 extra care units) with a mix of market and affordable schemes therefore being progressed.

8.28 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.

8.29 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.

8.30 The categories adopted align with those in the NPPF (Para 63). However in the housing with support (or retirement housing) category, we would expect the majority (80%+) of provision to be of schemes which there is support available to residents who need it. The evidence does not support a particularly strong need for age-restricted housing in particular where new homes are delivered to M4(2) accessible and adaptable homes standards.

8.31 Schemes should be delivered at sustainable locations which take account of the more limited mobility of some older households: locations which offer access to services, and public transport and which avoid more challenging topography between a site and everyday services.

Wheelchair User Housing

8.32 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 make homes 'visitable' for wheelchair users and data about wheelchair users by tenure.

8.33 At a national level, 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.

8.34 Using national prevalence rate data and local information about the health of the population (brought together with information about the household age structure and how this is likely to change moving forward) it is possible to estimate the number of wheelchair user households in the Borough. The data estimates a total of 1,443 wheelchair user households in 2023, and that this will rise to 2,122 by 2043.

Table 8.5 Estimated number of wheelchair user households (2023-43) – Reigate & Banstead

	Prevalence rate (% of house-holds)	House-holds 2023	House-holds 2043	Wheelchair user house-holds (2023)	Wheelchair user house-holds (2043)
24 and under	0.8%	730	991	6	8
25-34	0.5%	7,317	9,922	36	49
35-49	1.0%	18,026	21,791	181	219
50-64	1.7%	18,384	22,803	313	388
65 and over	5.1%	17,698	28,454	907	1,459
All households	-	62,156	83,961	1,443	2,122

Source: Derived from a range of sources

8.35 The finding of an estimated current number of wheelchair user households does not indicate how many homes might be needed 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.

8.36 Applying this to the current number of wheelchair user households gives a current need for 361 additional wheelchair user homes. 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) then a further need for 170 homes in the 2023-43 period can be identified. Added together this leads to **a need estimate of 531 wheelchair user homes – equating to 27 dwellings per annum.**

Table 8.6 Estimated need for wheelchair user homes, 2023-43

	Current need	Projected need (2023-43)	Total current and future need
Reigate & Banstead	361	170	531

Source: Derived from a range of sources

8.37 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 8.7 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	92.9%	1.6%	0.6%	4.8%	100.0%
Private	98.8%	0.1%	0.1%	0.9%	100.0%
All	96.6%	0.6%	0.3%	2.5%	100.0%

Source: English Housing Survey (2018/19)

Older People & Disabilities: Summary

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 older person population shows high proportions of owner-occupation with 86% of older person households as owner-occupiers. 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.

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 2023-43 period include:

- a 58% increase in the population aged 65+;
- a 76% increase in the number of people aged 65+ with dementia and 68% increase in those aged 65+ with mobility problems;
- a need for around 977 housing units with support (sheltered/retirement housing) – just over half within the market sector;
- a need for around 840 additional housing units with care (e.g. extra-care) – the vast majority (i.e. 633 units) in the market sector;
- a need for additional residential care home bedspaces and more modest need for nursing care home bedspaces; and
- a need for up to around 27 dwellings per annum to be for wheelchair users (meeting technical standard M4(3)).

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).

Where the authority has nomination rights and there is an identified need, 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.

9. The Needs of Specific Groups

Self and Custom Housebuilders

9.1 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.

9.2 The Reigate and Banstead Self-Build and Custom Housebuilding Register was introduced on the 1st of April 2016 and there have now been seven full base periods up to 30th October 2022. Reigate and Banstead requires applicants to the register to demonstrate a local connection to the borough and therefore it sits in two parts, Part 1 and Part 2. Thus, the Borough is only required by the legislation to grant sufficient consents for those on Part 1 of the Register; although it must have regard to the entries on Part 2 in carrying out its planning, housing, land disposal and regeneration functions.

9.3 In 2023 the Council undertook a review of the register for GDPR purposes. This included removing registrants who had been on the register for longer than 3 years who did not give permission for their details to remain. As such the number of registrants has reduced.

9.4 The Council is required to grant sufficient planning permissions to meet the demand identified on Part 1 of the Register as per the 2015 Act (as amended) within 3 years of the each of each base period. Table 9.1 below provides a base period breakdown of those individuals who have expressed demand for serviced plots of land in Reigate and Banstead and were not removed to ensure GDPR compliance. This shows that at the end of the 7th base period, there were 24 entries on Part 1 or the Register.

Table 9.1 Self and Custom Build Register, 2016-2022

Base Period	Part 1	Permissions
Base Period 1 (1st April 2016 to 30th Oct 2016)	6	7
Base Period 2 (31st Oct 2016 to 30th Oct 2017)	2	20
Base Period 3 (31st Oct 2017 to 30th Oct 2018)	1	22
Base Period 4 (31st Oct 2018 to 30th Oct 2019)	0	31
Base Period 5 (31st Oct 2019 to 30th Oct 2020)	6	20
Base Period 6 (31st Oct 2020 to 30th Oct 2021)	8	21
Base Period 7 (31st Oct 2021 to 30th Oct 2022)	1	29
Total, Base Period 1-7	**24**	**150**

Source: Council data and right to build register monitoring

9.5 In respect of permissions, the Council's records show that consent has been granted for 150 serviced plots over the seven base periods. This is largely comprised of single dwelling permissions.

9.6 Notably, the Levelling Up and Regeneration Act ("LURA") has made a number of recent amendments to the 2015 Act including a change to remove subsection 6(c) which allowed for local authorities to count single dwelling permissions that "could" be suitable for self and custom build plots.

9.7 This has now been replaced by subsection 2A(2) which requires authorities to only count permissions that are "specifically for" self and custom build plots. As a result, it will likely be necessary to secure permissions for serviced plots through condition or legal agreement.

Broader Demand Evidence

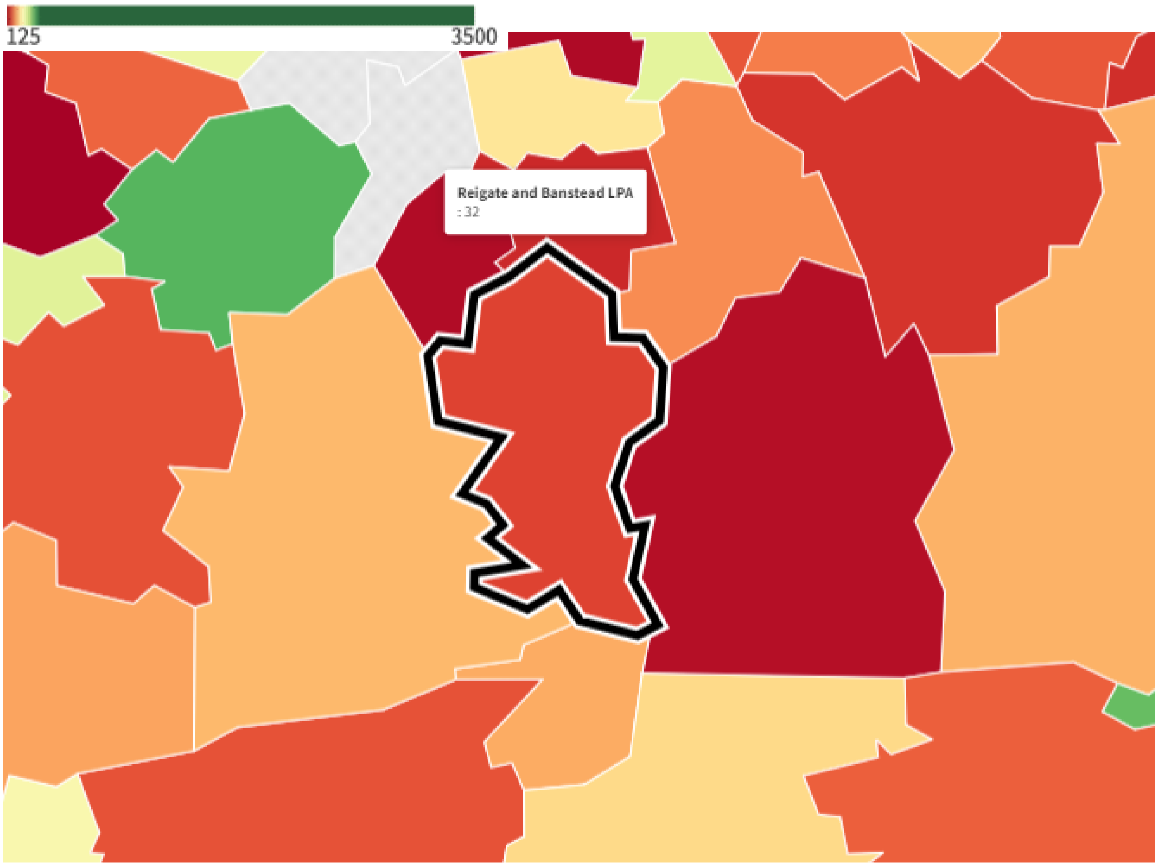
9.8 In order to supplement the data from the Council's register, we have looked to secondary sources as recommended by the PPG, which for this report is data from NaCSBA - the national association for the custom and self-build housing sector.

9.9 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.

9.10 Second, we can draw on NaCSBA data to better understand the level of demand for serviced plots in Reigate & Banstead 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.

9.11 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 Reigate & Banstead has a need for 32 units per 100,000 head of population which is a relatively low level of demand.

Figure 9.1 Overall Demand for Self-Build Plots per 100,000 of Population



Source: NACSBA, 2020

Policy Response

9.12 Neither the existing Core Strategy (2014) or Development Management Plan (2019) for Reigate and Banstead contain any policies specifically in support of self-build development, nor are any of the allocated sites specifically expected to deliver any plots suitable for self-build.

9.13 A recent appeal decision[6] in Windsor and Maidenhead demonstrates the importance of delivering custom and self-build homes. This appeal allowed for the delivery of four custom and self-build homes in the Green Belt on the basis

[6] Appeal A Ref: APP/T0355/W/22/3309281

that "very considerable weight" was placed on the Borough not meeting its custom and self-build need.

9.14 That said, the need for self and custom build accommodation also needs to be balanced with the needs of general housing and other specific groups in the context of a land supply which may not fully meet overall needs.

9.15 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.

9.16 The PPG[7] 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;
- Working with Homes England to unlock land and sites in wider public ownership to deliver self-build and custom build housing;
- 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.

[7] Paragraph: 025 Reference ID: 57-025-20210508

9.17 Iceni 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.

9.18 As a general principle, 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.

9.19 In reviewing and creating strategic policies as part of the new Local Plan, the Council should also consider whether a proportion of homes on larger sites should be allocated as serviced plots (e.g. 5% of all homes allocated as serviced plots). This is often known as the "Teignbridge Rule" after the first District Council to adopt the first self-build policy. In instances where the serviced plots are not brought forward after a specified period of time, the policy could stipulate that they are converted to either affordable or general housing.

9.20 The Council could also allocate sites specifically for self and custom build housing in the Local Plan.

Build-to-Rent and Co-Living

9.21 As the analysis in Section 3 has shown, the private rented sector now accommodates 16% of households in Reigate and Banstead and is a sector which has been growing strongly. Over the 2011-21 period, the sector grew in size by 31% with growth of 2,200 households living in the Sector over this period.

9.22 The Build to Rent sector has emerged in the context of growth in private renting, increasing house prices and shortfall in overall housing delivery. Nationally, Government has sought to support its growth, with the 2017 Housing White Paper supportive of investment in Build-to-Rent in recognition of the role which this could play in helping to drive up overall housing supply and increase choice and housing standards for those living in private rented homes; as well as providing more stable rented accommodation for families.

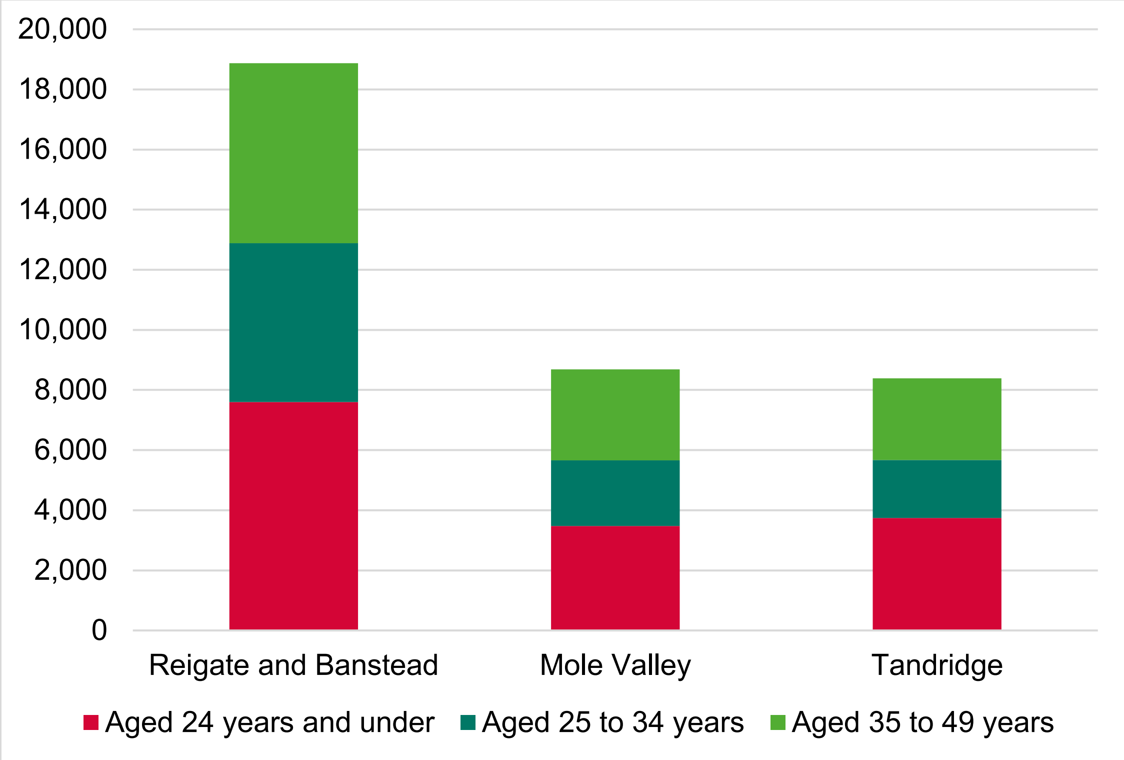
9.23 The NPPF provides a definition of Build-to-Rent development, which is "Purpose built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses but should be on the same site and/or contiguous with the main development."

9.24 The Government's *'A Build to Rent Guide for Local Authorities'* identifies benefits of Build to Rent development which include helping to meet demand from private rented housing whilst increasing tenants' choice; retaining tenants for longer (as schemes often include longer-term tenancies); and helping to increase overall housing supply.

9.25 Evidence, such as the British Property Federation's *Who lives in Built to Rent*, note that the profile of tenants is focused on those aged under 44 (with the 25-34 age group the most prevalent) and includes single people, couples, sharers and families. The most common income bracket was (based on the 2021 position) those earning between £32,000 - £48,000.

9.26 If the core market comprises those in younger age groups, the chart below shows the population aged under 50 living in private rented accommodation. Reigate and Banstead sees a particularly high population within Private Rented Sector (PRS) accommodation.

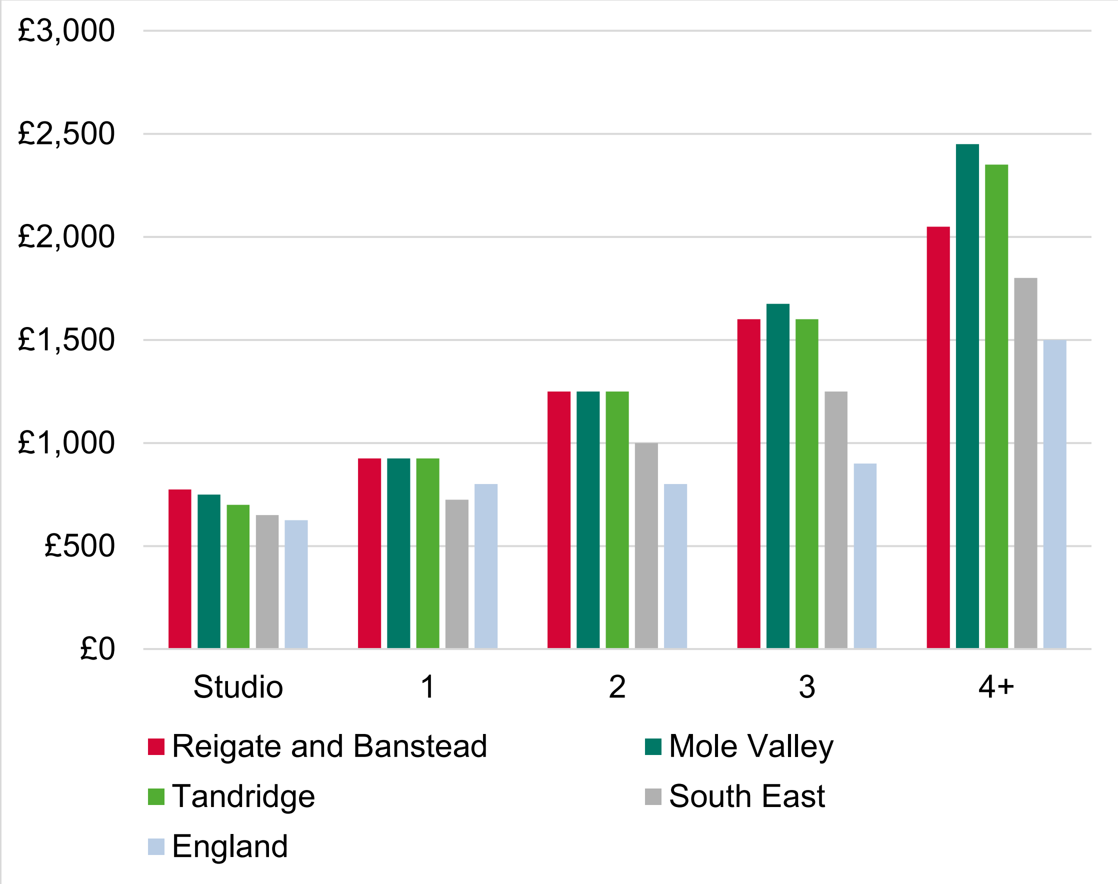
Figure 9.2 Population aged under 50 in Private Rented Sector (PRS)



Source: 2021 Census

9.27 Figure 9.3 shows rents across the sub-region. Average rents are above the regional average, as might be expected given the proximity to London. R&B and the comparator authorities generally see very similar rental cost, however both Tandridge and Mole Valley see higher costs for larger 3+ bedroom properties, this potentially indicates that there is more need for larger properties that are more suited to families in these locations. Rents for 2-bed units are around £1,250 per month.

Figure 9.3 Current Rental Values, Year to March 2023



Source: ONS Private Rental Market Statistics

9.28 The ONS data points to upper quartile rents, which is akin to high quality product, varying between £995 – 1,215 per month for 1-bed properties; £1,295 - £1,550 for 2-bed properties; and up to £2,100 per month for 3-bed properties.

9.29 Turning to consider supply, the Savills Build to Rent Market Update (July 2023) highlights the growth which has been seen in the Build to Rent sector, with built supply now reaching 88,000 homes completed nationally with a further 53,500 under construction and over 100,000 units being promoted or in planning. This points to a growing investor appetite in the sector and in larger urban centres, including London, Build to Rent is becoming an increasingly important component of overall housing delivery.

9.30 In R&B, the market is becoming well established, with a number of schemes coming forward in both Reigate and Redhill in recent years. The easy commutable distance to both London and Gatwick from the towns, particularly

Redhill, is a huge pull factor to the developments. Iceni have undertaken a review of existing schemes as detailed below.

Table 9.2 Build-to-Rent schemes

Scheme Name	Town	Units	Operator	Sizes	Costs (PCM)
Kooky Redhill	Redhill	153	Kooky	1-3 bed	£1,600 - £1,875
Quadrant House	Redhill	125	Sheen Lane	Studio	£850
Queensgate	Redhill	64	PURERESi	1-2 bed	£1,275 - £1,625
Langdon Court	Redhill	8	PURERESi	1-2 bed	Not known
Marketfield Court	Redhill	50	PURERESi	1-2 bed	£1,325
Reigate Hill House	Reigate	14	PURERESi	1-2 bed	£1,450
Westcroft	Reigate	15	PURERESi	1-3 bed	£1,395-£2,200

Source: Various Sources, Nov 2023

9.31 Further pipeline schemes at the time of writing include the Redhill Station scheme which is currently pending decision by the Council (23/00572/F). The developers Solum Regeneration are aiming to deliver up to 280 new units.

9.32 Thus far, the focus of Build to Rent developments in R&B has been in urban locations that benefit from very good rail connections. However, there may be potential for other markets to emerge, including a suburban build to rent model which sees family homes built to rent on more suburban sites. If the market were to develop in this way, Build-to-rent developments could also be expected on other larger strategic development sites, where it can contribute to the pace of build out/ delivery.

9.33 It is appropriate, therefore, that the Council seeks to include policies related to Build to Rent development within the Local Plan which address their expectations for such development, such as common management of private rent and affordable products, provision for longer-term tenancies of 3+ years, policies regarding affordable housing provision and clawback provisions in the event of scheme disposal.

9.34 The NPPF Glossary expects schemes to include conditions requiring operators to offer tenancies of 3 or more years but with options for tenants to break (without a fee) after 6 months with a 1 month notice period.

9.35 In respect of affordable housing, the economics of build-to-rent development are different to standard 'for sale' or mixed tenure residential schemes. The emphasis is on creating a longer-term investment with investment returns phased over a longer period of time (patient capital). This means that finance costs may be higher, and viability will be sensitive to changes in interest rates.

9.36 Government is keen to secure growth in the sector and in this context, the PPG proposes 20% affordable housing as a 'suitable benchmark' for affordable private rent within Build to Rent developments. A minimum rent discount relative to local market rents is expected to be set out in policy, with a 20% discount proffered.

9.37 The Council can set higher discounts, and there may be a case to consider this to ensure a supply of 'genuinely affordable homes' however this needs to be balanced against the effects on viability and the growth of the sector. Affordable housing policies need therefore to be informed by detailed viability testing which specifically addresses the Build to Rent sector.

Accommodation Needs of Adults with Specialist Needs

9.38 Surrey County Council is currently progressing a refresh of its Joint Strategic Needs Assessment ("JSNA") which is ongoing as at December 2023. The JSNA covers topic areas including the lives of people with learning disabilities (including autism) of all ages in Surrey as well as understanding issues around mental health including emotional and mental wellbeing.

9.39 A large proportion of the updated JSNA has now been published including chapters on learning disabilities and mental health. A standalone chapter covering autism is being prepared which is expected to show growth in demand from this population across Surrey County.

9.40 In respect of those with learning disabilities, the JSNA notes that the number of adults aged 18 and over predicted to have a learning disability is expected to rise over the period to 2040 across Surrey and in Reigate & Banstead.

Table 9.3 Adults Aged 18 and Over with Learning Disabilities

	2023	2025	2030	2035	2040
Reigate & Banstead	2,751	2,784	2,875	2,947	3,006
Surrey Total	21,980	22,096	22,507	22,843	22,969

Source: JSNA 2023, Learning Disabilities Chapter, Table 4

9.41 In this context, it is also noted that around 73.4% of working age adults with a learning disability live in stable and appropriate accommodation which is below the national equivalent of 78.3% and South East at 75.6%. In response, a 5-year Accommodation with Care and Support Strategy is underway in Adult Social Care covering the 2020-25 period. The strategy aims to reduce the numbers of people with learning disability and/or autism within institutionalised residential care by 40-50% in the period to 2025.

9.42 This strategy involves not only the local care market but the 11 District and Borough Council Housing Departments in Surrey working collaboratively to develop Supported Independent Living ("SIL") housing as an alternative to traditional residential care for adults with learning disabilities. In October 2019, there were 987 people in residential services and in December 2022, there were 867 people.

9.43 There are new purpose-built developments at 3 sites including Horley, Reigate & Banstead. On this site specifically, the County Council note that they are currently finalising the planning stage with the expectation that construction can start in 2024 with the units then ready for occupation in 2024/25. The development at Horley will provide 16 units in total – 6 x self-contained flats and 2 x townhouses providing for 5 bedrooms in each.

9.44 The County Council have made it clear that the current provision of supported housing is skewed towards shared housing and as a result, the delivery of self-contained flats is the priority. The existing provision has no access to en-suite bathrooms which is an additional challenge in finding suitable housing. The Council are seeking to self-deliver these units or deliver them via the market sector.

9.45 The County Council are also focussed on providing short breaks accommodation – with new provision planned in Banstead – to give adults with learning disabilities and/or autism a change from their daily routine and their families a break from caring responsibilities.

9.46 With regards to location of new supported units, the County Council noted that in Reigate & Banstead, the preference is to live in Redhill and Horley area. It is also key to understand the connectivity of certain sites to public transport and access to a labour force with the correct skillset.

9.47 In respect of mental health, the JSNA outlines that less than half of adults in contact with secondary mental health services in Surrey live in stable and appropriate accommodation compared to over 60% nationally. The number of households in stable accommodation is also declining as repossessions increase.

9.48 Through our discussions with the County Council, we understand that this is due to the fact that the needs of individuals with mental health issues are notably complex. As a result, it is often the case that the private rented sector is not an available option as many households are not accepted in general housing. In addition, owing to market conditions and an increase in mortgage rates, repossessions of both market homes and private rental homes have spiked over the last 12 months.

9.49 The goal is therefore to address the gap in the availability of suitable housing; recognising that – as is the case with supported housing for those with learning disabilities - there is a need for suitable accommodation units with en-suite facilities where there is a focus on recovery and support is offered. This support would range from intense support for those who have recently been in hospital moving to lower-level support after a period of time.

9.50 There is a new mental health and housing protocol in place which is looking to aid the process led by Surrey Adult Matters ("SAM") Steering Group who have employed the team around the person protocol ("TAP"). This includes arranging bespoke coordinated support. In addition, the County Council have their own support and social workers and Reigate & Banstead has set some Housing First initiatives via the Council's Housing Team.

9.51 In respect of new bricks and mortar homes to address the gap in suitable housing, the County Council has an ambition to develop council-owned sites; however, there are challenges around developing a business case owing to the difficulty of demonstrating "savings" in budget terms. This is due to the fact that individuals with mental health issues do not move from a residential setting to an individual setting. There is therefore a pressing need for self-contained flats – and the flexibility of these flats – in addressing needs.

9.52 A Surrey Health and Wellbeing Strategy Update 2022 has also been published which focusses on 3 priorities – (1) physical health, (2) mental health and (3) determinants of health. There are "highlight reports" published regularly with the latest update published in September 2023. This particular update notes that the TAP process being led by SAM has already accommodated 5 individuals and is thus proving effective.

9.53 The update also highlights the first four Local Area Coordinators ("LACs") deployed in Surrey in four areas including Horley, Reigate & Banstead. LACs are active in the local area with the most common areas of support relating to poor mental and / or physical health, social isolation, housing, and support to be more independent. In a housing context, this can include supporting individuals with accessing housing opportunities, housing benefits and negotiating with existing and prospective landlords.

Accommodation Needs of Children in Care

9.54 A Written Ministerial Statement by the Minster of State for Housing and Planning on 23rd May 2023 has made clear that LPAs should consider whether it is appropriate for studies such as this to consider the accommodation needs of children in need of social services care (children in care). It advises that LPAs should give due weight to and be supportive of applications for accommodation for looked after children in their area that reflect local needs; and that unitary authorities should work with commissioners to assess local need.

9.55 The 'sufficiency duty' under the Children's Act (1989) requires local authorities to take steps to secure, as far as reasonably practical, sufficient accommodation within the Authority's area boundaries to meet the needs of children that the local authority is looking after and whose circumstances are such that it would be consistent with their welfare for them to be provided with accommodation that is in the local authority's area. The authority in these terms is Surrey County Council.

9.56 In 2020, the County Council published the Sufficiency Strategy for Looked After Children, Care Leavers and Children on the Edge of Care[8] which covers the 2020-25 period and sets out to enable the system of support to realise better outcomes for children and young people by:

- Setting out some of the key things we know about Looked After Children and Care Leavers in Surrey, including their particular needs, the data surrounding this and how this changes over time

[8] https://www.surreycc.gov.uk/__data/assets/pdf_file/0011/260102/Sufficiency-Strategy-2020-2025-Looked-After-Children-Care-Leavers-Edge-of-Care-v1.6.pdf

- Exploring what sufficiency of provision we have available in Surrey and elsewhere to meet these needs, the quality of that provision and how much it costs.
- Understanding the connection between our social care practice and demand within the system.
- Identifying key issues, priorities and intentions for our commissioning and development of sufficient provision and the practice that underpins this

9.57 In 2020, it was reported there were 6,333 open referrals to Surrey Childrens' Services which included 2,106 children with active Child in Need plans and 694 children (later revised in subsequent annual update reports to 698) with an active Children Protection plan across the County. In the five years prior, the number of Looked After Children had increased; however, analysis also showed that Surrey tended to have lower rates of both children in need and looked after children compared with its neighbours.

9.58 An annual update prepared for 2022/23 provides more up-to-date information. It recognises that the numbers of children in care at a national level have been rising at a steady rate of 2% each year since 2018. At a Surrey level, the update notes:

- As at March 2022, there were 1,048 Looked After Children – an increase from 982 in 2020 as published in the main study;
- 1,000 children with an active Child Protection Plan – an increase from 698 in 2020; and
- 2,519 children with active "Child in Need" plans – an increase from 2,106 in 2020.

9.59 An analysis of existing supply indicates that despite an increase in children supported under the Children in Need and Child Protection plans by 20% and 43% respectively since the launch of the main strategy in 2020, there has been a notable reduction in the number of people in foster caring roles as well as residential workers – an influence of COVID-19. This is compounding an already challenging dynamic.

9.60 In March 2022, 68% of all looked after children in Surrey are supported in an approved carer setting which includes internal and external fostering arrangements. The County Council's aim is to secure a net gain of an additional 120 in-house foster placements by 2025. Independent fostering is also utilised through the South Central Independent Fostering Framework – the County Council joined the framework in March 2022.

9.61 The County Council have also set up internal working groups focussing on in-house fostering and Children with Disabilities services; recognising 13% of Surrey's children have a recorded disability.

9.62 The Surrey Local Offer for children with Special Educational Needs and Disabilities ("SEND") outlines services available for this group of children, including short breaks provision for children and families. A small number of young people who have more than 75 nights of short break care per year will become 'looked after'. Surrey has two children's homes for children with disabilities - one provides long term care and short breaks, whilst the second offers short breaks. Surrey also commissions short breaks services from external providers.

9.63 In respect of independent living, it is noted that Surrey County Council currently have 9 homes registered as part of their own provision. These have recently been refurbished. Through discussions, we understand that at any one time, Surrey has an estimated 120 children accessing internal and external residential provision with 65% of this cohort placed out of county. As a result, the County has secured capital funding to increase the portfolio by 24 beds. The Council has also won funding from Department for Education (DfE) to support a target of 80% of children accessing residential accommodation within the Surrey borders by increasing the portfolio further.

9.64 In respect of supported accommodation, the Council secured a new block contract in March 2022 securing 280 block beds supplied by 12 providers via a Dynamic Purchasing System (DPS) arrangement that are accessible for post-16, care leavers, parent and child and asylum seeker young people. Recognising the complex needs of many young people, the County Council also ran a mini competition via the DPS in January 2023 to commission an additional 50 beds that require 24/7 report.

9.65 Children's homes are not typically large, with typically between 1-4 children in a home as well as provision for staff to sleep and a number of communal rooms. They should offer outdoor space within a garden and ideally provision for staff parking. Houses on through roads in suburban environments are thus particularly suitable. Additional provision does not necessarily need to be new-build but could include conversion of existing C3 properties or other buildings in public sector ownership. Children's homes would typically fall within a C2 use class.

9.66 To meet needs as they arise is appropriate for Surrey County Council to continue to be engaged in the planning process for strategic sites and for appropriate consideration to be given to the need for children's homes and how this might be accommodated.

Students

9.67 In respect of the student population in Reigate & Banstead, Iceni note there are currently two FE colleges in the borough – East Surrey College (offering qualifications courses, apprenticeships and higher education) and Reigate College (offering Sixth Form education).

9.68 The 2021 Census pointed to a total of 6,119 full-time students aged 16 and over including those both in further and higher education in the borough. Of this total, the vast majority were living at home with parents (5,181, 85%), with 10% living in a one family household; 2% in a communal establishment or halls of residence; 2% living in an all student household and 1% living alone.

9.69 We have sought to consider the change in students' accommodation structure between the 2011 and 2021 Census. The table below considers the net change between 2011 and 2021 in total students resident in the authority area aged 16 and over. It is clear that there was a relatively notable increase in students living with parents with a minor change or decline across all other accommodation types.

Table 9.4 Change in Student by Accommodation Type, Aged 16 and Over

	2011	2021	Change
Living with Parents	4,828	5,181	353
Communal Establishment	164	148	-16
All Student Group Household	142	93	-49
Student Living Alone	74	83	9
Living in other Household Type	668	614	-54
Total	5,876	6,119	243

Source: 2011 & 2021 Census

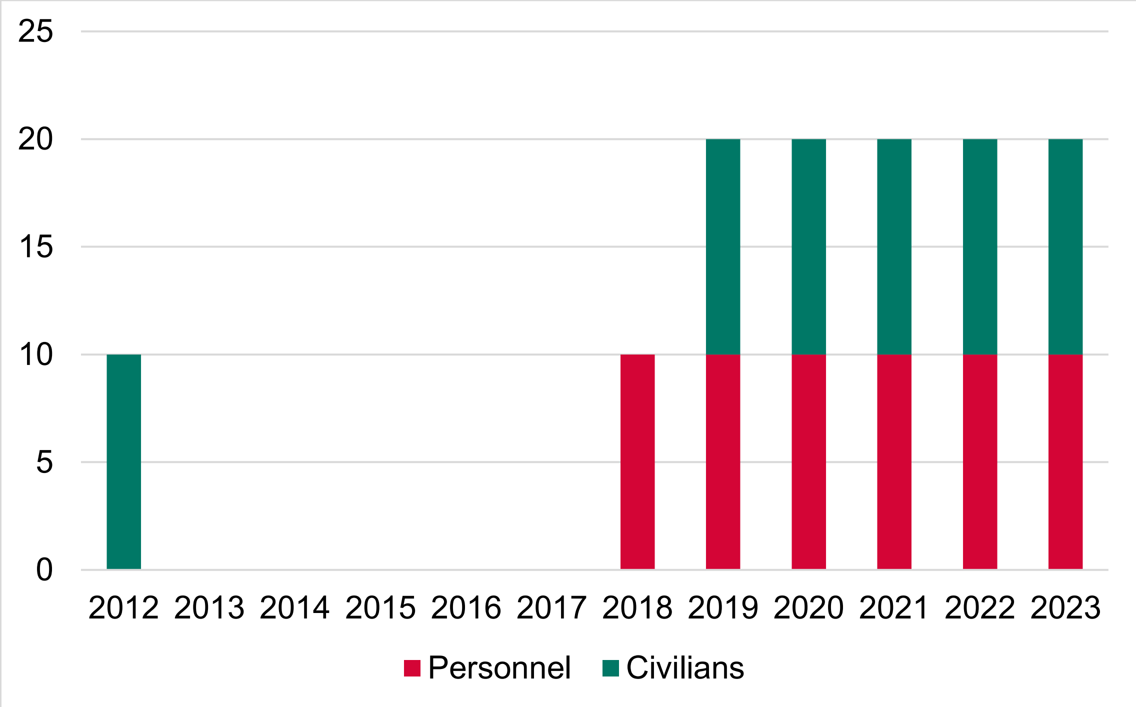
9.70 Overall, the evidence points to modest numbers of student residents in Reigate & Banstead who generate any notable housing needs; and does not suggest, based on the information currently available, that any substantive interventions or purpose built housing provision is necessary.

Service Families

9.71 The Framework (paragraph 60) seeks to ensure that the housing needs of different groups are assessed and reflected in planning policies. The paragraph lists various different groups including service families. Military personnel are also listed as part of the definition of essential local workers in Annex 2 of the Framework.

9.72 According to the latest MOD statistics published in 2023, there were up to 20 MOD personnel located in Reigate & Banstead comprised of around 10 military personnel and 10 civilian personnel; however, it should be noted that numbers are rounded up to the nearest 10 at this level and therefore it is possible that there was only 1 person in each category. This level has been broadly constant over the years with a slight increase from 2019 as is shown in the Figure below.

Figure 9.4 Reigate & Banstead MOD Personnel, 2012-23



Source: MOD, 2023. (Note: the data from 2013-2017 was classified as confidential.)

9.73 There are no army barracks or any military bases in or around Reigate & Banstead. Accordingly, and because the overall number of service personnel living in borough represents a very small proportion of the population, it is considered that there is no housing need arising from service families.

Mobile Homes and Caravans

9.74 The Council has provided Iceni with an overview of the Council licenses of all Caravan and Mobile Home sites. These relate to non-traveller mobile sites and caravans. The needs for gypsy and traveller accommodation are considered as part of separate evidence.

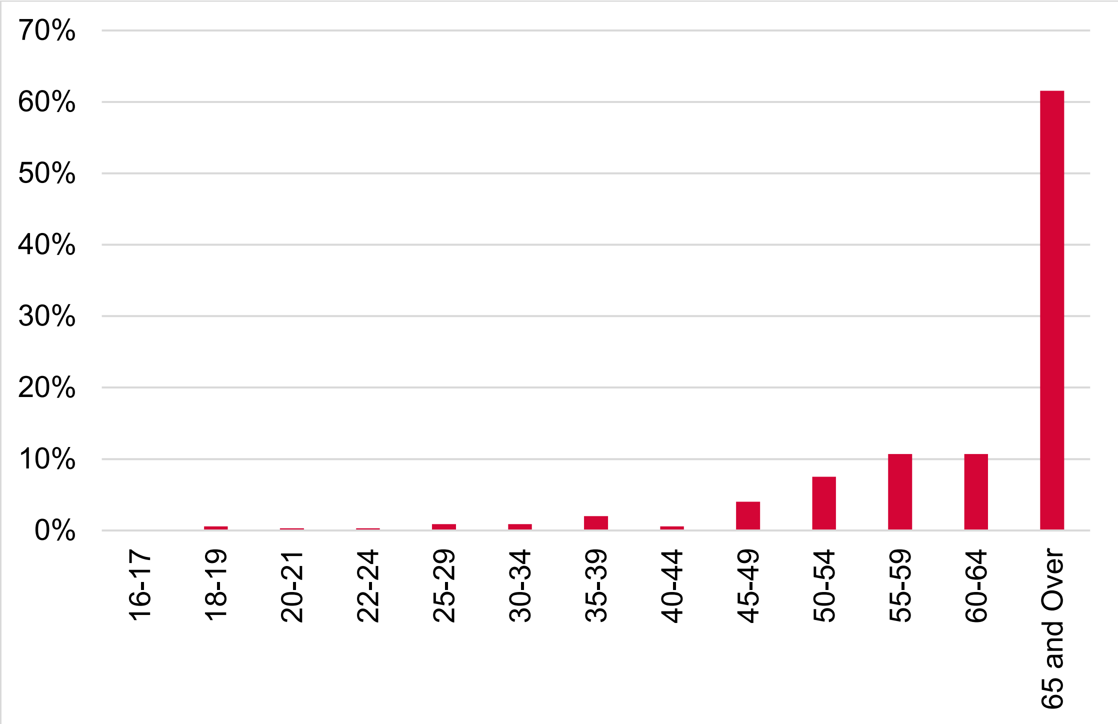
9.75 In total, there are currently five public Mobile Home sites in the borough totalling 342 pitches, all of which are run privately. The details of these five sites are set out in the table below.

Table 9.5 Details of Mobile Home Sites in Reigate & Banstead

Site Name	Location	Details
Cambridge Lodge Mobile Home Park	Bonehurst Rd, Horley	Licensed for 80 homes. The site is age restricted to over 45 years of age.
Holly Lodge Mobile Home Park	Brighton Rd, Lower Kingswood	Licenses for 158 homes. The site is age restricted to over 50 years of age.
Subrosa Mobile Home Park	Subrosa Drive, Metstham, Redhill	Licensed with conditions for 73 homes. The site is age restricted to over 45 years of age.
Three Arch Mobile Home Park	Three Arch Rd, Redhill	Licensed for 25 homes. The site is age restricted to over 50 years of age/
Yew Cottage Mobile Home Park	Brighton Rd, Lower Kingswood	Licensed for 6 homes. There is no age restriction.

9.76 Drawing on data from the 2021 Census, we are able to identify the number of households living in caravans/mobile homes and the age structure of this population. The analysis is shown in the table below for Reigate & Banstead providing a breakdown of the age structure for all Household Reference Persons (HRPs) aged 16 and over.

Figure 6.2: Age Structure by HRP Aged 16 and Over of those living in Caravan/Mobile Home



Source: 2021 Census

9.77 The analysis shows that of the 323 HRPs living in a caravan or other mobile or temporary structure, 62% are aged 65 and over and a significant 95% are aged 45 and over in the borough. Drawing on this and the number of those living in a caravan or mobile home as a proportion of all HRPs by age range, we can then link this data to the demographic projections. In doing so, it is possible to determine how the demand for such accommodation might change in the future.

Table 9.6 Projected Change in Caravan/Mobile Home Households by Age

Age Range	Projected Household Change (2023-43)	% of Caravan/Mobile Home HRPs as a % of HRPs by Age Range (2021)	Projected Change in Caravan/Mobile Home Households
16-19	8	4.2%	0
20-24	253	0.6%	2
25-29	939	0.1%	1
30-34	1,667	0.1%	1
35-39	1,551	0.1%	2
40-44	753	0.0%	0
45-49	1,461	0.2%	3
50-54	1,587	0.4%	7
55-59	1,101	0.6%	6
60-64	1,731	0.7%	13
65-69	1,690	1.0%	17
70-74	2,014	1.2%	24
75-79	1,967	1.4%	28
80-84	2,404	1.9%	45
85+	2,681	1.0%	28
Total	59,844		177

Source: 2021 Census and Demographic Projections

9.78 Through linking the existing demographic profile of caravan and mobile home households by age of HRP in Reigate & Banstead with the demographic projections detailed in this report, it is expected that the demand for such accommodation could increase by 177 households over the period to 2043. This is equal to 0.3% of all HRP growth.

The Need of Specific Groups: Summary

This section has considered the needs of households within the population. It identifies that there are 24 registrants to date on the Council's Self- and Custom-Build Housing Register (Part 1) but taking account of wider demand evidence, the Council should support opportunities for this form of development where appropriate.

With strong growth in the Private Rented Sector, the Build-to-Rent Sector has been growing in the Borough, with schemes coming forwards in Reigate and Redhill. There is potential for this market, and suburban Build-to-Rent, to develop further over the plan period and a case for putting in place specific planning policies to guide developments.

With an expected growth of those with learning disabilities, mental health issues and children in care, the evidence points to a need for delivery of supported housing. This is often in small schemes, and does not necessarily need to be new-build.

Substantive student housing needs are not shown, now for service or former service families. A projected need for caravan and mobile home dwellers of 177 households to 2043 is estimated.

10. Conclusions

10.1 This section sets out a series of conclusions and policy recommendations arising from the analysis in this report.

Overall Housing Need

10.2 The standard method for assessing housing need shows a need for 644 homes per annum or 1,123 homes per annum depending on whether the cap is applied to the Core Strategy housing requirement or household growth. The 2024 calculation sees the higher figure fall slightly to 1,119 homes per year – a minimal change. Iceni uses the 1,123 homes per annum figure throughout the remainder of the report.

10.3 The report has considered whether there are exceptional circumstances to move away from the standard method (either in an upward or downward direction).

10.4 First, the report tested the appropriateness of using the 2014-projections. More recent data, and information from the 2021 Census, shows some divergence from the 2014-based projections, however this mirrors the picture at the national level and will in part have been influenced by an under-provision of homes. Based on current Government policy and guidance it is not considered that exceptional circumstances are thus evident to move away from the standard method.

10.5 The data shows that ultimately the 2014-based projections do not reflect demographic trends on the basis of the latest MYE; however, the discrepancy between the sources is mirrored at a national level and thus no exceptional circumstances. The report then looks at more recent demographic trends – taking account of 2021 Census data. Again, this did not point to any exceptional circumstances.

10.6 The report sets out a bespoke demographic projection which was developed linked to delivering the upper-level standard method of 1,123 homes per annum alongside a sensitivity analysis linked to past completion trends of 633 homes per annum. These projections look at how the population might change if this level of development is achieved over the 2023-43 period. The former is then used for other analysis in the report.

10.7 These projections show growth of 49,000 people with growth shown in all broad age bands. The main absolute increase is in the working age population (aged 16-64) although in percentage terms the older population is projected to see the greatest increase.

10.8 There are proposals for growth at Gatwick Airport which, if delivered, could support growth in employment; of which around 1,605 jobs might be taken by Borough residents.

10.9 The employment forecasts for the Borough generated by Cambridge Econometrics project an increase of 4,728 jobs over the period to 2043. Set against this, our demographic projections show that the labour force growth associated with delivering the standard method could support 24,896 jobs over the same period.

10.10 As a result, there is sufficient headroom in the Borough for all additional jobs growth associated with delivering the Northern Runway at Gatwick Airport and there is no justification on the basis of wider circumstances to increase the minimum local housing need. Indeed, it is likely that there will be a notable level of out-commuting to London and other employment centres across the plan period.

10.11 Furthermore, whilst the relationship between overall housing need and the need for affordable housing needs to be treated with care, and the latter is in part a reflection of a tenure imbalance, the scale of affordable housing need is a consideration in setting a housing requirement. Insufficient supply of affordable housing has direct consequences for households, including a lack of stable, secure homes - and can result in direct costs to the Council in housing households in Temporary Accommodation.

Affordable Housing Need

10.12 The report includes an assessment of the annual need for affordable housing which responds to the definitions set out in the Framework. The analysis is split between a need for social/affordable rented accommodation and the need for affordable home ownership – this includes housing for those who can afford to rent privately but cannot afford to buy a home.

10.13 The analysis suggests an overall need for 689 affordable homes per year, within which there is a need for 654 rented affordable homes and 35 affordable home ownership homes – a 95% / 5% split between the tenures.

Table 10.1 Affordable Housing Need

	Net Need (p.a.)
Affordable/Social Rented	654
Affordable Home Ownership	35
Total	689

10.14 National policy requires that 10% of all housing is provided for affordable home ownership (and 25% of provision through planning obligations as First Homes). These factors, together with viability evidence, may justify a 75/25 split in policy between social/ affordable rented and affordable home ownership homes.

10.15 The scale of affordable housing need is acute, and the Council should look to maximise delivery on sites where possible, and should look at a range of means of boosting delivery – including through its own housing delivery programme.

10.16 There is strong evidence to support delivery of homes at social rent levels, which the needs evidence indicates could account for up to 60% of the rented need.

However, in setting policies within the Local Plan, this needs to be balanced against viability and funding availability.

10.17 The affordable home ownership need is focused towards the Central Sub-Area. Delivery of First Homes would do little to meet genuine local affordable housing needs, with only 1-bed units currently likely to be delivered given the property price cap of £250,000. Shared ownership homes can be a genuinely affordable product for the Borough and therefore should be prioritised within the provision of affordable home ownership homes.

Older Persons Housing Needs

10.18 This report has assessed a range of data sources and statistics 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.

10.19 The older person population shows high proportions of owner-occupation with 86% of older person households as owner-occupiers. 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.

10.20 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.

10.21 Some older households, particularly those aged over 75, will require specialist housing provision. The analysis in this section points to a need for 977 units of housing with support to 2043 and 840 units of housing with care. In considering extra-care schemes, there is a need to carefully consider the viability and practical feasibility of delivering affordable housing on-site. The provision of this form of specialist housing is not additional to the local housing need derived from the standard method.

Table 10.2 Specialist Older Persons Housing Needs - Housing with Support

	Shortfall/Surplus
Market	502
Affordable	475
Total	**977**

Source: Derived from a range of sources

Table 10.3 Specialist Older Persons Housing Needs – Housing with Care

	Shortfall/Surplus
Market	633
Affordable	207
Total	**840**

Source: Derived from a range of sources

10.22 The Tables above should be considered as providing a set of parameters for housing need. The ultimate level of provision the Council seeks to support will be influenced by the broader strategy for older persons housing and care.

10.23 The analysis in this report also identifies a need for around 201 additional residential care and 63 nursing home bedspaces to 2043. These will fall within a C2 use class and should be treated as maximum figures – any provision of bedspaces also falls outside of the local housing need derived from the standard method; however, the bedspaces can be included in five year housing land supply (with the appropriate multiplier) and should therefore not be seen as additional.

10.24 It is important that the Council's planning polices support the delivery of specialist housing, in particular extra care schemes. A notable by-product of doing so will be the release of existing mainstream housing, including family housing, for other groups within the population.

10.25 In particular, for schemes with higher levels of care provision, consideration should also be given to whether it is practical to manage market and affordable provision within a single development. This may be influenced by the nature of the site and scheme.

10.26 In addition, there is a need for 531 homes for wheelchair users in Reigate & Banstead. 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).

10.27 Where the authority has nomination rights M4(3) and there is an identified need, these would be wheelchair accessible dwellings (constructed for immediate occupation); whilst 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.

Housing Mix

10.28 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).

10.29 In all sectors the analysis points to a particular need for 2-bedroom accommodation, with varying proportions of other sized 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 10.4 Strategic Recommendations on Housing Mix

	1-bed	2-beds	3-beds	4+ beds
Market	10%	30-35%	35-40%	20-25%
AHO	25-30%	40-45%	20-25%	5-10%
Rented	30-35%	30-35%	25-30%	10-15%

10.30 Across the Borough, the analysis points to around a third of the social/affordable housing need being for 1-bedroom homes – additional analysis identifies a larger profile of homes needed for households where the household reference person is aged Under 65 with a concentration of 1-bedroom homes for older people.

10.31 The analysis is also clear in showing the very low supply of larger affordable and social rented homes relative to the need for 4+-bedroom accommodation. It is estimated the supply is only around 9% of the need arising each year, whereas for all other sizes a higher proportion of the need can be met (albeit still only a fraction of the need).

10.32 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. The conclusions also take account of the current mix of housing by tenure and also the size requirements shown on the Housing Register.

10.33 The mix identified above could inform strategic policies. However 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.

10.34 The Section 3 evidence suggests that new development has been increasingly focused on flatted schemes and conversions which deliver higher levels of 1- and 2-bed properties, rather than family-sized homes with 3+ bedrooms. Since 2020, 55% of housing completions have been of flats and 69% of the pipeline of homes with planning consent are of flats (with ¾ of the pipeline 1- and 2-bed properties).

10.35 If the conclusions on housing mix are compared to the current pipeline supply by size, the evidence points to the need to bring forward additional supply of larger family-sized homes with 3 or more bedrooms in particular.

Self and Custom Build Homes

10.36 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. The PPG 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.

10.37 The existing Core Strategy (2014) and Development Management Plan (2019) for Reigate and Banstead do not contain any policies specifically in support of self-build development, nor are any of the allocated sites specifically expected to deliver any plots suitable for self-build. There is however demand for serviced plots; albeit relatively low.

10.38 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.

10.39 As a general principle, 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.

10.40 In reviewing and creating strategic policies as part of the new Local Plan, the Council should also consider whether a proportion of homes on larger sites should be allocated as serviced plots (e.g. 5% of all homes allocated as serviced plots). This is often known as the “Teignbridge Rule” after the first District Council to adopt the first self-build policy. In instances where the serviced plots are not brought forward after a specified period of time, the policy could stipulate that they are converted to either affordable or general housing.

10.41 The Council could also allocate sites specifically for self and custom build housing in the Local Plan.

Build to Rent

10.42 The private rented sector now accommodates 16% of households in Reigate and Banstead and is a sector which has been growing strongly. Over the 2011-21 period, the sector grew in size by 31% with growth of 2,200 households living in the Sector over this period.

10.43 Thus far, the focus of Build to Rent developments in R&B has been in urban locations that benefit from very good rail connections. However, there may be potential for other markets to emerge, including a suburban Build to Rent model which sees family homes built to rent on more suburban sites. If the market were to develop in this way, Build-to-rent developments could also be expected on other larger strategic development sites, where it can contribute to the pace of build out / delivery.

10.44 It is appropriate, therefore, that the Council seeks to include policies related to Build to Rent development within the local plan which address their expectations for such development, such as common management of private rent and affordable products, provision for longer-term tenancies of 3 or more years, policies regarding affordable housing provision and clawback provisions in the event of scheme disposal.

10.45 The NPPF Glossary expects schemes to include conditions requiring operators to offer tenancies of 3 or more years but with options for tenants to break (without a fee) after 6 months with a 1 month notice period.

10.46 In respect of affordable housing, the economics of build-to-rent development are different to standard 'for sale' or mixed tenure residential schemes. The emphasis is on creating a longer-term investment with investment returns phased over a longer period of time (patient capital). This means that finance costs may be higher, and viability will be sensitive to changes in interest rates.

10.47 Government is keen to secure growth in the sector and in this context, the PPG proposes 20% affordable housing as a 'suitable benchmark' for affordable private rent within Build to Rent developments. A minimum rent discount relative to local market rents is expected to be set out in policy, with a 20% discount proffered.

10.48 The Council can set higher discounts, and there may be a case to consider this to ensure a supply of 'genuinely affordable homes' however this needs to be balanced against the effects on viability and the growth of the sector. Affordable housing policies need therefore to be informed by detailed viability testing which specifically addresses the Build to Rent sector.

Mobile Homes & Caravans

10.49 In the Borough, there are currently five public Mobile Home sites in the borough totalling 342 pitches, all of which are run privately.

10.50 Through linking the existing demographic profile of caravan and mobile home households by age of HRP in Reigate & Banstead with the demographic projections detailed in this report, it is estimated that the demand for mobile home and caravan accommodation could increase by 177 households over the period to 2043. This is equal to 0.3% of all HRP growth.

A1. Housing Market Area & Sub-Markets