

**Land off Appledore Road,  
Tenterden**  
**Local Affordable Housing  
Needs Assessment**

Wates Developments

April 2021

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## 1.0 Introduction

- 1.1 This report has been prepared by Lichfields, on behalf of Wates Development Limited (“Wates”) in the context of Wates’ proposed development at Land off Appledore Road, Tenterden (“the site”). Wates’ proposed development includes up to 145 homes of various types and tenures (50% being affordable housing), a country park including play areas and an outdoor learning space, and a new sports hub to include football pitches and new club house/pavilion.
- 1.2 This report presents a review of local housing needs in Tenterden, specifically focusing on affordable housing needs.

## Background

- 1.3 An earlier version of this report was originally produced in December 2019 for the purposes of accompanying an application for a larger scheme comprising 250 homes (19/01788/AS) on the site. Permission was refused for this scheme in September 2020 however none of the reasons for refusal related to a lack of demonstrated affordable housing need in Tenterden.
- 1.4 For the purposes of this report (accompanying the revised application for up to 145 units), some elements have been updated to reflect data published since 2019; for example the affordable housing delivery set out in Ashford Borough Council’s 2019/20 Annual Monitoring Report and the Tenterden Housing Needs Survey which was conducted in Spring 2020. However, the assessment for Tenterden continues to use a 2019 base date and it is considered any change in the underlying data (e.g. rents, incomes) between 2019 and 2020 is not likely to have had any substantive impact on the overall assessment of affordable housing need.

## Report structure

- 1.5 This report is set out in the following sections:
- **Section 2** reviews existing evidence of overall affordable housing need across Ashford;
  - **Section 3** looks at local context for affordable housing for Tenterden;
  - **Section 4** undertakes a high level affordable housing needs assessment (both for rent and purchase) for Tenterden;
  - **Section 5** reviews the findings of the Tenterden Housing Needs Survey conducted by the in Spring 2020; and
  - **Section 6** presents our overall conclusions.

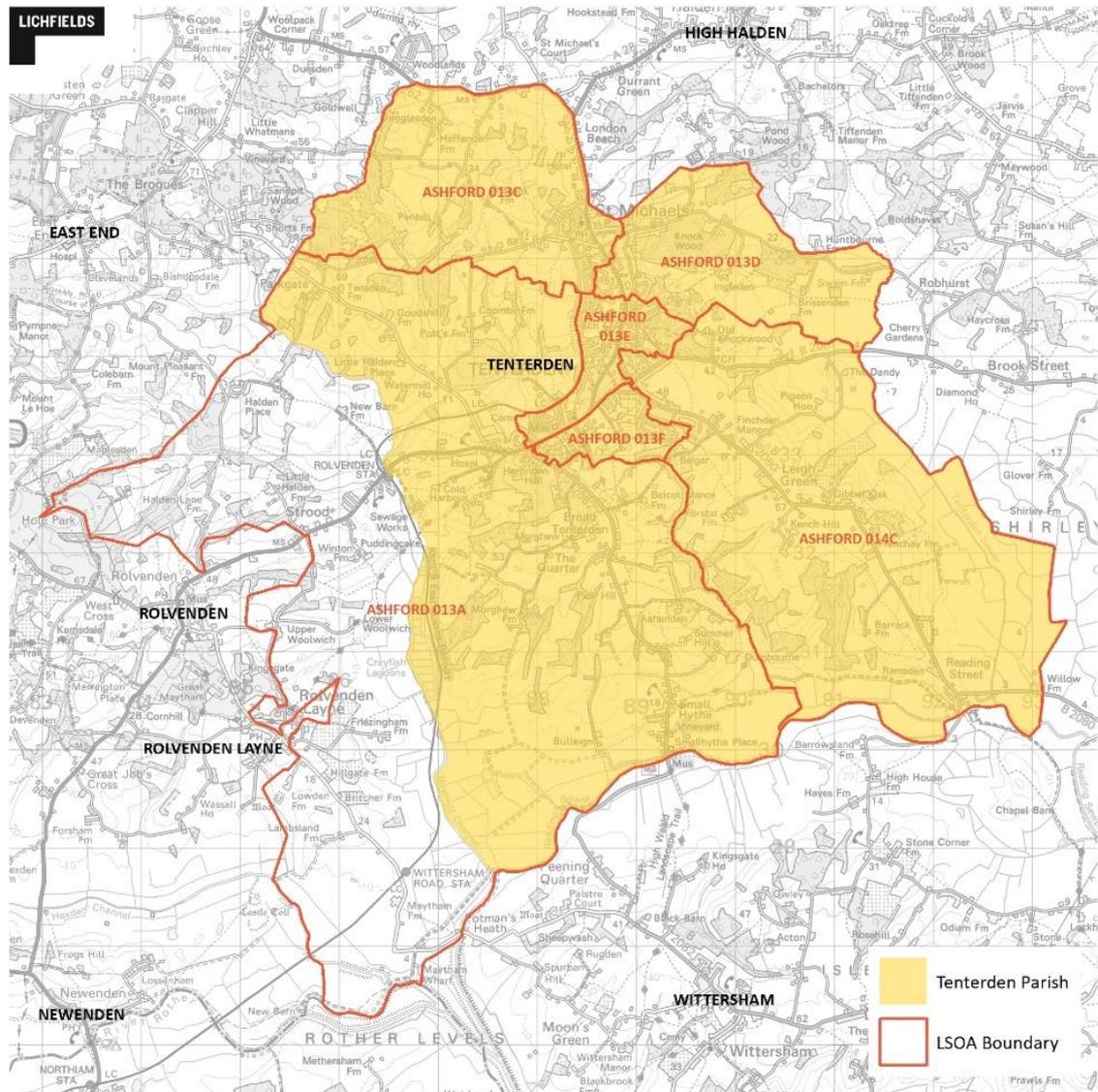
## Area of assessment

- 1.6 This assessment focusses on the area of Tenterden, encompassing Tenterden, St Michaels and Tenterden’s immediately surrounding rural hinterland. For the purposes of this report, and due to different data availability for different statistical boundaries, we have used two different geographies to represent this area:
- 1 For contextual information, we have used data from the 2011 Census for Tenterden Parish; and
  - 2 For the local needs assessment and up-to-date (2017) population information, we have used a best-fit of lower super output areas (LSOAs) to Tenterden Parish. This comprises the LSOAs Ashford 013A, 013C, 013D, 013E, 013F and 014C.

1.7

The Parish and LSOA boundaries are shown in Figure 1.1 overleaf. Comparisons are made throughout this report between Tenterden and the wider borough; references within this report to ‘Ashford’ refer to Ashford Borough, not Ashford town.

Figure 1.1 Tenterden Parish and best-fit LSOAs



Source: Lichfields

## 2.0 Wider affordable housing needs

### Ashford Strategic Housing Market Assessment (SHMA)

2.1 During the preparation of the Ashford Local Plan the Council commission several iterations of its SHMA. The first version of the SHMA was published in January 2014 in conjunction with Ashford’s neighbouring districts (Maidstone and Tonbridge & Malling), with three subsequent updates published for Ashford (August 2014, June 2015 and January 2017).

2.2 The most recent update – January 2017 – was prepared following the publication of the 2014-based sub-national household projections. However, it defers its affordable housing needs assessment to that set out in the 2014 SHMA. The 2014 SHMA identified a need for 368 affordable homes per annum in Ashford over the period to 2030, albeit this should be viewed as an absolute minimum because as set out in para 7.51 of the SHMA:

*“The estimates of gross new household formation have been based on outputs from our zero net migration projection. This projection has been chosen to ensure that in the modelling we are predominantly looking at locally generated needs (or at least that the needs of in-migrants are balanced against the needs of households moving out of the area)”. (our emphasis)*

2.3 This effectively means that the affordable housing needs associated with net in-migration to Ashford (which the official population projections expect there to be) are not accounted for in the assessed affordable housing need of 368 per annum. By way of illustration, the 2011-based SNPP (upon which the 2014 SHMA was based) expected over half - 57% - of all growth in Ashford to arise from migration<sup>1</sup>, hence the inclusion of migration in the calculation of affordable housing needs would have significantly increased need.

2.4 Table 2.1 shows the annual affordable need by tenure for Rural South (which contains Tenterden) and the Borough as a whole. It illustrates a need within the Rural South area for more than 500 affordable homes over the remaining 11 years of the Local Plan period to 2030. Across both areas the tenure split is roughly 25% intermediate and 75% affordable rented.

Table 2.1 Affordable Housing Need (net, per annum 2013-30) in Rural South (including Tenterden) and Ashford Borough

	Intermediate	Affordable rented	Total
<b>Rural South (including Tenterden)</b>	<b>11</b>	<b>36</b>	<b>47</b>
Borough	94	274	368
Rural South as a % of Borough	11.7%	13.1%	12.8%

Source: Ashford SHMA 2014, Table 36

### Affordable housing delivery

2.5 To date, affordable housing needs at the borough-wide level have not been met. The highest level of affordable housing delivery since 2013/14 has been in 2015/16 when 247 affordable homes were completed. In total between 2013/14 and 2019/20 860 affordable homes were completed in Ashford Borough against a total need for 2,576 – over three times as much. The cumulative shortfall to date amounts to 1,716 affordable homes, as shown in Figure 2.1.

2.6 The Local Plan has different affordable housing requirements for different parts of the Borough; 20% for sites in Ashford town centre, 30% for sites in Ashford Hinterland and 40% in the rest of

<sup>1</sup> Source: ONS 2011-based Interim SNPP, Table 5 (Population with components of change for all local authorities and higher administrative areas). Total growth in Ashford 2011-21 = 16,500, of which 9,400 is associated with net migration.

the Borough. Based on the amount of housing expected to come forward in each of these areas (plus assuming that windfalls see a rate of 40% affordable housing delivery, likely to be a best case scenario) we have estimated the Borough will see 4,253 affordable homes delivered between 2018/19 and 2029/30, as set out in Table 2.2.

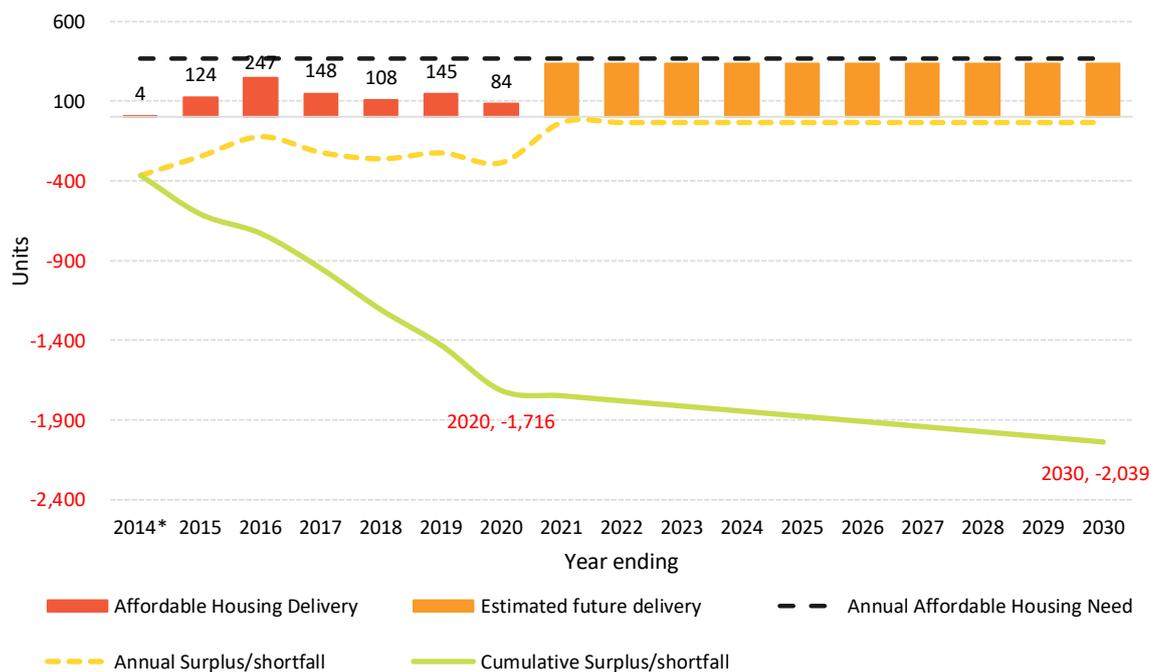
Table 2.2 Estimated affordable housing by area - Ashford District 2019-30

	Affordable Housing rate	2020/21 to 2029/30 total units per area	Estimate Affordable Housing
Town Centre	20%	1,324	265
Ashford Hinterland	30%	7,602	2,281
Rest of Borough	40%	781	312
Windfalls	40%	1,249	500

Source: Lichfields based on Ashford Local Plan 2030 Housing Trajectory and Policy HOU1.

2.7 This equates to an annual rate of 336 per annum; only slightly short of the annual need identified in the SHMA of 368 per annum (albeit this should be treated as a minimum). However, this is clearly not enough to address the shortfall of 1,716 units which has already accrued to date (2020), with an anticipated shortfall by 2030 of over 2,000 units, as shown in Figure 2.1.

Figure 2.1 Affordable housing need, delivery and shortfall over the plan period 2013/14 to 2029/30



Source: Lichfields based on Ashford SHMA 2014, Ashford Annual Monitoring Reports and Ashford Local Plan 2030. \*Note: The number of affordable homes delivered in 2013/14 was 4.

2.8 In summary, there is a **shortfall in supply against affordable housing across Ashford** of 1,716 units as of 2020 and **by 2030 this shortfall could increase** to 2,039 units. However, these figures are likely to be under-estimates because:

- 1 The 2014 SHMA’s estimate of affordable housing need did not account for net in-migration to the Borough;

2 They assume all sites in the Local Plan come forward at policy-compliant affordable housing levels; and

3 They assumes windfalls achieve a rate of 40%, i.e. the best-case scenario.

2.9 The scale of shortfall is likely to be greater, but this provides some context to the acute affordable housing needs that Ashford Borough faces.

### 3.0 Local context

3.1 As of 2011 there were 437 households in affordable rented<sup>2</sup> housing in Tenterden (Parish), representing 13% of all households. This is actually a slight decline since 2001, when there were 449 households in affordable rented housing in Tenterden<sup>3</sup>. By comparison, across Ashford affordable rented households make up 15% of all households, and between 2001 and 2011 the number increased by 6% (from 6,520 to 6,915). These patterns are similar when looking across all housing in Tenterden and Ashford; between 2001 and 2011 the overall number of households in Tenterden increased by just 4%, compared to 15% across Ashford.

3.2 Figure 3.1 shows the breakdown of affordable rented housing by number of bedrooms for Tenterden and Ashford, Kent and England. The affordable rented stock in Tenterden is smaller, with a combined 71% of homes being either 1-bed or 2-bed; more than the district, county or national average. Only 27% of homes are 3-bed and 2% are 4-bed, compared to 34% and 4% respectively across Ashford.

Figure 3.1 Number of bedrooms – Affordable rented households



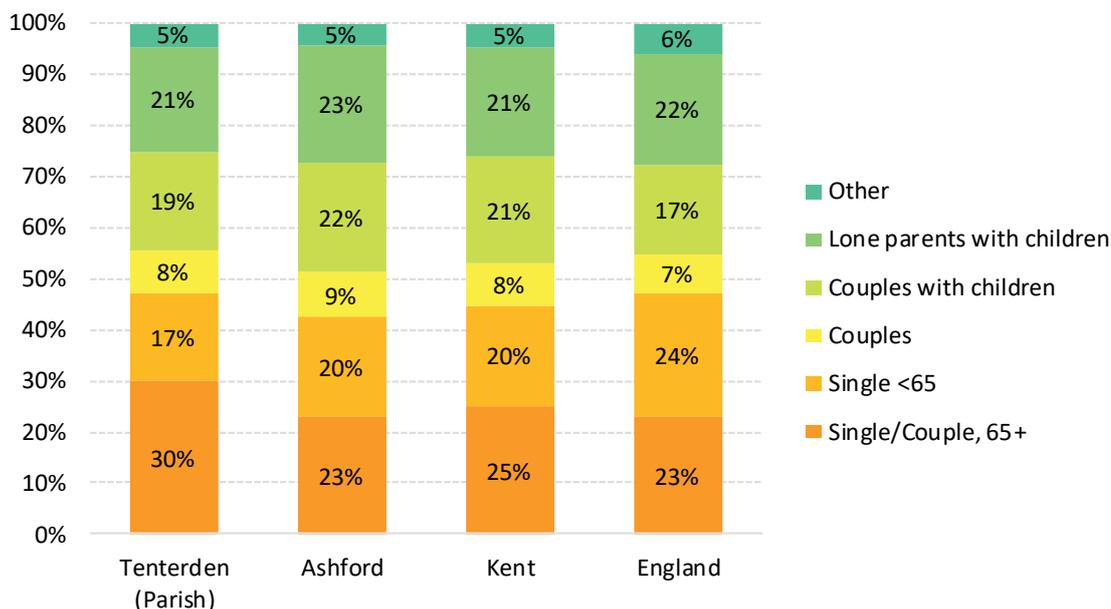
Source: Census 2011 – LC4405EW

3.3 Of households living in affordable rented housing in Tenterden, the profile reflects the town’s older population profile, with 30% of social rented households being single/couples age 65 and over, as shown in Figure 3.2. The town has notably fewer single people under 65 in affordable rented housing compared to wider average, again reflecting its older age profile. Overall there are a similar number of families in affordable rented housing in Tenterden (40%) compared to the national average, but this is lower than the district average (45%).

<sup>2</sup> The Census uses the term ‘social rented housing’ and defines this as including “accommodation that is rented from a council or local authority, or from a registered social landlord, housing association, housing co-operative or charitable trust”. Thus, the Census defines the ‘social rented’ tenure by the landlord of a household, rather than the level of rent paid (which, in policy terms, makes ‘social rented’ housing different to other forms of affordable rented housing). For simplicity, we refer to Census ‘social rented’ housing as ‘affordable rented’ housing in this report.

<sup>3</sup> The Census counts tenure based on households, not dwellings. Therefore the reduction in the number of social rented households could be due to either (or a combination of) fewer of Tenterden’s social rented homes being occupied (i.e. a higher vacancy rate) or a reduction in the amount of affordable rented stock (e.g. through right-to-buy, demolition, etc), or a combination of both.

Figure 3.2 Household type – Affordable rented households



Source: Census 2011 – LC4101EW

### Overcrowding

3.4 Overcrowding rates across all households in Tenterden are lower than Ashford as a whole (2.3% compared to 2.9%). However, for affordable rented households, the rate of overcrowding in Tenterden is the same as Ashford – both at 6.9%. This is slightly better than wider averages (Kent and England).

3.5 Information on overcrowding in affordable rented households by household type is not available to a sub-district level. However, the data for Ashford shows that the highest rates of overcrowding in affordable rented households are found amongst:

- 1 'Other households with dependent children', i.e. households with children that do not comprise of one family (e.g. a couple or lone parent), where 32.1% are overcrowded;
- 2 'Other' households which are not families and do not contain dependent children, where 23.1% are overcrowded;
- 3 Lone parents with dependent children, where 15.3% are overcrowded; and
- 4 Couples (married or cohabiting) with dependent children, where 14% are overcrowded.

### Housing Waiting List

3.6 Data on households on Ashford Borough Council's Housing Register – i.e. households seeking affordable housing - were obtained from the Council in July 2019. Households can be on the register for a range of reasons, for example if they are currently living in overcrowded housing or their home is otherwise unsuitable for their needs (e.g. due to disability), or if they are a newly/recently formed household requiring affordable housing. This showed a total of **54 households on the register** which currently live in the Tenterden and St Michael's postcode area, as shown in Table 3.1. There are approximately a further **450** households who live outside the area but have expressed Tenterden as their area of choice. This will likely include those households who have a 'local connection' to Tenterden, either through work or family; Ashford Borough Council do not collect information on such connections (only current area of

residence). Therefore, the existing affordable need for Tenterden is likely in excess of 54 households, but can be used to represent an absolute minimum of the current backlog of need represented by the waiting list.

Table 3.1 Households on the Housing Register by need - 2019)

Need	Households currently living in Tenterden/St Michael's	Total – Households currently living in Tenterden/St Michael's and/or have included the area as an area of choice
1-bed	29	266
2-bed	16	114
3-bed	5	84
4+-bed	4	37
<b>Total</b>	<b>54</b>	<b>501</b>

Source: Ashford Borough Council

- 3.7 We also know from the Tenterden Local Housing Needs Survey 2020 (which we review in more detail in Section 5.0) that of the majority of households in need of affordable rented housing, of which most already lived in Tenterden, were not on the Council's Housing Register. This is indicative of the scale of 'hidden' affordable housing need in the town.

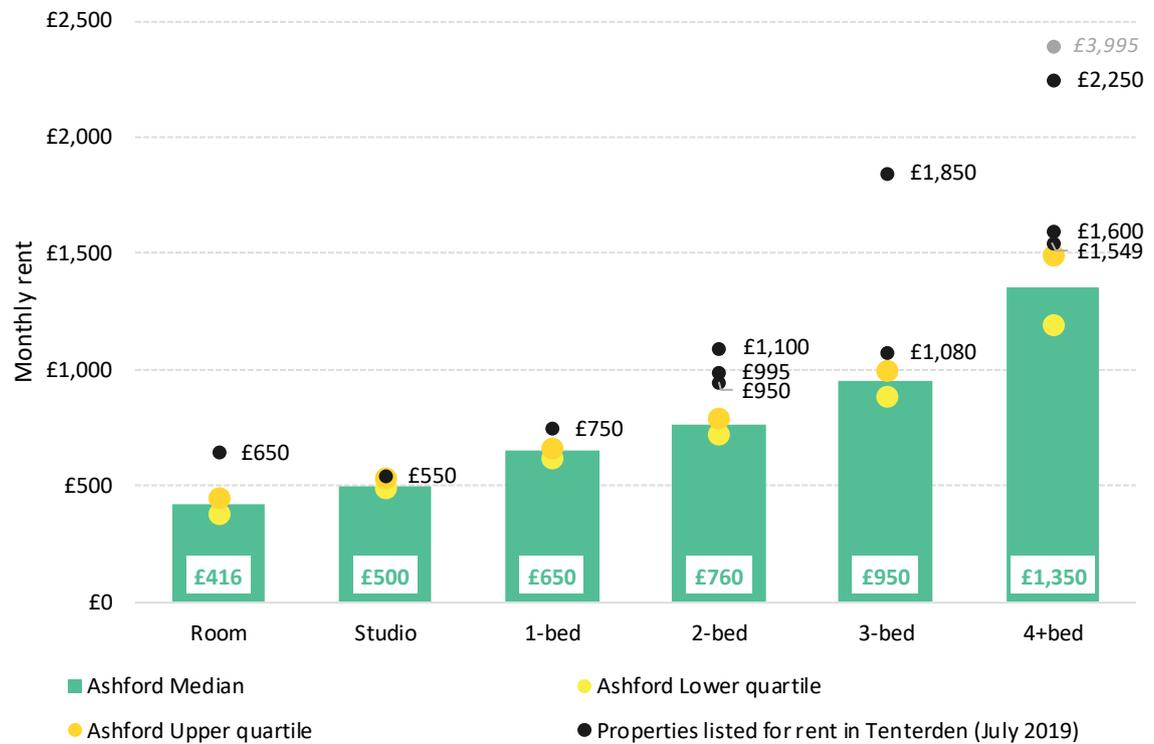
## Local affordability

### Rents

- 3.8 Figure 3.3 shows the monthly rents for Ashford in the 12 months to March 2019 for rooms up to 4+ bed homes. Rates range from £390 to £455 for rooms to £1,200 to £1,500 for 4+ bed homes. Figure 3.3 also shows the prices of properties listed for rent in Tenterden as of July 2019. In total there were 12 listings<sup>4</sup>. The only room for let in Tenterden (£650/month) was notably more expensive than even the upper quartile for Ashford (£455). Similarly, there was only one studio listed for rent (£550); this was at the upper end of the range seen across Ashford (where upper quartile studios cost £540).
- 3.9 Across all types of housing, even the cheapest available in Tenterden exceeds even the upper quartile for the district, but this is particularly notable for 2-beds. In Ashford, the median monthly rent for 2-beds is £760, typically ranging from £735 to £800. In Tenterden, the cheapest 2-bed currently available is listed at £950/month, with two more listed at £995 and £1,100 respectively. There were 2 no. 3-beds listed for rent, ranging from £1,080 to £1,850 per month. There were 4 homes with 4 or more bedrooms, ranging from £1,600 up to almost £4,000 per month.

<sup>4</sup> One was a room listed on spareroom.co.uk, the other 11 were properties listed for rent on rightmove.co.uk.

Figure 3.3 Median, lower quartile and upper quartile monthly rents for Ashford (District) and monthly rent of properties listed for rent in Tenterden as of 2019



Source: Lichfields based on VOA Private Rental Market Statistics (12 months to March 2019), review of spareroom.co.uk/rightmove.co.uk (undertaken July 2019)

### Income

- 3.10 Workplace earnings across Ashford have risen at a slower rate than the regional and national averages over 20 years, increasing by 52% since 1999 to £26,500 as of 2018. By comparison, wages across the South East increased 65% to £30,800 and across England 67% to £29,900. Earnings data is not published by ONS below District level, however we can compare the socio-economic profile<sup>5</sup> of Tenterden’s workplace population<sup>6</sup> to Ashford’s using the Census, in order to gauge whether jobs in Tenterden are likely to be higher paid than Ashford as a whole. This is shown in Figure 3.4.
- 3.11 The workplace population of Tenterden has a lower socio-economic profile than Ashford as a whole, with a lower proportion in the highest groups (1-3, which include managerial and professional occupations<sup>7</sup>). There is a larger proportion of small employers and own account workers<sup>8</sup> and those in semi-routine occupations<sup>9</sup> in Tenterden than in Ashford, but a slightly lower proportion in routine occupations<sup>10</sup>. On the basis that the socio-economic profile of those who work in Tenterden comprises fewer people in managerial, professional and intermediate occupations (groups 1-3) and more in semi-routine occupations (as shown in Figure 3.4), it

<sup>5</sup> The Census categorises people by Ns-Sec (National Statistics Socio-economic Classification) which contains 8 classes.

<sup>6</sup> For the purposes of socio-economic status of the workplace population, Tenterden is defined as the MSOA Ashford 013 which is a best-fit to Tenterden, because this dataset is only published at MSOA level.

<sup>7</sup> Examples of occupations in groups 1-3 includes lawyers, architects, doctors, chief executives, economists, social workers, nurses, journalists, retail managers, teachers, armed forces, paramedics, police, bankers.

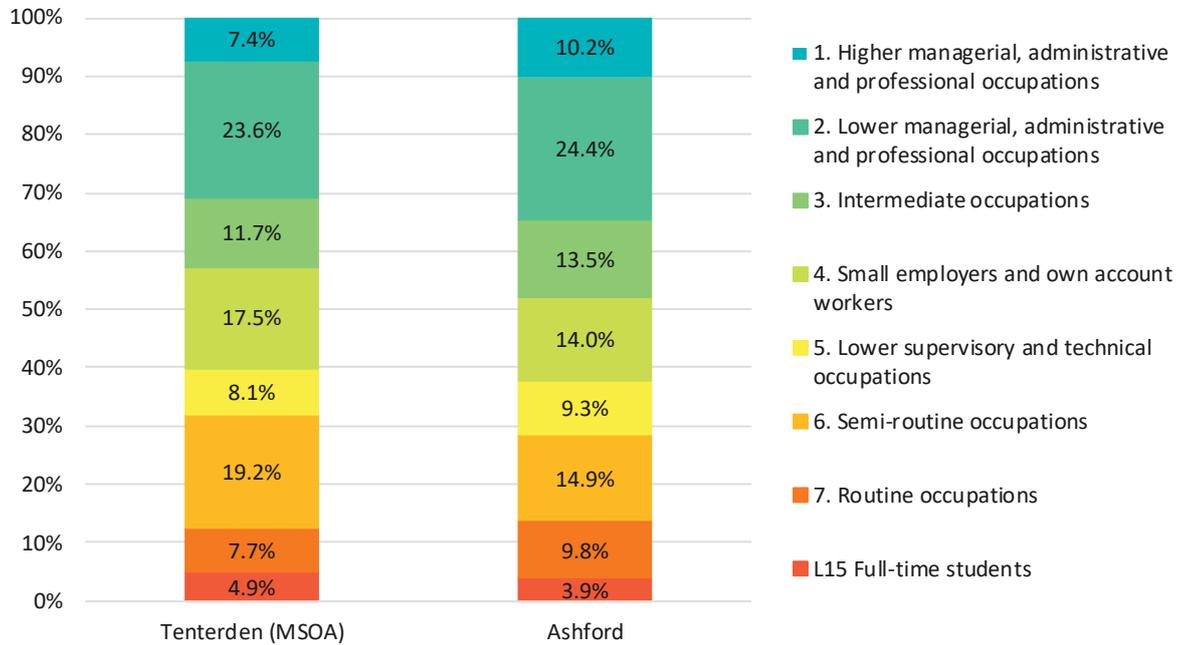
<sup>8</sup> Examples of small employers and own account workers include farmers, shopkeepers, taxi drivers, driving instructors.

<sup>9</sup> Examples of semi-routine occupations include traffic wardens, receptionists, shelf-stackers, care workers, telephone salespeople.

<sup>10</sup> Examples of routine occupations include bar staff, cleaners, labourers, bus/lorry drivers.

would be reasonable to assume that earnings in Tenterden are – if different to the district - slightly lower than Ashford as a whole.

Figure 3.4 Ns-Sec (Socio-economic classification) of workplace population - Ashford and Tenterden (MSOA)

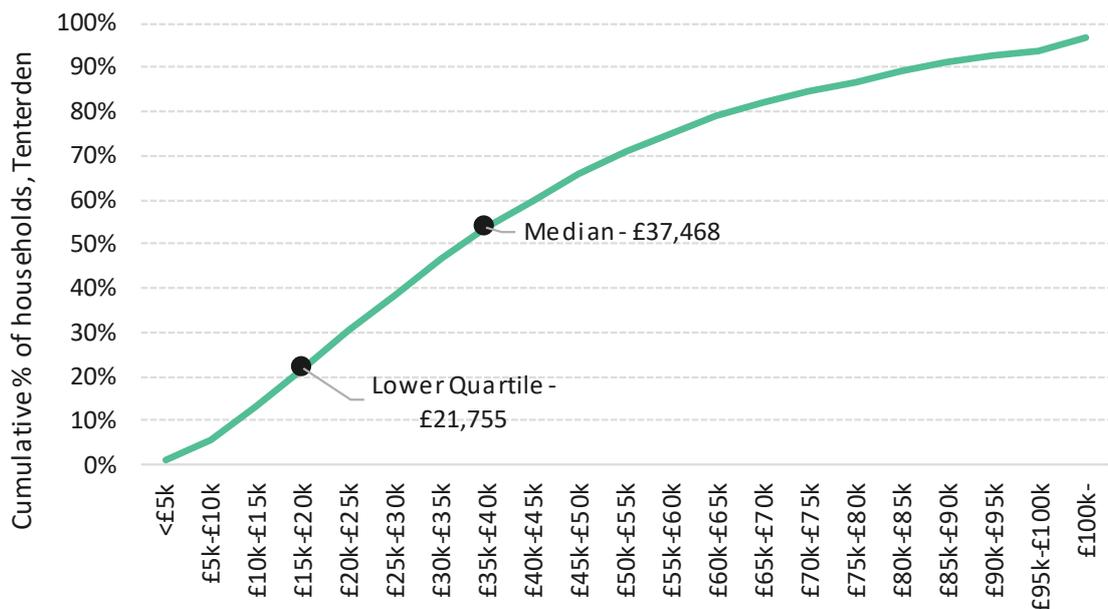


Source: Census 2011 - WP607EW

3.12

Figure 3.5 shows the *household* income profile for Tenterden as of 2019. It shows the lower quartile household income is £21,755 and the median household income is £37,468. These are higher than the national averages of £17,922 and £32,141 respectively.

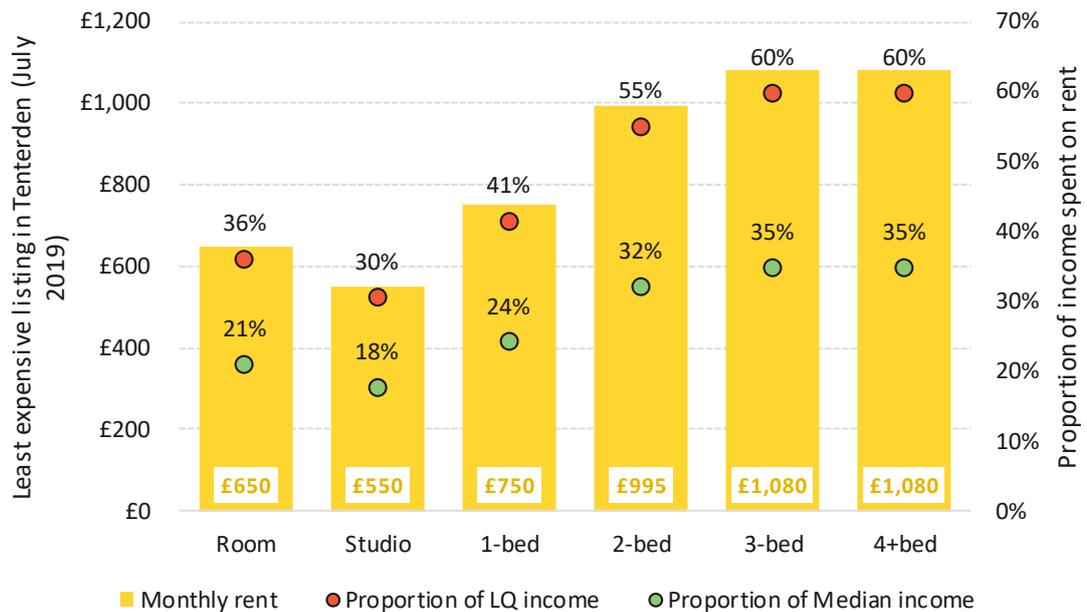
Figure 3.5 Household income profile for Tenterden, 2019



Source: CACI

- 3.13 There are no specific guidelines defining what constitutes ‘affordable’ however we have adopted the same approach utilised in the 2014 SHMA (a common approach adopted widely in SHMAs); that is, a household is considered able to afford market rents where it can spend up to 30% of its income on housing (see SHMA para 7.37).
- 3.14 Figure 3.6 shows – based on the monthly cost of the least expensive properties currently listed for rent in Tenterden by type (as shown above in Figure 3.3) and local incomes - the proportion of income households in Tenterden would need to spend.
- 3.15 This shows that households on median incomes in Tenterden would likely be able to afford most types of housing, however might struggle to afford a 3-4 bed home given this would require 35% of income to be spent on rent. Furthermore, this affordability is based on the least expensive housing in Tenterden and households might struggle to obtain a suitable property to meet their needs if it costs more than the cheapest rent.
- 3.16 Households on lower quartile incomes are unlikely to be able to afford any type of housing except studios, which are unlikely to be suitable for any household other than a single person household (or potentially a couple, if large enough), and certainly not a household containing children. To afford even a 1-bed, 41% of income would need to be spent on rent, rising to 55% for a 2-bed (the minimum needed for any household containing at least one child) and 60% for a 3-4 bed. This is clearly unaffordable.

Figure 3.6 Rental Affordability - Tenterden

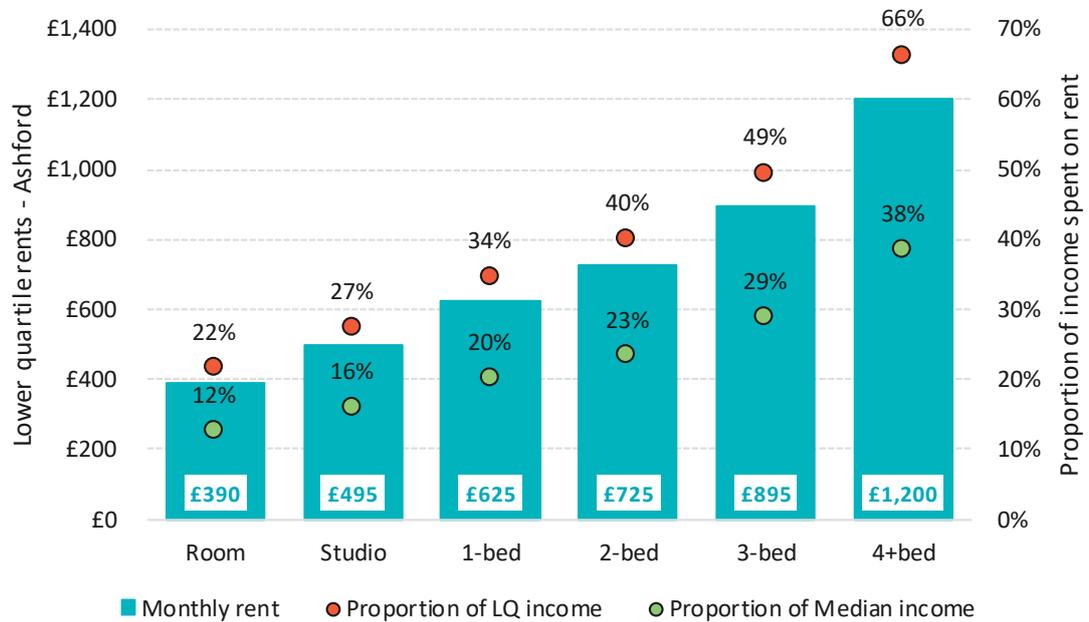


Source: Lichfields based on review of Rightmove/spareroom, CACI, 2014 SHMA

- 3.17 The amount of properties currently listed for rent in Tenterden is relatively small and – it might be argued – not representative of true rent levels in the town. On this basis, we have repeated the exercise using lower quartile rents for Ashford as a whole. This gives an absolute best case scenario in terms of the potential cost of renting in Tenterden, as it assumes that the true cost of renting in Tenterden is on par with the borough average.
- 3.18 Figure 3.7 shows the proportion of local household income for Tenterden spent on rent if rents in Tenterden were aligned with the average for Ashford. Evidently, households on lower quartile incomes would still struggle to afford even a 1-bed, requiring 34% of income to be spent on

housing. Households on lower quartile incomes which had children would need to spend at least 40% of their income to afford a 2-bed, rising to 49% for a 3-bed.

Figure 3.7 Rental Affordability for Tenterden using Ashford Lower Quartile Rents



Source: Lichfields based on review of Rightmove/spareroom, CACI, 2014 SHMA

3.19 Overall this suggests households on lower incomes in Tenterden are likely to struggle to afford housing in the market, especially those with children. Based on properties listed for rent in Tenterden currently, households on lower incomes would need to spend over 40% of their income on rent just to afford a 1-bed. Even if true rents in the town were lower than the values currently listed (and were more in line with the borough average) households on lower incomes in Tenterden would likely be stretched to afford a 1-bed (requiring 35% of income) and would struggle to afford anything larger. This is likely to be a significant barrier to obtaining housing locally for any households on lower incomes with children, particularly lone parents.

3.20 This finding is consistent with one of the findings from a survey undertaken on behalf of Wates by Cratus in July 2019 of the staff of the Tenterden Schools Trust<sup>11</sup>. In this survey one-third of respondents who lived outside Tenterden cited the cost of housing within Tenterden as a reason, with the majority citing cost as a factor which might restrict their next move.

<sup>11</sup> This survey ran from 12<sup>th</sup> July to 25<sup>th</sup> July 2019 and there were 57 responses, representing a 17% response rate.

## 4.0 Affordable housing need in Tenterden

4.1 This section sets out a desk-based assessment of the level of affordable housing need in Tenterden, looking at both affordable rented housing and affordable housing for purchase (e.g. discount market, shared ownership). The PPG sets out a methodology by which planning authorities should assess their affordable housing needs at para ID 2a-018 to 2a-014. In summary, this methodology sets out that plan-makers should:

- 1 Calculate the backlog of affordable housing needs;
- 2 Calculate future newly arising need (in gross terms) based on projected growth and the proportion unable to afford in the market);
- 3 Convert this gross need into a net figure by comparing need with supply (from vacant units brought back into use and re-lets).

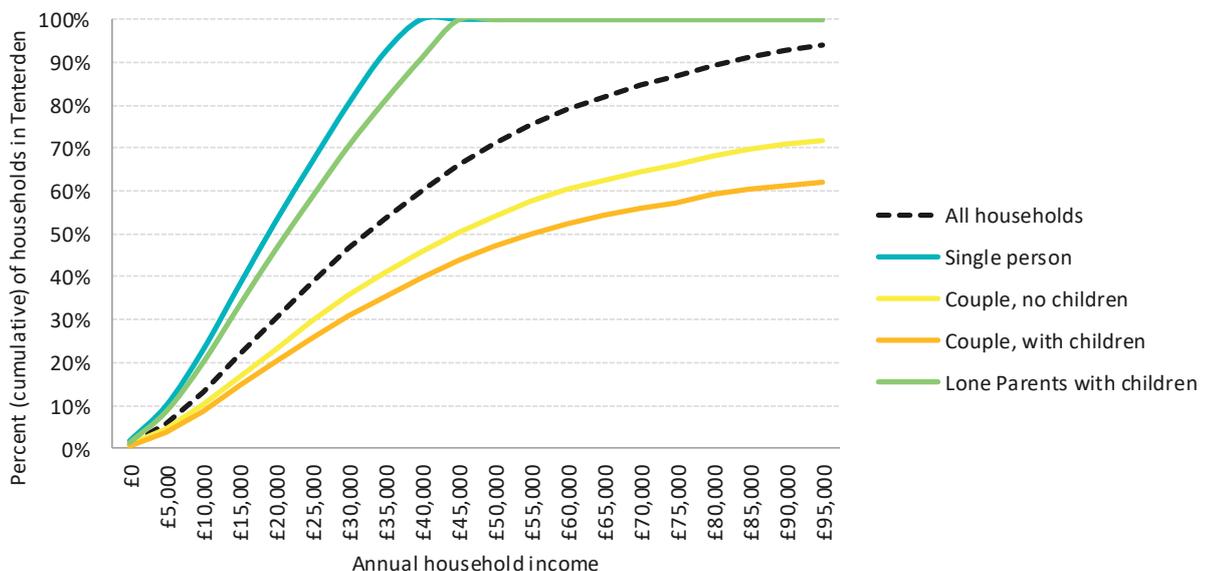
4.2 This calculation relies upon some information which is not available at the sub-district level, hence cannot be replicated exactly for Tenterden. We have therefore followed the methodology as far as possible based on the available data. It should be noted that this methodology does not replicate the approach used in many Parish housing need surveys, which often use a survey-based approach to ask people about their needs. However, it does follow a recognised methodology within the PPG and captures a wider assessment of needs beyond the self-reporting styles of such surveys.

4.3 A local housing needs survey was conducted in Tenterden in Spring 2020 by the Rural Housing Enabler in partnership with Ashford Borough Council and the Tenterden Community Land Trust. We review the findings of this survey in Section 5.0 of this report.

### Context

4.4 The household income profile for Tenterden has been set out in Section 3.0 (Figure 3.5), however incomes – and housing needs - vary based on household type. The English Housing Survey provides information on household income by household type, which can be used to adjust the overall average, as shown in Figure 4.1.

Figure 4.1 Household income profile for Tenterden and adjusted profile based on household types



Source: Lichfields based on CACI and EHS

4.5 For the purposes of this assessment we have used rents and prices data for Ashford for the following reasons:

- 1 Local data for Tenterden is likely to have a small sample size hence is susceptible to being skewed by unusually high or low values; and
- 2 Information on rents suggests that Tenterden is likely to be more expensive than Ashford, meaning that an assessment based on Ashford prices should be treated as a minimum or best-case scenario (i.e. it is highly unlikely to over-estimate need in Tenterden).

4.6 In assessing the affordability of housing, we adopt the following assumptions:

- 1 Households can spend 30% of their gross annual household income on rent before housing becomes unaffordable (this is in line with the Ashford SHMA);
- 2 First-time buyers moving into an affordable home for purchase (e.g. discount market housing) have a deposit of 15.9%<sup>12</sup>. Single income households can borrow up to 4 times their annual income and dual income households can borrow up to 4.5 times their annual income;
- 3 Single person households as a minimum should be able to rent a room or a 1-bed dwelling whilst those looking to buy can be expected to afford a flat;
- 4 Couple households (without children) as a minimum should be able to rent a 1-bed dwelling whilst those looking to buy can be expected to afford a terraced house;
- 5 Couple households (with children) and lone parents with children as a minimum should be able to rent a 2-bed dwelling whilst those looking to buy can be expected to afford a terraced house;
- 6 The number of households by type in Tenterden is drawn from Census data and has been projected forward using growth rates by type set out in the ONS 2016-based household projections for Ashford.

### Future household growth

4.7 The number of households by each of the relevant types in Tenterden as of the 2011 Census is shown in Table 4.1. By applying the rates of projected growth by type for Ashford set out in ONS's 2016-based household projections<sup>13</sup> we can estimate the number of households of each type in Tenterden as at 2019 and in 2030 – this is shown in Table 4.1.

Table 4.1 Households by type - Tenterden - 2011 Census and current/future estimate

	2011 (Census)	2019 (Estimate)	2030 (Estimate)
Single	1,088	1,267	1,509
Couple, no children	591	657	758
Couple, dependent children	596	658	689
Lone parent, dependent children	184	203	213
<b>Total</b>	<b>2,459</b>	<b>2,785</b>	<b>3,168</b>

Source: Lichfields based on Census and ONS. Some household types (e.g. couples with all non-dependent children and 'other' households) are not included hence 2011 Census figure does not total to 3,449.

<sup>12</sup> Source: English Housing Survey Report on First-Time Buyers, Annex Table 3.3 on Percent Deposit, excludes those who had a 100% deposit (i.e. bought outright).

<sup>13</sup> ONS 2016-based Household Projections for Ashford Detailed Data for modelling and analytical purposes, Stage 2 Households by age and household type, mid-2001 to mid-2041, available [here](#).

## Affordable rented need

- 4.8 Table 4.2 shows the annual cost of renting rooms, 1-beds and 2-beds (lower quartile) in Ashford as of March 2019 and the annual income required (assuming 30% of income is spent on rent). Based on the various needs of different households and their incomes, it also shows the proportion of each household type which are unable to afford to rent in the market. It should be seen as a minimum given we have assumed the minimum number of bedrooms a household is likely to need (e.g. couples/lone parents with children needing a 2-bed) whereas some of these households may need more (e.g. a household with several children is likely to need more than 2 bedrooms).

Table 4.2 Cost of renting Lower Quartile Housing by number of bedrooms, income required and percent of households (by type) unable to affordable based on Tenterden incomes

	Cost (LQ, Annual)	Income needed	Household type	% unable to afford
Room	£4,680	£15,600	Single person	40%
1-bed	£7,500	£25,000	Single person	67%
			Couple, no children	30%
2-bed	£8,700	£29,000	Couple, children	30%
			Lone parent, children	68%

Source: Lichfields based on CACI Income Data, VOA Private Rental Market Statistics, Ashford SHMA

- 4.9 Based on the income profile of each household type (shown above in Figure 4.1), the proportion who are unable to afford market rents (using a 30% income threshold, shown in Table 4.2) and the number of households in each type (Table 4.1), we have estimated the number of households in Tenterden who cannot afford to rent in the market<sup>14</sup>.
- 4.10 For single person households, some (primarily under 35s) will only be able to access accommodation in shared housing, whilst others (e.g. older households or those with specific needs) might be able to access 1-bed housing. On this basis, we have shown the total number of households unable to afford to rent in the market based on singles affording either rooms or 1-bed housing. The true figure will fall somewhere *within* this range, because it will not be the case that all single persons will live in shared housing (and hence the lower number), nor will it be the case that all live in 1-bed homes (and hence the higher). In particular, figures at the lower end of the range should be treated with caution as most growth in the number of single person households will be in older age groups, for whom shared accommodation (assuming it is not a specialist form of accommodation) is not suitable.
- 4.11 On this basis, we estimate that as of 2019 there are between 1,031 and 1,373 households in Tenterden which are unable to afford market rents, as shown in Table 4.3. This far exceeds the supply of affordable rented housing at the time of the 2011 Census, which stood at 437<sup>15</sup>. This suggests that the current 'backlog' of affordable housing need could be as high as between c.600 and c.900 in Tenterden, i.e. at present there is a significant shortfall in the amount of affordable housing in Tenterden. In reality this is likely to mean that households in Tenterden are currently either:
- 1 Living free of housing costs (e.g. a proportion of that number will be older households whose mortgages have already been paid-off, so are not 'in the market' and affected by high costs). Based on local income data for Tenterden and data from the English Housing

<sup>14</sup> This is a net figure. Gross household formation estimates (as set out in the PPG) have not been used because data is not available for re-lets at a local level, hence it is not possible to convert gross into net for Tenterden.

<sup>15</sup> There is likely to have been a marginal increase in the amount of affordable housing in Tenterden since 2011; we understand that some affordable units (including shared ownership) have been completed at TENT1A, and the redevelopment of Danemore (completed in 2019) provided a net increase of 1 affordable sheltered housing unit (33 prior to redevelopment, 34 following completion).

Survey<sup>16</sup>, as a proxy suggests this could be up to c.500 of the c.1,600 households in Tenterden who own outright, reducing that 'backlog' need to **c.100 to c.400**.

- 2 Spending more than 30% of their income in order to be able to afford a home in line with their needs;
- 3 Living in overcrowded housing or sub-standard accommodation in order to live affordably; or
- 4 Living as part of other households, e.g. single people or couples/families continuing to live in the family home (also known as concealed families).

4.12 These factors could also affect a households' eligibility to register on the Council's Housing Register, which also explains the discrepancy between our estimate of affordable housing need and the number currently on the register for Tenterden, of 54 households. Measuring need using income thresholds is the method employed in the Council's own SHMA.

4.13 Looking at change to 2030 suggests that the number of households in need of affordable rented housing in Tenterden is likely to increase by between 142 and 207 households. Based on the amount of housing expected to come forward in Tenterden, excluding Wates' proposed scheme, there is expected to be around an additional 200 affordable housing units<sup>17</sup> in Tenterden by 2030. This likely to be enough to meet *additional* need arising over the plan period but would make barely a dent in the total potential amount of backlog which currently exists in the town, which we have estimated to be in the range of 100-400 households. The types of households likely to be in need can also indicate what type of mix might be appropriate for such housing.

Table 4.3 Estimated number of households by type unable to afford market rents in Tenterden - 2011, 2019 and 2030 estimate

	2019	2030	Change
Single Person Households (using 1-bed rents)	845	1,006	161
Couple Households	194	224	30
Couples with children	196	205	9
Lone Parents with children	138	145	6
<b>Total</b>	<b>1,373</b>	<b>1,580</b>	<b>207</b>
<b>Total using room rents for single person households</b>	<b>1,031</b>	<b>1,172</b>	<b>142</b>

Source: Lichfields based on CACI Household Income Data, ONS Household Projections, ONS House Price data and EHS

## Affordable homes for purchase

4.14 In the case of assessing needs of affordable homes for purchase, it is necessary to capture households who are able to afford to rent in the market but are unable to afford to buy. This is because those unable to afford renting are captured in the assessment of affordable rented need, whilst those able to buy in the market without assistance are unlikely to be eligible for forms of affordable housing for purchase. Table 4.4 shows the percent of households by type which are able to afford to rent an appropriate dwelling but are unable to buy in the open market.

<sup>16</sup> English Housing Survey 2015-16 Housing Costs and Affordability Chapter 2 Annex Table 2.1 shows households who own outright have median incomes which equate to 93% of the overall median income (£26,075 compared to £27,987). Applied to Tenterden's income profile suggests 31.1% of households in Tenterden who own outright have an income less than the lower quartile income, of £21,755. Applied to the 1,617 owned outright households in Tenterden suggests 503 households have an income below £21,755, and the remaining 1,114 have incomes above £21,755.

<sup>17</sup> Tilden Gill is expected to provide 35 affordable units (35%) as per 19/00340/AS. TENT1A will provide 63 affordable units (25%) as per 14/00757/AS. We have assumed TENT1B (225 dwellings total) and Pope House Farm (30 dwellings total) provide 40% affordable units each in line with current Local Plan policy HOU1 requirement for 40% (outside Ashford).

Table 4.4 Percent of households 'caught in the gap' between being able to afford renting and buying a house based on Tenterden incomes

	Gap between...	% households falling within gap
Single Person Households	Renting a 1-bed and buying a flat	6%
Couple Households	Renting a 1-bed and buying a terraced house	12%
Couples with children	Renting a 2-bed and buying a terraced house	7%
Lone Parents with children	Renting a 2-bed and buying a terraced house	24%

Source: Lichfields based on CACI Household Income Data, ONS Household Projections and ONS House Price data

- 4.15 Based on these proportions and the projected number of households by type set out in Table 4.1, we can estimate the number of households each year which will fall between the 'gap' of renting and buying. However, this does not represent the total need for affordable housing for purchase each year, since not all households in the private rented sector necessarily want to move into home ownership (either at all, or in the near future). Some households may not want to move into ownership due to not having secure employment or income, not wanting to be in debt, the cost of repairs and maintenance, not wanting the commitment/preferring the flexibility of renting and liking their current accommodation.
- 4.16 Based on data from the English Housing Survey, we can estimate the total number of buyers we might expect to buy each year (by household type) based on:
- 1 The proportion of households who expect to buy in the near future; and
  - 2 The proportion of households who do not expect to buy in the near future, but cite affordability as the main reason for this (i.e. if the affordability barrier were removed, would be expected to buy a home).
- 4.17 Based on the annual rate at which households buy housing and the number of households in each year who fall in the 'gap' between renting and buying, we would expect there to be demand in Tenterden for a total of **215 affordable homes for purchase to 2030**, or an average of 17 per annum. This need broken down by type is shown in Table 4.5. Around one-third of this need is expected to be for families, around one-third for couples without children and around one-third for single person households.

Table 4.5 Estimated demand for affordable homes for purchase - Tenterden 2019-30

	Demand for affordable homes for purchase 2019-30	
	Average per annum	Total
Single Person Households	5	71
Couple Households	5	70
Couples with children	3	35
Lone Parents with children	3	39
<b>Total</b>	<b>17</b>	<b>215</b>

Source: Lichfields analysis. \*May not sum due to rounding.

## Summary

- 4.18 For Tenterden we have looked at the number of households unable to afford renting or buying in the market, albeit this is likely to be a minimum because our assessment assumes (best case scenario) that the cost of housing in Tenterden is in line with the Borough average, whereas the evidence actually suggests the cost of housing in Tenterden is typically higher. The Housing Register shows 54 households in need living in Tenterden and over 500 in total, including those expressing Tenterden as an area of choice. Even so, the waiting list number for Tenterden likely

to conceal the ‘true’ amount of affordable housing needs, and some households are likely to be living in sub-standard housing, with other households or be spending more than 30% of their income on housing in order to live in housing in line with their needs. This current backlog could be between c.100-400 homes. Our estimate of demand for affordable homes for purchase in Tenterden amounts to 215 homes to 2030, based on households who can afford to rent but not to buy.

Table 4.6 Summary of assessment of affordable housing needs for Tenterden

		Number
<b>Affordable rented needs</b>		
Current	Number of households on Council’s Housing Register (living locally)	54
	<b>Lichfields estimate of current net need (backlog), taking into account stock (437)</b>	<b>c.100-400</b>
Projected need	Net increase in need 2019-30	142-207
	Estimated future supply (excluding Wates’ scheme)	200
<b>Affordable homes for purchase</b>		
Projected demand	Single Person Households	71
	Couple Households	70
	Couples with children	35
	Lone Parents with children	39
	<b>Total</b>	<b>215</b>

Source: Lichfields

- 4.19 This would indicate a total affordable housing need for the Tenterden area over the period to 2030 of c.465 dwellings, comprising:
- Around 250 net new affordable rented homes, based on a mid-point between our current estimate of backlog being c.100-400 (assuming future newly arising need is broadly met by current commitments); and
  - 215 net new affordable homes for purchase (e.g. discount market sale or shared-ownership).
- 4.20 Wates’ proposed scheme would go a significant way to meeting some of this identified shortfall, providing up to 58 affordable homes in Tenterden across a range of tenures, including affordable rent and affordable homes for purchase (such as shared ownership). Notwithstanding, even with this additional provision there is likely still to be a shortfall in affordable housing provision in Tenterden, reflecting the scale of current need (backlog) in the town.

## 5.0 Tenterden Housing Needs Survey

### Background

- 5.1 In March 2020 the Rural Housing Enabler undertook a local housing needs survey in Tenterden. The findings were published in June 2020.
- 5.2 Just under 4,000 surveys were distributed across Tenterden and St Michaels, with households asked to respond to the survey if they had a housing need. The survey achieved a 4% response rate with 143 surveys being returned; the findings acknowledge that this rate is low partially because only those with a need were asked to respond however the survey also took place shortly after initial lockdown measures related to the Covid-19 pandemic were introduced which could have suppressed the response rate.

### Findings

- 5.3 The survey identified a need for total of 115<sup>18</sup> homes across a range of tenures, which we consider in turn below. The vast majority of these households are in immediate or short-term need.

### Affordable housing

#### Younger households

- 5.4 The survey identified a need for **46 affordable homes for younger households**; 15 single people, 8 couples and 23 families (representing half of all households in need). Of these households, 46% currently live in privately rented housing and 33% live with relatives. The majority (64%) earn less than £30,000 per annum and a significant proportion (55%) are in the 25-29 age group. Interestingly, 74% are not registered on Ashford Borough Council's housing register, indicating that the scale of affordable housing need is likely to be significantly above that recorded by the Council.
- 5.5 Of the 46 households in need, 35 are currently living in Tenterden and 11 are living outside Tenterden but have local connections to the town.

#### Older households

- 5.6 In addition to the 46 affordable homes needed for younger households (as set out above) the survey also identified an additional need for **13 affordable homes for older people**. All older people in need of affordable housing currently live in Tenterden. The need to move due to age/infirmity was the most commonly cited reasons for respondents needing a new home.

### Market and Shared Ownership housing

#### Younger households

- 5.7 The survey found 9 respondents who were younger households seeking to buy housing on the open market however the income information provided indicated those households would be unable to do so, in which case the survey identified **7 as requiring shared ownership and 2 requiring market rented** housing.

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<sup>18</sup> The 115 identified need is less than the 143 survey responses because some responses were immediately discounted on the basis that the respondent did not appear to be in housing need while other respondents indicated they were in need of housing but indicated they did not wish to remain in Tenterden.

### Older households

5.8 The survey identified a total of 60 older households in need of housing, of which **47 are in need of open market housing** which is specifically suited to older people. The need to move due to age/infirmity was the most commonly cited reasons for respondents needing a new home, with the next most frequent responses being that the present home was too expensive and that a smaller home was needed.

### Summary

5.9 Table 5.1 summarises the findings of the Tenterden Housing Needs Survey. It identifies a total affordable (rented) housing need of 59 homes, plus an additional 7 shared ownership homes. It also identifies a need for market housing for older people to allow for downsizing and to better reflect their needs (e.g. bungalows).

Table 5.1 Summary of findings - Tenterden Housing Needs Survey June 2020

	Affordable housing		Market/Shared Ownership housing	
	Younger households	Older households	Younger households	Older households
Identified need	46	13	9 (of which 7 SO)	47

Source: Tenterden Housing Needs Survey Report of Findings June 2020 (available [here](#))

5.10 The survey’s findings indicate a lower affordable housing need in Tenterden than Lichfields’ assessment (set out in Section 4.0). However, this is not surprising, and it should be noted that:

- As acknowledged in the survey findings, responses to the survey were potentially unduly low due to the restrictions on travel which were in place when it was conducted (despite the closing date for the survey being extended);
- The method used by Lichfields reflects the approach set out in the PPG which is intended to assess all households based on the local household income profile and local housing costs. This is intended to capture all households who are spending an unaffordable amount of their income on rent. These households may not self-identify as being in affordable need, for example because they have become used to spending a high proportion of their income on rent, have become accustomed to their accommodation arrangements or because they believe they may not be eligible for affordable housing (hence do not put themselves on the Council’s Register or respond to local surveys looking at affordable housing need); and
- Lichfields assessment of future need covers the period to 2030 (i.e. the end of the plan period). Needs in the later part of this period may not be able to be identified in a survey which provides a snapshot in time and is limited to assessing need in the very near future based on households which already exist and are living in Tenterden and their circumstances at the current point.

## 6.0 Summary and Conclusions

- 6.1 Based on the Council’s own estimate of need and expected supply, there is a shortfall of 1,716 affordable homes as of 2018 across the borough and by 2030 this shortfall could increase to 2,039 units. However, these figures are likely to be under-estimates.
- 6.2 Between 2001 and 2011 there was no increase in the number of affordable rented households in Tenterden (despite growth across Ashford) and as of 2011 the proportion of affordable rented households in Tenterden is lower than across Ashford. Furthermore, rental affordability is likely to be worse in Tenterden given that even the cheapest homes for rent currently listed in the town exceed even the upper quartile rents for Ashford. A household in Tenterden on a lower quartile income is unlikely to be able to afford any type of housing except a studio and would need to spend 41% of its income on rent. Families on lower incomes are clearly likely to find renting in Tenterden to be unaffordable.
- 6.3 Our assessment indicates that future supply of affordable rented housing (from new development) in Tenterden might be sufficient to meet the net *increase* in need, however our assessment – ranging from c.100-400 - suggests the scale of *current* need exceeds the 54 households on the register and the need for 59 affordable homes identified in the Tenterden Housing Needs Survey. Our estimate exceeds the number on the Council’s housing register and identified in the survey because many households will adjust their living circumstances to make housing affordable<sup>19</sup>.
- 6.4 Looking at the need for affordable homes for purchase, which captures households who are able to afford to rent but unable to afford to buy, we estimate there could be demand for 215 affordable homes for purchase (e.g. discount market or shared ownership) in Tenterden to 2030, as shown in Table 6.1.

Table 6.1 Summary of Lichfields affordable housing needs assessment for Tenterden

		Number
<b>Affordable rented needs</b>		
Current	Number of households on Council’s Housing Register	54
	<b>Lichfields estimate of current backlog, taking into account stock</b>	<b>c.100-400</b>
Projected need	Net increase in need 2019-30	142-207
	Estimated future supply(excluding Wates’ scheme, but includes Tent1A, Tent 1B, Tilden Gill and Popes House Farm)	200
<b>Affordable homes for purchase</b>		
Total		<b>215</b>

Source: Lichfields analysis

## Conclusions

- 6.5 There is currently a shortfall in affordable housing delivery across Ashford, which is likely to increase to 2030. In Tenterden, whilst existing commitments are likely to provide enough affordable housing to meet newly arising need in the town, there is a significant backlog of affordable rented housing; we estimate this backlog could be in the region of **c.100-400 households, of which c.250 would represent an appropriate mid-point**. In addition

<sup>19</sup> Households might also not be eligible for council housing and/or might choose not to place themselves on the register.

to this, we have identified a need for **c.215 affordable homes for purchase** in the town. Wates's proposal at Appledore Road would go a significant way to meeting this need, providing up to 70 affordable homes in a variety of tenures.



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