

Examination Statement

Land West of Selsfield Road Ardingly (Draft Allocation SA25)



Appendix 3.0 Housing Needs Statement – prepared by Chilmark Consulting



CHARTERHOUSE STRATEGIC LAND

Land West of Selsfield Road,
Ardingly, West Sussex

Housing Needs Statement

Mid Sussex District Site Allocations DPD
Examination in Public

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1. Introduction

Overview and Background

- 1.1 Chilmark Consulting Ltd (CCL) are instructed by Charterhouse Strategic Land (CSL) to prepare a review of housing demand and supply information for Mid Sussex District and for Ardingly, including:
- household / population demographics – overall change and compositional change;
 - market signals – prices, sales volumes and rental values (where available);
 - affordability of market housing – including change over time;
 - evidence of over or under-occupation of existing housing; and
 - housing supply and completions in the plan period from 2014 (total and mix / tenure).
- 1.2 The approach, methods, assumptions and limitations are set out in each of the relevant sections of this report and the geographical scope of the analysis is described further in Appendix 1.
- 1.3 By way of background CSL have an interest in the residential development of Land West of Selsfield Road, Ardingly (5.1 hectares in size) (the 'Site'). The Regulation 19 submission draft SA DPD proposes allocation of the Site for 70 dwellings (allocation reference SA25). It forms the only proposed residential development site in Ardingly which is largely constrained by the High Weald AONB and countryside restraint policies.

Headline Findings

1.4 This Report finds:

- the adopted Mid Sussex District Plan (2018) has a significant **minimum** requirement to provide new housing (876 dwellings per annum rising to 1,090 dpa) over the Plan's lifetime;
- there is evidence of a lack of consistent housing delivery at or above the District Plan's target levels. The under-delivery of new housing gives rise to a cumulative shortfall to date of **-339** dwellings and a 5.37 year housing land supply currently. This results, inevitably in a failure to provide sufficient market and affordable housing by the development of sites to meet the housing needs;
- Ardingly has witnessed some recent changes to its overall population, with a low level of growth from 2011 - 2017 and a fall in the most recent period since then;
- the existing Ardingly housing stock is narrowly focused with a significant pre-dominance of larger detached and semi-detached housing which is reflected in the high level of achieved sales values evident over the period from 2011 to date;
- existing stock in Ardingly is characterised by high levels of under-occupation and the sales and rental values serve to demonstrate acute and worsening housing affordability; hence driving some of the structural changes in the local population (i.e. new forming households are unable to easily find suitable accommodation or to afford to purchase it) and access to housing in Ardingly requires a good level of existing equity to support a purchase or a significant income to support private rental;
- there is little evidence of sufficient new market or affordable housing being delivered in Ardingly during the plan period to date; and there is little confidence that there is likely to be sufficient housing in the future pipeline for the settlement to address quantum or choice and mix issues;
- Ardingly is a location where the demographic, market signals and supply characteristics show an acute market and affordable housing need now and that the need will continue to arise in future;

- taking account of completions, commitments and pipeline as well as the SA25 site allocation there would remain a shortfall of some 133 dwellings arising against the total minimum residual housing requirement for the Category 3 'Medium Sized Villages', including Ardingly (371 dwellings as set out in SA DPD policy SA10), compared with the housing allocations from all the Category 3 settlements (including Ardingly) in Policy SA11 (238 dwellings);
- such shortfall, if left to the SA DPD would not be met through positive or proactive planned provision but rather via ad hoc windfall developments of individual Neighbourhood Plan allocations (as the SA DPD policy identifies). This is not sufficient to positively assist Ardingly given both the restrictive development boundaries and development management policies of the MSDP and the out-dated nature of the existing Neighbourhood Plan;
- the SA DPD proposed allocation site SA25 has the potential to contribute more homes in Ardingly to reduce the residual shortfall and address evident demographic and market signals that also indicate a restricted housing choice, tenure and mix in the Parish. Indeed, the earlier Regulation 18 SA DPD proposed 100 dwellings for the SA25 site, showing that it has the capacity and potential to deliver more homes.

Structure of the Report

- 1.5 Following this introduction, the Report is structured as follows:
- a) **Section 2 – Housing Policy Context** – sets out the relevant Development Plan and wider planning policy context concerning local housing needs;
 - b) **Section 3 – Evidence of Existing Housing Needs** – establishes the evidence of existing housing demand and trends in Mid Sussex District and for Ardingly;
 - c) **Section 4 – Evidence of Future Housing Needs** – considers the available evidence as to the potential future local housing needs;

- d) **Section 5 – Supply of Housing** – examines the supply of market and affordable housing to meet local needs in the District and Ardingly in the plan period;
- e) **Section 6 – Conclusions** – sets out a short summary and conclusions with respect to housing demand and supply needs;
- f) **Appendix 1** – sets out background information as to key data sources and the various geographies of analysis used and referenced.

2. Housing Policy Context

Introduction

- 2.1 In this section the relevant Development Plan and wider planning policy context is set out.

The Mid Sussex Development Plan

- 2.2 Relevant policies for the supply of housing and affordable housing delivery are set out in the adopted Mid Sussex District Plan (March 2018).

Mid Sussex District Plan (MSDP)

- 2.3 Mid Sussex District Council adopted the Mid Sussex District Plan 2014 – 2031 (MSDP) in March 2018.
- 2.4 The MSDP identifies meeting the housing needs of the District over the plan period as a central aim of the Plan (paragraph 3.10). It states that the housing needs of the area are drawn from evidence presented in the Mid Sussex Housing and Economic Development Needs Assessment (HEDNA) and its updates as well as the Northern West Sussex Strategic Housing Market Assessment and updates.
- 2.5 The established housing requirement for the District is identified as 876 dwellings per annum (dpa) (paragraph 3.12) totalling 14,892 dwellings over the Plan's lifetime. An additional 1,500 dwellings are identified to help meet neighbouring authorities housing needs (paragraph 3.17).
- 2.6 The Mid Sussex District Plan Inspector, Mr Bore, concluded¹ (paragraph 19) that the housing requirement was:

the most well-founded and most realistic figure for the Objectively Assessed Need. Evidence indicated that it would counter worsening affordability and would accommodate much of the affordable housing

¹ Local Plan Inspector's Report on the Examination of the Mid Sussex District Plan 2014 – 2031 (March 2018) (A3)

need for reasonable preference groups, whilst meeting the housing need arising from forecast employment growth.

- 2.7 The District Plan Policy DP4 (Housing) therefore sets a total **minimum** housing provision figure of **16,390** homes in the 2014 – 2031 period with a stepped delivery trajectory of **876** dpa in the period 2014/15 – 2023/24 rising to **1,090** dpa from 2024/25 to 2030/31.
- 2.8 Policy DP4 distributes the minimum housing requirement to various groups of settlements. Ardingly is in Settlement Category 3 and, together with 12 other settlements, is expected to help deliver 2,200 dwellings in total over the Plan's lifetime, of which there was a residual requirement for **311** dwellings from 2017 onwards (accounting for completions and commitments).
- 2.9 Turning to housing land allocations, DP4 is clear that existing completions, commitments, strategic and 'made' Neighbourhood Plan allocations and a windfall allowance will deliver most of the housing. A further **2,439** homes are to be delivered elsewhere in the District as allocated through future Neighbourhood Plans and a Site Allocations Development Plan Document.
- 2.10 Policy D5 (Planning to Meet Future Housing Need) recognises that the level of housing provision in policy DP4 may result in a residual unmet need of **35** dpa arising in the Northern West Sussex Housing Market Area (NWS HMA). Policy DP5 commits the Council to address the need for housing across the NWS HMA including through a review of the District Plan starting in 2021.
- 2.11 Policy DP6 (Settlement Hierarchy) and the unnumbered Table at page 37 of the Plan set out how much housing (including affordable housing) various settlements will need to provide during the Plan's lifetime. For Ardingly the total **minimum** housing requirement is stated as **73** new dwellings over the plan period of which 44 were stated to be completed / committed (as at April 2017) leaving a residual minimum requirement for **29** dwellings from 2017 onwards.
- 2.12 Supporting text to DP6 (page 36) confirms that the settlement level housing delivery figures are **minimum** amounts of development from April 2017 and that the delivery position will be updated annually in the Authority Monitoring Report (AMR).

- 2.13 Policy DP31 (Affordable Housing) confirms that the Council will seek **30% minimum** on-site affordable housing for all residential developments of 11 or more dwellings and contributions in lieu towards off-site affordable housing provision for schemes of 6 – 10 units in the High Weald Area of Outstanding Natural Beauty. The tenure split of affordable housing is identified as normally being 75% social to 25% intermediate rental housing, unless the best available evidence supports a different mix.
- 2.14 The supporting text to Policy DP31 (page 83) identifies that the affordable housing needs are drawn from the HEDNA and NWS HMA evidence which highlights that some 44.2% of newly forming households in Mid Sussex cannot afford to rent or buy on the open market.

National Planning Policy

National Planning Policy Framework (NPPF)

- 2.15 The latest version of the NPPF was published in February 2019. Paragraph 2 confirms that it is a material consideration in planning decisions.
- 2.16 Section 5 (Delivering a Sufficient Supply of Homes) is relevant to affordable housing. It deals with establishing the level of housing need, significantly boosting the supply of housing and the delivery of a wider choice of high quality housing.
- 2.17 Paragraph 59 confirms the Government's objective of significantly boosting the supply of homes noting the importance of a sufficient amount and variety of land where it is needed and that the needs of groups with specific housing requirements are addressed.
- 2.18 Paragraph 60 is concerned with determining the minimum number of homes needed, with strategic policies informed by a local housing need assessment conducted by using the standard method set out in National Planning Practice Guidance unless exceptional circumstances justify an alternative approach. This reflects the need for strategic policies to set an overall strategy for, inter alia, housing including affordable housing according to NPPF paragraph 20 (a).

- 2.19 Paragraph 61 is relevant to affordable housing as it identifies that the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. The paragraph states that such different groups include those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes.
- 2.20 Paragraph 65 states that policy-making authorities should establish a housing requirement figure for their whole area which shows the extent to which their identified housing need can be met of the plan period. Strategic policies are also to set out a housing requirement for designated neighbourhood areas.
- 2.21 In paragraph 66 where it is not possible to provide a requirement figure for a neighbourhood area, the planning authority should provide an indicative figure (if requested to do so). Such an indicative figure should take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the local planning authority.
- 2.22 Paragraphs 77 – 79 deal with housing in rural areas.
- 2.23 Paragraph 77 states that planning policies and decisions should be responsive to local circumstances and support housing developments that reflect local needs.
- 2.24 Paragraph 77 supports the location of housing to promote sustainable development in rural areas where it will enhance or maintain the vitality of rural communities. Planning policies are tasked with identifying opportunities for villages to grow and thrive especially where it will support local services.

Emerging Policy Context

Mid Sussex Site Allocations Development Plan Document (SA DPD)

- 2.25 The Mid Sussex Site Allocations Development Plan Document (SA DPD) is intended to identify sufficient housing sites to provide a five year housing land supply to 2031. It is intended to be the Site Allocations Plan that updates and supports the delivery of the overall minimum housing requirement set out in

Policy DP4 of the District Plan and addresses the residual housing needs of the District and the unmet need arising from other authorities.

- 2.26 The Regulation 19 Submission Draft SA DPD was published for formal consultation in August and September 2020 and is now the subject of Public Examination.
- 2.27 Draft Policy SA10 (Housing) addresses how MSDC intend to meet the residual housing needs to meet the identified housing target for the District in the Plan period. Table 2.3 indicates an updated residual housing requirement (as at 2020/21) of 1,280 dwellings for the District in the remaining lifetime of the Plan (2020 – 2031). It identifies that the proposed new Site Allocations (Draft Policy SA11) will equate overall to 1,764 dwellings representing an over-supply to the minimum housing requirement of +484 dwellings 2014 – 2031. It is important to recall that the District’s housing target is expressed as a minimum level of delivery.
- 2.28 Draft Policy SA10 identifies that it will, together with other Settlement Category 3 locations (‘Medium Sized Villages’), need to deliver a minimum total of 2,200 dwellings over the plan period (unchanged from the position in Policy DP4 of the MSDP). To achieve this, the policy identifies an updated minimum residual housing requirement of 371 dwellings of which 238 are to be allocated through the SA DPD and hence still leaves a shortfall of 133 dwellings for Category 3 settlements. The remainder are to be delivered by windfall developments via Neighbourhood Plans.
- 2.29 Draft Policy SA11 sets out additional housing allocations to meet the needs shown in draft Policy SA10. One site, reference SA25 – Land West of Selsfield Road (within the control of CSL) is proposed for residential allocation in Ardingly totalling 70 dwellings (as a contribution to the 238 dwellings for Category 3 settlements) and that the site will come forward in the 6 – 10 year period after adoption of the SA DPD.

Ardingly Neighbourhood Plan (ANP)

- 2.30 Ardingly Neighbourhood Plan 2013 – 2031 was made on 19th March 2015 and significantly pre-dates the adopted MSDP and the draft SA DPD. The Plan covers Ardingly Parish (see Appendix 1 for more information).

2.31 The ANP Objectives (page 11) include the following that are relevant to housing:

“F: to contribute to meeting the identified housing need for those with local connections to the Parish;

G: to maintain a mix of house types and integration of tenures”.

2.32 Policy ARD2 directs future housing, economic and community-related development in the Parish to within the build-up area boundary and seeks to conserve the AONB and countryside outside the development boundaries.

2.33 Policy ARD3 identifies a total housing supply for at least 37 homes between April 2013 and March 2031 to be delivered through a combination of site allocation and windfall sites.

2.34 The Policy supports:

“A site at Standgrove Field is allocated for up to 37 homes in the period 2013-2018, of which 30% will be two and three bedroom affordable homes with 50% of the affordable homes being subject to a local lettings policy in perpetuity that ensures their availability for people with a local affordable housing need and a connection with the Parish.”

Other Planning Documents

Mid Sussex Affordable Housing Supplementary Planning Document (AH SPD)

2.35 The Mid Sussex Affordable Housing Supplementary Planning Document (AH SPD) adopted in July 2018 provides further, supplementary details on the Council’s requirements relating to affordable housing.

2.36 The AH SPD relates particularly to District Plan policies DP31 (Affordable Housing) and also to DP32 (Rural Exception Sites).

2.37 The AH SPD does not provide updated or additional evidence on the need for affordable housing in terms of the quantum of type / mix of affordable housing as it reflects the existing policy position. It is noted that it does comment at paragraph 2.721 in relation to the need for affordable housing that:

The current need for affordable housing in Mid Sussex is acute, with the most urgent need for reasonable preference groups forecast to not fully be met over the plan period. In addition, delivery rates of affordable housing has been close to policy requirements of 30% over the ten year period 2006/07 to 2016/17, with around 29% of all completions being affordable housing. Previously developed land also forms a significant component of the housing land supply and there are no indications that the requirement for affordable housing has had, or will have an impact on the delivery of housing from this source without such an incentive. [Our emphasis underlined].

3. Evidence of Existing Housing Needs

Introduction

- 3.1 This section examines the evidence of existing housing (market and affordable) demand and trends in Mid Sussex District and for Ardingly. It considers various analyses set out in published data, reports and studies and these are summarised in the sections below.
- 3.2 It is appreciated that some of the evidence is now dated and has been superseded by later work, but it represents an important lineage in understanding the overall requirements for housing over time.

Mid Sussex District

- 3.3 To support the preparation of the MSDP, various housing requirements and needs evidence reports were prepared by MSDC over the past decade that provide a comprehensive analysis of the housing market in the Northern West Sussex Housing Market Area of which Mid Sussex is a constituent local authority.

Northern West Sussex Strategic Housing Market Assessment (2009) (SHMA)

- 3.4 A West Sussex Strategic Housing Market Assessment (SHMA) was undertaken for Mid Sussex District together with Crawley Borough and Horsham District by consultants GVA Grimley in May 2009.
- 3.5 The SHMA centred on the Northern West Sussex area including the towns of Crawley and Horsham and extended to East Grinstead, Haywards Heath and Burgess Hill and west to Billingshurst, Petworth and Pulborough, and included the local authority districts of Crawley, Horsham and Mid Sussex (paragraph 1.2).
- 3.6 While the SHMA was undertaken at a time of a significant downturn in economic and housing market conditions arising from the recession at that time, the influence of the Gatwick Diamond Economic Strategy coupled with

town centre and new urban extension regeneration programmes, enhancement of commuting infrastructure, and proximity to London, were seen as key factors supporting strong market and affordable housing demand in the longer term, beyond the recession (paragraphs 12.7 – 12.10).

- 3.7 Given the existence of a sustained differential between house prices and earnings over previous years, the SHMA identified a clear demand for all forms of housing in the Northern West Sussex Housing Market. The overall housing requirement was not however calculated as this was derived from the South East Regional Spatial Strategy extant at the time.
- 3.8 There was an acute estimated need for affordable housing (identified at Figures 9.20 and 9.21 and at paragraph 12.21) to be between 357 and 477 dwellings per annum representing between 38% and 56% of the total housing requirement depending on a Low or High Estimate scenario.
- 3.9 In view of the prevailing economic conditions at the time of the SHMA, it concluded that such levels of delivery would be pushed into the medium and longer term (paragraph 12.21). The SHMA also identified a clear latent demand for Intermediate Housing (both ownership and rental) across each of the three Northern West Sussex Housing Market local authority areas (paragraph 12.36).

Northern West Sussex Strategic Housing Market Assessment Update (2012) (SHMA Update)

- 3.10 A targeted update of the 2009 study was undertaken by GVA Grimley in March 2012 for the three constituent authorities. The Update provided a refresh of key housing market information including the current, active housing market, local economic situation and the level of affordable housing need at that time. It provided an estimate of the likely Objectively Assessed Housing Need (OAHN as circa 530 dpa).
- 3.11 In affordable housing terms, the SHMA update confirmed the acute estimated level of affordable housing need in each of the three authority areas. For Mid Sussex the affordable need was assessed to be in a range from 221 to 467 dwellings per annum, depending on Low and High Estimate scenarios (Table 9 and paragraph 4.39).

- 3.12 The Update further recognised the need for an increased supply of affordable housing across the Northern West Sussex HMA, with a recommended affordable housing size mix focused on one, two and three-bed properties in Mid Sussex (Table 17, page 72).

Northern West Sussex Housing Market Area - Affordable Housing Needs Update (2014) (SHMA AHN Update)

- 3.13 A further, targeted update of the 2009 and 2012 Northern West Sussex SHMA reports was undertaken by Chilmark Consulting in August 2014 for the three Northern West Sussex HMA authorities.
- 3.14 The Update focused specifically on the current active housing market, the local economic situation, and in particular, the level of affordable housing need (it did not re-visit the District's OAHN figures). It also took account of significant changes to national planning policy and practice, the state of the national and local economy, and local circumstances (such as the review of local Housing Registers, new Housing Strategies and emerging Development Plans at each authority) (paragraphs 1.5 – 1.7 and Table 1).
- 3.15 The Update further confirmed the recovery of the housing market following the recessionary effects of the period to 2012, and the pressures of growing housing demand, supply challenges and the implications for affordability, all of which are reflected and evidenced in the Northern West Sussex HMA (paragraphs 3.98 – 3.101).
- 3.16 The relative unaffordability of housing for those entering the housing market at the time of the Update (2014) continued with lower quartile prices to lower quartile earnings remaining at or above 7.28:1 in Crawley; up to 11.04:1 in Horsham and at 10.2:1 in Mid Sussex in 2013 (see also paragraph 3.102). The ratios for both Horsham and Mid Sussex remained above that for West Sussex as a whole (8.88:1) and substantially higher than the ratio for England as a whole (6.45:1)

Housing and Economic Development Needs Assessment (February 2015) (HEDNA)

- 3.17 The Mid Sussex District Housing and Economic Development Needs Assessment (HEDNA) was prepared by MSDC and published in February 2015 (it has subsequently been updated as set out below).
- 3.18 The HEDNA established the approach and calculation of the District's housing and economic development needs using a methodology compliant with the NPPF and the NPPG (paragraph 1.2).
- 3.19 The HEDNA draws on other evidential studies including the Northern West Sussex SHMA and its updates as well as the Northern West Sussex Economic Growth Assessment (EGA) that deals with economic growth and employment land requirements (paragraph 1.4).
- 3.20 Key elements and conclusions of the HEDNA analysis of relevance to housing needs included:
- a) **House Prices** – average house price appreciation for Mid Sussex for the period 2002-2012 were concluded to be lower than regional, county and national averages and lower than all local authority areas in West Sussex other than Crawley. House price appreciation was therefore a national / regional issue rather than anything specific to Mid Sussex District (paragraph 4.10 et seq.).
 - b) **Affordability of Market Housing** – whilst affordability ratios (lower quartile house prices to lower quartile earnings) were higher in Mid Sussex compared to West Sussex and England as a whole, this was not an isolated situation or exceptional against comparable areas. The proportion of people unable to buy or rent was broadly reflective across the wider area. The proportion of household income spent on housing mortgage payments was below the UK average (paragraph 4.29, et seq.).
 - c) **Affordability – Private Rental Market** – Mid Sussex saw a decrease in the number of lettings between 2013 and 2014, compared with an increase overall in the Housing Market Area. The supply of private rental properties remains relatively buoyant in the short term. The decrease in the number of rentals was considered to have the potential to improve

market conditions in Mid Sussex, as previously rented homes come back onto the market for private sale. Private rental costs in Mid Sussex have increased over the last decade; however, this is broadly reflective of the South East region as a whole rather than unique to the District (paragraph 4.39 et seq.).

- d) **Rate of Development** – Mid Sussex had not met the housing requirements set out in the former South East Regional Spatial Strategy. The South East Plan set a housing requirement of 855 dpa, however analysis in the HEDNA of the level of housing need at this time showed that a figure of 300 - 500 dpa was more appropriate, with around 470 dpa being delivered on average in the District (paragraph 4.55, et seq.).
- e) **Overcrowding, Concealed Households and Homelessness** – Mid Sussex demonstrated among the lowest levels of overcrowding for the owner occupied sector and social rented sector and below average levels of overcrowding for the private rented sector, either better or on a par with national, regional and county averages. Mid Sussex had one of the lowest levels of concealed households compared to adjacent and nearby local authority areas and a consistently low rate of homeless acceptances, an average well below County, South East and national levels (paragraph 4.77, et seq.).

3.21 The HEDNA clearly continued to demonstrate that there is a need for new housing in future and provided an underlying justification for the market and affordable housing policies in the District Plan (paragraph 4.166).

3.22 The HEDNA concluded that an OAHN figure of 627 dpa was appropriate as the basis for preparing the new Mid Sussex District Plan (paragraph 4.169). This included a 10% upward adjustment to take account of worsening market signals and confirmation that the OAHN figure would meet the identified affordable housing needs of the District for those in reasonable preference groups (drawing on the Affordable Housing Needs Update report, 2014).

3.23 An additional adjustment to account for the Council's Economic Growth Assessment was also considered (paragraph 6.7) but the HEDNA concluded that it was inappropriate to make an adjustment for current and future projected employment growth.

Housing and Economic Development Needs Assessment Update (November 2015) (HEDNA Update)

- 3.24 An update of the Mid Sussex District HEDNA was prepared by MSDC in November 2015 to take account of the (then) latest 2012-based CLG Household Projections (February 2015) in accordance with the National Planning Practice Guidance.
- 3.25 The effect of the 2012-based projections showed total households to be 59,363 in 2014, rising to 70,507 in 2033; an increase of 11,144 (656 dwelling per annum) (paragraph 4 and Table 4). This figure was accepted as the appropriate starting point for OAHN in the preparation of the District Plan (paragraph 3.43).
- 3.26 In addition, to take account of Inspectors' reports, the HEDNA Update accounted for vacant dwellings (taken as 2.3% of the District's dwelling stock at the 2011 Census) (Table 10). This was added to the baseline OAHN, and adjusted to the requirement to 671 dpa (paragraph 4.9). The HEDNA also sought to sensitivity test in light of local migration circumstances and concluded no adjustment was necessary (paragraph 4.19).
- 3.27 Critically, with respect to the affordability of housing and responding to market signals analysis, particularly the need to improve affordability in the 25 - 34 age groups, a market signals uplift (24 dpa) was added to the OAHN for Mid Sussex increasing the total housing need to 695 dpa at that time (paragraph 5.23 and paragraph 8.8).
- 3.28 The HEDNA also reviewed the level of affordable housing requirement in light of the, then, latest 2012-based CLG Household Projections and un-met housing needs arising in other areas of Northern West Sussex. It confirmed at Section 6 that the affordable housing needs of the District were between 127 and 230 dpa. This represented an increase from the position set out in the 2014 Northern West Sussex Affordable Housing Needs Update.

Housing and Economic Development Needs Assessment Addendum (August 2016) (HEDNA Addendum)

- 3.29 An Addendum to the District's HEDNA was prepared and published by MSDC in August 2016 to account for updated projections (the 2014-based ONS

Population Projections and the CLG 2014-based Household Projections) and to give further analysis of housing for older age groups and specialist care accommodation. It was intended that the Addendum would be read in conjunction with the previous HEDNA Update (see the report's frontispiece).

- 3.30 Paragraph 1.25 confirms that the 'starting point' OAHN increased to 714 dpa (an increase of 58 dpa over the previous HEDNA Update position). Taking account of vacancy rates and market signals uplifts, the report concludes at paragraph 1.46 a total OAHN for Mid Sussex of 754 dpa.
- 3.31 Based on the increased OAHN the projected affordable housing need for the District was identified as falling within a range of 170 – 272 dpa (Table 7 of the HEDNA Addendum).
- 3.32 As noted above, ultimately the adopted District Plan concluded a stepped total housing requirement of 876 dpa rising to 1,090 dpa (during the last seven years of the plan period) which was higher than the OAHN as assessed through the HEDNA evidence base.

Mid Sussex District Plan Inspector's Report (March 2018)

- 3.33 The SHMA and later HEDNA evidence was reviewed in detail by the Inspector (Mr Bore) during the Mid Sussex Local Plan Examination.
- 3.34 It was agreed by MSDC² that the increased OAHN figure (as set out in MSDP Policy DP4) and an updated analysis of affordable housing need indicated an affordable housing need (over a 15 year period) of between 258 dpa for reasonable preference groups and 331 dpa for the total housing waiting list.
- 3.35 The Inspector's Report noted at paragraph IR17 that the affordable housing need would be in excess of the realistic range derived from household projections and affordability analysis and from past housing provision but it was clear that the Plan should:

² Local Plan Inspector's Report on the Examination of the Mid Sussex District Plan 2014 – 2031 (March 2018) at paragraph 17 referencing the agreed Statement of Common Ground between MSDC and the Developer's Forum (7th February 2017) (Examination Document reference: ED2)

try to meet as much [of the affordable housing need] as was realistically possible.

- 3.36 In paragraph IR19 the Inspector concluded that the District's OAHN needed to be adjusted upwards to ensure the adequate provision of new affordable housing delivery and to support forecast growth in employment in the District.

Northern West Sussex Strategic Housing Market Assessment (November 2019)

- 3.37 In addition to the housing needs and market evidence published by MSDC there is further, more recent information relevant, in part, to Mid Sussex presented in a Northern West Sussex Strategic Housing Market Assessment Update prepared by Icen Projects (with Chilmark Consulting and Justin Gardner Consulting) for Crawley Borough and Horsham District in November 2019.
- 3.38 Only a few elements of the Update Report are directly relevant to Mid Sussex as the local authority was not involved in commissioning or direction of the scope of work. It is understood that this was because the two commissioning authorities required an update as part of their respective Local Plan reviews that are currently being progressed.
- 3.39 At Section 5, paragraph 5.15 and Table 9 the Update Report provides an updated calculation of the minimum Local Housing Need (LHN) for the Northern West Sussex HMA (using MHCLG's 'Standard Method') divided into the need arising for Mid Sussex, Crawley and Horsham respectively. For Mid Sussex the minimum LHN was 1,102 dpa (representing an increased level of housing required above that established in the adopted District Plan).
- 3.40 The same table of the Report identifies an overall housing affordability ratio³ of 12.69:1 (i.e. the house price to household earnings ratio) which reflects a very significant level of unaffordability within the District (and substantially higher than Crawley Borough's ratio for example which is stated to be 9.1:1).

³ Based on 2018 workplace-based affordability ratios. The ratio based on residence-based affordability was 10.25:1 in the same 2018 period

- 3.41 Figure 25 of the Report examines median housing affordability ratios (using workplace-based earnings) and shows a substantial increase in the relative level of unaffordability for Mid Sussex from 2009 up to 2018, rising from some 8:1 to 11:1 house price to household earnings (meaning that the levels of unaffordability have increased over time).

Summary of Mid Sussex District Market and Affordable Housing Needs

- 3.42 Drawing the above together, the following Table 3.1 provides a summary of the housing (market and affordable) needs identified in each of the District's published evidence reports.
- 3.43 This table shows the change in levels of housing need identified in the past decade and particularly the increased level of affordable housing need concluded by the District Local Plan Inspector in 2018 which represents the most recent conclusion as to the level of need in the District and upon which the District Plan was ultimately adopted.

Table 3.1: Summary of Mid Sussex District Housing Needs (Total and Affordable), Dwellings Per Annum

Document	Date	Mid Sussex District Affordable Housing Need Identified (dpa)	Mid Sussex District Total Housing Need Identified (dpa)
Northern West Sussex Housing Market Area – Affordable Housing Needs Update	August 2014	116 – 223	530 (in 2012 SHMA Update)
Housing and Economic Development Needs Assessment	February 2015	116 - 223	627
Housing and Economic Development Needs Assessment Update	November 2015	127 - 230	695
Housing and Economic Development Needs Assessment Addendum	August 2016	170 - 272	754
Mid Sussex District Local Plan Inspector’s Report	March 2018	258 – 331	876 rising to 1,090
Adopted District Plan	March 2018	258 - 331	876 rising to 1,090

Source: extracted from Mid Sussex District SHMA, HEDNA, Affordable Housing Needs, District Plan and Local Plan Examination documents

Mid Sussex District Housing Register

3.44 The Mid Sussex District Council Common Housing Register includes a waiting list for individuals and households seeking social housing.

- 3.45 The Common Register is the usual route to social housing for most people, including, current tenants of social landlords living either inside or outside Mid Sussex, who wish to move to a home in the district owned by their own landlord or a different social landlord.
- 3.46 The Housing Register has averaged **1,285** households needing social housing since 2014, with the latest published figure being **1,164** households in 2018/19; a significant number of households in need.
- 3.47 The Council only arranges housing for an individual or household (an 'Applicant') if they are eligible and qualify for social housing and their name appears on the Mid Sussex Common Housing Register.
- 3.48 An Applicant's priority for housing is assessed by assessing the housing needs of their household and comparing them against the needs of other applicants. The Council must give reasonable preference to certain categories of Applicant who are on its Housing Register. Applicants are placed in one of four broad Bands of housing need according to their circumstances.
- 3.49 Since April 2010, Mid Sussex District has adopted a Choice-Based Lettings Scheme which is operated through a West Sussex county-wide partnership called 'Sussex Homemove'.
- 3.50 Applicants who are registered on the Mid Sussex Common Housing Register may actively 'bid' for (express an interest in) any home that matches their need. With certain exceptions, the successful 'bidder' will be the highest placed suitable applicant in the highest Priority Band.
- 3.51 The law allows the Council to disqualify other categories of people from joining or remaining on the Register and these are set out in Section 11 of the Mid Sussex District Housing Allocation Scheme (August 2019).
- 3.52 The Common Housing Register represents a partial reflection of the scale and composition of current social housing need in the District and in Ardingly. This is because:
- a) the waiting list is a schedule of existing households that are in need of social housing (categorised as to whether they are in a Reasonable Preference group – i.e. those which the Council has some duty to house or not);

- b) the waiting list is subject to change in terms of the number and characteristics of households seeking social housing as their needs are met (either in the District or elsewhere as it is possible to register on multiple local authority lists and Mid Sussex's list is part of the wider Sussex Homemove scheme covering West Sussex and Brighton & Hove) or they come off the list as their household circumstances change;
- c) newly forming households (arising from population growth, young people leaving the existing family home, or households splitting due to divorce, etc.) are not captured on the Register until they become eligible and apply to join the Register;
- d) inclusion on the Register requires the household to actively seek to be registered on it and not all potential households that may be in need do so for various reasons including self-exclusion (households or individuals may consider that they would not be prioritised); or their preferred location / settlement is perceived / known not to have any suitable housing for them and they do not therefore register in the first instance);
- e) local authority housing waiting lists does not normally include those who might seek an intermediate tenure affordable home (shared equity, rent to buy, etc.).

Ardingly

Ardingly Housing Strategy Background Document and Needs Survey

- 3.53 The made Ardingly Neighbourhood Plan references a Housing Strategy Background Document, Ardingly Parish Council, November 2013 and primary Housing Needs Survey carried out by Action in Rural Sussex in spring 2012.
- 3.54 This Survey and supporting evidence identified 19 households in housing need, of which 15 wished to live in the Parish as a preference. The evidence base also identified a preference to rent from a Housing Association or to have shared-ownership accommodation.
- 3.55 Page 3 of the Housing Strategy Background Document states:

“Action in Rural Sussex advised best practice, is that Ardingly should seek to deliver up to 50% of that figure [15 households] in the Neighbourhood Plan”.

- 3.56 The Housing Strategy therefore recommended that Ardingly Neighbourhood Plan make provision for 8 affordable dwellings to contribute to local housing need.
- 3.57 The Housing Strategy Background Document and the Housing Needs Survey have not been updated or reviewed since their preparation and publication in 2013. The local housing needs evidence (for market and affordable housing) is therefore considered to be out-of-date in the context of changes to, *inter alia*:
- a) the National Planning Policy Framework; and conformity of the Ardingly Neighbourhood Plan with the latest version of the NPPF;
 - b) the preparation and adoption of the MSDP in 2018 (including the updated District SHMA and HEDNA housing needs evidence base) with different housing requirements and targets from those that informed the Neighbourhood Plan and the Parish Housing Strategy;
 - c) the aged nature of the Ardingly Neighbourhood Plan since its adoption six years previously, in March 2015;
 - d) underlying demographic and household characteristics and composition in Ardingly; and
 - e) housing affordability and evident market signals in both Mid Sussex and Ardingly since 2013.
- 3.58 It is therefore concluded that the Ardingly Parish Housing Strategy Background Document and Housing Needs Survey are no longer relevant evidence base documents for the future planning and delivery of housing in Ardingly.

4. Evidence of Future Housing Needs

Introduction

- 4.1 As shown in the preceding section, the MSDC District Plan (2018) sets out that there is a significant level of housing need and that this need has been acute for a long period of time. It offers further existing evidence as to the levels of market and affordable housing need and the size mix (which is more for two and three-bed accommodation), for which Ardingly (as an existing Medium Sized Village location) should be able to play a significant part.
- 4.2 As detailed later in Section 5, the District is not meeting either its Local Plan housing requirement target, with a significant shortfall in delivery, nor is it achieving the levels of affordable housing delivery that the District Plan policy DP4 is founded upon.
- 4.3 Against this backdrop, this Section considers the available demographic, housing market signals and related evidence as to future local housing needs.

Mid Sussex District

Population Change

Overall Population Change

- 4.4 The population of Mid Sussex has grown consistently since 2011 with a 7.7% increase, (10,800) to a 2019⁴ total of 151,000 according to the ONS mid-year population estimates. There are an estimated 61,983 households in the District area representing a growth of some 8% since 2011.

⁴ 2020 data is not expected until June 2021 and may reflect Covid 19 impacts

Components of Population Structure Change

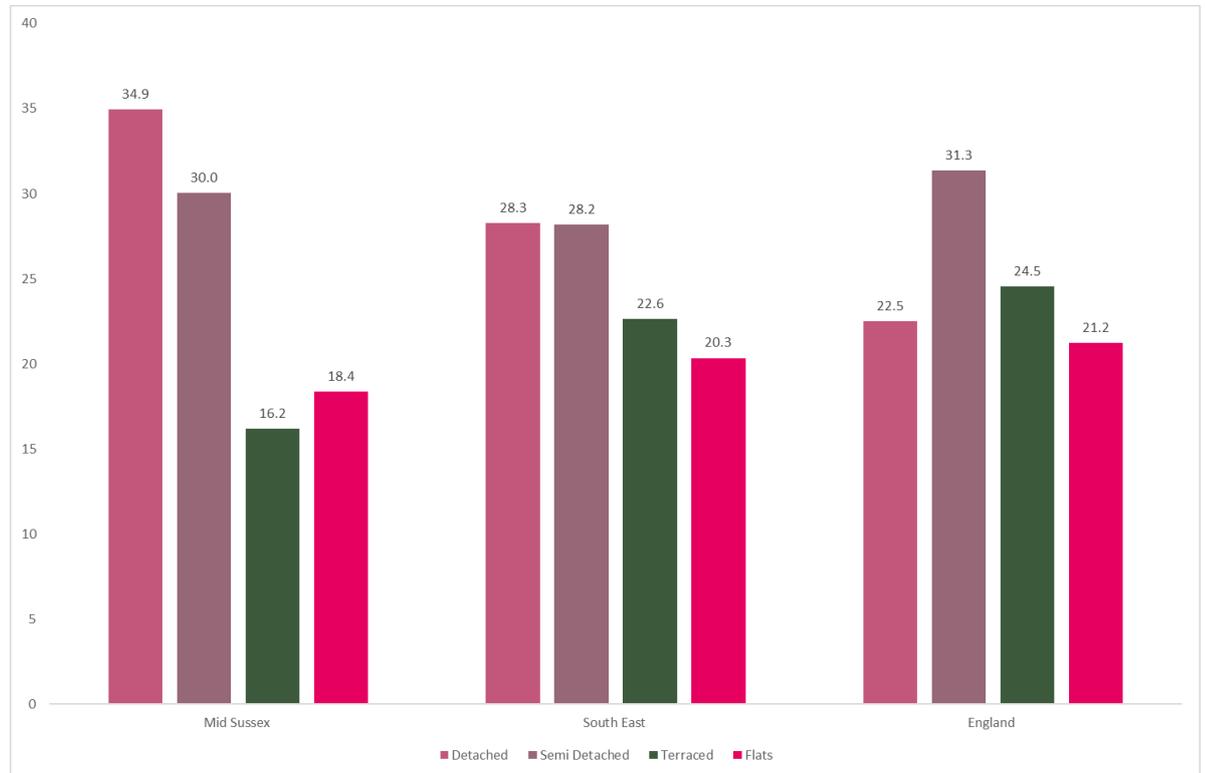
- 4.5 The share of the District population aged under 15 years has remained broadly constant since 2011 according to the ONS mid-year population estimates, however the share of the working age population (aged 16-64 years) has fallen from 62.4% in 2011 to 59.8% in 2019. The older population (aged 65+ years) has increased in this time, from 18.3% to 20.5% representing a continued growth in the aging population of the District.

Housing Stock Type and Size

Housing Stock Type

- 4.6 Mid Sussex had 57,350 occupied dwellings in 2011, and the current Council Tax stock is estimated at 64,190 in 2020.
- 4.7 Figure 4.1 below shows that Mid Sussex has a higher level of detached dwelling stock than the South East region and England as a whole, but lower levels of terraced housing and flatted stock, that often act as more affordable elements of the local housing market offer.

Figure 4.1: 2011 Census Type of Houses (Proportion of Stock), Mid Sussex with Comparator Areas



Source: 2011 Census Table QS402EW - Accommodation type - Households

Size of Housing Stock

- 4.8 As well as a higher level of detached housing in the overall stock, the detached stock is also larger in terms of the number of bedrooms than England and the South East as Table 4.1 identifies below.

Table 4.1: Detached Stock Number of Bedrooms, Mid Sussex and Comparator Areas

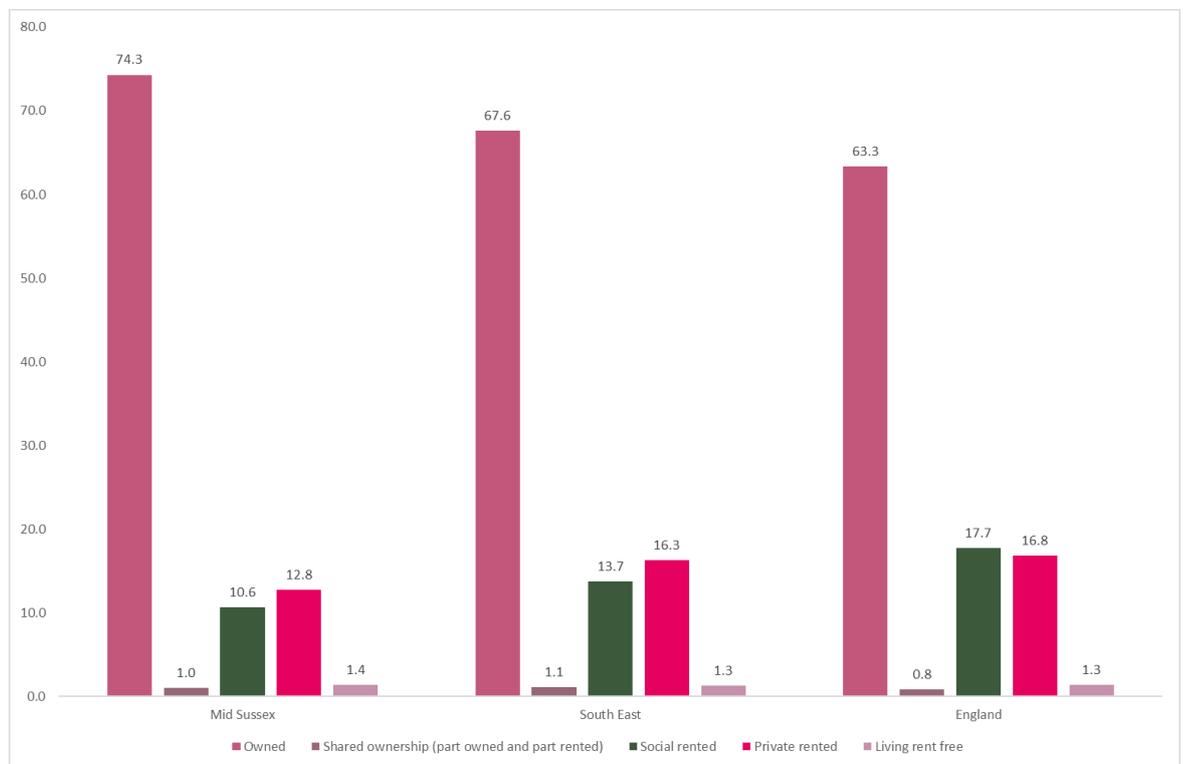
	Mid Sussex	South East	England
1-3 bedrooms	24.9%	26.2%	31.8%
4+ Bedrooms	75.1%	73.8%	68.2%

Source: 2011 Census Table DC4102EW - Number of bedrooms by accommodation type by age of dependent children

Tenure

4.9 As well as differences in the physical housing stock (more and larger detached dwellings), Mid Sussex also exhibits differences in how dwellings are occupied in terms of tenure as shown in Figure 4.2 below. Mid Sussex has significantly higher levels of owner occupied stock than the South East and England and lower levels of Social and private rented properties.

Figure 4.2: 2011 Census Tenure of Dwellings (Proportion of Stock), Mid Sussex with Comparator Areas



Source 2011 Census QS405EW - Tenure - Households

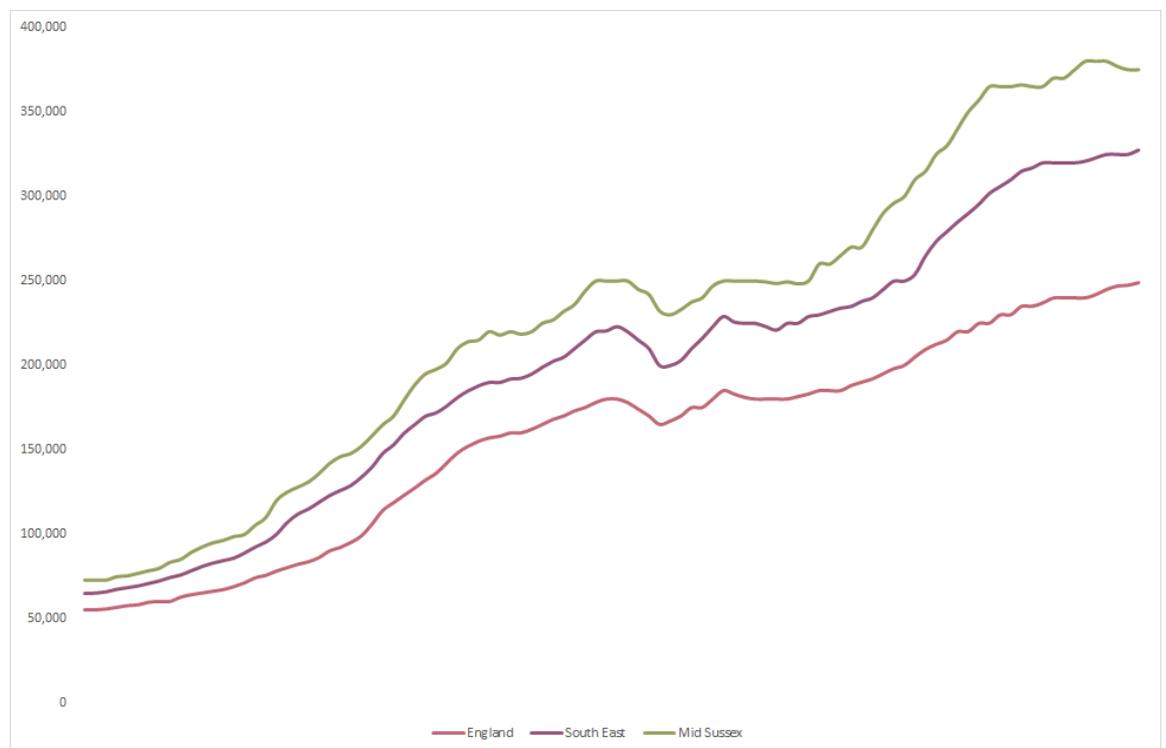
House Prices and Affordability

Residential Sales: Values and Activity

4.10 Mid Sussex has consistently demonstrated higher sales prices than England and the wider South East over the long term from 1995 to 2020 as shown in Figure 4.3 below.

- 4.11 Since 2011 median house prices⁵ have increased by 50% (from £250,000 in 2011 to £375,000 in 2020) representing a larger increase than for England which had an increase of 38.3% and for the South East which had an increase in prices of 45.6%.
- 4.12 Since 2011 there have been between 2,000 and 3,000 dwelling sales per year in the District, with a peak in sales around 2014 and recent years showing a drop off in sales per year to 2,000 in the year ending September 2020.

Figure 4.3: ONS House Price Values 1995 to 2020 Quarterly, Mid Sussex District and Comparator Areas



Source: ONS House price statistics for small areas in England and Wales

Private Rental Values and Activity

- 4.13 The latest available private rental statistics (2020) from the Valuation Office Agency are found in Table 4.2 below. This shows a similar picture for monthly

⁵ Median house prices for administrative geographies: HPSSA dataset 9 using year to September 2011 and 2020

rental values as for house sale prices. Average rental values in 2019 were higher in Mid Sussex District than either the South East or England as a whole.

Table 4.2: Private Rental Values (£ per Month) for Mid Sussex and Comparator Areas

	Mean	Lower Quartile	Median	Upper Quartile
England	£845	£550	£725	£960
South East	£982	£735	£895	£1,125
Mid Sussex	£1,021	£800	£950	£1,175

Source: Valuation Office Agency Private Rental Statistics, 2020

Housing Affordability in Relation to Incomes

- 4.14 Housing affordability ratios in Mid Sussex District are high with a widening gap with England as seen in Figure 6.4 below. The affordability ratio (measured as median house prices against median annual earnings of an individual⁶) in Mid Sussex has increased by 48.5% since 2002 (to the current position of 10.2:1), which is 29.6% higher than the England ratio of 7.8:1.
- 4.15 However, in more recent years from 2011 to 2020 the growth in the (un)affordability of housing has been significantly worsening in Mid Sussex District. Since 2011 the affordability ratio has increased by 26.2% in Mid Sussex, 24.6% in the South East and 15.5% in England.
- 4.16 Indeed, the Northern West Sussex Strategic Housing Market Assessment Update (2014) highlighted the acute problems of housing affordability as a significant issue with over 44% of households in Mid Sussex District unable to rent or buy a property without assistance in 2014; a situation which has not improved since as the affordability ratio data demonstrates.
- 4.17 This represents an increasingly challenging housing market for those seeking to secure adequate mortgage finance to purchase a dwelling and is particularly

⁶ The higher the ratio of median house price to median annual earnings the more unaffordable property becomes; effectively a worsening of housing affordability over time and a key housing market signal in relation to the need to provide housing

acute for those households that do not already possess significant levels of housing equity.

Figure 4.4: ONS Affordability Ratios for England, South East and Mid Sussex, 2002-2020



Source: ONS House price (existing dwellings) to residence-based earnings ratio

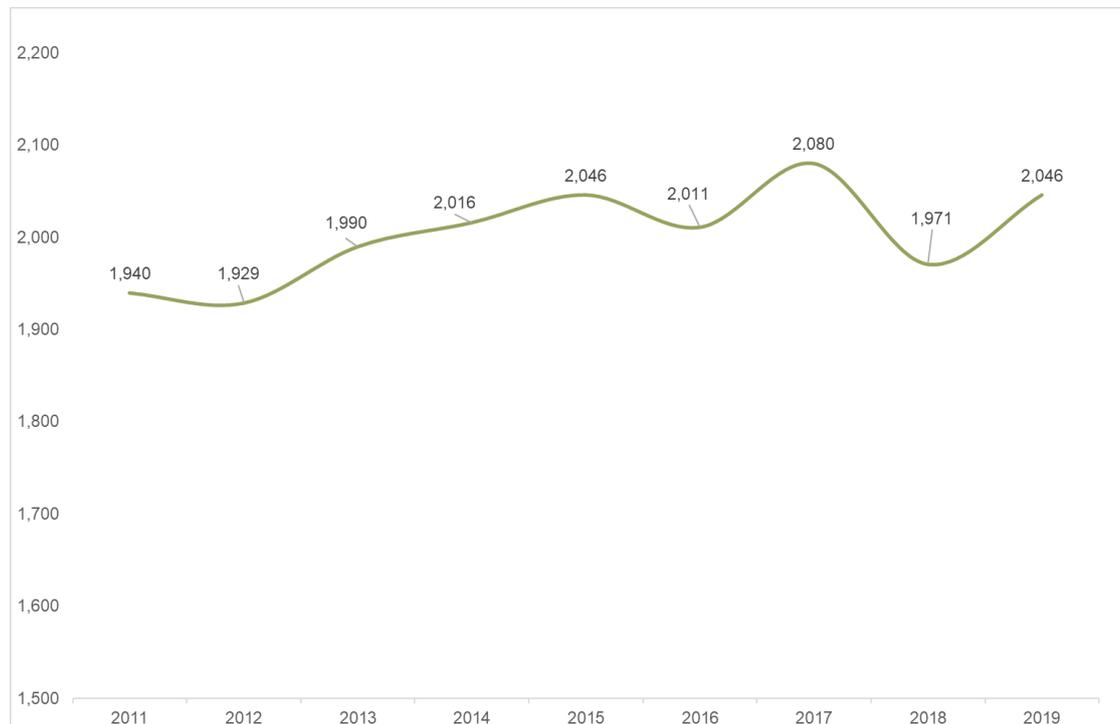
Ardingly

Population Change

Overall Population Change

- 4.18 By 2019, the population of the parish of Ardingly was 2,046 persons representing an increase of 106 or 5.5% since 2011 when the total population was 1,940 persons. This compares to population growth of 7.7% for Mid Sussex District over the same period.
- 4.19 However this growth has fluctuated over time, as Figure 4.5 below shows.

Figure 4.5: ONS Population Estimates for Ardingly, 2011-2019



Source: Source: ONS Small Area Population Estimates 2020 release, 2019 latest year of available data

- 4.20 In the longer term, the population change from 2001 to 2019 was an increase of 11.6%. From 2001 to 2019 there has been sustained population growth across Mid Sussex District as a whole of 18.5%; a significant difference between the growth experienced in Ardingly from that of the wider District area.
- 4.21 The population of Ardingly peaked in 2017 and has fallen since, with some recovery evident in 2018/19 but to a lower overall level than 2017.

Components of Population Structure Change

- 4.22 The overall population dynamics in Ardingly are characterised by important changes within individual age group cohorts including a significant increase in the older (65+ years) cohorts and a lesser growth or a reduction in some younger age group cohorts.

Table 4.3: Change in Population Age Structure and Composition of Ardingly, 2011 - 2019

	2011-19	%
0-9	5	2.6
10-19	32	7.0
20-29	3	2.0
30-39	-3	-1.4
40-49	-50	-16.9
50-59	55	23.7
60-69	37	18.9
70-79	43	34.7
80+	-16	-18.2
Total	106	5.5

Source ONS Small Area Population estimates

- 4.23 In the most recent period, since 2017, the composition of Ardingly’s population has shown greater fluctuation with a notable rise in 70-79 years age cohorts and a significant reduction in 20-29 and 40-49 years age cohorts as Table 4.4 below, highlights.

Table 4.4: Change in Population Age Structure and Composition of Ardingly, 2017/18 and 2018/19

	2017-18	%	2018-19	%
0-9	5	2.6	4	2.0
10-19	-64	-12.5	37	8.2
20-29	-51	-25.9	4	2.7
30-39	-8	-3.7	-5	-2.4
40-49	-17	-6.8	12	5.2
50-59	16	6.0	5	1.8
60-69	-6	-2.6	8	3.6
70-79	15	10.3	7	4.4
80+	1	1.5	3	4.3
Total	-109	-5.2	75	3.8

Source ONS Population estimates

- 4.24 The data from the last two years (coinciding with improvements in methodology from ONS, suggest a different age structure to the Ardingly population. It shows

less people in all age groups from 20-49, even with some recovery in 2018-19, and more persons in all age groups over 50.

4.25 There appear to be three broad age related trends as seen below in Table 4.5.

Table 4.5: Summary of Main Age Cohort Trends, Ardingly, 2011 – 2019 and 2017 - 2019

	2011	2017	2019	2011-19	2017-19
0-15	394	390	417	23	27
16-64	1260	1379	1285	25	-94
65+	286	311	344	58	33

Source ONS Population estimates

4.26 Overall these compositional changes are:

- a broad increase (concentrated in 2017-19) of 0-15 year olds;
- some growth in the working age population (2011-17) but a fall since 2017 (7%); and
- a steady increase in the older (65+) population (10.6% since 2017).

4.27 Against this background context, the Parish Council and Mid Sussex District Council should consider testing and evaluation of these evident and emerging trends against local administrative records (school records, GP register etc.) and carefully monitor future population estimate releases.

4.28 Potential factors underlying some of these demographic issues (slow rate of population growth, a fall in population 2017 - 2019 and the age group changes) can be found in the context of the composition and characteristics of the local housing market operating in Ardingly.

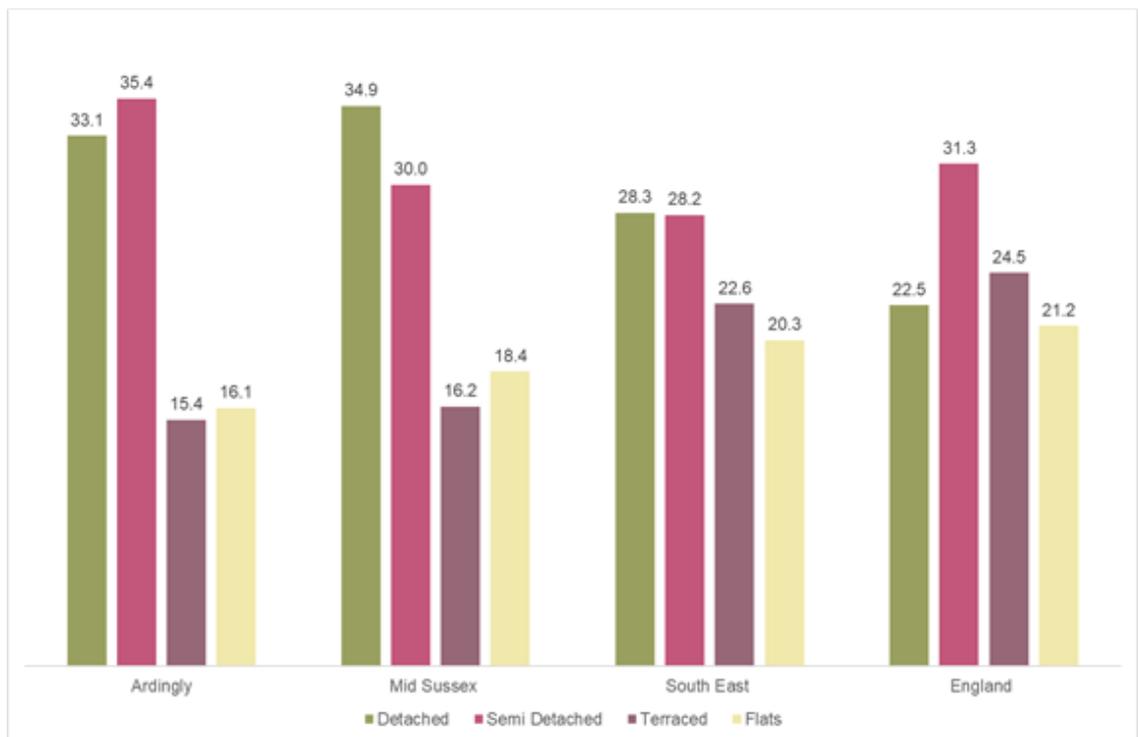
Housing Stock Type and Size

4.29 Analysis of the existing housing stock in Ardingly highlights that the Parish has higher levels of detached and semi-detached dwellings than the South East region or England overall. There is a corresponding smaller share of terraced or flatted housing stock than these areas. Ardingly broadly matches the District level data on accommodation types.

Housing Stock Type

- 4.30 Figure 4.6 shows the distribution of the type of accommodation stock drawn from the 2011 Census.
- 4.31 More recent residential developments in Ardingly after 2011 (and therefore not reflected in the Census data) have been largely for detached or semi-detached properties.
- 4.32 Where an area has higher levels of detached dwellings, there is a greater share of larger properties (measured in terms of number of bedrooms) and a correlation between the size of the physical housing stock (larger properties) and higher sales prices and rental values.

Figure 4.6: 2011 Census Type of Housing Stock, Ardingly, Mid Sussex and England



Source: 2011 Census QS402EW - Accommodation Type – Households

Size of Housing Stock

- 4.33 The size of housing stock in terms of number of bedrooms can be seen below in Table 4.6 below.

Table 4.6: Size of Housing Stock in Ardingly, Number of Bedrooms

	Ardingly		Difference with			England
	Ardingly	Ard %	Mid Sussex	West Sussex	South East	
1 bedroom	68	9.9	-0.6	2.2	-1.9	-1.8
2 bedrooms	141	20.5	-3.3	7.4	-7.5	-5.8
3 bedrooms	266	38.6	0.7	0.6	-2.7	-0.4
4 bedrooms	145	21.0	-0.2	5.2	6.7	4.0
5 or more bedrooms	69	10.0	3.3	5.1	5.4	4.0
3 +		69.7	65.8	60.0	60.3	62.0
4 +		31.1	27.9	20.8	19.0	23.0

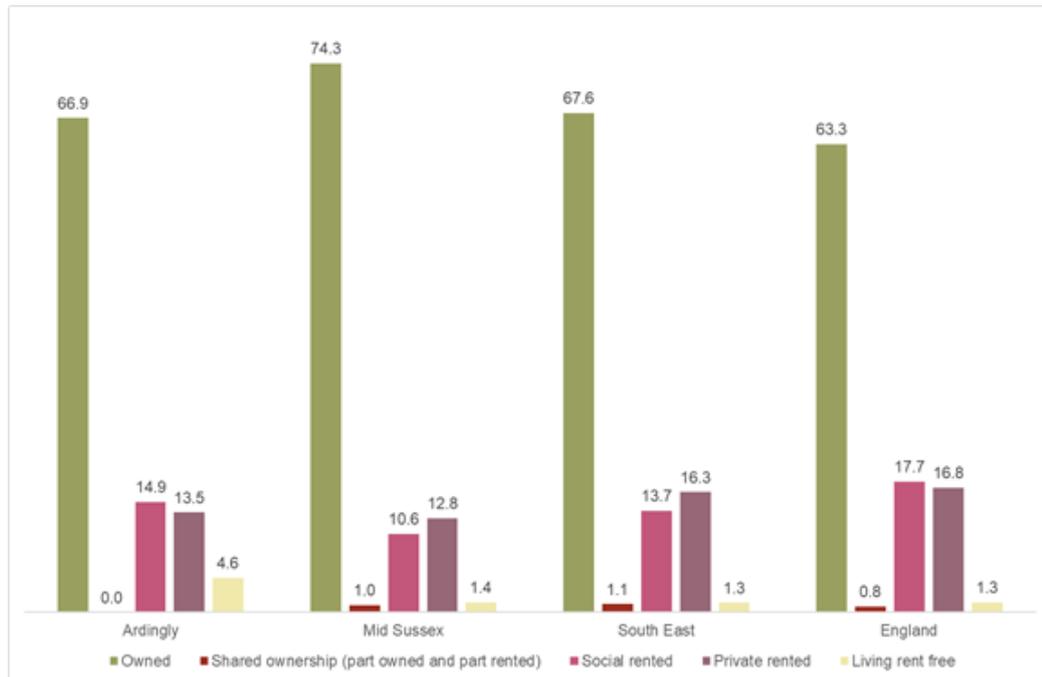
Source: ONS QS 411 EW Number of Bedrooms

- 4.34 The analysis shows that Ardingly has a predominance of larger housing in comparison with Mid Sussex District, West Sussex, or regional and national areas.
- 4.35 It has a 6.7% higher share of five-bed properties than Mid Sussex District and a 5% greater share than West Sussex County. Ardingly has 7% fewer two-bed properties than West Sussex and the South East.
- 4.36 The existing Ardingly housing stock is therefore skewed towards larger, detached and semi-detached stock and is characterised by some 70% three or more bedroom stock.
- 4.37 The Parish exhibits a narrow range of choice for those who need smaller and inevitably less expensive housing which was a clear requirement arising from the District-wide HEDNA and SHMA housing studies.

Tenure

- 4.38 Turning to housing tenure, Ardingly has slightly lower levels of owner occupation than Mid Sussex, but higher levels of private rented occupation, as shown in Figure 4.7 below.

Figure 4.7: Dwelling Tenure, Ardingly and Comparator Areas



Source: 2011 Census QS405EW - Tenure - Households

Occupation Levels

- 4.39 Occupation levels are important as they are a key measure of the fitness for purpose and alignment of the housing stock to meet household and population needs. Over-occupation is indicative of potential overcrowding while under-occupation tends to indicate an older population with a high degree of housing wealth (i.e. properties owned outright or with little or no outstanding mortgage). In either case over or under-occupation can reflect a failure of the existing housing stock to meet or match/align with evident household needs.
- 4.40 The 2011 Census results extracted in Table 4.7 below, show clear signs of significant under-occupation of the predominant owner occupation stock in Ardingly (which is typically detached or semi-detached and with larger number of bedrooms) that makes up most of the existing housing stock. Indeed, 58.5% of the owned three bedroom homes and 47% of four+ bedroom owned homes only had one or two persons in them.

Table 4.7: Occupation by Bedroom, Ardingly

	1&2 people	3 people	4+ people
Owned			
1 bedroom	100.0	0.0	0.0
2 bedrooms	83.1	9.6	7.2
3 bedrooms	58.5	19.1	22.4
4+ bedrooms	46.6	18.5	34.9
Social rented			
1 bedroom	95.7	2.1	2.1
2 bedrooms	85.0	10.0	5.0
3 bedrooms	22.2	30.6	47.2
4+ bedrooms	0.0	0.0	0.0
Private rented or living free			
1 bedroom	93.3	6.7	0.0
2 bedrooms	86.8	10.5	2.6
3 bedrooms	66.0	8.5	25.5
4+ bedrooms	32.0	24.0	44.0

Source: 2011 Census LC4405EW - Tenure by household size by number of bedroom

- 4.41 It is also important to note that there is a degree of under-occupation within the Private Rented Sector in Ardingly with 66% of three bedroom and 32% of four+ bedrooms homes have one or two person households occupying them.
- 4.42 Under-occupation of housing aligned with a narrow stock type and size and higher house prices (as set out below) indicates a local housing market in Ardingly that has relatively little movement; does not have available stock of the right size and type for existing households; and potentially lacks a flow of housing supply that would support a more rounded choice and mix of housing products locally.

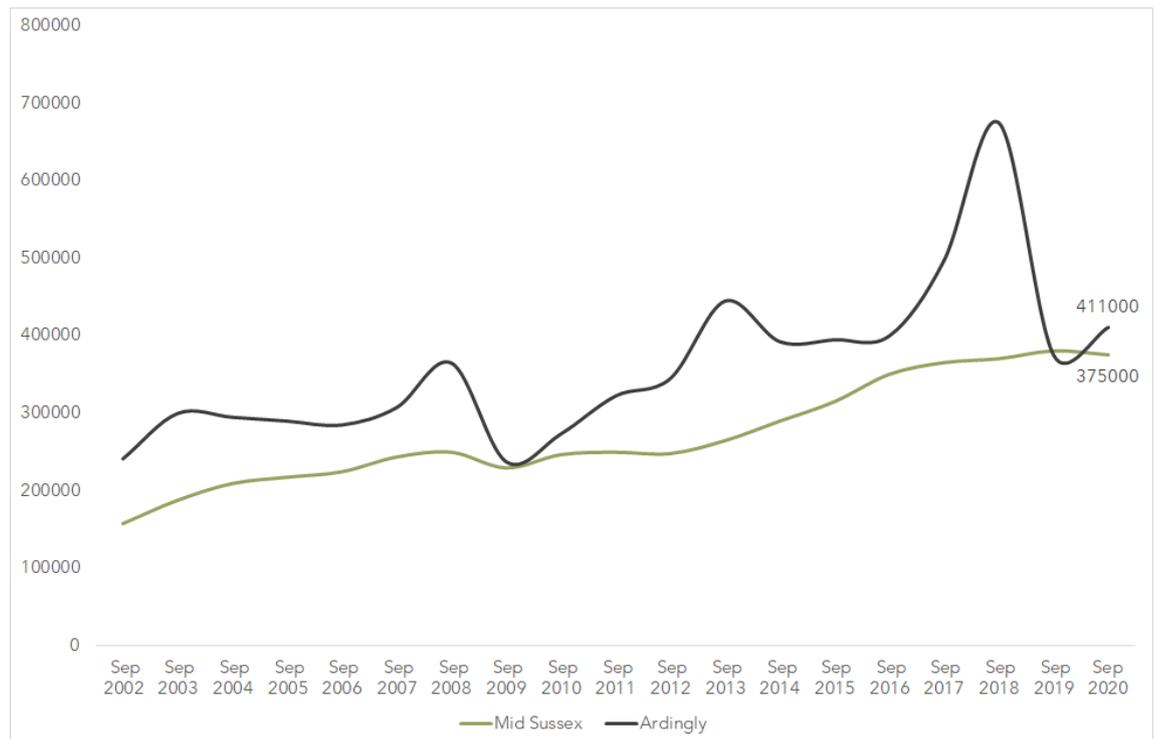
House Prices and Affordability

Residential Sales: Values and Activity

- 4.43 Residential price data is not published at Parish level but is available for the relevant Lower Super Output Area (E01031694 Mid Sussex 6A) which provides a very good match to the Ardingly parish boundary.
- 4.44 As a further check, analysis has also been undertaken of 218 dwelling sales using HM Land Registry achieved sales price data. This data covers all

individual dwelling sales in the Parish from the start of 2011 to May 2021. Detailed Postcode areas have been aggregated⁷ to match the Parish boundary and the results of this is set out as a further test to the published LSOA data.

Figure 4.8: LSOA House Price Trends, Ardingly and Mid Sussex District, 1997 - 2019



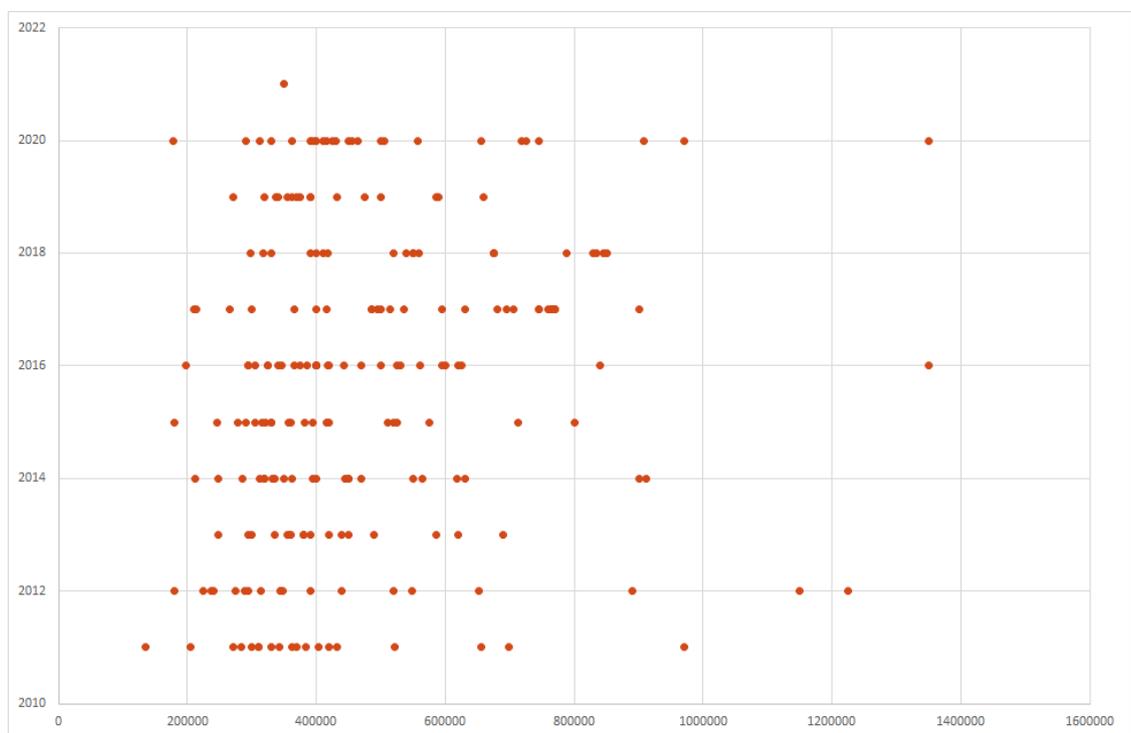
Source: ONS House price statistics for small areas in England and Wales

- 4.45 Figure 4.8 shows trends in dwelling sales prices in Ardingly have largely been higher than Mid Sussex, a District where there is overall an acknowledged, acute and persistent affordability issue. The LSOA prices largely mirror the surrounding and similar areas, where prices can be even higher.
- 4.46 The fluctuations that can be seen in the Ardingly data (as opposed to the smoother line of the Mid Sussex data) in Figure 4.14 are likely the result of outliers where an individual sale of a very high value can affect the overall median value of all sales, where the number of sales in a given period is relatively low.

⁷ <https://landregistry.data.gov.uk/app/ppd>

4.47 Figure 4.9, below, shows a time series of individual dwelling sale prices from 2011 – 2021. The scattergram chart clearly shows the high sales prices consistently achieved. The 2020 median average sales value for Mid Sussex District as a whole is represented by the vertical line on the left of the scattergram, placed at the value of £375,000. The median value for 2020 for Ardingly (based on 17 sales) was £411,000.

Figure 4.9: Analysis of HM Land Registry Price Paid in Ardingly, 2011 - 2021



Source: Source Land HM Land Registry Open Data Price Paid Data

ONS House price statistics for small areas in England and Wales, interpreted and analysed by CCL

4.48 Table 4.8 below gives a more detailed breakdown of all prices by type of house as well as the number of sales by year.

Table 4.8: Land Registry Price Paid in Ardingly, 2011 - 2020

	All Sales £		Detached Sales £		Semi Detached Sales	
	Median	No. of sales	average	No. of sales	Average	No. of sales
2011	405421	19	481850	10	344214	7
2012	468789	19	746000	7	326750	10
2013	417438	17	535100	5	404707	7
2014	448080	22	624333	6	429325	10
2015	408250	22	624500	5	372167	9
2016	468272	30	669988	8	434108	12
2017	565794	26	705054	13	487279	7
2018	572667	20	682895	11	486638	4
2019	422031	16	448333	3	445000	9
2020	528346	26	711722	9	444111	9

	Terraced Sales		Flats £	
	£ Average	No. of sales	average	No. of sales
2011	237500	2	208750	
2012			355000	2
2013	308250	4	295333	1
2014	310833	3	280750	3
2015	324667	6	332600	2
2016	328988	4	272250	5
2017	300000	1	400000	4
2018	348317	3	377500	1
2019	270000	1	440000	3
2020	422333	3		2

Source: HM Land Registry, Open Data Price Paid Data interpreted and analysed by CCL

4.49 HM Land Registry data shows there has only been 26 'new-build' sale since 2011 and 192 'existing stock' sales. There have been:

- a) 77 detached house sales, 35% of the total;
- b) 85 semi-detached house sales, 39% of the total;
- c) 27 terraced houses sales, 12% of the total; and
- d) 22 flats and 6 other category sales.

Private Rental Values and Activity

4.50 It is not possible to set out how many rentals are available per year (although there is clearly little rental stock available) as a search of Zoopla and Rightmove identified no properties currently advertised for rent within the area as at May 2021.

Conclusions on Residential Sales and Rental Values and Activity

- 4.51 From the individual achieved sales prices and using published area median house prices, Ardingly is a more expensive location to purchase a home than the District overall and therefore relatively less affordable.
- 4.52 There has been relatively little lower value house sales and a clearly skewed sales pattern focused on much higher value housing. In May 2021 there were 10 properties advertised for sale, at an average price of £494,000. Three of these properties are detached, three semi-detached, one terraced and three flats. The range of asking prices was from £220,000 to £725,000.
- 4.53 The following conclusions as to house prices and sales arise from the data analysis:
- a) an average of 74% of sales in Ardingly are of detached or semi-detached houses;
 - b) the latest four year rolling average price for all sales in Ardingly is £490,000 (78 sales);
 - c) for detached and semi-detached houses, the four year rolling average sale price is ££637,00 and £465,000 respectively;
 - d) 62% (136) of all sales since 2011 were over the Mid Sussex 2019 median average of £375,000 in value;
 - e) 8% of sales (17) were for over £800,000 in value; and 4 were over £1,000,000;
 - f) there were only 5 properties sold at under £200,000 since 2011 (3 of which were flats) and only fifteen (8%) sales under £250,000 since 2011;
 - g) there is very little currently available private rental property in Ardingly.
- 4.54 Overall, the analysis of population change, age structure, occupation of housing and evidence of sales and rental activity in Ardingly leads to conclude that there is a narrowly defined and skewed local housing market in operation.
- 4.55 The population structure is changing with reductions in working age (and likely economically active residents) and a growing older population. That population

under-occupies the existing housing stock which is characterised by a predominance of larger, detached and expensive dwellings with little opportunity for entry into the local market for those without extensive housing equity. The sales and rental market activity appear to be constrained in terms of the level and nature of housing available and the evident price / rental values.

Housing Affordability in Relation to Household Incomes

- 4.56 In order to assess affordability, housing costs have been compared with the ability to pay. Drawing residential sale prices and household income information together allows an examination of the relative affordability of housing in Ardingly and to benchmark this with Mid Sussex District and with England as a whole.
- 4.57 There is no detailed household income data readily available at Parish or LSOA level. There is however household income information from 2018 available for the Middle Super Output Areas in Mid Sussex. Ardingly Parish area is within the Mid Sussex MSOA 06 area; however, the remainder of the MSOA shares broad characteristics with the Parish and contains a mix of similar villages such as West Hoathly and Horsted Keynes. The 2018 affordability ratio for the MSOA is significantly worse than the position in 2014.
- 4.58 In the absence of more detailed income data, the MSOA income data and its subsequent use by the Office for National Statistics to produce affordability ratios are appropriate and reasonable to use here, with the caveat explained above.
- 4.59 The ONS affordability data uses net annual household income (equivalised) before housing costs. MSOA 06 (within which Ardingly is situated) has the 10th (out of 17) highest net annual household income at £36,000, which is slightly lower than the Mid Sussex District average of £37,000.
- 4.60 MSOA 06 has the 2nd highest overall average house price and the following affordability ratios which is set out in Table 4.9 below.

Table 4.9: Housing Affordability Ratio Data, MSOA6, 2018

All Properties	Detached	Semi-Detached	Terraced	Flats / Maisonettes
13.47	19.38	10.97	7.36	5.94

Source: Residence-based housing affordability ratios for Middle Layer Super Output areas ONS 2018

- 4.61 The levels of (un)affordability in Ardingly can be modelled by using the MSOA household income data and applying this to the Ardingly house price data. This places the Ardingly household to house price affordability ratio at 13.6 (using the 4 year house price average). This serves to highlight the acute restrictions for many households to access market housing and the particularly high levels of un-affordability for the predominant detached housing stock (which is not considered to be entry-level market housing stock).

Table 4.10: ONS and Modelled Affordability Ratios Change 2014 - 2018

	2014	2018	Change
MSOA 06	8.1	13.5	+5.4

Source: ONS Housing affordability ratios for Middle Layer Super Output Areas and analysis by CCL

- 4.62 It is also plain that the affordability of housing in Ardingly is more challenging than in Mid Sussex as a whole (10.4:1 for 2018 - 2020).

Alternative Estimate of Housing Need

- 4.63 For a whole local authority area such as Mid Sussex District, housing need would normally rely upon modelled projections and the use of the relevant Standard Method to identify the Local Housing Need (LHN) requirement as the basis for the District housing target.
- 4.64 For smaller areas such as an individual parish like Ardingly, the LHN approach type of projection is not robust, (due largely to the small size of the area's total population) and there are additional contextual issues to consider in terms of the availability of relevant individual and households' earnings data.
- 4.65 In addition, where, for reasons linked to the unaffordability and availability of suitable local housing stock, there is evidence of population decline or yearly

fluctuation (as evident in Ardingly), it is not appropriate to base an assessment of local housing need on a projection of a shifting / declining population, driven by a lack of available housing stock (market and affordable housing) which serves to suppress local households from forming and staying within the area or allowing newcomers to choose to live in Ardingly.

- 4.66 An alternative approach is therefore to consider local housing needs by way of proxy data from Mid Sussex District as a whole, based on a 'policy off' pro rata population share approach. The pro rata approach allows for a reasonable understanding of an area's population based likely need.
- 4.67 The population of Ardingly is 1.3% of the Mid Sussex District total population which enables a straight-forward pro rata estimate of the share of housing need to show what an unconstrained area may need to provide to house locally generated need.
- 4.68 Over the District Plan period from 2014 to 2031, the Ardingly contribution should be circa 186 dwellings. This is based on taking 1.3% (as noted above Ardingly is 1.3% of the total District population) of the District's total housing need (and applying the 17 years of the plan period to the housing needs (876 dpa for 2014 - 2023/24 and 1,090 dpa for 2024/25 to 2031) as per Policy DP4 of the District Plan.
- 4.69 This figure is a context to understand what the Ardingly share of need would be if Ardingly broadly matches key Mid Sussex characteristics.

Conclusions

- 4.70 There is an acute and worsening picture in terms of the characteristics and dynamics of the housing market and particularly the need for housing when considering Mid Sussex District as a whole and Ardingly in particular. It is concluded that:
 - a) Ardingly's population has seen limited growth until 2017, when there was a sharp fall. Although there has been a limited recovery from 2018/19 the age structure seems to have been reassessed by ONS to be older than it was in earlier estimates. This is potentially linked to the combination of high residential sales prices, a skewed and narrow housing stock with

more, larger, detached and semi-detached dwellings, significant under occupation of housing and a lack of new available stock to support population retention and growth;

- b) the slower population growth and more recent fall, for Ardingly is set in the context of sustained population growth across Mid Sussex District as a whole. Since 2011 the District's population has increased by 7.7% (and 2.6% from 2015 - 2018). The decline in the population of Ardingly since 2017 is against the prevailing District trend;
- c) the Ardingly area has experienced continued ageing of the population. In Ardingly 16.8% of the population are aged 65+ years (which has increased from 14.7% in 2011) combined with fewer people in the younger, economically active 30s and 40s age cohorts (there were 94 less people this age in 2019 in Ardingly compared to 2017);
- d) these characteristics are significant in scale and their impact. It is concerning to see these trends for Ardingly and it is important to consider the impact this sort of change will be bringing in terms of the sustainability and viability of a range of local services and facilities if they continue or accelerate;
- e) the local housing stock in Ardingly is skewed towards larger, detached and semi-detached and more expensive properties. It exhibits a narrow range of choice for those seeking a property serving to exclude households and individuals who need smaller and inevitably less expensive housing;
- f) there are clear signs of under-occupation of the predominantly detached / semi-detached stock in Ardingly which reflects a failure of the existing housing stock to meet or reflect or align with evident local household needs;
- g) Ardingly shows relatively little movement in housing stock sales or rentals and do not have available stock of the right size and type for existing households;

- h) there is a significant housing affordability challenge. This is greater within Ardingly than the very high levels acknowledged across Mid Sussex District. Available data at the geography within which Ardingly sits (MSOA6) shows affordability ratios present an even greater challenge for newly forming households within Ardingly;
- i) levels of (un)affordability both historically and currently serve to highlight the acute restrictions for many households to access market housing and more over the particularly high levels of un-affordability for the predominant detached housing stock (which is not usually entry-level market housing stock) in Ardingly; and
- j) an alternative, 'policy off' pro-rata population share estimate of local housing need for Ardingly has been considered. This identifies a need for some 186 dwellings minimum in the Parish for the plan period.

5. Supply of Housing

Introduction

- 5.1 This Section examines the supply of housing in Ardingly and Mid Sussex District more widely. It is important to understand the supply-side dynamics as they reflect the ability of those existing and future households seeking a home to secure an appropriate dwelling in the Parish.

Supply and Delivery

Mid Sussex District

Total Housing Completions

- 5.2 The latest information set out in the District's Five Year Housing Land Supply Statement (December 2020) sets out a total housing shortfall of **-339** dwellings over the six years of the plan period including 2019/20.
- 5.3 The annual completions from the latest Housing Land Supply Statement are replicated in Table 5.1 below.

Table 5.1: Mid Sussex District Total Housing Completions 2014/15 – 2018/19, Dwellings Per Annum

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Total Completions	630	868	912	843	661	1,003	4,917
Plan Target (dpa)	876	876	876	876	876	876	5,256
Performance	-246	-8	+36	-33	-215	+127	-339

Source: Mid Sussex District Five Year Housing Land Supply Statement (December 2020)

- 5.4 The current 876 dpa housing completions target (as shown in Table 5.1) is only for the period to 2023 / 2024, with an increased 1,090 dpa target applicable from then until the end of the plan period.

- 5.5 For information and cross-referencing purposes, the latest Local Housing Need assessment contained in the Northern West Sussex Strategic Housing Market Assessment update (2019) that assessed future housing need and which considers affordability as an integral component (in accordance with MHCLG's 'Standard Method' set out in the Planning Practice Guidance at Section 2a), concluded the minimum LHN for Mid Sussex would be increased to 1,102 dpa (above the current Plan target).
- 5.6 The Council's recently published Housing Land Supply: 5 year Housing Land Supply Statement (December 2020) identifies a continued shortfall in housing delivery overall and a five year housing land supply position that is now some **5.37** years.
- 5.7 Setting aside whether the calculations have been undertaken correctly with appropriate delivery assumptions, while this appears to be an improvement over previous years, the five-year housing land supply at just over five years, is fragile.

Affordable Housing Completions

- 5.8 Affordable housing completions are an important component of the overall level of housing supply delivered in the District.
- 5.9 The current evidence in the District Plan is that affordable housing need is within a range of **258 – 331** dpa acknowledging the higher figure would be challenging.
- 5.10 The District Plan set out that affordable housing delivery would be analysed through the Council's Annual Monitoring Report (AMR). The latest available version is for the period 1st April 2018 – 31st March 2019 and this sets out affordable housing completions in the District Plan period at Table 8 and paragraph 5.11 of the document. The completions data from the AMR below in Table 5.2 as well as the latest total affordable housing completions data confirms a total of 923 affordable dwellings completed from 2014/15 to 2019/20 in Mid Sussex, with 222 completed in the last year.

Table 5.2: Affordable Housing: Completions and Targets, Mid Sussex District, Dwellings Per Annum

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Total Affordable Housing Completions	221	113	168	97	102	222	923
Lower Plan Target	258	258	258	258	258	258	1,548
Higher Plan Target	331	331	331	331	331	331	1,986
Performance							
Lower Target	-37	-145	-90	-161	-156	-36	-625
Higher Target	-110	-218	-163	-234	-229	-109	-1,063

Source: MSDC Annual Monitoring Report 2018/19, Table 8; and CCL calculation

- 5.11 The findings of Table 5.2 shown above indicates an average of only 153 affordable dwelling completions per year from the beginning of the plan period in 2014/15.
- 5.12 For the six year period 2014 – 2020, Table 5.2 shows a clear under-provision each year and gives rise to a total cumulative shortfall of **625** affordable dwellings (set against the lower 258 dpa need) rising to a **1,063** affordable homes shortfall (against the higher estimate 331 dpa need).
- 5.13 Taking the total level of affordable housing completions as a proportion of the total for all housing completions in the period from 2014/15 to 2019/20, this shows that affordable housing completions accounted for some **18.8%** of all completions⁸.
- 5.14 This represents a very considerable shortfall in affordable housing delivery in absolute terms and in relation to the 30% level of new affordable housing contribution that District Plan Policy DP31 seeks to secure from relevant, appropriate sites in the District.

⁸ This is calculated taking the total affordable completions for the six year plan period of 923 dwellings divided by total housing completions of 4,917 dwellings

Ardingly

Total Housing Completions

- 5.15 Available information published by MSDC concerning total housing completed in the plan period is set out in Table 5.3 below. This identifies a total of **45** units in the plan period of which one site (Land at Standgrove Field) (DM/15/1511) secured at planning appeal provided most of the housing delivered (36 dwellings).

Table 5.3: Total Housing Completions, Ardingly, 2014/15 – 2019/20

Total Units	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total	
Ardingly	2		24	12	6	6	45	
Single Sites 11 or More Units	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total	Affordable Total at 30%
Ardingly			24	12			36	11

Source: Mid Sussex Housing Land Completions 2014 – 2020, CCL calculation

- 5.16 There is not a published breakdown of housing completions in terms of the amount of affordable housing units delivered (as Table 5.3 shows), but there have been some 11 such units as part of the Standgrove Field development scheme.
- 5.17 For smaller, 'windfall' schemes of 6-10 units there would be a requirement to contribute in lieu of on-site affordable housing but that does not necessarily lead to delivery of such units within the Ardingly area. It is also likely, that the affordable housing completions for smaller schemes may have been fewer given that completions may have been delivered in situations where viability assessment has reduced the 30% affordable housing contribution in accordance with Policy DP31.

Future Supply: Pipeline and Commitments

- 5.18 Turning to the future potential supply of housing (and affordable housing in Ardingly), Appendix 3 of the Housing Land Supply – Five Year Housing Land Supply Statement (December 2020) sets out the list of deliverable sites for the

next five years (as at 1st April 2020). No major sites (10+ dwellings) are listed in Ardingly as having consent or as being delivered in the immediate five year period to 2024/25.

5.19 Data for Ardingly from the MSDC Housing Land Statement: Five Year Housing Land Supply Statement (December 2020) shows a total net pipeline of 11 dwellings as set out in Table 5.3 below. This is derived from:

- a single site with permission (The Oak Inn, Street Lane, Ardingly) for a total of five dwellings – DM/19/0084; and
- seven further, minor sites (1-9 dwellings) (Appendix 3 of the Housing Land Supply Statement) to deliver a gross total of nine units to which a non-implementation discount rate is applied by the Council) resulting in a net anticipated pipeline delivery of 6.2 dwellings.

Table 5.3: Housing Pipeline and Commitments, Ardingly

Sites with Planning Permission (5 – 9 Dwellings)

	Site Totals Net	Affordable Units
Ardingly	5	0

Minor Sites (1- 4 Dwellings), Ardingly

	Gross (and Net) Commitment Total Units	Total Units Completed	Demolitions
Ardingly	9 gross (6.2 net)	0	0

Source: MSDC Housing Land Statement Housing Land Supply - 5 year Housing Land Supply Statement (December 2020) and CCL calculation

5.20 It is also important, that none of the pipeline sites would individually be required to provide on-site or contributions in lieu of affordable housing as they are all permissions with fewer than the affordable housing contribution threshold set out in District Plan Policy DP31⁹.

⁹ Policy DP31 requires affordable housing contributions from residential developments of 11+ dwellings as (1) on-site affordable housing contributions for developments providing 11 dwellings or more, or having a maximum combined gross floorspace of more than 1,000 sq.m (Gross Internal Area); or (2) contributions in lieu via a commuted payment towards off-site provision of development of 6 – 10 dwellings in the High Weald AONB.

- 5.21 With respect to future proposed housing land allocations in Ardingly this totals 70 dwellings (set out in the Site Allocations DPD) arising from CSL's interest at Land West of Selsfield Road (SA25).
- 5.22 The total supply would therefore be some 126 dwellings in the plan period, comprising:
- Completions in the plan period to date: 45 dwellings;
 - Pipeline and commitments: 11 dwellings; and
 - Proposed allocation SA25: 70 dwellings.

Balance and Residual Shortfall

- 5.23 SA DPD Policy SA10 identifies an 'updated minimum residual housing figure' for Category 3 'Medium Sized Villages' of 371 dwellings in the remaining plan period¹⁰. The Policy makes site allocations for 238 dwellings (of which SA25 contributes 70 dwellings as set out in Policy SA11).
- 5.24 There would however remain a shortfall of 133 dwellings arising against the total minimum residual housing requirement for the Category 3 'Medium Sized Villages' (371 dwellings), compared with the housing allocations from all the Category 3 settlements (including Ardingly) in Policy SA11 (238 dwellings).
- 5.25 Policy SA10 indicates that the residual shortfall will be met via windfalls delivered by the development management process or via Neighbourhood Plans. This does however mean that there is a shortfall against the District's stated minimum housing need (and broadly corroborated using a pro-rata share, 'policy-off' modelled approach) which is unlikely to be met.
- 5.26 It is appreciated that the remaining shortfall would be shared amongst the 12 settlements¹¹ (including Ardingly) in Category 3, but there is overall a shortfall to the minimum residual target that windfalls and the development management process are unlikely, in our view, to fully address. In any event

¹⁰ MSDP Policy DP6 identified a minimum residual requirement of 311 dwellings from 2017 onwards for Settlement Category 3 Medium Sized Villages (including Ardingly)

¹¹ The Category 3 Settlements are: Albourne, Ardingly, Balcombe, Bolney, Handcross, Horsted Keynes, Pease Pottage, Sayers Common, Scaynes Hill, Sharpthorne, Turners Hill and West Hoathly

such an approach does not represent a positive or proactive planned response to the housing needs arising.

- 5.27 It is therefore concluded that there is insufficient housing land proposed for allocation in the SA DPD or sites with extant residential planning consents to meet housing (market and affordable) housing needs in the Category 3 Medium Sized Villages, or in Ardingly specifically in order to improve the affordability, choice and mix of housing available in the Parish.
- 5.28 SA DPD proposed allocation sites such as SA25 have the potential to contribute more homes to reduce the residual shortfall against the housing need and to better address evident local demographic and housing market signals (see Section 4 previously). Indeed, the Regulation 18 SA DPD included 100 dwellings for the SA25 site so it clearly has the potential to easily deliver more housing than it is currently proposed to do.

Conclusions

- 5.29 The following conclusions concerning the supply of housing in Mid Sussex District and Ardingly:
- a) at the Mid Sussex District level, total housing completions from 2014/15 – 2019/20 (measured against the District Plan's initial target of 876 dpa) demonstrates a continued annual shortfall. The cumulative under-delivery was -339 dwellings as at March 2020 (and with recent housing delivery challenges due to Covid-19, it is unlikely that the Plan target would be met in 2020/21). Put simply, the District has failed to deliver sufficient housing to meet its own target (noting that the Plan's annualised target is set to increase further to 1,090 dpa from 2023/24 onwards);
 - b) it is evident from the most recent Housing Land Supply Position Statement (December 2020) that there is a continued shortfall in housing delivery overall (-339 dwellings) and a five year housing land supply position of 5.37 years at present;
 - c) the lack of consistent housing delivery at or above the District Plan's target means that inevitably affordable housing provision to be delivered by the development of sites through on-site or contributions in-lieu is

failing to meet the affordable housing needs range identified in the District (258 – 331 dpa). There have been an average of 153 affordable dwelling completions per year from the start of the District Plan period in 2014/15 in the District;

- d) the under-delivery of new affordable housing gives rise to a total cumulative shortfall of between -625 and -1,063 affordable dwellings (in the period from 2014/15 to 2019/20 depending on whether the lower or higher District affordable housing need target is used) and representing a delivery rate of 18.8% as against the assessed District needs and the 30% policy requirement of DP31;
- e) securing new housing provision (in terms of quantum, mix and choice) requires sufficient sized sites to be allocated and / or consented in the various settlements (including Ardingly). In much of the District and within the Category 3 Settlements, unless sites are allocated for housing (such as through the SA DPD) then their prospects of obtaining residential planning permission (via the development management process) are restricted by the protection given to the countryside and to the various designated environmental or landscape areas including the extensive Areas of Outstanding Natural Beauty;
- f) the Mid Sussex Housing Trajectory indicates a total of 45 dwellings have been completed in Ardingly since the beginning of the plan period (in 2014) with some 11 affordable homes as part of that figure;
- g) no sites in Ardingly are included in the list of 'Major' (10+ dwellings) deliverable sites set out in the most recent Housing Land Supply - Five Year Housing Land Supply Statement (December 2020) for the next five years (from April 2020); one site has permission for five dwellings; and seven 'Minor' sites' (1 – 9 dwellings) are listed as having windfall potential to deliver 11 dwellings in total in the period to 2023;
- h) the future proposed housing provision in Ardingly is for 70 dwellings (site SA25) as set out in the draft Site Allocations DPD;
- i) there would remain a shortfall of some 133 dwellings arising against the total minimum residual housing requirement for the Category 3 'Medium

Sized Villages' (371 dwellings as set out in SA DPD policy SA10), compared with the housing allocations from all the Category 3 settlements (including Ardingly) in Policy SA11 (238 dwellings);

- j) there would also be a shortfall of local housing supply (market and affordable) in Ardingly in comparison with the 'policy-off' pro-rata share modelled approach to housing need considered;
- k) the District Council's Sites Allocation DPD remains in draft (at Examination) at the time of writing and forms the main mechanism to positively allocate additional housing land in Ardingly that would help meet local housing needs;
- l) Proposed Allocation Site SA25 has the potential to further support and contribute more homes in Ardingly (as was demonstrated at the earlier Regulation 18 stage of the SA DPD when the site was allocated for 100 dwellings) to help meet the residual gap between identified housing need requirements, existing completions / commitments and proposed supply evident in the Parish and for Category 3 Villages overall.

6. Conclusions

Introduction

- 6.1 This Section draw the evidence and findings from preceding sections together and set out overall conclusions.

Planning Policy and Housing Requirements

- 6.2 The adopted Mid Sussex District Plan (2018) has a significant requirement to provide new housing (876 dwellings per annum minimum rising to 1,090 dpa over the Plan's lifetime).
- 6.3 The District Plan was adopted with **minimum** housing targets designed to help meet realistic levels of affordable housing required in the District in the period to 2031. Indeed, the Plan Inspector specifically noted that the planned housing requirement was necessary to help address levels of unaffordability prevalent in the District.
- 6.4 Critically, the provision of housing is set as a minimum figure in the District Plan which means that both market and affordable housing allocations and permissions can and are expected to exceed this level during the Plan's lifetime.
- 6.5 The various Mid Sussex SHMA and HEDNA reports that underpin both the District Plan and the determination of planning applications identify varying levels of significant market and affordable housing needs, up to the latest position set out and referred to in the adopted District Plan and the Inspector's Report (March 2018) that the affordable housing need for the District was from 258 – 331 dpa.
- 6.6 There is therefore an accepted position that there are long-standing and acute market and affordable housing needs pressures evident in the District.

Future Housing Needs

- 6.7 Ardingly has witnessed some recent changes to the overall population (with a low level of growth from 2011 - 2017 and a fall since the peak in 2017). There has also been significant structural change in terms of the balance of age cohorts composing the population (increased elderly age groups) and a reduction in the number of working age and economically active age groups.
- 6.8 These changes are significant in their impact and could impact on the sustainability and viability of a range of services and facilities.
- 6.9 The existing housing stock is narrowly focused with a significant predominance of larger detached and semi-detached housing which is reflected in the average, upper and lower sales values evident over the period from 2011 to date. It is also instructive to note that the sales prices for the new dwellings at Standgrove Field, Ardingly are circa £750,000 or above.
- 6.10 Existing stock is characterised by high levels of under-occupation and the sales and rental values serve to demonstrate acute and worsening housing affordability; hence driving the structural change in population (i.e. new forming households are unable to easily find suitable accommodation or to afford to purchase it) resulting in the likely suppression of households from forming in Ardingly.
- 6.11 Using a simple pro rata population approach for Ardingly (with reference to the District target), the likely future housing requirement for Ardingly would be in the region of 186 dwellings for the plan period 2014 - 2031.
- 6.12 This local target is appropriate context given the local housing market sales prices and stock characteristics and the evident population change and aging dynamics in Ardingly.

Supply of Market and Affordable Housing

- 6.13 There is evidence of a lack of consistent housing delivery at or above the District Plan's target levels. This results, inevitably in a failure to provide sufficient market and affordable housing by the development of sites to meet the housing needs.

- 6.14 Indeed, Section 5 found that the under-delivery of new housing gives rise to a cumulative shortfall to date of **-339** dwellings. The affordable housing delivery shortfall is more significant with a total cumulative shortfall of between **-625** and **-1,063** affordable dwellings in the period from 2014/15 – 2019/20 in the District and representing a total delivery rate of new affordable housing of **18.8%**¹² compared to the District Plan policy DP31 expectation of 30% from appropriate development sites.
- 6.15 There is little evidence of sufficient new market or affordable housing being delivered in Ardingly during the plan period to date (45 dwellings have been completed since the beginning of the plan period including some 11 affordable homes) and there is little confidence that there is likely to be sufficient housing in the future pipeline for the settlement to address quantum or choice and mix issues.
- 6.16 No sites in Ardingly are included in the list of ‘Major’ (10+ dwellings) deliverable sites set out in the most recent Housing Land Supply - Five Year Housing Land Supply Statement (December 2020) for the next five years (from April 2020); one site has permission for five dwellings; and seven ‘Minor’ sites’ (1 – 9 dwellings) are listed as having windfall potential to deliver 11 dwellings in total in the period to 2023.
- 6.17 There would remain a shortfall of some 133 dwellings arising against the total minimum residual housing requirement for the Category 3 ‘Medium Sized Villages’ (371 dwellings as set out in SA DPD policy SA10), compared with the housing allocations from all the Category 3 settlements (including Ardingly) in Policy SA11 (238 dwellings).
- 6.18 The remaining shortfall would be shared amongst the 12 settlements in Category 3, but there is overall a shortfall to the minimum residual target that windfalls and the development management process are unlikely, in our view, to fully address across these settlements.
- 6.19 Such shortfall, if left to the SA DPD would not be met through positive or proactive planned provision but rather via ad hoc windfall developments of individual Neighbourhood Plan allocations. This is not sufficient to assist

¹² Taking 923 affordable completions divided by 4,917 total housing completions for the six year period 2014 - 2020

Ardingly given both the restrictive development management policies of the MSDP and the aged nature of the existing Neighbourhood Plan.

- 6.20 It is therefore concluded that there is insufficient housing land proposed for allocation in the SA DPD or sites with extant residential planning consents to meet housing (market and affordable) housing needs in the Category 3 Medium Sized Villages, or in Ardingly specifically in order to improve the affordability, choice and mix of housing available in the Parish.
- 6.21 SA DPD proposed allocation sites such as SA25 have the potential to contribute more homes to reduce the residual shortfall. Indeed, the earlier Regulation 18 SA DPD proposed 100 dwellings for the SA25 site so it clearly has the potential to easily deliver more housing than it is currently proposed to do.

Overall Conclusion

- 6.22 There appears to be an apparent lack of correlation between District level housing needs (from the MSDP and the SA DPD) and the mechanisms to secure adequate housing to meet needs (including a choice and mix of housing sizes, types and tenures) through deliverable housing land allocations and planning consents sufficient for places like Ardingly.
- 6.23 The District Plan and the SA DPD appear to use a settlement hierarchy and constraint-led approach to the distribution of housing growth (market and affordable) rather than using more detailed sub-district or local analysis of housing needs and supply. This is played out in the housing needs and supply evidence for Ardingly.
- 6.24 This is set in the context of the area which exhibits a constricted housing market in operation with suppressed housing supply leading to evident demographic signals that indicate an atrophy of the local communities (overall population fluctuations and an increasing number of older resident households and fewer younger working age households).
- 6.25 As noted previously, there is also not a stated methodology or guidance as to establishing or assessing local housing needs in the District Plan or in supplementary planning documents.

- 6.26 In this situation it is concluded that the best available evidence of local housing need is drawn from a combination of the available published information, as well as the additional evidence and analysis set out herein that considers housing needs for Ardingly and offer a wider, more substantive and contextualised view of those needs.
- 6.27 This finds that Ardingly is a location where the demographic, market signals and supply characteristics show an acute market and affordable housing need now and that the need will continue to arise in future. The need is not fully met by either existing permissions, the single proposed site allocation (SA25), or through planning application decisions.
- 6.28 In such circumstances it is evident that there is a clear role to support the development of new housing through an increased housing allocation for site SA25 (which can clearly be achieved on this site) in accordance with the SA DPD's policy objectives for the development of that site and through the appropriate extension of the proposed site area as shown on the draft Policies Map (Ardingly Inset).
- 6.29 It will assist in meeting the District Plan's objectives to supply new market and affordable homes to meet the community's needs and help offer a broader range of housing choice and mix of size, types and tenures for Ardingly in accordance with Strategic Objective SO13¹³ of the District Plan.

¹³ SO13 is to provide the amount and type of housing that meets the needs of all sectors of the community.

APPENDICES

Appendix 1: Sources of Data and Geographic Scales Referenced

Sources of Data Used

- I. Key data sources and assumptions and limitations are referenced throughout as appropriate.
- II. The approach and method used has included the analysis of:
 - i. demographic data from Office for National Statistics (ONS) and the Ministry of Housing, Communities and Local Government (MHCLG);
 - ii. housing and affordable housing supply data from published industry standard data sources including Mid Sussex District Council; HM Land Registry; the VOA and MHCLG;
 - iii. housing market performance data from sources including national property agents Zoopla and Rightmove; and from the VOA; and
 - iv. the Mid Sussex adopted and emerging development plan policies and the supporting Strategic Housing Market Assessment (SHMA) and Housing and Economic Development Needs Assessment (HEDNA) evidence base for the District and for Ardingly.

Assumptions and Limitations

- III. There are two main areas that set limits on the analysis that would have been preferable. The first is that there is limited data on housing supply and affordable housing delivery within different spatial levels in Mid Sussex District, this is a key gap in the consistent monitoring and performance evidence published by the District Council.
- IV. The second is more of a general issue, around data availability at small geographic levels. It would have been helpful to make direct comparisons between affordability ratios at Local Authority and

Ardingly parish levels, however the lack of consistent household or personal income data at small geographies prevents this.

- V. Where these gaps hinder the consistent comparison across areas, attention is drawn in the report accordingly and alternatives ways to make such comparisons are highlighted where possible.

Geographic Scales and References

- VI. The analysis considers two relevant geographic areas within which local housing need and the relevant evidence is described at these levels in the evidence:
 - i. The District of Mid Sussex; and
 - ii. Ardingly.

Mid Sussex District

- VII. The adopted Mid Sussex District Plan describes Mid Sussex as a rural District in the South East of England. It is a desirable place to live, benefiting from a high standard of living and an accessible natural setting. The District is consistently ranked highly on quality of life measures.
- VIII. The District has three main towns, Burgess Hill, East Grinstead and Haywards Heath with a mix of other larger and smaller villages / hamlets. Transport links by road and rail offer good accessibility to London, access to the South Coast ferry ports and to Gatwick International Airport.
- IX. The District is within the Gatwick Diamond, an economic partnership consisting of the local authorities surrounding Gatwick and the Greater Brighton Economic Board, a partnership of local authorities and businesses in Brighton and the surrounding area.
- X. Mid Sussex is also part of the Coast to Capital Local Enterprise Partnership (C2C LEP), which is committed to growing the economy of

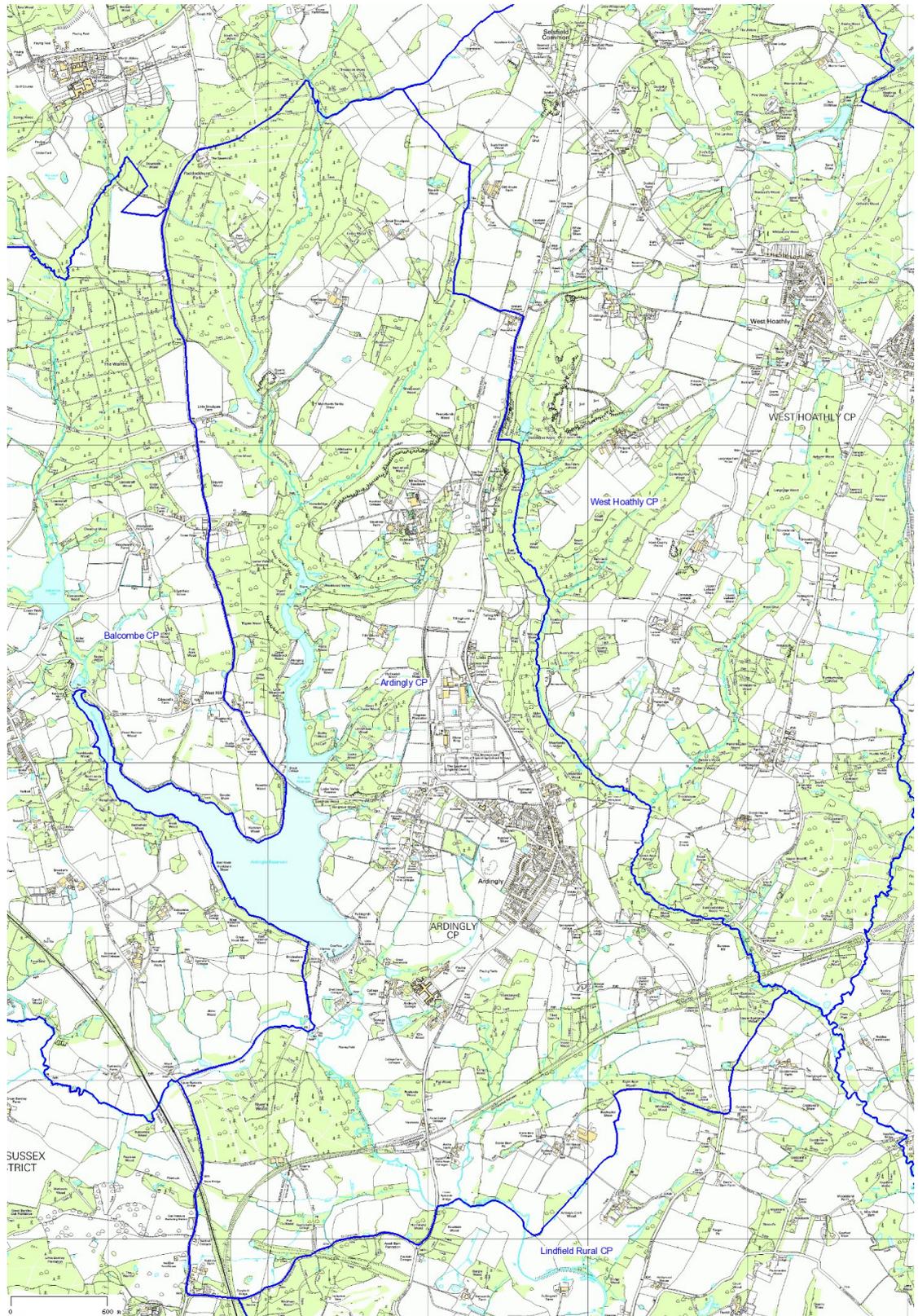
the area and creating jobs. There are high levels of employment and the educational standard of the local population is well above average.

- XI. In 2019 Mid Sussex District had a total population of 151,000. The population has grown by 11,140 over the 2011 - 2019 period (since the 2011 ONS Mid Year Estimates which recorded a population of 140,188 residents), representing an increase of some 7.7%.
- XII. According to the 2011 Census, in 2011 62% of the total population lived in the three main towns, with the remaining 38% living in village or rural areas. The District has a higher than average number of retired residents (aged over 65) – 18.1% compared to 17.1% for the South East, and 16.4% nationally according to the 2011 Census.

Ardingly

- XIII. Ardingly is adjacent to the neighbouring parishes of Lindfield Rural (to the south), West Hoathly (to the east), Balcombe and Turners Hill (both to the west) and Cuckfield Rural (to the north). The Parish is situated in the north-eastern part of Mid Sussex District with Haywards Heath as the main centre.
- XIV. The area contains Ardingly village settlement and surrounding countryside. It extends in a north-south orientation as shown below in Figure A1.1.

Figure A1.1: Ardingly Neighbourhood Plan Designated Area



Source: Ardingly Parish – Extract from Neighbourhood Plan: 2013 - 2031

- XV. Ardingly is described in the Mid Sussex District Plan as a Settlement Category 3 'Medium Sized Village'.



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