Mid Sussex Strategic Housing Market Assessment Update

Final Report

Iceni Projects Limited on behalf of Mid Sussex District Council

October 2024

Contents

1. Introduction

1.1 Mid Sussex District Council is preparing a new Local Plan – the District Plan Review. The Council submitted its draft District Plan 2021 – 2039 to the Secretary of State in July 2024, and the Plan is currently at Examination.

1.2 The Council has put forwards a proposed modification to extend the plan period – the period which the plan will cover – to 2040. This is to ensure that it covers the minimum 15 year period post adoption which is required by national planning policies in the NPPF.

1.3 Iceni prepared a Strategic Housing Market Assessment (SHMA) for Mid Sussex which was published in 2021. The Council has commissioned this selected update to the SHMA for two main reasons;

- To look at the Council's extended plan period (to 2040) – the original SHMA looked to 2038 and this update considers a period from 2021 to 2040; and

- To reflect that there has been a notable amount of new data published since the SHMA, including new (2021) Census data and updated information around population estimates, through ONS mid-year population estimates (MYE), which are now available to 2023.

1.4 The report does not seek to update all of the analysis in the 2021 SHMA. It is intended to be read alongside it. Equally it does not repeat the methodology used for key analysis – this remaining the same as in the SHMA unless stated below.

1.5 This report thus provides updated analysis in four key areas which are:

- Demographic dynamics – exploring the demographic implications of the proposed housing requirement in the Plan;

- Affordable housing – updating the affordable housing analysis to take account in particular of how housing costs have changed since 2021;

- Older and disable persons – this is updated as it flows from the demographic analysis; and

- Household growth and housing mix – updated demographic outputs and resultant findings on housing mix to align with the extended plan period.

2. Demographic Dynamics

2.1 The analysis below updates some of Section 6 of the 2021 SHMA, with a particular focus on projecting population growth up to 2040. The analysis takes account of 2021 Census data and more recent MYEs.

Population Trends

2.2 Table 2.1 below shows population growth as estimated by ONS over the past decade (2013-23) for Mid Sussex and a range of other areas. This shows population growth in Mid Sussex to have been fairly strong in comparison to other areas (notably in a national context). If compared with a similar analysis in the SHMA (see Figure 6.2) it suggests stronger population growth in the recent past – the SHMA analysis only looking to 2019.

Table 2.1 Population change (2013-23)

	2013	2023	Change	% change
Mid Sussex	142,951	157,915	14,964	10.5%
West Sussex	825,301	900,862	75,561	9.2%
South East	8,809,382	9,482,507	673,125	7.6%
England	53,918,686	57,690,323	3,771,637	7.0%

Source: Mid-year population estimates

2.3 To some extent this stronger population growth can be seen with reference to the components of population change (also see Table 6.6 of the SHMA). It is clear over the last three years in particular, that ONS has recorded high levels of population growth and net migration to Mid Sussex. This can be compared with the period to 2018 (the base date of the most recent ONS projections) where population change was more modest. The 2018-based projections were discussed in the SHMA (see Table 6.8 for example).

Table 2.2 Components of population change, mid-2011 to mid-2023 – Mid Sussex

	Natural change	Net internal migration	Net intern-ational migration	Other changes	Other (unattri-butable)	Total change
2011/12	235	974	-31	7	-130	1,055
2012/13	206	1,527	58	29	-112	1,708
2013/14	306	1,336	64	28	-108	1,626
2014/15	107	1,003	49	11	-63	1,107
2015/16	318	768	240	9	-18	1,317
2016/17	103	556	-5	3	21	678
2017/18	127	962	96	10	92	1,287
2018/19	128	946	-133	16	104	1,061
2019/20	-60	972	-238	20	156	850
2020/21	14	2,081	-160	-15	122	2,042
2021/22	108	1,067	910	6	0	2,091
2022/23	-24	1,602	1,327	0	0	2,905

Source: ONS

Projected Population Growth over the Plan Period

2.4 The Plan was submitted in July 2024 and is based on a standard method local housing need figure of 1090 dwellings per annum (dpa). This was the standard method figure at the time of the Regulation 19 consultation in early 2024. The Plan period starts in April 2021.

2.5 The analysis below moves on to look at a population projection linking to delivery of 1,090 dpa over the 2021-40 period. The method used is broadly the same as set out in paragraph 6.58 of the SHMA report with the key differences (other than extending the plan period) being to rebase the data for 2021 Census information and to draw in information from ONS mid-year population estimates (MYE) up to 2023.

2.6 The analysis shows strong growth in the District's population across all age groups and particularly older groups (particularly 65+). Over the 19-year plan period to

2040, it is projected that the population would grow by around 38,400 people, at an average of 2,020 per annum.

Table 2.3 Population change 2021 to 2040 by five-year age bands – Mid Sussex (linked to delivery of 1,090 dwellings per annum)

	Population 2021	Population 2040	Change in population	% change from 2021
Under 5	8,239	10,830	2,591	31.4%
5-9	9,337	10,833	1,496	16.0%
10-14	9,743	10,754	1,011	10.4%
15-19	8,306	10,032	1,726	20.8%
20-24	6,358	7,839	1,481	23.3%
25-29	7,658	10,201	2,543	33.2%
30-34	9,149	11,750	2,601	28.4%
35-39	9,928	11,556	1,628	16.4%
40-44	10,470	12,222	1,752	16.7%
45-49	10,930	12,974	2,044	18.7%
50-54	11,414	12,751	1,337	11.7%
55-59	10,701	12,026	1,325	12.4%
60-64	8,987	10,893	1,906	21.2%
65-69	7,884	10,903	3,019	38.3%
70-74	8,176	10,425	2,249	27.5%
75-79	6,634	9,588	2,954	44.5%
80-84	4,232	7,121	2,889	68.3%
85+	4,773	8,595	3,822	80.1%
Total	152,919	191,294	38,375	25.1%

Source: Demographic projections

2.7   The updated analysis can be compared with Table 6.14 of the SHMA report. Both analyses show a similar pattern in terms of changes to individual age groups and the general ageing of the population. In the SHMA it was projected that population would grow by around 1,940 people per annum and so this update (for a longer period) shows a very slightly higher rate of population growth.

2.8   The table below shows the same information split into three broad age bands. It can be compared with Table 6.15 of the SHMA and, again, it can be seen that similar

patterns emerge, with differences in part being due to extending the projection period by two years.

Table 2.4 Population change 2021 to 2040 by broad age bands – Mid Sussex (linked to delivery of 1,090 dwellings per annum)

	Population 2021	Population 2040	Change in population	% change from 2021
Under 16	27,319	32,417	5,098	18.7%
16-64	93,901	112,244	18,343	19.5%
65 and over	31,699	46,632	14,933	47.1%
Total	152,919	191,294	38,375	25.1%

Source: Demographic Projections

2.9 The final updated demographic analysis looks at the number of jobs that could be supported by changes to the economically active population. This takes account of commuting patterns and the proportion of people with more than one job. At the time of the SHMA, the latest commuting data was from the 2011 Census. In this update, additional analysis has been carried out using 2021 data.

2.10 The first table below, Table 2.5, compares commuting from these two sources. In 2011, there was a notable level of net out-commuting for work, but by 2021 the in- and out- figures are more in balance. This finding could be due to the timing of the Census (during the pandemic) and therefore in updating the SHMA analysis we have considered both commuting ratios.

Table 2.5 Commuting data from both 2011 and 2021 Census – Mid Sussex

	2011	2021
Live and Work in District	25,400	18,350
Home Workers or No Fixed Workplace	15,464	41,075
In Commute	20,410	14,673
Out Commute	31,941	17,148
Total Working in LA	61,274	74,098
Total Living in LA and Working Anywhere	72,805	76,573
Commuting Ratio	1.188	1.033

Source: Census (2011 and 2021)

2.11   In addition, the proportion of people with more than one job has been held at the same level as estimated in the SHMA (5.3% of workers having more than one job) although estimates of economic activity by age and sex have been updated to align with Census data – moving forward from 2021 a consistent approach to the SHMA has been taken, based on Office for Budget Responsibility (OBR) data.

2.12   The analysis suggests between 18,000 and 21,300 additional jobs could be supported by projected growth in the resident labour supply. The highest figure (based on a 1:1 commuting ratio) points to around 1,120 additional jobs per annum as being able to be supported - this is very similar to the figure for the equivalent scenario in the SHMA (around 1,140 jobs per annum). Table 6.19 of the SHMA shows the comparable data.

Table 2.6 Jobs supported by demographic projections (2021-40) – Mid Sussex

	Total change in economically active	Allowance for net commuting	Allowance for double jobbing (= jobs supported)
2021 Census commuting	20,199	19,547	20,647
2011 Census commuting	20,199	17,000	17,957
1:1 commuting	20,199	20,199	21,337

Source: Iceni analysis

3. Affordable Housing

3.1 This section provides an update to the assessment of affordable housing need, found in Section 7 of the SHMA. The method used is the same as in the SHMA (and so not repeated here) with the update focusing on new data, including around house prices/rents, incomes and the supply of housing through relets.

3.2 The first analysis seeks to estimate a current lower quartile prices to both buy and privately rent in the District. In the original SHMA house price data was based on Land Registry data and in this update the same source has been used, along with analysis of the current sales market through an internet search of properties for sale currently (or recently sold). Overall, it has been estimated that the current lower quartile price to buy is around £315,000.

3.3 On private rents, the SHMA used ONS data (from the private rental market statistics release). Although ONS do still maintain this source, the latest release dates back to September 2023. We have therefore also looked at a market survey of homes to rent to help form a view about an overall lower quartile rent. This has the advantage of focussing on homes that are available, whereas the ONS source looks at all rents, including from those who may have been a tenant in their home for some time and potentially with lower rents. Overall, it was estimated a current lower quartile private rent of around £1,100 per month. The analysis has also sought to look at this by size as shown in the table below.

Table 3.1 Estimated lower quartile cost of housing to buy (existing dwellings) and rent – 2024 – Mid Sussex

	Lower quartile price	Lower Quartile rent, pcm
1-bedroom	£175,000	£925
2-bedrooms	£235,000	£1,225
3-bedrooms	£375,000	£1,550
4-bedrooms	£520,000	£1,925
All Dwellings	£315,000	£1,100

Source: Land Registry and Internet Price Search

3.4   Table 3.2 below shows how this compares with estimates made at the time of the SHMA. The analysis points to particularly strong growth in private rental costs over the last three years, although house prices have also risen over the 4-year period. This is broadly consistent with the picture nationally.

Table 3.2 Comparison of lower quartile cost of housing to buy (existing dwellings) and rent – SHMA and Update – Mid Sussex

	Lower quartile price	Lower Quartile rent, pcm
SHMA (2020 base)	£285,000	£800
Update (2024 base)	£315,000	£1,100
Change	£30,000	£300
% change	10.5%	37.5%

Source: SHMA data from Tables 7.2 and 7.3

3.5   The data on prices and rents is then used (along with incomes – see below) to consider the affordability of housing. This update takes the same approach to the SHMA with the income threshold for owner-occupation assuming a household has a 10% deposit and can secure a mortgage for four and a half times their income. For privately renting it has been assumed a household should spend no more than 32.5% of their gross income on housing.

3.6   The table below shows incomes required to afford to either buy or rent housing, from the SHMA and this update. This shows in both cases a notable 'gap' between the income needed to buy and to rent, but that this gap has narrowed since the SHMA was written.

Table 3.3 Estimated Household Income Required to Buy and Privately Rent

	To buy	To rent (privately)	Income gap
SHMA (2020 base)	£57,000	£29,500	£27,500
Update (2024 base)	£63,000	£40,600	£22,400

Source: SHMA data from Table 7.4

3.7   The second part of the affordability test is to look at local income levels. This has been updated by reference to new ONS small area income data (published in 2023)

and further rebased using estimates of earned income from the Annual Survey of Hours and Earnings (ASHE). It is estimated the average (mean) income of households in the District is currently £70,200 with a median income of £60,000 and a lower quartile of £35,100. In the SHMA, it was estimated the median income to be £42,400 – incomes therefore increasing by around 42% over a four-year period (SHMA data from paragraph 7.19).

Need for Rented Affordable Housing

3.8   The table below draws together the information about prices/rents and incomes along with a range of other sources (consistent with the SHMA) to estimate the need for rented affordable housing – essentially housing for those who cannot afford to either buy OR rent in the market. The method used is the same as in the SHMA but with further updating to take account of a range of data sources – including data from the 2021 Census (e.g. about overcrowding) and updated information about the supply of housing through relets.

3.9   The analysis continues to show a notable need for affordable housing from those unable to buy OR rent in the market, although the estimated net need is slightly lower in this update. This looks to be driven in part by the estimate of a high increase in local incomes (although rent levels have also risen).

Table 3.4 Estimated annual need from households unable to buy OR rent

Per annum	SHMA (2020 base)	Update (2024 base)
Current need	63	66
Newly-forming households	484	425
Existing households falling into need	118	82
Total Gross Need	665	573
Relet supply	195	190
Net need	470	383

Source: Iceni analysis (SHMA data from Table 7.11)

Split between Social and Affordable Rented Housing

3.10 The analysis above has clearly pointed to a need for rented forms of affordable housing for households unable to buy OR rent with the analysis below looking at the need for social rented versus affordable rented accommodation.

3.11 Table 3.5 shows current rent levels for a range of products along with relevant local housing allowance (LHA) rates (Mid Sussex being part of both the Brighton & Hove and Crawley & Reigate Broad Rental Market Area (BRMA). Data about average social and affordable rents has been taken from the Regulator of Social Housing (RSH) and this is compared with lower quartile market rents. This analysis shows that social rents are significantly lower than affordable rents; the analysis also shows that affordable rents are below lower quartile market rents.

3.12 The LHA rates for most sizes of home are at or below lower quartile market rents. This does potentially mean that households seeking accommodation in many locations may struggle to secure sufficient benefits to cover their rent.

Table 3.5 Comparison of rent levels for different products

	Social rent	Affordable rent (AR)	Lower quartile (LQ) market rent	LHA (Brighton & Hove)	LHA (Crawley & Reigate)
1-bedroom	£437	£653	£925	£917	£858
2-bedrooms	£520	£844	£1,225	£1,197	£1,097
3-bedrooms	£607	£922	£1,550	£1,446	£1,361
4-bedrooms	£677	£1,150	£1,925	£1,995	£1,745
All	£532	£811	£1,100		

Source: RSH, ONS and VOA

3.13 The table below suggests that around 19% of households who cannot afford to rent privately could afford an affordable rent at 80% of market rents, with a further 7% being able to afford current affordable rents. There are also an estimated 31% who can afford a social rent (but not an affordable one). A total of 43% of households would need some degree of benefit support (or spend more than 32.5% of income on housing) to be able to afford their housing (regardless of the tenure). This

analysis points to a clear need for social rented housing; the same broad conclusion as was reached in the SHMA (see Table 7.13) albeit with some different proportions being estimated.

Table 3.6 Estimated need for rented affordable housing (% of households able to afford)

	% able to afford
Afford 80% of market rent	19%
Afford current affordable rent	7%
Afford social rent	31%
Need benefit support	43%
All unable to afford market	100%

Source: Affordability analysis

Intermediate or Low-cost Home Ownership need

3.14   As well as looking at the need from households unable to buy or rent, updated analysis has looked at the need from households able to rent but not buy. Again the methodology in this update is the same as in the original SHMA (with updating based on prices/rents, incomes and other updated information from sources such as the Census.

3.15   The table below shows the estimated need from households able to rent but not buy. This also shows a slightly lower need in this update, which is likely to mainly be driven by the finding of a smaller 'gap' in incomes required to buy and rent respectively, together with some improvement in the relet supply of intermediate housing based on the latest available data.

Table 3.7 Estimated Annual Need for Intermediate/ Low Cost Home Ownership

Per annum	SHMA (2020 base)	Update (2024 base)
Current need	39	31
Newly-forming households	377	277
Existing households falling into need	58	46
Total Gross Need	475	353
Relet supply	19	42
Net need	455	311

Source: Iceni analysis (SHMA data from Tables 7.14 and 7.15)

3.16   In interpreting these figures, it needs to be remembered (as highlighted in the 2021 report) that there will be a notable additional potential supply of housing from the existing market (homes for sale at below a lower quartile price) and therefore the need for housing from those able to rent but not buy is less clear-cut.

Need Different Affordable Home Ownership Products

3.17   Overall, the analysis identifies the greatest need is from households unable to buy OR rent rather than housing for those able to rent but not buy. However, it is likely that delivery of some affordable home ownership might be expected – for example where viability is an issue or to help diversify stock in some locations. It is also possible that some forms of affordable home ownership could be priced to be affordable for some households unable to buy OR rent. The analysis below therefore looks at some of the main options available under the affordable home ownership banner.

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

3.19   Focussing on 2-bedroom homes, it is suggested that an affordable price is not more than about £230,000 and therefore the open market value of homes would need to be no more than £330,000 (if discounted by 30%).

Table 3.8 Affordable home ownership prices

	What households with an affordable home ownership need could afford	Open Market Value (OMV) of Home with 30% Discount
1-bedroom	£170,800-£172,900	£244,000-£247,000
2-bedrooms	£226,200-£230,600	£323,100-£329,400
3-bedrooms	£286,200-£330,600	£408,800-£472,300
4+-bedrooms	£355,400-£437,700	£507,700-£625,300

Source: Iceni analysis

3.20   It is difficult to definitively analyse the cost of newbuild homes as these will vary from site-to-site and will be dependent on a range of factors such as location, built-form and plot size. We have however looked at newbuild schemes currently advertised on Rightmove with the tables below providing a general summary of existing schemes.

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

3.22   This analysis shows how important it will be to know the OMV of housing before discount to be able to determine if a product is going to be genuinely affordable in a local context – providing a discount of 30% will not automatically mean it becomes affordable housing. Overall, it is considered **the evidence does not support providing First Homes in a local context.** First Homes must have a price of £250,000 or less, with the analysis indicating that any delivery would be focused on 1-bed units. However those needing 1-bed properties would not typically be able to afford these.

Table 3.9 Estimated newbuild housing cost by size

	No. of homes advertised	Range of prices	Median price
1-bedroom	9	£220,000-£300,000	£265,000
2-bedrooms	63	£250,000-£555,000	£420,000
3-bedrooms	87	£400,000-£795,000	£540,000
4+-bedrooms	63	£470,000-£2,600,000	£800,000

Source: Iceni analysis

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

3.24   The findings for this analysis are interesting and do point to the possibility of shared ownership being a more affordable tenure than discounted market housing (including First Homes) – particularly for smaller (1- and 2-bedroom) homes and with lower levels of equity share.

Table 3.10 Estimated OMV of Shared Ownership with a 50% and 25% Equity Share by Size

	50% share	25% share
1-bedroom	£263,000	£318,000
2-bedroom	£348,000	£421,000
3-bedroom	£440,000	£533,000
4-bedrooms	£547,000	£662,000

Source: Iceni analysis

3.25   The updated evidence suggests therefore that intermediate housing provision should be focused on provision of shared ownership and intermediate rented homes.

4. Older and Disabled Persons

4.1 The analysis below updates a range of information in the SHMA about older and disabled people (see Section 8 of SHMA). This draws on the updated population projection and a range of new data from the 2021 Census.

Age Structure Changes

4.2 The first updated analysis below looks at the projected change in the number of older people in the 2021-40 period. This shows the total number of people aged 65 and over is projected to increase by 47% over the 19-years to 2040. This compares with overall population growth of 25% and an increase in the Under 65 population of 19%. In total population terms, the projections show an increase in the population aged 65 and over of 14,900 people. This is against a backdrop of an overall increase of 38,400 – results in the population growth of people aged 65 and over accounting for 39% of the total projected population change.

4.3 The analysis can be compared with that in Table 8.2 of the SHMA, and whilst there are differences (in part due to extending the projection period to 2040) the general pattern shown is the same in the two studies.

**Table 4.1 Projected Change in Population of Older Persons, 2021 to 2040 – Mid Sussex**

	2021	2040	Change in population	% change
Under 65	121,220	144,661	23,441	19.3%
65-74	16,060	21,328	5,268	32.8%
75-84	10,866	16,709	5,843	53.8%
85+	4,773	8,595	3,822	80.1%
Total	152,919	191,294	38,375	25.1%
Total 65+	31,699	46,632	14,933	47.1%
Total 75+	15,639	25,304	9,665	61.8%

Source: Demographic Projections

Tenure Profile of Older Households

4.4   The figure below shows the tenure of older person households – updated to be based on 2021 Census data. The data shows that the majority of older person households are owner occupiers (85%), and indeed most are owner occupiers with no mortgage. Some 9% of older person households across the District live in the social rented sector. The proportion of older person households living in the private rented sector is relatively low (about 6%).

4.5   Compared with the SHMA (which used 2011 Census data for this analysis – see Figure 8.1) the number of older person households who are outright owners has increased from 75.3% to 79.5%.

**Figure 4.1: Tenure of Older Persons Households in Mid Sussex, 2021**
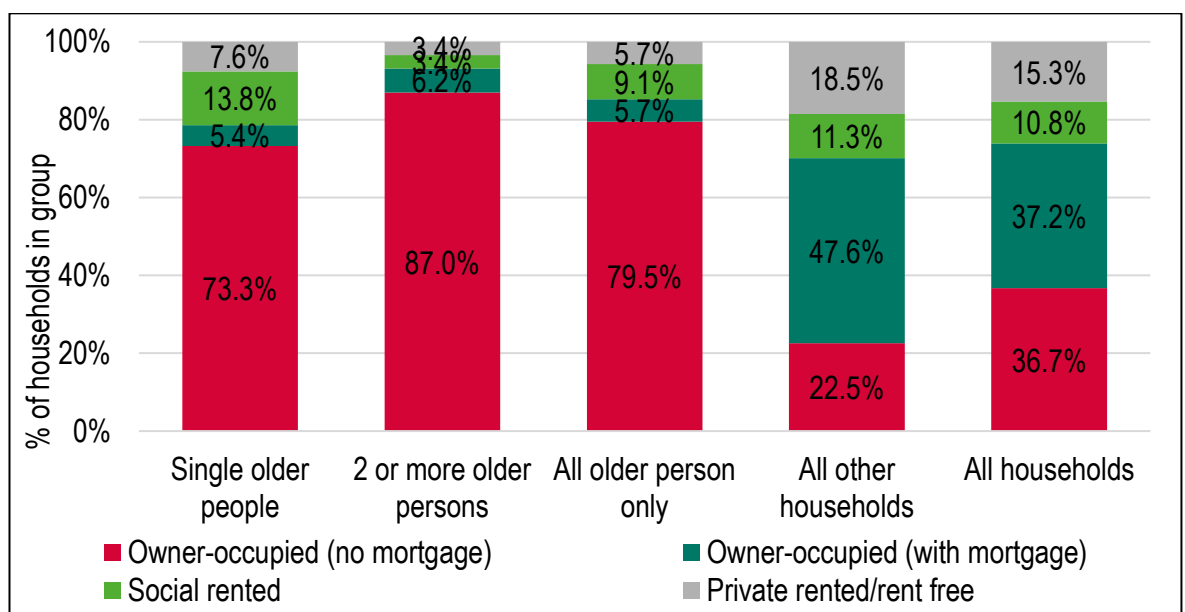
Source: 2021 Census

Incidence of Disabilities

4.6   Figure 4.2 shows the proportion of people who are considered as disabled under the definition within the 2010 Equality Act[1] by age compared with other locations, drawn from 2021 Census data. It is clear from this analysis that those people in the oldest age bands are more likely to have a disability. The analysis also shows lower levels of disability in each age band within Mid Sussex than other locations. This data is not directly comparable with the SHMA due to change of Census definition of disability; however the analysis continues to show better health in Mid Sussex than other areas (see Figure 8.2 of SHMA).

Figure 4.2: Population with Disability by Age
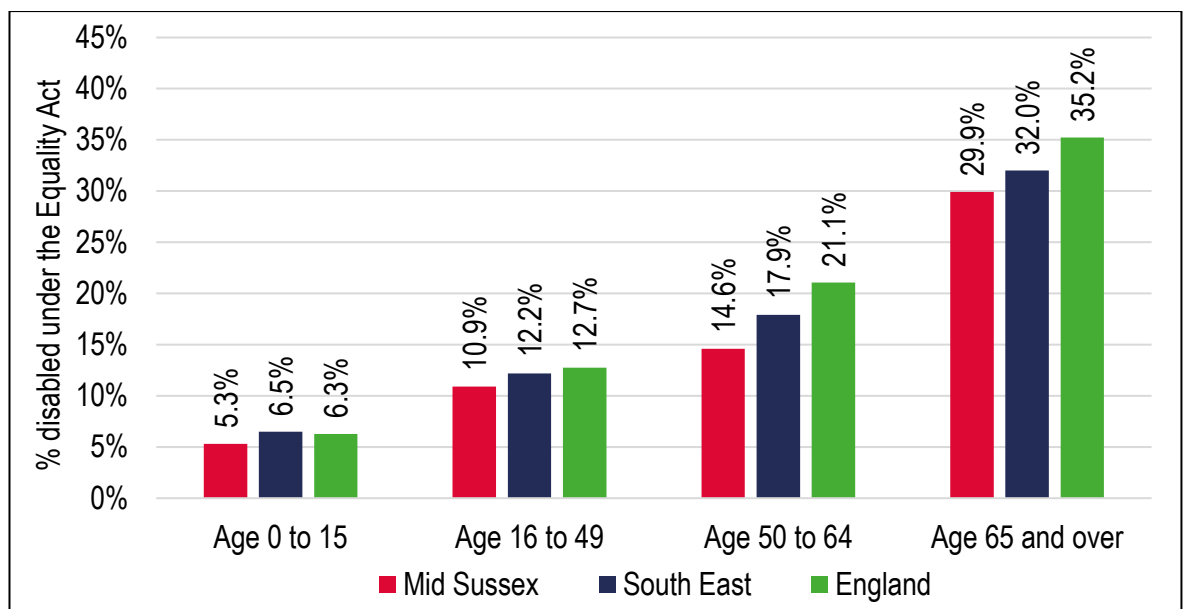
Source: 2021 Census

4.7   The incidence of a range of health conditions is an important component in understanding the potential need for care or support for a growing older population. The analysis below updates a similar analysis in Table 8.4 of the SHMA. This continues to show large projected increases in the number of older people with

[1] The Census uses the same definition of disability as described in the Equality Act. This defines disability as a person with a physical or mental impairment that has a 'substantial' and 'long-term' negative effect on their ability to do normal daily activities.

dementia (increasing by 63% from 2021 to 2040 and mobility problems (up 56% over the same period).

Table 4.2 Projected Changes to Population with a Range of Disabilities

Disability	Age Range	2021	2040	Change	% Change
Dementia	65+	1,977	3,232	1,255	63.5%
Mobility problems	65+	5,101	7,966	2,865	56.2%
Autistic Spectrum Disorders	18-64	687	822	135	19.6%
	65+	246	368	122	49.6%
Learning Disabilities	15-64	1,807	2,162	355	19.7%
	65+	559	816	257	45.9%
Impaired mobility	16-64	4,100	4,788	688	16.8%

Source: POPPI/PANSI and Demographic Projections

Need for Specialist Housing for Older Persons

4.8   The table below updates analysis in Table 8.7 of the SHMA in looking at specialist accommodation needs for older people. The analysis of need/demand has been updated by reference to the new population projections and also data on the relative health of the older person population of the District.

4.9   Estimates of the supply of different forms of housing have also been updated using information provided by the Council, and include schemes completed or with planning permission (pipeline supply) since the SHMA.

4.10   The baseline supply estimates for housing with support and residential/ nursing care homes are lower than in the 2021 SHMA based on review of the latest data. There has been a decrease overall in the number of bedspaces available, particularly in nursing care. Increases however have been seen in the number of housing with care bedspaces.

Table 4.3 Specialist Housing Need using adjusted SHOP@Review Assumptions, 2021-40 – Mid Sussex

		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall/ surplus (-ve)	Additional demand to 2040	Shortfall /surplus by 2040
Housing with support	Market	73	867	1,149	282	710	992
	Affordable	38	811	591	-220	365	145
Total (housing with support)		111	1,678	1,740	62	1,075	1,137
Housing with care	Market	43	187	674	487	417	904
	Affordable	15	111	230	119	142	261
Total (housing with care)		58	379	905	526	559	1,085
Residential care bedspaces		36	486	557	71	344	415
Nursing care bedspaces		40	738	626	-112	387	275
Total bedspaces		76	1,224	1,183	-41	731	690

Source: Derived from Demographic Projections and Housing LIN/EAC

4.11   It should be noted that the above table reflects the supply position in 2021 at the start of the plan period. Since then a number of older person schemes have been delivered including 10 affordable housing with support units, 32 housing with care (8 market, 24 affordable), 4 residential care spaces and 48 nursing care spaces.[2]

4.12   A further 619 bedspaces are in the pipeline and have planning consent, the completed and pipeline bedspaces are shown in the table below.

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[2] 2 additional C2 schemes have also been delivered, a 5 bed care home for adults with learning disabilities and a 24 bed hospice scheme, as neither are specifically for older people they have not be counted in this total

Table 4.4 Completed and Pipeline Bedspaces

		Completed April 2021 – March 2024	Pipeline – with planning consent at 31st March 2024
Housing with support	Market	0	50
	Affordable	10	0
Total (housing with support)		10	50
Housing with care	Market	8	164
	Affordable	24	60
Total (housing with care)		32	224
Residential care bedspaces		4	380
Nursing care bedspaces		44	-35
Total bedspaces		48	345

Source: Mid-Sussex Monitoring Data

Wheelchair Users

4.13   The final updated analysis in this section looks at the need for housing for wheelchair users. In updating the analysis again draws on the new population projection but has also updated some of the baseline data for more recent information from the English Housing Survey (EHS) – this is in relation to prevalence rates for different household groups to contain a wheelchair user.

4.14   In the original SHMA the current need was discounted by 75% to reflect the fact that many households will be living in accommodation that could be adapted and so would not need a new adapted (or adaptable) home. In more recent studies we have also looked at the possibility that the projected need could also be discounted as this will focus mainly on older households who already have accommodation. The table below shows estimated need from wheelchair users both with and without discounting the projection.

4.15   The analysis shows a need for between 510 and 943 homes for wheelchair users over the 2021-40 period – 27 to 50 per annum. The latter of these figures is comparable with the analysis in the SHMA (see Table 8.11) and points to a slightly

lower need in this study. However, the proposed policy approach of seeking a minimum of 5% of market housing for wheelchair users to be delivered to M4(3)(A) standards, and a minimum of 4% of homes in the affordable sector delivered to M4(3)(B) remains justified by the evidence base The approach sought was informed by the SHMA evidence, the evidence of demand on the Housing Register and the experience of the Council's Housing Team.

Table 4.5 Estimated need for wheelchair user homes, 2021-40

	Current need	Projected need (2021-40)	Total current and future need
Total	365	578	943
@ 25% of projection	365	144	510

Source: Iceni Analysis

5. Mix of Homes Needed

Household Growth and Housing Mix

5.1 The final updated analysis below looks at a range of information about family households and the mix of housing (by size and tenure) required. This updates a range of information in Section 9 of the SHMA and draws on the updated population/household projection and a range of new data from the 2021 Census.

5.2 The table below shows the number of families in Mid Sussex (defined as any household which contains at least one dependent child) totalled 19,000 as of the 2021 Census, accounting for 30% of households; this proportion is slightly higher to that seen across the County, region and nationally.

5.3 When compared with the SHMA (see Table 9.1) the analysis shows a similar proportion of family households and a similar comparison with other areas (i.e. slightly higher proportion of households with dependent children). The data does however show over the 2011-21 decade a slight reduction in married couple households and a slight increase in cohabiting couples (with dependent children).

Table 5.1 Households with dependent children (2021)

	Mid Sussex		West Sussex	South East	England
	No.	%	%	%	%
Married couple	12,004	18.9%	15.0%	16.3%	14.4%
Cohabiting couple	2,729	4.3%	4.4%	4.4%	4.5%
Lone parent	3,125	4.9%	5.5%	6.0%	6.9%
Other households	1,102	1.7%	2.1%	2.5%	2.7%
All other households	44,388	70.1%	73.1%	70.9%	71.5%
Total	63,348	100.0%	100.0%	100.0%	100.0%
Total with dependent children	18,960	29.9%	26.9%	29.1%	28.5%

Source: Census (2021)

5.4   Figure 5.1 below shows the current tenure of households with dependent children. There are some considerable differences by household type with lone parents having a very high proportion living in the social rented sector and also in private rented accommodation. In Mid Sussex, 40% of lone parent households are owner-occupiers compared with 82% of married couples with children.

5.5   When compared with the SHMA (see Figure 9.1) the analysis shows a slight reduction in the proportion of households with dependent children who are owner-occupiers and increases in both the social and private rented sectors. The proportion of lone parents who are owners shows the most notable decline; from 48% in 2011 to 40% in 2021.

Figure 5.1: Tenure of households with dependent children (2021)
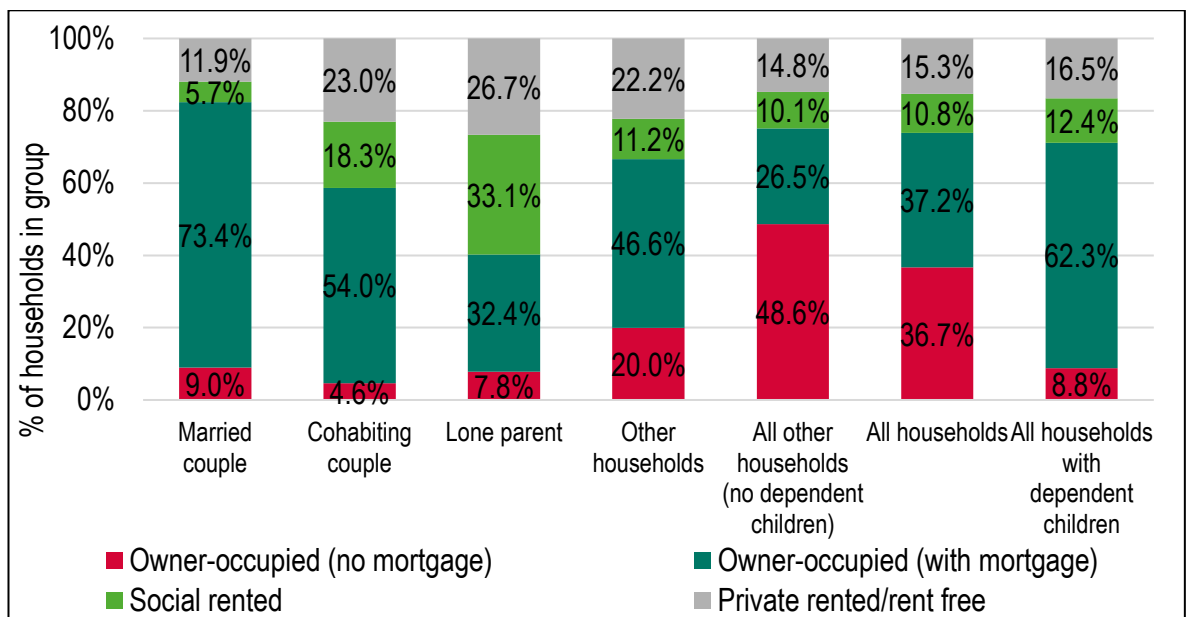
Source: Census (2021)

5.6   The table below shows projected household growth by the age of the household reference person (head of household). This clearly shows strong growth being projected in older age groups, and some younger groups (particularly up to age 34). This is broadly the same pattern as shown in the SHMA (see Table 9.4) but with a slightly stronger overall household growth, linked to extending the projection period by two-years to 2040.

Table 5.2 Projected Change in Household by Age of HRP in Mid Sussex

	2021	2040	Change in Households	% Change
16-24	785	1,380	595	75.7%
25-29	2,513	4,035	1,523	60.6%
30-34	4,238	6,145	1,907	45.0%
35-39	5,003	6,192	1,189	23.8%
40-44	5,644	6,687	1,043	18.5%
45-49	6,276	7,454	1,178	18.8%
50-54	6,821	7,592	771	11.3%
55-59	6,626	7,448	822	12.4%
60-64	5,475	6,622	1,147	20.9%
65-69	4,437	6,160	1,722	38.8%
70-74	4,811	6,153	1,342	27.9%
75-79	4,315	6,258	1,943	45.0%
80-84	3,052	5,147	2,095	68.6%
85 & over	3,488	6,319	2,831	81.2%
Total	63,485	83,592	20,107	31.7%

Source: Demographic Projections

5.7   The table below updates the analysis of housing mix from the SHMA. This draws on the updated projection and also new Census data about how households occupy homes (the relationship between age, tenure and the number of bedrooms in the home).

5.8   Table 5.3 below show the modelled outputs of need by dwelling size in the three broad tenures. Market housing need focusses on 3+-bedroom homes, affordable home ownership on 2-bedroom accommodation and rented affordable housing showing a slightly smaller profile again.

Table 5.3 Modelled Mix of Housing by Size and Tenure – Mid Sussex

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	22%	41%	32%
Affordable home ownership	25%	40%	25%	10%
Affordable housing (rented)	35%	35%	28%	3%

Source: Housing Market Model

5.9 Table 5.4 below shows the same outputs from the SHMA (Table 9.8). Overall the patterns across tenures are similar with key differences being a slightly larger potential need for 4+-bedroom market homes and a greater need for 2-bedroom rented affordable housing (at the expense of 1-bedroom homes).

Table 5.4 Modelled Mix of Housing by Size and Tenure shown in the 2021 SHMA Report

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	26%	42%	27%
Affordable home ownership	25%	39%	26%	10%
Affordable housing (rented)	41%	30%	27%	3%

Source: SHMA (Table 9.8)

5.10 In drawing conclusions about a reasonable mix of housing, the SHMA took account of these modelling outputs, but also considered other factors such as the current stock of housing in different tenures and issues around turnover of smaller units in the social rented sector (as well as reflecting on discussion with Council Officers relating to affordable home ownership). The table below shows the recommended mix of housing. A slightly adjustment to the market housing mix only is considered appropriate.

Table 5.5 Suggested mix of housing by size and tenure

	Market	Affordable Home Ownership	Affordable housing (rented)
1-bedroom	0-10%	10-15%	30-35%
2-bedrooms	20-25%	50-55%	40-45%
3-bedrooms	40-45%	25-30%	15-20%
4+-bedrooms	30-35%	5-10%	5-10%

Source: SHMA (see Section 9 summary)

6. Key Findings & Conclusions

Affordable Housing

6.1   The evidence indicates that the need for rented affordable homes (including social rent) has fallen slightly, but remains significant, with a net need from 383 households per year for rented affordable homes. This reflects updated data on incomes and housing costs, with the slight fall driven by the growth in incomes.

6.2   Alongside this, a narrowing of the gap between the costs of renting and buying in particular resulted in a slight decrease in the need for intermediate or low cost home ownership housing, for which an annual need for 311 affordable homes is shown. The evidence indicates that intermediate should focus on shared ownership and intermediate rented homes, and does not support the provision of First Homes.

6.3   Whilst the quantum of need for affordable housing has fallen marginally in this updated evidence, the scale of affordable housing need remains substantial and provide clear justification for seeking affordable housing on new development schemes.

6.4   Recognising that the affordable housing need is unlikely to be met in full, the evidence continues to support the approach in Policy DPH8: Affordable Housing which prioritises rented affordable housing and seeks 75% social or affordable rented homes. A 75%/25% split between rented affordable and intermediate housing remains appropriate.

6.5   As the supporting text to the Policy sets out, the Council's preference is for rented units to be provided as social rented homes. This continues to be supported by the evidence.

6.6   However the updated evidence indicates that the expectation of 25% First Homes should be amended to support provision of a wider range of intermediate housing, and whilst not seeking to preclude the delivery of First Homes, the evidence

indicates that intermediate housing provision should focus on shared ownership and intermediate rented homes.

Housing Mix

6.7   The updated modelling of the mix of homes in different tenures needed has been set out in Section 5. It shows a slightly different mix of homes needed for market homes, with a modest increase in the proportion of 4+ bed homes needed (from 27% to 32%). Iceni recommend that the market housing mix shown in the Table in Policy DPH7: Housing Mix, is adjusted to reflect this. This affects market housing only, and no changes are recommended to the mix of affordable homes of different sizes.

Older Persons Housing Needs

6.8   The updated evidence indicates that the District's population can be expected to grow by 38,400 over the extended plan period (2021-40). Within this, the population aged 65 and over is expected to grow significantly by almost 15,000 over the period to 2040.

6.9   The updated evidence continues to point to a need for specialist housing to meet the needs of a growing older population. It now shows a higher need for specialist housing than the previous evidence, influenced by both the extension of the plan period to 2040, and an updated analysis of the baseline supply position. A need for nursing home bedspaces is now shown (whereas the previous evidence pointed to an oversupply).

6.10   The updated evidence indicates the following net need position for the 2021-40 plan period.

Table 6.1 Need for Specialist Older Persons Housing & Accommodation

		Net Need, 2021-40
Housing with support	Market	992
	Affordable	145
Housing with care	Market	904
	Affordable	261
Residential care bedspaces		415
Nursing care bedspaces		275

6.11 Iceni consider that table in Policy DPH4 should be updated to reflect this. The Policy seeks to support development of specialist accommodation on both specific allocations and windfall sites within or contiguous to built-up area boundaries and remains appropriate.

6.12 The evidence continues to provide clear evidence of a need for wheelchair-user housing in the affordable and market sectors and continues to support the provision required for this in the Plan through Policy DPH12: Accessibility.