NORFOLK COAST
AREA OF OUTSTANDING
NATURAL BEAUTY

THE HOUSING MARKET
AND AFFORDABLE HOUSING
A study of affordable housing provision
in a protected area

FINAL REPORT

Three Dragons

Jane Smith

B. Line Housing Information

Dr Andrew Golland

May 2005

CONTENTS

Acknowledgement

This project was funded by the Norfolk Coast Partnership, the Countryside Agency and North Norfolk District Council.

The consultant team is grateful for the support and interest of the project Steering Group throughout the study and to the many people who helped us with the research.

EXECUTIVE SUMMARY

The Norfolk Coast Area of Outstanding Natural Beauty

1 The Norfolk Coast Area of Outstanding Natural Beauty or AONB is one of 41 AONBs in the country. It covers 453 square kilometres with 90.8 kms of coastline and includes 68 parishes (wholly or partly within it). The AONB lies mainly within the administrative areas of the Borough Council of King's Lynn and West Norfolk and North Norfolk District Council with a small part in Great Yarmouth Borough Council. It is home to about 40,000 people.

2 A Partnership of local stakeholders has been set up to cover the AONB. The core funding partners are:

- Countryside Agency
- Norfolk County Council
- King's Lynn and West Norfolk Borough Council
- Great Yarmouth Borough Council
- North Norfolk District Council
- Environment Agency

3 The Partnership's role is to co-ordinate the activities of all the relevant organisations as a means of managing the AONB effectively. The Partnership's overall objective is to ensure that the use of the area is sustainable - that use does not destroy its natural beauty and that future generations have the same opportunity to enjoy and benefit from it.

4 A Management Plan covering 2004 to 2009 was produced in 2004 by the Norfolk Coast Partnership. The aims of the Partnership's Management Plan are to provide sustainable management of the AONB and to include conserving and enhancing its natural beauty.

Purpose of the study

5 The Norfolk Coast Partnership commissioned this study to enable the Partnership to respond to one of the actions set out in the Norfolk Coast Area of Outstanding Natural Beauty (or AONB) Management Plan[1] to:

"Identify blocks to meeting local housing needs and implement methods to meet housing needs specific to the AONB."

6 The objectives of the study were to:

- Identify the specific issues and constraints for affordable housing which reflect its AONB status;
- Identify possible solutions to the provision of affordable housing (and where further consideration may be needed);
- Provide an assessment of the scale and nature of the affordable housing issues within the AONB.

7 This report describes how the housing market operates both within the AONB and its surrounding area; examines the need for and provision of affordable

---

[1] Norfolk Coast Area of Outstanding Natural Beauty Management Plan 2004 -2009, Norfolk Coast Partnership, March 2004.

housing; considers the policy tools and mechanisms that are available to support the provision of affordable housing; and makes recommendations for improvement that the Partnership could take forward in collaboration with other stakeholders.

How we carried out the work

8 We worked with a steering group of Partnership members to develop the project, and used a mixture of desk- based analysis of reports and data and personal and telephone interviews to gather our information.

9 We spoke to representatives of housing and planning departments in the relevant local authorities, housing associations, developers and estate agents, parish and district councillors, local parish representatives, the Rural Housing Enabler for Norfolk and representatives of the Housing Corporation and the Countryside Agency.

What is affordable housing?

10 Affordable housing is non-market housing, at prices below market values and which can include social rented housing and intermediate housing. Social rented housing is owned by local authorities and registered social landlords[2] and is available for those in housing need at rents which reflect national guidelines. Intermediate housing is housing at prices or rents above those of social rent but below market prices or rents and is designed for people whose income is too high for them to qualify for social rented housing, but too low to buy on the open market. Products include sub-market renting, low-cost home ownership and shared ownership

The housing situation

11 The AONB contains some of the most sparsely settled areas in the East of England.

12 While the proportion of housing that is owner occupied is similar to that in the district council areas, the proportion of properties owned outright in the AONB is higher; the proportion of social rented housing is lower and the proportion of private rented is higher than in the district council areas.

13 The make-up of the current housing stock in the AONB is skewed towards detached and semi detached homes, with limited availability of cheaper “entry level” housing such as terraced property or flats, which might suit the needs of first-time buyers.

14 House prices are high generally in north Norfolk and particularly in the AONB where the average 'entry level' price is £158,000. Estate agents confirm the buoyant prices throughout the coastal area of north Norfolk, with cheaper prices inland. But even here housing is mostly beyond the reach of first-time buyers - for example, the cheapest new development in Fakenham is still £90,000.

15 Average household incomes in the AONB are £28,000 per annum but 40% of household incomes are under £20,000 a year. Given the high house prices, most households will struggle to buy their home. The study found that, in the worst case, 84% of households could not afford to purchase an average price

---

[2] Under the Housing Act 2004, other organisations can provide social rented housing provided they meet certain criteria.

terrace house[3]. Although this figure will exaggerate the true position (many of the 84% will already be owner occupiers and many new purchasers would be able to purchase because they have more equity available than we assumed), the overall scale of the affordability problem is clear.

16 A number of housing needs studies have been carried out in individual villages across the County. These have confirmed the generally high level of need for affordable housing and have shown that a high percentage of need is from single people, quite likely reflecting the general lack of smaller accommodation.

17 Whilst smaller, "entry level" housing is both in short supply and much sought after, smaller "cottage-style" properties fit the aspirations of the second homes market and estate agents report that prices for cottages have increased significantly over recent years and more than for four bedroom or larger houses.

18 The study paid particular attention to the second homes market. By local authority North Norfolk and King's Lynn & West Norfolk have the highest proportion of second homes in the East of England (at 8% and 4% respectively) but second homes are an even more important phenomenon in the AONB where 15% of homes are not occupied by permanent residents.

19 However, the impact of second homes is not uniform across the AONB – with some distinct "hotspots" emerging. Comparison of information from the 2001 Census and the North Norfolk 2005 Council Tax database shows some difference in detail but do indicate that a third and over of homes are second homes in Brancaster, Brancaster Staithe, Cley next the Sea, Blakeney and Happisburgh. In North Norfolk, there are 2.26 times the proportion of second homes inside the AONB than in the rest of district.

20 People looking for second homes have been a key source of demand over the past 15-20 years. The estate agents and developers told us that the demand is driven by people buying from the South East and London and that a large proportion of second home buyers are in their forties or early fifties.

21 The AONB is also under pressure from in-migration but over half of the in-migrants (54%) in recent years are local movers from North Norfolk and King's Lynn and West Norfolk council areas and most other in-migrants come from elsewhere in the East of England. The study has found that the net gain from London and the South East is only about 10% of all movers.

22 The population of the AONB is ageing and there has been an increase in the 45-64 age group and a loss in the 16-29 age group. These trends are typical for north Norfolk but are more marked in the AONB.

23 In summary the housing market in the AONB is characterised by high prices and a limited supply of housing, which is fuelled by demand coming from the second homes market. "Entry level" housing is in short supply. This, coupled with the relatively low incomes of people employed locally, means that there is a significant need for affordable housing. Although it would be wrong to argue that the Norfolk Coast AONB experiences a unique set of housing difficulties, we have concluded that the intensity of the affordability and supply problems faced, set it aside from the wider north Norfolk market. This conclusion has to be a matter of judgement and we recognise that there are also affordability 'hotspots' outside the AONB. Nevertheless we have

[3] This assumes the household makes a 5% deposit and a 3.5 mortgage multiplier.

concluded that the housing market of the AONB is sufficiently different to be a special case.

Keeping communities vibrant- a place to live not a museum piece

24 The study included case studies of four parishes that had identified a need for affordable housing. Two of the case study parishes are within the AONB and two lie outside. The two AONB parishes had an older population with over half of all households containing at least one person of pensionable age; significantly higher average house prices; second homes representing around 3 in 10 properties; higher proportions of private renting, suggesting relatively high levels of holiday lets.

25 Affordability of housing is a key concern. Much of the local employment is said to be low paid and house prices are high. However, this does not necessarily mean that new affordable housing provision should all be "social rented". Many young economically active households can afford more than social rent and aspire to home ownership. They often have to leave their home community to find housing they can afford to buy. Choice, of type, tenure and cost, of locally available affordable housing is important.

26 One of the issues faced with the development of affordable housing in rural areas is the time it takes to develop suitable schemes. By the time schemes have been completed often those with the most urgent need, or those most able to exercise choice have moved elsewhere and are lost to the community.

Policies which shape the provision of affordable housing

27 What happens at the local level is influenced by national, regional and local housing and planning policies and guidance.

28 **Nationally,** Government policy recognises the importance of making adequate housing provision in rural areas to meet the needs of local people and to contribute to the delivery of sustainable communities. This has to be balanced with the need to protect the rural environment through control of new housebuilding in the open countryside.

29 The use of "exception sites" is critical to the delivery of rural housing. These are small sites solely for affordable housing on land adjoining existing small rural communities, which would not otherwise be released for general market housing. In the past, exception sites have not been planned ahead and could only be made available on an ad hoc basis (as 'windfall sites') when the need for affordable housing and a suitable site is identified. Government policy changed in January[4]. These sites can now be "allocated" in the local development framework[5], in addition to those coming through as "windfall" exception sites. The affordable housing provided on such sites would meet local needs in perpetuity.

30 Exceptions sites, can be one of the most effective ways of providing affordable housing in small rural communities. However, there can be tensions between their development (especially where they are on sites adjoining the settlement) and the objective for the AONB of conserving and enhancing its natural beauty.

---

[4] Sustainable Communities in Rural Areas, Office of the Deputy Prime Minister, 2005.

[5] The local development framework will set out local authority spatial policies for the future.

31 **Regionally,** guidance is being updated through the Regional Spatial Plan (the draft East of England Plan) and the Regional Housing Strategy. Policies for affordable housing provision in rural areas are being developed although these are likely to focus more on a number of local service centres.

32 At the local level, the policy framework is set out in the currently adopted plans for North Norfolk and King's Lynn and West Norfolk. These provide for the development of affordable housing on exception sites in small settlements (i.e. below 3,000 population) and the provision of affordable housing on mixed tenure schemes. In King's Lynn and West Norfolk, in small settlements, the Council can only seek affordable dwellings on sites above 25 or more dwellings. In North Norfolk, in the 10 main settlements, affordable housing can also be sought on sites above 25 dwellings. In 77 other 'selected villages' on development of over 4 dwellings, the balance should be for affordable housing.

33 The authorities are in the process of replacing their local plans with local development frameworks (LDFs) and the results of this study will help inform the new LDFs.

How affordable housing is provided

34 Development of affordable housing in the AONB villages has been limited in the past and, although more affordable housing is planned for the future, numbers are relatively small - with about 40 new dwellings likely to come forward over the next two to three years.

35 The role of the Rural Housing Enabler (RHE) and work of the Rural Housing Trust has been significant in Norfolk in recent years. The RHE works with local parishes and communities to identify local housing needs and suitable sites for development; subsequently working with housing associations to bring schemes forward. The RHE has been successful in developing a pipeline of potential schemes. To date, 24 parishes in the AONB have been contacted but there are another 40 parishes where there has been no contact yet. As momentum in identifying need and potential schemes in AONB villages gathers pace, the emerging difficulty is the ability to provide the necessary public subsidy to support development of affordable housing.

36 Land for exception sites may come from public sources such as district or parish councils, or from local landowners who may want to capitalise on their asset and provide a contribution to the local community. There is some concern that "allocating" exception sites may lead to an increase in "hope value" and slow down the rate at which development sites come forward.

37 Affordable housing schemes that have been developed in the AONB have been focused on providing social rented housing for those in greatest housing need. Whilst intermediate housing has been provided in some schemes, numbers have been small. Registered Social Landlords (RSLs) see the potential use of intermediate housing as a way of gaining more financial flexibility to deliver affordable housing on exception and other sites where affordable housing is provided. A mix of intermediate and social housing would reduce the need for grant. However, while people may aspire to low cost home ownership, providers are keen to ensure that they can be afforded and are wary of "setting people up to fail".

38 Whilst RSLs active in north Norfolk are very familiar with providing affordable housing in rural areas, local housebuilders (and the major landowners) are much less familiar with the process. The main regional and national

housebuilders tend to concentrate on larger scale urban developments whilst smaller local housebuilders, according to the developers and estate agents we interviewed, avoid developments which involve affordable housing. Hence, the North Norfolk Council policy for its 77 'selected villages' has resulted in few schemes over 4 dwellings (which would mean the inclusion of affordable housing).

39 Through the Key Worker Living Programme, the Government is providing help to key workers to take up low cost home ownership and to provide intermediate rented housing. Norfolk (including the AONB) is included in the programme. Definitions of key workers eligible for assistance through the Key Worker Living Programme have been targeted at specific workers in the public sector.

Tensions between targeting local need and maintaining sustainable and vibrant village communities

40 Most parishes we spoke to were concerned that any affordable housing provided should meet local needs. These are usually quite tightly drawn and implemented through local authority lettings policies and legal agreements (Section 106 agreements) which accompany planning consents.

41 Whilst meeting local needs is an understandable concern, there may be wider housing requirements which need to be addressed to help maintain mixed and sustainable rural communities. These needs include young economically active households who earn too much to qualify for social rented housing and/or have already left their 'home parish' to find affordable housing elsewhere. Then there is the link between provision of affordable housing and the economic life of rural communities. There are important local jobs (e.g. those running village post offices and retail facilities) but which may be difficult to fill because potential in-migrant workers cannot find an affordable home and are not eligible for any affordable housing which is provided.

42 Meeting these sorts of needs would require new affordable housing provided to have more balance between social rented and intermediate housing. This would also help with funding. The danger for the AONB if the current approach to affordable housing is maintained is that the area develops a 'dumbbell' housing market - with high price market housing attractive to wealthier (and older) in-migrants and second home owners and a smattering of social rented housing to cater for those in greatest housing need and with the lowest incomes. Households in the middle (and this will include many young economically active households) will be excluded.

Are there lessons to be learnt from the experience of others?

43 Finally, the study considered approaches to rural housing from elsewhere in the country, including the National Parks. The areas looked at face similar market pressures to the Norfolk Coast AONB and are also areas of strict restraint. We found that generally they adopt a similar approach to the delivery of affordable housing, with a heavy reliance on rural exceptions sites. Innovation in policy and implementation focused on three main areas:

- Restricting occupancy of market housing to those with a local connection. (This may superficially seem attractive but could be over-stated if the number of market homes to be built is very small);
- Increasing the supply of affordable housing through purchase of street properties and conversion of vacant commercial space;

- Alternative funding and development mechanisms including the use of Joint Venture Companies and the Private Finance Initiative (which requires a fairly substantial development programme).

Recommendations for action

44 An affordable housing framework should be drawn up for the AONB. The framework will need to deal with the tension between the objective of conserving and enhancing the area's natural beauty whilst meeting the need for more affordable housing. The framework should be action-oriented. Its main components would include:

- An evidence base that incorporates the findings of this study, the region's rural data collection study and future housing market analysis;
- A pro-active approach to exception sites which identifies villages where there will be allocated exception sites (these to be selected on the basis, for example, of local house prices, the strength of the second homes market, evidence of local needs and site availability);
- Positive encouragement of a range of intermediate and social rented housing in affordable housing schemes (on exception or other sites) and which could be, for example, on the basis of a 50/50 split (depending on local need);
- A consideration of whether the housing allocations numbers within the current draft Regional Spatial Strategy will allow the districts to meet affordable housing needs;
- Where small sites come forward within villages, the existing north Norfolk approach to development over a certain number of dwellings should be retained and possibly strengthened so that smaller schemes are included e.g. sites with more than 2 dwellings[6];
- To consider whether allocated sites in key service centres[7] will provide opportunities to develop mixed tenure schemes;
- A review of allocation cascades[8] to include consideration of whether they should positively allow for non-local residents - in order to meet wider community sustainability objectives. Any revised cascade would need to have a clear local justification (which ensured local community support) and clear criteria about the circumstances in which 'non-local' need was to be met;
- A review of the long term potential of more radical funding models such as setting up a joint venture company whilst in the short term existing funding mechanisms need to be fully exploited e.g. revisiting the potential to earmark money collected from second homes for affordable housing;

---

[6] We recognise that development of small schemes has not proved popular with local developers to date but, in part, this has reflected their limited experience of mixed tenure schemes. Successful implementation of this approach would need to be supported by an on-going programme of work with local housebuilders to explain the policy and the way in which the local authorities will deal with any proposals

[7] Key Service Centres are proposed by the draft East of England Plan and are defined as large villages with a good level of services. They are to be identified in local development documents.

[8] See the definition under "cascades" in the glossary

- Linked to the above, there is the need to develop a better shared understanding (between the local authorities, housing associations and housebuilders) of the economics of development and the best use to which scarce grant funding can be put;
- A review of the potential for the purchase of existing properties for use as affordable housing and conversion of vacant commercial space.
- Further consideration of the potential role of the large estates within the AONB. For example the Holkham Estate currently provides rented housing to local residents and workers with a three year connection with the area. The capacity for other estates to do the same should be explored alongside promoting greater awareness of what the private sector might have to offer;
- Arrangements for monitoring and reporting to feed into the Region's Annual Monitoring Report.

The framework should be drawn up in partnership with the local community, housing associations active in the area, local housebuilders and landowners (including representatives of the large estates). Complementary policies which take the framework forward should be embedded in the relevant Local Development Frameworks (LDFs) with the option of developing a joint supplementary planning document between King's Lynn and West Norfolk and North Norfolk (and Great Yarmouth) councils.

45 A local rural housing steering group should be set up to manage production and implementation of the framework. The group should involve the local authorities (housing and planning officers), housebuilders, RSLs, Housing Corporation, the RHE and possibly including potential funders. The role of the group would be to develop a co-ordinated policy approach between the two main local authorities (and with Great Yarmouth) and to 'manage' the pipeline of exception sites (and other opportunities that come along) and co-ordinate funding (from whatever source). The other key role of the steering group would be to inform and educate housebuilders (and landowners) about the policies operating in the area. Operationally this could include the designation of specific planning officers to look after 'small rural sites applications' as well as establishing a regular forum for housebuilders and landowners to discuss issues of mutual concern with the steering group.

46 The steering group should not duplicate existing forum but rather should build on existing relationships.

47 The activities of the RHE should be extended and additional resources brought in. We recommend that a dedicated AONB RHE is appointed (possibly on a part time basis), working to the existing RHE day to day, with their strategic direction and overall work programme set by the steering group. Funding of the AONB RHE could be shared by the Norfolk Coast Partnership and the housing associations active in the area. It would be important that the introduction of a dedicated AONB enabler did not simply raise expectations for development (and its associated funding) which cannot be met. Their role would be to identify the priorities for development and help develop a pipeline of sites with realistic prospects of implementation.

1 INTRODUCTION

Study Objectives

1.1 The Norfolk Coast Partnership commissioned us to undertake a study which interprets existing evidence to help develop effective regional and local housing strategies and delivery mechanisms for affordable housing. The study responds to one of the actions set out in the Norfolk Coast Area of Outstanding Natural Beauty (or AONB) Management Plan[9], to:

"Identify blocks to meeting local housing needs and implement methods to meet housing needs specific to the AONB."

1.2 The objectives of the study were to:

- Identify the specific issues and constraints for affordable housing which reflect its AONB status;
- Identify possible solutions to the provision of affordable housing (and where further consideration may be needed);
- Provide an assessment of the scale and nature of the affordable housing issues within the AONB.

1.3 The study explored the scale and nature of the whole housing market but with particular attention paid to the affordable sector – both social rent and intermediate housing. We have considered how the operation of the housing market in the AONB inter-relates with the surrounding areas.

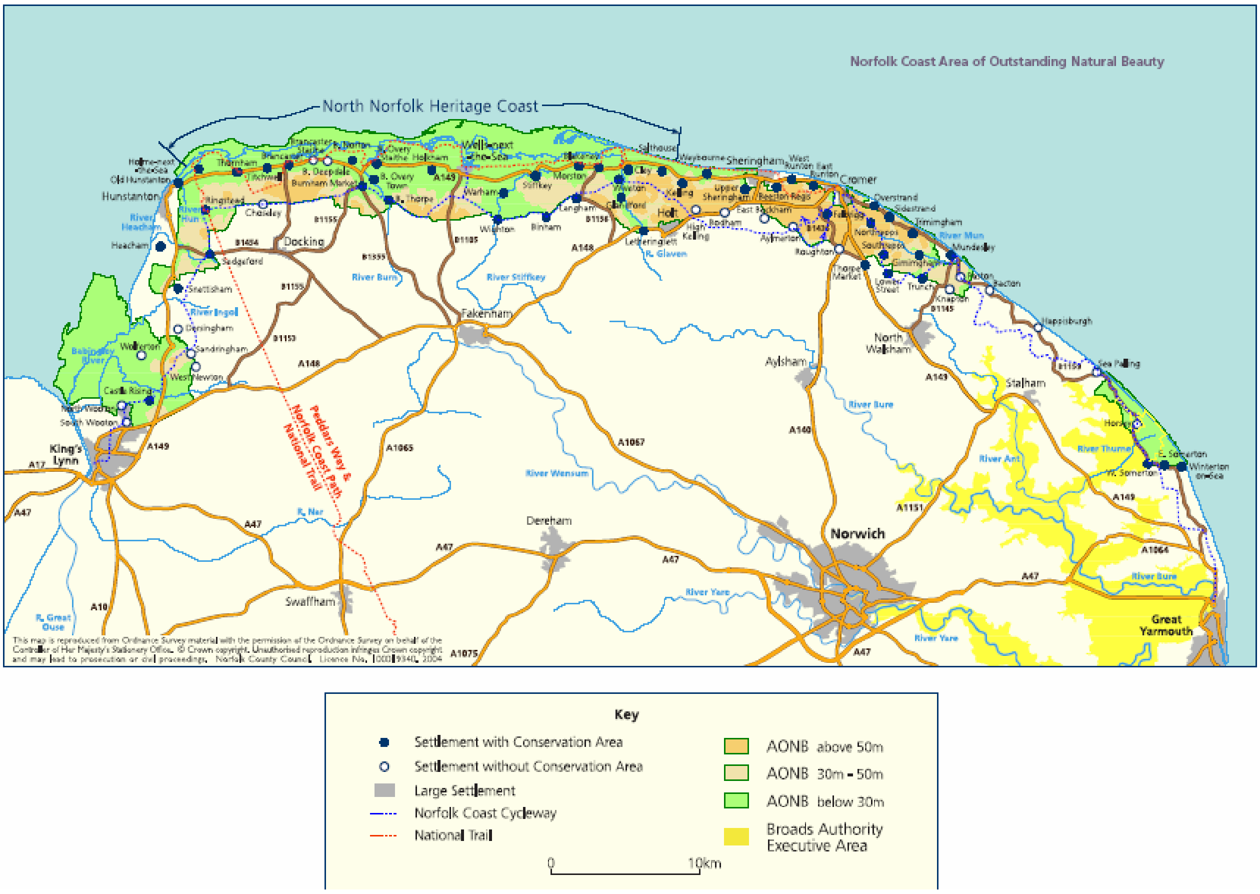
Norfolk Coast Area of Outstanding Natural Beauty

1.4 The Norfolk Coast AONB is one of 41 AONBs in the country and was designated in 1968. It covers 453 square kilometres with 90.8 kms of coastline and includes 68 parishes (wholly or partly within it). The AONB lies mainly within the administrative areas of the Borough Council of King's Lynn and West Norfolk and North Norfolk District Council with a small part in Great Yarmouth Borough Council. The extent of the AONB is shown on the map on the following page.

---

[9] Norfolk Coast Area of Outstanding Natural Beauty Management Plan 2004 -2009, Norfolk Coast Partnership, March 2004.

Map 1.1: Extent of the AONB



1.5 A Management Plan covering 2004 to 2009 was produced in 2004 by the Norfolk Coast Partnership. The Management Plan described the unique character of the AONB in the following terms:

"The coastal plain of the north Norfolk coast in particular has a wilderness quality rare in lowland England, distinct but complemented by the rising backdrop of largely agricultural land, which includes open chalk downland, quiet secluded river valleys and the woodlands and heath of the Cromer Ridge"

1.6 The area is nationally and internationally important for wildlife and its most important qualities are those of tranquillity and quiet.

1.7 The AONB is home to about 40,000 people and whilst traditional industries such as agriculture and fishing have declined in recent years, the attraction of the area for tourism has become a major sector of the local economy.

1.8 A Partnership of local stakeholders has been set up. The core funding partners are:

- Countryside Agency
- Norfolk County Council
- King's Lynn and West Norfolk Borough Council
- Great Yarmouth Borough Council
- North Norfolk District Council

- Environment Agency

1.9 A Core Management Group consists of representatives of those organisations which have statutory responsibility for preparing the management plan and/or supply funding for core activities. Membership of the Core Management Group includes the above organisations along with English Nature, the Broads Authority and two representatives from AONB parishes. The Core Management Group oversees the executive function carried out by the staff team. In addition a broadly drawn group, representing interests that have a role in developing plans and policies in the AONB or have a role in managing land in the AONB, forms the Partnership Forum which meets at least twice a year.

1.10 The Partnership's role is to co-ordinate the activities of all the relevant organisations as a means of managing the AONB effectively. The Partnership’s overall objective is to ensure that the use of the area is sustainable - that use does not destroy its natural beauty and that future generations have the same opportunity to enjoy and benefit from it. The management plan is designed to take this forward by:

- Conserving all aspects of natural beauty;
- Promoting a sustainable approach;
- Fostering community action and involvement;
- Promoting countryside access and recreation management;
- Ensuring the area is properly valued.

1.11 As the partnership is charged with “conserving and enhancing the natural beauty” of the AONB, there can be difficulties in meeting the need for affordable housing in terms of design and location of new housing, especially exceptions sites which lie outside the development envelope. (Further information on exception sites is provided in the next chapter).

Research Undertaken

1.12 The research undertaken for this study was a mix of desk based analysis of available data and personal and telephone interviews. The research included:

- Housing market analysis drawing on a variety of data sources including the 2001 Census;
- A review of the national, regional and local policy context for the delivery of (affordable) housing;
- Consultation with the housing and planning departments of the three local authorities which cover the AONB (Borough Council of King's Lynn and West Norfolk, North Norfolk District Council and Great Yarmouth Borough Council) and relevant elected members;
- Consultation with the Rural Housing Enabler who covers Norfolk;
- Consultation with Housing Corporation and Countryside Agency;
- A workshop with representatives of the registered social landlords (housing associations) active in the area. Unfortunately attendance at the workshop was affected by bad weather and was limited to two associations. Follow up phone call discussions were held with a further two associations;

- Consultation with other stakeholders - Norfolk County Council (Supporting People and Forward Planning), Blakeney Neighbourhood Housing Society and Deepdale and Brancaster Housing Society.
- Phone survey of six local developers and five local estate agents active inside and beyond the AONB (the developers and estate agents were drawn from lists provided by the Norfolk Coast Partnership);
- Research into new initiatives in place elsewhere in the country which aim to deliver affordable housing in rural areas with a pressured housing market;
- Four parish case studies - two within the AONB and two outside but relatively near the AONB.

Structure of the Report

1.13 The report sets the scene for the more detailed analysis of the local housing market by first reviewing the national, regional and local policy context (Chapter 2). The report then summarises the findings of our research under the following headings:

- The housing market (Chapter 3)
- Activity to date (Chapter 4)
- Case studies (Chapter 5)
- Views of the development industry (Chapter 6)
- Views of stakeholders (Chapter 7)
- Experience from elsewhere (Chapter 8)

1.14 Chapter 9 provides a summary of the main findings from the research and our conclusions on the policy directions which we believe are worthy of further consideration by the Norfolk Coast Partnership. Throughout the report we have attempted to minimise the use of jargon. Further explanation of some of the terms used is contained in the glossary at Annex 1.

2 POLICY CONTEXT

Context

2.1 Housing, like any other market, depends upon the relationship between demand and supply. Factors that determine demand will include economic growth, interest rates, the number of people looking to buy and consumer confidence and preferences. Supply side factors include the availability of building land, willingness of landowners to bring forward their sites, profitability of development and planning policy. Where many people are looking to buy, or the supply is constrained then the price is likely to increase.

2.2 The term "housing market" usually refers to the relationship between the demand and supply of market housing for sale, or rent in the private sector. But of course other housing exists; affordable housing (whether provide by local councils or other affordable housing providers e.g. housing associations), has been described as a "quasi" market. The demand for affordable housing is often high in areas where the housing market has become pressured with many people looking to buy and/or a relatively small number of homes are available.

2.3 The housing market in and around the Norfolk Coastal Area of Outstanding Natural Beauty is characterised by high housing prices and a limited supply of new housing. The development of new housing is constrained, particularly in the AONB, in order to protect the character of the countryside and the quality of the environment. The area also has the highest proportion of second homes in the East of England.

2.4 Subsequently there is a significant demand for lower cost or more "affordable" housing within the area, both in the villages and towns. Local people (especially young people setting up their first home) are often unable to afford the rising house prices and may struggle to find a home within their price range in their local area.

2.5 In order to overcome this difficulty local councils work through national and local housing and planning policies to achieve the development of affordable housing - either social rent or intermediate housing. Social rented housing is provided by "social landlords", either the local council or Registered Social Landlords (RSLs) with rent levels determined by a Government formula. Intermediate housing can be either for rent or for sale (e.g. through shared ownership) at costs to the consumer between those of social rent and those found in the open market. Policies for the provision of affordable housing are described in the following paragraphs. The Glossary in Annex 1 describes some of the terms used.

2.6 In villages such development may be limited to sites which would not normally be granted planning permission for open market housing. Such "exception sites" are to meet the needs of local people. Evidence of need comes from district level assessments, supplemented by local waiting list information or localised surveys. Exception sites are developed through legal agreements known as Section 106 agreements, which set out clearly what is to be built and who will be eligible for the housing on completion. In order to ensure that such developments are available for local people "local lettings policies" are usually put in place by the council. The North Norfolk District Council lettings scheme considers people from both the parish where the exception site is located as well as households from adjoining parishes. The agreement will also normally ensure that these properties remain "in perpetuity" as affordable housing and are not lost to the community.

National Context

Government Policy

2.7 The Government departments concerned with housing and planning in rural areas are the Office of the Deputy Prime Minister (ODPM) and the Department for the Environment, Food and Rural Affairs (DEFRA).

2.8 The main Government policies framing the development of housing in rural areas are contained in Defra's Five Year Strategy[10], the Update to PPG3 (ODPM, 2005) and the Draft Planning Policy Statement 7, 'Sustainable Development in Rural Areas' (ODPM, 2005).

2.9 Defra's Five Year Strategy describes the need for affordable housing as the theme which comes out above all others in discussion with rural residents. Defra highlights residents wishes for, *'….their children to be able to afford to live in the towns and villages where they were brought up…'* (page 63) The Strategy states that the Department's intention is to support the delivery of new affordable housing by building on the current Rural Housing Enabler scheme and by ensuring that regional housing strategies are effectively rural proofed.

2.10 The Strategy sets out various actions to deliver a 'step forward' in the provision of affordable housing. These cover revisions to PPG3 (described below), increased funding for affordable housing and an emphasis on regional housing strategies to maintain delivery of rural affordable housing.

2.11 In January ODPM published a replacement for paragraph 18 of PPG3 - Planning for Sustainable Communities in Rural Areas. Paragraph 18 emphasises the need to make adequate housing provision in rural areas to meet the needs of local people and to contribute to the delivery of sustainable communities. Paragraph 18 also introduces the concept of allocated exception sites (identified in local development frameworks) to sit alongside windfall exception sites. Exception sites generally should be small sites, solely for affordable housing and on land adjoining existing small rural communities which would otherwise not be released for general market housing. The affordable housing provided on such sites should meet local needs in perpetuity.

2.12 PPS7 consolidates the aims of PPG3 but particularly emphasises the need for strict control on new house building in the open countryside.

2.13 PPG3: Housing (as published in 2000) also promotes the principle of 'sequential' development. This means that planning authorities should not release greenfield land for development unless they are satisfied that all existing brownfield site opportunities have been exhausted. North Norfolk and the wider Rural East Anglian sub region[11] (including the Districts of Breckland, North Norfolk and Kings Lynn and West Norfolk) face particularly difficult policy challenges. In these areas, the Sequential Test can work against new rural housing development, since housing land supply is met predominantly within urban areas. Urban capacity studies, a key potential mechanism in bringing about sustainable development, can fail to focus on rural areas. Even where this problem does not occur (and we note that the urban capacity study

---

[10] Delivering the Essentials of Life, Defra's Five Year Strategy, Cm 6411, December 2004

[11] The East of England region is divided up into nine housing investment sub regions in order to reflect differences in housing markets.

carried out by North Norfolk Council did include consideration of development in villages), the natural purpose of capacity studies (to identified brownfield site opportunities) sometimes leads to a situation where virtually all development is soaked up by urban sites and buildings.

Key Worker Initiative

2.14 The Government's Key Worker Living (KWL) Programme[12], launched in March 2004 is directed at London, the South East and East of England where the high cost of housing is affecting public sector employers' ability to recruit and retain staff. The Government has worked with employers to draw up eligibility criteria, which vary according to location, circumstance and need.

2.15 Key Workers in Norfolk and Suffolk have been identified as:

- Health care workers
- Teachers in schools, sixth form colleges and further education colleges
- Local authority employees working as social workers, educational psychologists and occupational therapists
- Probation staff

2.16 Key worker housing policies can be an important lever in helping to sustain rural areas. There are arguments put forward in various rural parts of the country, to broaden the definition to include low paid private sector employees and in particular those working in key local employment sectors or to support local services (e.g. transport workers, those running local post offices).

2.17 Regional research to underpin the draft East of England Plan and Regional Housing Strategy was conducted by Cambridge Centre for Housing and Planning Research in 2004. The plan contains a specific requirement for at least 760 dwellings per year to meet public sector key worker needs.

2.18 At the local level, policies for the provision of affordable housing could specifically include provision for local key workers. However, funding this provision for groups outside the Government's KWL criteria would require a different approach to investment at the local level.

The Regional Picture

2.19 At the regional level, spatial and housing strategies are being developed to meet a requirement for local authorities to work within regional housing markets.

2.20 The regional housing policy framework is set out in EERA's **Revised Regional Housing Strategy** document for the period 2005 – 2010 (EERA, 2005). This recognises nine sub regions of which Rural East Anglia (North Norfolk, Breckland and Kings Lynn West Norfolk) covers the north Norfolk coastline.

2.21 The allocation of regional housing funds for the East of England (2008) has not yet been concluded, with an investment plan being submitted by the end of May. The draft Strategy suggests a 'pipeline' supply of new affordable homes of around 800 per annum over the period 2006 to 2008 for the REAP sub regional area.

---

[12] 'Key Worker Living' offers various options, including home ownership packages and intermediate rental solutions

2.22 The draft regional Housing Strategy document has a focus on Rural Communities (Section 15.3). It emphasises that there are no national targets for housing provision in small settlements and that housing development should be planned locally, through joint working between local authorities, parish councils and Rural Housing Enablers. It highlights the Countryside Agency's policy proposal for 'Sites of Social Diversity', which can be allocated in parishes where "it can be shown that compared with the regional pattern there is currently an imbalance in the socio-economic profile of the population and housing provision" (Countryside Agency, 2003).

2.23 The Draft East of England Plan (**The Region's Spatial Strategy**) proposes a distribution of dwelling provision 2001- 2021 with an annual average provision of 550 dwellings (11,000 over the plan period) for King's Lynn and West Norfolk; and an annual provision of 320 dwellings (6,400 over the plan period) for North Norfolk. Annual rates of provision will, however, be subject to the development of the current housing pipeline.

2.24 Whilst the plan recognises the need to stimulate regeneration in rural areas, dwellings allocations are relatively small in number. Much will probably depend upon the designation of some villages as local service centres.

2.25 The authorities of North Norfolk, Kings Lynn: West Norfolk and Breckland have however produced a draft **Rural East Anglia Housing Strategy (2004)**. This sets the strategic context for the delivery of affordable housing with the sub regional area.

2.26 This highlights the need for the sub region to respond to the rapid increase in house prices over the past few years. It recognises the need for households to 'staircase' through the housing market and promotes strongly the development of intermediate and key worker housing within the wider affordable housing system, along with continuing need for social rented housing. The draft Strategy highlights the need for increasing the number of smaller properties, the need to develop more housing for an ageing population and the need to strengthen links between housing departments and private landlords to reduce the number of empty properties. The Strategy identifies the financial investment required to meet the needs of all different affordable tenures.

Norfolk Structure Plan

2.27 The Norfolk Structure Plan (adopted October 1999) (Norfolk County Council) sets out housing targets for the County of some 61,000 homes between 1993 and 2011. In the REAP area the division is as follows: 11,000 within Kings Lynn West Norfolk; 11,000 Breckland; 7,300 North Norfolk. Great Yarmouth is to build in the region of 5,000 homes over the period. Housing is to be developed sustainably and to good design principles. In terms of local housing allocations it is stated that (Policy H5):

"*In the towns of Attleborough, Aylsham, Cromer, Harleston, Holt, Hunstanton, Lodham, Sheringham, Stalham, Swaffham, Watton and Wells further provision for housing may only be made where this improves the balance with jobs and services locally and the development would be in keeping with the form and character of the settlement and its setting. Exceptionally, such provision may also be made in large villages where these criteria are met and which have been identified in Local Plans".*

2.28 Policy H7 qualifies the situation further in relation to villages which are not identified under H5 where, "development will be limited to individual dwellings or small groups of houses which enhance the form and character of the village and its setting ……. [and importantly] Any significant incremental expansion of villages should be avoided".

2.29 Reflecting the environmental qualities of the AONB the Structure Plan also has a policy which seeks to protect the area from development. Policy ENV 2 states:

Development which would be detrimental to the character of the AONB will not be permitted unless there is an overriding proven national need for the development and there are no suitable alternative sites.

2.30 This policy perhaps is not directed at housing provision to meet a purely local need but it does highlight the trade off which has to be made between any new housing in north Norfolk and conservation of the natural environment. The local plans covering the AONB have similar policies to protect sensitive locations such as the AONB.

Local implementation, policies and mechanisms

2.31 **The Norfolk Coast Management Plan** (2004 - 2009) recognises the affordability issues faced within the AONB and the pressure which second homes, holiday and retirement homes place on the local housing market. The Plan counsels against any extensive housebuilding in the area. However, it notes that exception sites could provide more affordable housing but that this would be, *'…at the expense of extending development boundaries of settlements'.* (page 42 of the Management Plan).

2.32 Objective 9 of the Plan's five year objectives is directly relevant to this study. It is to:

"Influence and implement local housing policy to provide for the specific needs of the area whilst conserving its natural beauty."

2.33 Specific planning policies for affordable housing in the Norfolk Coast AONB are contained in the relevant local plans of three authorities – North Norfolk, Kings Lynn and West Norfolk and Great Yarmouth.

2.34 The currently adopted **local plan for North Norfolk** (1998) has three main policies directly relevant to the delivery of affordable housing. Policy 56 deals with the main settlements (the two growth towns of North Walsham and Fakenham, five smaller towns and three large villages). In these settlements on sites of 25 dwellings or more the Council seeks to negotiate the inclusion of an element of affordable housing. The threshold for an affordable housing contribution reduces to four dwellings in 77 'selected villages'[13] On development of over 4 dwellings, the balance should be for affordable housing. There are another 100 named rural settlements which are not 'selected villages'. (Policy 58).

2.35 Policy 57 is the third main policy setting out the exceptions site approach.

2.36 More detailed and updated guidance of how the local authority intends to implement its Local Plan policies is set out in the Council's Affordable Housing Statement. This was approved by North Norfolk District Council's Cabinet on 24 January 2005. The statement will be reviewed in the light of new Government guidance and the emerging provisions of the North Norfolk Local Development Framework.

[13] Which must have at least 50 dwellings and at least one community service

2.37 The January Affordable Housing Statement highlights the very strong need for social rented housing in North Norfolk, referring back to the Council's updated Housing Needs Survey which identified that 97.2% of affordable housing should be for social rent. The Statement also encourages higher density development which makes best use of developable land

2.38 The Housing Needs Survey update contains the evidence base for policies 56 and 58. The target proportion of affordable housing on eligible proposals covered by policy 56 will be 40%, the majority of this housing to be for rent and the remainder for shared ownership. The January Statement also re-states Policy 58 of the Local Plan, making clear that all provision in excess of 4 dwellings in Selected Villages will be for affordable housing.

2.39 Affordable housing is to be provided without the need for public subsidy (i.e. Social Housing Grant) from either the Housing Corporation or from North Norfolk District Council. To achieve this, developer contributions will need to be equivalent to the public subsidy that would normally apply to the dwelling type required. Where the applicant states there are exceptional development costs or the provision of affordable housing will make the site uneconomic, clear and quantified evidence must be provided on an "open-book" basis. A section 106 agreement will be required for all affordable housing contributions made under Policies 56 and 58.

2.40 In **King's Lynn and West Norfolk** the existing local plan was adopted in November 1998. This required developers to make a 30% provision, subject to negotiation, of affordable housing on sites of 25 or more houses in settlements of up to 3,000 in population or 40 or more dwellings in settlements of over 3,000 in population. The Plan also includes a policy allowing affordable housing development adjoining villages on sites which would not otherwise be appropriate for residential development (i.e. rural exception sites).

2.41 Since this policy has been introduced, up to the end of 2003, 113 affordable houses have been constructed and a further 320 have been identified in future housing developments

2.42 In January 2005, the Council adopted a new policy, 'Housing Requirements, the Local Plan and PPG3'. This updates the Council's policy approach to housing in villages on sites capable of accommodating more than 5 dwellings. The policy statement sets out criteria by which the acceptability of such proposals will be judged. The criteria include whether the site is on previously developed land and its proximity to jobs and local services.

2.43 Both North Norfolk and King' Lynn and West Norfolk Councils are in the process of developing their local development frameworks (LDFs) which will replace their current local plans. The findings of this study can help inform the emerging LDFs.

2.44 In **Great Yarmouth** a Local development Framework is being prepared with the existing Local Plan in force until 2007. The Local Plan (which was adopted in 2001) states that the Council, through negotiation, will generally seek affordable housing on developments of 25 or more dwellings (Policy HOU14) and that the Borough will expect around 40% of the dwellings to be available for social rent. The Plan also provides for development of rural exception sites within or adjoining villages (Policy HOU13).

2.45 In neighbouring authorities, **Breckland District Council** also has an adopted affordable housing policy (July 2003). This has raised the affordable targets aspirationally to 40%, although this should take into account the economics of development and in particular the availability of grant. Thresholds should be reduced from 25 to 15 dwellings in urban areas and to (more than) five dwellings in rural locations.

2.46 In **South Norfolk District Council** (2004)[14], affordable housing will be sought on schemes of 25 dwellings (1 hectare) or more in settlements of 3,000, and of 10 dwellings (0.4 hectare) or more where the population is less than 3,000.

Summary

2.47 The main messages on the policy context for the provision of affordable housing are:

- Regional housing policy is not yet established to facilitate to any significant extent, the development of affordable homes in the Norfolk coastal area. The Regional Housing Strategy is still in preparation. In draft, it has highlighted the need to develop a more robust policy and dataset to underpin a regional rural target for affordable housing. The challenges which are implicit in developing homes in an AONB are not specifically addressed.
- Structure plan policies, as may be anticipated in rural areas, take a restrictive approach to the development of housing.
- At the local level, there are no housing-related policies which specifically apply to the AONB. Development proposals in the AONB will be carefully scrutinised in terms of their impact on the local environment.
- There is some flexibility in the approach and policies of local authorities in the REAP area towards affordable housing development. This is reflected in a higher profile for SPG, in reduced thresholds and in a more flexible approach towards the market and the need for intermediate tenures.
- Policies in the adopted local plans of North Norfolk and King's Lynn and West Norfolk councils closely reflect government guidance at the time of their preparation. There is provision for development of affordable housing on exception sites in small settlements and provision for affordable housing on mixed tenure schemes.
- North Norfolk has an policy approach for its 77 selected villages but, we understand, little affordable housing has been delivered through this policy.
- It is very timely that local planning policies are currently being reviewed - they can take into account the new flexibility emerging at national level and, what appears to be, renewed vigour regionally to tackle the issue of affordable housing in rural areas.

(Annex 2 is a list of the key documents we have used in the above review)

[14] See the Council's adopted Supplementary Planning Guidance (October 2003).

3 THE HOUSING MARKET

Analysis undertaken

3.1 We have reviewed a range of data sources about the housing stock and residents in the Norfolk Coast AONB. The definition we have used for the AONB area is based on Ordnance Survey material, and is Crown copyright. It was provided in the form of a Geographical Information System (GIS) file supplied under licence by Norfolk County Council. We have compared data about the AONB with information about the wider market - taken as an area of up to 30 miles from the AONB, except where this would take in distorting larger settlements such as Norwich or Boston.

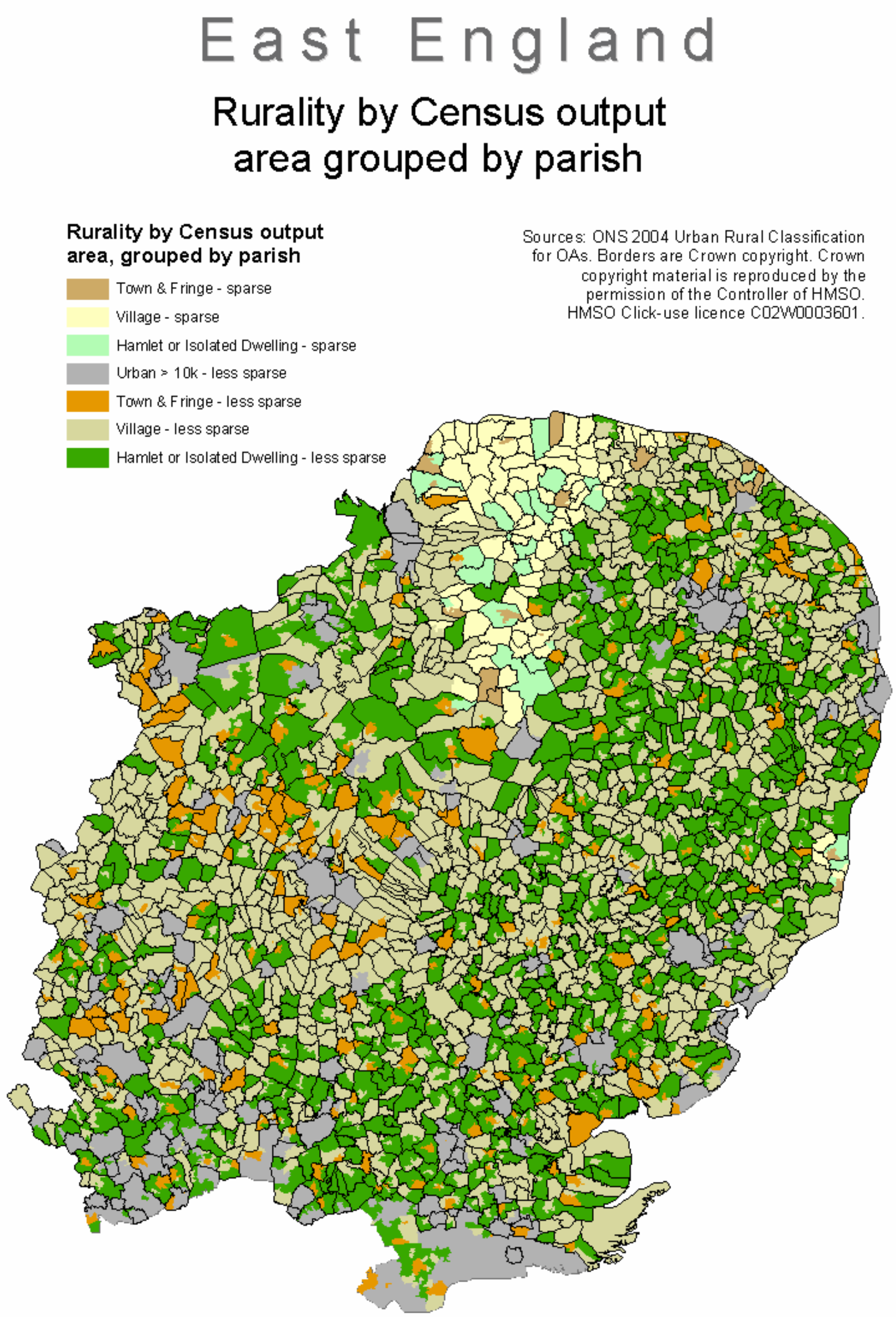
How rural is north Norfolk?

3.2 The north Norfolk coast is generally classified as more rural and remote than other parts of the East of England, more so towards the west of the AONB. In the map on the following page the AONB area can be seen to generally contain more parishes classified as " village – sparse " in the new 2004 rural-urban classification

(see http://www.statistics.gov.uk/geography/nrudp.asp)[15].

[15] A new joint project was set up in 2002 to produce a harmonised classification of both urban and rural areas for England and Wales. The Office for National Statistics (ONS), Department for Environment, Food and Rural Affairs (Defra), ODPM, the Countryside Agency (CA) and National Assembly for Wales (NAW) sponsored the project.

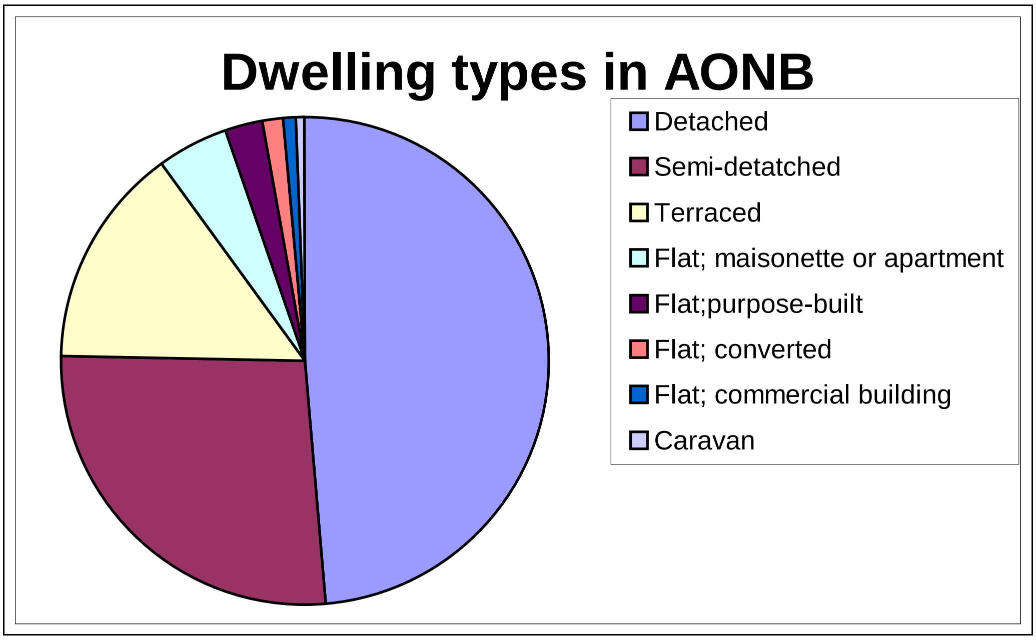
Figure 3.1: Rurality of Parishes - East England



What is the composition of the current housing stock

3.3 The current housing stock in the AONB is, as we expected, skewed towards detached and semi detached homes. This will have an impact on the price profile (i.e. because of the limited representation of cheaper flats and terrace housing).

Figure 3.2: AONB housing stock types 2001



Source: ONS Census 2001

3.4 In some settlements, the housing stock is almost all semi and detached properties. For example, in Blakeney there are 27 flats and terraces out of 418 dwellings (i.e.6%).

3.5 The dwelling profiles in King's Lynn and West Norfolk and North Norfolk have a slightly higher proportion of terraced houses, with 15.4% terraces in the AONB, and 17% and 17.6% respectively in King's Lynn and West Norfolk and North Norfolk. Just under 5% of dwellings are flats in the AONB compares to an average of some 8.5% in King's Lynn and West Norfolk and North Norfolk.

Table 3.3: Local Authority Accommodation Types

	With residents	With no residents: Vacant	With no residents: Second residence/ holiday accommodation	Total stock	Whole house or bungalow: Detached	Whole house or bungalow: Semi-detached	Terraced (including end terrace)	Flat; maisonette or apartment: Purpose Built block of flats or tenement	Flat; maisonette or apartment: Part of a converted or shared house (including bed-sits)	Caravan or other mobile or temporary structure
King`s Lynn & West Norfolk	58338	2550	2376	63264	27934	19371	9912	3889	925	740
North Norfolk	43502	1385	3467	48354	21959	14109	7667	2644	1110	259
	Percentages									
King`s Lynn & West Norfolk	92.2%	4.40%	4.10%	100%	47.90%	33.20%	17.00%	6.70%	1.60%	1.30%
North Norfolk	90.0%	3.20%	8.00%	100%	50.50%	32.40%	17.60%	6.10%	2.60%	0.60%

Source: ONS Census 2001

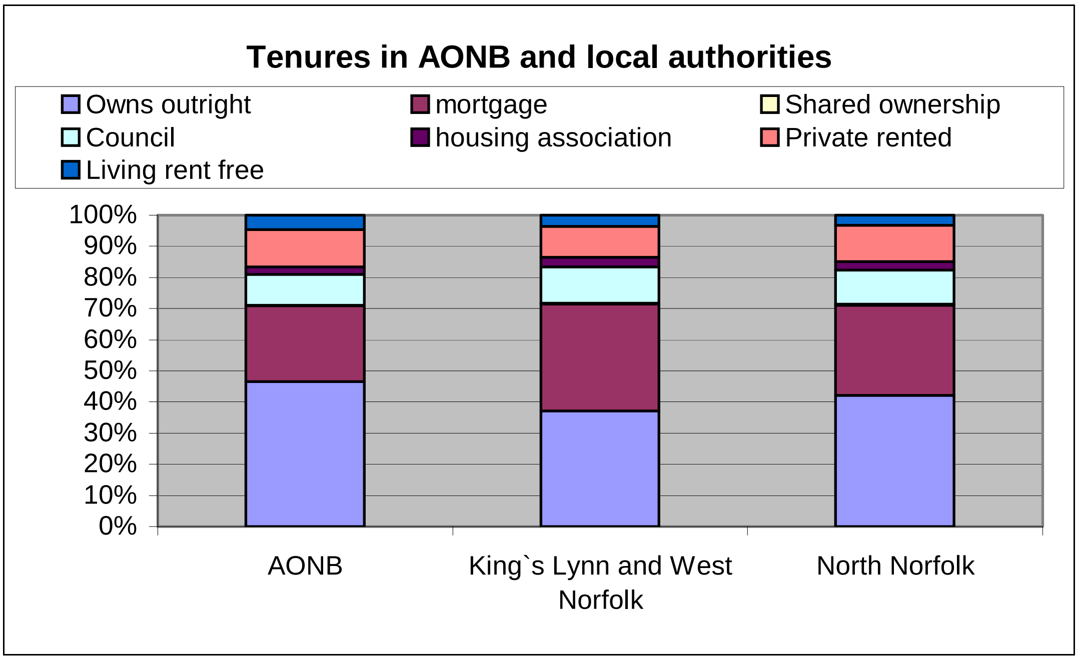
3.6 The overall proportion of owner occupied properties within the AONB is about the same, at around 71%, as in King's Lynn and West Norfolk and North Norfolk. However, the proportion of properties owned outright is higher at 47%, compared with 37% and 42% respectively in King's Lynn & West Norfolk and North Norfolk. The proportion of social rented, both council and housing association, is lower than in the surrounding local authority areas overall, at a total of 12.3% within the AONB compared to 14.7% in KLWN, and 13.8% in North Norfolk. The proportion of private rented and living rent free is relatively high in the AONB, at 12% and 4.6%.

Table 3.4: Tenures in the AONB and King's Lynn and West Norfolk and North Norfolk

	Owned, Owns outright	Owned, Owns with a mortgage or loan	Owned, Shared ownership	Rented from Council	Housing association	Private rented	Living rent free
AONB	4990	2607	21	1057	258	1287	496
King`s Lynn and West Norfolk	21640	20028	141	6792	1822	5816	2099
North Norfolk	18292	12652	110	4771	1215	5033	1429
	Percentages						
AONB	46.6%	24.3%	0.2%	9.9%	2.4%	12.0%	4.6%
King`s Lynn and West Norfolk	37.1%	34.3%	0.2%	11.6%	3.1%	10.0%	3.6%
North Norfolk	42.0%	29.1%	0.3%	11.0%	2.8%	11.6%	3.3%

Source: ONS Census 2001

Figure 3.5: Tenure Profile

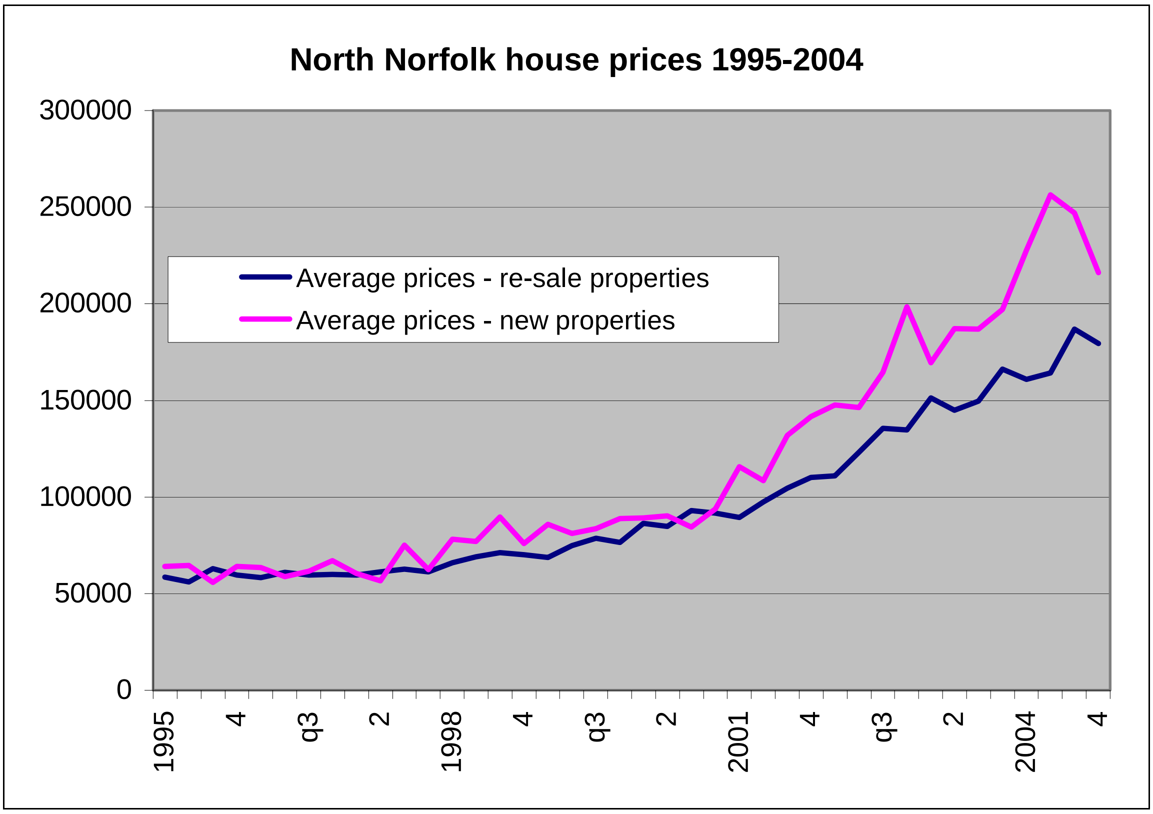


Source: ONS Census 2001

What has happened to house prices?

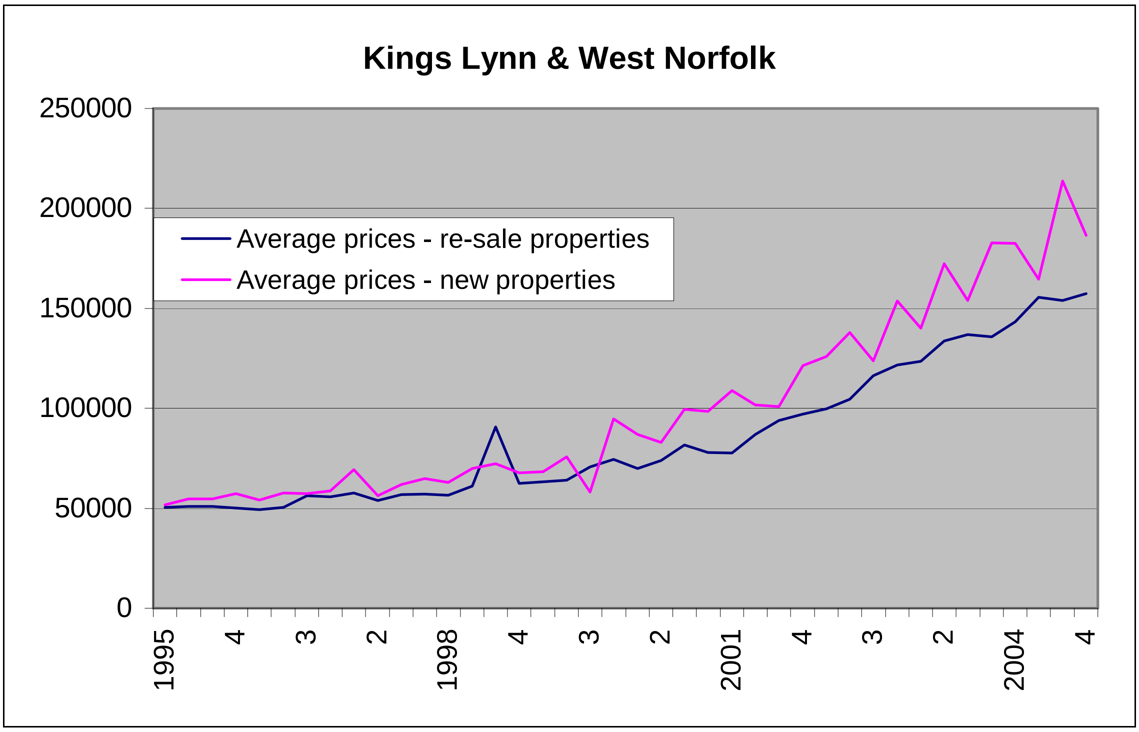
3.7 In North Norfolk local authority area, second-hand house prices have risen by £120,000 or a 200% increase since 1995, and by £90,000 or a 100% increase since 2001. The increases in King' Lynn and West Norfolk are similar, although the average prices are lower. In both districts the price of new properties is above that of second-hand properties (which is what we would expect).

Figure 3.6: North Norfolk House Prices Changes



Source: Land Registry

Figure 3.7: Kings Lynn and West Norfolk House Prices



Source: Land Registry

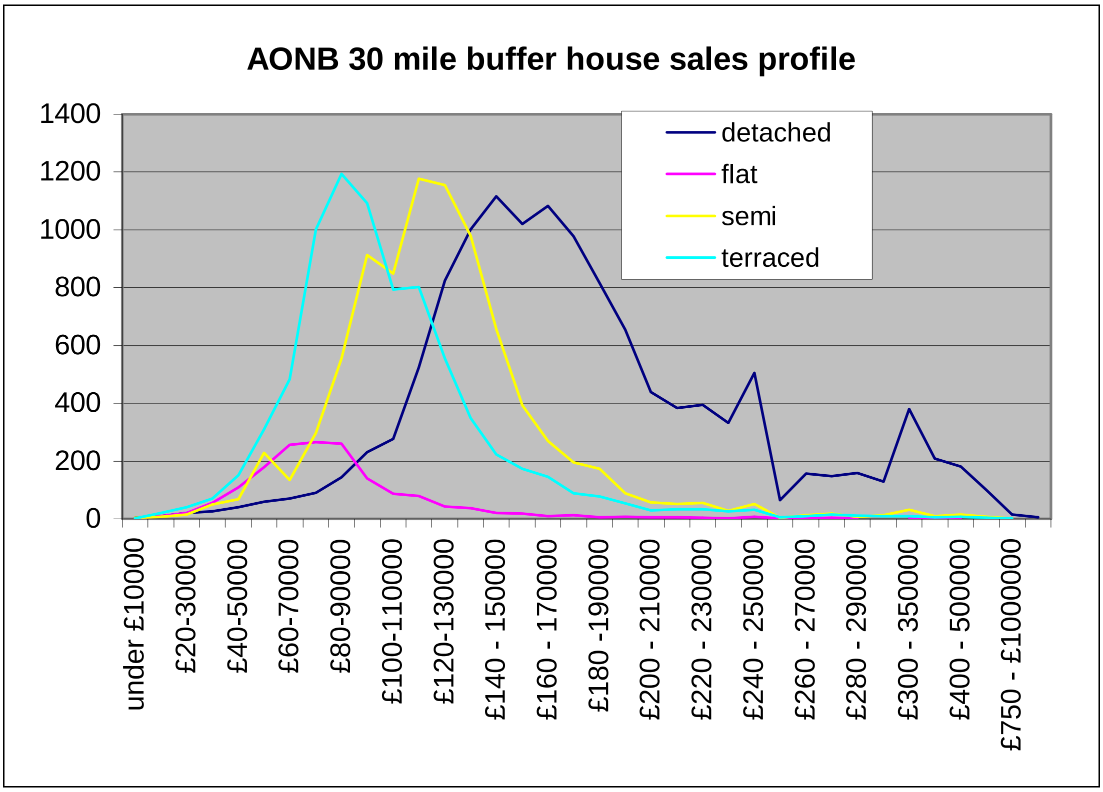
3.8 Analysis of house prices in the Norfolk Coast AONB shows an average all property price in 2004, which is just shy of £250,000. More important in terms of affordability is the average price for a terraced house. Given the paucity of low value flats, terraced housing represents entry-level housing in the AONB. The price for a terrace was realistically £158,000, with 95% of terraced sale prices falling within £15,000 of that figure i.e. there is very little housing available for less than, say, £143,000.

Table 3.8 AONB Average Prices by Property Types Quarter 3 2003 to Quarter 3 2004

AONB only	Detached	Flat	Semi detached	Terraced	Overall average
Average Q3 2003 - Q3 2004	£257,096	£210,500	£188,801	£157,905	£224,299

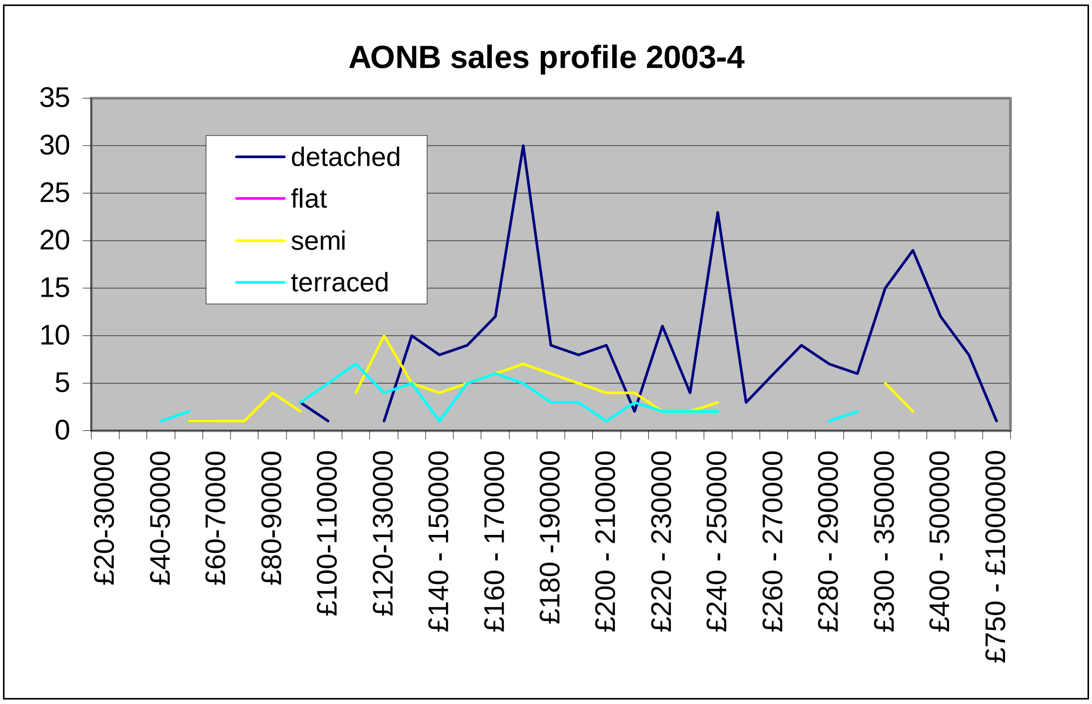
Source: Land Registry

Figure 3.9 30 Mile Buffer Prices and Number of Sales Profile – Quarter 3 2003 to Q3 2004



Source: Land Registry

Figure 3.10 AONB Only Prices and Number of Sales Profile – Quarter 3 2003 to Quarter 3 2004



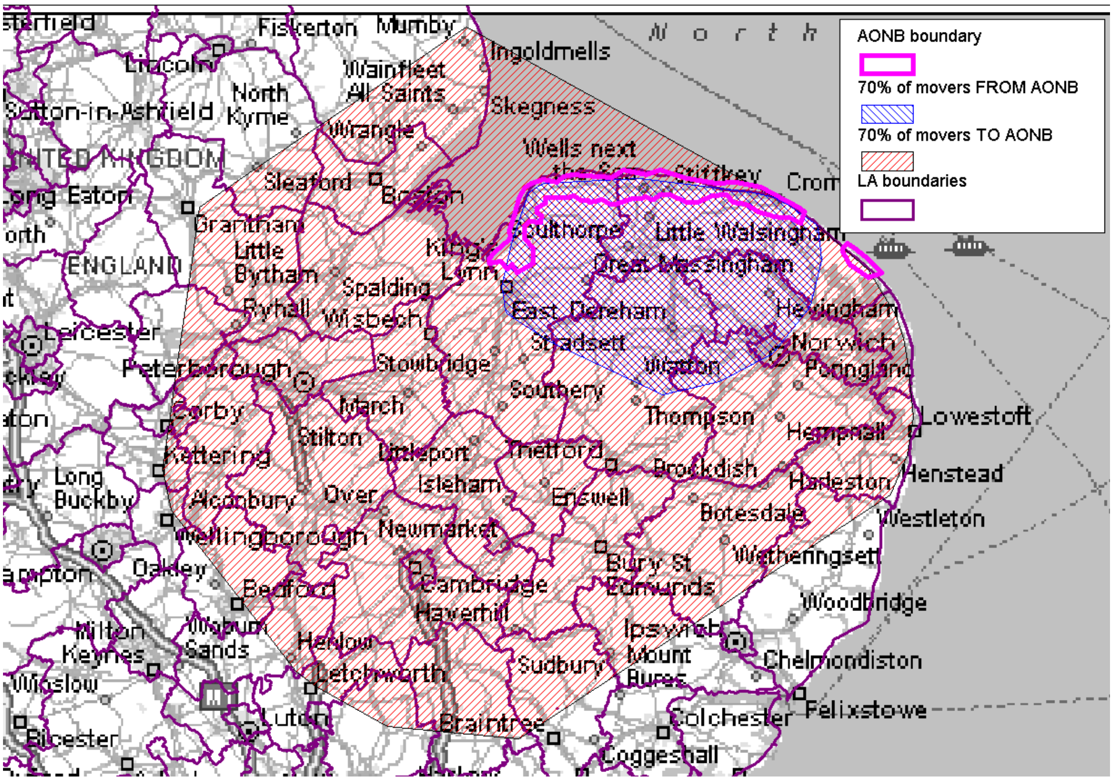
Source: Land Registry

What has been happening to in-migration?

3.9 We have analysed the catchment area for people moving into the AONB and for people leaving the AONB. The measure used to identify the 'catchment area' is that it contains 70% of all movers. The map below shows that the catchment area for in-comers is seven times larger than that for out-movers. Even so, most in-comers are coming from a relatively small area, moving from the rest of Norfolk, Suffolk and Cambridgeshire.

Figure 3.11: In and Out Migrants

70% of movers TO and FROM North Norfolk Area of Outstanding Natural Beauty



Source: ONS Census 2001

3.10 The net gain from London and the South East is about 10% of all in-movers.

Table 3.12: Top Local Authority Origins of Movers to AONB

LA origin	Total	%	Cumulative
North Norfolk	1399	32.6%	32.6%
King's Lynn and West Norfolk	927	21.6%	54.3%
No permanent* address 1 year before	265	6.2%	60.4%
Broadland	126	2.9%	63.4%
Norwich	111	2.6%	66.0%
Great Yarmouth	58	1.4%	67.3%
Breckland	51	1.2%	68.5%
Fenland	51	1.2%	69.7%
South Norfolk	39	0.9%	70.6%
South Bedfordshire	37	0.9%	
Huntingdonshire	30	0.7%	
Enfield	27	0.6%	
South Cambridgeshire	27	0.6%	

* mainly new households

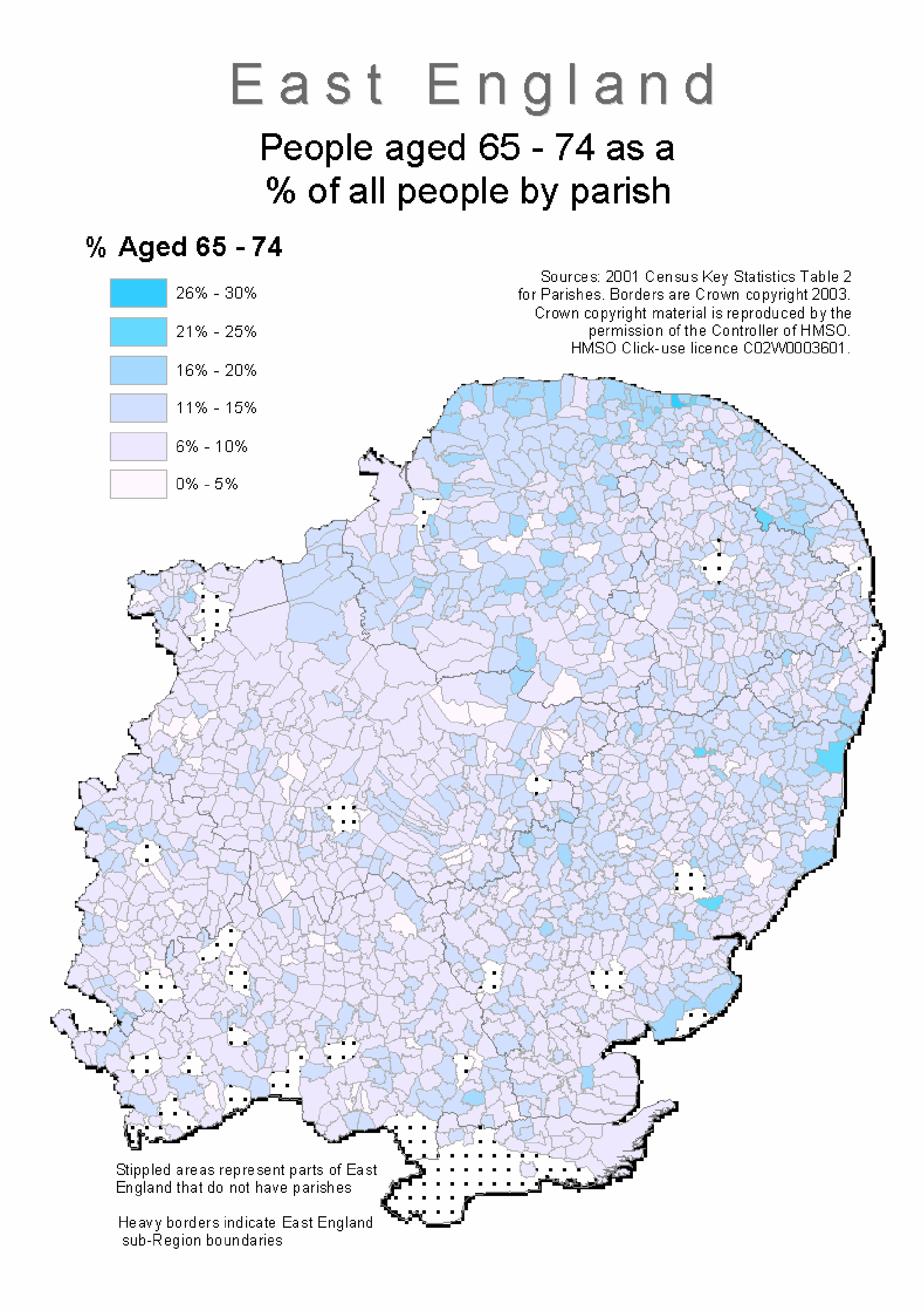
Source: ONS Census 2001

3.11 We wanted to see if migration patterns have changed significantly over recent years i.e. is the AONB coming under more pressure from in-migration. Direct comparison with the 1991 Census is technically difficult. From the data available there would appear to be a greater number of moves in 2001, but that similar proportions are moving locally. This implies some growth in in-migration from London and the South East but not a step-change in its impact between 1991 and 2001.

What has been happening to population structure - is it changing?

3.12 The 2001 Census indicates that the north Norfolk area in general has a higher proportion of people aged 65 to 74 than other rural parts of the region.

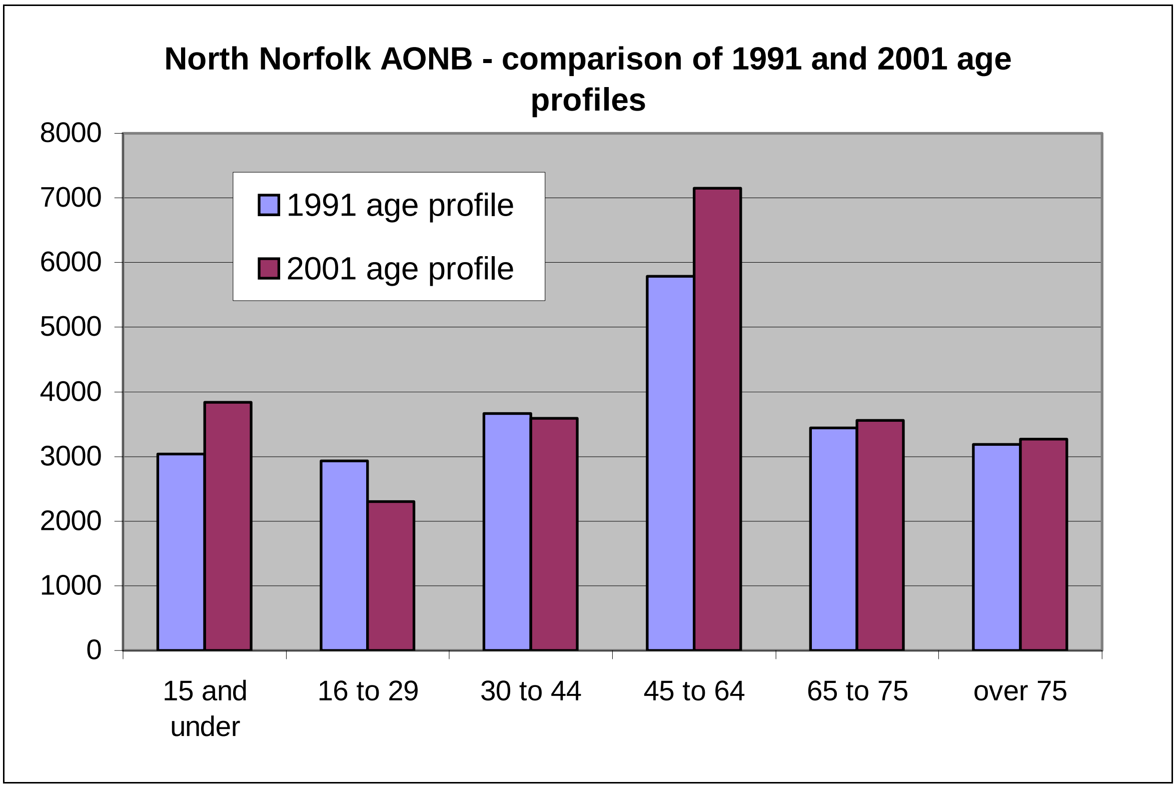
Figure 3.13: People Aged 65-74 Years in the East of England



Source: ONS Census 2001

3.13 The age profile of the Norfolk Coast AONB has changed between 1991 and 2001, showing an increase in the 45 to 64 age group of around 24%. However, young people under 15 have also increased, but the number of people aged 16 to 29 has fallen by about 22%.

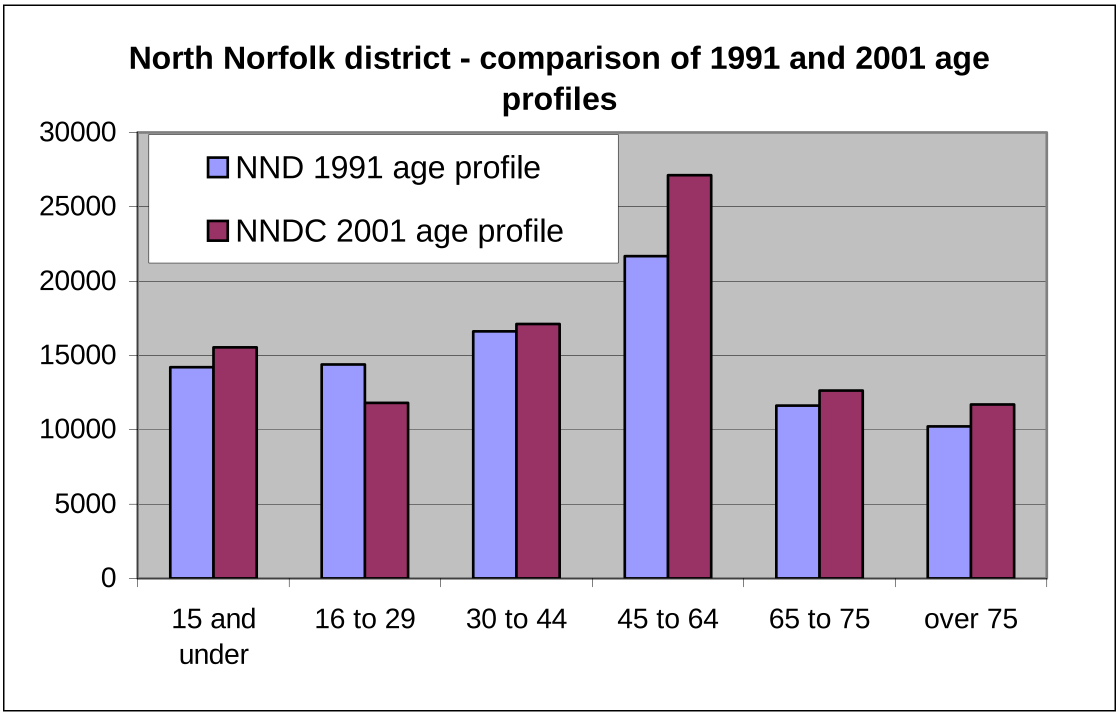
Figure 3.14: Age Profile, Norfolk Coast AONB, 1991 and 2001 Compared



Source; ONS Census 1991 and 2001

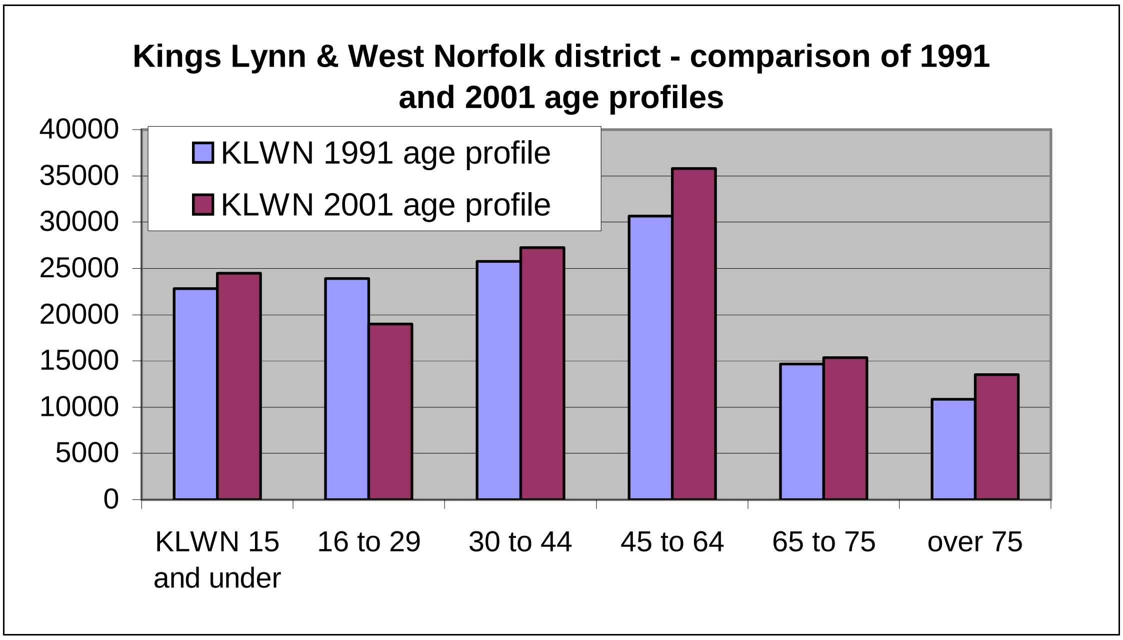
3.14 In comparison with the AONB, North Norfolk has experienced similar shifts in the population profile, and Kings Lynn and West Norfolk in the same general direction, but a less marked increase in the 45 to 64 age group.

Figure 3.15: North Norfolk Age Profile 1991 and 2001



Sources: ONS Census 1991 & 2001

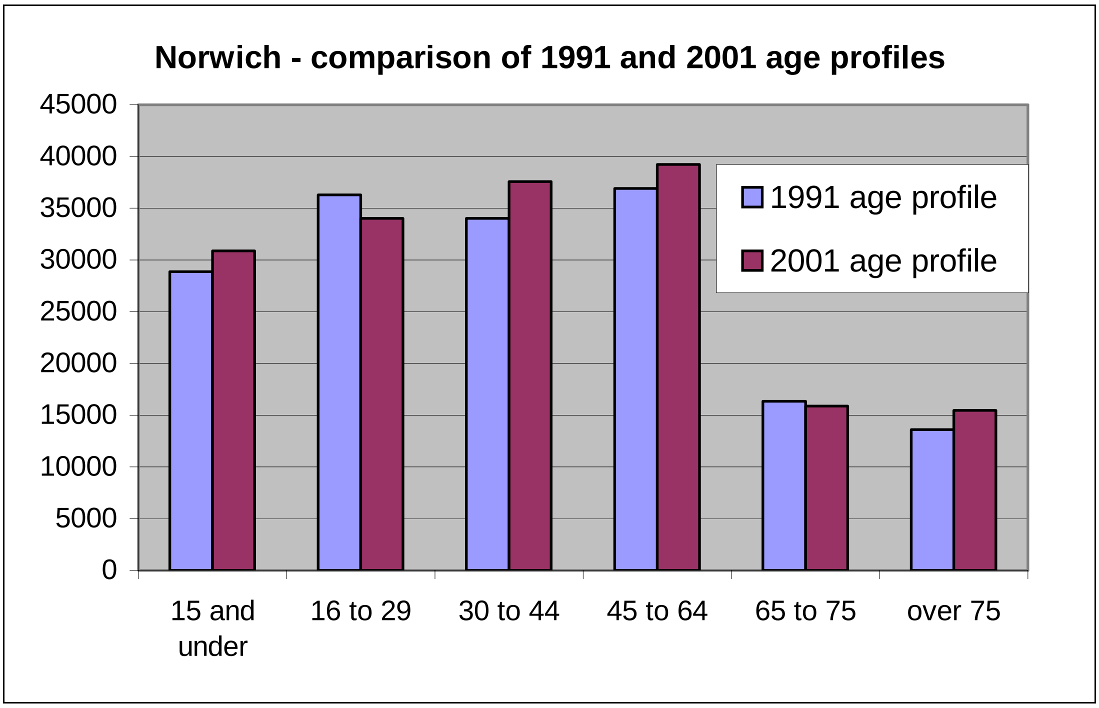
Figure 3.16: King's Lynn and West Norfolk Age Profile 1991 and 2001



Sources: ONS Census 1991 & 2001

3.15 A more revealing comparison is often between rural or suburban areas (which tend to gain older age groups) and regional cities and large urban areas - which often gain younger people in the 16 to 29 age group. In the East region Norwich shows this difference to some extent, although it still shows a small loss in the 16-29 age group.

Figure 3.17: Norwich Age Profile 1991 and 2001



Sources: ONS Census 1991 & 2001

What has been happening to out-migration - is the area losing young people?

3.16 We do not have direct information for the AONB but for the North Norfolk local authority area, GP re-registrations show a loss only in the 16-24 age group. However, people in this age group can also be very slow to re-register with a doctor. The largest gain is in the 45-64 age band.

Table 3.18: Net Gain and Loss of Population by Age Band.

Age	**0-15**	**16-24**	**25-44**	**45-64**	**65+**	**All ages**
gain/loss	300	-300	400	600	100	1,300

Source: National Health Service Central Register 2003-4

How big an issue is second homes and are second homes taking up a particular part of the stock ?

3.17 One of the issues we were asked to explore was the impact of second and holiday homes on the 'AONB market'. The table below (using data from the 2001 Census) shows that this is a very valid concern with 15% of homes not occupied by permanent residents.

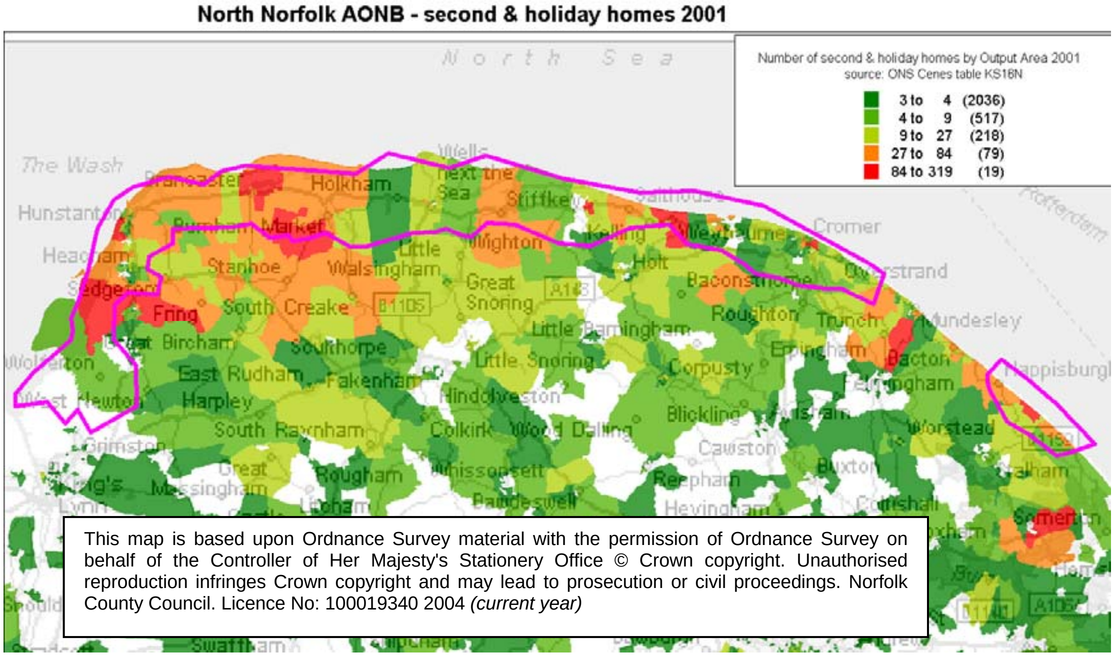
Table 3.19: Overall stock in AONB by occupancy at Census 2001

With residents	Vacant	With no residents: Second residence / holiday accommodation	Total stock
10683 (82%)	349 (3%)	2006 (15%)	13038

Source: ONS census 2001

3.18 Second and holiday homes tend to be concentrated along the 'coastal strip' with distinct 'hotspots'.

Figure 3.20: Second and Holiday Homes by Output Area



Sources: ONS Census 1991 & 2001

3.19 By local authority, North Norfolk and King's Lynn and West Norfolk have the highest proportions of second homes in the East region.

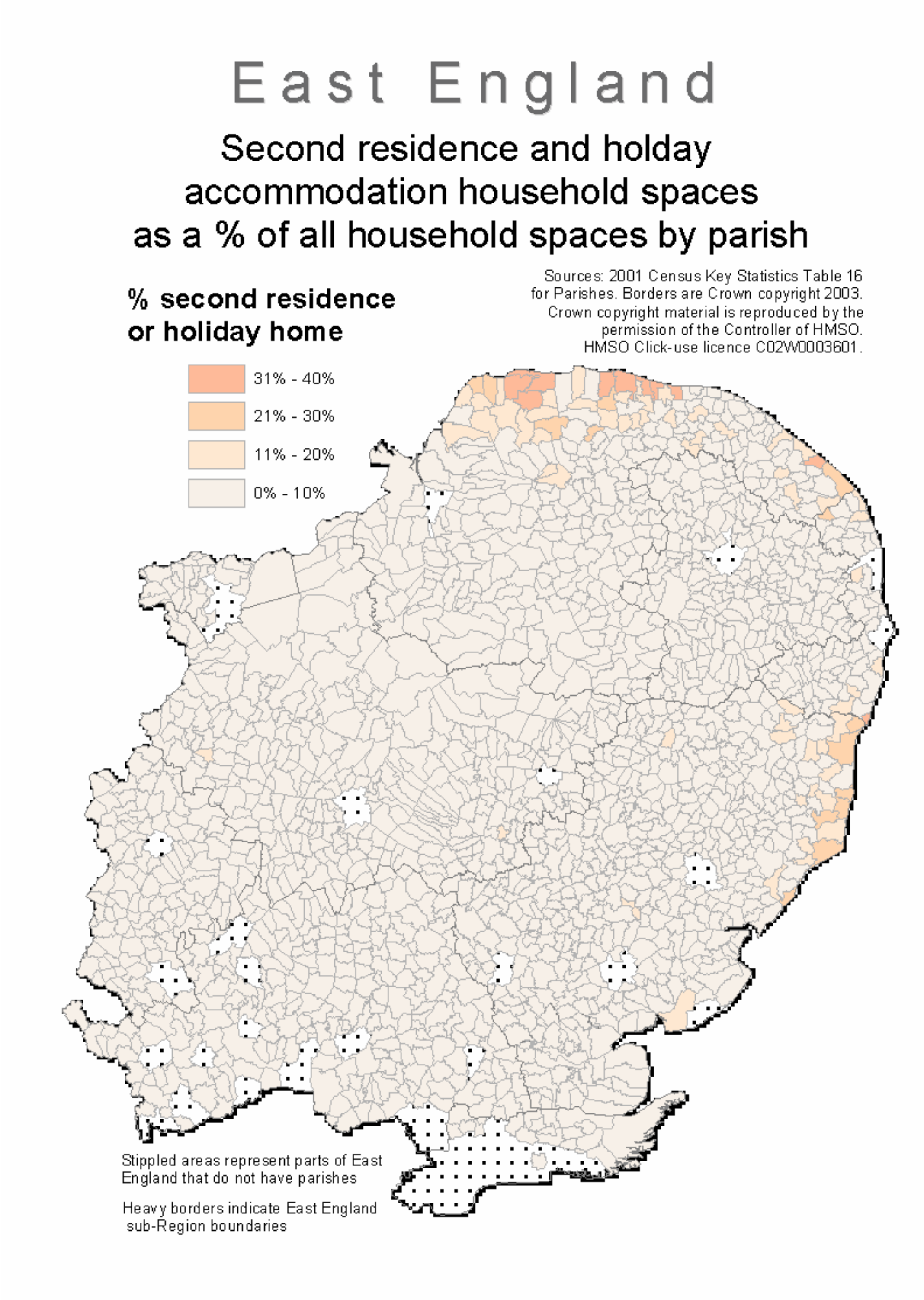
Table 3.21: Proportions of Second Homes by Local Authority in East Region

LA	All household spaces: With residents	All household spaces: With no residents: Vacant	All household spaces: With no residents: Second residence / holiday accommodation	2nd & holiday homes %
North Norfolk	43502	1385	3467	8.0%
King`s Lynn and West Norfolk	58338	2550	2376	4.1%
Suffolk Coastal	49025	1740	1932	3.9%
Tendring	61411	1904	1592	2.6%
Waveney	48424	1944	1238	2.6%
Great Yarmouth	39380	1040	741	1.9%
Maldon	24189	714	295	1.2%
Mid Suffolk	35396	988	379	1.1%
Babergh	34863	834	373	1.1%
South Norfolk	46607	1426	367	0.8%
Breckland	50715	1539	366	0.7%
Broadland	50009	1085	323	0.6%
St. Edmundsbury	40560	1389	251	0.6%

Sources: ONS Census 1991 & 2001

3.20 The importance of second and holiday homes in north Norfolk is further illustrated by the following map, which shows very clearly that in the East of England the main clusters of second and holiday homes are on the North Norfolk and Suffolk coasts. The AONB shows higher levels of second/holiday home occupation than the next highest area in the East region on the Suffolk coast.

Figure 3.22: Second and Holiday Homes - East England



Sources: ONS Census 1991 & 2001

3.21 The issue of second-homes is not uniform across the AONB. In some settlements it is relatively unimportant but in other settlements as much as 40% of the stock is a second (or holiday) home. Data is available from two sources, the 2001 Census, and North Norfolk DC Council Tax database for January 2005. They show a similar overall picture but differences in detail. Some of this difference may be genuine, but some also appears to be due to reporting and recording differences.

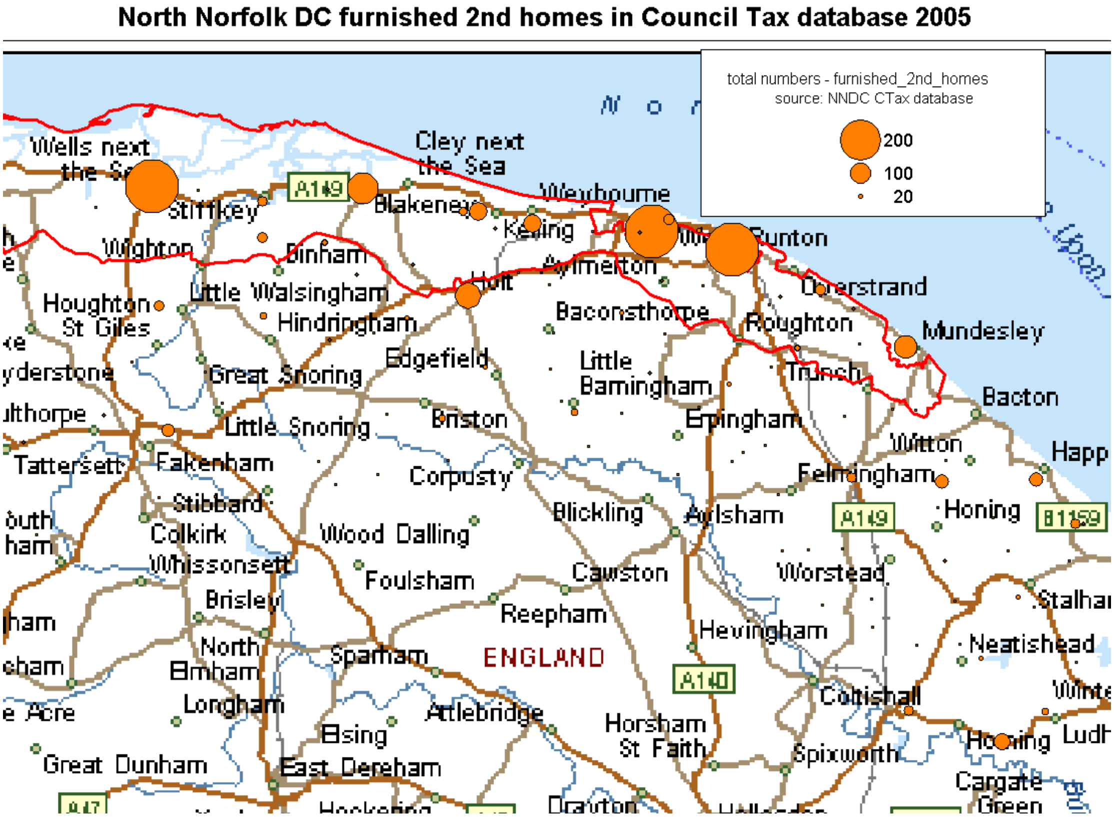
Table 3.23: Second Homes in Main AONB Settlements

	Total households	Number of 2nd homes	% 2nd homes
Cley next the Sea	217	95	43.8%
Brancaster	219	87	39.7%
Brancaster Staithe	376	146	38.8%
Weybourne	394	120	30.5%
Burnham Overy Staithe	301	89	29.6%
Burnham Market	529	136	25.7%
Thornham	168	39	23.2%
Holme next the Sea	244	55	22.5%
Wells-next-the-Sea	1050	182	17.3%
Sheringham	2603	255	9.8%
Beeston Regis	284	18	6.3%
Southrepps	118	7	5.9%
High Kelling	127	6	4.7%
Roughton	319	12	3.8%
Canadas	101	3	3.0%
Blakeney	421	12	2.9%
Total	7471	1262	16.9%

Source: ONS Census 2001

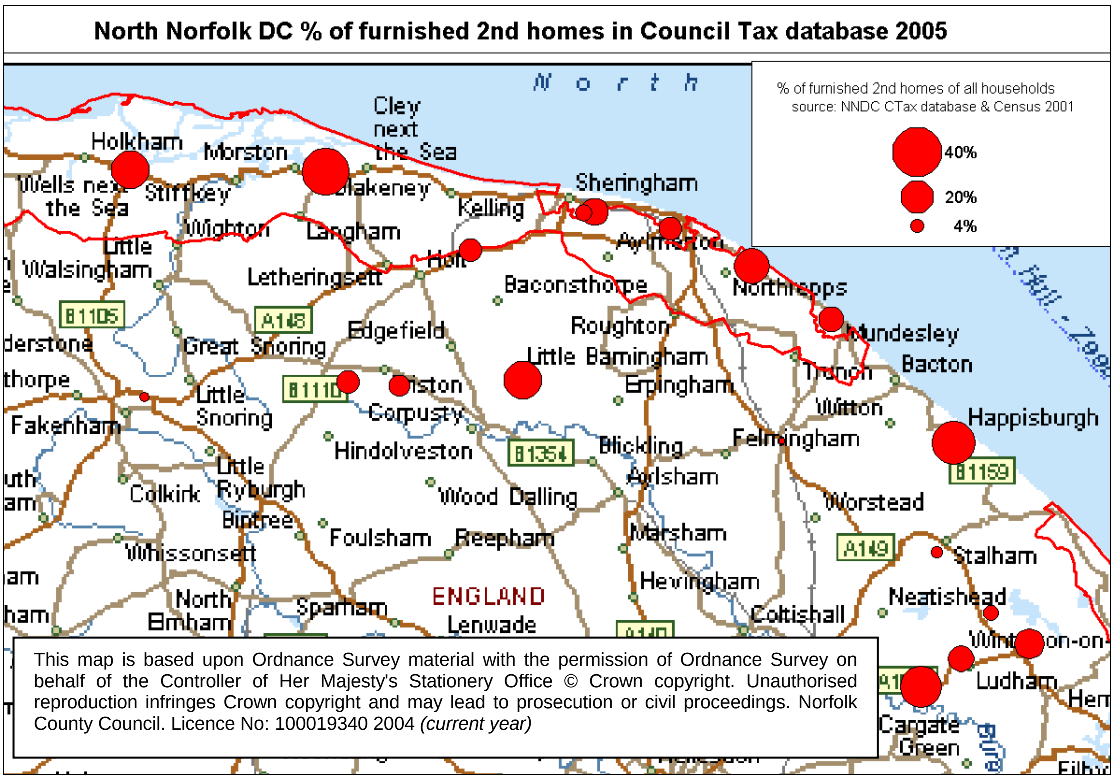
3.22 The total of second and holiday homes shown by the Council Tax database in 2005 is, at 2080, very similar to the overall figure from the 2001 Census. However, recent data form the North Norfolk Council Tax system shows a different detailed picture, with particular ‘hotspots’ becoming more apparent.

Figure 3.24: Second Homes in North Norfolk – numbers



Source: North Norfolk DC Council Tax database

Figure 3.25: Second Homes in North Norfolk - percentages



Source: North Norfolk DC Council Tax database

3.23 From the evidence available, the number of second homes has increased slightly in recent years but is perhaps not the growing issue which stakeholders might expect. It is not possible to make direct comparisons between the 1991 and 2001 censuses. However, we know from the 1991 Census that there were for the AONB area itself.

- 683 vacant
- 1355 second residences
- 725 holiday homes.

3.24 The numbers and proportions of second homes by settlement in the AONB within North Norfolk in January 2004 were (in descending order) :-

Table 3.26: Second Homes by Settlement – Council Tax Data, Jan 2004

Village	Total 2nd homes	Total households	% 2nd homes
Blakeney	155	419	37%
Happisburgh	66	209	32%
Horning	75	253	30%
Wells-next-the-Sea	268	1039	26%
Corpusty	33	131	25%
Overstrand	57	266	21%
Potter Heigham	20	118	17%
Sheringham	356	2620	14%
Ludham	32	248	13%
Mundesley	111	902	12%
Melton Constable	13	124	10%
High Kelling	13	126	10%
Cromer	325	3201	10%
Briston	33	387	9%
Beeston Regis	17	283	6%
Catfield	7	134	5%
Stalham	22	675	3%
Fakenham	59	2659	2%
North Walsham	42	4054	1%

Source: North Norfolk DC Council Tax database 2005

3.25 We contacted the North Norfolk Council Tax Department for some informal guidance. In their opinion, the number of second homes in the district had increased "slightly" over recent years.

3.26 Comparing the data another way, the whole of North Norfolk is 990.9 sq km. The AONB within North Norfolk is 236 sq km , so the AONB is 23.8% of the whole district, and the rest of North Norfolk outside the AONB is 754.8 sq km. According to Council Tax data, there were 1,974 second homes in North Norfolk outside the AONB, and 1,398 in North Norfolk inside the AONB, so the number of furnished second homes per square kilometre is :

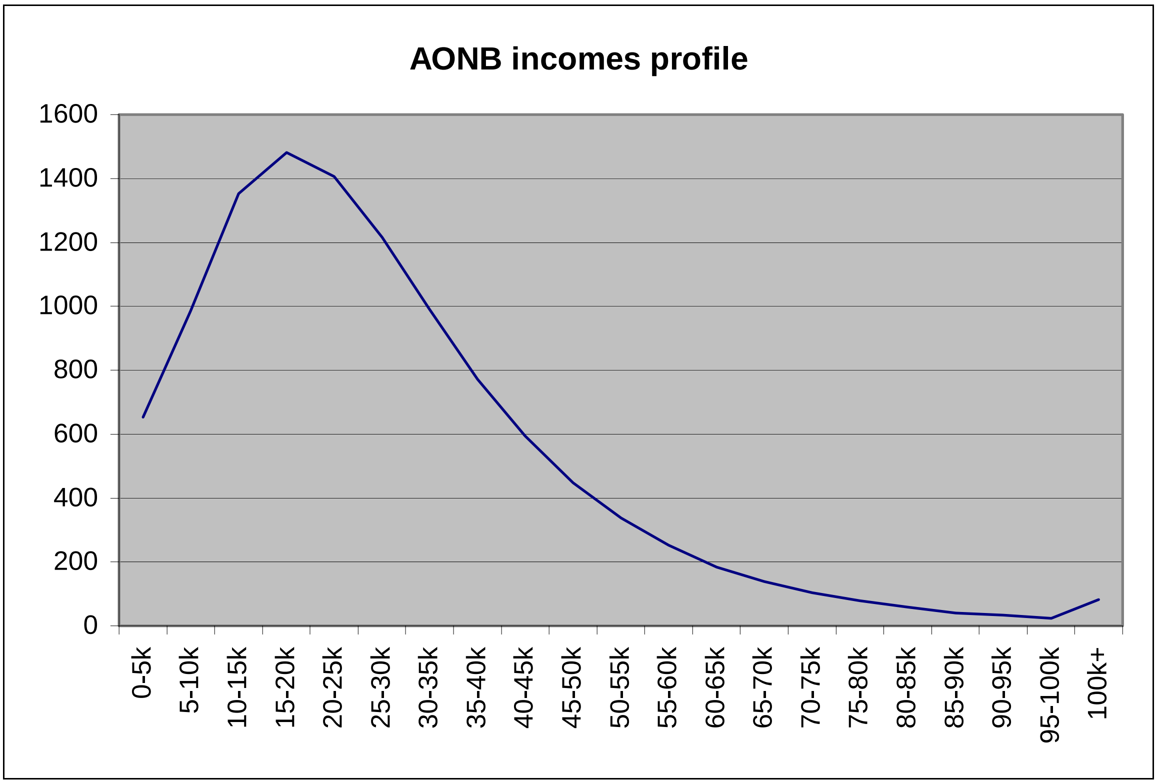
AONB only	=	1398/236	= 5.92 per sq km.
North Norfolk outside AONB	=	1974/754.5	= 2.62 per sq km.

3.27 Therefore there are 2.26 times the proportion of second homes inside the AONB compared to the rest of North Norfolk district outside the AONB.

Is there an affordability issue? How does it manifest itself?

3.28 Incomes vary widely, as everywhere, but within the AONB the overall average income is just over £28,000 a year (source: CACI Paycheck, aggregated by parish by Norfolk County Council).

Figure 3.27: AONB Area Overall Incomes Profile



Source: CACI Paycheck

3.29 The profile is typically log normal, but within this 6% of incomes are under £5K a year, 9% £5 to £10K, and 12% are £10 to 15K. Cumulatively, 40% of incomes are under £20K a year.

Table 3.28: Lower income band percentages

Total Households	0-5k	5-10k	10-15k	15-20k	20-25k
% in band	5.8%	8.8%	12.0%	13.2%	12.5%
Cumulative %	5.8%	14.6%	26.6%	39.8%	52.3%

Source CACI Paycheck 2004 – household incomes

3.30 Given the house prices in the area, we can see immediately that there is an affordability problem. We have used the average price of a terrace house as the entry-price for the market in the AONB and made the following assumptions:

5% deposit (say £8,000) assumed to be available, leaves £150,000.

At 3.5 times income:mortgage multiplier, income required =£45,000 a year.

3.31 We have found that about **84%** of households have insufficient income to afford an average priced terraced house. This figure will overstate the affordability problem as many purchasers will have significantly more equity than we have allowed. Nevertheless, the severity of the affordability issue is clear.

3.32 We have also found that incomes vary between settlements. The parishes with the largest proportions of lower incomes are Wells-Next-The-Sea, Holkham, Trimingham and Upper Sheringham. The table below shows all settlements in the AONB with 40% or more of households with a household income of below £20,000 per annum.

Table 3.29: Percentages of lower incomes for all AONB parishes where over 40% of households have incomes under £20,000

PARISH_NAME	**Mean**	**Total Households**	**0-5k**	**5-10k**	**10-15k**	**15-20k**	**Total under £20K**	**%**
Wells-Next-The-Sea	23	1480	118	181	233	232	764	52%
Holkham	23	112	9	13	17	17	56	50%
Trimingham	22	181	10	20	29	31	90	50%
Upper Sheringham	23	123	10	15	18	18	61	50%
Weybourne	23	409	21	42	64	71	198	48%
Wighton	24	120	12	14	16	16	58	48%
Gimingham	24	178	14	20	26	26	86	48%
Runton	24	870	70	95	121	124	410	47%
Warham	24	88	7	9	12	13	41	47%
Burnham Thorpe	24	93	4	9	14	15	42	45%
Stiffkey	26	165	14	17	21	22	74	45%
Paston	26	109	8	11	14	14	47	43%
Salthouse	26	130	9	12	17	18	56	43%
Winterton-On-Sea	26	940	62	91	121	130	404	43%
Sandringham	26	216	12	20	28	31	91	42%
Kelling	26	102	5	9	13	15	42	41%

Source: CACI Paycheck 2004

Dependency ratios

3.33 Dependency ratios measure the relationship between the economically active part of the population and the non-economically active part (the so-called 'dependent' part of the population).

Table 3.30: AONB only - National Statistics - Socio-economic Classification (NS-SeC) 2001

All people aged 16 – 74	16624	%
Large employers and higher managerial occupations	353	2%
Higher professional occupations	529	3%
Lower managerial and professional occupations	2554	15%
Intermediate occupations	1033	6%
Small employers and own account workers	2043	12%
Lower supervisory and technical occupations	1123	7%
Semi-routine occupations	2073	12%
Routine occupations	1418	9%
Never worked	268	2%
Long-term unemployed	107	1%
Full-time students	525	3%
Not classifiable for other reasons	4598	28%

Source: ONS Census 2001

Table 3.31: Dependency ratio estimates

Not working, aged over 65 or under 15	Aged 16-74	Socio-economic classification = working
10663	13048	12026

Source: ONS Census 2001

3.34 The ‘Dependency ratio’ can therefore be estimated as between 1.1 and 1.25 working people for each non working person, based on Census categories. This compares with a UK dependency ratio of 61.7 to 100 (617 dependants to 1,000 people of working age) in mid-2003 rising to 718 (71.8 to 100) in mid-2050 (total population 66.78 million). This translates to 1.62 working age people to every non working age person, which is some 30% higher than the dependency ratio in the AONB. It means that there are less working people supporting more non working people in the AONB. However, this does not necessarily translate into a differential in resources – in some cases pensions may be higher than the incomes of working residents.

Summary

3.35 North Norfolk generally is a very rural area, especially along the coastal strip which includes the Norfolk Coast AONB.

3.36 The housing stock in the AONB is heavily skewed towards larger properties with few terrace homes and flats. This is one of the factors explaining the high house prices with an average 'entry level price' of £158,000. Given that

40% of households in the AONB on an annual income of under £20,000, it is clear that housing affordability is a significant issue.

3.37 The AONB has a similar tenure profile to that of King's Lynn and West Norfolk and North Norfolk. But private renting (at 16.6%) represents a higher proportion of the stock than social rented housing (at 12.3%).

3.38 In-migrants to the AONB come from a relatively localised area with a net gain of migrants from London and the South East representing about 10% of all in-movers.

3.39 The population of the AONB is growing older but perhaps not in the way which might have been anticipated. The biggest increases have been in the 45-64 age group and amongst children 15 years and under - possibly suggesting that in-migrants tend to be middle aged couples with children. The changing age profile of the AONB is very similar to that of King's Lynn and West Norfolk and North Norfolk.

3.40 Second and holiday homes are significant issues across King's Lynn and West Norfolk and North Norfolk in general but particularly in the AONB. In many AONB settlements the proportion of second homes is well above the local authority averages. There are distinct 'second homes hotspots' where the proportion of affordable housing can be anything up to 40% of all properties. Although there are settlements outside the AONB which are also second homes hotspots, the concentration of second homes in the AONB is a distinguishing feature of the AONB housing market.

4 ACTIVITY TO DATE

Housebuilding

4.1 Reflecting structure and local plan policies there has been limited development of both market and affordable housing in the AONB:

- Of the ADP (Housing Corporation) funded schemes for affordable housing on exception sites in North Norfolk the 15 rent and 2 shared ownership units funded in 2004/05 are programmed for completion in 2005-06. A further 8 units planned for 2005/06 will probably come on line in 2006-07;
- In Kings Lynn and West Norfolk, one affordable housing scheme of 12 dwellings has been completed in the last three years and another scheme for 14 dwellings is in the current programme.

4.2 We have information on publicly funded affordable housing completions, at local authority level, which further demonstrates the limited provision of affordable housing in the past.

Table 4.1: Affordable - Rural Completions 1997-2004[16]

LA/Year	1997/98	98/99	99/00	00/01	01/02	02/03	03/04	Total
KLWN	14	3	13	21	2	34	33	120
NN	28	28	1	22	4	11	13	107

Table 4.2: Affordable - Total completions 1997-2004[17]

LA/Year	1997/98	98/99	99/00	00/01	01/02	02/03	03/04	Total
KLWN	136	87	59	73	83	81	82	601
NN	103	46	95	67	50	23	29	413

Activity of the Rural Housing Enabler

4.3 Norfolk has a Rural Housing Enabler based at the Rural Community Council. The Enabler's role is to work with local district and parish councils and housing providers to identify local housing need (usually through a housing needs survey) and find appropriate solutions.

4.4 Comments from stakeholders suggest that the Rural Housing Enabler (RHE) has already stimulated interest and action in delivering more affordable housing in the rural areas.

4.5 The RHE covers the whole of Norfolk and so the AONB area only gets a part of her attention. However, she has already been able to contact a number of parishes in the Norfolk Coast AONB.

4.6 The RHE (and the Rural Housing Trust) has contacted 24 parishes in the AONB. Only 3 parishes have responded negatively. Of the other 21:

- 5 have schemes underway/completed and 2 have a site identified;
- 9 have a parish housing needs survey underway or completed;
- 3 are considering having a needs survey;

---

[16] From the Housing Corporation

[17] From the Housing Corporation

- 1 has affordable housing identified in a parish plan;
- 1 has a local housing association and existing exceptions scheme

4.7 This represents good progress. It suggests that there is a developing pipeline of potential schemes. Given the limited funding in the past for rural exception sites, the biggest issue in the future is likely to be the build up in funding requirements as more schemes come through. It does not seem that a lack of interest at the local level will inhibit progress.

4.8 There are about another 40 parishes in the Norfolk Coast AONB yet to be contacted.

Nature of demand

4.9 We saw earlier that affordability is a significant issue in the AONB. The RHE has provided information from parish needs survey to illustrate the nature of demand for affordable housing identified. There is insufficient information from the AONB parishes and so we have analysed 32 surveys undertaken across Norfolk. The key findings are:

- Needs identified totalled 698 households (or 22 households per survey);
- 23 of the 32 surveys showed a need from 10 households or more and 9 for less than 10;
- Single people made up 56% of the need;
- Families made up 18% of the need
- Couples made up 12% of the need
- Elderly single person and couple households made up 13% of the need.

4.10 The importance of need from single people is readily apparent and perhaps surprising. We saw earlier that small flatted units are in particularly short supply in the AONB and this may partly explain the difficulties which single people are finding.

4.11 There are a number of surveys undertaken which have showed relatively low levels of need which has surprised the local community. There are various possible explanations for this - not least that people don't like filling in forms. Other possibilities are that those unable to afford housing in the villages have already left or that people think the survey is just about social rented housing and this is not what they want, so they don't reply.

5 CASE STUDIES

Purpose and Selection of the Case Studies

5.1 The case studies were of four parishes which had identified a need for affordable housing and were at different stages in the process of delivering new affordable housing (through a rural exception site). The case studies provided the opportunity to explore in depth the issues faced at the local level, the effectiveness of the process in identifying and developing exception sites and the kinds of solutions which have or are emerging.

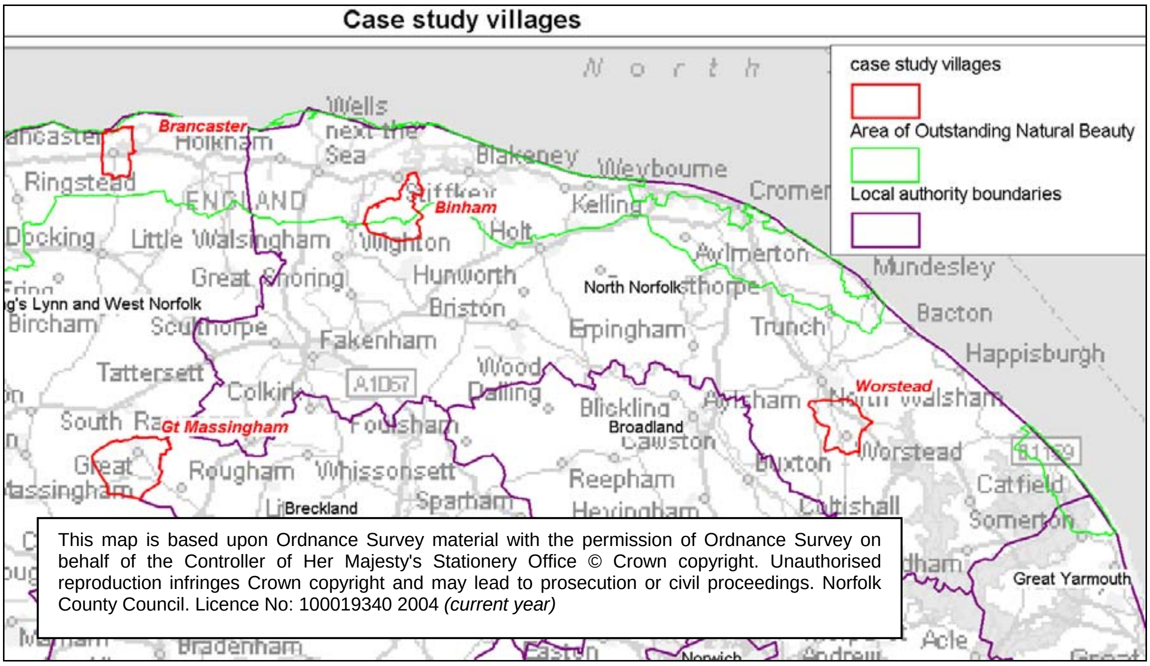
5.2 On the advice of the project management group, the parishes selected were two from North Norfolk and two from King's Lynn and West Norfolk administrative areas. In each, one of the case studies was within the AONB and one outside. This selection allowed us to explore any differences in characteristics, attitudes, issues and process within and outside the AONB.

5.3 The four case studies were:

Binham	North Norfolk, within AONB
Worstead	North Norfolk, outside the AONB
Brancaster	KLWN, within AONB
Great Massingham	KLWN, outside the AONB

5.4 The map below shows the location of the four case study parishes.

Figure 5.1: Case Study Villages



5.5 The research undertaken for the case studies was a mix of desk based analysis of the parishes' key characteristics, a review of their local needs surveys and consultation with key stakeholders including the local parish council, the housing association involved and representatives from the local authority.

Key Characteristics

5.6 The table on the next page provides a synopsis of the key characteristics in each case study parish. The information provides a number of indicators which describe the housing stock and house prices with other indicators looking at the characteristics of the local population. The two parishes within the AONB have been shaded in grey so that their characteristics can be easily compared with those of the parishes outside the AONB. Figures for King's Lynn and West Norfolk and North Norfolk are also provided where available. A separate chart shows the age structure of the case study parishes.

Table 5.1 Characteristics of the Case Study Parishes

	Binham	Worstead	Brancaster	Great Massingham	KLWN	North Norfolk
Housing stock						
Total dwellings	178	386	390	423		
% terrace and flats	21.9%	11.7%	19.0%	14.9%	24.0%	24.8%
% owner occupation	60.3%	71.2%	62.5%	66.4%	71.7%	71.4%
% social rent	16.7%	16.8%	15.0%	22.7%	14.8%	13.4%
% private rent	13.5%	7.3%	17.5%	6.7%	10.0%	11.6%
Second homes	28.7%	3.4%	34.6%	6.1%	3.8%	7.2%
Average house price 2003-04(1)	£254,500	£162,986	£351,458	£136,943	£150,776	£170,747
Population						
'Pensioner' households(2)	55.7%	35.2%	61.8%	41.1%		
% households with annual income under £20,000(3)	36.3%	39.0%	37.4%	36.2%		

Notes

Brancaster excludes the villages of Brancaster Staithe and Burnham Deepdale. All the other information is based on parish data.

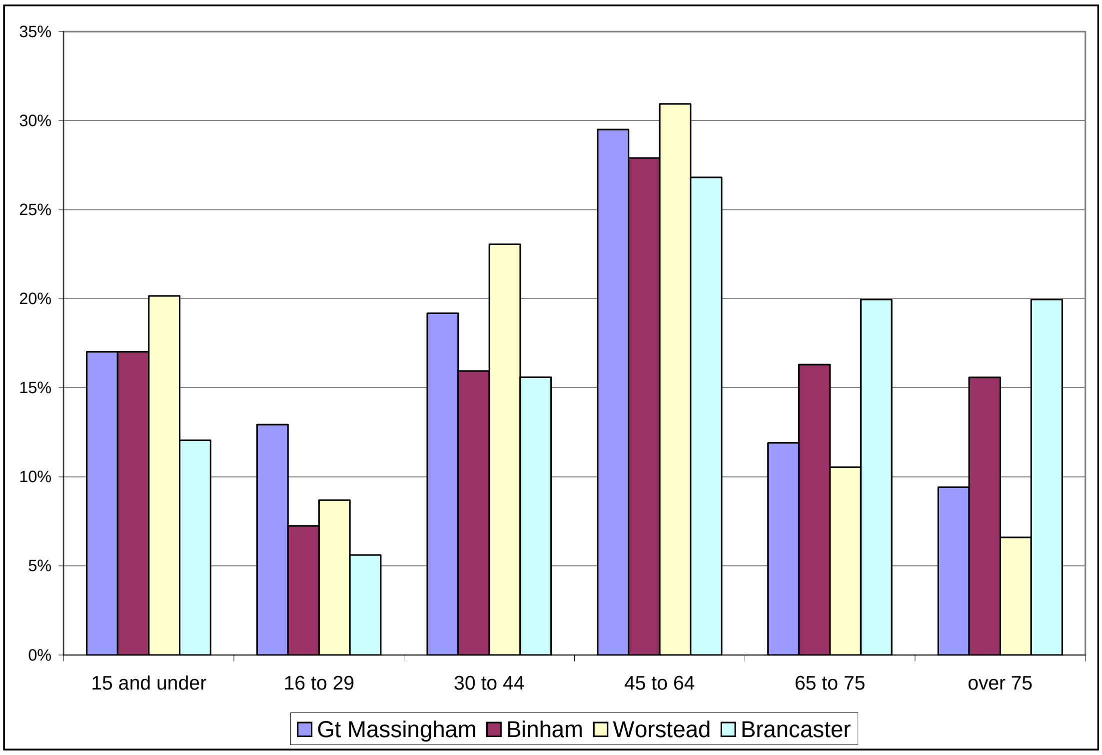
All data taken from 2001 Census unless otherwise shown.

1 HM Land Registry (Very limited sample sizes so figures should be seen as indicative rather than precise estimates)

2 Includes all households with at least one person of pensionable age in them

3 CACI Paycheck 2004

Figure 5.2: Age Structure of Case Study Parishes at 2001



Source 2001 Census

5.7 Although each of the parishes has its own distinct profile, the striking feature from the analysis is the similarities between the two 'AONB parishes' and between the two 'non AONB parishes' and the significant differences between the AONB and the non AONB parishes. These differences reflect the overall characteristics of the AONB described in Chapter 3. The main points emerging from the case study analysis are:

- The AONB parishes are characterised by their older population with over half of all households containing at least one person of pensionable age;
- Average house prices are significantly higher in the AONB parishes;
- Second homes represent around 3 in 10 properties in the AONB parishes - a much more important phenomenon than in the non AONB parishes;
- Private renting is far more marked in the AONB parishes. We can speculate that this is linked to the high level of second homes - which are purchased by non-residents, then let out for all or part of the year.
- The income profiles are not very different between the AONB and non AONB parishes. However, when this is coupled with the step change in house prices, affordability problems will be more acute in the AONB parishes.

Stakeholder Views

Binham

5.8 The emergence of Binham as a possible location for a rural exception site pre-dates the appointment of the Rural Housing Enabler. Information on the need for affordable housing was drawn together by the District Council, using waiting list information rather than a local needs survey. We were told that 80 people on the housing register expressed an interest in the new affordable homes.

5.9 Generally the District Council played a more prominent role in taking the scheme forward than in other of the case studies - again reflecting the fact that the RHE was not in post at the time. The District Council housing enabler was involved in discussions with the parish council and with planning and highways colleagues - a role more likely to be played by the RHE in later schemes.

5.10 High house prices (both for sale and rent) coupled with perceived relatively low incomes are a major concern for the local community. The high proportion of second homes is said to be driving prices up. Although affordability problems are felt to be acute in Binham, the parish is not seen as exceptional and was described as, *" typical of the rural area around here..".*

5.11 The parish council was particularly concerned that any new affordable housing should be for local people. It was on this basis that the local community supported the project and the proposed scheme drew little objection. However, the 9 affordable dwellings, now with planning permission, are all for social rent.

5.12 Finding a site for the affordable housing has not proved a particular problem, with the Council making a site available.

Worstead

5.13 The Worstead scheme is the only one in which the Rural Housing Enabler was closely involved from the outset.

5.14 The local needs survey was carried out in the autumn of 2004. The survey achieved a 30% response from parishioners but showed a limited need for affordable housing. This was unexpected and did not reflect the view of the local community that there is significant need in the parish, with high house prices forcing out young people from the village. The survey showed an immediate affordable housing need for just two new homes, although a need for 7 properties was identified over the coming five years. Of the nine households, three were families, two single people and four were couples. There was interest in both rented and shared ownership.

5.15 Residents responding to the survey were also aware of 18 close family members who had left the village recently. There were a variety of reasons for this - including the lack of affordable accommodation locally. This point resonates with several comments raised during the case studies - that many of those who would benefit from affordable housing provision locally had already left their home village, seeing no prospect of affording a home locally.

5.16 Despite the very limited response to the local needs survey, there were 197 applicants on the Council's housing register with an identified need and who had said they would like to be housed in Worstead. 21 of these had a local connection and a further two households in need were identified in the survey. This suggests need across a wider area which could be accommodated in Worstead.

5.17 North Norfolk's policy only allows housing development to meet current need, which in this instance is based on evidence of 23 households in need with a local connection.

5.18 Such a scheme has been taken forward and a site is being found.

Brancaster

5.19 The exception scheme of 10 houses and 4 flats in Brancaster has already been completed. The scheme is a mix of shared ownership and social rent. Demand has been strong and the homes were easily filled. *'*

5.20 The housing needs were identified through responses to a survey in the local parish magazine. Our understanding is that the survey identified 30 households with a need for affordable housing, with an important element of demand from single people - reflected in the inclusion of flats in the scheme. The affordable housing problems identified in the parish are typical of all the case studies - *'…youngsters don't get a chance….cant find anywhere to live when they leave home…and they do want to stay in the village.'*

5.21 The land for the scheme came from a local landowner and was one of a number of site options. Brancaster already has a village trust which owns a small number of properties for local people, including housing for the elderly. It also has a housing society- the Deepdale and Brancaster Housing Society. The new affordable housing scheme is being managed by Hastoe Housing Association and access to the scheme is made available to local people and those with a strong local connection.

5.22 Although the shared ownership element has been welcomed by the community, there have been concerns about the cost for purchasers (even at relatively low share sizes) and the problems they might face if they choose to move into full owner occupation (since the amount of equity they could accumulate would be very limited). There is an 80% limit on the equity which purchasers can own.

5.23 There were very few objections to the existing scheme and further affordable housing in the parish, provided it is designated for local people, would likely be welcomed. However, finding a suitable site is perceived as a possible barrier.

Great Massingham

5.24 The Great Masingham scheme is a mix of two and three bedroom homes, 8 for social rent and 4 for shared ownership. It is currently under construction by Hastoe Housing Association on land owned by the parish council.

5.25 Survey work for the Village Design Statement originally identified the need for affordable housing, particularly in relation to young people moving out of the village.

5.26 A housing needs survey was subsequently carried out to identify the detailed need and proposed scheme mix. The local needs survey was completed in 2003. It identified 28 households in unsuitable accommodation and 18 households who had relatives or close friends who had left the village in the last five years because of difficulties in finding suitable accommodation.

5.27 The Parish Council came forward with some land that was surplus to requirements as allotment land (there is still some remaining for the parish).

This was subsequently sold as the exception site. There were no difficulties with the site, design or scheme mix and the process has been relatively straightforward in planning terms. The only delay has been in establishing the S106 agreement, but this follows the standard phrasing for exceptions sites in terms of lettings arrangements and is expected to go ahead.

5.28 There was some initial concern that shared ownership might prove too expensive for local people but this has not proved to be the case, with interested parties coming forward for these units. The parish would not have been supportive if first lettings could not have been made to people already living in, or having very recent connections with the village. Generally the scheme appears to be well accepted and considered a great benefit to the village.

Summary

5.29 In none of the case studies was there any significant opposition to the development of affordable housing in the village. However, acceptance of development by the local community largely depends on a guarantee that the housing provided will be for local people or those with strong local connections. This can include households who have left the village in the recent past because they could not find housing in the parish which they could afford.

5.30 Parish councils have been broadly supportive of affordable housing provision and have been particularly concerned to stem the flow of younger people out of the villages.

5.31 Only one stakeholder interviewed specifically mentioned that affordability problems in the AONB are identifiably worse than other parts of north Norfolk. The more common view is that affordability is a general issue but perhaps worse along 'the coastal strip' where pressure from second homes is seen to have pushed up prices. In effect by identifying the ‘coastal strip’ consultees were pointing towards the AONB even if they did not do so by name.

5.32 The results from the needs surveys we have reviewed are inconclusive and differences in outcomes may reflect variations in methodology and the number of households surveyed as much as any 'AONB effect'.

5.33 This is despite the earlier statistical analysis which showed that the two 'AONB case studies' were parishes with significantly higher house prices and under greater pressure from second homes.

5.34 Once a need has been identified, the process of securing and developing affordable housing schemes on exception sites varies from place to place - depending on the type of scheme being promoted and the willingness of local landowners to bring forward suitable sites. The case studies have not shown a single right way of handling this, although the knowledge and support of an effective parish council does seem to matter.

6 VIEWS OF THE DEVELOPMENT INDUSTRY

The Interviews

6.1 We undertook phone interviews with six local developers and five local estate agents active inside and beyond the AONB. The selected developers and estate agents were drawn from lists provided by the Norfolk Coast Partnership. The interviews used a discussion agenda. Issues covered included the views of interviewees on the performance of the local housing market and the main market drivers, household choice, demand and migration and planning policy. The views expressed by the developers and estate agents are their own and do not necessarily reflect those of the authors of this report nor the commissioning authorities.

The Structure of the Housing Market

6.2 The housing market is generally strong in all locations along the north Norfolk coast. According to one agent, it is however particularly strong in a 'golden triangle' formed by Holt, Burnham Market and Weybourne. Another respondent suggested that the north Norfolk market 'pivots' around Sheringham, where demand is much stronger to the west. Particular coastal hot spots are Holt, Cley, Blakeney and Wells-next-the-Sea, although all coastal areas have very buoyant prices.

6.3 The market is distinctly structured between the costal AONB area and the inland locations. The main towns inland such as Fakenham and Aylsham are cheaper. However, housing there is still mostly beyond the reach of First-time-Buyers. The cheapest new homes in Fakenham for example is still £90,000.

Demand for Specific Dwelling Types

6.4 There is a very strong demand for period cottages; these 'fit' the aspirations of the second homes market. Prices for cottages have increased significantly more than for four bedroom and larger houses.

6.5 Demand for bungalows is also high. There is general shortage of bungalows although specific locations (Snettisham was quoted as an example) apparently provide enough of this type of housing to meet market demand.

Sources of Demand

6.6 Those looking for second homes are a key source of demand and have been over the past 15 to 20 years. The north Norfolk area is (for several respondents) essentially a second homes market. The demand for second homes is driven by households moving from the South East and London. One agent said that 90% of buyers of second home properties are from the South East and London. The remainder are from regions such as the East Midlands, with a high proportion of these people looking to retire permanently in north Norfolk. There is, according to one respondent, a large influx of people from Leicestershire to the Hunstanton area.

6.7 People moving from outside the area to buy a second home in Norfolk often make it in practice, their 'first home', and commute for 2-3 days back to their workplace, often in London. Some of these households are cash buyers, although this is the exception rather than the rule. (The overall proportion of cash purchases in North Norfolk local authority area was around 45% in 2001

& 2002). A large proportion of second home buyers are in their forties and fifties; however there is a trend for younger people in their thirties to buy second homes in north Norfolk.

6.8 There is an emerging Buy-to-Let market, particularly in the Cromer area, where investors can purchase flats and make the 'sums work'. Demand is propped up by local households who cannot get on the housing market ladder. Cromer is not seen as being a significant 'retirement' location. There are, however, a few examples of large-scale investment by individuals in the north Norfolk area. There is also a strong investment market (around the Holt area in particular) for larger houses in the price range £350,000 to £500,000. People buy these as holiday lets in the short to medium term with a view to living there in retirement. Thus it is not only the bottom end of the market that is pushing local people out, but also the middle and top ends. Here local people, who are already on the housing ladder, cannot afford to move further up.

Recent Changes in the Market and the Future

6.9 The agents reported that there have been significant price rises over the past few years. In most locations price growth has been between 30% and 40% over the past two years. Market activity slowed over the second half of last year, although it is now coming back strongly.

6.10 Prices are not expected to rise so radically over the next few years although price growth is expected to be steady. One respondent suggested that the fundamentals of the economy are in place to deliver sustained growth. On the other hand, this respondent also suggested that even small changes in interest rates could make a dent in prices. A developer suggested that last year's interest rate rises had already 'done the trick' in slowing the market.

6.11 There are some signs however that the market for second homes is stalling at the moment. One reason put forward for this is that buyers from the South East are finding Norfolk very expensive and choosing to buy a second home in France or Spain where their money 'goes further'.

Affordability

6.12 The affordability of housing is a major issue for local people. One agent suggested that local household income would only 'stretch' as far as a £50,000 to £60,000 home. Such properties are almost impossible to acquire and are not suitable for anything other than a single person. The First-Time-Buyer market is the toughest sector of all; one agent suggested that the best resourced first time buyers can only raise £100,000 and that does not go very far in the north Norfolk coastal area.

Planning Policy in the North Norfolk Coastal Area

6.13 Planning is seen by the agents and developers we spoke with to be very restrictive across the whole coastal area, but particularly so in North Norfolk. It is not unusual to find developers (and agents) expressing these kinds of concerns and is certainly not surprising in the study area, given its environmental sensitivity.

6.14 Developers say that there is simply not enough land allocated for all types of housing to meet need and demand.

6.15 The affordable housing policy being promoted in North Norfolk is seen as being very 'difficult' from the developers' perspective. The 4 dwellings threshold in the 77 selected villages may work against development and some of the smaller developers are reluctant to buy sites on that basis. They are concerned they will struggle to sell homes to people who might be ‘disappointed’ to find their neighbours are affordable housing.

6.16 There is a concern that North Norfolk Council's affordable housing development policies are being rather narrowly interpreted and implemented.

6.17 More generally, policies that see social rent as being the most appropriate affordable housing solution are tending to discourage developers from becoming involved in intermediate affordable tenures which, they feel, could make a ‘big dent’ in the overall affordable requirement. Developers feel that the affordable housing policies should reach beyond focusing on trying to secure a limited number of social rented units, but should look to provide a much more dynamic affordable sector which allows for a greater degree of ‘churn’ through different tenures.

6.18 Another (linked) issue is housing for key workers. This should, according to several respondents, be looked at more closely in connection with people working in the tourist industry so that the lower paid could benefit from affordable housing policies.

6.19 Development costs are very high in the Norfolk coast area. Flint exterior homes require, in effect, three ‘skins’ of wall. This increases both labour and material costs.

Land Supply and the Land Market

6.20 The price of ‘open market’ land is very high. The price of a plot for a single dwelling in a good coastal location can be as high as £160,000. Even plots for small cottages can sell for up to £100,000. On the other hand, there are opportunities for larger bulk buy plots where prices are sometimes lower; ex British Rail land was quoted as an example.

6.21 In North Norfolk, Cromer (despite its tightly drawn boundaries) is seen as best able to accommodate affordable housing in mixed tenure schemes. Cromer is seen to be an appropriate location for this type of development as the town provides a sustainable location and is more likely to have sites of sufficient size to support mixed development. The smaller village locations provide far less opportunity. The road systems around settlements such as Blakeney, Cley and Stiffkey are said to be too tight and narrow to allow for any new major development forms.

6.22 The poor transport infrastructure generally is seen as being a limiting factor in the development of the coastal housing market. However, this is a ‘double edged sword’ – improvements, whilst they assist local people to better access labour markets, also make the coastal area even more accessible to in-comers.

6.23 Larger developers do not regard north Norfolk as a realistic area in which to develop. Although many have an office in East Anglia, their focus is largely on Suffolk, with Norwich being their main development location in Norfolk. North Norfolk is seen as being a ‘skewed housing market’ where the main form of provision is retirement homes and where there is insufficient ‘volume’ to warrant setting up a scheme. There is a view that the type of plots coming forward in north Norfolk are mainly suited to local businesses which were described as ‘jobbing builders’.

Summary

6.24 The north Norfolk coastal area is a location which has over the past few years come under intense housing pressure from households outside the region. From the perspective of the developers and estate agents, the area has become synonymous with second homes and retirement housing. The market is cheaper inland.

6.25 On the supply side, there are also considerable pressures. Developments of any significant scale are limited to the main towns. The supply side is largely based around small and contract type developers. These firms are very reluctant to depart from what they know best: small development of up to ten dwellings (usually without an affordable housing element).

7 VIEWS OF STAKEHOLDERS

Consultations

7.1 As well as reflecting the views of the developers and agents, reported earlier, this section brings together the views of local stakeholders we have contacted. They include housing and planning officers and interested councillors from the three authorities covered by the AONB, the local rural housing enabler, housing associations active in the area, the County Council, Countryside Agency, the Housing Corporation and representatives of Blakeney Neighbourhood Housing Society and Deepdale and Brancatser Housing Society.

Affordability and Sustainable Communities

7.2 There is clearly a problem of affordability and worries that the local community in the AONB is being 'squeezed out' of the market by in-comers and those taking up second homes - the “Chelsea by the Sea” effect. We saw earlier that, numerically, the second home issue has not been getting worse over recent years. But pressure from this market, linked to a general rise in prices, does seem to be forcing out young people and local established families from their local community. To find housing they can afford, they are moving out, usually a few miles away 'inland' with anecdotal evidence that young workers then commute back to their 'home area' where they are already employed.

7.3 However, availability of affordable housing is not the only issue facing young people in the villages. Their housing decisions are also affected by job opportunities and the quality of 'local life' and access to facilities. We were counselled against the simple assumption that solving housing affordability would, on its own, keep local young people in their villages. Policies towards the delivery of affordable housing need to work hand-in-hand with local economic initiatives. Ironically, villages which are attractive to commuters (and therefore likely to have markets under pressure) may be better able to maintain more mixed and balanced communities.

7.4 The implications for the long-term sustainability of local communities are becoming more apparent and services, reflecting the changing composition of village populations, are becoming increasingly directed towards the tourist and second homes market. The fear is that, in the long term, *'..the community will be based around elderly people…..'.*

7.5 Whilst the majority view of stakeholders is that affordable housing supports community sustainability in rural communities, the alternative viewpoint was also put forward. This suggested that affordable housing in rural areas should only be provided in villages which have a minimum level of services and public transport and that provision of affordable housing should be concentrated in larger market towns where those on lower incomes would have better access to a wider range of facilities and job opportunities.

7.6 Stakeholders do not believe that the situation is worse in the AONB than in the immediate vicinity. However, there is a general view that affordability is at its worst along the coast and there is an affordability gradient which is most acute at the coast and improves as you go inland. Our statistical analysis bears this out but it also highlights that there are distinct affordability hotspots which are mainly, but not exclusively, in the AONB.

Affordable Housing Options

7.7 Where affordable housing can be delivered, the pressure is to provide social rented housing. Although intermediate housing does have a role to play local authority enablers (reflecting the messages from needs surveys) have, to date, seen it as being much less important than social rented housing. This, of course, leads to a kind of 'dumbbell' housing market and excludes those who want to buy but cannot afford to do so.

7.8 There are financial pressures which may be changing attitudes, at least as far as RSLs are concerned. RSLs see the potential use of intermediate housing as a way of gaining more financial flexibility which could help deliver affordable housing schemes (either as 100% intermediate housing a or a mix of intermediate and social rented) with less need for grant. Developers are also courting local authorities with low cost schemes they say can be developed without grant. This may represent 'pragmatism over purism' in strict housing terms but the financial pressures pushing intermediate housing are very real.

7.9 There would seem to be a market for intermediate housing, which may belie the findings of district wide and village needs surveys. These surveys can miss out on aspirations for home ownership which are very real and drive people's housing decisions - a young couple may prefer to buy in a cheaper location than take up social rented housing in their home village.

7.10 One of the barriers to development of intermediate housing put to us is that the tenure options (e.g. shared ownership and equity share) are little understood and there is some resistance to the newness of the options available. Parish councils, consumers and small local builders may be wary of intermediate housing options. There are also practical problems which need to be addressed. There are a limited number of lenders who understand the product and they tend to be less keen on staircasing. There is also anecdotal evidence that the development economics of intermediate housing is not well understood, which can lead to problems with valuations etc.

7.11 In very high price areas, with relatively low incomes, there is concern that people would only be able to afford a very small share of the equity. Although households would benefit from any rise in the value of their share if house prices increase, it is feared that the equity released would be insufficient for them to move on to buy on the open market. We were also quoted examples of purchasers of shared ownership properties who became over-stretched financially.

Development Schemes and Land Supply

7.12 Exceptions sites are a very important mechanism for delivering affordable housing in rural areas. They are said to have worked well over a number of years and are becoming increasingly popular. The role of the Rural Housing Enabler in acting as a 'bridge' between local communities and the local authorities and housing associations has been much praised. The concern now is that the popularity of this option could raise expectations which cannot be met because of public funding constraints and because of the time taken and resources needed to work with parish councils to bring forward sites.

7.13 Whilst the consensus is that 'windfall' exception sites are a useful mechanism for delivering affordable housing in rural areas, there are reservations about the value of introducing 'allocated' exception sites, an option put forward in the update to PPG3. The concern is that allocated windfall sites, even though they will be clearly earmarked for affordable housing, will have the effect of pushing up the cost of land.

7.14 Land supply for exception sites (and other development in villages) is an on-going problem. The case studies, and stakeholder comments, suggest that difficulties in finding suitable sites vary from place to place. In some cases, there is no problem whilst in others, site finding becomes a major brake on the development of affordable housing. There is a general perception that the price of land for affordable housing is increasing quite rapidly and anecdotal evidence that land owners are sitting on potential affordable housing sites in the hope of more valuable development opportunities in the future.

7.15 However, we found no evidence that the problems faced in north Norfolk are any worse than in other rural areas. A supportive and knowledgeable parish council can be of great help in the process and the work of the RHE has helped unlock potential sites.

7.16 Land owned by the district or parish councils has been a source for some exception sites. Another possible source of land would be the County farms, where they abut villages where development is sought.

7.17 Although development costs for small rural housing schemes are generally higher than those for larger urban developments, no-one has suggested that the costs of building in the AONB are any higher than in the surrounding rural areas.

7.18 However, there is continuing pressure to push up development standards. But the EcoHomes standards in rural areas may be difficult to improve on.

Access to Affordable Housing

7.19 Local public sector lettings policies operate to “safeguard” local applicants. Although this approach ensures that local housing need is addressed it may have unforeseen consequences in terms of the sustainability of local community life. It can 'close' villages to new skills needed to maintain village life, for example of someone to open/ run the post office.

7.20 Experience with nominations to social rented housing has shown that there can be problems which arise from the length of time it takes to develop rural schemes. Whilst nominations for first lettings on schemes might be taken up, local people may not be available to take up any subsequent re-lettings. Sometimes, with the passage of time, the need has simply been displaced.

7.21 Norfolk (including the Norfolk Coast AONB) is eligible for key worker housing under the Government's Key Worker Living initiative. The initiative is targeted as certain public sector workers who buy properties on the open market on an equity share basis, up to a ceiling of £50,000. Although the initiative is not likely to deliver large numbers of affordable housing it has the potential to retain essential economically active households in the rural community. There is a feeling that the scheme may have 'got lost' and its potential could be exploited further.

7.22 Generally stakeholders wanted a more flexible definition of 'key workers', (determined at the local level). However, it is not clear how this would be put into practice and how such a definition would work with rural exception sites where access to the affordable housing is closely tied to people with a strong local connection and demonstrated housing need.

Other Issues

7.23 Meeting the needs of migrant workers (who are typically low paid) is becoming an increasingly significant issue in rural East Anglia. This does not seem to have reached the AONB to any great extent but it is something which needs to be 'kept on the radar'. It is understood that there is a piece of regional work underway that will over time consider the accommodation needs of migrant workers.

7.24 Both Kings Lynn and West Norfolk and North Norfolk housing authorities may be affected by stock transfer. How this will impact on housing policy and implementation in the area is still unknown.

8 EXPERIENCE FROM ELSEWHERE

Overview

8.1 We have reviewed experience in delivering affordable housing in other rural areas in the country. This review has drawn on our general knowledge of rural affordable housing and discussions with a number of planning authorities, including three national parks, the Association of National Parks and a number of local authorities (some of which include an AONB).

8.2 As a general point, most rural authorities in high demand areas with which we come into contact have a very similar approach and suite of policies in their plans. Typically they have a rural exception policy and in larger settlements, a low site-size thresholds (down to 2 dwellings in some examples we identified) for schemes where they seek affordable housing and a relatively high percentage of affordable housing they want to secure on these sites (with 50% affordable housing becoming quite common).

8.3 Housing on rural exception sites is to meet local needs and this is secured by a S106 agreement which sets out who is eligible for the housing provided, using some sort of allocation cascade to define who will get priority for the housing. This often includes households who have a strong historic connection with a village, even if they don't live there at the time the housing is allocated.

8.4 Within this general picture there are examples of authorities who are taking a different approach, focusing rural housing on a number of allocated sites in selected villages which offer a range of local facilities and have the right development opportunities. These sites have a mix of market and affordable housing (social rented and intermediate) to meet a wide range of housing needs. Although the affordable housing is to meet local needs it is also available to a wider catchment.

National Parks

8.5 National parks are particularly interesting because they are areas of strict restraint and because they generally face similar market pressures to the Norfolk Coast AONB - with a significant second homes market and pressure from in-migrants. One national park quoted an average property price of £345,000. Typically the parks have a small housing stock and very limited housing development.

8.6 Parks have also been at the cutting edge of policy development in rural areas. It is sometimes assumed that national parks have special planning powers in relation to housing development but our consultees pointed out that this is not the case. They follow the same planning guidance as other rural areas and so what happens in the parks is not simply 'a special case'.

8.7 As with other planning authorities covering rural areas, the parks have a mixed approach with the emphasis on exception sites but also mixed tenure schemes. What is unusual is the spread of policies which restrict (some or all) newbuild market housing to occupiers with a local connection. We were told that about half the national parks already have such an approach or are "moving that way". Exmoor National Park is the most recent example of this policy. Their local occupancy cascade gives preference to newly forming and homeless households who have 10 years permanent and continuous residence in the parish but it also includes people who work in the parish.

8.8 Planning officers consulted recognised that restricting occupancy of newbuild market housing would not stop the take up of second-hand properties by in-migrant and second home purchasers. Neither is a restricted market for new housing the same as provision of affordable housing - although there is a hope/belief that by restricting the pool of purchasers, prices for these houses will moderate. Although the evidence is only anecdotal, parks with some experience of a restricted market policy did not feel that development had been held back and local landowners seemed still to be bringing forward sites.

8.9 Some of the parks have also encouraged RSLs to purchase from within the existing stock but with limited success because of the high house prices and limited choice of properties.

Other Rural Areas

8.10 In other rural areas, the main differences in approach to the provision of affordable housing are around:

- Attitude to the provision of market housing;
- The types of affordable housing to be provided;
- Funding of the affordable housing;
- Use of exiting properties.

Provision of Market Housing

8.11 Where affordable housing need is very high, some authorities are adopting policies which preclude the provision of market housing - any new development is to be for affordable housing. In other places, market housing is permitted but the proportion of affordable housing sought is very high (e.g. two thirds - of which half is for social rent and half for intermediate housing).

Types of Affordable Housing

8.12 Whilst policies permitting rural exception sites are now the norm in local plans, the approach taken to the types of affordable housing provided in exceptions sites can be very different. For some, need for social rented provision is considered to be such a priority that they attempt to maximise the amount of social rented housing.

8.13 But other authorities take a different view and insist on a mix of rented and intermediate housing on exception sites, to meet a range of needs for affordable housing at different costs. This can be driven, in part, by funding concerns - with authorities recognising that the inclusion of intermediate housing reduces the need for public subsidy, which is generally a very scarce resource. However, authorities also take the view that a range of affordable housing in rural communities is essential in maintaining sustainable and mixed communities in the long term. The key objective of these authorities is to retain young, economically active households in rural communities and it is recognised that social rented housing will not do this because it does not meet their housing aspirations.

8.14 New forms of intermediate housing are being developed which reflect the affordability problems faced by young households in very high price rural areas. Although shared ownership (particularly at low share sizes) can meet the needs of some households, and is an important element in the intermediate housing palette, shared ownership can still be out of the reach of many economically active low income households. This was a concern raised in north Norfolk.

8.15 One alternative intermediate product has been developed by South Shropshire District Council. It is called an 'Equity Mortgage' and fixes the price of affordable homes at a multiple of average local incomes - reflecting how much a household on average incomes could borrow as a mortgage. When a household wants to move, it can benefit from any increase in the value of their Equity Mortgage but the home has to be resold as an Equity Mortgage property or the difference between open market value and the Equity Mortgage value is returned to the Council.

8.16 A variant on the above approach being promoted by other authorities, is to express the amount which the average household can afford to purchase as a percentage of the open market value. This could work out, for example, at 60% of the open market value. On resale, the purchaser can gain from any uplift in value (for the share they own) but the property has to be resold on the same equity share basis.

Funding

8.17 Funding remains a widespread concern, especially with exception sites devoted solely to social rented housing. Where exception sites have a mix of intermediate and social rented housing, the need for public subsidy is less. Depending on the balance between social rented and intermediate housing provided, public subsidy may not be required[18]. There are a number of examples of alternative funding mechanisms which are being developed.

8.18 One example comes from South Shropshire District Council which has set up a Joint Venture Company (JVC)[19] made up of the Council, the main local housing association and a local developer. The role of the JVC is to pro actively develop affordable homes in line with the Council's policies. The JVC is to use locally sourced materials and employ local labour wherever possible. The JVC is not the only vehicle for development of affordable housing but by delivering a significant programme across the District, raising finance is easier and there is an expectation that additional public subsidy will not be required to achieve affordable housing development undertaken by the JVC.

8.19 Another example of a funding initiative comes from the Yorkshire Dales. The plan, announced in January, is for the Skipton Building Society to invest £10m in housing for local key workers. They will fund construction of two and three bedroom homes let to key workers at below-market rents. Scheme details are still being worked out.

8.20 In Suffolk, the Suffolk Regeneration Trust has just been established to offer finance to social enterprises. In the longer term, the Trust will support pioneering property initiatives. The Trust has secured about £500,000 from a variety of sources including the east of England Development Agency and the County Council.

[18] With the intermediate housing generating sufficient income to the affordable housing provider to cross subsidise the social rented units.

[19] This is described in more detail in the Council's publication, 'Affordable Homes for South Shropshire's People', published in November 2004.

8.21 The PFI[20] route is another funding option but this is necessarily on a much larger scale. West Wiltshire District Council is pursuing the route and is preparing a bid to secure Government approval. If successful, the PFI will fund development of 500 affordable homes for rent primarily using open market land, under a contract (ideally with a housing association) to design, build, finance and manage the new homes. The 500 homes include around 100 to be provided in villages in the District (the other 400 in the area's larger towns e.g. Trowbridge and Warminster). The homes will be owned by the housing association which will receive an annual fee from the Council for 30 years to cover their provision, management and maintenance. The bulk of the annual fee will come from Government subsidy in the form of a PFI credit. In return, the Council will have allocation rights to the properties for 30 years.

Using Existing Properties

8.22 Schemes to use vacant existing properties for affordable housing are being promoted by Business in the Community through HRH The Prince of Wales's Affordable Rural Housing Initiative[21]. The recent publication, Making use of empty space for affordable rural housing', sets out a range of examples of the way vacant properties can be brought back into use for affordable housing. An important source of development has been the upper storeys of commercial premises e.g. food stores and banks, converted into affordable flats. The benefits for the property owner are a gain in rental income from the new homes, reduced running costs and improved security. The property owner may undertake the conversion and management of the units themselves (using a local agent) or, more typically, work in partnership with an affordable housing provider.

---

[20] Private finance initiative

[21] Making the use of empty space for affordable rural housing, Business in the Community, February 2005.

9 CONCLUSIONS AND POLICY OPTIONS

Overall Conclusions

Affordability

9.1 The first and most obvious conclusion from our research is that there are significant affordability problems in the Norfolk Coast AONB, with high house prices fuelled by second homes coupled with relatively modest local incomes.

9.2 Within the AONB affordability and second homes problems are generally difficult but are not uniform. There are hotspots where second homes mop up a large part of the available housing (anything up to 2 out of five homes). Some hotspots actually lie outside the AONB and these places will face similar problems to settlements within the AONB but the general trend is for the AONB's problems to be worse than those of other areas in north Norfolk.

9.3 The AONB's problems are exacerbated by the dearth of smaller properties (with a very limited supply of flats and terrace housing) and a relatively small existing stock of social rented housing. Again there will be differences between individual settlements in the AONB but this overall stock profile has an important impact on the housing market in the AONB, severely constraining housing choice for those on lower incomes.

9.4 We have concluded that there is a significant need for affordable housing within the AONB. Although it would be wrong to argue that the Norfolk Coast AONB experiences a unique set of housing difficulties, we believe that the intensity of the affordability and supply problems faced, set it aside from the wider north Norfolk market. This conclusion has to be a matter of judgement and we recognise that there are also affordability ‘hotspots’ outside the AONB. Nevertheless we have concluded that the housing market of the AONB is sufficiently different to be a special case.

Sustainable Communities

9.5 Whilst the population of the AONB (as in King's Lynn and West Norfolk and North Norfolk) is ageing, the area has not seen high levels of growth in the very elderly. The trend has been more towards a more 'middle aged and young elderly' population. But as the population ages in the future, the area could face an 'explosion' of the very elderly.

9.6 Perhaps what worries the local community more is the drift out of the AONB of young (economically active) adults. All the available evidence indicates that housing costs have been an important driver in this. However, it is said not to be the only cause and the availability of employment opportunities will also have had an impact on the location choice of young adults. These households may not be in current 'housing need' and so are not identified in local needs surveys. They also are likely to aspire to owner occupation (as their urban counterparts do).

9.7 However, affordable housing in north Norfolk has in the past been heavily weighted towards the provision of social rented housing. This undoubtedly meets the needs of households with no other choice but young economically active households may neither be eligible for such housing nor would they find it an attractive option.

9.7 If future affordable housing provision continues to be dominated by social rented housing, the area is in danger of developing a 'dumbbell market' - high price sale housing and social rented housing for those in acute housing need.

This would run counter to Government policy in achieving mixed communities and could have important long term social and economic consequences as young, economically active households are forced to leave their home community to meet their housing aspirations.

Intermediate Housing

9.8 Were the area to increase the supply of intermediate housing, two main practical concerns would need to be addressed:

- Unfamiliarity with intermediate housing options (shared ownership, equity share and intermediate rented housing) amongst consumers, developers, financial institutions, valuers, local communities and perhaps the local authorities themselves;
- Ensuring that intermediate housing can meet the needs of a wide range of household circumstances which, in practical terms, means the need to provide intermediate sale housing down to a very low share of the equity.

9.9 The potential market for intermediate housing might be further boosted if local key workers are taken into account (and which could include health and care workers, tourism workers and so on). There are calls for a more locally grounded definition of a key worker to be used in planning and housing policy. But this has to be set against local opinion which supports restricting access to affordable housing for people with strong local connections. This would work against access to affordable housing which might serve wider sustainability objectives e.g. providing housing for an in-migrant taking over a local facility (such as the local post office) or generally to take up local employment.

Supply

9.10 In terms of supply, delivery of affordable housing has historically been slow. There are many reasons for this, although local NIMBYISM does not seem to have been a particular barrier.

9.11 Planning policy does not support a significant housebuilding programme, with protection of the environment a key planning driver. This applies in the rural area within and outside the AONB. Affordable housing provision has relied heavily on rural exception sites.

9.12 The north Norfolk market is not one in which the larger housebuilders operate on a regular basis. Housebuilding is mainly undertaken by small, local builders who tend to be less comfortable with developing mixed tenure schemes. Thus the policies in North Norfolk for development of affordable housing on sites of over 4 dwellings have yielded little new (affordable) housing - local housebuilders have simply avoided getting into this situation.

9.13 At the same time, there has been limited pressure from both housing associations or local communities to develop rural exception sites. This looks like it is changing as the work of the RHE starts to bring forward opportunities.

9.14 Land supply is an issue (whether this is a site for a rural exception scheme or a rural allocation). However, we do not believe the problem is any more onerous than in other parts of the country and does seem to vary within north Norfolk from place to place. Where the local parish council or even the local authority have land to use, this will smooth the process and we believe more attention needs to be paid to public sector land as a potential source. There are other possible sources of new land supply (e.g. the County farms) and other large landowners could be encouraged to bring forward sites.

Funding

9.15 The RHE has been making a difference and engaging communities in the possibility of bringing forward future sites. There is now an active ' rural exception pipeline' and the problem in the future is more likely to be funding than lack of interest and momentum. Alternative ways of funding such schemes are being explored in North Norfolk, for example of 11 bids to the Housing Corporation for exception schemes only 3 were funded.

9.16 Funding constraints are another reason for including a broader mix of affordable housing in rural schemes - intermediate housing is likely to be capable of development without subsidy and may also be able to 'cross subsidise' the development of social rented housing on the same site.

9.17 More radically the authorities operating in north Norfolk could consider following the South Shropshire model and establishing a JVC or, going further, look at establishing a PFI scheme. These may be worth exploring in the future but in the short term, there is perhaps more work to be done to exploit existing funding mechanisms and which may require a better shared understanding of the economics of development. Money collected from second homes is one possible source of additional funding used elsewhere but we understand in Norfolk it is not earmarked for affordable housing. We ask whether this should be revisited with the County Council.

Rural exception schemes

9.18 In our view, rural exception sites will continue to be the mainstay of affordable housing in villages and future policies and funding strategies need to recognise this - although other measures which can increase the supply of affordable housing must also be welcomed. We believe that the AONB (and elsewhere in north Norfolk) can benefit from the ability to allocate exception sites but this would have to be done in such a way that landowners are clear about the type of housing which will be allowed (and hence the impact on land values) and that the local community understands the implications of this type of allocation.

Other options to increase supply

9.19 One option which the area could pursue to increase the supply of housing for local people is to mimic the policies emerging in the national parks which restrict occupancy of market housing to those with a local connection. Superficially this may seem a very attractive option but if the number of new build market homes is going to be very small, its importance as an option could be over-stated.

9.20 Other options could be equally effective in providing a more mixed market in north Norfolk. Purchase of existing properties is one possibility, but it is an expensive one to pursue in high cost areas and the Housing Corporation is reluctant to fund housing associations to do this as it represents poor value for money. However, as part of a wider strategy, it has a useful role to play and should be kept under review pending a change in circumstances. Initiatives which included the conversion of vacant commercial space are a possible avenue - although we recognise that these may be small in number.

Rural housing enabler

9.21 Operationally, we have been very impressed by the activities of the RHE and the way her intervention is developing a pipeline of rural exception schemes. But many communities in the AONB have yet to be contacted and those already underway with a needs survey or site finding, need continuing support. We ask whether more resources, devoted to working with local communities, should be made available.

Recommendations

9.22 The AONB suffers from a concentration of factors that mean the need for affordable housing is more acute here than in areas outside it. This is evidenced by our review of the housing market in Chapter 3, the case study analysis in Chapter 5 and Annex 3 and the regional data collection study that is referred to in Annex 4. Consequently affordable housing delivery needs to be stepped up and a special approach across the AONB would seem to be justified.

9.23 An affordable housing framework should be drawn up for the AONB. The framework will need to deal with the tension between the objective of conserving and enhancing the area's natural beauty whilst meeting the need for more affordable housing and providing a more balanced housing market. The framework should be action-oriented. Its main components would include:

- An evidence base that incorporates the findings of this study, the region's rural data collection study and future housing market analysis;
- A pro-active approach to exception sites which identifies villages where there will be allocated exception sites (these to be selected on the basis, for example, of local house prices, the strength of the second homes market, evidence of local needs and site availability);
- Positive encouragement of a range of intermediate and social rented housing in affordable housing schemes (on exception or other sites) and which could be, for example, on the basis of a 50/50 split (depending on local need);
- A consideration of whether the housing allocations numbers within the current draft Regional Spatial Strategy will allow the districts to meet affordable housing needs;
- Where small sites come forward within villages, the existing north Norfolk approach to development over a certain number of dwellings should be retained and possibly strengthened so that smaller schemes are included e.g. sites with more than 2 dwellings[22];

[22] We recognise that development of small schemes has not proved popular with local developers to date but, in part, this has reflected their limited experience of mixed tenure schemes. Successful implementation of this approach would need to be supported by an on-going programme of work with local housebuilders to explain the policy and the way in which the local authorities will deal with any proposals

- A consideration of whether allocated sites in key service centres[23] will provide opportunities to develop mixed tenure schemes;
- A review of allocation cascades[24] to include consideration of whether they should positively allow for non-local residents - in order to meet wider community sustainability objectives. Any revised cascade would need to have a clear local justification (which ensured local community support) and clear criteria about the circumstances in which 'non-local' need was to be met;
- A review of the long term potential of more radical funding models such as setting up a joint venture company whilst in the short term existing funding mechanisms need to be fully exploited e.g. revisiting the potential to earmark money collected from second homes for affordable housing;
- Linked to the above, there is the need to develop a better shared understanding (between the local authorities, housing associations and housebuilders) of the economics of development and the best use to which scarce grant funding can be put;
- A review of the potential for the purchase of existing properties for use as affordable housing and conversion of vacant commercial space.
- Further consideration of the potential role of the large estates within the AONB. For example the Holkham Estate currently provides rented housing to local residents and workers with a three year connection with the area. The capacity for other estates to do the same should be explored alongside promoting greater awareness of what the private sector might have to offer;
- Arrangements for monitoring and reporting to feed into the Region's Annual Monitoring Report.

The framework should be drawn up in partnership with the local community, housing associations active in the area, local housebuilders and landowners (including representatives of the large estates). Complementary policies which take the framework forward should be embedded in the relevant Local Development Frameworks (LDFs) with the option of developing a joint supplementary planning document between King's Lynn and West Norfolk and North Norfolk (and Great Yarmouth) councils.

9.24 A local rural housing steering group should be set up to manage production and implementation of the framework. The group should involve the local authorities (housing and planning officers), housebuilders, RSLs, Housing Corporation, the RHE and possibly including potential funders. The role of the group would be to develop a co-ordinated policy approach between the two main local authorities (and with Great Yarmouth) and to 'manage' the pipeline of exception sites (and other opportunities that come along) and co-ordinate funding (from whatever source). The other key role of the steering group would be to inform and educate housebuilders (and landowners) about the policies operating in the area. Operationally this could include the designation of specific planning officers to look after 'small rural sites

---

[23] Key Service Centres are proposed by the draft East of England Plan and are defined as large villages with a good level of services. They are to be identified in local development documents.

[24] See the definition under "cascades" in the glossary

applications' as well as establishing a regular forum for housebuilders and landowners to discuss issues of mutual concern with the steering group.

9.25 The steering group should not duplicate existing forum but rather should build on existing relationships.

9.26 The economics of development needs to be better understood by all concerned in delivering affordable housing (including the local authorities, developers, housing associations) and the need for subsidy clearly identified. This could be managed through the rural steering group. Local valuers needs to be actively involved in the process.

9.27 The activities of the RHE should be extended and additional resources brought in. We recommend that a dedicated AONB RHE is appointed (possibly on a part time basis), working to the existing RHE day to day, with their strategic direction and overall work programme set by the steering group. Funding of the AONB RHE could be shared by the Norfolk Coast Partnership and the housing associations active in the area. It would be important that the introduction of a dedicated AONB enabler did not simply raise expectations for development (and its associated funding) which cannot be met. Their role would be to identify the priorities for development and help develop a pipeline of sites with realistic prospects of implementation.

ANNEX 1

GLOSSARY

The following are some of the key terms used in housing within rural areas. A more comprehensive list and guidance is available in the Norfolk Guide to Affordable Housing in Villages which is available from local councils.

Affordable housing for rent

This is provided by "social landlords", either the local council or Registered Social Landlords (RSLs). Normally new affordable housing for rent is developed by RSLs in partnership with the local council. Rent levels are determined by a Government formula, which takes account of the capital value of the property, property size/type and average wages in the area.

Allocations for housing

The term "allocations" is used both for the number of dwellings to be built in an area as determined by development plans, and also for the term used to describe the process of identifying properties and letting them to people, who then become tenants.

Approved Development Programme or ADP

The Housing Corporation's cash limit for capital expenditure on different types of project for each financial year, approved by the Government. The Housing Corporation thereafter allocates funds between its regions and to individual RSLs. ADP is now known as the Affordable Housing Programme and is subsumed within the Single Regional Pot for Housing Capital investment.

Assured Tenancy

Since January 1989 the type of tenancy granted to new housing association tenants.

Cascade mechanism

This is used with S106 agreements to set out what proportion or scale of affordable housing would be sought where public subsidy is lower than anticipated or not available.

It can also be used to describe the procedure to be followed to secure an occupant for affordable housing on rural exception sites, when such housing is vacated. It might set out the geographical areas or types of households that would be eligible for such housing.

Covenants

A covenant is a formal agreement between two or more parties. Covenants are often used to control the use of land or buildings, so that for example a *restrictive* covenant is used to prevent or restrict building on land. Covenants must be registered (for example at the Land Charges Registry or Land Registry)

Development envelope (Village Boundary)

Defines the area that new development may be permitted.

EcoHomes Standard

This is an environmental assessment of the impact of building, developed by the Building Research Establishment to encourage sustainable development. Buildings are “scored” in relation to how they meet certain criteria and ratings of “pass”, “good” or “excellent” are awarded.

Exception Policy

A planning policy to allow housing development within or adjacent to rural villages (currently under 3,000 population) to meet local needs if certain requirements are met.

Homebuy

A Government backed scheme, which is funded and supervised by the Housing Corporation. It is a form of shared ownership where those who qualify for the scheme contribute 75% of the purchase price of a home through a mortgage and/or personal savings. The Registered Social Landlord, who administers the scheme locally, lends the remaining 25% of the value of the home.

Housing Association or HA

A non-profit making voluntary body formed to provide housing. Housing associations are legally constituted and may be charitable trusts, industrial and provident societies, or, occasionally companies. See ‘registered social landlord’.

Housing Corporation

Established by the Government in 1964. Responsible for Regulation of Housing Associations and administration of Government’s Affordable Housing Programme (previously known as ADP – Approved Development Programme)

Intermediate affordable housing

Many people have an income that is too high to enable them to qualify for social rented housing, yet too low to be able to afford to buy in the housing market outright. They are said to need an “intermediate” product. Intermediate means ‘between’ market housing for sale or rent and affordable rented accommodation available from a housing association. Intermediate housing includes intermediate rented and home ownership products such as shared ownership, low cost sale and equity share.

Key Worker

A term introduced by the Government to describe groups of people that are employed in the public sector, in a frontline role delivering an essential public service or in a sector where there are serious recruitment and retention problems. These groups are in health, education and community safety sectors. The government has provided funds in certain parts of the country to provide housing for key workers based on a strict definition- the Key Worker Living Programme.

Local Development Framework

The Local Development Framework (LDF) is part of the new Development Plan System that was introduced by the Planning and Compulsory Purchase Act in 2004. It replaces the Local District Plan and comprises Local Development Documents that set out the planning policy for a district.

Local Housing Needs Survey

A survey to assess whether local people need affordable housing and what type of affordable housing would be required to meet the need identified. The survey would normally carried out with the support of the parish council.

Low cost or discounted housing for sale

Housing available at a price affordable to local people unable to obtain housing in the open market. Generally, a discount will be agreed on the market value of the property that will be held in perpetuity through a covenant

ODPM

Office of the Deputy Prime Minister- the government department responsible for housing, planning and local government.

Planning policy guidance or PPG

Formal guidance from the government on national planning policy issues. Being replaced by planning policy statements or PPS.

Regional Housing Strategy and Regional Spatial Strategy

Strategic documents for the region that are produced through the Regional Assembly to guide housing numbers and investment

Registered Social Landlord or RSL

Another name for Housing Associations that are on the Housing Corporation's register and therefore regulated by the Housing Corporation.

Right to Buy (RTB) and Right to Acquire (RTA)

Under the Housing Act 1980, most secure tenants of non-charitable housing associations and of local authorities have the right to buy their homes at a discount, after a minimum period of residence.

The Right to Acquire is a scheme giving eligible housing association tenants the legal right to buy the home they currently rent. It does not apply to local authority tenants. To qualify for the scheme a property must have been built or purchased by a housing association, funded on or after 1st April 1997 through social housing grant. In addition the prospective purchaser must also be eligible by virtue of tenancy.

Rural Housing Enabler (RHE)

Rural Housing Enablers work with rural communities, local planning offices, landowners and registered social landlords to increase the supply of affordable housing in villages. Norfolk has a dedicated RHE covering the County.

Sequential approach

The principle adopted in Government Planning Guidance of planning new development to direct it to the most accessible locations first to minimise the need to travel. This tends to mean town and city sites are first in order of preference.

Shared Equity

An arrangement where home buyers pay part of the initial cost of buying a home to acquire a share in it. The occupier owns a percentage of the property of "equity share" (typically around 70%) and the remainder is owned by a third party, (RSL, developer, landowner, employer or their agent). No rent is charged on the outstanding equity.

Shared Ownership

The purchaser part buys and part rents their home. Purchases are usually between 40% and 75% shares with the shared owner paying an affordable rent on the remainder. In settlements of less than 3,000 population shared owners do not have the right to staircase to 100% ownership – the maximum being 80%.

Social Housing Grant or SHG

Grant paid by the Housing Corporation to RSLs for capital development programmes.

ANNEX 2

KEY REFERENCES

Barker, K (2004) Delivering stability: securing our future housing needs, The Barker Review of Housing Supply - Final Report – Recommendations.

Breckland District Council (2003) *Affordable housing policy*.

Cambridge Centre for Housing and Planning (2004) *East of England Affordable Housing Study Stage 2: Provision for Key Workers and Unmet Housing Need*.

Countryside Agency (2004) *The Sequential Test, Planning Policy and Rural Affordable Housing*, Nottingham Trent University.

Countryside Agency (2003) *Briefing Note on Sites for Social Diversity*.

DEFRA et al (2004) *Validating Urban and Rural Area definitions* (DEFRA, PDOM, The Countryside Agency, the Office for National Statistics and the Welsh Assembly.

DETR (Department of the Environment, Transport and the Regions) (1998) *Circular 6/98, Planning and Affordable Housing*.

East of England Regional Assembly (EERA) (2005) *Revised Regional Housing Strategy for the East of England: Strategy Document 2005 – 2010*.

North Norfolk District Council (2004) *Housing Strategy*.

Norfolk County Council (1999) *Norfolk Structure Plan*.

North Norfolk District Council (1998) *Local Plan*.

North Norfolk, Kings Lynn: West Norfolk and Breckland (2004) *Rural East Anglia Housing Sub Regional Housing Strategy 2005 - 2009, Consultation Draft*

ODPM (Office for the Deputy Prime Minister) (2005) *Planning Policy Guidance Note 3: Housing, Consultation Paper, Planning for Mixed Communities*.

ODPM (Office for the Deputy Prime Minister) *Creating Sustainable Communities in the East of England*.

South Norfolk District Council (2004) *Procedure for Applying for Planning Permission for Local Needs Affordable Housing in or Adjacent to Villages*.

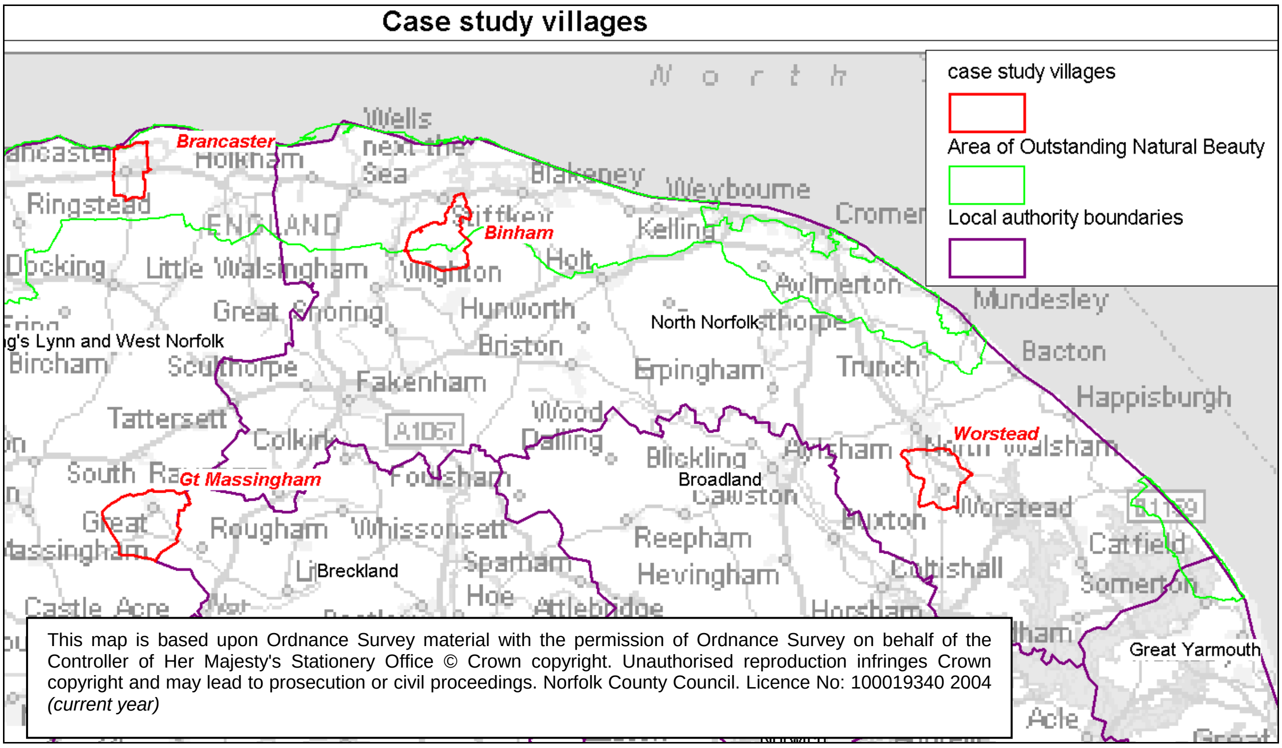
ANNEX 3

CASE STUDY VILLAGES

Four villages were considered as case studies, - Brancaster, Binham, Great Massingham and Worstead.

The parish boundaries were used to select data where this covered mainly the village of interest, but more specific Output Area were used where the parish covered several villages.

Figure 1 – map showing case study villages



Population, households and accommodation use

The populations and household numbers for each village in the data as selected at the 2001 Census were:-

Figure 2: Population and accommodation use 2001

	Population	With residents	Vacant	With no residents: Second residence / holiday accommodation	Total stock	Persons /household (including vacants)	% of second homes @ Census 2001
Binham	276	124	3	51	178	1.55	29%
Brancaster	481	240	15	135	390	1.23	35%
Great Massingham	881	385	12	26	423	2.08	6%
Worstead	863	365	8	13	386	2.24	3%

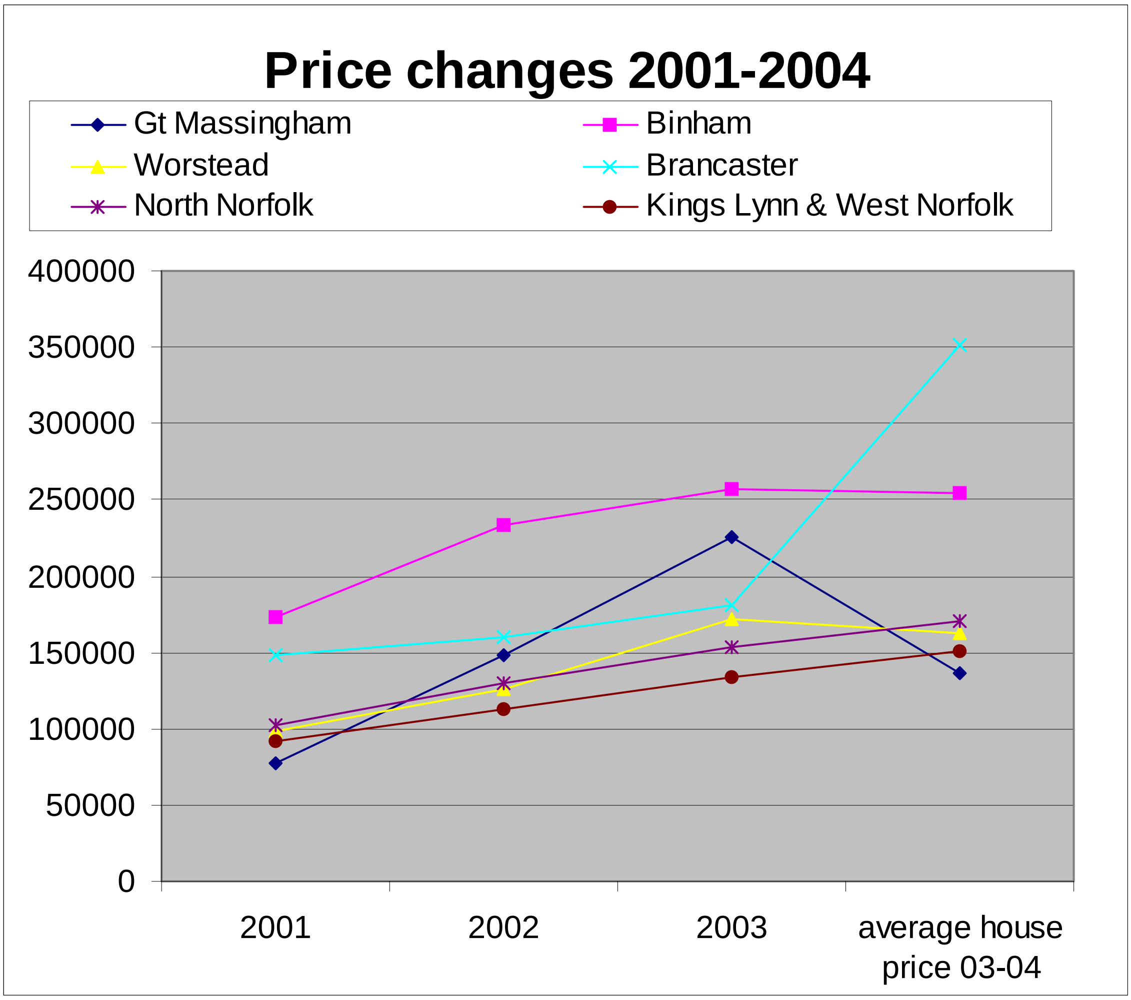
House prices

House prices appear to have peaked, and some show falls. However, in small areas this may also be due to random variation in the types and sizes of property being sold. They are shown below compared to the local authority average prices

Figure 3: House price changes 2001-2004

VILLAGE	2001	2002	2003	average house price 03-04
Gt Massingham	£ 77,470	£ 147,702	£ 224,950	£ 136,943
Binham	£ 172,920	£ 233,000	£ 257,083	£ 254,500
Worstead	£ 97,958	£ 125,500	£ 171,500	£ 162,986
Brancaster	£ 148,800	£ 159,865	£ 180,625	£ 351,458
North Norfolk	£ 102,376	£ 129,317	£ 153,754	£ 170,747
Kings Lynn & West Norfolk	£ 91,885	£ 112,342	£ 134,141	£ 150,776

Figure 4: House price changes



Accommodation types

Most housing in the villages is detached and semi detached. Terraced housing and flats are consistently below the proportions for the districts as a whole.

Figure 5: Types of accommodation

VILLAGE	Detached	Semi-detached	Terraced	Flat: Purpose Built	Flat; converted	Flat:commercial building*	Caravan
Gt Massingham	167	195	57	3	0	3	0
Binham	76	62	30	6	3	0	0
Worstead	200	142	34	5	3	3	0
Brancaster	221	92	48	6	17	3	0
Kings Lynn & West Norfolk	27934	19369	9892	3880	932	478	754
North Norfolk	21373	13801	7425	2592	1074	606	272

Percentages

VILLAGE	Detached	Semi-detached	Terraced	Flat: Purpose Built	Flat; converted	Flat:commercial building*	Caravan
Gt Massingham	93.8%	109.6%	32.0%	1.7%	0.0%	1.7%	0.0%
Binham	19.5%	15.9%	7.7%	1.5%	0.8%	0.0%	0.0%
Worstead	47.3%	33.6%	8.0%	1.2%	0.7%	0.7%	0.0%
Brancaster	57.3%	23.8%	12.4%	1.6%	4.4%	0.8%	0.0%
Kings Lynn & West Norfolk	44.1%	30.6%	15.6%	6.1%	1.5%	0.8%	1.2%
North Norfolk	45.4%	29.3%	15.8%	5.5%	2.3%	1.3%	0.6%

Tenures

The level of owner occupation in the villages is close to proportion in the wider local authority areas, but the proportion owned outright properties is slightly higher in two of the villages – Brancaster and Binham. The variation is not extreme, however.

Figure 6: Tenures

	Owned, Owns outright	Owned, Owns with a mortgage or loan	Owned, Shared ownership	Council	housing association	Private rented	Living rent free
Gt Massingham	130	124	3	88	0	26	16
Binham	56	20	0	21	0	17	12
Worstead	124	138	0	56	6	27	17
Brancaster	111	39	0	26	10	42	12
King`s Lynn and West Norfolk	21640	20028	141	6792	1822	5816	2099
North Norfolk	18292	12652	110	4771	1215	5033	1429
percentages							
	Owned, Owns outright	Owned, Owns with a mortgage or loan	Owned, Shared ownership	Social rented, Rented from Council (Local Authority)	Social rented, Other social rented(RSL)	Private rented	Living rent free
Gt Massingham	33.6%	32.0%	0.8%	22.7%	0.0%	6.7%	4.1%
Binham	44.4%	15.9%	0.0%	16.7%	0.0%	13.5%	9.5%
Worstead	33.7%	37.5%	0.0%	15.2%	1.6%	7.3%	4.6%
Brancaster	46.3%	16.3%	0.0%	10.8%	4.2%	17.5%	5.0%
King`s Lynn and West Norfolk	37.1%	34.3%	0.2%	11.6%	3.1%	10.0%	3.6%
North Norfolk	42.0%	29.1%	0.3%	11.0%	2.8%	11.6%	3.3%

Incomes

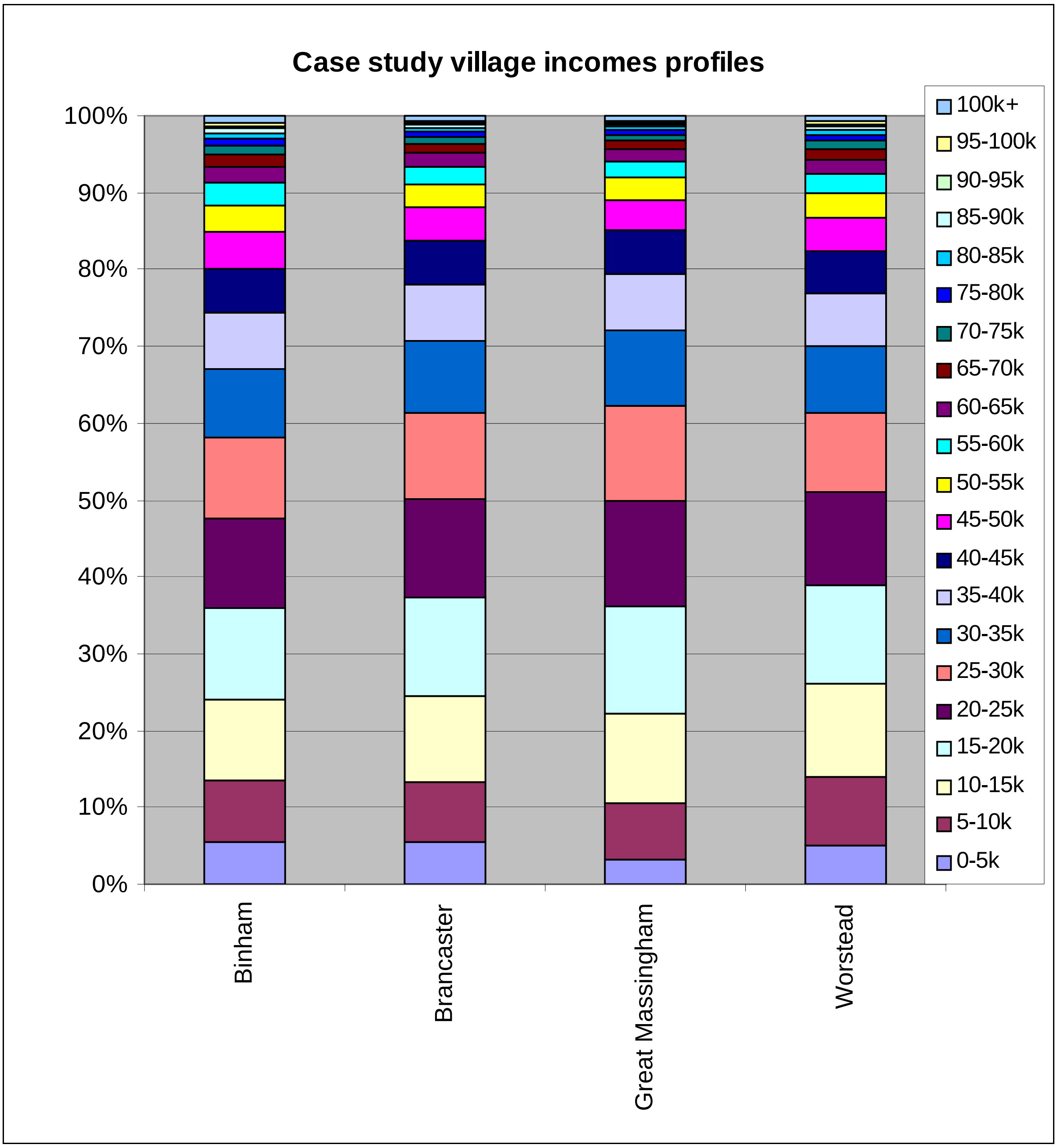
Average incomes in the four study areas are very similar, at around £29 to £30K a year. Around four fifths of households could not afford to buy at current entry level prices on income alone, but of course many have equity. On a conservative estimate removing all owners from the unable to buy category (although some have high incomes), between 22% and 29% of households could not afford to buy.

Figure 7: Incomes

	Mean income per year	incomes under entry level house price threshold	% under threshold	assumed % with equity	minimum % unable to afford (removing % owners)	number hhlds (unable to afford (if moving)
Brancaster	£ 29,000	563	78%	63%	29%	211
Gt Massingham	£ 29,000	334	80%	66%	27%	112
Worstead	£ 29,000	284	77%	71%	22%	82
Binham	£ 30,000	143	74%	60%	29%	57

The incomes profiles for each village are also quite similar, with Great Massingham showing the lowest profile of the four, with more lower income households.

Figure 8: Village income profiles



Age profiles

Although there appear to have been changes in the age profiles in the inter-censal period between 1991 and 2001, these are variable and random, and not markedly different to other areas . Some of the change is likely to be due to general changes such as the population living longer, as much as to changes due to other causes such as migration

Figure 9: Age profile changes, 1991 and 2001

1991 summary	15 and under	16 to 29	30 to 44	45 to 64	65 to 75	over 75
Gt Massingham	172	151	188	192	103	63
Binham	34	45	38	82	49	32
Worstead	136	140	187	218	101	48
Brancaster	44	46	60	140	95	94
			percentages			
1991 summary	15 and under	16 to 29	30 to 44	45 to 64	65 to 75	over 75
Gt Massingham	20%	17%	22%	22%	12%	7%
Binham	12%	16%	14%	29%	18%	11%
Worstead	16%	17%	23%	26%	12%	6%
Brancaster	9%	10%	13%	29%	20%	20%

2001 summary	15 and under	16 to 29	30 to 44	45 to 64	65 to 75	over 75
Gt Massingham	150	114	169	260	105	83
Binham	47	20	44	77	45	43
Worstead	174	75	199	267	91	57
Brancaster	58	27	75	129	96	96
			percentages			
2001 summary	15 and under	16 to 29	30 to 44	45 to 64	65 to 75	over 75
Gt Massingham	17%	13%	19%	30%	12%	9%
Binham	17%	7%	16%	28%	16%	16%
Worstead	20%	9%	23%	31%	11%	7%
Brancaster	12%	6%	16%	27%	20%	20%

Change (number)

2001 summary	15 and under	16 to 29	30 to 44	45 to 64	65 to 75	over 75
Gt Massingham	22	37	19	-68	-2	-20
Binham	-13	25	-6	5	4	-11
Worstead	-38	65	-12	-49	10	-9
Brancaster	-14	19	-15	11	-1	-2

Sources; ONS Census 1991 and 2001

Household types

Household types vary as always, with no particular type noticeably dominating

Figure 10: Household types

Village/parish	One Person: Pensioner	One Person: Other	All Pensioners	Couple Households: no children	Couple with dependent child(ren)	Couple all children non-dependent	Lone Parent dependent children	Lone Parent : all children non dependent	Other households
Brancaster	61	31	49	48	24	9	0	3	3
Binham	28	8	28	17	26	8	0	0	0
Gt Massingham	52	46	61	83	79	30	13	9	14
Worstead	47	38	48	97	87	10	21	10	20

For comparison, the local authority household profiles were:-

Figure 11: Local authority household types profile – numbers

	All households	One Person: Pensioner	One person: Other	All pensioners	Married couple households: No children	Married couple households: With dependent children*	Married couple households :All children non-dependent	Cohabiting couple households: No children
King`s Lynn/ West Norfolk	58338	9333	6919	8110	9622	9647	3330	2574
North Norfolk	43504	8057	4897	6897	7237	6272	2297	1872
	Cohabiting couple households: With dependent children	Cohabiting couple households: All children non-dependent	Lone parent households: With dependent children	Lone parent households: All children non-dependent	Other households: With dependent children	Other households: All student	Other households: All pensioner	Other households: Other
King`s Lynn/ West Norfolk	1759	211	2872	1481	789	8	273	1410
North Norfolk	1236	137	1787	1059	528	3	315	910

There are, however, noticeable numbers of non dependants in households in the villages . These are commonly young people at their parental home, and some may be concealed or potential emerging households.

Figure 12: Non dependants in households

Village/parish	All households	non dependant children in hhld	% non dependant children
Brancaster	228	12	11%
Binham	115	8	7%
Gt Massingham	387	39	30%
Worstead	378	20	16%
King`s Lynn and West Norfolk	58338	1692	3%
North Norfolk	43504	1196	3%

This compares with just 3% in the wider local authority areas.

Migration

Movers to the four case study villages are mainly from nearby within the East region. There were not large numbers of movers to these villages from other regions in the year prior to the 2001 Census

Figure 13: Origins of movers to case study villages

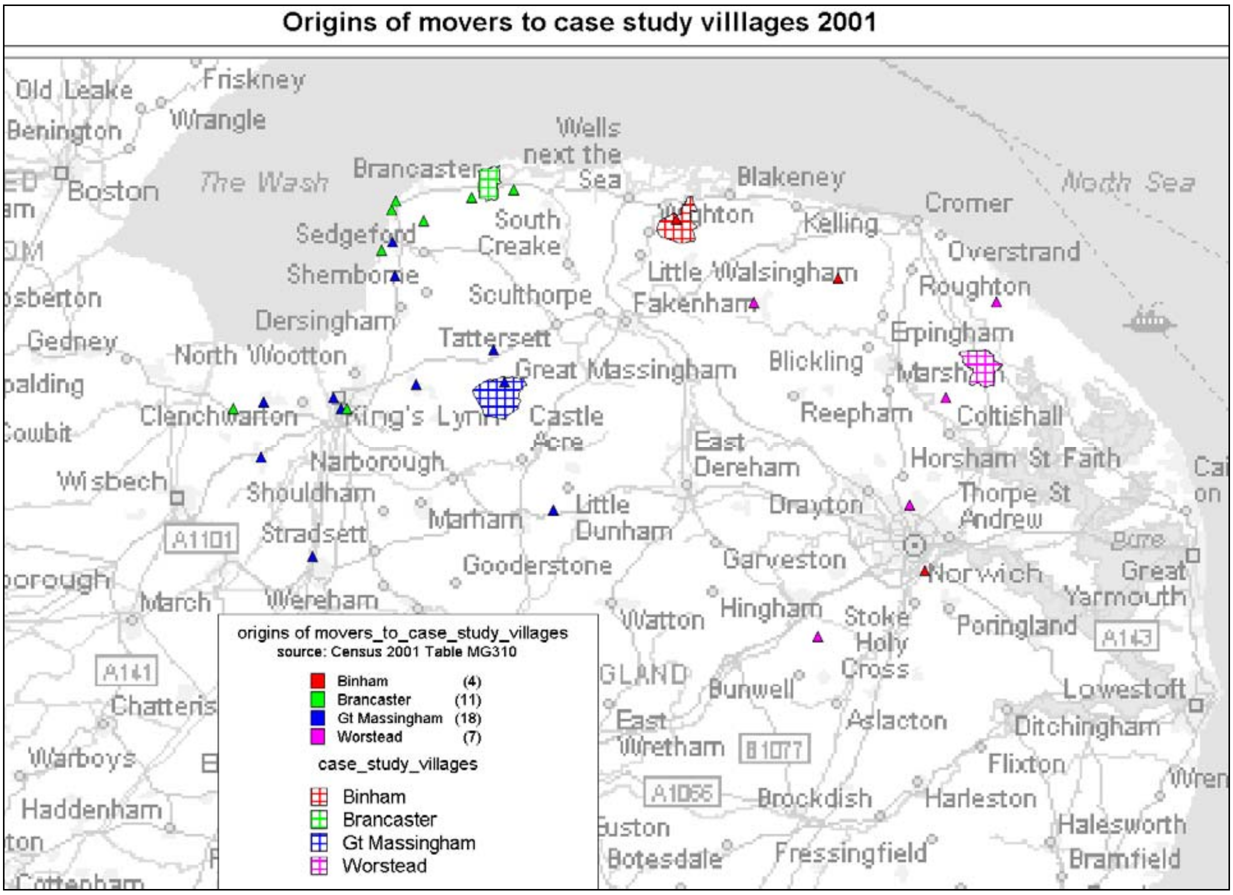
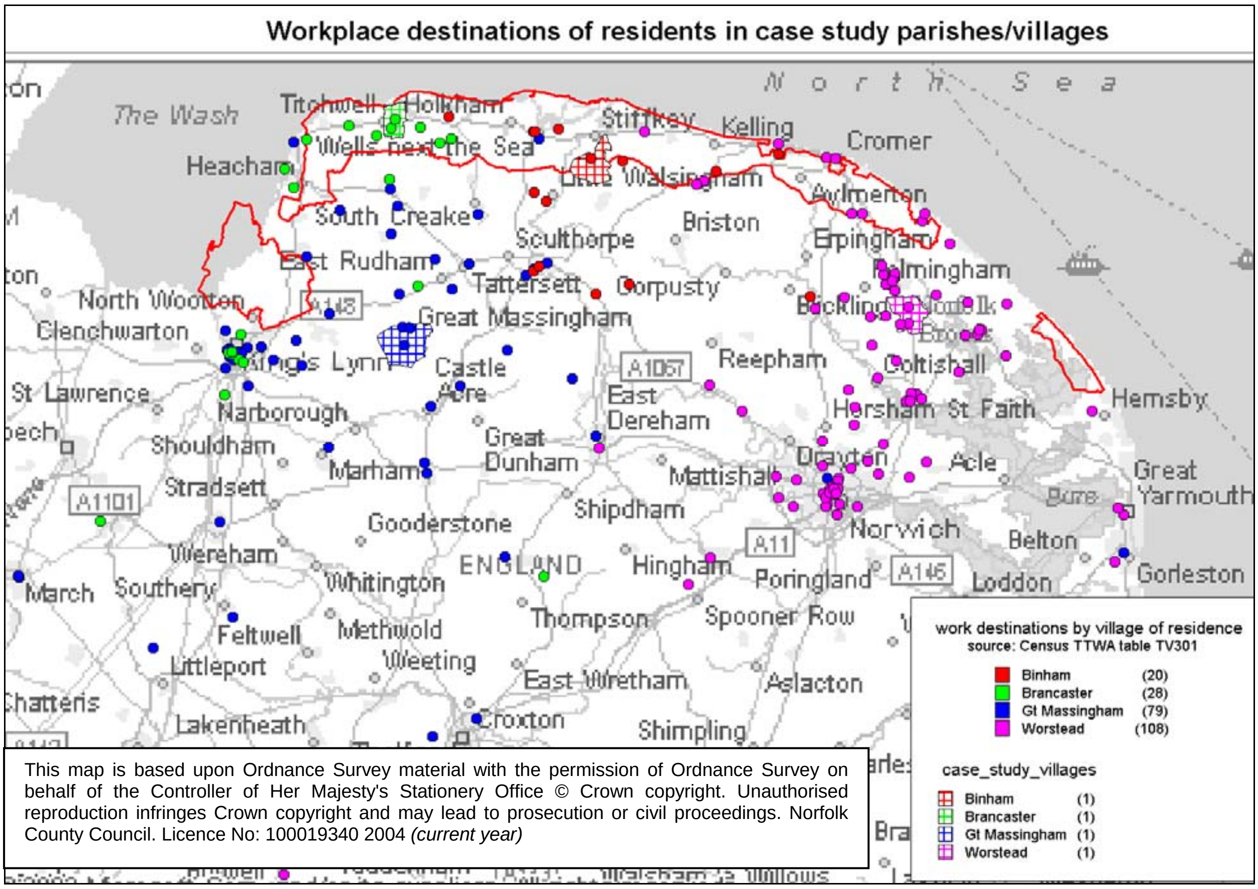


Figure 14: Local authority origins of movers to case study villages

LA	total (rounding will distort)	% of total
Richmond upon Thames	3	2.0%
Macclesfield	3	2.0%
Not in permanent home 1 year before	9	6.0%
Chelmsford	6	4.0%
North Hertfordshire	9	6.0%
Breckland	3	2.0%
Broadland	3	2.0%
King's Lynn and West Norfolk	82	54.3%
North Norfolk	18	11.9%
South Norfolk	6	4.0%
Wellingborough	3	2.0%
Broxtowe	3	2.0%
Newark and Sherwood	3	2.0%
Total (rounding will distort)	**151**	

Most people living in the case study villages also work relatively locally. There does not appear to have been large scale long distance commuting in 2001.

Figure 15: Workplace destinations of residents in case study villages



ANNEX 4

Regional Rural Data Collection Project

This piece of work has been running almost in parallel with the AONB project, funded by the Countryside Agency. The study is considering the variables that comprise "rural housing need" and will compare these to supply of affordable housing in order to inform the developing regional housing strategy.

In consultation with the Countryside Agency and the region's Rural Housing Enablers, a list of some 33 variables was accumulated. They were largely derived either from the 2001 census or from the Land Registry and all are capable of being "mapped" at the parish level.

A statistical tool known as Principal Component Analysis was used to focus on those variables that best explained the rural housing dilemma, eliminating variables that were highly correlated (i.e. contained essentially the same information).

At the end of this process seven variables that best describe the variance in the date have emerged

- Availability of all properties (count of sales) divided by the total number of households in the parish.
- Affordability index of the lowest priced property of whatever type divided by the total number of households in the parish.
- Net migration into parish as a % of households
- Renting households (of all kinds) as % of all households
- Second residence or holiday accommodation household spaces as a % of all household spaces
- Population density (persons/hectare)
- Households lacking central heating as a % of all households

The Principal Component has the following characteristics

- low availability of property for purchase
- lowest property available to buy is relatively highly priced
- moderate net migration out of parish
- relatively higher proportion of renting
- higher incidence of second homes
- population density is low, i.e. rural
- higher incidence of no central heating

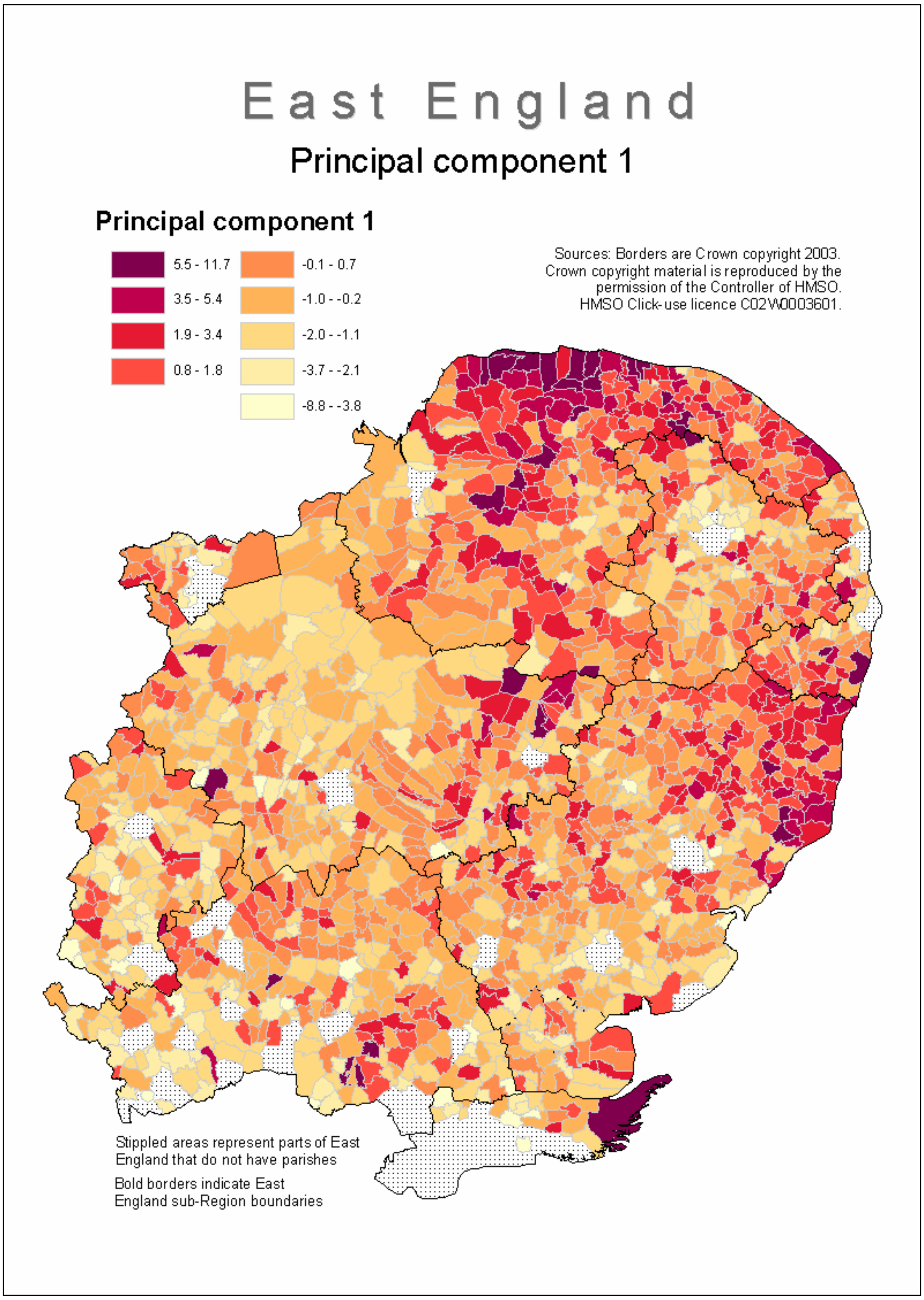
At the time of writing all seven variables carry the same weighting. An exercise is underway with regional stakeholders to weight the variables in order of importance.

On the basis of this current data the AONB has

- 28 parishes in the Region's top 10%[25] parishes demonstrating the above characteristics
- 16 in the region's top 5%
- 6 parishes in the region's top 1%

This is clearly demonstrated in the map.

[25] The region has 1683 parishes- (NB ONS "merges" some parishes to maintain confidentiality)



It is important to note, however, that the picture would change with different weightings given to variables within the model. At the present time second homes carries exactly the same weight as affordability. xx