Comment On the Housing Needs Assessment Produced by AECOM in November 2024

Introduction

The Neighbourhood Development Plan Steering Group commissioned a consultancy firm- AECOM to produce a Housing Needs Assessment in order to express their views on the long term housing needs in the village.

The final report was completed in **November 2024,** but despite repeated requests from a number of villagers (including the two Chairs of the NDP Working Group who resigned) the report by AECOM has only just been issued (14 months after its production) together with full draft NDP document and appendices. These combined reports represent 262 pages of information. (a working knowledge of the NPPF – 82 pages- is also required). Whilst the 6-week statutory period has been permitted for the community to comment it would have been reasonable for the community to have had the AECOM report at the time of its production. No legitimate reason for withholding the document has been given by the Parish Council and the long delay in issuing this is contrary to the Nolan Principles.

The report itself has a great deal of information on demographics and is very clear in some of its recommendations, whilst in others there is ambiguity and lack of clarity.

Having completed their report AECOM in November 2024 in para 7.1.1 concerning “Next Steps” is the recommendation that there should be “The Views of local residents” on the report. This did not happen and the report was not published for a further 14 months.

Analysis of the report. (which should be read in conjunction with the AECOM Report November 2024)

Summary

Para 1.2.3

The summary is very clear around affordability in that local households on average incomes are unable to access even entry level homes unless they have a sizable deposit. The median house price would require an annual income almost double the current average. Households on average incomes can afford only entry level rental thresholds.

Para 1. 2.4.

The report supports a 50% discount on market price for those seeking home ownership. The report is weak in that it takes no analysis as to the financial feasibility of this proposal. A 50% subsidy would require a developer to sell at 50% below market value. For example, if a new build home is assessed to be £200, 000 at market value then the subsidised price would be £100,000. (see later)

Para 1.2.6

" *AECOM estimates tht the long-term need for affordable rented housing would be met over the Plan period"* The statement is repeated **<u>3 times</u>** within the document, and is therefore assumed to be a strongly held opinion BUT in the summary statement it is also stated, "*However, it may still be appropriate for the Steering Group to encourage the delivery of some affordable rented housing in Fressingfield".* This statement is NOT SUPPORTED BY ANY EVIDENCE. Indeed, there is no attempt to support it.

Para 1.2.7

The statement concerning the required 35.5 affordable house for home ownership over the plan period is not supported by any evidence other than desk top modelling based on the demographics. It takes no account of the need for the 50% subsidy; no evidence as to actual need; the fact that there is NO public transport; very little local employment and no senior school.

Para 1.4.1

The statement "*There are currently no units of specialist housing for older people."* I believe to be incorrect. The bungalows at Sandpath are owned and managed by the Local Authority for the elderly.

Para 2.1.3

In the analysis of amenities, the report fails to mention that there is NO public transport and few local job opportunities. Both critical factors when deciding where to locate affordable homes.

<u>Section 2.3 The Housing Market Area Context. (HMAs)</u>

In discussion on HMAs the need to look strategically outside the HMA boundary is mentioned, but no further investigation undertaken. AECOM should have taken into consideration the very major developments at Harleston (4 miles away) it is a massive growth area. Harleston is a busy commercial centre with good transport links and has both a senior and primary school.

There are currently two developments under construction these alone account for 444 new houses - Briarswood (203 market and 151 affordable) and Valley View (60 market and 30 affordable). More development is in the pipe line. These must impact negatively on demand in Fressingfield.

<u>4. Specialist Housing for Older People</u>

This section is rather vague. In the end I am not too sure what is being proposed.

Table 4.1

This table would indicate that the availably of social rented property is high (14.3%) when compared to the Mid Suffolk average of 11.3%. This is supported by there being very few (7) on the affordable housing waiting list for a rental property. Additionally, two social rental properties at The Gull have been empty for some considerable time.

Para 4.4.19

The evidence throughout the document conclusively confirms that with the average salary levels in Fressingfield for those on the mean income the only means of achieving home ownership is by receiving a 50% discount on the purchase price.

BUT

Para 4.4.7 in the AECOM report estimates potential demand for 2.7pa affordable home ownership dwellings, resulting in 35 homes over the Plan period. Where is the hard evidence to support the 35 homes assumption? Desk top modelling is based on theory and can be notoriously inaccurate. The big problem in this report is the lack of evidenced based assessed need.

Thirty 35 affordable home ownership dwellings can only be achieved if the following two conditions are <u>met in full</u>:-

a) **A 50% subsidy per dwelling is applied to outright purchase or shared ownership of between 2.5% and 10%.**
b) **A housing estate (or possibly two sites) totalling 105 houses (70 market and 35 affordable) would be required. The report is silent on the need for 70 market houses this which I believe to be a VERY SERIOUS omission and is misleading.**

Para 4.4.19

This paragraph does allude to the issue of financial viability, but it is not resolved. Developers are there to make a profit. Very little, if any, profit is made from constructing affordable homes A 50% discount would result in a loss. There are now several examples where developers have been able (post approval) to have the affordable elements reduced having been able to demonstrate that the schemes, as approved, are not financially viable. Build costs have dramatically increased over the last few years (materials up 40% in two years; CIL payments; Biodiversity Net Gain; labour costs and possibly a new tax to pay for the cladding remedial works.)

AECOM should have undertaken research into local market conditions and the proposed 50% discount. I have spoken to a local developer who informed me that the market " norm " in this locality is a 25% discount on market price. His view was that a 50% discount was **<u>COMPLETELY UNACHIEVABLE</u>** in terms of financial viability. I appreciate that this was the view of single developer, but he was adamant on this issue.

Table 4.7

The report repeats on several occasions that there will be sufficient existing affordable homes for rent in the plan period then table 4.7 suggests that 50% of affordable housing should be for rent. The document lacks clarity as to what is being proposed.

Conclusion

The report contains a large amount of interesting data and in terms of the affordable rental market has taken due consideration based on fact, rather than speculation. The remainder of the report is less robust and lacks scientific rigour.

The key points

1. AECOM should have been transparent and made it clear that the 35 affordable homes for purchase/shared ownership generate a requirement for 70 market houses to subsidise the affordable element. **(a total of 105 houses)**

2. There are **sufficient affordable rental properties** in existence to meet assessed need over the plan period.

3. The proposed 50% discount is **not financially viable** and is therefore misleading. Recommendations should be based on objective facts and essentially be deliverable.

Pam Castro

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