



# Development Management Plan (Regulation 19)

## Housing Mix

November 2017

# Executive Summary

Delivering housing is far more than just a 'numbers game'. It must support the needs of the community as a whole by including affordable and market homes of the type, size and tenure needed by residents and in demand in the market. The NPPF makes clear that authorities should plan positively to deliver choice and wide opportunities for home ownership, specifically planning for the needs of different groups and identify the range of housing required in particular locations.

However, whilst it is important to manage the mix of housing provided on new developments, this should not be a formulaic exercise. The size and type of dwellings proposed on a scheme can undoubtedly have wider implications, both for development feasibility and viability as well as for local character. Therefore, a practical balance must be struck.

The Core Strategy highlights the importance of delivering a range of accommodation that meets the requirements of the various types of households in the borough in order to deliver sustainable and balanced communities. Policy CS14 – Housing Needs of the Community - sets out that the Council will seek to deliver range a housing types and tenures and also establishes the principle that the Council will require development schemes to incorporate a suitable mix of housing sizes. DES6 sets out the requirement for affordable housing, which is supplemented by the Affordable Housing SPD (which will be revised following the adoption of the DMP).

To support the implementation of the Core Strategy, it is proposed that a Housing Mix policy is adopted within the Development Management Plan which sets criteria to guide and promote appropriate and responsive housing mix on development schemes.

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# 1. Introduction

- 1.1 This document forms part of the evidence base for the Development Management Plan (DMP). It sets out an assessment of housing mix, taking account of current and projected context in order to inform the need for a policy on housing mix. This paper should be read alongside the *Housing for Older People* (version 2016 and 2017), the *Affordable Housing Policy evidence paper* and the *Housing standards justification paper*, all of which form part of the DMP evidence base.
- 1.2 It has been carried out in accordance with the requirements of the National Planning Policy Framework (NPPF) and takes account of advice within the National Planning Practice Guidance (NPPG), as well as local planning policy.
- 1.3 The adopted Core Strategy and, once it has been adopted, the DMP will become the new Local Plan for Reigate & Banstead, superseding the content of the Borough Local Plan 2005.

# 2. Paper Context

- 2.1 This paper has been prepared to support housing mix with regard to housing size to support Policy DES4 and DES6 in the DMP. The paper will not discuss in detail, over and above what is required to inform housing mix, other elements of housing mix including older people, disabled people, families with children, affordable housing (including starter homes and affordable private rented housing) house types, and travellers (including those that have ceased to travel). These topics are further covered by the evidence base, including the documents mentioned above as well as the Gypsy and Traveller Accommodation Assessment 2017, the Traveller Site Land Availability Assessment, the Strategic Housing Market Assessment 2012 and the Non-Traveller mobile homes and caravans paper.
- 2.2 In this section, however, the paper does provide justification for not including student housing and self-build and custom-build in the DMP.

## Student Accommodation

- 2.3 With regard to student accommodation, the borough itself has no Higher or Further Education establishments with a need for associated student accommodation nor is any known to arise from establishments in adjacent towns. The council is therefore unaware of any indication of need arising for this type of accommodation to be addressed through provision in this plan.

## Self and custom build

2.4 In terms of self and custom build homes, which are supported by a national policy initiative, the Council has maintained a self-build/custom build register since 1<sup>st</sup> April 2016<sup>1</sup>. Applications have been encouraged through web site publicity etc. but the response has been cautious and limited. The table below sets out the pattern of responses:

Base Period	Dates	Delivery deadline	Part 1	Part 2
<b>1<sup>st</sup> base period</b>	1 April - 31 October 2016	31 October 2019	19 entries (no part 1/part 2 split at this time)	
<b>2<sup>nd</sup> base period</b>	1 November 2016-31 October 2017	31 October 2020	16 entries	2 entries
<b>3<sup>rd</sup> base period</b>	1 November 2017-31 October 2018	31 October 2021	0 entries	0 entries

2.5 The Community Infrastructure Levy database includes a self-build category and shows that since the beginning of the first base period up to 7 November 2017 there have been 23 self-build units given planning permission sufficient to provide for the first base period and for some of the second base period. Given this, and the muted level of interest within the area to register it is not proposed to amplify on national planning policy on this subject with a separate policy on Self/custom build in the DMP.

## 3. Planning Policy Context

### National Planning Policy Framework (2012)

3.1 This paper is based on current national policy and guidance however it is understood that the Government's ambition is to publish a revised National Planning Policy Framework in Spring 2018 as per the "Planning for the right homes in the right places: consultation proposals"<sup>2</sup>. Therefore, updated national policy and guidance is likely to be forthcoming in 2018. In anticipation of these changes, the DMP evidence base has taken into account the section of this document entitled "planning for a mix of housing needs", reflected in Section 2 of this document. The emergence of any other relevant policy will

<sup>1</sup> [http://www.reigate-banstead.gov.uk/info/20088/planning\\_policy/750/self\\_buildcustom\\_build\\_register](http://www.reigate-banstead.gov.uk/info/20088/planning_policy/750/self_buildcustom_build_register)

<sup>2</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/652888/Planning\\_for\\_Homes\\_Consultation\\_Document.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/652888/Planning_for_Homes_Consultation_Document.pdf)

continue to be monitored, such as the Green Paper on Social Housing in England announced by Sajid Javid at the National Housing Federation Conference, September 2017.

- 3.2 It is also recognised that the “Housing White Paper Feb 2017: Fixing our Broken Housing Market” identifies that local authorities are empowered to engage with their communities on design and mix of housing in their area and central government funding is to be made available to assist with funding such initiatives.
- 3.3 The National Planning Policy Framework 2012 sets out the role of the planning system in significantly boosting the supply of housing. In plan-making, local planning authorities are directed to plan positively to meet the housing needs of an area and respond to market signals, such as housing affordability, in order to deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities.
- 3.4 To deliver this, paragraph 50 states that local planning authorities should plan for a mix of housing based on demographic and market trends as well as the specific needs of different groups in the community. Furthermore, it directs planning authorities to identify the size, type, tenure and range of housing required in particular locations.

## Planning Practice Guidance

- 3.5 Planning Practice Guidance (Paragraph: 003 Reference ID: 2a-003-20140306) notes that the definition of need for housing, in the context of the guidance, refers to the scale and mix of housing and the range of tenures that is likely to be needed in the housing market area over the plan period – and should cater for the housing demand of the area and identify the scale of housing supply necessary to meet that demand.
- 3.6 Planning Practice Guidance (Paragraph: 021 Reference ID: 2a-021-20160401) goes on to state that plan makers should look at the household types, tenure and size in the current stock and in recent supply, and assess whether continuation of these trends would meet future needs. This is discussed further in Section 4 below.

## Core Strategy (2014)

- 3.7 The Core Strategy forms the principal spatial planning document for the Council covering a wide range of planning issues. It sets out the scale and location of new development over the 15 year period between 2012 and 2027.
- 3.8 The Core Strategy highlights the importance of delivering a range of accommodation that meets the requirements of the various types of households in the borough in order to deliver sustainable and balanced communities. The document also sets out the need to provide accommodation to address the anticipated growth in the number of older residents across all tenures.
- 3.9 Policy CS14 sets out that the Council will seek a range of housing types and tenures and aims to resist an undue concentration of any one type of dwelling in a location that would cause an imbalance or adversely affect community cohesion. Policy CS14 also establishes the principle that the Council will require developments to incorporate a suitable mix of housing sizes.
- 3.10 Policy CS13 sets out the Council's strategic approach to the provision of affordable housing. This policy is to be superseded by 'Policy DES6 – Affordable Housing' in the DMP.

## **Reigate & Banstead Borough Local Plan (2005)**

- 3.11 The Borough Local Plan includes a specific policy (Ho3) aimed at managing housing mix and ensuring allocated and windfall sites cater for a range of housing needs.
- 3.12 The specific provisions of Policy Ho3 include a requirement for sites over a 0.4 hectare or 10 units threshold to provide a mix of dwelling sizes, including a proportion of one and two bedroom units. The policy also encourages the provision of small dwellings on small sites within or close to town centres or other locations benefitting from good access to amenities and public transport.

## **Supplementary Planning Guidance**

- 3.13 The Local Distinctiveness Design Guide makes reference to the importance of a balanced mix of house types, sizes and tenures to create mixed neighbourhoods. From a design perspective, the guide recognises that varied housing mix can introduce a greater range of building forms and scales and the role this can have in the overall design of a scheme.

## **Affordable Housing SPD**

- 3.14 The Affordable Housing SPD sets out the amplification and practical details to support the implementation of Policy DES6 of the DMP. The current version is from 2014, and this will be updated following adoption of the DMP to ensure that it is consistent with Policy DES6: *Affordable Housing* of the DMP.
- 3.15 The document will also set out the mechanism and metrics for calculating the equivalent contribution required on sites where this is applicable.
- 3.16 The SPD also provides further information on tenure mix and dwelling size requirements for the various tenures.

## 4. Other policy documents

### Reigate and Banstead Corporate Plan

- 4.1 Whilst not specifically addressing the matters of housing quality in the borough, the Council's current Corporate Plan is focussed on improving overall quality of life for residents of the borough.
- 4.2 One of the objectives of the Self reliant and thriving communities theme is to ensure residents have access to suitable housing, particularly by the Council promoting the provision of appropriate and affordable housing, especially for younger people and the growing 60+ population.

## 5. Consultation Responses

### The Issues and Options consultation

- 5.1 The Issues and Options consultation (2010/2011) carried out on the then titled Development Management & Site Allocations DPD sought to gauge the types, content and level of detail which should be included in policies relating to housing delivery in the borough. Whilst responses should be treated with caution due to the low response numbers, they provide some options towards particular policy approaches, although those who replied are likely to also be those who have particularly strong opinions on the policy.
- 5.2 Of specific relevance is Ho5 which considered various policy options which could be followed in relation to managing the mix of housing types and sizes



on new developments. Three options were introduced:

- A: Set a borough-wide preferred housing mix policy which will provide for a range of dwelling sizes and types
- B: Establish an appropriate housing mix based on a site-by-site basis
- C: Allow the market to determine the delivery of housing mix

- 5.3 There was limited support for Option A with only two responses in favour. Options B and C received similar support with 10 and 11 respondents respectively voting in favour of these options.
- 5.4 Option A was not favoured for two main reasons: a borough-wide mix would lead to a dilution of character and that it would also be inflexible with little scope to respond to changes over the life the plan. The former was commonly cited by local residents and interest groups whilst the latter by those in the development industry.
- 5.5 Option B was favoured by a mix of those in the development industry and local residents/interest groups. Specific comments received in relation to this option suggested that mix should be set on an area by area basis and that the specific mix required on larger sites should be included within site allocations or development briefs in order to provide certainty to developers.
- 5.6 Those who favoured Option C were typically representative of the development industry, whilst those who were opposed to Option C took such a position as it would leave the Council with little ability to manage mix and would abdicate too much to developers.

## Regulation 18 Consultation

- 5.7 Regulation 18 Consultation was carried out on a draft version of the DMP which included a policy on Housing mix, and there were around 50 comments relating to this policy. A summary of the comments received are set out below:
  - Existing housing mix is good
  - There need to be smaller housing in the north of the borough and Horley to attract younger people and to support key workers.
  - Most new housing should take the form of apartments to reach housing targets without compromising the green belt
  - More flats will increase the density of the population
  - There are very few "small" houses in Chipstead. Some older people are not inclined to leave the village they have lived in for many years

but might be interested in downsizing to smaller houses, should they exist within Chipstead and its environs, thereby freeing up large houses to be occupied by families once again.

- Makes no provision for older people
- Is too ambiguous and does not provide the clarity required of local plan policies. The Council, reflecting the latest SHMA, should stipulate the mix of houses required.
- This is a matter for the market to dictate
- Need for different types of housing changes over the plan period change and so it would be inappropriate to draft a policy setting a particular mix or standard of development
- The policy is not flexible enough
- The policy would compromise character of the area

## 6. Other relevant evidence

### Appeal decisions

- 6.1 The Council has defended very few appeals where housing mix formed a predominant area of conflict. Generally, mix tends to be negotiated and managed through the application process with Ho3 relatively successful in delivering on the overall objective.
- 6.2 1-4 Wraylands Drive (06/00863/F) is one example where the Council has cited conflict with mix policy (Ho3) as a reason for refusal. In this case, the development proposed incorporated twenty four 3 bedroom units which the Council argued failed to comply with Ho3. However, on this point, the Inspector concluded that the policy provided little guidance as to what would constitute an appropriate proportion of small units.
- 6.3 There have also been instances where schemes, typically on the margin of the threshold, have included small units to meet the requirement of Ho3 but have subsequently come back to the Council to substitute for a single larger family home. An example of this is at 82-90 Nork Way (11/00422/F and APP/L3625/A/11/2156277) where the applicant sought to replace 2 x 2 bed maisonettes with a single 4 bed family unit. The applicant cited market evidence that small units were difficult to sell in the location and that overall demand in the area was for family sized dwellings, and the appeal was allowed.

### Strategic Housing Market Assessment

- 6.4 In line with the NPPF, the Council has published a Strategic Housing Market Assessment as part of its Local Plan evidence base, which was updated in 2012. The document provides an analysis of the current housing market in the borough and forecasts future needs and demand for market and affordable housing in the borough.
- 6.5 In terms of dwelling size, the SHMA makes several pertinent points. Within the market sector, the study recommends that future development should seek to deliver a higher proportion of smaller units as compared to existing stock, particularly to meet the needs of younger households entering the market as well as providing options for older households to encourage more efficient use of the housing stock. Overall however, larger family houses should still constitute a large portion of provision.
- 6.6 For the social/affordable rent sector, the SHMA recommends that provision is geared more towards smaller units, predominantly two bedroom units, recognising the need which arises through the Councils housing register. This focus on small units is even more acute in the intermediate sector, particularly due to the needs of newly forming and concealed households.
- 6.7 The SHMA recommends the following property size targets:

	1 bed	2 bed	3 bed	4 bed
<b>Social/Affordable rent</b>	75%		25%	
<b>Intermediate</b>	85%		15%	0%
<b>Market</b>	40%		60%	

*Table 1 – SHMA 2012 figures*

## Monitoring data and additional data sources

- 6.8 Planning practice guidance notes that plan makers should examine current and future trends of the following:
- the proportion of the population of different age profile;
  - the tenure composition of housing.
  - the types of household (eg singles, couples, families by age group, numbers of children and dependents);
  - the current housing stock size of dwellings (eg one, two+ bedrooms);
- 6.9 Using various data sources, including the Council’s monitoring data, these are explored below.

### Age profiles

- 6.10 The 2016 population estimates identifies the following age breakdown:
- 0 – 15 = 20%
  - 16 – 64 (working age) = 62%
  - 65 + = 18%
- 6.11 Planning practice guidance notes that “The need to provide housing for older people is critical given the projected increase in the number of households aged 65 and over accounts for over half of the new households”. The *Housing for Older People evidence paper 2016* forecasts that for Reigate & Banstead the potential growth of those over 65 is between 35% and 50% and identifies a significant percentage increase in the proportion of the population over 85.
- 6.12 The National Planning Policy Framework which defines older people as: *“people over retirement age, including the active, newly-retired through to the very frail elderly, whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs”*
- 6.13 The Housing for Older People evidence papers (2016 and 2017) cover in detail the general DMP approach to older people. These evidence papers conclude that whilst there was a theoretical need to deliver a certain amount of older person accommodation that in reality the need will be lower as people actively choose to stay in their homes, supported by retrofitting adaptations and services such as telecare. As such, a flexible approach is proposed which does not set targets for older persons housing but seeks to deliver housing which will support older person through requiring this on urban extensions, supporting windfall schemes, provision of accessible/adaptable housing and flexibility to allow for a range of types of provision/product to meet evolving needs, including the right type and size of accommodation.
- 6.14 In terms of preference, a report by the Demos think-tank reported that 33% of over-60s would be interested in downsizing to smaller homes and/or specialist accommodation. The report goes on to note that two bedroom properties were the most popular choice across the board, with the majority of all groups stating that their preferred move would be into a two-bedroom property.<sup>3</sup> A report from the Joseph Rowntree Foundation found that analysis of moves by older households over a five year period within the private sector (rent or owner-occupier) showed that 87 per cent moved into a dwelling with two or more bedrooms.<sup>4</sup>

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<sup>3</sup> <https://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

<sup>4</sup> <https://www.jrf.org.uk/report/older-peoples-housing-choice-quality-life-and-under-occupation>

## Tenure

- 6.15 The table below provides figures from the Census 2011 on household tenures in the Borough. This illustrates that the vast majority of units are owner occupied, with renting only comprising about a quarter of tenure in the borough.

Tenure	%
Owner occupied	73%
Shared ownership (part owned and part rented)	1%
Social rented	12%
Private rented	13%
Living rent free	1%

*Table 3 – Tenure, Census 2011*

- 6.16 The English Housing Survey (2015 – 16) notes that of the estimated 22.8 million households in England 63% were owner occupiers, compared to the borough figure of 73% owner occupiers set out in the Census 2011. However, this is a reduction from the 2001 census which found the level of owner occupation in the borough was 78%, and over this 10 year period there was a 5% increase in tenancy within privately rented accommodation.
- 6.17 The Home Let Rental Index notes that average monthly rent in the South East is around the £1,000 price range, whereas the UK average is around the £900 price range<sup>5</sup>. The private rental market summary statistics from the Valuation Office Agency (2016 – 17)<sup>6</sup> identify that the borough has the 52<sup>nd</sup> highest average rental values out of 331 local authorities.
- 6.18 The Reigate & Banstead Affordable Housing policy evidence paper goes into more detail around the lack of housing affordability in the borough, which is a significant challenge facing the Council. However, in summary the borough (market) house price to (gross) earnings ratio of 12.6 in 2015 for the median quartile (middle quarter of households and house prices when ranked in order), and 15.4 for the lowest quartile. The overall trajectory of housing affordability in the borough is upwards, with property price increases outstripping the rate of increase in earnings. Residents in the lowest quarter of the boroughs earnings would need to spend over half of their earnings to rent a one-bedroom flat within the lowest quarter of rental values.

<sup>5</sup> <https://homelet.co.uk/homelet-rental-index>

<sup>6</sup> <https://www.gov.uk/government/statistics/private-rental-market-summary-statistics-april-2016-to-march-2017>

6.19 Homelet carried out a survey of 20,388 tenants across the UK in 2017<sup>7</sup>. This found that 48% of those renting had not bought a house yet due to high house prices and deposit level and 25% were unable to save for the initial deposit and fees. Whilst this is a national statistic, given the high rental values in the area this will be just as relevant for the borough.

6.20 Allied to age profile and tenure, data from ONS<sup>8</sup> illustrates a national reduction in the numbers of first time buyers which has subsequently had an impact on the age of homeowners. In 1991, 67% of the 25 to 34 age group were homeowners. By the financial year ending 2014, this had declined to 36%. There were also reductions in home ownership over the same period for the 16 to 24 age group (from 36% to 9%) and for the 35 to 44 age group (from 78% to 59%). This has resulted in higher proportions of young adults (age 20 – 34) living with their parents for longer. This also accounts for some of the increase in the proportion of younger people in the private rented sector; the proportion of those aged 25 to 34 who lived in the private rented sector increased from 24% in 2005-06 to 46% in 2015-16.

6.21 By contrast, home ownership has increased among older age groups, including outright ownership as large numbers of baby boomers are reaching retirement age and paying off their mortgages.

6.22 A report from Halifax (January 2017) sets out average price, loan and deposit amount by region for first-time buyers in 2016.<sup>9</sup>

	<b>Average House Price (£s)</b>	<b>Average Mortgage (£s)</b>	<b>Average Deposit (£s)</b>	<b>Deposit as % of purchase price</b>
North	124,117	105,794	18,324	15%
Yorkshire and the Humber	135,719	116,257	19,462	14%
North West	144,367	123,343	21,025	15%
East Midlands	153,779	130,717	23,062	15%
West Midlands	159,732	135,570	24,162	15%
East Anglia	196,367	164,503	31,864	16%
Wales	133,730	116,181	17,550	13%
South West	200,465	166,159	34,306	17%

<sup>7</sup> <https://homelet.co.uk/tenants/blog/article/tenant-market-survey-2017>

<sup>8</sup> <https://visual.ons.gov.uk/uk-perspectives-2016-housing-and-home-ownership-in-the-uk/>

<sup>9</sup> <https://static.halifax.co.uk/assets/pdf/mortgages/pdf/halifax-first-time%20buyer%20review-13-january-2017-housing-release.pdf>

South East	272,777	225,305	47,472	17%
Greater London	402,692	302,247	100,445	25%
Northern Ireland	115,269	98,575	16,695	14%
Scotland	137,188	116,459	20,729	15%
<b>UK</b>	<b>205,170</b>	<b>172,849</b>	<b>32,321</b>	<b>16%</b>

*Table 4 – Average first time buyer information, Halifax report 2017*

6.23 The above table identifies that in the South East the average house price for a first-time buyer is £272,777. A search on Right move with a maximum limit of £280,000 identified 378 units available to all, in addition to 119 retirement homes (including those sold subject to contract). These 497 results were split as follows:

Type	Available to all	Retirement Units	Total
Studio	12	1	13
1 bed	163	40	203
2 bed	188	60	248
3 bed	15	17	32
4+	0	1	1

*Table 5 – Rightmove sales data*

6.24 Those 3 bed units available to all are only located in Redhill, Merstham, Horley and Salfords and include 4 units only available to case buyers which would not include the average first-time buyer. The 3 bed units currently available on Rightmove in Banstead and Reigate are restricted to those over 60.

### **Types of household**

6.25 The below table identifies the housing type for the borough and for England, and projects what these categories will look like in 2039. This illustrates that whilst one person households will decrease, that one person and couples with no other adult households will still account for 53% of the total household types.

6.26 The “other” category, which comprises other multi-person households, is also projected to increase, which could indicate a lack of suitable accommodation for first time buyers resulting in increased sharing of

accommodation. This may also explain the reduction in the number of one person households.

- 6.27 This may also be reflective of the English Housing Survey (2015/16) findings that nationally about half of owner occupied households are under-occupied, increasing from 39% in 1995-96 to 52% in 2015-16. In contrast, the proportion of under-occupied households in the rented sectors decreased over this period. Under-occupation amongst private renters decreased from 18% in 1995-96 to 14% in 2015-16 and under-occupation amongst social renters decreased from 12% to 10%.

Size of Household	RBBC		England	
	2014	2039	2014	2039
<b>One person</b>	28%	25%	30%	31%
<b>Couple and no other adult</b>	28%	28%	26%	25%
<b>Couple and one or more other adult</b>	9%	10%	8%	8%
<b>Households with dependent children</b>	31%	29%	29%	27%
<b>Other*</b>	5%	8%	8%	9%

*Table 6 – Household projections (Source: Government Household Projections 2014)*

\* This category is of multi-person households and will contain the majority of adults living in house shares.

- 6.28 Most importantly, when assessing housing mix needs from household projections it cannot be assumed that household size and dwelling size have a direct correlation. Data from the Survey of English Housing 2007/08 illustrates that in the South East, although around one third of single person



households live in 1 bedroom properties, broadly equal proportions of single households live in 2 and 3 bedroom properties. This evidence suggests that patterns of occupancy and demand for different sized homes reflect income, wealth and life stage rather than household size.

### Size of dwellings

- 6.29 The Council annually monitors the type and size of new homes built across the borough and this can be used to assess whether a “target” mix has been achieved and provides some indication of the effectiveness and outcome of the current policy approach.

#### *Market Housing*

- 6.30 With regard to market housing, since 2008 smaller (1 and 2 bed) homes have represented 47% of supply whilst larger dwellings (3+ bed) represented 53% of the total. However, as the table below demonstrates, there has been noticeable variation according to the locale, with the mix in the more accessible and denser urban locations of Redhill and Reigate experiencing skewed towards smaller units whilst in the more suburban areas in the north of the borough the mix more skewed towards larger units.

	<b>Small (1 and 2 bed)</b>	<b>Large (3 bed +)</b>
<b>North</b>	30%	70%
<b>Central (Redhill)</b>	69%	31%
<b>Central (Reigate)</b>	72%	28%
<b>South</b>	29%	71%

*Table 7 – RBBC data*

#### *Affordable Housing*

- 6.31 With regard to affordable housing, since 2008 smaller (1 and 2 bed) homes have represented 88% of borough-wide supply whilst larger dwellings (3 and 4 bed) represented 12% of the total.

	<b>Small (1 and 2 bed)</b>	<b>Large (3 bed +)</b>
<b>North</b>	76%	24%
<b>Central (Redhill)</b>	87%	13%
<b>Central (Reigate)</b>	95%	5%
<b>South</b>	90%	10%

*Table 8 – RBBC data*

- 6.32 The housing register for the borough (June 2017) indicates that almost three quarters of households in housing require one and two bedroom dwellings:

<b>Bedroom requirement</b>	<b>% of total households</b>
<b>1 bed</b>	32%
<b>2 bed</b>	41%
<b>3 bed</b>	22%
<b>4 bed +</b>	5%

*Table 9 – RBBC Affordable housing register 2017*

- 6.33 Whilst difficult to be definitive in respect of what the Policy HOR3 has achieved, the monitoring data does suggest that the application of the current Borough Local Plan policy has delivered a reasonable mix of dwellings in a way which appears to be responsive to local character. However, the mix of units across the borough is unbalanced.
- 6.34 In addition whilst delivery of housing across the borough has been more controlled in the last 10 years, the overall housing stock is still skewed towards larger units across the whole borough; the 2011 census data shows that 0 – 2 bed units account for 36% of the stock, and 3 + beds account for 64% of the stock.

## **7. Policy approach for Reigate & Banstead**

- 7.1 The NPPF makes clear that authorities should plan positively to deliver choice and wide opportunities for home ownership, specifically planning for the needs of different groups and identify the range of housing required in particular locations.
- 7.2 Delivering housing is far more than just a ‘numbers game’. It must support the needs of the community as a whole by including affordable and market homes of the type, size and tenure needed by residents and in demand in the market.
- 7.3 As such, whilst it is important to manage the mix of housing provided on new developments, this should not be a formulaic exercise. Mix can undoubtedly have implications, both for development feasibility and viability as well as for local character, and these implications are arguably more difficult to mitigate

on smaller sites. Therefore, a practical balance must be struck. This is reflective of the comments received at Regulation 18 which considered that the policy drafted at that stage was not flexible enough.

- 7.4 The Council's latest Strategic Housing Market Assessment (SHMA) provides broad evidence as to the mix which is likely to be required to meet the needs of the local market moving forward and provides a reasonable guide for development. However, need and demand will inevitably change over time and it is imperative that any policy is suitably flexible to respond to circumstances over the life of the plan.
- 7.5 The updated policy continues to direct developers to the SHMA but says that in order to provide balanced communities some percentage is required to provide smaller/ larger properties to ensure balanced communities, the rest the developer should provide in accordance with the SHMA/market signals. Whilst it seeks to ensure a range of housing types it does balance this with flexibility for schemes to respond to site specific viability, local character and practicality considerations. The Regulation 18 policy allowed for deviance from the specified percentages if it can be demonstrated that it is not financially viable or technically feasible to do so. The policy has since been updated to make it clear that deviation from the requirements will be allowed if it can be demonstrated that it would have an adverse impact on the character of the surrounding area or it can be clearly demonstrated there is no market demand. The policy has also been updated to provide clarity on requirements within and outside town and local centres. It is felt that there is now sufficient flexibility within the updated policy in the draft Regulation 19 DMP.
- 7.6 With regard to the specified percentages, these are considered necessary given the evidence set out in Section 5 which identifies some specific needs and irregularities across the borough.
- 7.7 It is clear that there is a need to plan for the needs of the increasing older population and it is evident that this is a particularly complex area to cater for given the range of needs and aspirations that the older population can have. There is some demand for downsizer accommodation, both from research as well as consultation, however, the above research alongside the other DMP evidence papers on elderly people accommodation, illustrates that this is not simply a matter of providing the correct sized accommodation. There are practical and emotional factors which mean many older people are discouraged from moving, as well as a general mismatch in tenure of retirement properties and a lack of the right type of product i.e. a purpose built downsizer product designed for the "active elderly downsizer" is likely to appeal to those who are disenfranchised by the more traditional categories of

elderly accommodation, such as sheltered housing or residential care.

- 7.8 Nevertheless, it is clear that some of this downsizer need could still be accommodated by more of the right size of accommodation, with a strong preference for at least two bedrooms. Other policies in the DMP, such as DES7: *Specialist accommodation*, provide support for older people accommodation, to try and provide a multifaceted approach to this issue.
- 7.9 In addition, it is clear that affordability and home ownership is a national problem, which is exacerbated in the borough by property price increases outstripping the rate of increase in earnings and availability of housing. It is apparent from Section 5 above that the average first-time buyer in this area will only be able to afford a one or two bed unit. Whilst increasing supply of housing should reduce house prices to some degree there is no certainty or control around this, and as such a higher percentage of one and two bed units should be promoted for those seeking to get onto the property ladder.
- 7.10 It is therefore recommended that all new housing developments – subject to viability constraints – should provide some smaller properties (one and two bedroom dwellings).
- 7.11 Furthermore, the different areas of the borough show that larger houses have been the trend in the north and south of the borough, whilst in the middle there have been more smaller homes delivered. The proposed mix policy seeks to ensure that there is a spread of different size homes across the borough to ensure there is a good balance where these might not be being delivered by the market, and as such includes a requirement for larger housing on developments over 20 units or more. This is also reflective of the findings in the SHMA which notes that larger housing should be provided as well as smaller housing.
- 7.12 The evidence outlined above, including the Housing register and the monitoring data, indicate that a different policy approach for housing mix should be sought for affordable housing and market housing.
- 7.13 As such, Policy DES4: *Housing Mix* only applies to market housing and Policy DES6: *Affordable Housing* set out the mix for affordable housing. Policy DES6 stipulates that housing mix for affordable housing should take into account the affordable housing needs in the borough at that time, the size of the market homes provided on the site, and the prevailing type of housing in the area. Policy DES6 will be supported by the Affordable Housing SPD which will be revised following adoption of the DMP.

## 8. Recommendations and policy wording

- 8.1 With regard to market housing, the monitoring data suggests that the current relatively fluid policy has delivered a reasonable outcome, both in terms of overall mix and responsiveness to character. This, coupled with the consultation responses and specific issues identified above, points towards introducing a policy which continues to generally afford flexibility. However, the monitoring data set out above demonstrates the disparity in units sizes across the borough and some specific needs. The policy also recognises the practicality of different size developments to accommodate a variety of dwellings and importance in contributing to mixed communities.
- 8.2 In order to deliver the mix of housing required to meet the needs of current and future households a specific *Housing Mix* policy for market housing, is recommended, as well as reference to mix in the affordable housing policy:

### Policy DES4 – HOUSING MIX

- 1) All new residential developments must provide homes of an appropriate type, size and tenure to meet the needs of the local community. The proposed housing mix must:
  - a) Respond appropriately to local evidence of need and demand for different sizes and types of housing, including the Council's Strategic Housing Market Assessment.
  - b) Address any site specific requirements contained in this or other relevant local plan documents, including the requirements of the Affordable Housing SPD.
- 2) Provision of market housing must meet the following requirements unless it can be demonstrated that it is not financially viable or technically feasible to do so, or that doing so would have an adverse impact on the character of the surrounding area or it can be clearly demonstrated there is no market demand:

#### **Borough-wide (except for town and local centres)**

- a) On sites of up to 20 units, at least 20% of market housing units must be provided as smaller (one and two bedroom) dwellings.
- b) On sites of 20 units or more, at least 30% of market housing units must be provided as smaller (one and two bedroom) dwellings and at least 30% of market housing units must be larger (three and four bedroom) dwellings.

#### **Within town and local centres**

- c) On all schemes, at least half of all homes provided must be 1 and 2 bed units.
- d) On schemes of 20 or more dwellings at least 10% of dwellings must be 3 and 4 bed units.

## Policy DES6 – AFFORDABLE HOUSING

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4. The size mix of the affordable dwellings provided on each qualifying site, expressed as number of bedrooms and bed-spaces, should take into account the affordable housing needs in the borough at that time, the size of the market homes provided on the site, and the prevailing type of housing in the area.

- 8.3 It is recommended that policy on housing mix is supplemented by guidance set out in the Affordable Housing SPD which is to be revised following adoption of the DMP. This will be effective in managing the operation of Policy DES6: *Affordable Housing*, particularly in relation to mix and tenure requirements.
- 8.4 As relevant, it is recommended that housing mix for large sites and/or urban extensions should be enshrined in site specific development briefs or masterplans and adopted as SPD.
- 8.5 The Council already annually monitors the mix of new housing built across the borough in relation to type (house/flat), number of bedrooms and tenure mix. Comparison is also made between completions and the recommended mix set out in the SHMA and this will continue.