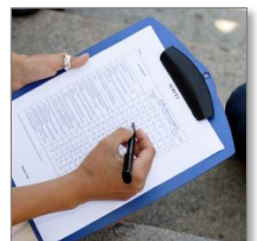
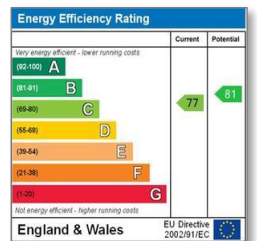




Hillingdon Strategic Housing Market Assessment

Report of Findings
May 2025





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Executive Summary

Summary of key findings and conclusions

Introduction

1. Opinion Research Services (ORS) was commissioned by the London Borough of Hillingdon to prepare a Local Housing Needs Assessment.
2. This current study represents an update to the evidence base in Hillingdon in relation to housing needs. In particular, it considers the need for affordable housing in light of the new London Plan¹ being adopted in 2021. It also considers what tenures can be deemed to constitute affordable housing in Hillingdon.

Government Policy

3. The Government published the original National Policy Planning Framework (the Original NPPF) in 2012. A revised version of the National Policy Planning Framework (the Revised NPPF) was published in July 2018 and was updated in February 2019, July 2021, December 2023 and most recently December 2024 to incorporate a number of detailed changes. The Revised NPPF 2018 introduced a new definition for affordable housing. Whilst the Original NPPF identified that affordable housing should be provided for households “*whose needs are not met by the market*”, the Revised NPPF adds that this includes “*housing that provides a subsidised route to home ownership and/or is for essential local workers*”. On this basis, the needs of households able to afford market rent who aspire to but are unable to afford homeownership must now be counted.
4. The NPPF 2024 has however changed the emphasis for affordable housing back to Social Rent. Paragraph 64 now states that, “Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required (including the minimum proportion of Social Rent homes required).” The definition of Social Rent has also been updated to state that it is:

Social Rent: meets all of the following conditions: (a) the rent is set in accordance with the Government’s rent policy for Social Rent; (b) the landlord is a registered provider; and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision.

NPPF December 2024 Annex 2

5. Under the 2024 NPPF, local planning authorities are still responsible for assessing their local housing needs (LHN). However, for London Boroughs the extant London Plan means that they are not expected to follow the current standard method calculation. In May 2025, the Mayor of London published a consultation, ‘Towards a new London Plan’.² This sets out the vision for London for the period 2027 to 2050 and notes that new 10 year capacity targets will be produced for each borough from 2026/27 onwards.

¹ [the London Plan 2021.pdf](#)

² [Towards a new London Plan | London City Hall](#)

Assessing Housing Needs in London

6. The Strategic Planning Authority for London is the Greater London Authority, and the London Plan is the statutory spatial development strategy for London. The London Plan (2021) sets out a need for 66,000 additional homes per year in London from 2016 to 2041.
7. The housing targets for London Boroughs in the London Plan sum to 52,287 dwellings per annum across London, not the nearly 66,000 housing need. The London Plan sets a 10-year housing target for net housing completions (2019/20 -2028/29). In the case of Hillingdon, this 10,830 dwellings, or 1,083 dwellings per annum and it is this capacity based figure which is used as a housing requirement to consider the need for affordable housing in Hillingdon. We would also note that the 1,083 figure covers both conventional housing supply and also non-conventional accommodation such as purpose built student accommodation, shared housing and dedicated older person schemes.

Establishing Current Unmet Need for Affordable Housing

8. To assess the current need for affordable housing, we initially calculated the number of households in Hillingdon who are not suitably housed and who are unable to afford market housing. These include: all households that are currently homeless, those who are currently housed in temporary accommodation, concealed families living as part of another household, households overcrowded in the social or private rented sector, and people otherwise not counted who are in a reasonable preference category on the housing register. Given these categories for current need, there is a high correlation between those who are included on the housing register in Hillingdon and those considered to be in current need.
9. Based on a detailed review of both the past trends and current estimates our analysis has concluded that 9,716 households are currently living in unsuitable housing and are unable to afford their own housing. This assessment is based on the criteria set out in the PPG and avoids double counting, as far as possible.
10. Of these households, 3,195 currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.
11. There is, therefore, a net affordable housing need of 6,521 households (9,716 less 3,195 = 6,521). Providing the net affordable housing need 6,521 households will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 4,596 households (6,521 less the 1,925 households which are housed outside Hillingdon in temporary accommodation, are homeless or concealed and thus do not release dwellings). The 4,596 dwellings are occupied by people living in unsuitable conditions (e.g. too small for their needs) whose needs would be met by new homes of the right size, if provided. While the 2017 London SHMA sought to address the backlog of need over 25 years, for this study we treat this as a backlog of need to be addressed over 15 years at an annual rate of 435 households per annum (6,521/15) to ensure that the needs are addressed within the current plan period.

Overall Need for Affordable Housing

12. In addition to those who cannot currently afford market housing, it is also necessary to consider those households who will arise in the future and also those who can afford market rents but aspire to home ownership. This includes:
 - » New households adding to housing need;
 - » The households no longer present reducing housing need; and
 - » The changes in circumstances impacting existing households.
13. This data can then be combined with the 6,521 backlog of need as of 2024 and the overall capacity based dwelling target of 16,245 dwellings over the period 2025/26-2039/40 to estimate the mix of housing required in the area. Each year there are very high flows of households in and out of Hillingdon, but the impact of this on affordable housing need is effectively zero. The key driver of affordable housing need in Hillingdon is local households forming or falling into need before they often migrate away from the area, alongside a very high number of currently overcrowded households in the affordable housing sector.
14. Figure 1 provides a breakdown of the need for 16,245 dwellings between market and affordable housing on this basis. These affordable homes are subtracted from the overall dwelling need calculated above. The size mix for each tenure is derived from a mixture of the household type and past trend. The key driver of size for affordable to rent is the high number of overcrowded households in Hillingdon.
15. The NPPF no longer included the terms intermediate housing, but this is still used in the Hillingdon Local Plan, so those who can afford London Living Rents or other affordable properties to own are included as intermediate housing need.
16. The figures allow for all dwellings for households who cannot afford market housing, namely 9,029 who cannot afford London Living Rent. It is also the case that Affordable Rent is now no longer supported by the GLA, so schemes will no longer be developed, but potentially any Affordable Rent properties could help to meet the Social Rent need. Unless an alternative is developed, then effectively these 9,026 households will be in need of social housing.
17. In terms of affordable home ownership, we have included all households who potentially can afford London Living Rents but cannot afford private rents and also those who can afford private rents but who aspire to own and have a realistic prospect of doing so through schemes such as Shared Ownership.
18. We would note that the model shows a surplus of 4+ bed market units. This does not imply that is larger market homes are delivered that there will be no demand for them. Instead, the scale of the affordable need is higher than the projected growth in larger households. It is also the case the larger homes are often converted to flats to help to meet the overall demand for housing.

Figure 1 Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size

	Unable to afford social rents	Unable to afford intermediate	Require intermediate housing	Total Affordable Housing	Total Market Housing	Total
1 bedroom	1,453	376	700	2,529	217	2,746
2 bedrooms	1,531	522	1,367	3,420	562	3,982
3 bedrooms	2,169	760	499	3,428	3,590	7,018
4+ bedrooms	1,586	630	398	2,614	-323	2,291
C2 Dwellings	-	-	-		208	208
TOTAL	6,740	2,289	2,964	11,991	4,046	16,245
1 bedroom	8.9%	2.3%	4.3%	15.6%	1.3%	16.9%
2 bedrooms	9.4%	3.2%	8.4%	21.1%	3.5%	24.5%
3 bedrooms	13.4%	4.7%	3.1%	21.1%	22.1%	43.2%
4+ bedrooms	9.8%	3.9%	2.4%	16.1%	-2.0%	14.1%
C2 Dwellings					1.3%	1.3%

Policy Implications for Affordable and Other Housing Need

19. The extant London Plan sets capacity based housing targets for Hillingdon upon which this study is based. Hillingdon has a crucial role in seeking to meet the wider needs of London. The core issue facing Hillingdon is that the ORS model estimates a need for 9,029 (i.e. 6,740 plus 2,289) affordable to rent dwellings for households unable to afford market housing, from an overall total of 16,245 over the period 2025/2026-2039/40. This represent around 56% of the total need for Hillingdon.
20. The overall need for housing also requires to be set in the context of other policy objectives. For example there is the need to meet the needs of older persons, those seeking shared accommodation and students. All of these would contribute to the overall delivery of dwellings in Hillingdon and are considered below. In summary:
 - » As of 2024, there are around 97 units of older person housing for every 1,000 older persons in Hillingdon aged over 75 years. Modelling indicates that there will be a need to provide an additional 1,119 older person housing units in Hillingdon of which 64% would need to be provided as affordable housing. The need for specialist older person housing represents 7% of the overall housing need identified for Hillingdon.
 - » The government are now proposing that all homes be delivered to M4(2) accessible and adaptable dwellings standard, which is also consistent with the London Plan.
 - » In the London Plan, Policy H15 considers the need for Purpose-built student accommodation (PBSA). The Plan identifies an annual need for 3,500 units of PBSA, but does not allocate borough benchmarks or targets. Hillingdon provide for 2%-3% of all students in London, this would equate to around 70-105 PSBA per annum.
21. **These dwellings are included and not in addition to the overall housing need.** All of these would contribute to the overall delivery of dwellings in Hillingdon.

1. Introducing the Study

Background to the project

Introduction

- 1.1 Opinion Research Services (ORS) was commissioned by London Borough of Hillingdon to prepare a Strategic Housing Market Assessment (SHMA).
- 1.2 This current study represents an update to the evidence base in Hillingdon in relation to housing needs. The previous Hillingdon SHMA was produced in 2018 and featured different assumptions around the calculation of total housing need.
- 1.3 This current updated study considers the need for affordable housing in light of the new London Plan being adopted in 2021. Work on this study commenced in 2024, under previous government policies. We have sought to adapt the study to current government policy, but some older data is still utilised.

Government Policy

- 1.4 The Government published the National Planning Policy Framework (NPPF) in 2012. This set out the planning policies for England and how these were expected to be applied.
- 1.5 The 2012 NPPF had a presumption in favour of sustainable development, and paragraph 47 stated that Local Plans should meet *“the full, objectively assessed needs for market and affordable housing in the housing market area”*. The responsibility for establishing housing need rested with the local planning authority and paragraph 159 of the 2012 NPPF set out that they *“should prepare a Local Housing Needs Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries”*.
- 1.6 A revised version of the NPPF was published in July 2018. Whilst the 2018 NPPF maintains the underlying theme of sustainable development, several significant changes have been introduced in relation to identifying and meeting housing needs. The 2018 NPPF was updated in February 2019 to incorporate a number of detailed changes following a technical consultation and was further updated in July 2021, December 2023 and December 2024. Whilst most of the changes made in 2018 appear relatively minor, they may have a substantial impact on identifying and meeting housing needs in some areas. The results of the consultation in 2018 were summarised in the document *“Government response to the technical consultation on updates to national planning policy and guidance”*.
- 1.7 Under the 2024 NPPF, local planning authorities are still responsible for assessing their local housing needs (LHN); however, paragraph 62 identifies that:

To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning practice guidance. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.

- 1.8 Therefore, whilst the responsibility for establishing housing need continues to rest with the local planning authority, this is now constrained to a minimum figure that is determined centrally by the Government using an updated methodology. However, for London Boroughs the extant London Plan means that they are not expected to follow the current standard method calculation, as discussed below.
- 1.9 The 2019 NPPF also introduced a new definition for affordable housing, and this was carried over in to the 2024 NPPF. Whilst the original (2012) NPPF identified (in the Glossary at Annex 2) that affordable housing should be provided for households *“whose needs are not met by the market”*, the Revised NPPF adds that this includes *“housing that provides a subsidised route to home ownership and/or is for essential local workers”*. This has led to a specific change in the PPG for assessing affordable housing need.
- 1.10 Under the 2012 NPPF, affordable housing need was based on those who could not afford to buy or rent in the market. Households who could afford market rent were not counted as in affordable housing need even if they would have preferred to buy and couldn't afford to do so. However, the latest PPG supporting the 2024 NPPF states that assessments must now include the needs of *“those that cannot afford their own homes, either to rent, or to own, where that is their aspiration”* [ID 2a-020-20190220]. On this basis, households able to afford market rent who aspire to buy, but are unable to afford homeownership, must now be counted as being in affordable housing need.
- 1.11 The NPPF 2024 has however changed the emphasis for affordable housing back to Social Rent. Paragraph 64 now states that, *“Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required (including the minimum proportion of Social Rent homes required).”* The definition of Social Rent has also been updated to state that it is:

Social Rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent; (b) the landlord is a registered provider; and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision.

NPPF December 2024 Annex 2

The Standard Method for Local Housing Need Assessment

- 1.12 The Original NPPF and associated PPG set out a methodology for establishing an Objectively Assessed Need for housing in a defined HMA. This methodology required that *“Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need”*, but allowed for adjustment based on local factors: *“The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends.”* Adjustments could therefore be made if there were concerns around the quality of local data (e.g. inaccurate migration estimates), along with evidence-based judgements on other need elements such as market signals uplift and alignment of jobs and workers based on local circumstances.
- 1.13 On 14 September 2017, the Ministry of Housing, Communities and Local Government (CLG) published a consultation on potential revisions to the NPPF, including a standardised methodology for calculating the Local Housing Needs. This included a number of key proposals:

- » The starting point for calculating the LHN for any area should be the most up to date household projections published by CLG;
- » While, deviation from this starting point can be considered, the consultation proposals note that; There should be very limited grounds for adopting an alternative method which results in a lower need; and
- » The household projections published by CLG should be uplifted by a fixed affordability relationship based upon the ratio of house prices to earnings. The maximum uplift for a local authority area will be 40% above its CLG household projections or current Local plan housing target.

- ^{1.14} The NPPF 2024 confirms that planning authorities should use the Standard Methodology for plan-making, but as noted above it introduced a new methodology for calculating the figure which is underwritten by the size of the existing dwelling stock, not the household projections for an area.
- ^{1.15} Following the updated Standard Method in December 2024, the current Local Housing Need figure for Hillingdon is 2,292 dwellings per annum. However, this figure would only apply to Hillingdon if the London Plan was not extant. In May 2025, the Mayor of London published a consultation, 'Towards a new London Plan'.³ This sets out the vision for London for the period 2027 to 2050 and notes that new 10 year capacity targets will be produced for each borough from 2026/27 onwards.

Assessing Housing Needs in London

- ^{1.16} Paragraph 62 of the National Planning Policy Framework expects strategic policy-making authorities to follow the standard method in the Planning Practice Guidance for assessing local housing need. PPG on Housing and Economic Needs Assessment (paragraph 013) sets out that local housing need assessments may cover more than one area, in particular where strategic policies are being produced jointly, or where spatial development strategies are prepared by elected Mayors. In such cases, it will be for the relevant strategic policy-making authority to distribute the total housing requirement which is then arrived at across the plan area. Where a spatial development strategy has been published, local planning authorities should use the local housing need figure in the spatial development strategy and should not seek to re-visit their local housing need figure. The London Plan is the Spatial Development Strategy for London prepared by the elected Mayor and therefore Hillingdon should use the local housing need figure in the London Plan.
- ^{1.17} The Strategic Planning Authority for London is the Greater London Authority and the London Plan is the statutory spatial development strategy for London. The Secretary of State accepted that the London Plan could be published on 29th January 2021, and it was formally published on March 2nd 2021 as the London Plan 2021.
- ^{1.18} The London Plan sets out a need for 66,000 additional homes per year in London from 2016 to 2040. This is based on the 2017 London Strategic Housing Market Assessment (SHMA). The London Plan sets out ten-year housing targets for individual boroughs using a capacity-based methodology. The Inspectors found that the general approach to devising the housing targets and the contribution that large sites would make was justified. However, they found issue with the contribution expected from small sites and subsequently recommended that the contribution from small sites be reduced with the overall targets for each Borough

³ [Towards a new London Plan | London City Hall](#)

reduced by a corresponding amount. The Mayor accepted this recommendation of the Inspectors and the housing targets for London Boroughs have subsequently been revised down in the Published London Plan.

^{1.19} Policy H1 of the London Plan sets the ten-year targets for net housing completions that each local planning authority should plan for. It states that boroughs must include these targets in their Development Plan targets. For the purposes of the Plan, London is considered as a single housing market area. The supporting text (para 4.1.2) sets out the advantage of planning strategically in that it allows London to focus development in the most sustainable locations, allowing all of London's land use needs to be planned for with an understanding of how best to deliver them across the capital. Due to London's ability to plan strategically, boroughs are not required to carry out their own housing needs assessment but must plan for, and seek to deliver, the housing targets in this Plan.

^{1.20} From the point of view of this study, the London Plan sets a 10-year housing target at Table 4.1 for net housing completions (2019/20-2028/29). In the case of Hillingdon, this is 10,830 dwellings, or 1,083 dwellings per annum and is the basis for the adopted Hillingdon Plan. We would also note that the 1,083 figure covers both conventional housing supply and also non-conventional accommodation such as purpose built student accommodation, shared housing and dedicate older person scheme.

^{1.21} The London Plan contains Policy H10 Housing size mix which sets out the following requirements:

A Schemes should generally consist of a range of unit sizes. To determine the appropriate mix of unit sizes in relation to the number of bedrooms for a scheme, applicants and decision-makers should have regard to:

- 1) Robust local evidence of need where available or, where this is not available, the range of housing need and demand identified by the 2017 London Strategic Housing Market Assessment
- 2) The requirement to deliver mixed and inclusive neighbourhoods
- 3) The need to deliver a range of unit types at different price points across London
- 4) The mix of uses in the scheme
- 5) The range of tenures in the scheme
- 6) The nature and location of the site, with a higher proportion of one and two bed units generally more appropriate in locations which are closer to a town centre or station or with higher public transport access and connectivity
- 7) The aim to optimise housing potential on sites
- 8) Amalgamation of existing stock
- 9) The role of one and two bed units in freeing up family housing.

Duty to Co-operate

^{1.22} The Duty to Co-operate was introduced in the 2011 Localism Act and is a legal obligation. The NPPF sets out an expectation that public bodies will co-operate with others on issues with any cross-boundary impact, in particular in relation to strategic priorities such as *"the homes and jobs needed in the area"*.

- ^{1.23} However, housing is a strategic issue and the London Plan therefore sets borough housing targets to meet London's strategic need. This in turn implies that in housing need terms Duty to Cooperate is not a major issue provided all boroughs meet their own targets

Jobs and Housing

- ^{1.24} Hillingdon is part of the Greater London Housing Market Area (GLHMA) and it is at this level that there requires to be a balance of jobs and workers. The Greater London Authority prepared the SHMA 2017 and Addendum 2019 for the GLHMA to inform the London Plan, which considers jobs and housing at the London-wide level; and LPAs in London are required to conform to the London Plan.
- ^{1.25} It is not possible to define an HMA that is smaller than Greater London that is self-contained in terms of commuting or migration – so if jobs and workers are to be in balance, the analysis must be undertaken for the whole of Greater London.
- ^{1.26} In determining the number of homes needed at Borough level, the Hillingdon SHMA will need to be consistent with the London Plan and the projected population/households consistent with GLA figures. By doing so, Hillingdon will, therefore, contribute to balancing jobs and workers across the GLHMA, consistent with the London Plan.

Overview of the SHMA

- ^{1.27} The first key objective of this SHMA is to establish the need for housing (both market and affordable) in Hillingdon on the assumption that it delivers its target of 16,245 homes from 2025/2026-2039/40. The final calculation for this task is set out in Figure 41.
- ^{1.28} This report considers the key outputs from the SHMA – namely establishing the overall balance between market and affordable housing over the 15-year period 2025/2026-2039/40. It is important to recognise that the information from the SHMA should not be considered in isolation, but forms part of a wider evidence base to inform the development of housing and planning policies and in particular will link strongly to issues around viability. The SHMA does not seek to determine rigid policy conclusions, but instead provides a key component of the evidence base required to develop and support a sound policy framework.

Summary of the ORS Approach to Modelling Housing Need

- ^{1.29} As noted above, this SHMA seeks to establish the need for housing (both market and affordable) in Hillingdon on the assumption that it delivers housing to meet the Hillingdon Plan dwelling delivery target over the period 2025/2026-2039/40, which is 16,245 dwellings.
- ^{1.30} In Chapter 2, we consider the demographic profile of the population and households. The demographic projections for this SHMA are based on the GLA dwelling led projections and cover the 15-year period 2025/2026-2039/40. The reason for choosing this set of projections is that they represent the best and most up to date information available for population and household growth trends currently published for Hillingdon which are tied to the dwelling delivery target.
- ^{1.31} The estimates for affordable housing need in Chapter 4 are therefore based directly upon the GLA projections which in turn are tied to delivering 1,083 dwellings per annum in Hillingdon.
- ^{1.32} Therefore, the figures produced in Chapter 4 are the overall conclusions for housing need in Hillingdon.

^{1.33} It should also be noted that this study looks at other housing issues such as future need for student housing, older people homes, co-living, built to rent, HMOs, and the number of homes that may need to be specially designed for older people and people with disabilities/illnesses.

^{1.34} Figure 2 sets out a flow chart of the study process building from demographic data and housing costs to consider a wide range of housing needs.

Figure 2: Flow Chart of the Study



2. Demographic Projections

The baseline for establishing housing need

Official Household Projections

- ^{2.1} Planning Practice Guidance revised in February 2019 identifies that the 2014-based Household Projections provide the baseline for determining the minimum Local Housing Needs figure.

Why are 2014-based household projections used as the baseline for the standard method?

The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government's objective of significantly boosting the supply of homes.

PPG ID 2a-005-20190220

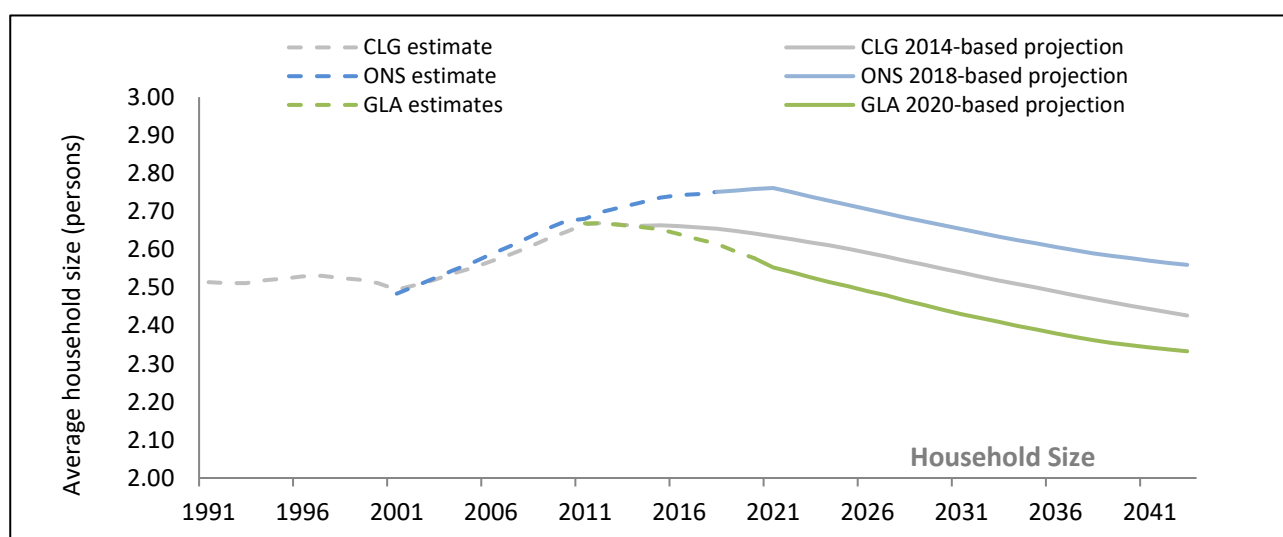
- ^{2.2} The first step in analysing housing needs must therefore be to identify the household projection for Hillingdon which is used as the basis for this report. We would note that for official ONS projections, the most recent are 2018 based and no future projections will be produced before June 2025.
- ^{2.3} Figure 3 sets out a range of the various household projections from both CLG, ONS and GLA methodologies, it includes the associated outputs using the sensitivity analysis approach. The 2018 based principle projection is based upon migration from only 2016-2018 and therefore are very unstable across England as a whole.
- ^{2.4} While PPG proposes that housing needs should be based upon the 2014 based CLG household projections, the GLA 2018 based projections were the bespoke projections developed for the Draft London Plan 2019. The Inspectors for the draft London Plan 2019 noted that establishing future need for housing is not an exact science and the PPG acknowledges that no single approach will provide a definitive answer. They concluded that the approach followed by the GLA was appropriate for London.

Figure 3: Household projections 2024-34 (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency)

	Migration trends	Change in Households 2024-2034	
		10-year change	Annual average
CLG Household Projections			
2014-based projection: 2014-based population and CLG 2014-based HH formation	2009-14	+18,738	+1,874
ONS 2016-based Projections			
Principal projection: 2016-based population and ONS 2016-based HH formation	2011-16	+11,747	+1,175
Sensitivity analysis 1: 2014-based population and ONS 2016-based HH formation	2009-14	+16,076	+1,608
Sensitivity analysis 2: 2016-based population and CLG 2014-based HH formation	2011-16	+14,572	+1,457
ONS 2018-based Projections			
Principal projection: 2018-based population and ONS 2018-based HH formation	2016-18	+7,063	+706
Alternative Internal (5-year trend) 2018-based population (alternative internal) and ONS 2018-based HH formation	2013-18	+9,121	+912
10-year trend 2018-based population (10-year trend) and ONS 2018-based HH formation	2008-18	+11,565	+1,157

Projected Household Size

- 2.5 The projected household size is not a number which is calculated directly as part of the population and household projections. The data calculated for household size (Figure 4) divides the population in the area by the associated household projection. This is a recognised, standard approach.

Figure 4: Average household size estimates and projections for Hillingdon for the period 1991-2043 (Source: CLG 2014 based projections; ONS 2018 is 2018-based projections, GLA 2020 CC based projections)

- 2.6 As the chart shows, average household sizes rose very sharply in Hillingdon between 2001 and 2011 and their future path is dependent upon how many additional households and persons are assumed to live in Hillingdon.

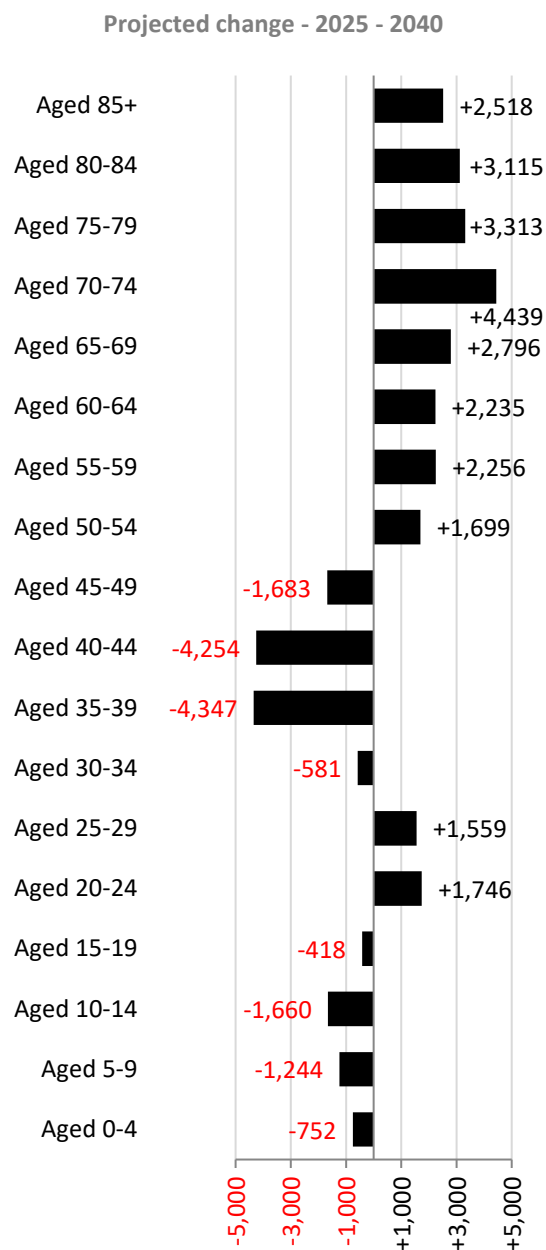
Population and Household Projections for Affordable Housing Need

- 2.7 The demographic projections for this SHMA are based on the GLA 2020 based capacity target projections and cover the 15-year period 2025/2026-2039/40. This yields a household growth over the period 2025/2026-2039/40 of just over 16,000 households which, when an implied vacancy rate and impact of communally housed population is added, sums to the total need of 16,245 dwellings are needed to meet the London Plan target over the remainder of the plan period, given under-provision to date. **Therefore, the data used in this report is not based upon out-of-date ONS forecasts, but instead is explicitly tied to the projected dwelling delivery of Hillingdon over the next 15 years.**

Projected Population Age Profile

- 2.8 The overall population is projected to grow by 25,676 people by 2040 (Figure 5). The figures are calculated from assuming the 17,953 additional dwellings will be delivered in Hillingdon over the period 2025/2026-2039/40. Hillingdon is projected to see a decline in the number of children and also in adults aged 30-49 years. This may be considered as a key concern for Hillingdon, as families are projected to leave to find more affordable and available accommodation elsewhere.
- 2.9 However, all other groups are projected to rise. The most significant rise is in the population aged over 65 years, which represents a growth of 16,181 persons, with a growth of 2,518 in those aged 85 years or more, which again will represent a key policy issue. This outcome is dependent upon the older population remaining in Hillingdon as they age and not moving elsewhere, which has tended to happen in the past. There was little growth in the older population between 2011 and 2021, but this was in the context of the overall population being under-estimated by the 2021 census. There are currently a very high number of people aged 50 years and above in Hillingdon and if they do not migrate away then the older person population will grow rapidly.

Figure 5: Population projections 2025/2026-2039/40 by 5-year age cohort for Hillingdon (Source: ONS 2018 based Population Projections, GLA 2020 Based Capacity Target Projections and ORS)



Household Projections by Age

- ^{2.10} An important point to understand in both the population and household growth is the extent to which growth is focused on older people and older households particularly amongst those over 65. The table below considers household projections categorised by the age of the household representative (HRP). Please note that throughout this section figures in the tables are rounded to the nearest 100 to simplify interpretation although all calculations are made using unrounded data.

Figure 6: Total projected households in Hillingdon for 2025 and 2040 (Note: Figures may not sum due to rounding)

AGE OF HOUSEHOLD REPRESENTATIVE	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	TOTAL
TOTAL CHANGE	+1,600	+2,300	-1,500	+0	+2,700	+4,200	+4,300	+1,800	+15,500

- ^{2.11} The table shows an overall increase of 15,500 households over the 15-year period 2025/2026-2039/40 with over 65% of this increase being households headed by somebody over the age of 65. Many of these older households will already be established and living in existing homes, they simply get older during the 15-year period. Therefore, there will be more older person households in Hillingdon in 2040. Again, we caution that in the past many households have left Hillingdon as they age, but currently more younger households are projected to leave. Those who are already owner occupiers or in social rent are less likely to leave than those in private rent and they do tend to be younger households.
- ^{2.12} It is important to consider household growth in relation to age cohorts. Figure 7 shows the projected number of households in each cohort, showing their age in both 2025/36 and 2039/40. Clearly, no household representatives are aged under 8 (in 2025), but children aged under 10 in 2025, or born before 2025, will be aged 15-24 in 2040, and thus will be potentially heads of a household.

Figure 7: Total projected households for 2025/26 and 2039/40 by age cohort of household representative (Note: Figures may not sum due to rounding)

Age in 2025	<10	10-19	20-29	30-39	40-49	50-59	60-69	70+	TOTAL
Age in 2040	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	TOTAL
TOTAL CHANGE	+3,800	+16,000	+15,200	+5,600	-400	-5,600	-3,200	-14,800	+15,500

- ^{2.13} For example, if we take households aged 30-39 in 2025, they will be 45-54 in 2040. There are projected to be an extra 5,600 households: partly due to new household formations and partly due to net migration. This figure is measuring new households to the area, so it is measuring the impact of existing households ageing and the age profile of new households in Hillingdon.
- ^{2.14} Based on the cohort analysis, around 40,600 extra households will be formed over the 15-year period 2025/2026-2039/40 by those who will be aged under 55 in 2040. These extra households are offset against a reduction of 24,000 households aged 55 or over. While the number of older person households will increase in Hillingdon, this will be due to existing households ageing and new households moving to the area, while there will be a loss of existing older households.
- ^{2.15} Most of the newly forming households looking for housing will be in their twenties and thirties at the time that they form and there are very high numbers of these households in Hillingdon. Many of these households will buy or rent existing housing, perhaps vacated by an older existing household. New housing stock is not necessarily occupied by newly formed households.

Projected Household Types

- 2.16 When considering future need for different types of housing, it is important to understand that households of different ages are likely to have different needs. Similarly, households of different types (singles, couples and families) within each age group will also have different housing requirements.
- 2.17 Figure 8 shows the household numbers and net change for Hillingdon from 2025 to 2040 separated out by the age of the household representative person (HRP).

Figure 8: Total projected households for 2025/26 and 2039/40 and change by household type and age of household representative (Note: Figures rounded to nearest 100; All calculations based on unrounded data. Figures may not sum due to rounding)

Year	Household Type	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	TOTAL
Change	Single person	+500	+450	-190	+10	+640	+1,590	+2,060	+1,100	+6,200
Change	Couple without children	+230	+510	-170	+10	+1,140	+1,910	+1,760	+500	+5,900
Change	Families with child(ren)	+310	+860	-900	+20	+330	+60	+20	+0	+700
Change	Other households	+570	+470	-240	+10	+620	+620	+460	+210	+2,700
Change	TOTAL	+1,600	+2,300	-1,500	+0	+2,700	+4,200	+4,300	+1,800	+15,500

- 2.18 In summary over the 15-year period:
- » Single person households are projected to increase by 6,200, including an increase of 760 with a household representative aged under 45;
 - » Families with dependent children have a modest growth of 700, with a drop for those aged 35-44 years projected, as discussed earlier;
 - » Couples without dependent children are projected to rise by 5,900 households;
 - » The increase in “Other” households represents 2,700 households.⁴
- 2.19 The final group of ‘Other’ households is very important because it implies that much of the projected household growth in Hillingdon will be unrelated households, students and multi-generation households. This is a point we will return to in Chapter 4.
- 2.20 Therefore, overall, the majority of new housing is required for single people and couples without children, with many aged over 55 years, but some also under 35 years. Hillingdon could agree a policy to build housing designed for families to attempt to change this trend because the lack of available housing for families is a potential constraint on new family formation in the area.

⁴ Other Households can be defined as: “multi-person households including unrelated adults sharing, student households, multi-family households and households of one family and other unrelated adults”

3. Local Housing Market

Housing trends and cost of housing in Hillingdon

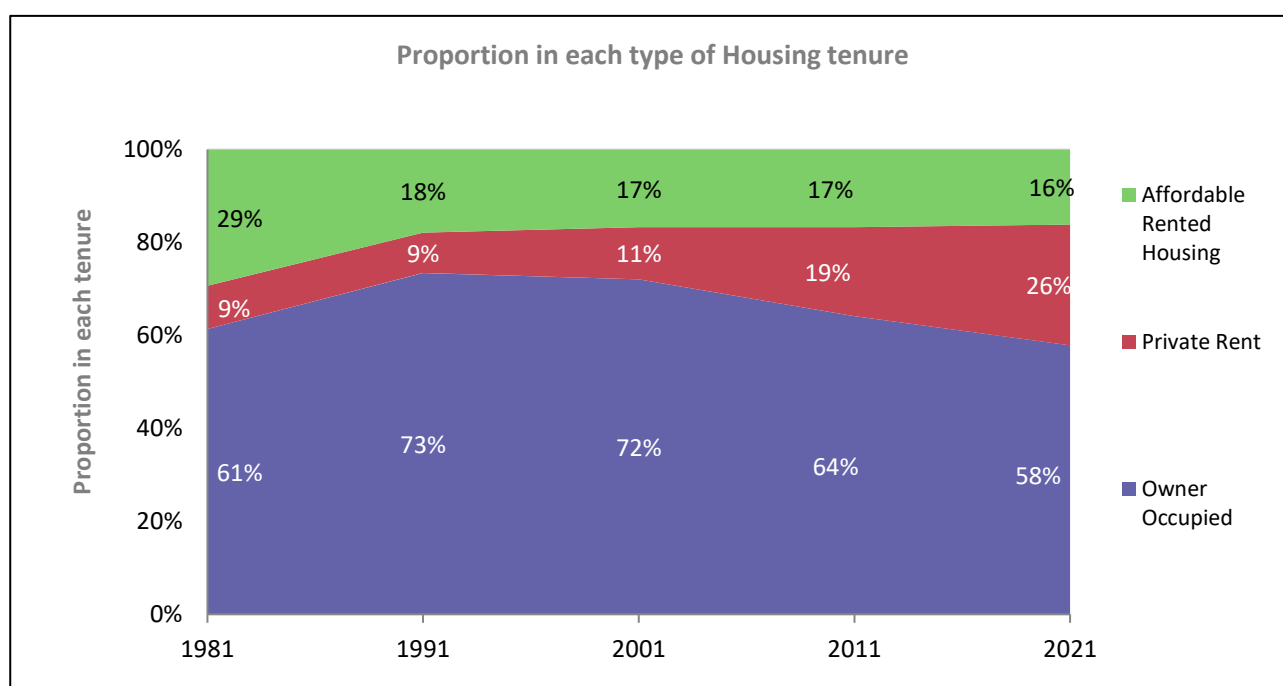
Introduction

- 3.1 This chapter explores the cost of housing in Hillingdon and the incomes needed to rent or buy at market prices.
- 3.2 It highlights the potential income gaps and identifies where and how people may fall into affordable housing need. This includes consideration of Social Rent, London Living Rent, Shared Ownership and First Homes and access to housing benefit for those in the rental sector as well as the potential impact of help-to-buy policies.

Housing Tenure Trends

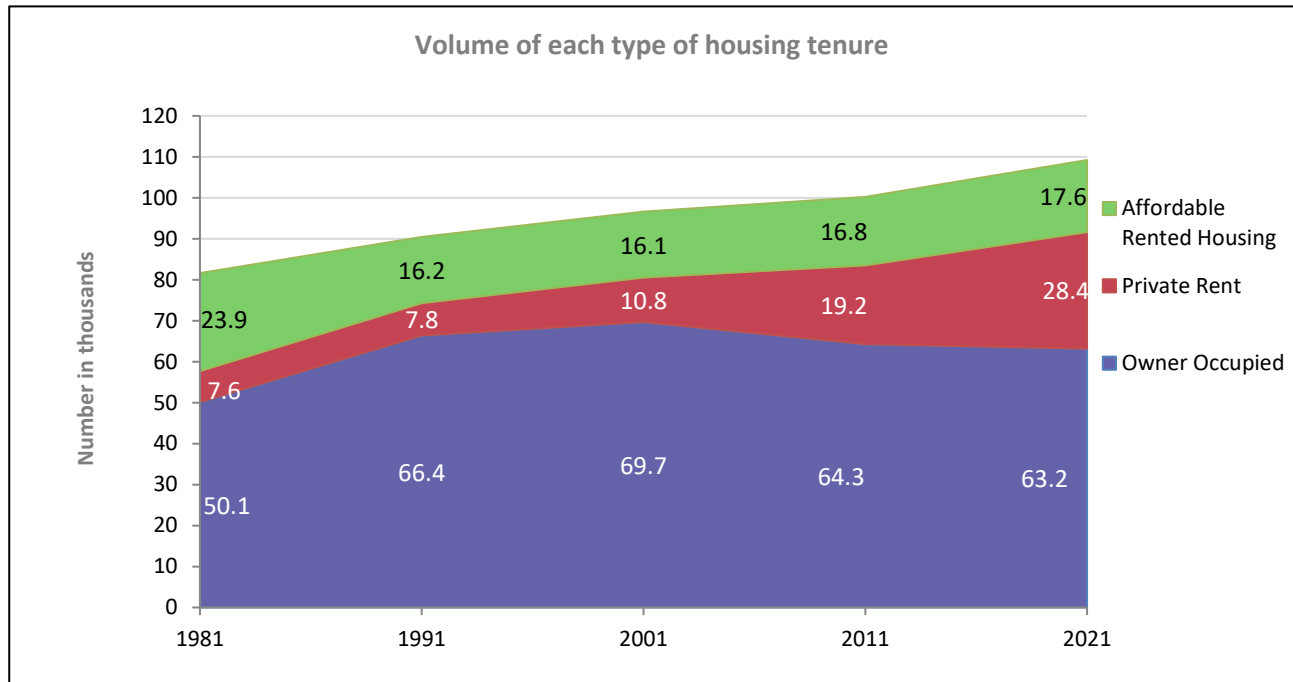
- 3.3 When considering the local housing market, it is worth noting the changes to tenure over the past forty years. We would note the 2001 Census contained an under-estimate of housing numbers for many London Boroughs and it also appears that the 2021 Census was problematic in Hillingdon, with high numbers of households, most likely private renters and some owner occupiers not being present. On this basis, the data for 2021 should be treated with caution.
- 3.4 Figure 9 shows how the most notable change has been the decline in the proportion of people in rented affordable properties (comprising Social Rent and other rented affordable homes), which has fallen during the period (from 29% to 16%). In contrast, private rent has seen a sharp growth. Between 1981 and 1991, there was a strong growth in owner occupiers, partly as a consequence of the introduction of right to buy policies. This peaked at 73% in Hillingdon and was consistent until 2001, but it has continually fallen since.

Figure 9: Housing tenure trends for Hillingdon (1981 – 2021). Source: UK Census of Population



- 3.5 During the period 1981-2021 same period the actual volume of housing in Hillingdon has risen from 81,600 to 109,200 households.

Figure 10: Housing tenure trends for Hillingdon (1981 - 2011). Source: UK Census of Population



- 3.6 Figure 11 provides the detailed data for the period, with the 2021 Census clearly being an outlier in the trend growth in private rent and owner occupation.

Figure 11: Number of Households in Hillingdon by Tenure 1981-2021 (Source: UK Census of Population)

	Number of Households					Net Change			
	1981	1991	2001	2011	2021	1981-1991	1991-2001	2001-2011	2011-2021
Owner occupied	50,117	66,405	69,674	64,291	63,204	+16,288	+3,269	-5,383	-1,087
Private rent	7,570	7,841	10,823	19,171	28,411	+271	+2,982	+8,348	+9,240
Rented Affordable Housing	23,914	16,191	16,146	16,752	17,613	-7,723	-45	+606	+861
TOTAL	81,601	90,437	96,643	100,214	109,228	+8,836	+6,206	+3,571	+9,014

- 3.7 The long-term growth in the private rented sector (PRS) in Hillingdon is consistent with national trends. Given this context, PPG recognises the importance of understanding the likely future role of the private rented sector.

Tenure data from the Office for National Statistics can be used to understand the future need for private rented sector housing. However, this will be based on past trends. The level of changes in rents, (known as “market signals”), may reflect the demand in the area for private rented sector housing. Evidence can also be sourced from the English Housing Survey, Office for National Statistics Private Rental Index, the Valuation Office Agency, HomeLet Rental Index and other commercial sources.

- 3.8 Growth in the sector seems likely to continue, driven by a combination of demand and supply factors:
- » Increasing demand from more households;
 - » Recent reductions in incomes (in real terms);
 - » Affordability of owner occupation reducing;
 - » Changing Bank lending practices;
 - » Pensions reform: pension drawdowns invested in BTL property.
- 3.9 The growth of the private rented sector has been acknowledged as both a growing and long-term option for meeting the nation's housing need. If the PRS expands and other sectors contract, it is clear that many households who would traditionally meet their housing needs in other sectors are now renting privately. This includes many households currently unable to afford their housing costs, which can be seen from the expansion of families receiving Housing Benefit in the sector, in particular since the start of the most recent recession.
- 3.10 The Government sees the PRS having an important and long-term role in meeting the housing need of the nation; and although the NPPF and PPG do not mention the current or future role of housing benefit, the policy to support low-income households in the private rented sector with housing benefit is long-standing and housing benefit is explicitly factored into the long-term forecasts for public spending.
- 3.11 Policy by both Government and Local Authorities is focused on improving Management and Maintenance in the sector (via licensing or self-regulation schemes) and expanding supply⁵ (including the Build to Rent investment scheme⁶).
- 3.12 It is important for local authorities to recognise the role of the private rented sector at a local level. Recent changes to letting policies and the reality of pressures on the housing stock make it less likely that single persons aged under 35 years will be allocated to a 1-bedroom Social Rented or Affordable Rented property. The private rented sector makes an important contribution towards providing affordable housing options.
- 3.13 It is essential for local authorities to understand the full extent of the need for affordable housing in their areas.
- 3.14 The Housing and Planning Act 2016 contains proposals to further the Government's policy of encouraging home ownership through promoting Starter Homes. These Starter Homes were intended to provide affordable housing for first time buyers. However, Starter Homes regulations that would enable these to be built have not been published. As a result, no Starter Homes have been built, and the Government are now pursuing an alternative policy entitled First Homes⁷.
- 3.15 The Government first consulted on First Homes ran from February to May 2020 indicating that they will be newbuild properties built as part of wider housing developments which will be sold with a discount of at least 30%, but this could be higher. In August 2020, MHCLG confirmed that they intended to proceed with First

⁵ <https://www.gov.uk/government/publications/private-rented-homes-review-of-the-barriers-to-institutional-investment>

⁶ <https://www.gov.uk/government/publications/build-to-rent-round-2-initial-due-diligence>

⁷ <https://www.gov.uk/government/consultations/first-homes>

Homes as an affordable housing product and published a consultation “*Changes to the current planning system*”, which included proposals on the detail of changes to planning policy to deliver First Homes⁸.

- 3.16 Policies on First Homes were formally adopted in July 2021 and guidance on their delivery was published. First Homes are to prioritise first-time buyers, serving members and veterans of the Armed Forces, and key workers, such as nurses, police and teachers. The reduction of at least 30% will be in perpetuity, so the buyer will not own more than 70% of the property. When they wish to sell their property, the home will be independently valued and sold to someone from a waiting list held by the local authority with the discount being applied, so the property always remains below local house prices. Use of First Homes is restricted so that they cannot be used as buy to let or holiday homes.
- 3.17 We would note that Mayor of London never sought to progress First Homes in London. The current affordable housing programme in London assumes that the main affordable housing products delivered will be Social Rent, London Living Rent and Shared Ownership.⁹ We would also note that as part of the Government changes to NPPF in December 2024, First Homes were downgraded in importance so 25% of affordable housing is no longer required to be in this form, so few are now likely to be delivered anywhere. On this basis we focus upon Social Rent, London Living Rent and Shared Ownership as the main affordable housing products to be delivered in Hillingdon.

Housing Property Type Trends

- 3.18 Property type is shown in Figure 12. This shows an estimated 9,100 dwelling being added to the dwelling stock in Hillingdon between 2011 and 2021. However, fewer terraced properties were recorded in 2011 than 2021, possibly due to the conversion of terraced homes to flats. This pattern is seen elsewhere in London and England, and is consistent with terraced homes being converted to flats. However, this snapshot in time should be treated with caution given the likelihood that it reflects a time when many households had temporarily moved away.

Figure 12: Number of Dwellings in Hillingdon by Property Type 2011-2021 (Source: UK Census of Population)

	Number of Households		2011-2021
	2011	2021	
Detached	14,605	15,182	577
Semi-detached	36,540	38,338	1,798
Terraced	22,686	21,773	-913
Flat or maisonette (purpose built or converted house)	26,131	33,650	7,519
Flats in converted commercial buildings)	156	282	126
TOTAL	100,118	109,225	9,107

⁸ [Changes to the current planning system - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/changes-to-the-current-planning-system)

⁹ [Affordable Homes Programme 2021-2026 - Funding Guidance \(london.gov.uk\)](https://www.london.gov.uk/affordable-homes-programme-2021-2026-funding-guidance)

Cost of Renting

3.19 When considering renting in Hillingdon, it is important to reflect on the range of rental options available together with the impact of the housing benefit levels in the area. There are a number of rates to consider. There are four key definitions to consider when looking at the cost of renting in Hillingdon. These include:

- » Median and lower quartile private rent;
- » Local Housing Allowance (LHA) for Outer West London BRMA¹⁰;
- » Affordable Rent; based on existing dwellings available for Affordable Rent; and
- » Social Rents.

3.20 The Local Housing Allowance (LHA) is the maximum payment for claimants in receipt of housing benefit. These are based on broad rental market areas (BRMAs). The LHA was previously calculated on the 30th percentile private rent, however more recent increases have been based on CPI and rates were frozen in the July 2015 budget.

3.21 Figure 13 sets out the median weekly rents for different property sizes in Hillingdon together with the local housing allowances and the calculated rented affordable rates.

Figure 13: Weekly rent thresholds in Hillingdon (Source: Valuation Office Agency 2021-22; SDR 2021)

Weekly Rent £	Median Private Rent	Lower Quartile Private Rent	Local Housing Allowance Outer West London BRMA	Affordable Rent	Social Rent
1 bedroom	£224.23	£206.98	£230.14	£175.39	£109.22
2 bedrooms	£293.22	£274.83	£299.18	£206.28	£129.64
3 bedrooms	£344.97	£310.47	£339.45	£236.29	£144.47
4+ bedrooms	£448.46	£389.36	£414.25	£217.10	£159.59

3.22 Across all property sizes, lower quartile private rent and Social Rents are lower than the maximum LHA in Hillingdon. Therefore, in theory, the needs of those on benefits can be met in the private rental sector if full benefits can be provided within Universal Credit. However, in practice, almost all councils in London are struggling to identify sufficient private rented properties to accommodate households in need of assistance with their housing costs.

3.23 Figure 14 shows a comparison between weekly rents in Hillingdon in 2017/18 and 2021/22. While most rents have risen, the growth appears to be below the rate of inflation¹¹. Reports in London currently show very high rates of growth in rents, but these have not come through into official statistics yet. Factors driving the rent rises are likely to include a return to urban living and also the impact of rising interest rates on landlords. We would also note that the number of properties in the rental survey fell sharply between 2017/18 and 2021/22 implying that there are only very small samples for larger property sizes.

¹⁰ This represents the maximum amount of housing benefit that can be claimed. Previously based on the 30th percentile private rent, however more recent increases are based on Consumer Price index (CPI) and rates were frozen in the July 2015 Budget.

¹¹ The Bank of England place inflation between 2017 and 2022 at a total of 17.7% [Inflation calculator | Bank of England](#)

Figure 14: Weekly rent thresholds in Hillingdon 2017/18 and 2021/22 (Source: Valuation Office Agency 2017/18 and 2021-22; SDR 2021)

Weekly Rent £	Median Private Rent 2017/18	Lower Quartile Private Rent 2017/18	Median Private Rent 2021/22	Lower Quartile Private Rent 2021/22	Percentage change in Median Private Rent 2017/18- 2021/22	Percentage change in Lower Quartile Private Rent 2017/18- 2021/22
1 bedroom	£232.51	£206.98	£224.23	£206.98	-3.6%	0.0%
2 bedrooms	£288.85	£270.23	£293.22	£274.83	1.5%	1.7%
3 bedrooms	£325.65	£274.83	£344.97	£310.47	5.9%	13.0%
4+ bedrooms	£482.27	£390.97	£448.46	£389.36	-7.0%	-0.4%

Income Needed to Rent Housing

- 3.24 The income needed to rent housing will depend on the monthly rent together with the income multiplier allowed for housing costs. The previous CLG Strategic Housing Market Assessments Practice Guidance (Version 2, August 2007)¹² stated:

*“A household can be considered able to afford market house renting in cases where the rent payable was up to 25 per cent of their **gross** household income” (page 42)*

- 3.25 However, this previous Guidance was rescinded in March 2014 following the publication of the NPPF and the launch of the new Planning Practice Guidance (PPG). The PPG does not propose a specific multiplier for assessing housing costs; however, it notes that *“care should be taken ... to include only those households who cannot afford to access suitable housing in the market”* (ID 2a-024, emphasis added).
- 3.26 The English Housing Survey (EHS) 2015-16¹³ provides information about the percentage of gross household income that households currently spend on their housing costs¹⁴:
- » For the total gross income (excluding housing benefit) of the Household Reference Person and partner, households renting privately spent on average 48% of their income on rent, whilst the average was 40% for households in rented affordable housing; and
 - » For the total gross income (excluding housing benefit) from all income earners in the household, irrespective of whether they contribute to the housing cost, households renting privately spent on average 38% of their income on rent, whilst the average was 37% for those in rented affordable housing.
- 3.27 The EHS thus demonstrates that many households, in both private and rented affordable properties, currently pay considerably more than 25% of gross household income on their housing costs. On this basis, it would be reasonable to assume that the proportion of household income allocated to housing costs should be at least 25% but no more than 45% of gross income. This leads to our judgement that 35% of income provides a reasonable basis for calculating what households should reasonably expect to pay for their housing

¹² <https://www.gov.uk/government/publications/strategic-housing-market-assessments-practice-guidance>

¹³ <https://www.gov.uk/government/statistics/english-housing-survey-2015-to-2016-headline-report>

¹⁴ “Annex Table 1.13: Mortgage/rent as a proportion of household income (including and excluding housing benefit) by tenure, 2010-11 to 2015-16”

costs.¹⁵ Whilst this is notably higher than the 25% proposed by the previous guidance, it is still lower than the 38% average that households renting privately actually pay.

3.28 As an example, we can establish the income needed to rent a 1-bedroom property in the private rented sector based on a 35% income multiplier¹⁶:

- » The median weekly rent recorded was £224.23;
- » Based on a 35% income multiplier, a weekly income of £640.65 would be needed which equates to a gross annual income of £33,429.

3.29 To rent the same property based on a 25% income multiplier would increase the gross income required to £46,809 per year whereas households with an annual income of £26,005 per year could afford the rent if 45% of their income was allocated to housing costs.

3.30 Figure 15 shows the gross household incomes needed to afford median and lower quartile private rent, Affordable Rent and Social Rent if 35% is spent on housing. All figures are based upon the rents set out in Figure 13.

Figure 15: Annual income required to afford to rent properties at the lower quartile and median price based on 35% income multiplier by property size in Hillingdon (Source: ORS based on Valuation Office Agency data April 2020 to March 2021)

HILLINGDON	Private Rent Median	Private Rent Lower Quartile	Affordable Rent (SDR 2021)	Social Rent
1 bedroom	£33,429	£30,857	£26,147	£16,283
2 bedrooms	£43,714	£40,971	£30,753	£19,327
3 bedrooms	£51,429	£46,286	£35,226	£21,538
4+ bedrooms	£66,857	£58,046	£32,366	£23,792

3.31 Although a rental income multiplier is helpful for benchmark purposes, it does not take account of the disposable income available to households after their housing costs have been paid; and it is “*housing that is too expensive compared to disposable income*” that the PPG references in the context of assessing the need for affordable housing (ID 2a-023).

3.32 Considering some examples of disposable income:

- » A single person household with a gross income of £20,000 from employment would have £16,880 (£324 per week) after income tax and national insurance contributions. Housing costs at 35% of gross income would represent 38.4% of their net income and would leave £189 per week as disposable income to cover their other living expenses.
- » A couple with two children with a gross income of £20,000 from employment would have up to £19,559 (£375 per week) after income tax and national insurance contributions (assuming both earned £10,000). Therefore, housing costs at 35% of gross income would represent 35.8% of their net income and would leave £238 per week as disposable income to cover their other living expenses.

3.33 We should also consider the differing potential levels of housing benefit:

¹⁵ The London Plan uses a figure of up to 40% of gross income on housing costs, while London Living Rents are based upon setting rents at one third of average income in a ward.

¹⁶ $224.23 / (35/100) = 640.65$. Multiplied by the exact number of weeks in a year (52.189) = £33,429

- » The maximum amount of weekly income that a single person household can receive before their income starts to affect their housing benefit is currently £73.10 for those aged 25 or over and £57.90 for those aged 16-24.
- » The maximum amount of weekly income that a couple with two children can receive before their income starts to affect their housing benefit is currently £248.65 (if one or both are aged 18 or over).

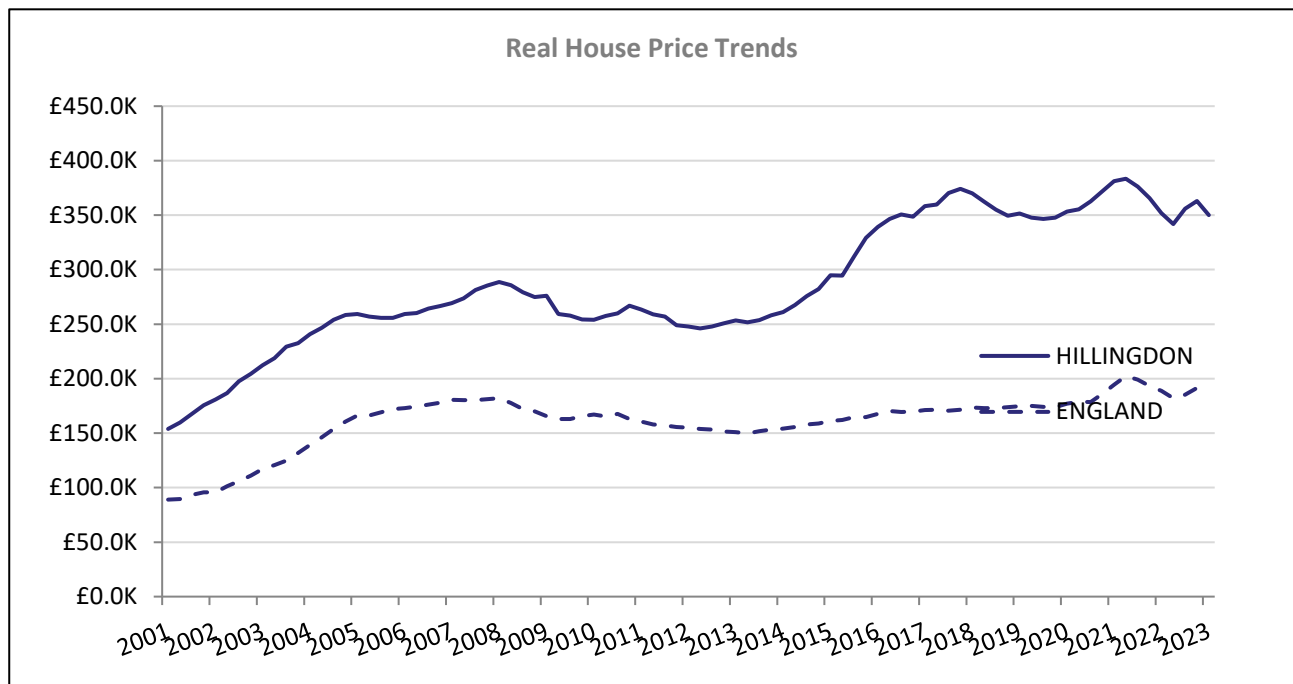
- 3.34 When assessing affordable housing need, it is not appropriate to adopt a simplistic income multiplier as this does not take into account different household circumstances. **It is better to consider housing benefit eligibility criteria set by the Department for Work and Pensions. This will take into account the different amounts of disposable income for various types of households, based on the rents for suitable housing.** Therefore, a key consideration in the ORS Model as to whether a household can afford market rents is whether they receive housing benefit or Universal Credit to assist with their housing costs. **If a household is renting privately and does not receive housing benefit, then they are covering their own rents. This shows the household is capable of affording it's rent without government assistance.** This implies that the earlier discussion around the amount of income required to rent housing was largely for illustrative purposes because the receipt of housing benefit is a stronger indicator that a household cannot afford their rents.
- 3.35 Eligibility for housing benefit will differ based on the type of household and the number of bedrooms needed.
- 3.36 Figure 16 sets out the incomes for housing benefit eligibility for different types of households.

Figure 16: Maximum income for households in receipt of housing benefit support by household type
(Source: ORS based on Department for Work and Pensions data)

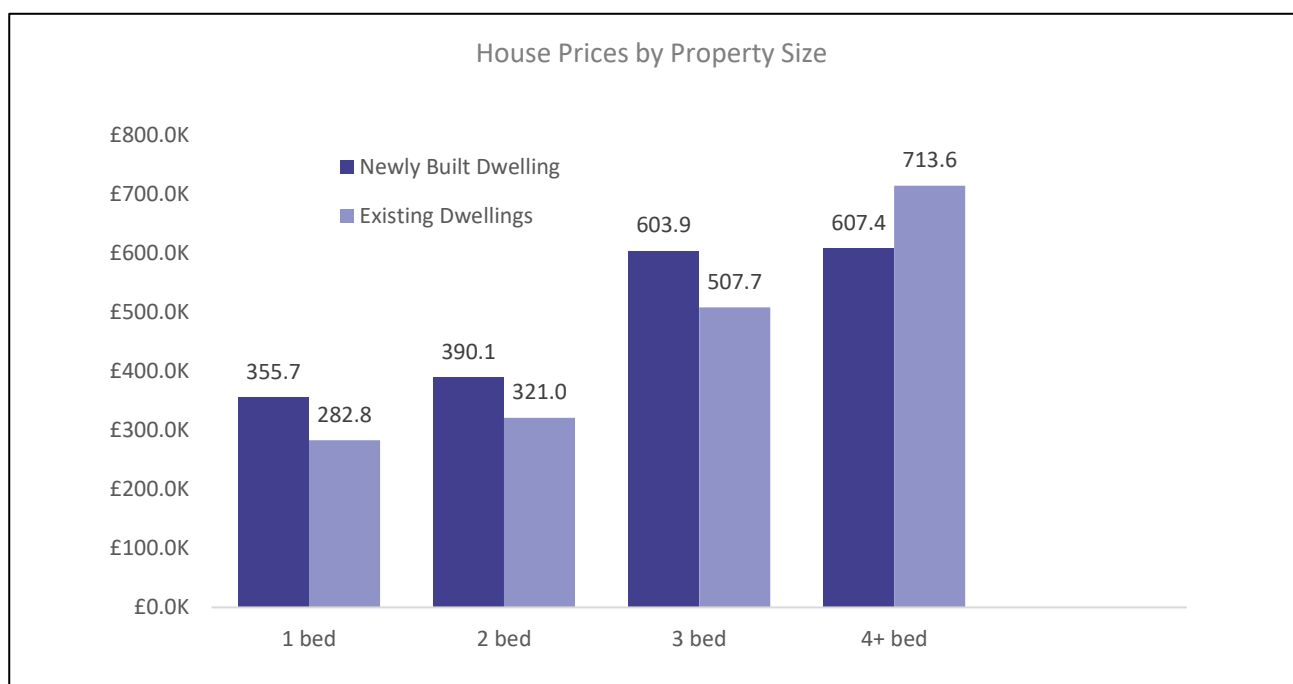
Property type	Household type	OUTER WEST LONDON BRMA
ROOM ONLY	Single person aged 16-24	£13,668
ROOM ONLY	Single person aged 25-34	£14,461
1 BEDROOM PROPERTIES	Single person aged 35+	£22,289
1 BEDROOM PROPERTIES	Couple (both aged under 18)	£23,040
1 BEDROOM PROPERTIES	Couple (one or both aged 18 or over)	£24,467
2 BEDROOM PROPERTIES	Lone parent (aged 18 or over) with 1 child	£31,322
2 BEDROOM PROPERTIES	Lone parent (aged 18 or over) with 2 children	£34,812
2 BEDROOM PROPERTIES	Couple (aged 18 or over) with 1 child	£33,500
2 BEDROOM PROPERTIES	Couple (aged 18 or over) with 2 children	£36,991

Cost of Home Ownership

- 3.37 When considering home ownership, it is worth reflecting on house prices during the past twenty years. House price trends (2001-2022) are shown in Figure 17. This is based on lower quartile prices and data is adjusted for inflation so that values reflect real changes in house prices since 2001.
- 3.38 Real house prices in Hillingdon, are both higher and increasingly divergent from England as a whole. Overall prices increased substantially in the period 2001-2008 before falling 2009. Values then grew steadily until 2018 but have been falling in real terms since that time. This is out of step with most of the rest of England where real house prices only started to fall in 2022 as inflation and interest rates rose.

Figure 17: Real House Price Trends: Lower Quartile Prices adjusted to 2022 values using CPI (Source: ONS; Bank of England)

- 3.39 House prices clearly vary in accordance with a range of factors. An important component is the size of the property, with the number of bedrooms being key. Figure 18 shows lower quartile house prices in Hillingdon by bedroom size.
- 3.40 There is also a difference between existing properties and new build dwellings. New build dwellings generally attract a premium and this is somewhat the case in Hillingdon. Whereas most new build dwellings have a higher value than existing dwellings, the difference is reversed when comparing larger properties (4+ bedrooms).

Figure 18: Lower quartile prices (adjusted by CPI) (2022) by property size (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data)

- 3.41 The difference in values between new build and existing properties is likely to be down to a range of factors which include the location of new build housing, the relative size of properties, comparative quality and condition of existing stock, and other intangible issues such as character.

Identifying the Gap for Intermediate Housing and Affordable Home Ownership

- 3.42 The NPPF encourages local authorities to widen opportunities for home ownership.
- 3.43 When identifying the need for Affordable Home Ownership (AHO), it is necessary to consider the housing costs for both renting and buying market housing in order to understand the relative incomes required and establish the appropriate income range for AHO products and the associated purchase costs.
- 3.44 Figure 19 summarises the income thresholds for the range of different housing options based on the costs for home ownership and rents in Hillingdon which emphasises that owner occupation is much less affordable. This also make London Living Rent a very attractive option in Hillingdon for households with incomes of less than £67,000.

Figure 19: Annual income thresholds for different housing options, single bedroom and two bedroom (Source: ORS based on ONS House Price Statistics, Department for Work and Pensions, Valuation Office Agency and Land Registry Price Paid Data. Note: All figures rounded to nearest £100)

Annual Income Needed to Own at Lower Quartile Prices	Single Bedroom Properties	Two Bedroom Properties	Three Bedroom Properties	Four Bedroom or More Properties
Minimum income needed to own a newly built dwelling with 10% deposit and 3.5x mortgage	£91,500	£100,313	£130,544	£155,282
Minimum income needed to own an existing dwelling with 10% deposit and 3.5x mortgage	£72,700	£82,538	£183,487	£156,192
Minimum income needed for median private rent to be less than 35% in Hillingdon	£33,429	£43,714	£51,429	£66,857
Minimum income needed for lower quartile private rent to be less than 35% in Hillingdon	£30,857	£40,971	£46,286	£58,046
Minimum income needed for Affordable Rent to be less than 35% in Hillingdon	£26,147	£30,753	£35,226	£32,366
Minimum income needed for Social Rent to be less than 35% in Hillingdon	£16,283	£19,327	£21,538	£23,792
Upper end of range of maximum income for Housing Benefit support in Hillingdon	£24,467	£36,991	£41,523	£43,643
Lower end of range of maximum income for Housing Benefit support in Hillingdon	£22,289	£31,322	£33,456	£35,321

- 3.45 There is large income gap between being able to afford market rent (£30,857) and being able to afford home ownership (£72,700) which, in theory, leaves a large gap for affordable home ownership housing products (AHO's). AHO products could be developed aimed at this income gap. It is probable that some households who could afford market rent would prefer to own their own home. However, households renting who can afford to rent in one of the most expensive parts of London may also just choose to buy in a more affordable area. In London, AHO products have a maximum income of £90,000 per household. This leaves households with a higher income than £90,000 unable to afford to buy in the open market in Hillingdon, but ineligible for AHOs. However, Figure 19 shows that household with income up to £90,000 can afford to purchase one or two bedroom properties in Hillingdon. **Hillingdon can help households with incomes between £30,857**

and £90,000 through developing AHO products, but is unlikely to be able to help households who are unable to afford market home ownership with incomes above £90,000.

Low Cost Home Ownership

- ^{3.46} A range of Low-Cost Home Ownership (LCHO) products have also been developed to assist households into homeownership, including London Living Rent, Shared Ownership and First Homes.

Shared Ownership

- ^{3.47} Figure 20 sets out the weekly costs associated with Shared Ownership properties of different sizes, taking account of the differential full market prices and based on the following assumptions:

- » 40% equity share purchased by the occupier;
- » 10% of the equity purchased is available as a deposit;
- » Mortgage costs based on a 30-year repayment mortgage at 6.25% interest (at the time of writing long-term Bank of England interest rates are projected to be 4.8% and there is always a further premium for Shared Ownership;
- » Rent based on 2.75% of the retained equity paid each year; and
- » Service charge of £30 per week.

- ^{3.48} This calculation demonstrates that the weekly costs for Shared Ownership are higher than the equivalent median private rent for all property sizes (Figure 14). The minimum income required to be able to afford a 40% Shared Ownership one bedroom property with a 10% deposit is still nearly £70,000 per annum with the household would have to meet rent and service charges on top of the mortgage.

Figure 20: Shared Ownership costs (Note: Mortgage costs based on a 30-year repayment mortgage at 6.25% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £30 per week)

	Property Value	40% Equity Share	10% Deposit	Weekly Mortgage Costs	Weekly Rent Costs	Weekly Service Char	TOTAL of weekly costs
1 bedroom	£355,687	£142,275	£14,227	£183.20	£112.55	£30.00	£325.76
2 bedrooms	£390,105	£156,042	£15,604	£200.93	£123.44	£30.00	£354.37
3 bedrooms	£603,874	£241,550	£24,155	£311.03	£191.09	£30.00	£532.12
4+ bedrooms	£607,412	£242,965	£24,296	£312.86	£192.21	£30.00	£535.07

- ^{3.49} Figure 21 shows the sensitivity of weekly costs to the equity share purchased and presents this relative to the equivalent local rents which run from a median rent for a 1 bedroom property of £232 per week to £483 per week for a 4 bedroom plus property. This model uses a 6.25% interest rate for modelling purposes, if rates are lower in the future, then Shared Ownership will be more affordable, conversely higher rates make it less affordable. As can be seen in Figure 21 the cost of newbuild Shared Ownership is always more expensive than the cost of median rent. The lack of a significant historic market for Shared Ownership means that second hand prices are difficult to calculate, but they may be cheaper in line with other second hand prices.

Figure 21: Total weekly costs for Shared Ownership based on different equity shares (Note: Mortgage costs based on a 30-year repayment mortgage at 6.25% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £30 per week. Cells highlighted in orange are above the lower quartile private rent but below median private rent, cells in red are above the equivalent median private rent.)

Total Weekly Cost £	Property Value	25% Equity Share	30% Equity Share	35% Equity Share	40% Equity Share	45% Equity Share	50% Equity Share
1 bedroom	£355,687	£285.19	£298.71	£312.23	£325.76	£339.28	£352.80
2 bedrooms	£390,105	£309.89	£324.72	£339.55	£354.37	£369.20	£384.03
3 bedrooms	£603,874	£463.26	£486.21	£509.17	£532.12	£555.08	£578.03
4+ bedrooms	£607,412	£465.80	£488.89	£511.98	£535.07	£558.16	£581.25

First Homes

^{3.50} Meanwhile, Figure 22 sets out the weekly costs associated with First Homes properties with 50%, 60% and 70% equity, taking account of the differential full market prices and based on the following assumptions:

- » 70% equity share purchased by the occupier;
- » 10% of the remaining equity purchased is available as a deposit; and
- » Mortgage costs based on a 30-year repayment mortgage at 3.5% interest¹⁷.

Figure 22: Total weekly costs for First Homes with 50%, 60% and 70% Equity Share (Note: Mortgage costs based on a 30-year repayment mortgage at 5.50% interest. Cells highlighted in orange are above the lower quartile private rent but below median private rent, cells in red are above the equivalent median private rent.)

Total Weekly Cost £	Property Value	First Homes with 50% equity share	First Homes with 60% equity share	First Homes with 70% equity share
1 bedroom	£355,687	£211.21	£253.45	£295.69
2 bedrooms	£390,105	£231.64	£277.97	£324.30
3 bedrooms	£603,874	£358.58	£430.30	£502.01
4+ bedrooms	£607,412	£360.68	£432.82	£504.95

^{3.51} First Homes will only be more affordable than private rent with a 50% equity share, which represents a large discount from market rate. As noted earlier, the Mayor of London is currently not looking to progress First Homes in London. The current affordable housing programme in London assumes that the main affordable housing products delivered will be London Social Rent, London Living Rent and Shared Ownership.¹⁸

London Living Rent

^{3.52} We also considered the cost of a London Living Rent property. The estimated cost of London Living Rents in Hillingdon is taken from the GLA data for 2022/23¹⁹ and is the average across Hillingdon. In terms of required annual income, these equate to a figures of between £41,500 and £50,500 depending upon the size of the property.

¹⁷ For Shared Ownership we have assumed a 6.25% mortgage rate and for First Homes we have assumed a 5.5% rate. In general there is a mortgage premium for Shared Ownership when compared to full ownership.

¹⁸ [Affordable Homes Programme 2021-2026 - Funding Guidance \(london.gov.uk\)](https://www.london.gov.uk/affordable-homes-programme-2021-2026-funding-guidance)

¹⁹ [London Living Rent | London City Hall](https://www.london.gov.uk/living-rent)

Figure 23: Average Total weekly costs for London Living Rent for Hillingdon (Source: GLA London Living Rents 2022/23)

Total Weekly Cost £	London Living Rent
1 bedroom	£263.98
2 bedrooms	£294.11
3 bedrooms	£311.63
4+ bedrooms	£320.59

- 3.53 London Living Rent can be seen to be a more affordable option than First Homes and Shared Ownership in Hillingdon.

Income Needed for Other Types of Housing

- 3.54 Another housing option that could be made available in Hillingdon, thereby increasing the variety of products available, is Build to Rent. Build to Rent is defined by the NPPF Glossary as:

Build to Rent: purpose-built housing that is typically 100% rented out.

Schemes will usually offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control.

NPPF 2024 (Glossary)

- 3.55 Build to Rent housing tends to be somewhat more expensive than median rents (typically more comparable to upper quartile rents). Occupants tend to be those that can afford these higher rents, but are not currently seeking to own a property, since the income required to service such rents is typically in excess of that required to get onto the housing ladder through Low Cost Home Ownership options.
- 3.56 The National Planning Policy Framework states that affordable housing on build to rent schemes should be provided in the form of affordable private rent. The PPG offers a “generally suitable” benchmark that 20% of any given build to rent scheme should be provided as affordable rent (maintained in perpetuity). In terms of setting affordable rent levels, national affordable housing policy requires a rent discount of at least 20% for affordable private rent homes relative to local market rents (inclusive of service charges).
- 3.57 However, the affordability of these affordable Build to Rent options is highly dependent on the rent being discounted. Research by JLL²⁰ shows that the average Build to Rent option is 9.3% more expensive than the median rent. This therefore tends to lead to the affordable Build to Rent options being more expensive than Affordable Rent and are best considered as a form of Discount Market Rent.
- 3.58 Policy H11 of the London Plan states:

The policy requires 30 per cent of DMR homes to be pegged to London Living Rent and the remainder to be provided at a discount that meets local affordable housing needs, having regard to local circumstances relating to viability.

- 3.59 **Hillingdon cannot influence any market rents that are set through Build to Rent schemes. However, it can influence the rents on the affordable component. The current London Plan policy proposes that 30% of**

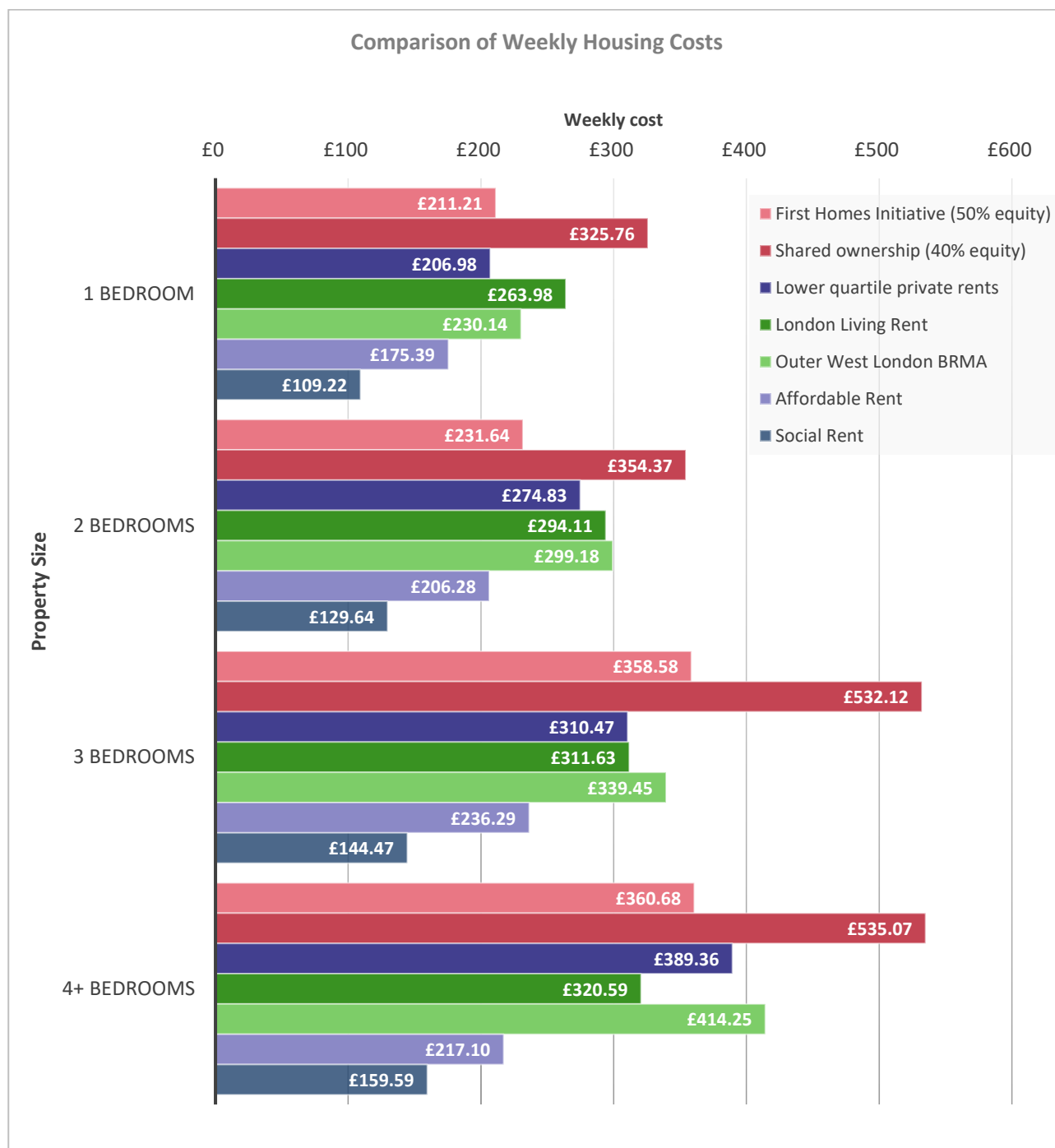
²⁰ <https://www.jll.co.uk/content/dam/jll-com/documents/pdf/research/emea/uk/jll-residential-insight-build-to-rent.pdf>

homes should be set at London Living Rent rates and the remainder will need to be at or below LHA rates, to ensure that their costs can be met from housing benefit.

Summary of Housing Costs

^{3.60} This chapter has considered in some detail the cost of housing depending on tenure type and property size. Figure 24 summarises these costs for each property size with all costs are adjusted to 20213 levels using the most recent data available. Social Rent is significantly cheaper than any other tenure. The costs of First Homes and Private Rent differ depending on property size, whereas Shared Ownership has extremely high costs when compared to First Homes and renting privately: Shared Ownership with a 40% equity stake is more expensive than a First Homes property with a 50% equity stake, although both fall within £420,000 price and £90,000 income caps in London with the exception of Shared Ownership across 3 and 4 plus bedroom First Homes. In London, the London Living Rent scheme also provides affordable to own properties but, while this requires much lower costs than Shared Ownership across all property sizes.

Figure 24: Comparison of weekly housing costs by property size including any service charges (Source: Valuation Office Agency and Land Registry Price Paid Data)



4. Affordable Housing Need

Identifying households who cannot afford market housing

Introduction

- 4.1 The definition of affordable housing was changed by the NPPF 2019, with a specific emphasis now placed on affordable homeownership. This was retained in the NPPF 2021, 2023 and 2024 updates and does not explicitly include First Homes. Annex 2 of the NPPF 2024 now defines affordable housing as being:

Affordable housing

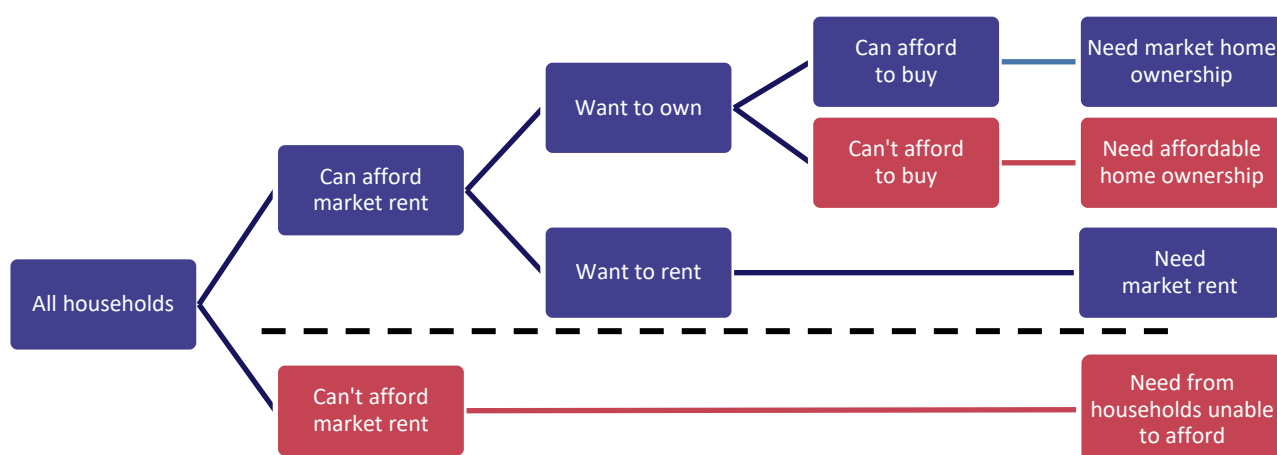
Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)

NPPF 2024, Annex 2

- 4.2 To reflect this change, paragraphs of PPG were updated in February 2019. These were further updated with a new set of guidance on “*Housing needs of different groups*” published on 22nd July 2019²¹, which covered:
- » Addressing the need for different types of housing
 - » Affordable housing
 - » Rural Housing.
- 4.3 Further guidance to reflect the need to consider First Homes was then added on May 24th 2021.
- 4.4 Relevant paragraphs of PPG have also been updated to confirm that the types of household to be considered in housing need should include “*those that cannot afford their own homes, either to rent, or to own, where that is their aspiration*” [PPG ID 2a-020-20190220]. The assessment of affordable housing need therefore needs to consider both those who cannot afford to rent and those households who can afford to rent but would like to buy. In Figure 25, blue indicates that the household can afford the option while red indicates that the household cannot afford the option.

²¹ <https://www.gov.uk/guidance/housing-needs-of-different-groups#affordable-housing>

Figure 25: Establishing the need for market and affordable housing



- 4.5 There is a well-established method for assessing the needs of households who cannot afford to own or rent suitable market housing. However, PPG provides no guidance on how the needs of households who can afford to rent but would prefer to own, should be assessed. Guidance is also absent for identifying the needs of some other groups such as people that can only afford to rent privately in a house share but may prefer to live independently, and households in the PRS who spend more than 40% or 50% of their income on rent. Therefore, the key household groups who enter into affordable housing to rent calculations are those unsuitably housed in affordable housing, those in temporary accommodation and those in receipt of housing benefit. In other local authorities, many of those who can afford to rent would benefit from affordable to own properties. However, housing costs are so high in Hillingdon that affordable to own products typically are of little assistance, as discussed later in this chapter.

Assessing Affordable Housing Needs

- 4.6 The ORS Housing Mix Model considers the need for market and affordable housing on a long-term basis that is consistent with household projections. The model uses a range of secondary data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population.
- 4.7 The model provides robust and credible evidence about the required mix of housing over the full planning period and recognises how key housing market trends and drivers will impact on the appropriate housing mix.
- 4.8 The PPG identifies that “projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need” (ID 2a-021). **The ORS Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all types of household, and that this will also differ by age.** Therefore, the appropriate proportion is determined separately for each household type and age group.
- 4.9 The affordability percentages in Figure 26 are calculated using detailed information from the 2021 Census alongside data published by the Department of Work and Pensions (DWP) about housing benefit claimants. For each type of household in each age group, the table identifies the percentage of households unable to afford their housing costs. This is the proportion of households in each group that either occupy affordable

housing or receive housing benefit to enable them to afford market housing. This shows a high level of affordable need for lone parents and also for older persons. There is also a need of younger households. Almost a quarter of single person households aged under 25 cannot afford market housing and this rises to two thirds of couple families aged under 25 with dependent children.

Figure 26: Assessing affordability by household type and age (Source: Census 2021 and DWP)

Percentage unable to afford market housing	Under 25	25-34	35-44	45-54	55-64	65+
Single person household	24%	16%	27%	37%	39%	33%
Couple family with no dependent children	8%	5%	7%	11%	11%	14%
Couple family with 1 or more dependent children	38%	31%	23%	22%	21%	32%
Lone parent family with 1 or more dependent children	83%	95%	80%	66%	64%	71%
Other household type ²²	16%	14%	17%	23%	19%	18%

Current Unmet Needs of Households Unable to Afford

- ^{4.10} Any exploration of housing need in an area must first give consideration to existing unmet needs. The PPG states:

How should the current unmet gross need for affordable housing be calculated?

Plan makers should establish unmet (gross) need for affordable housing by assessing past trends and recording current estimates of:

- » *the number of homeless households;*
- » *the number of those in priority need who are currently housed in temporary accommodation;*
- » *the number of households in overcrowded housing;*
- » *the number of concealed households;*
- » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings);*
- » *the number of households from other tenures in need and those that cannot afford their own homes.*

Care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market.

Planning Practice Guidance (February 2019), ID 2a-020-20190220

- ^{4.11} Households assumed to be unable to afford housing include:

- » All households that are currently **homeless**;
- » All those currently housed in **temporary accommodation**; and
- » People in a **reasonable preference category** on the housing register, where their needs have not already been counted. A reasonable preference is a household who has been accepted by the local housing authority (Hillingdon Council) as having a housing need.

²² Other households include multi-generation living, student households and Houses in Multiple Occupation (HMOs).

- ^{4.12} Given this context, the model includes the needs of all these households when establishing the need for affordable housing at a base date of 2021. The evidence is predominantly derived from data collected by Hillingdon on homelessness or households otherwise unsuitably housed, but we also consider the needs of households who are overcrowded in both the social and private rented sector.
- ^{4.13} All households in temporary accommodation are counted as being in need, irrespective of whether they are housed in Hillingdon. Like many councils, Hillingdon is currently making extensive use of temporary market housing and also bed and breakfast and hostel accommodation. This has a number of negative consequences in that it fails to provide stability for households, the quality of the accommodation is often poor and the accommodation can be very expensive as an emergency measures, so the cost to Hillingdon is high. Therefore, it is appropriate to count all of these households as being in current need.
- ^{4.14} Overcrowding is assessed against the number of bedrooms the household requires which is calculated according to the Bedroom Standard, where the following should have their own bedroom:
1. Adult couple
 2. Any remaining adult (aged 21 years or over)
 3. Two males (aged 10 to 20 years)
 4. One male (aged 10 to 20 years) and one male (aged 9 years or under), if there are an odd number of males aged 10-20
 5. One male aged 10-20 if there are no males aged 0-9 to pair with him.
 6. Repeat steps 3-5 for females
 7. Two children (aged 9 years or under) regardless of sex
 8. Any remaining child (aged 9 years or under)
- ^{4.15} An occupancy rating of:
- 1 or less implies that a household's accommodation has fewer bedrooms than required (overcrowded)
 - +1 or more implies that a household's accommodation has more bedrooms than required (under-occupied)
 - 0 suggests that a household's accommodation has an ideal number of bedrooms.
- ^{4.16} The analysis counts the needs of all households living in overcrowded rented housing when establishing the affordable housing need (which could marginally overstate the requirements) but it does not count the needs of owner occupiers living in overcrowded housing (which can be offset against any previous over-counting). We do not count those in owner occupied housing because these households would typically not qualify for affordable housing. Student households are also excluded, given that their needs are assumed to be transient and do not count towards the need for affordable housing in Hillingdon.
- ^{4.17} Concealed families are an important part of unmet housing need. Concealed families are identified through Census data and include lone parents or couple with or without children who are sharing with another household. They do not include single persons living at home or individuals who are house sharing in the private rented sector who may wish to occupy affordable housing, but have little chance of doing so. However, not all concealed families want separate housing. Those with older family representatives will often be living with another family, perhaps for cultural reasons or in order to receive help or support due to

poor health. However, those with younger family representatives are more likely to be experiencing affordability difficulties or other constraints (although even here not all will want to live independently).

- ^{4.18} Any concealed families in a reasonable preference category on the housing register will be counted regardless of age. The analysis also considers the additional growth of concealed families with family representatives aged under 55 (even when not on the housing register) and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home).
- ^{4.19} The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household and enabling one household to move out would simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by improving the existing housing stock, and the Council have a range of statutory enforcement powers to improve housing conditions.
- ^{4.20} The increase in overall need is shown for information and consists of households in temporary housing situations where release of their current housing will not add to the supply of housing for another household.

4.21 Figure 27 sets out the assessment of current unmet affordable housing need for Hillingdon:

Figure 27: Assessing current unmet gross need for affordable housing (Source: ORS Housing Model)

Current unmet need classification	Current status	Affordable Housing Gross Need	Affordable Housing Supply	Affordable Housing Net Need	Increase in Overall Need
Homeless households in priority need [Source: CLG P1E returns]	Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	151		151	151
Homeless households in priority need [Source: CLG P1E returns]	Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	504		504	
Homeless households in priority need [Source: CLG P1E returns]	Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	506	506	0	
Homeless households in priority need [Source: CLG P1E returns]	Households accepted as homeless but without temporary accommodation provided	30		30	30
Concealed households [Source: Census 2001 and 2021]	Growth in concealed families with family representatives aged under 55	1,744		1,744	1,744
Overcrowding based on the bedroom standard [Source: Census 2021 and English Housing Survey]	Households living in overcrowded private rented housing	3,722		3,722	
Overcrowding based on the bedroom standard [Source: Census 2021 and English Housing Survey]	Households living in overcrowded social rented housing	2,659	2,659	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG LAHS]	People who need to move on medical or welfare grounds, including grounds relating to a disability	347	26	321	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG LAHS]	People who need to move to a particular locality in Hillingdon, where failure to meet that need would cause hardship	53	4	49	
TOTAL	TOTAL	9,716	3,195	6,521	1,925

4.22 Based on a detailed review of both the past trends and current estimates our analysis has concluded that 9,716 households are currently living in unsuitable housing and are unable to afford their own housing. This assessment is based on the criteria set out in the PPG and avoids double counting, as far as possible.

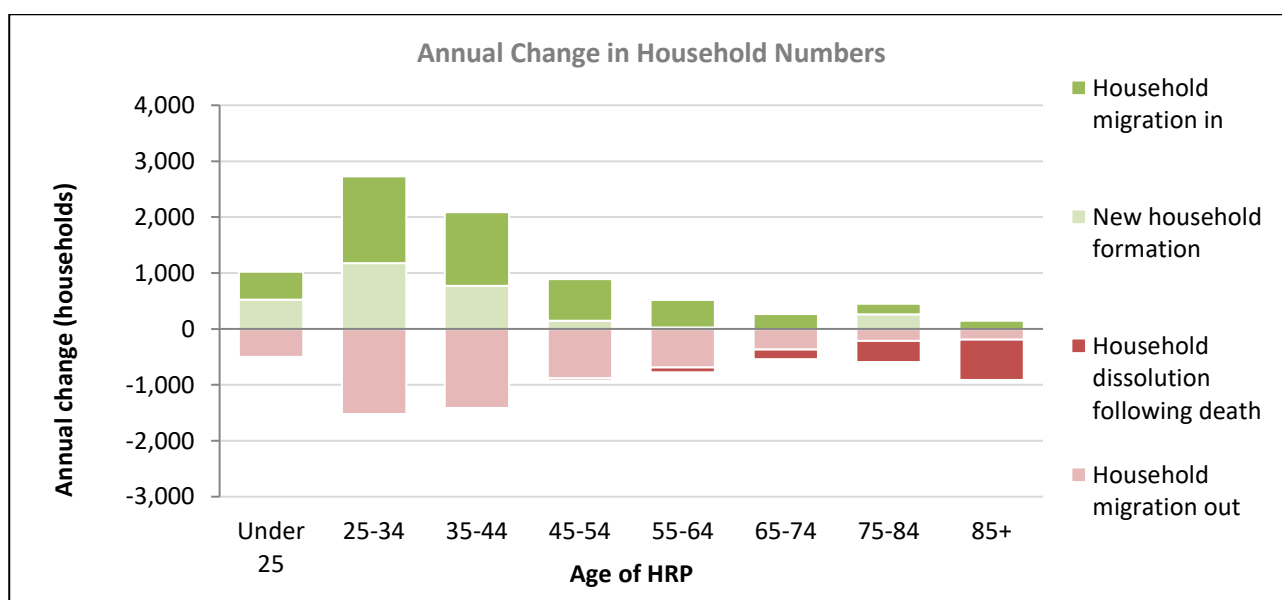
4.23 Of these households, 3,195 currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.

- 4.24 There is, therefore, a net affordable housing need of 6,521 households (9,716 less 3,195 = 6,521). Providing the net affordable housing need 6,521 households will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 4,596 households (6,521 less the 1,925 households which are housed outside Hillingdon in temporary accommodation, are homeless or concealed and thus do not release dwellings). The 4,596 dwellings are occupied by people living in unsuitable conditions (e.g. too small for their needs) whose needs would be met by new homes of the right size, if provided. While the 2017 London SHMA sought to address the backlog of need over 25 years, for this study we treat this as a backlog of need to be addressed over 17 years at an annual rate of 435 households per annum (6,521/15) to ensure that the needs are addressed within the current plan period.

Projected Future Need of Households Unable to Afford

- 4.25 When considering the number of newly arising households likely to be in affordable housing need, the PPG recommends a “gross annual estimate” (ID 2a-021) suggesting that “the total need for affordable housing should be converted into annual flows” (ID 2a-024).
- 4.26 Figure 28 shows the age structure of each of the components of household change. This analysis is based on changes within each age cohort. Comparisons are based on households born in the same year and relate to their age at the end of the period. Therefore, all new households are properly counted, rather than only counting the increase in the number of households in each age group. The data shows a high rate of household formation for those aged 25-44 years, but these households also have high in and out migration rates. For older age groups, formation and migration is much lower, but household dissolution starts to become higher for those aged 65 years and over.

Figure 28: Annual change in household numbers in each age cohort by age of HRP in Hillingdon (Source: ORS Housing Model)



- 4.27 Together with information on household type, this provides a framework for the model to establish the proportion of households who are unable to afford their housing costs. The following tables look at the impact of different types of household. The percentage of households unable to afford are based upon those in receipt of housing benefit by household type and age and also those allocated to affordable housing in the past. The split between newly formation and migrating households is derived from components of the household projections, which take account of new household formation through natural growth in the population alongside growth due to all in and out migrating households.

Figure 29: Annual components of Household Growth 2025/2026-2039/40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	3,336	2,406	930	28%
Households migrating in to the area	5,763	4,219	1,544	27%
All new households	9,099	6,626	2,474	27%

- 4.28 The ORS Model identifies 3,336 new households projected to form in Hillingdon each year, of which 28% will be unable to afford their housing costs. This amounts to 969 households each year.
- 4.29 The model also considers new households migrating to the area. The projection is for 5,763 households per annum of which 27% (1,544 households) will be unable to afford their housing costs. For clarity, these households cannot afford to meet their own housing costs and it is not just the case that they cannot afford to purchase a property. It is completely normal for a London Borough to see more affordable housing need generated by households moving to the area than through local household formation and Hillingdon is no exception. It should be remembered that households in affordable housing need will also leave Hillingdon, thus reducing need.
- 4.30 This results in a total of 2,474 new households in need of affordable housing per annum (Figure 29).

Figure 30: Annual components of Household Growth 2025/2026-2039/40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Household dissolutions following death	1,580	1,188	391	25%
Households migrating <u>out</u> of the area	6,489	4,769	1,720	27%
All households no longer present	8,069	5,958	2,111	26%

- 4.31 PPG identifies that “there will be a current supply of housing stock that can be used to accommodate households in affordable housing need” and that it is necessary to establish “the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need” (ID 2a-022).
- 4.32 The model identifies 1,580 households are likely to dissolve following the death of all household members. This is based upon the age profile of households, with deaths being modelled by locally specific mortality rates, with the death of the final household member creating a dissolution. Many of these households will own their homes outright, however 391 of these are likely to have been unable to afford market housing and will mostly be living in rented affordable housing.
- 4.33 In addition, some households that are unable to afford housing will migrate away from the area, so their needs should be discounted to ensure consistency with the household projections. The model identifies that 6,489 households will migrate out of the area each year, again derived from components of the household projections which measure all households migrating in and out of the borough, including 1,720 households who are unable to afford their housing costs. A proportion of these will vacate rented affordable housing (which will become available for another household) whereas others that have not yet been allocated an

affordable home will reduce the number of households waiting. (It should be noted that some might have chosen to stay if housing costs were cheaper or more affordable housing was available).

- 4.34 Altogether, there are 2,111 households who will vacate affordable dwellings or will no longer be waiting for a home (Figure 30). Therefore, more households dissolve or out-migrate from Hillingdon than those who form or migrate into the area, so these changes reduce the level of projected future affordable housing need. The level for in and out-migration to Hillingdon is exceptionally high, but it is not this factor which is driving the need for affordable housing in the area.
- 4.35 Figure 31 shows the change in the number of households who can afford their housing costs in terms of the number of households falling into need, usually due to their income decreasing and those climbing out of need, usually because of their income increasing. This is explained more fully below the table and is based on incomes and demographic data.

Figure 31: Annual components of Household Growth 2025/2026-2039/40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Existing households falling into need	-	-562	562	100%
Existing households climbing out of need	-	679	-679	0%
Change in existing households	-	116	-116	-

- 4.36 PPG also identifies that it is important to estimate “the number of existing households falling into need” (ID 2a-021). Whilst established households that continue to live in Hillingdon will not contribute to household growth, changes in household circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these households are counted by the model, and it is estimated that 562 established households will fall into need in Hillingdon each year.
- 4.37 This is the change in the number of established households of each type in each age group identified as being unable to afford market housing. The analysis only considers established households, so households that form or dissolve during the period and migrant households are all excluded. Established households are analysed on a cohort basis, using 5-year bands and periods. That means that the same households are considered at the start and the end of the period; so at the end of the period they will be 5 years older than at the start of the period. For example, the number of established households aged 30-34 unable to afford market housing at the start of the period is compared with the number aged 35-39 at the end of the period 5 years later. The analysis is undertaken based on a matrix of 15 age groups and 5 household types and repeated for 4 five-year periods. Those sub-groups where the number of established households unable to afford has increased are summed to identify the total falling into need. Those sub-groups where the number has reduced are summed to identify the total climbing out of need. For example: If at the start of a 5 year period, 1,000 households aged 30-34 cannot afford market housing, and at the end of the period 1,500 households aged 35-39 cannot afford market housing, then the number of households in that cohort have fallen into need.
- 4.38 However, established households’ circumstances can also improve. For example:
- » When two single person households join together to form a couple, pooling their resources may enable them to jointly afford their housing costs (even if neither could afford separately).

- » Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period.

4.39 These improved circumstances can therefore reduce the need for affordable housing over time. The model identifies by again considering household types by age bands by affordability that the circumstances of 679 households will improve such that they become able to afford their housing costs having previously being unable to afford.

4.40 Therefore, considering the changing needs of existing households overall, **there is a net decrease of 116 existing households needing affordable housing each year.** (Figure 31). We would note that typically the number of households falling into and climbing out of need broadly balances in a local authority. However, the position in Hillingdon is that more households are able to afford housing costs than not, but also far more households in need migrate away from the area.

4.41 The following table (Figure 32) summarises the overall impact of:

- » New households adding to housing need;
- » The households no longer present reducing housing need; and
- » The changes in circumstances impacting existing households.

Figure 32: Annual components of Household Growth 2025/2026-2039/40 (Source: ORS Housing Model)

HILLINGDON 2025/2026-2039/40	All households	Households able to afford housing costs	Households unable to afford housing costs
All new households	9,099	6,626	2,474
All households no longer present	8,069	5,958	2,111
Change in existing households	-	116	-116
Future affordable housing need 2025/2026-2039/40 (Annual average)	1,030	784	246
Future affordable housing need 2025/2026-2039/40 (20 Year change)	15,455	11,764	3,691

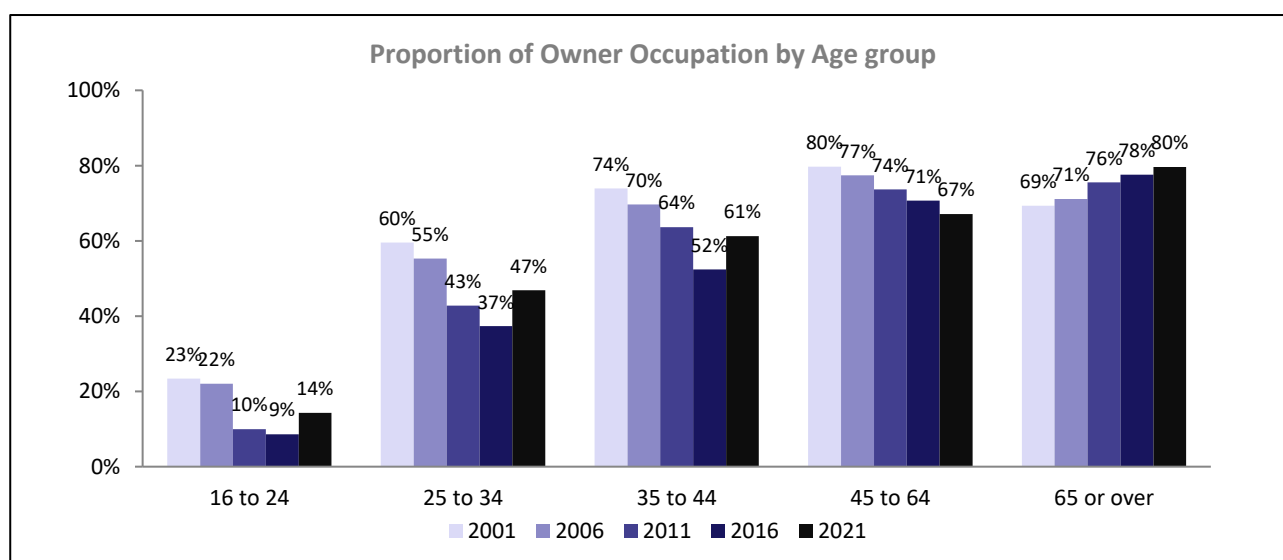
4.42 Overall reviewing the contribution of each element amounts to an additional 3,691 households needing affordable housing over the 15-year period 2025/2026-2039/40, or a rate of 246 per annum. Each year, there are very high flows of households in and out of Hillingdon, but the impact of this is to reduce affordable housing need. The key driver of affordable housing need in Hillingdon is local households falling into need before they often migrate away from the area.

Needs of Households Aspiring to Homeownership

Home Ownership Trends

- 4.43 In London, the need for home affordable home ownership products is widely recognised due to the very high costs of outright home ownership. The Mayor of London has developed the London Living Rent scheme as one which initially sees households renting their property, but with the option to eventually start buying it in the future. This type of scheme is compatible with the need to affordable housing to own.
- 4.44 The new emphasis on households that cannot afford to own their home reflects Government concerns that the proportion of owner occupiers has reduced nationally over the last ten to fifteen years. Estimates from the English Housing Survey suggest that the proportion of owner occupiers reduced from around 69% in 2006 to 65% in 2011 and to 63% by 2016, but have stabilised since that time. Over the same period, the proportion of households renting from a social landlord also reduced from 19% to 17% whilst the proportion renting privately increased from 12% to 20%. While this data is clearly not reflective of Hillingdon, it does set a framework for understanding the need of assisting households into owner occupation.
- 4.45 The proportion of owner occupiers varies by age with younger age groups less likely to own their home than older households. The real change is in the extent to which younger age groups owning their property has fallen over recent years whilst at the upper end of the age scale (aged 65 or over) home ownership has been increasing (Figure 33).

Figure 33: Percentage of Owner Occupiers by Age Group 2001-2021 (Source: English Housing Survey)



Establishing the number of households aspiring to home ownership

- 4.46 English Housing Survey data from 2013/14 shows that, unsurprisingly, 96% of households who currently own their property wish to stay as owner occupiers in the long term. The English Housing Survey 2013/14 was the last time these questions were included in the survey. So no more recent data has been collected. In terms of potential demand over half (54%) of households who rent privately and almost a fifth (18%) of those in rented affordable housing aspire to homeownership.

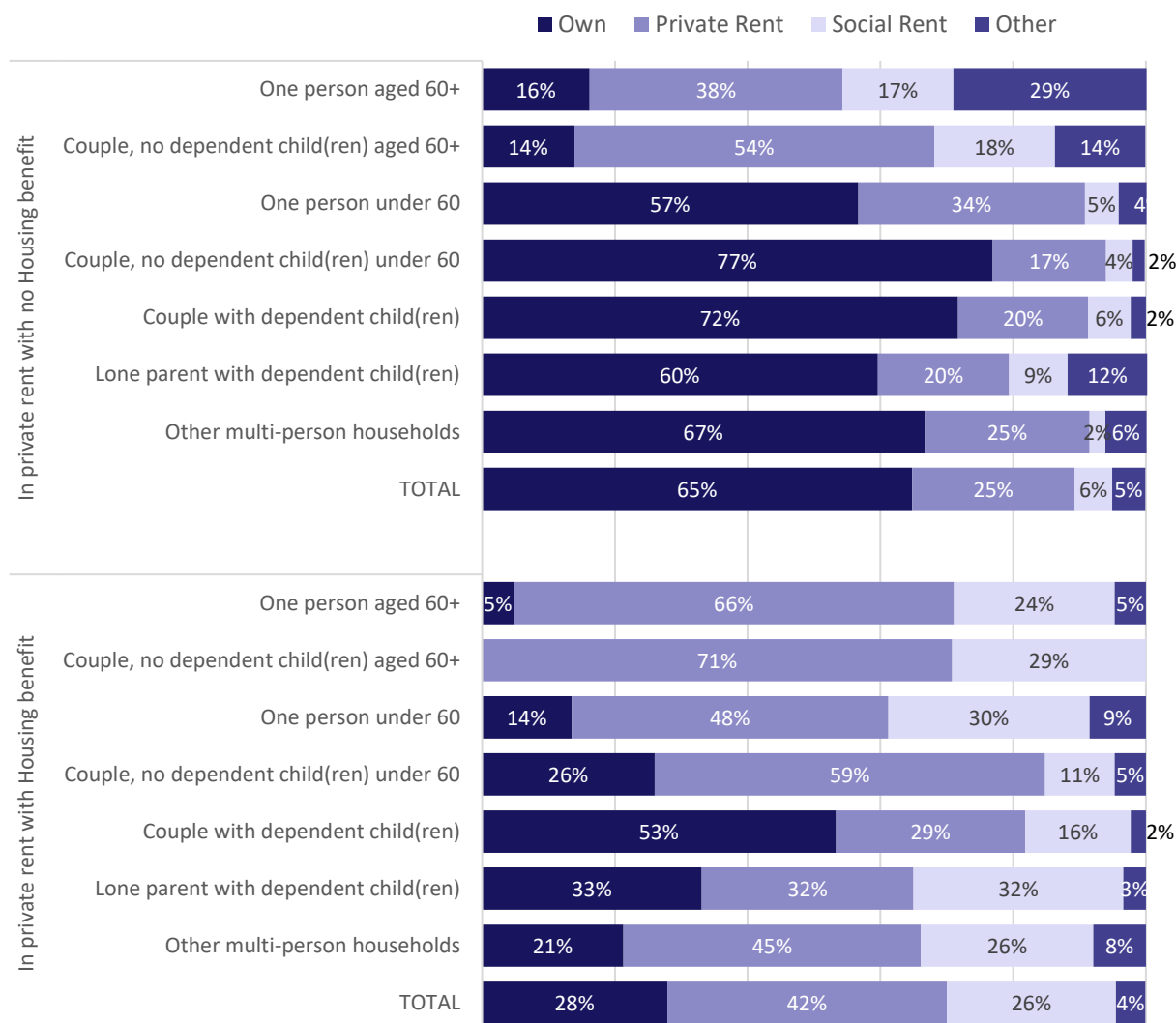
Figure 34: Long-term aspirations (Source: English Housing Survey 2013/4)

Current Tenure	Owner Occupier	Shared Ownership	Rent from Private Landlord	Rent from Social Landlord	Other
Owner occupied	96.1%	0.4%	0.7%	1.1%	1.6%
Private rent	53.5%	2.6%	28.8%	11.4%	3.8%
Rented Affordable	18.1%	1.8%	1.9%	77.0%	1.1%

- ^{4.47} These figures relate to aspirations only and there is no test within the data as to whether this aspiration is affordable. It is therefore worth considering the responses of those currently in private rent in more detail with a view to understanding the types of household aspiring to buy.
- ^{4.48} The following chart (Figure 35) shows long-term tenure aspirations of those in private rent by household type as well as whether they are currently in receipt of housing benefit.
- ^{4.49} Almost two in three (65%) of those who are currently renting privately and NOT receiving housing benefit wish to buy their own home in the future, which is unsurprising. The proportion is much lower for those households with an HRP over 60 (averaging 15%) and slightly higher amongst couples under 60 (77% and 72% depending on whether or not there are dependent children in the household).
- ^{4.50} Just under three in ten (28%) of those households in the private rented sector and in receipt of housing benefit wish to buy their own home in the future. This increases to 53% of couples with dependent children.

Figure 35: Long-term Tenure Expectation for those in the Private Rented Sector with and without Housing Benefit support
 (Source: English Housing Survey 2013-14. Note: Own includes Shared Ownership)

Long-term tenure expectations of those currently in private rented sector



Additional Need for Affordable Homeownership

- 4.51 Through combining data on the number of households of each type in each age group living in private rented housing and paying their own rent, with the aspiration data from the EHS 2013-14, Figure 36 establishes the number of existing households likely to aspire to home ownership that have not been counted in the affordable housing need. Any households who are on that register will be included in the figures below, but we have included all private renters who aspire to own.

Figure 36: Households currently living in the Private Rented Sector and paying their own rent that aspire to home ownership
(Note: Figures may not sum due to rounding)

Household Type	15-24	25-34	35-44	45-54	55-64	65+	TOTAL
Single person	243	805	532	123	28	0	1732
Couple without children	214	1557	695	291	166	55	2977
Families with child(ren)	27	827	1855	388	0	0	3097
Other households	404	1201	960	418	324	0	3306
Total Volume	887	4,389	4,043	1,220	518	55	11,112
<i>Percentage of households</i>	<i>8%</i>	<i>39%</i>	<i>36%</i>	<i>11%</i>	<i>5%</i>	<i>0%</i>	<i>100%</i>

- 4.52 Based on this analysis, we can estimate that there is a total of around 11,112 households currently resident in Hillingdon who cannot afford to own their own home but would aspire to do so. 47% of these households are aged 15-34 with the substantial majority (83%) aged under 45. There is nothing in the modelling to state that the households need or would want to buy in Hillingdon, just that they are currently renting and want to buy a property. The NPPF specificall talks about housing need, but demand for affordable to own properties, but in terms of existing policies in Hillingdon, many could be considered to be demanding current intermediate housing.
- 4.53 In addition to the current need, it is also important to consider new households that are projected to form over the period 2025/2026-2039/40. Through the same modelling process of combining future household projections with the aspiration data from the EHS, we can conclude that it is likely that there would be a further 10,318 households that form over the 15-year period who will be able to afford to pay market rent but unable to afford to own, despite that being their aspiration. **Overall, there are likely to be 21,430 households who aspire to homeownership but who cannot afford to buy their own home over the period 2025/2026-2039/40, a net annual need of 1,429 per year. Again, it should be stated that this is much higher than the annual dwelling target for Hillingdon and also that there is no specific need for these households to buy a property in Hillingdon. All of these households can potentially afford London Living Rents because they are cheaper than market rents.**
- 4.54 When identifying the need for Affordable Home Ownership (AHO), it is necessary to consider the housing costs for both renting and buying market housing in order to understand the relative incomes required and establish the appropriate income range for AHO products and the associated purchase costs.

Identifying the Overall Affordable Housing Need

- 4.55 Figure 37 brings together the information on assessing the unmet need for affordable housing in 2023 from Figure 27 and Figure 32 together with the future need for affordable housing and those aspiring to home ownership arising over the 15-year period 2025/2026-2039/40. It can be noted that this assessment has no regard for whether those aspiring can access affordable home ownership options. We would also note that there is no double counting between those who cannot afford market rents and those who aspire to own. However, there is potential for some households who cannot afford market rents to also aspire to own because, as shown in Figure 24, London Living Rent is cheaper than Lower Quartile private rent.
- 4.56 Again, it should be noted that aspiring home ownership hugely inflates need and also doesn't capture if these people want to live in the same borough they rent, or that they might be able to buy elsewhere in the London housing market.

Figure 37: Assessing total need for affordable housing in the Hillingdon 2025/2026-2039/40 (Source: ORS Housing Model)

HILLINGDON 2025/2026-2039/40	Affordable Housing Need Households unable to afford	Affordable Housing Need Households aspiring to home ownership	Overall Affordable Housing Need
Current housing need in 2023	6,521	11,112	17,633
Future housing need 2025/2026-2039/40	3,691	10,318	14,009
TOTAL HOUSING NEED	10,212	21,430	31,642

- 4.57 On this basis, we can conclude that the potential overall need for affordable housing for Hillingdon would comprise a total 31,642 households over the 15-year period 2025/2026-2039/40, equivalent to an average of 2,109 per annum. We would note immediately that this does not represent the final need for affordable housing in Hillingdon for the reasons set out below.
- 4.58 The figure of 31,642 represents around three and a half times the total capacity led housing target of 1,083 dwellings per annum for Hillingdon from the London Plan. This is due to a large proportion of this need being associated with the whole population as opposed to the projected new households, which is recognised by the PPG:

How does the housing need of particular groups relate to overall housing need calculated using the standard method?

The standard method for assessing local housing need identifies an overall minimum average annual housing need figure but does not break this down into the housing need of individual groups. This guidance sets out advice on how plan-making authorities should identify and plan for the housing needs of particular groups of people.

This need may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method. How can needs of different groups be planned for?

Strategic policy-making authorities will need to consider the extent to which the identified needs of specific groups can be addressed in the area, taking into account:

- » *the overall level of need identified using the standard method (and whether the evidence suggests that a higher level of need ought to be considered);*
- » *the extent to which the overall housing need can be translated into a housing requirement figure for the plan period; and*
- » *the anticipated deliverability of different forms of provision, having regard to viability.*

Planning Practice Guidance, ID 67-001-20190722

- 4.59 As the quote from the guidance above makes clear, **the size, type and tenure of homes also needs to be calculated separately from the Standard Method (or in the case of Hillingdon, the London Plan capacity target).**
- 4.60 Given that the need for affordable housing is very high, it is necessary to consider how this need can be addressed within the overall need established. It will be important for the Council to plan for the needs of **all** households unable to afford to rent or own market housing if they are going to avoid the number of housing benefit claimants living in private rented housing increasing.
- 4.61 It is important to recognise that the figures for those who aspire to home ownership are based upon those households who currently can afford market rent without the support of housing benefit. However, these households would not necessarily choose new build Affordable Home Ownership if it was available, as some may prefer to secure full ownership in the less expensive smaller second-hand housing market. Similarly, some households may not ultimately need affordable home ownership if their circumstances change to such a degree that they are eventually able to buy without financial assistance. It is also important to recognise that the identified demand could only be realised if Affordable Home Ownership products can be delivered at prices that are truly affordable in the area, in line with local house prices and incomes.
- 4.62 Neither the NPPF nor PPG identify that any affordability criteria should be applied to those households who aspire to homeownership but cannot afford to buy their own home. However, it is appropriate to consider the extent to which these households could plausibly afford an affordable homeownership product such as Shared Ownership if it was provided. Whilst a range of affordable homeownership products are available, each has different costs and eligibility criteria.
- 4.63 In line with current London Plan policies, we have taken as a case study the need for a Shared Ownership property with a 30% equity stake, and the remainder being rented. The cost for this type of scheme were identified in Figure 21. Given this context, Figure 38 identifies those households with income that would be insufficient to afford 30% Shared Ownership at the lower quartile for the local area, those households with savings of less than £5,000, and those households that both have sufficient income and savings to purchase an open market property but nonetheless choose to rent.
- 4.64 Of the 21,430 households who can afford to rent but who aspire to homeownership, there would be 906 that would be able to afford market home ownership but choose not to (but aspire to do so at some point in the future) or where their property size needs cannot be delivered for less than £420,000. There would be a further 15,543 households with insufficient income to have a realistic prospect of being able to afford a 30% Shared Ownership (Figure 38). Of the remaining dwellings for households with incomes above the minimum threshold, there would be 3,280 where the household had savings of less than £5,000²³ and were therefore

²³ £5,000 is a minimum amount required as the seed of saving for a deposit, though in more affordable areas it approaches the amount of a 5% deposit. The modelling is not prescriptive regarding the amount of savings, only that the savings and income should give the household a reasonable chance of being able to buy a property, including the need to save more in many cases.

unable to afford the assumed deposit (nor the assorted up-front costs) of purchasing a home in the local area.

Figure 38: Affordable homeownership housing mix by household affordability 2025/2026-2039/40 (Source: ORS Housing Model)

	All households aspiring to home ownership	MINUS properties over the cap limit or where the household can afford market home ownership	Households unable to afford market home ownership	MINUS households unable to afford 30% Shared Ownership of newbuild LQ	Households able to afford 30% Shared Ownership of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford 30% Shared Ownership of newbuild LQ and have savings of £5,000 or more
1 bedroom	4,465	98	4,367	2,934	1,433	876	557
2 bedrooms	8,763	400	8,364	5,302	3,062	1,976	1,086
3 bedrooms	5,981	213	5,768	5,432	336	297	39
4+ bedrooms	2,221	195	2,026	1,875	151	131	20
TOTAL	21,430	906	20,524	15,543	4,982	3,280	1,702

- 4.65 On this basis, between 2025/26 and 2039/40, 1,702 dwellings are needed for households that aspire to homeownership but cannot afford it, who also have at least £5,000 in savings and incomes above the relevant threshold. This is just over 10% of the total that was originally identified.
- 4.66 Whilst it will be a policy decision as to how much of the additional need for affordable homeownership from households able to afford market rent should be provided, it would seem appropriate to only plan for the needs of those 1,702 households likely to be able to afford 30% Shared Ownership that will potentially be available, in addition to the 10,212 households unable to afford to rent or own market housing from Figure 27 and Figure 32. Figure 39 provides a breakdown of the affordable housing on this basis.

Figure 39: Overall need for Affordable Housing 2025/2026-2039/40, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

HILLINGDON	Affordable Housing Need Households unable to afford	Affordable Housing Need Households aspiring to home ownership	Affordable Housing (Households)
1 bedroom	1,957	557	2,514
2 bedrooms	2,317	1,086	3,403
3 bedrooms	3,363	39	3,402
4+ bedrooms	2,575	20	2,595
TOTAL HOUSING NEED	10,212	1,702	11,914

- 4.67 This study identifies an overall affordable housing need from 11,914 households over the 15-year period 2025/2026-2039/40 (794 per annum). This includes the needs from all households unable to afford to rent or own market housing and also provides for those households who aspire to homeownership but who cannot afford to buy, where there is a realistic prospect of those households being able to access a 30% Shared Ownership property. It is this figure, not the 31,642 set out in Figure 37, which represent the affordable housing need for households in Hillingdon over the period 2025/2026-2039/40. The focus in Hillingdon cannot be on helping relatively high earning households into owner occupation when Hillingdon seeing such high levels of overcrowding and use of temporary accommodation.

- 4.68 However, it is important to recognise that there are many more households who aspire to homeownership who either do not have sufficient income or savings that would enable them to realise their aspiration. Many of these households require an intermediate rent or ownership product if they are to be able to move from private rented in Hillingdon, though they may also decide to move to a more affordable area. It is also important to recognise that these figures assume that the number of households in receipt of housing benefit to enable them to afford market housing in the private rented sector does not change.

Future Policy on Housing Benefit in the Private Rented Sector

- 4.69 The analysis recognises **the importance of housing benefit and the role of the private rented sector**. It is assumed that the number of households in receipt of housing benefit in the private rented sector will remain constant; however, this is a national policy decision which is not within the Council's control. Tax changes for landlords introduced in 2020 along with the impact of the Renters Reform Bill if it is implemented in 2024 may see fewer households being able to find housing benefit supported properties as landlords withdraw from the market. Local Housing Allowance rates are increasing in 2024, but the impact of this on an area as expensive as Hillingdon is likely to be minimal due to a lack of available stock to rent at LHA rates.
- 4.70 It is important to note that private rented housing (with or without housing benefit) does not meet the NPPF definition of affordable housing. However, many tenants that rent from a private landlord can only afford their housing costs as they receive housing benefit. These households aren't counted towards the need for affordable housing (as housing benefit enables them to afford their housing costs), but if housing benefit support was no longer provided (or if there wasn't sufficient private rented housing available at a price they could afford) then this would increase the need for affordable housing.
- 4.71 The analysis adopts a neutral position in relation to this housing benefit support, insofar as it assumes that the number of claimants in receipt of housing benefit in the private rented sector will remain constant. **The assessment does not count any dwellings in the private rented sector as affordable housing supply;** however, it does assume that housing benefit will continue to help some households to afford their housing costs, and as a consequence these households will not need affordable housing.
- 4.72 PPG (both the current version and the previous version) states that *"care should be taken to ... include only those households who cannot afford to access suitable housing in the market"* [ID 2a-020-20190220]. Given that households in receipt of housing benefit receive a specific payment to enable them to afford suitable housing in the market, these households should only be counted as part of the affordable housing need if that payment was withdrawn. That would be a policy decision, albeit at a national level.
- 4.73 It is well-established that housing need should be established leaving aside policy considerations,²⁴ so it would be wrong to assume housing benefit was to be withdrawn from households renting privately when assessing the level of affordable housing need. The approach taken by the SHMA is policy neutral, assuming no change in the number of claimants. Evidently, it would be a policy-on position to assume that the position was going to radically change, so that could not form part of the assessment of need.
- 4.74 However, we would note the impact of current benefit policies is seeing fewer and fewer properties become available to be used as temporary accommodation. More households will also struggle to retain their tenancies as rents rise faster than their housing benefit payments and the costs of renting for landlords, such as tax payments and regulation, rise seeing landlords leave the market. Therefore, the size of the private

²⁴ Gallagher Homes v Solihull MBC; [2014] EWHC 1283 (Admin)

rented properties, particularly for cheaper properties, may shrink in the future and this will increase the need for affordable housing.

Affordable Mix

- 4.75 Within the overall need of 10,212 affordable homes identified for those unable to afford market rents, it is possible to further consider the mix of affordable housing products that would be appropriate based on the mix of households needing affordable housing²⁵. In order to profile affordability, income data from the English Housing Survey (2012-14)²⁶ and ONS Survey of Personal Incomes (2014 and 2018) has been used and modelled to establish the income distribution by household type and age in Hillingdon. The reason for using this data is that it excludes any income from housing benefit, while other datasets such as CACI Paycheck include benefit data, as the analysis seeks to determine to what extent housing benefit would be needed by households in each group. The data therefore considers the income profile of households in Hillingdon against the cost of housing for each property size required by a household.
- 4.76 As discussed in Chapter 3, the types of affordable housing that households can afford is influenced by the percentage of income that is assumed to be available to pay rent or mortgage costs. Figure 15 identified the minimum annual income in the Hillingdon needed to afford London Living Rents by property size (based on spending up to 35% of total income). This allows for disaggregation that are unable to afford market rents to be split into those who can, and those that cannot afford London Living Rents. Figure 40 presents the same data as Figure 39, but with those unable to afford disaggregated in this manner. The model looks at households affordability before housing benefit is added, so households who cannot afford Social Rent are assumed to be able to access housing benefit to assist with their housing costs. The household aspiring to own figure is based upon those who can access a 30% Shared Ownership property.
- 4.77 The most striking feature in the data is the overwhelming need for Social Rent. Households in this category are unable to cover their own housing costs in Social Rent and will instead require support through housing benefit or Universal Credit.

Figure 40: Overall need for Affordable Housing 2025/2026-2039/40 disaggregated based on ability to access rented affordable and London Living Rent, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Unable to afford Social Rent	Able to afford Social Rent - unable to afford Affordable Rent	Able to afford Affordable Rent - unable to afford London Living Rent	Able to afford London Living Rent - unable to afford Private Rent	TOTAL
1 bedroom	1,453	282	94	143	1,972
2 bedrooms	1,531	340	182	281	2,335
3 bedrooms	2,169	521	239	460	3,389
4+ bedrooms	1,586	289	341	378	2,595
TOTAL HOUSING NEED	6,740	1,433	856	1,262	10,291

Size and Tenure Mix based Upon Overall Housing Needs

- 4.78 Figure 41 provides a breakdown of the need for 16,245 dwellings between market and affordable housing on this basis. Figure 41 shows the result of applying the vacancy rate for affordable homes to the summary

²⁵ While this section is about need and not supply, nor whether it is feasible to supply sufficient homes to meet the need in any particular LPA. The supply to deliver against the need may be affected by such factors as thresholds for affordable housing on individual sites where, for example, a smaller proportion of affordable housing or none may be required on smaller sites.

²⁶ This is the most recent data available that allows this analysis

of households in Figure 39. These affordable homes are subtracted from the overall dwelling need calculated above. The size mix for each tenure is derived from a mixture of the household type and past trend. The key driver of size for affordable to rent is the high number of overcrowded households in Hillingdon.

- 4.79 It is important to note that the affordable housing figures quoted are for the net delivery. Therefore, if any properties are sold under right to buy, or lost through demolition then they require to be added to the figures one for one. The NPPF no longer included the terms intermediate housing, but this is still used in the Hillingdon Local Plan, so those who can afford London Living Rents or other affordable properties to own are included as intermediate housing need.
- 4.80 The figures allow for all dwellings for households who cannot afford market housing, namely 9,029 who cannot afford London Living Rent (10,291– 1,262 from Figure 40). It is also the case that Affordable Rent is now no longer supported by the GLA, so schemes will no longer be developed, but potentially any Affordable Rent properties could help to meet the Social Rent need. Unless an alternative is developed, then effectively these 9,026 households will be in need of social housing.
- 4.81 In terms of affordable home ownership, we have included all households who potentially can afford London Living Rents but cannot afford private rents and also those who can afford private rents but who aspire to own and have a realistic prospect of doing so through schemes such as Shared Ownership. Within the figures set out in Figure 41 we have not capped London Living for households with incomes above £67,000, but this is addressed in Figure 42.
- 4.82 The market housing figure contains both market rent and owned occupied dwellings. As noted above, market rent will grow by over 10,300 dwellings for those who aspire to own (Figure 37) unless affordability improves so the market rented sector is likely to grow considerably. We would note that the model shows a surplus of 4+ bed market units. This does not imply that is larger market homes are delivered that there will be no demand for them. Instead, the scale of the affordable need is higher than the projected growth in larger households. It is also the case the larger homes are often converted to flats to help to meet the overall demand for housing.

Figure 41 Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Unable to afford social rents	Unable to afford intermediate	Require intermediate housing	Total Affordable Housing	Total Market Housing	Total
1 bedroom	1,453	376	700	2,529	217	2,746
2 bedrooms	1,531	522	1,367	3,420	562	3,982
3 bedrooms	2,169	760	499	3,428	3,590	7,018
4+ bedrooms	1,586	630	398	2,614	-323	2,291
C2 Dwellings	-	-	-		208	208
TOTAL	6,740	2,289	2,964	11,991	4,046	16,245
1 bedroom	8.9%	2.3%	4.3%	15.6%	1.3%	16.9%
2 bedrooms	9.4%	3.2%	8.4%	21.1%	3.5%	24.5%
3 bedrooms	13.4%	4.7%	3.1%	21.1%	22.1%	43.2%
4+ bedrooms	9.8%	3.9%	2.4%	16.1%	-2.0%	14.1%
C2 Dwellings					1.3%	1.3%

4.83 As noted above in Figure 41, there is a potential for 3,492 intermediate to rent or own properties in Hillingdon. Figure 42 below breaks this figure down in more detail. Only 659 of the need comes from households with income below £67,000 who would be able to access London Living Rent under the current set of rules. A further 1,700 dwellings are needed for the very small pool of households who could potentially access Shared Ownership in Hillingdon. This leaves 602 for households who cannot afford market housing, but who have incomes between £67,000 and £90,000 and who therefore would not be able to access London Living Rents.²⁷

4.84 These households are effectively in limbo because they cannot afford market housing, but cannot access any affordable housing. In practice, households with incomes between £67,000 and £90,000 are likely to be among those migrating away from Hillingdon because market housing is too expensive and there are no intermediate to rent housing options available to them.

Figure 42 Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Dwelling size	Can afford London Living Rent and under 67k cap	Household Income above London Living Rent 67K cap	Shared Ownership	Aspiring to home ownership and affordable home ownership
1 bedroom	92	51	557	700
2 bedrooms	155	126	1,086	1,367
3 bedrooms	233	227	39	499
4+ bedrooms	180	199	19	398
Total	659	602	1,703	2,964

4.85 The most significant finding overall from Figure 41 is that **the need for affordable to rent housing, which effectively will be social housing is 9,029 (i.e. 6,740 plus 2,289) dwellings**, with much of this being driven by a backlog of need of 6,521 which is included in this figure.

Size and Tenure Mix based Upon Overall Housing Needs

4.86 The data to this point in the report relate to GLA capacity assessment for Hillingdon. However, it is also possible to consider the housing needs of Hillingdon based upon a measure of its own housing needs, which based upon more recent demographic data and uplifts required to address issues such as vacant homes, suppressed household formation and the growth of residents in communal housing amounts to 1,609 dwellings per annum. This is not the current standard method figure for Hillingdon. Instead, it is a figure derived by ORS based upon trend growth to reflect the underlying needs of the area. This in turn equates to 24,131 dwellings over the period 2025/26-2039/40.

4.87 The backlog of housing need as of 2025 remains the same as shown in Figure 27, but future need is based upon a larger overall population which also has a different age profile.

4.88 Figure 43 provides a breakdown of the need for 24,131 dwellings between market and affordable housing on this basis. This increases the need for affordable housing when compared with Figure 41, but has a much

²⁷ This modelling will include households looking for and eligible for intermediate housing who are registered on the Hillingdon Intermediate Housing Register

larger impact upon the market need. The higher population associated with the policy off housing need will see more households require affordable housing, but more will be in market need.

Figure 43 Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Unable to afford social rents	Unable to afford intermediate	Require intermediate housing	Total Affordable Housing	Total Market Housing	Total
1 bedroom	1,888	488	933	3,309	684	3,993
2 bedrooms	1,989	678	1,821	4,488	1,740	6,228
3 bedrooms	2,818	987	665	4,470	5,642	10,112
4+ bedrooms	2,060	818	530	3,409	389	3,798
C2 Dwellings			-	-	233	233
TOTAL	8,756	2,974	3,949	15,679	8,452	24,131
1 bedroom	7.8%	2.0%	3.9%	13.7%	2.8%	16.5%
2 bedrooms	8.2%	2.8%	7.5%	18.6%	7.2%	25.8%
3 bedrooms	11.7%	4.1%	2.8%	18.5%	23.4%	41.9%
4+ bedrooms	8.5%	3.4%	2.2%	14.1%	1.6%	15.7%
C2 Dwellings					1.0%	1.0%

Policy Implications for Affordable Housing Need

- ^{4.89} This document represents a technical analysis for the housing needs of Hillingdon. As noted in the introduction, we do not consider that it should set firm policies for the Council, but should instead be seen as underwriting the evidence of policies which will be developed. However, we are able to make a series of recommendations.
- ^{4.90} The extant London Plan sets capacity based housing targets for Hillingdon upon which this study is based. Hillingdon has a crucial role in seeking to meet the wider needs of London. The core issue facing Hillingdon is that in Figure 41 the ORS model estimates a need for 9,029 (i.e. 6,740 plus 2,289) affordable to rent dwellings for households unable to afford market housing, from an overall total of 16,245 over the period 2025/2026-2039/40. This represent around 56% of the total need for Hillingdon and is clearly not going to viable to deliver.
- ^{4.91} A further issue to consider in Hillingdon in Build to Rent. Build to Rent is not a need category, instead it is a type of property designed to predominantly meet market needs. As discussed in Chapter 3, Build To Rent properties tend to be premium market rent and would help to meet market needs in Hillingdon. **However, there is also an affordable element to Build to Rent, with guidance suggesting a minimum discount of 30% on the market prices. In Hillingdon, rented housing requires prices to be set at or very near Local Housing Allowance rates and a 30% discount would be consistent with this objective.**
- ^{4.92} The overall need for housing also requires to be set in the context of other policy objectives. For example there is the need to meet the needs of older persons, those seeking shared accommodation, students, and those seeking to build their own homes. All of these would contribute to the overall delivery of dwellings in Hillingdon and are considered below.

5. Needs of Different Groups

An exploration of need for target groups

Introduction

- 5.1 Paragraph 63 of the NPPF requires that local planning authorities consider the needs of a range of groups within the population and this chapter considers the specific groups in turn. However, the affordable needs of families with children and those who rent their homes have already been considered within earlier chapters and are therefore not repeated.

63. Within this context of establishing need, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. These groups should include (but are not limited to) those who require affordable housing (including Social Rent); families with children; looked after children; older people (including those who require retirement housing, housing with care and care homes); students; people with disabilities; service families; travellers; people who rent their homes and people wishing to commission or build their own homes.

NPPF December 2024, paragraph 63

Housing for Older People

- 5.2 The UK population is ageing, and people can expect to live longer healthier lives than previous generations, so the older population living in England is forecast to grow significantly over the next 20 years. Given this context, PPG recognises the importance of providing housing for older people.
- 5.3 These national trends are also evident across local areas, and the following section considers the evidence for Hillingdon.

Older People in Hillingdon

- 5.4 The 2021 Census identified a total of around 41,174 persons aged 65 or over resident in the local authority area at that time (Figure 44). This included around 20,000 persons aged 75 or over. Most residents were living in households, but 1,034 were recorded as living in communal establishments (mainly residential care or nursing care). There were a total of around 25,600 household representatives aged 65 or over, of which over 45% lived as single person households.

Figure 44: Resident population and living arrangements of population aged 65+ living in Hillingdon by age and population aged 75+ (Source: 2021 Census)

	Aged 65-74	Aged 75-84	Aged 85+	Total Aged 65+	Total Aged 75+
RESIDENT POPULATION					
Household population	21,931	12,831	5,378	40,140	18,209
Communal Establishment population	179	324	531	1,034	889
Total Resident Population	22,110	13,155	5,909	41,174	19,098
HOUSEHOLD POPULATION					
Living as a single person household	4,769	4,230	2,611	11,610	6,841
Living in a couple household	6,148	1,167	184	7,499	1,351
Living in other types of household	11,014	7,434	2,583	21,031	10,017
Total Household Population	21,931	12,831	5,378	40,140	18,209
HOUSEHOLD REPRESENTATIVES					
Single person household representative	4,769	4,230	2,611	11,610	6,841
Couple household representative	5,888	3,633	1,192	10,713	4,825
Other household representative	1,879	953	492	3,324	1,445
Total Household Representatives	12,536	8,816	4,295	25,647	13,111

- 5.5 Whilst the proportion of residents living in communal establishments represented only 2.5% of the overall population aged 65 or over, the proportion was markedly higher for older age groups: 5.9% of those aged 85 to 89 and 14.4% of those aged 90 or over (Figure 45).
- 5.6 The proportion of residents living as single person households was also notably higher for older age groups, with more than a third of all household residents aged 75 or over (37.6%) and nearly half of those aged 85 or over (48.5%) identified as living alone. The overall household representative rates ranged from 0.562 for those aged 65 to 69 (i.e. for every 1,000 persons in the household population, 562 represented a household) up to 0.799 for those aged 85 or over (Figure 46).

Figure 45: Resident population living in communal establishments by age (Source: 2021 Census)

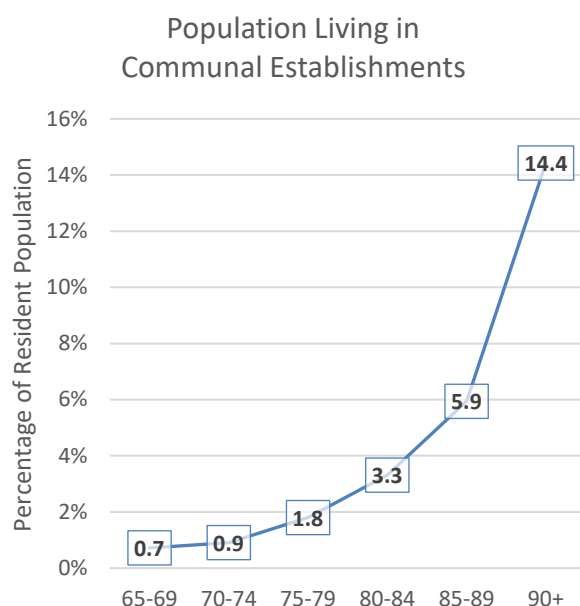
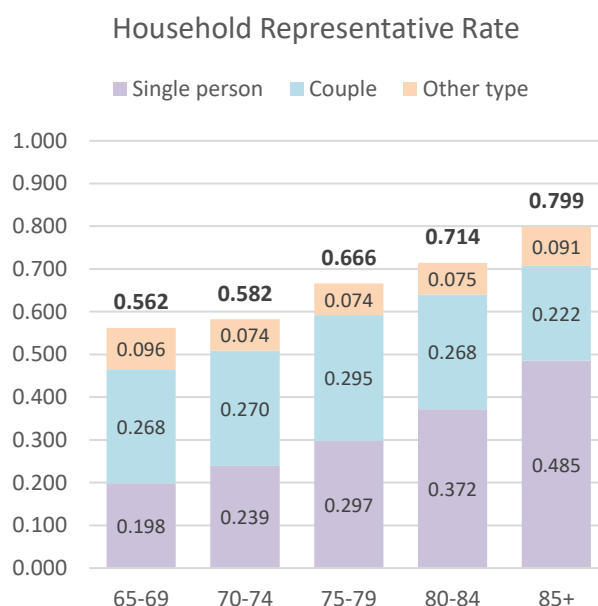


Figure 46: Household representative rates by age and household type (Source: 2021 Census)



5.7 Figure 47 identifies the type of dwellings occupied by households aged 75 or over based on 2021 Census data. Around 10,600 households were owner occupiers (80.9%), 603 rented privately (4.6%) and 1,905 lived in social rented homes (14.5%). Over half of owner occupiers aged 75 or over had three bedrooms (51.2%) and just under a fifth having four bedrooms or more (16.8%). In contrast, just over a fifth of those in social rent had three bedrooms or more (21.3%) with a half living in a single bedroom property (55.1%).

5.8 The Census does not provide details about specialist older person housing, but information about this stock is maintained by the Elderly Accommodation Counsel (EAC).²⁸ Based on estimates for Hillingdon, there is a stock of 1,575 rented units (typically managed by Registered Social Landlords, with 4 being private rent) and 494 units that are owned.

Figure 47: Existing dwelling stock in the London Borough of Hillingdon occupied by households aged 75+ (Source: 2021 Census; Specialist Housing Person Housing based on data published by EAC for 2024)

Hillingdon	Owner occupied	Private rent	Social rent	TOTAL
DWELLINGS OCCUPIED BY HOUSEHOLDS AGED 75+				
1 bedroom	581	175	1,049	1,805
2 bedrooms	2,806	220	450	3,476
3 bedrooms	5,431	171	361	5,963
4 or more bedrooms	1,784	37	45	1,866
Total Households	10,602	603	1,905	13,110
SPECIALIST OLDER PERSON HOUSING UNITS				
Housing with Support	367	0	1331	1,698
Housing with Care	127	4	240	367
Total Specialist Older Person Housing Units	494	4	1,571	2,065

²⁸ <http://www.housingcare.org/downloads/eac%20stats%20on%20housing%20for%20older%20people%20March%202015.pdf>

The EAC data is based on the following definition: "a group of dwellings intended for older people and served by a resident or non-resident warden/scheme manager with specific responsibility for the group". This includes Extra Care, assisted living, and other forms of 'housing with care' but other forms of specialist older person housing may not be included within this definition.

- 5.9 It is notable that the number of rented units (1,698 homes) is on marginally lower than the number of households aged 75 or over living in one- and two-bedroom social rented housing at the time of the Census (1,499 households).
- 5.10 The owner-occupied stock of specialist older person housing (293 homes) represents around 16% of all one- and two-bedroom dwellings occupied by owner occupiers aged 75 or over. Nevertheless, as many older owner occupiers live in properties with three bedrooms or more, the specialist older person housing stock represents only 4% of households when considering all owner occupiers aged 75 or over.

Identifying the Need for Specialist Older Person Housing

- 5.11 National Planning Practice Guidance for “*Housing for older and disabled people*” was published in June 2019. This states [ID 63-004-20190626]:

The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector ... Evidence from Joint Strategic Needs Assessments prepared by Health and Wellbeing Boards can also be useful. The assessment of need can also set out the level of need for residential care homes.

- 5.12 The Housing Learning and Improvement Network (LIN) has published a number of different online toolkits that have provided standardised rates for estimating demand for specialist older person housing products. These have been based on applying prevalence rates per 1,000 people aged 75 or over, as summarised in Figure 48.^{29, 30} The table also presents baseline rates from a model developed by Sheffield Hallam University Centre for Regional Economic and Social Research (CRESR).³¹
- 5.13 These rates provide a useful framework for understanding the potential demand for different forms of older person housing, but there is limited detail about the derivation of the figures published by the Housing LIN.
- 5.14 The More Choice, Greater Voice toolkit recognises that the suggested framework simply:
- “...represents an attempt to quantify matters with explicit numerical ratios and targets. It is contentious, but deliberately so, in challenging those who must develop local strategies to draw all the strands together in a way that quantifies their intentions.”* (page 44)
- 5.15 Similarly, the SHOP resource pack acknowledged that the framework simply provides a baseline, which extrapolates “...crude estimates of future demand from existing data” (page 36) and the 2016 Review acknowledged that the Housing in Later Life report had “suggested a large increase in leasehold housing for older people which were not substantiated at the time” (page 4).
- 5.16 In contrast, the baseline rates for the CRESR model were established based on:

“the level and composition of supply of age-exclusive housing, specialist housing, and care beds across the 100 English local authorities with the highest overall provision of each broad type of older person housing per 1,000 older people (aged 75 years or older).” (page 26)

²⁹ http://www.housinglin.org.uk/library/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf

³⁰ <http://www.housinglin.org.uk/library/Resources/Housing/SHOP/SHOPResourcePack.pdf>

³¹ <https://www.shu.ac.uk/centre-regional-economic-social-research/projects/all-projects/older-peoples-housing-care-and-support-needs-in-greater-cambridge-2017-2036>

Figure 48: Benchmark Figures for Specialist Older Person Housing

Form of Provision <i>Demand per 1,000 persons aged 75+</i>	More Choice, Greater Voice Toolkit	Housing in Later Life SHOP Resource Pack	SHOP@ National Benchmark	Housing LIN Review Proposals	Sheffield Hallam CRESR Model
	2008	2011	2016	2016	2017
Housing with Support: Retirement Living or Sheltered Housing	125	180	100	100	153.2
Housing with Care: Extra Care or Enhanced Sheltered	45	65	14	35 "Proactive" rate	19.5
Sub-total	170	245	114	135	172.7
Residential care	65	-	43	40	110.8
Nursing care	45	-	45	45	
Sub-total	110	-	88	85	110.8
OVERALL TOTAL	280	-	202	220	283.5

- 5.17 The Housing LIN states that the More Choice, Greater Voice Toolkit and SHOP Resource Pack are both now out-of-date and remain published only as an 'archived' resource for public policy interest purposes. The more recent SHOP@ analysis tool is provided through the Housing LIN consultancy services, where target prevalence rates are established based on local circumstances.
- 5.18 The Housing LIN 2016 Review identified the following benchmarks for tenure mix based on the relative affluence or deprivation of the local authority area (Figure 49). Given that the English indices of deprivation ranked Hillingdon in the upper quartile of all local authorities,³² the relevant tenure mix benchmark would be that proposed for the "Most Affluent" areas.

Figure 49: Proposed tenure mix for 2035 influenced by the affluence/deprivation ratio from the Housing LIN 2016 Review

SHOP@ MARKET SPLIT 2035 OPTIONS - DEPRIVATION/AFFLUENCE SPLIT								
	Most Deprived		Deprived		Affluent		Most Affluent	
	% Rented	% Leasehold	% Rented	% Leasehold	% Rented	% Leasehold	% Rented	% Leasehold
Sheltered, Age Exclusive	80	20	67	33	50	50	33	67
Housing with Care	75	25	50	50	33	67	25	75
Split based on quantiles of ONS deprivation index								
It can be expected that the % of public sector sheltered, age exclusive accommodation will retain a higher % than housing with care as there already exists a substantial level of current service provision.								

- 5.19 In contrast, the CRESR Model determined the tenure mix for each type of housing based on the proportion of residents aged 75 or over living in owner occupation. Given that the proportion for Hillingdon, the "Below median" benchmark applies.

³² <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

Figure 50: Tenure splits for 2035 influenced by the affluence/deprivation ratio from the Housing LIN 2016 Review

		Proportion of 75 years and over in owner occupation	
		Above median	Below median
Age-exclusive	Rented	84	92
	Owner	16	8
Sheltered	Rented	69	84
	Owner	31	16
Enhanced sheltered	Rented	47	55
	Owner	53	45
Extra care	Rented	71	87
	Owner	29	13

- 5.20 Nevertheless, it is important to recognise that the CRESR Model is based on the mix of current provision, which may not reflect the most appropriate distribution when planning for additional provision.

“These tenure splits reflect current provision, which is significantly skewed towards social rented provision. If there is a desire to expand the provision of older people’s housing beyond current levels, this is likely to require disproportionate increases in ownership forms of supply. This is in part due to demand being focused on these ownership forms, particularly in areas with high levels of existing older homeowners.”

Reviewing the Existing Stock of Specialist Older Person Housing

- 5.21 As previously noted, the 2021 Census identified a total of around 20,100 persons aged 75 or over resident in the Hillingdon at that time (Figure 44) and data published by the Elderly Accommodation Counsel (EAC) identifies that there is an overall stock of nearly 2,069 specialist older person housing units across the area (Figure 47). On this basis, we can determine that the current provision of stock in 2025 in the area equates to around 97 dwellings per 1000 persons aged 75 or over.
- 5.22 Figure 51 compares the rates for the different types of specialist housing for sale and rent with the suggested target benchmark rates from the Housing LIN Review and the baseline rates from the CRESR Model. This suggests that the owned stock and the rented stock is below with the respective benchmark rates suggested by the Housing LIN. Baseline rates from the CRESR Model also suggest that the existing owned stock and rented stock are both lower than would be expected (based on the 100 English local authorities with the highest overall provision).

Figure 51: Existing Specialist Older Person Housing for the London Borough of Hillingdon

Form of Provision	Existing Supply			Housing LIN 2016 Review		CRESR Model	
	Number of dwellings	Percentage	Rate per 1000 persons aged 75+	Benchmark rates	Supply-Demand balance	Benchmark rates	Supply-Demand balance
Housing with Support	1,698	-	80	100.0	-20	153.2	-73
Owned	367	22%	17	33.0	-16	24.5	-7
Rented	1,331	78%	63	67.0	-4	128.7	-66
Housing with Care	371	-	17	35.0	-18	19.5	-2
Owned	127	34%	6	17.5	-12	2.5	3
Rented	244	66%	11	17.5	-6	17.0	-5
TOTAL	2,069	-	97	135	-38	172.7	-75
Owned	494	24%	23	50.5	-27	27.0	-4
Rented	1575	76%	74	84.5	-10	145.7	-72

- 5.23 Figure 47 previously established that the existing owner-occupied stock of specialist older person housing represented only 4% of owner occupiers aged 75 or over living in the area. Nevertheless, the CRESR Model identifies that the current rate (23 per 1000) is lower than the average for the 100 English local authorities with most provision based on actual stock (27 per 1000). The current rate is lower than the benchmark from the Housing LIN Review (51 per 1000) which suggests a need for 1,085 units across the local area and yields a shortfall of 590 units. On this basis, the current owner-occupied stock would need to increase by more than half in order to meet the needs of existing residents, without taking account of any future growth in the older population.
- 5.24 Whilst this conclusion may seem extreme, this number of homes would still only be equivalent to around 10% of the owner occupier households aged 75 or over, so it is not an entirely implausible outcome. However, in the same way as the Housing LIN Review acknowledged that the Housing in Later Life report had suggested an increased figure that had not been substantiated, it is unclear what evidence actually supports the rates for leasehold housing that were used by the More Choice, Greater Voice Toolkit to which the 2016 Review reverted. Given this context, there may be some justification for an increase to the current rates of owner-occupied provision. However, as the rates are already amongst the highest of all local areas nationally across England, it seems unlikely that this would be as high as suggested by the Housing LIN benchmark.
- 5.25 With regard to specialist older person housing for rent, it was previously noted that the existing stock was only marginally lower than the number of households aged 75 or over living in one- and two-bedroom social rented housing at the time of the Census. Therefore, it is perhaps surprising that the current rate (74 per 1000) is lower than the Housing LIN benchmark (84.5 per 1000) and is much lower than the benchmark from the CRESR Model (131.2 per 1000) due to many other local areas having much higher rates of provision.
- 5.26 When considering the different types of specialist older person rented housing, it is apparent that the benchmark rates of Housing with Care (17 per 1000) are comparable with the existing stock (19.5 per 1000), and the differences relate primarily to Housing with Support. Although the CRESR Model suggests there could be a substantial shortfall, the Housing LIN benchmark rates suggest a smaller shortfall in this area, which on balance would seem to be more credible.

Establishing the Future Need for Specialist Older Person Housing

- 5.27 The population projections underlying the Local Housing Need figure for the Hillingdon show a substantial increase in the older population over the period 2025/26-2039/40 with an additional 8,950 persons and 6,100 households resident in the local area.

Figure 52: Projected population aged 75+ (Source: LHNA modelling, ORS)

	Total population 2025/26	Total population 2039/40	15-year change 2025/2026- 2039/40
RESIDENT POPULATION			
Household population	20,347	28,913	+8,566
Communal Establishment population	924	1,304	+380
Total Resident Population	21,271	30,217	+8,946
HOUSEHOLD POPULATION			
Living as a single person household	7,499	10,665	+3,166
Living in a couple or another type of household	12,848	18,248	+5,400
Total Household Population	20,347	28,913	+8,566
HOUSEHOLD REPRESENTATIVES			
Single person household representative	7,499	10,665	+3,166
Couple household representative	5,343	7,618	+2,275
Other household representative	1,586	2,257	+671
Total Household Representatives	14,429	20,541	+6,112

- 5.28 It is important to recognise that many of these extra residents will be aged 85 or over and likely to have increasingly complex care and support needs, including dementia, but also mental health needs and frailty related needs. It will therefore be necessary to consider the associated changes in the profile of housing need.
- 5.29 The household projections assume that the population aged 75 or over living in communal establishments will remain constant as a proportion for each 5-year age group, based on the rates identified by the 2021 Census (Figure 45). On this basis, it is projected that an additional 380 residents will need bedspaces to be provided in residential or nursing care homes in Hillingdon over the 15-year period 2025/2026-2039/40.
- 5.30 Figure 53 considers the need for specialist older person housing for older households in Hillingdon over the 15-year period 2025/2026-2039/40. This uses the baseline rates previously established based on existing supply (Figure 51) and considers appropriate target rates taking account of the range of different benchmarks identified by the toolkits.
- » The target rates are based on the average of (i) the baseline rate for the local authority, and (ii) the mid-point of the benchmark range; except for Affordable Housing with Support (which excludes the CRESR Model rate from the benchmark range, as it appears too high) and Affordable Housing with Care (which excludes the Housing LIN rate from the benchmark range, as it appears too low) as neither of these benchmarks seem appropriate for the local area.
 - » Based on the identified target rates, the projected number of residents aged 75 or over at the end of the 15-year period in 2040 (Figure 52) is used to establish the overall gross need.

- » The existing supply is then offset to identify the housing need for the 15-year period 2025/2026-2039/40.

5.31 On this basis, there would be a need to provide an additional 1,119 specialist older person housing units in Hillingdon (equivalent to an average of 75 dwellings per year) of which 64% would need to be provided as affordable housing. The need for specialist older person housing represents 7% of the overall housing need identified for Hillingdon. This is included in the overall need for Hillingdon and is not in addition to the 1,083 dwellings set out earlier.

Figure 53: Modelled Need for Specialist Older Person Housing in the London Borough of Hillingdon 2025/2026-2039/40

Form of Provision	Existing supply	Baseline rate per 1000 persons aged 75+	Benchmark range per 1000 persons aged 75+	Target rate per 1000 persons aged 75+	Gross need in 2040	Housing need 2025/2026-2039/40
Market Housing	494	23	-	31	896	402
Housing with Support	367	17	25-33	23	665	298
Housing with Care	127	6	3-18	8	231	104
Affordable Housing	1,575	74	-	79	2,292	717
Housing with Support	1,331	63	67	65	1,873	542
Housing with Care	244	11	17.5	14	419	175
TOTAL	2,069	97	-	110	3,188	1,119
<i>Housing with Support</i>	<i>1,698</i>	<i>80</i>	-	<i>88</i>	<i>2,538</i>	<i>840</i>
<i>Housing with Care</i>	<i>371</i>	<i>17</i>	-	<i>22</i>	<i>650</i>	<i>279</i>

5.32 This analysis assumes a continuation of current types of housing although it is unclear if older people will aspire to these types of specialist housing in the future. Some types of specialist housing are already experiencing lower demand, and other, newer types of provision may appear to meet changing aspirations in the future. The policy aim of supporting people at home for longer along with assistive technology could also reduce or alter demand. However, it is important to recognise that the provision of dedicated older person housing schemes will form an important part of the overall housing mix.

5.33 The delivery of specific schemes for specialist older person housing need should be considered in partnership with other agencies, in particular those responsible for older person support needs. It will be important to consider other factors and constraints in the market.

- » **Demographics:** the changing health, longevity and aspirations of Older People mean people will live increasingly healthy longer lives and their future housing needs may be different from current need;
- » **New supply:** development viability of schemes, and the availability of revenue funding for care and support services, need to be carefully considered before commissioning any new scheme. It will also be important for the Council and its partners to determine the most appropriate types of specialist older person housing to be provided in the area;
- » **Existing supply:** this may be either inappropriate for future households or may already be approaching the end of its life. Other forms of specialist older person housing may be more appropriate than conventional sheltered housing to rent when considering future needs; and
- » **Other agencies:** any procurement of existing supply needs to be undertaken with other agencies who also plan for the future needs of Older People, particularly local authority Supporting People Teams and the Health Service.

Accessible and Adaptable Housing

- 5.34 The Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This was reflected in the changes to building regulations relating to adaptations and wheelchair accessible homes that were published in the Building Regulations 2010 Approved Document Part M: Access to and use of buildings (2015 edition incorporating 2016 amendments – for use in England).³³
- 5.35 Three standards are covered:
- » M4(1) Category 1: Visitable dwellings – Mandatory, broadly about accessibility to ALL properties
 - » M4(2) Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes
 - » M4(3) Category 3: Wheelchair user dwellings – Optional, equivalent to wheelchair accessible standard.
- 5.36 In terms of new developments, Part M states that: *“Where no condition is imposed, dwellings only need to meet requirements M4(1)”* (Paragraph 0.3). Local authorities should identify the proportion of dwellings in new developments that should comply with the requirements for M4(2) Category 2 and M4(3) Category 3 as part of the Hillingdon Plan, based on the likely future need for housing for older and disabled people (including wheelchair user dwellings) and taking account of the overall impact on viability.
- 5.37 In July 2022, the government issued their response to a consultation ran in 2020 on the future of accessibility standards.³⁴ Paragraph 73 of the response concluded that:
- 73. Government proposes that the most appropriate way forward is to mandate the current M4(2) (Category 2: Accessible and adaptable dwellings) requirement in Building Regulations as a minimum standard for all new homes – option 2 in the consultation. M4(1) will apply by exception only, where M4(2) is impractical and unachievable (as detailed below). Subject to a further consultation on the draft technical details, we will implement this change in due course with a change to building regulations.*
- 5.38 Previously, local authorities were required to assess the need to M4(2) accessible homes in their local area and develop policies to deliver these the properties. The government are now proposing that all homes be delivered to M4(2) standard, which is also consistent with the London Plan, and therefore this evidence is no longer required.
- 5.39 However, local authorities are still required to assess the need for the higher M4(3) standard which covers the need for wheelchair adapted and adaptable home.

Housing for Wheelchair Users

- 5.40 Building Regulations for M4(3) Category 3: Wheelchair user dwellings state that reasonable provision should be made for people to gain access to and use the facilities of the dwelling and that:

“The provision made must be sufficient to-

³³ <https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m>

³⁴ <https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes/outcome/raising-accessibility-standards-for-new-homes-summary-of-consultation-responses-and-government-response#government-response>

*(a) allow simple adaptation of the dwelling to meet the needs of occupants who use wheelchairs, or;
(b) to meet the needs of occupants who use wheelchairs.” (Page 23)*

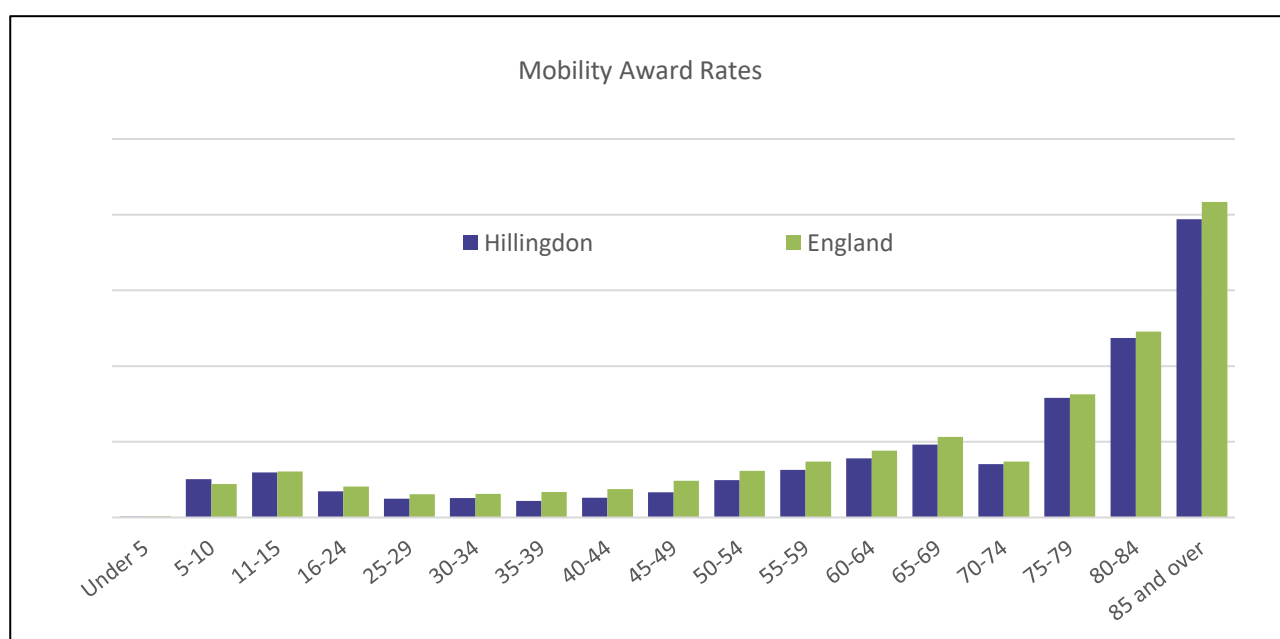
- 5.41 In establishing the need for M4(3) Category 3 housing it is again important to consider the population projections and health demographics of the area, but with specific reference to households with wheelchair users.
- 5.42 The CLG guide to available disability data³⁵ referenced by PPG³⁶ [ID 56-007-20150327] shows that around one in thirty households in England (3.3%) currently has at least one wheelchair user, although the rate is notably higher for households living in affordable housing (7.1%). The rates are also higher for older households. Figure 54 identifies the proportion of households in England with a wheelchair user currently living in market housing and affordable housing by age of household representative. The data relates to 2013/14 when the issue was last explored in the English Housing Survey.

Figure 54: Percentage of households with a wheelchair user by type of housing and age of household representative
(Source: English Housing Survey 2013-14)

Housing Type	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Housing type								
Market housing	< 0.1%	0.4%	1.0%	1.6%	3.0%	4.0%	6.1%	9.3%
Affordable housing	0.3%	2.0%	2.9%	6.0%	6.0%	10.3%	12.7%	19.9%

- 5.43 To get a better understanding of the local Hillingdon data, Figure 55 compares the proportion of disability benefit claimants in receipt of mobility award (the majority of whom will be wheelchair users) for Hillingdon against the figures for England.

Figure 55: Disability benefit claimants in receipt of mobility award by age (Source: DWP, Aug 2022)



³⁵ <https://www.gov.uk/government/publications/building-regulations-guide-to-available-disability-data>

³⁶ [Housing: optional technical standards - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/housing-option-technical-standards)

- 5.44 Through combining the information on local rates with the national data, we can establish the proportion of households in Hillingdon likely to include a wheelchair user by the age of the household representative in market housing and affordable housing (Figure 56).

Figure 56: Percentage of households with a wheelchair user by type of housing and age of household representative

Housing Type	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Hillingdon								
Market housing	< 0.1%	0.4%	0.9%	1.5%	2.9%	3.9%	5.9%	8.8%
Affordable housing	0.3%	2.0%	2.8%	5.8%	5.8%	10.1%	12.4%	18.9%

- 5.45 If we apply these proportions to the population and household data for the area, then we can identify the net change in the number of households with a wheelchair user over the period 2025/26 to 2039/40. (Figure 57). Using this approach, we calculate the number of households likely to need wheelchair adapted housing in Hillingdon is likely to increase by 840 over the 15-year period. This is 5% of the total housing need in Hillingdon. This would suggest a need for a minimum of 5% of new dwellings to be built to M4(3) standard.
- 5.46 The minimum of 5% is below the 'at least' 10% stated in the London Plan Policy D7. The London Plan target provides support for the conclusion that 10% is the minimum need to build to M4(3) standard:

Policy D7 Accessible housing

A To provide suitable housing and genuine choice for London's diverse population, including disabled people, older people and families with young children, residential development must ensure that:

- 1) at least 10 per cent of dwellings (which are created via works to which Part M volume 1 of the Building Regulations applies) meet Building Regulation requirement M4(3) 'wheelchair user dwellings'*
- 2) all other dwellings (which are created via works to which Part M volume 1 of the Building Regulations applies) meet Building Regulation requirement M4(2) 'accessible and adaptable dwellings'.*

London Plan 2021

Figure 57: Households needing Wheelchair Adapted Housing (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Modelled Need for Wheelchair Adapted Housing	2025/26	2039/40	Net change 2025/2026-2039/40
Hillingdon			
Market housing	2,120	2,620	+500
Affordable housing	1,720	2,060	+340
Total	3,840	4,680	+840

- 5.47 Importantly, as the model has included household age, it is possible to identify that a significant proportion of this growth (62%) comes from households which are aged over 75. This can be seen in Figure 58.

Figure 58: Households needing Wheelchair Adapted Housing by age (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+		
	2025/26	2039/40	Net change 2025/2026 -2039/40	2025/26	2039/40	Net change 2025/2026 -2039/40
Hillingdon						
Market housing	1,370	1,550	+180	750	1,070	+320
Affordable housing	1,230	1,370	+140	490	690	+200
Total	2,600	2,920	+320	1,240	1,760	+520

- 5.48 This means that there are likely to be some people who are identified in both categories – Wheelchair adapted housing and specialist older person housing.
- 5.49 Whilst not all over 75 households needing wheelchair adapted housing will live in specialist older person housing, it is likely that around half of those living in specialist older housing will need wheelchair adapted homes if Hillingdon were to provide 1,119 extra older person units. It is also likely that some older households will progress to using a wheelchair whilst living in specialist housing due to a deterioration in their health.
- 5.50 On this basis, it may be appropriate to adopt higher targets for specialist accommodation for older people that is also wheelchair accessible. This could reduce the proportion of general needs housing that would need to meet the M4(3) Category 3 requirements.

Studio Apartments and Co-Housing

- 5.51 A studio apartment can be defined as:

“an apartment with only one room, a bathroom, and a kitchen area”³⁷

- 5.52 Figure 41 identifies a need for around 250 market 1-bedroom properties in Hillingdon over the period 2025/2026-2039/40. However, this assumes that there is continuation of household formation trends in Hillingdon.

- 5.53 The demographic data for Hillingdon shows that while the number of persons aged 25-34 years is projected to rise by 980 in Hillingdon (Figure 5), single person households aged 25-34 years are projected to rise by 450 in Hillingdon in the period to 2040 (Figure 8). At the same time, the number of ‘Other’ households headed by someone aged 25-34 years is projected to rise by 470 in Hillingdon. Therefore, there is going to be some decline in headship rates for single persons aged 25-34 years in Hillingdon. At the heart of this issue is that many recent graduates will not form their own household immediately, but will instead share properties with other young adults. The increasing pressures for social housing and rising private rents have seen fewer young households living on their own and more living in HMO type accommodation.

- 5.54 One type of dwelling which may be seen as addressing this issue is shared housing-with small purpose-built units with shared amenity spaces such as high-quality purpose-built co-housing rather than traditional HMOs. A succinct definition of co-housing is:

“Co-housing, a generic term, covers various forms of housing, owned and rented, that are developed and/or owned and/or managed by their residents as a distinct community”³⁸

- 5.55 While more specifically, the definition of co-housing that we are using here is:

“the practice of living with other people in a group of homes that include some shared facilities”³⁹

- 5.56 This study works to the definition above so as to be clear what is meant by the term co-housing without tying it in to any particular model. Nevertheless, co-housing or co-living can involve a greater level of community involvement:

“Co-living is a type of intentional community providing shared housing for people with shared intentions. This may simply be coming together for activities such as meals and discussion in the common living areas, yet may extend to shared workspace and collective endeavours such as living more sustainably”⁴⁰.

- 5.57 However, the London Plan Guidance on Large-scale Purpose-built Shared Living (LSPBSL), January 2022 notes that purpose built shared living is not considered a long term option for most people:

“LSPBSL provides accommodation for single person households who choose not to live in self-contained houses, flat shares, or HMOs and may use this product on a transition basis until they find suitable long-term housing. Whilst LSPBSL provides an additional housing option for some people, due to the unique offer of this type of accommodation, it does not

³⁷ <https://dictionary.cambridge.org/dictionary/english/studio-apartment>

³⁸ http://www.cih.org/resources/PDF/Wales%20Events/older_peoples_housing/Jon%20Stevens.pdf

³⁹ <https://dictionary.cambridge.org/dictionary/english/co-living>

⁴⁰ <https://en.wikipedia.org/wiki/Coliving>

meet minimum housing standards and is not therefore considered to meet the ongoing needs of most single person households in London.”⁴¹

- 5.58 Given that Hillingdon is projected to see a small rise in single young person households, then the household projections would envisage little role for this type of dwelling, and this is reflected in our modelled size and tenure mix. However, as a policy led response to the increasing lack of housing for younger people in the area, the schemes could have a role in short term housing for groups such as recent graduates looking to establish themselves in Hillingdon as an alternative to living in HMOs.
- 5.59 At the same time, the PRS is an important tenure that has grown since 1991 to house a significant proportion of other households. It may be that dwellings are currently being built as family housing but are being occupied by sharing young households. However, Article 4 policies in some areas of Hillingdon limit the conversion of family housing to HMOs⁴². In the future, these properties could be re-used as family housing if high quality housing for single people or couples could be built. This raises the question of whether purpose built co-living schemes would have a place in a market where there was sufficient alternative single person or couple accommodation that meet minimum housing standards. Purpose built co-living could meet the needs of some single people and couples as a short-term lifestyle choice, but these individual people and couples will be looking to move to permanent accommodation of one form or another.
- 5.60 In conclusion, it is difficult to project a need for studio apartments or co-housing schemes because it may be that many young people prefer to share and save for their own property rather than have their own more expensive separate unit. The scale of the student numbers in Hillingdon would suggest that there may be a market for post-student self-contained units which could run in to hundreds of units and that this is likely in turn to reduce the need for larger market properties to be converted to HMOs, but LSPBSL provides short term rather than permanent housing. Therefore, as with any active policy, there is a potential risk of an over-supply of LSPBSL as CO-living is currently a popular development type across the whole of London.

Student Housing

- 5.61 PPG includes specific reference to identifying the needs of students:

Strategic policy-making authorities need to plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus ... They will also need to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements.

Planning Practice Guidance, ID 2a-017-20190220

- 5.62 Hillingdon contains the main campus for Brunel University. In recent years, the university has seen a drop in student numbers from a peak in 2021/22 of 18,655 to only 15,475 in 2023/24. This is part of a more general set of pressures on universities across England, with many facing financial difficulties. This now includes Brunel University where large scale job cuts were announced in 2024, which will see 14% of all academic jobs being cut.⁴³

⁴¹ [Large-scale Purpose-built Shared Living LPG | London City Hall](#)

⁴² Article 4 of the Town and Country Planning (General Permitted Development) Order 2015

⁴³ [UK HE shrinking](#)

- 5.63 The scale of the drop in student numbers should imply a sharp reduction in the pressures brought to the Hillingdon housing market by student households. Unless student numbers return to their previous level, and that is unlikely given that student numbers are falling at many other academic institutions, then this would imply that no further student accommodation would be required in Hillingdon for local students.
- 5.64 However, the nature of the transport network in London implies that students can study in one borough but live elsewhere. The 2021 Census shows a lack of students at term-time addresses. The 2011 Census showed 870 all student private rented households, which is a relatively small number. A further 2,903 students lived in communal education establishments. This includes boarding schools, but many would have been students in purpose built student accommodation (PBSA). Therefore, there are many existing students living in the area. Across the whole of London, it is estimated that there are around 91,000 PBSA bedspaces and around 350,000 full-time students. Therefore, Hillingdon provides around 3% of the total PBSA capacity and contains around 2% of the students.
- 5.65 In the London Plan, Policy H15 considers the need for Purpose-built student accommodation (PBSA). The Plan identifies an annual need for 3,500 units of PBSA, but does not allocate borough benchmarks or targets. The Plan states that the need will vary with changes in higher education provider' estates. If Hillingdon was to continue to provide for 2%-3% of all students in London, this would equate to around 70-105 PBSA per annum.

4.15.2 The overall strategic requirement for PBSA in London has been established through the work of the Mayor's Academic Forum, and a requirement for 3,500 PBSA bed spaces to be provided annually over the Plan period has been identified.⁷⁸ Meeting the requirement for PBSA should not undermine policy to secure mixed and inclusive neighbourhoods.

4.15.3 The strategic need for PBSA is not broken down into borough-level targets as the location of this need will vary over the Plan period with changes in higher education providers' estate and expansion plans, availability of appropriate sites, and changes in Government policy that affect their growth and funding.

London Plan, March 2021

- 5.66 The Greater London SHMA 2017 assumes that 2.5 additional bedspaces equates to the provision of 1 additional dwelling, which is in line with the Housing Delivery Test guidance, and there is no reason to diverge from this for Hillingdon.

Service Families

- 5.67 Paragraph 63 of the NPPF identifies that local planning authorities should plan for the needs of different groups in the community, including service families:

Within this context of establishing need, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. These groups should include (but are not limited to) those who require affordable housing (including Social Rent); families with children; looked after children; older people (including those who require retirement housing, housing with-care and care homes); students; people with disabilities; service families; travellers; people who rent their homes and people wishing to commission or build their own homes²

National Planning Policy Framework December 2024, Paragraph 63

- 5.68 Hillingdon is the home to RAF Northolt, which employs around 2,000 people. Ministry of Defence (MoD) annual location statistics⁴⁴ show that the number of MoD personnel stationed in Hillingdon has been very stable. We would note that the figures only include MoD personnel and not contractor workers at the base. Unless any further significant changes are planned, the needs of service personnel will not impact the identified housing needs for Hillingdon.

Figure 59: MoD personnel in Hillingdon 2014-2024 (Source: MoD Annual location statistics 2024)

Hillingdon		Apr 2014	Apr 2015	Apr 2016	Apr 2017	Apr 2018	Apr 2019	Apr 2020	Apr 2021	Apr 2022	Apr 2023	Apr 2024
Military	Officers	150	140	130	130	130	130	120	130	140	120	120
	Other Ranks	630	690	680	670	660	640	650	680	720	690	620
	Total	780	830	810	800	790	770	780	800	850	800	740
Civilians	Non Industrial	320	310	150	150	150	160	160	160	150	160	150
	Industrial	40	30	10	~	~	~	~	~	~	~	~
	Trading Funds	-	-	180	180	180	170	170	170	170	160	150
	Total	360	350	340	340	330	330	330	340	330		
Grand Total		840	1,140	1,180	1,150	1,140	1,130	1,110	1,110	1,150	1,180	1,130

⁴⁴ <https://www.gov.uk/government/statistics/location-of-uk-regular-service-and-civilian-personnel-annual-statistics-2024>

People Wishing to Build their Own Homes

- 5.69 Planning practice guidance requires that people wishing to build their own homes are considered and states:

How can self-build and custom housebuilding needs be assessed?

Most local planning authorities (including all district councils and National Park Authorities) are now required to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in their area in order to build their own home. The Self-build and Custom Housebuilding (Register) Regulations 2016 set out these requirements. For further details, see guidance on self-build and custom housebuilding registers.

To obtain a robust assessment of demand for this type of housing in their area, local planning authorities should assess and review the data held on registers. This assessment can be supplemented with the use of existing secondary data sources such as building plot search websites, 'Need-a-Plot' information available from the Self Build Portal and enquiries for building plots from local estate agents.

Planning Practice Guidance, ID: 67-003-20190722

February 2021 Policy Update

- 5.70 In February 2021 the Government updated Planning Practice Guidance in the form of self-build and custom housebuilding⁴⁵. The new guidance offers an updated definition of self-build and custom-housebuilding and also seeks to set out how the need can be assessed and met. The new guidance defines self-build and custom housebuilding as:

An authority to which this section applies must give suitable development permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority's area arising in each base period.

Self-build and custom housebuilding covers a wide spectrum, from projects where individuals are involved in building or managing the construction of their home from beginning to end, to projects where individuals commission their home, making key design and layout decisions, but the home is built ready for occupation ('turnkey')

The [Self-build and Custom Housebuilding Act 2015 \(as amended by the Housing and Planning Act 2016\)](#) provides a legal definition of self-build and custom housebuilding. The Act does not distinguish between self-build and custom housebuilding and provides that both are where an individual, an association of individuals, or persons working with or for individuals or associations of individuals, build or complete houses to be occupied as homes by those individuals.

When reading this guidance, reference should be made to the:

[Self-build and Custom Housebuilding Act 2015 \(as amended by the Housing and Planning Act 2016\)](#)

[Self-build and Custom Housebuilding Regulations 2016](#)

[Self-build and Custom Housebuilding \(Time for Compliance and Fees\) Regulations 2016](#)

In considering whether a home is a self-build or custom build home, relevant authorities must be satisfied that the initial owner of the home will have primary input into its final design and layout.

⁴⁵ [Self-build and custom housebuilding - GOV.UK \(www.gov.uk\)](#)

Off-plan housing, homes purchased at the plan stage prior to construction and without input into the design and layout from the buyer, are not considered to meet the definition of self-build and custom housing.

Self-build and Custom Housebuilding Guidance

Paragraph: 016 Reference ID: 57-016-20210208

- 5.71 Within this definition, it is clear that conversions can be counted as self-build and custom housebuilding if they involve the first occupant developing them, but homes bought directly off-plan, where the property is already designed but before construction has started, cannot. However, it does seem to leave a situation where the buyer can choose from a range of options before building commences as being custom build. If this is the case, this will make comparisons with an area such as Germany more valid, because of the 70%-80% of German homes considered to be self-build and custom housebuilding, many are bought off plan to individual specifications and built by small builders.
- 5.72 Alongside the updated guidance, MHCLG have published detailed data from the registers for the period 2016 to 2019, with 10,700 new entries being recorded in 2018/19. However, the number of households joining the registers varies across the country and household can appear on more than register. However, it is also likely that the figures do not fully reflect the demand for self-build and custom housebuilding as many households will address their own needs without appearing on any register.
- 5.73 As noted above, it is already considered that by 2017 around 7%-10% of housing delivery occurs via allocated and windfall self-build and custom housebuilding schemes. This would represent around 15,000-22,000 dwellings, but MHCLG statistics indicate that only around 10,100 plots were given planning permission in 2018/19. Therefore, alongside registers potentially underestimating the demand for self-build and custom housebuilding plots, it may also be the case that in some local authority areas, only those schemes which were explicitly granted planning permissions as self-build and custom housebuilding plots are being counted. The guidance also confirms that the uses of the self-build and custom housebuilding registers include:

Relevant authorities must give suitable development permission to enough suitable serviced plots of land to meet the demand for self-build and custom housebuilding in their area. There is no duty on a relevant authority to permission land which specifically meets the requirements expressed by those on the register. Relevant authorities should use preferences expressed by those on the register to guide their decisions when looking at how to meet the duty to grant planning permission etc. This will help ensure that relevant authorities permission land suitable for self-build and custom housebuilding which people are actually keen to develop.

Self-build and Custom Housebuilding Guidance

Paragraph: 028 Reference ID: 57-028-20210208

What does having a 'duty to grant planning permission etc' mean?

Relevant authorities must give suitable development permission to enough suitable serviced plots of land to meet the demand for self-build and custom housebuilding in their area. The level of demand is established by reference to the number of entries added to an authority's register during a base period.

The first base period begins on the day on which the register (which meets the requirement of the 2015 Act) is established and ends on 30 October 2016. Each subsequent base period is the period of 12 months beginning immediately after the end of the previous base period. Subsequent base periods will therefore run from 31 October to 30 October each year.

At the end of each base period, relevant authorities have 3 years in which to permission an equivalent number of plots of land, which are suitable for self-build and custom housebuilding, as there are entries for that base period.

Self-build and Custom Housebuilding Guidance

Paragraph: 023 Reference ID: 57-023-20210208

- 5.74 Therefore, there is an expectation that planning authorities must grant enough permissions to meet the numbers on their register with a 3-year time lag. A failure to deliver sufficient plots can be considered as a material consideration in planning appeals. The level of demand is measured in 'base periods' that run from 31st of October until 30th of October in the following year; and local authorities have three years from the end of each base period to permission enough serviced plots to meet the demand shown in the respective base periods.
- 5.75 The plots granted planning permission do not have to explicitly be for those who are on the register, so plots could be granted and then sold to households not on the register. This is recognised in the guidance which states that:

What is the relationship between the register and the Strategic Housing Market Assessment?

Assessment of local housing need as a whole should be conducted using the standard method in national planning guidance. Within this context, the size, type and tenure of housing needed for different groups should be assessed including people wishing to self-build or custom-build their own homes.

Local planning authorities should use the demand data from the registers in their area, supported as necessary by additional data from secondary sources (as outlined in the [housing and economic development needs guidance](#)), to understand and consider future need for this type of housing in their area. Secondary sources can include data from building plot search websites, enquiries for building plots recorded by local estate agents and surveys of local residents. Demand assessment tools can also be utilised.

Plan-makers will need to make reasonable assumptions using the data on their register to avoid double-counting households.

Self-build and Custom Housebuilding Guidance

Paragraph: 011 Reference ID: 57-011-20210208

- 5.76 The guidance is clear that planning authorities should meet the demand for plots from their register, but also should consider a different level of provision if it is clear that there is a demand for this.

April 2021 Self and Custom Build Action Plan

^{5.77} In April 2021, MHCLG produce a new action plan to further support the development of the self-build and custom housebuilding sector.⁴⁶ This focused upon four key areas:

- » **Mortgage finance:** – a multi-year funding for ‘Help to Build’ was announced at the 2020 Spending Review. In April the government confirmed an initial £150 million over 4 years to support the scheme to deliver low deposit mortgages and improve affordability of home ownership for self and custom builders similar to Help to Buy.
- » **Developer finance:** The Home Building Fund, offers £2.5 billion in short term loan finance targeted at small and medium sized builders, innovation and custom build. Funding is available to custom build developers bringing forward serviced plots on sites of 5 units or more.
- » **Access to land:** As part of the 2020 Spending Review, the government announced additional funding for local authorities to release their surplus brownfield land through the Brownfield Land Release Fund (BLRF). The £75 million BLRF will allocate up to £25 million to local authorities to enable them to bring forward serviced plots for self and custom build on public sector land. The ‘Planning for the Future’ White Paper also included specific proposals that allow local authorities to identify sites for self-build and custom housebuilding and community-led housing in their local plan, including ensuring sufficient provision to meet requirements identified in their self-build register, and proposals to explore how publicly owned land disposal can support SMEs and the self-build sector.
- » **Expertise/knowledge gap:** The National Custom and Self Build Association’s (NaCSBA) Right to Build Task Force was established to help local authorities, community groups and other organisations help deliver self and custom build housing projects across the UK. Since 2020 it has been funded by government to provide expertise and support to local authorities on the implementation of the Right to Build and how to secure self and custom build delivery.

Evidence for Hillingdon

^{5.78} Hillingdon have put arrangements in place to comply with the Self-Build and Custom Housebuilding Act, including providing a self-build and custom housebuilding registers. Hillingdon introduced a local connection and financial solvency test in December 2020. This significantly reduced the number of applicants on the register, so as of the October 2022 there were only 13 households on Part 1 of the register.

^{5.79} Figure 60 shows that as of October 2022, Hillingdon has been providing enough self and custom housebuilding plots to meet the needs if the measure of comparing the number on the register against CIL exemptions issued is used.

⁴⁶ [Self and custom build action plan - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/92442/self-and-custom-build-action-plan.pdf)

Figure 60: Self-build and Custom Housebuilding Register and Plot Provision (Source: Local Authority Data. Note: * is not recorded)

Self-build and Custom Housebuilding Register and Plot Provision	Up to October 2016	Oct 2016- Oct 2017	Oct 2017- Oct 2018	Oct 2018- Oct 2019	Oct 2019- Oct 2020	Oct 2020- Oct 2021	Oct 2021- Oct 2022
New applicants on Part 1 of the register after the introduction of the local connection and solvency test	-	-	-	-	-	9	4
New applicants on Parts 1 and 2 of the register prior to the introduction of the local connection and solvency test	38	67	44	50	74	-	-
CIL monitoring – number of new self and custom housebuilding exemptions issued	*	0	2	10	5	13	7

- 5.80 There are concerns around counting CIL exemptions as a measure of plot delivery. Not all CIL exemptions transfer to successful development, though it is noted that some local planning authorities use this information as a means to monitor delivery of self-build plots, given it is the most accessible data that can be used to monitor this. A CIL exemption can later be disqualified due to a breach of occupancy status, but this is rare. Self-build exemptions also apply to those extending or re-building their home, so careful monitoring and discounting of unrepresentative applications is required.

Future Need for Self-build and Custom Housebuilding

- 5.81 As highlighted above, in the most recent two years, Hillingdon provided sufficient plots to comply with its requirement to meet the needs of those on its own self-build and custom housebuilding register based on the commonly used method of comparing applicants on the Register against CIL exemptions.
- 5.82 However, the self-build and custom housebuilding register clearly has the potential to under-estimate demand for plots in Hillingdon. In common with other urban areas, Hillingdon has limited land availability combined with a high level of housing need which together contribute to making the delivery of self-build plots difficult, especially when combined with the need to balance the delivery of self-build with general needs housing and to optimise the delivery of housing overall to meet the overall London housing need.
- 5.83 We would note that PPG recommends that alternative sources of data beyond the register, such as Need a Plot, can be considered to highlight the need for self and custom housebuilding plots. However, this now reverts back to council registers, so the only recorded information on the demand for self and custom housebuilding is the housing register and the actual up take of plots.
- 5.84 The first priority of the Council should be to ensure that they are complying with national policy and meet the demand from the self and custom housebuilding register. The evidence from countries like Germany indicate that the demand for self and custom housebuilding can be close to the total housing supply and that delivery is more supply constrained, with small and medium size builders delivering many of the custom housebuilding plots. It is these supply constraints that much of government policy is now focused towards addressing.
- 5.85 Two provisions in the Levelling Up and Regeneration Act, which became an Act on 26 October 2023, should be noted.
- » The Act imposes a new duty on councils to include pre-existing unmet demand for self-build and custom build housing when calculating their current level of demand.

- » The demand for self-build and custom housebuilding in any “12-month base period should be treated as including any demand from an earlier 12-month base period which has not been met within the time period allowed for complying with the duty to meet that demand”.

Essential Local Workers

- 5.86 Annex 2 of the NPPF 2024 also includes the needs of essential local workers:

Essential local workers: Public sector employees who provide frontline services in areas including health, education and community safety and can include NHS staff, teachers, police, firefighters and military personnel, social care and childcare workers.

NPPF 2024 – Annex 2

- 5.87 It is notable that the definition provided by the revised NPPF is similar to the definition of Key Workers which was utilised prior to the adoption of the original 2012 NPPF. Under this definition, being classified as an essential worker in need correlates directly with being unable to afford home ownership.
- 5.88 Therefore, these households will already be counted in the affordable housing need because they cannot afford market rents, or because they wish to own their own property but cannot afford to do so. Because of this, the needs from this group will not add to the total need for affordable housing, but they are likely to require separate consideration on the housing register and it may be appropriate to consider whether or not some affordable properties should be set aside solely for essential local workers in particular circumstances, such as a large residential scheme in connection with a large public sector facility.

Boat dwellers

- 5.89 Provisions set out in the Housing and Planning Act now include a duty (under Section 8 of the 1985 Housing Act that covers the requirement for a periodical review of housing needs) for local authorities to consider the needs of people residing in, or resorting to, their district with respect to the provision of sites on which caravans can be stationed, *or places on inland waterways where houseboats can be moored*. Draft Guidance⁴⁷ relating to this section of the Act has been published that sets out how the assessment should be completed. A robust assessment of the needs of boat dwellers requires a detailed study, usually including interviews with households living on boats in the local authority area in question. This LHNA did not include carrying out a Boat Dwellers Accommodation Assessment, but houseboats paying Council Tax and a review of mapping data can give an indication of the scale of need for moorings.
- 5.90 Council Tax is due on permanent residential moorings used exclusively by a single boat, rather than the boat itself; households on live-aboard boats on a permanent residential mooring are due for Council Tax⁴⁸. The Valuation Office Agency provided ORS with records of the number of houseboats in the Council Tax Valuation Lists as at 30 November 2022 following a Freedom of Information request. The marinas pay Council Tax as a business, which covers the moored boats on those marinas and would not be counted in the VOA registrations.
- 5.91 There were 79 houseboats recorded for Council Tax in Hillingdon as at November 2022.

⁴⁷ “Draft guidance to local housing authorities on the periodical review of housing needs for caravans and houseboats.” (March 2016)

⁴⁸ This is a summary overview of the position. The details of Council Tax implications for residential boats can be found here: [Council Tax Manual - Council Tax: practice notes - Guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/council-tax-manual/council-tax-practice-notes-guidance)

5.92 The Thames is the most significant waterway route in to and out of London and connects the Capital with the canal network through Birmingham, Oxford and Reading. Non-Council Tax paying boats will include hire or owned leisure craft, continuous cruisers and possibly some households living permanently on boats in Hillingdon without paying Council Tax. Continuous cruisers are households who live on boats permanently but are not settled in one place for most of the year; nationally, many of these would like permanent moorings and some of those would likely be looking for moorings within Hillingdon. In contrast, most live-aboard households with a permanent residential mooring tend to remain static for a large part of the year, only travelling for holidays.

5.93 For this study we used Ordnance Survey mapping and counted the number of boats on each section of the waterways. Given the photos may have been taken at different dates this provides the opportunity that some boats may have moved from one location to another and have been double counted. The process yielded 446 boats on open waterways and 333 in marinas, who would not be subject to a separate Council Tax bill per household because the marina will pay a single business charge.

Figure 61: Number of Houseboats by Area of Hillingdon (Source: Ordnance Survey Mapping)

Area	Number of Boats
On Waterways	
Grand Union Canal - East of Hanging Monkey at Old Limeworks to Springwell Lock	18
Grand Union Canal - Springwell Lock to Coppermill Lock	25
Grand Union Canal - Coppermill Lock to Blackjacks Lock	22
Grand Union Canal - Blackjacks lock to Bridge 180 Union Canal.	16
Grand Union Canal - South end of Harefield Marina to South of Denham Deep Lock	30
Grand Union Canal - North of the Swan and Bottle pub to Hillingdon Canal club	52
Grand Union Canal - Hillingdon Canal club to Cowley Lock	98
Grand Union Canal - Cowley Lock to the Slough Arm of the Grand Union Canal (Bridge 190B)	89
Grand Union Canal - Slough Arm to main Grand Union Canal	5
Duke of Northumberland's River - Saxon Lake southwards and the South of Heathrow airport	1
Grand Union Canal - Slough Arm of Grand Union Canal (Bridge 190B) to Horton Bridge	17
Grand Union Canal - Horton Bridge to Dawley Road Bridge	5
Grand Union Canal - Dawley Road Bridge to Paddington Arm of the Grand Union Canal	8
Grand Union Canal - Paddington Arm - Main Grand Union Canal to Willow Tree Bridge	50
Grand Union Canal - Paddington Arm - Willow Tree Bridge to Eastern Boundary of Hillingdon	10
TOTAL ON WATERWAYS	446
In Marinas	
Harefield Marina (Bridge 180 Union Canal to South end of marina)	167
Packet Boat Marina (accessed from the Slough Arm of the Grand Union Canal)	128
Willowtree Marina (accessed from the Paddington Arm of the Grand Union Canal)	38
TOTAL IN MARINAS	333
TOTAL NUMBER OF BOATS	779

5.94 The number of Council Tax registrations suggests that there will be a significant number of households living permanently on boats in Hillingdon, other than on marinas and continuous cruisers. However, the boat count indicates that there may be up to 10 times as many boats in the area than are shown by Council tax registrations. It may be possible for continuous cruisers to remain within the Hillingdon area permanently

as long as they move to another part of the River each fortnight. There are rules on how far the boat must move, but these rules vary locally⁴⁹.

^{5.95} In conclusion we can say that while the evidence is for 79 residential boats moored on permanent moorings and 333 more in marinas, along with significant numbers of leisure boats and continuous cruisers travelling through Hillingdon. There may be some continuous cruisers living permanently within Hillingdon and some of those continuous cruisers are looking for permanent moorings in the Borough. It is likely that some permanent and some visiting moorings are needed. It is not possible to quantify the need for moorings without further work, but we would note that any additional permanent moorings would form part of the existing OAN, not be an addition to it.

⁴⁹ [633-guidance-for-boaters-without-a-home-mooring.pdf \(canalrivertrust.org.uk\)](https://canalrivertrust.org.uk/633-guidance-for-boaters-without-a-home-mooring.pdf)

6. Conclusions

Overall Summary

Overall Housing Need

- 6.1 The London Plan sets a housing target of 1,083 dwellings per annum over the 15 years, or a total of 16,245 dwellings. This study treats this figure as the dwelling target and seeks to understand the mix of housing which is required within this total.

Affordable Housing Need

- 6.2 The extant London Plan sets capacity based housing targets for Hillingdon upon which this study is based. Hillingdon has a crucial role in seeking to meet the wider needs of London.
- 6.3 Of the 16,245 dwelling total, the modelling process identifies a need for 11,914 of these to be affordable. This includes a current unmet need for 6,521 households who require affordable housing, predominantly because they are in temporary accommodation, hostels, are overcrowded or are concealed households.
- 6.4 In terms of the required tenure mix the following conclusions apply:

Affordable to Rent

- 6.5 There is an extremely high need for affordable to rent housing such as Social Rent or Affordable Rent. This accounts for the vast majority of the total need and the ability to deliver for this need is heavily constrained by viability factors. Figure 41 details a need for 9,029 affordable to rent dwellings, which in turn should be London Social Rent. This is 56% of the total need for 16,245 affordable and market dwellings of all tenures.

London Living Rent

- 6.6 There is a role for London Living Rent in the housing mix in Hillingdon, but this is constrained by the fact that household income must be less than £67,000 to be able to access. Many households in private rent struggle to afford their rents, but have incomes between £67,000 and £90,000 and therefore cannot access London Living Rent. Figure 23 demonstrates that London Living Rent is more affordable than Shared Ownership in Hillingdon and requires incomes of between £49,000 and £54,000 depending on the size of the property. London Living Rent currently a affordable home ownership in London, with the option to convert to Shared Ownership.

Shared Ownership

- 6.7 Shared Ownership properties have a role to play in the housing mix in Hillingdon with a need for around 1,700 dwellings.

Build to Rent

- 6.8 Hillingdon cannot influence any market rents set through Build to Rent schemes, but for the affordable component, 30% should be at London Living Rent rates and the remainder will require to be at or below LHA rates to ensure that their costs can be met from housing benefit.

Private Rent

- 6.9 Private rent is a very important tenure in Hillingdon. Continuing to monitor and enforce standards in the private rented sector will remain an important function for the council. Given current affordability pressures, the cost of living crisis and high interest rates there is a real risk of a deterioration in the quality of the housing stock in Hillingdon.

Other Needs

- 6.10 The overall need for housing also requires to be set in the context of other policy objectives. For example, there is the need to meet the needs of older persons, those seeking shared accommodation, students, and those seeking to build their own homes as follows:
- » A need for 1,119 units of specialist older persons accommodation over the 15 year period.
 - » The government are now proposing that all homes be delivered to M4(2) accessible and adaptable dwellings standard, which is also consistent with the London Plan.
 - » The need for wheelchair adapted housing in Hillingdon is likely to increase by 840 over the 15-year period. This suggests a need for a minimum of 5% of new dwellings to be built to M4(3) standard. The minimum of 5% is consistent with the 'at least' 10% stated in the London Plan Policy D7 to allow for greater choice for occupiers.
 - » It is difficult to project a need for studio apartments or co-housing schemes because it may be that many young people prefer to share and save for their own property rather than have their own more expensive separate unit.
 - » In the London Plan, Policy H15 considers the need for Purpose-built student accommodation (PBSA). The Plan identifies an annual need for 3,500 units of PBSA across London, but does not allocate borough benchmarks or targets.

- 6.11 **These dwellings are included and not in addition to the overall housing need.** All would contribute to the overall delivery of dwellings in Hillingdon.

Delivery options

- 6.12 There are currently very few options available to Hillingdon to increase the delivery of affordable housing. The disposal of Council owned land for affordable housing is an option, but clearly with current budget pressures facing all councils the disposal of land must deliver value for money.
- 6.13 While the London Plan targets for delivery on small sites has been reduced, given the scale of need in Hillingdon it is important to consider what contribution small sites could make to providing affordable housing. In recent years, Tower Hamlets, Hackney, Southwark and Brent have brought in contributions for small sites after Inspectors ruled them as justified. However, Lambeth, whose plan originally proposed small sites contributions was directed to remove this policy as it was inconsistent with national policy. Therefore, Hillingdon can seek to lower the threshold for affordable housing contributions to sites below 10 units and there is precedent in London for doing so. This may have viability impacts and could have alternative policy outcomes such as encouraging developers to convert to small HMOs, rather than additional self-contained units.

Appendix A: Glossary

Glossary of Terms

Definitions

Affordability is a measure of whether housing may be afforded by certain groups of households.

Affordable housing includes affordable rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. For the purpose of this report we have used the definition in the National Planning Policy Framework 2012

Affordable Rent is a type of low cost rented housing, targeted at the same groups as Social Rent, but with rents set at a maximum of 80% of market rents.

Affordable rented housing is provided by social landlords and rented for less than would be paid if renting privately and included both Affordable Rent and Social Rent.

Category 2 and 3 are classifications of wheelchair accessible housing. They refer to building regulations Approved Document M (2015) which introduced three categories of accessible dwellings. Category 1 (visitable dwellings) relates to accessibility of all properties and, being mandatory, is not assessed in the SHMA. Category 2 (accessible and adaptable dwellings) is optional and similar to Lifetime Homes. Category 3 (wheelchair user dwellings) is optional and equivalent to wheelchair accessible standard.

Census Output Area is the smallest area for which UK Census of Population statistics are produced. Each Census Output Area had a population of around 250 people with around 100 dwellings at the time of the 2001 Census.

Concealed families are defined as; “family units or single adults living within other households, who may be regarded as potential separate households which may wish to form given appropriate opportunity”⁵⁰.

A Dwelling as a single self-contained household space (an unshared dwelling) or two or more household spaces at the same address that are not self-contained, but combine to form a shared dwelling that is self-contained. In most cases, a single household space will be an unshared dwelling.

Equity is the difference between the selling price of a house and the value of the outstanding mortgage.

Headship rates are defined by CLG as: “the proportion of people in each age group and household type who are the ‘head’ of a household”⁵¹

A household is one person living alone, or two or more people living together at the same address who share at least one meal a day together or who share a living room.

Household formation refers to the process whereby individuals in the population form separate households. ‘Gross’ or ‘new’ household formation refers to households that form over a period of time, conventionally one year. This is equal to the number of households existing at the end of the year that did not exist as separate households at the beginning of the year (not counting ‘successor’ households, when the former head of household dies or departs). ‘Net’ household formation is the net growth in households resulting from new households forming less the number of existing households dissolving (e.g. through death or joining up with other households).

⁵⁰ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf

⁵¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/182387/MethodologyFinalDraft.pdf

A Housing Association or Registered Provider is an independent not-for-profit body that primarily provides low-cost "social or affordable housing" for people in housing need.

Housing demand is the quantity of housing that households are willing and able to buy or rent.

Household income includes all salaries, benefits and pensions, before deductions such as tax and National Insurance.

Household Representative (HRP) is a person chosen for statistical reasons by virtue of economic activity, age and/or sex as the representative of a household

House in Multiple Occupation are currently defined by the Housing Act 2004 as:

- » an entire house or flat which is let to three or more tenants who form two or more households and who share a kitchen, bathroom or toilet;
- » a house which has been converted entirely into bedsits or other non-self-contained accommodation and which is let to three or more tenants who form two or more households and who share kitchen, bathroom or toilet facilities;
- » a converted house which contains one or more flats which are not wholly self-contained (i.e. the flat does not contain within it a kitchen, bathroom and toilet) and which is occupied by three or more tenants who form two or more households; and
- » a building which is converted entirely into self-contained flats if the conversion did not meet the standards of the 1991 Building Regulations and more than one-third of the flats are let on short-term tenancies.

Housing market areas are geographical areas in which a substantial majority of the employed population both live and work and where those moving to a new house without changing employment choose to stay.

Housing need is the quantity of housing required for households who are unable to access suitable housing without financial assistance.

Housing requirements encompasses both housing demand and housing need and is therefore the quantity of housing necessary for all households to have access to suitable housing, irrespective of their ability to pay.

Housing type refers to the type of dwelling, for example, flat, house, specialist accommodation.

Intermediate affordable housing is housing at prices and rents above those of affordable rented housing, but below market price or rents, and which meet the criteria for affordable housing set out above. These include shared equity products (e.g. HomeBuy), other low cost home ownership products and intermediate rent.

Lending multiplier is the number of times a household's gross annual income a mortgage lender will normally be willing to lend. The most common multipliers quoted are 3.5 times income for a one-income household and 2.9 times total income for dual income households.

Low cost home ownership or Shared Ownership is intermediate affordable housing designed to help people who wish to buy their own home but cannot afford to buy outright (with a mortgage). Through this type of scheme, you buy a share in the property with a Housing Association or other organisation.

Lower quartile means the value below which one quarter of the cases falls. In relation to house prices, it means the price of the house that is one-quarter of the way up the ranking from the cheapest to the most expensive.

Lower Super Output Area is a group of around 5-6 Census Output Areas and is the smallest geography for many Government statistics. Each Lower Super Output Area had a population of around 1,250 people with around 500 dwellings at the time of the 2001 Census.

Market housing is private housing for rent or for sale, where the price is set in the open market.

Market signals are indicators that supply and demand are not in balance for a local housing market. Possible market signals are listed in PPG and the following are the most pertinent; house prices, private sector rents, affordability, rate of development and overcrowding.

Migration is the movement of people between geographical areas. In this context it could be either local authority Boroughs, or wider housing market areas. The rate of migration is usually measured as an annual number of individuals, living in the defined area at a point in time, who were not resident there one year earlier. Gross migration refers to the number of individuals moving into or out of the authority. Net migration is the difference between gross in-migration and gross out-migration.

A projection of housing needs or requirements is a calculation of numbers expected in some future year or years based on the extrapolation of existing conditions and assumptions. For example, household projections calculate the number and composition of households expected at some future date(s) given the projected number of residents, broken down by age, sex and marital status, and an extrapolation of recent trends in the propensity of different groups to form separate households.

Registered Social Landlord/Registered Provider see Housing Association.

Secondary data is existing information that someone else has collected. Data from administrative systems and some research projects are made available for others to summarise and analyse for their own purposes (e.g. Census, national surveys).

Shared Ownership see Low Cost Home Ownership.

Social Rented housing is housing where the landlord is a Registered Provider, usually the Council or a housing association, and where social rents are charged. These rents are significantly lower than market rents, and set in accordance with a formula set by Government.

Specialised housing refers to specially designed housing (such as mobility or wheelchair accommodation, hostels or group homes) or housing specifically designated for particular groups (such as retirement housing).

Acronyms and Initials

AHC	Affordable Housing Commission
AHO	Affordable Homeownership
BRMA	Broad Rental Market Area
CLG	Department for Communities and Local Government (now MHCLG)
CPI	Consumer Prices Index
DFG	Disable Facilities Grant
DWP	Department of Work and Pensions
EHS	English Housing Survey
HB	Housing Benefit
HMA	Housing Market Area
HPSSA	House Price Statistics for Small Areas
LA	Local Authority
LHA	Local Housing Allowance
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LLTI	Limiting Long-Term Illness
LPA	Local Planning Authority
LQ	Lower Quartile
LRR	Local Reference Rent
LSE	Leasehold Schemes for the Elderly
MHCLG	Ministry for Housing, Communities and Local Government
MSOA	Middle-layer Super Output Area
NPPF	National Planning Policy Framework
OAN	Objectively Assessed [Housing] Need
OBR	Office for Budget Responsibility
ONS	Office for National Statistics
ORS	Opinion Research Services
PPG	Planning Practice Guidance
PPTS	Planning Policy for Traveller Sites
PRS	Private Rental Sector
RSL	Registered Social Landlord
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

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