

Housing Need Note – Eagle Quarter II (November 2023)

This note has been prepared to set out the housing need in Newbury/West Berkshire.

Policy

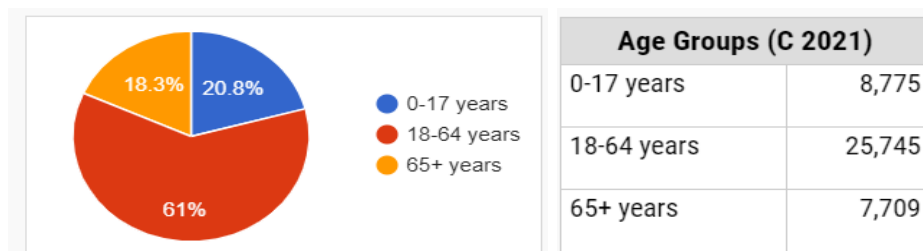
At a national level, the NPPF (2023) sets out a social objective to support strong, vibrant, and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations.

The Council's latest Annual Monitoring Report (2022) advises that under the Government's standard housing methodology, the Council's housing need is 513 units per annum. The Core Strategy requirement is 525 units per annum.

The Proposed Submission West Berkshire Local Plan Review 2022 – 2039 sets out that provision will be made for 8,721 to 9,146 net additional homes in West Berkshire for the period 1 April 2022 to 31 March 2039; 513 to 538 dwellings per annum. The policy is clear that the target figure of 538 dwellings per annum does not constitute a ceiling or cap to development.

Demographics

According to the 2021 Census¹, the breakdown of age group of Newbury is 62% 18-64 years, 20.8% 0-17 years and 18.3% 65+ years.



The above demonstrates that a large proportion of those who live in the Newbury area are in an economically active age group.

Private Rented Accommodation

The latest Strategic Housing Market Assessment (SHMA) (2016) demonstrates that that over time the percentage of all households who own their home fell significantly between 2001 and 2011 based on census data, and over the same period there has been a substantial growth in the private rented sector.

The AMR provides a more up-to date position and states that *“House prices in West Berkshire remain higher than those for the southeast region and country as a whole. This has led to a shortage of affordable homes for local people and key workers, which is reflected in the increase in the percentage of households now living in private rented accommodation.”*

¹ https://citypopulation.de/en/uk/southeastengland/west_berkshire/E63005168_newbury/

Furthermore, the Housing Background Paper (2023) consulted letting agents in West Berkshire with the aim of understanding the current market conditions and the impact that Covid-19 has had on the lettings market. It states that:

“All agents confirmed that despite pandemic restrictions, the lettings market in the area has remained very strong with the majority of properties letting within a matter of days. Agents are always looking for new stock and noted that many tenants are choosing to stay in the property instead of moving elsewhere. Across the District, new tenants were generally seeking properties with a larger living space in order to work from home. Properties with outside space were popular in most places but not considered essential - particularly in Newbury...”

The profile of tenants remains very similar to that pre-pandemic centred on younger families and professionals. Newbury was considered a particularly popular location alongside Theale. Although this was stated to have always been the case, one agent believed that this had become more noticeable.”

The Paper recognises that *“Ensuring new residential development provides a good mix of smaller homes will help to meet the needs of newly forming households, families and older households wishing to downsize. There is a desire to move away from providing ‘large executive style housing’ that does not necessarily meet local needs.”*

In terms of private rented accommodation, the report notes that this can play a key role in meeting housing need. It states:

“Whilst the PRS does not fall within the types of affordable housing set out in the NPPF (other than affordable private rent which is a specific tenure separate from the main ‘full market’ PRS), it has evidently been playing a role in meeting the needs of households who require financial support in meeting their housing need.

*It is also worth reflecting on the NPPF (Annex 2) definition of affordable housing. This says: ‘Affordable housing: housing for sale or rent, **for those whose needs are not met by the market**’ [emphasis added]. Clearly where a household is able to access suitable housing in the private rented sector (with or without Housing Benefit) it is the case that these needs are being met by the market (as within the NPPF definition). As such the role played by the private rented sector should be recognised – it is evidently part of the functioning housing market.*

Unit Size

The SHMA (2016) sets out that based on the 2011 census, the breakdown of household size in West Berkshire was 25.9% 1 person, 36.3% 2 person, 16.3% 3 person, 15.2% 4 person, and 6.3% 5 person.

The SHMA sets out that for the Western Berkshire HMA, the recommended housing mix for market is 5-10% 1 bed, 25-30% 2 bed, 40-45% 3 bed, and 20-25% 4+ bed. The SHMA sets out that based on the evidence, it would be expected for the focus of new market housing provision to be on two and three-bed properties.

The Council’s Annual Monitoring Report: Housing (2022) sets out that the average household size in 2021 was 2.4 compared to 2.3 for England and Wales in West Berkshire.

The Housing Background Paper (2023) provides a more up-to-date position and sets out a higher need for 2-beds (40-45%), rather than 4-beds. It states that *“For open market homes it recommends the main focus should be on 2 and 3 bedroomed homes.”* The suggested unit mix in the Paper is as follows:

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|-----------------------------|-----------|------------|------------|-------------|
| Market | 5-10% | 40-45% | 35-40% | 10-15% |
| Affordable home ownership | 20-25% | 45-50% | 20-25% | 5-10% |
| Affordable housing (rented) | 30-35% | 35-40% | 20-25% | 5-10% |

The Background Paper goes on to state that ensuring that *“new residential development provides a good mix of smaller homes will help to meet the needs of newly forming households, families and older households wishing to downsize. There is a desire to move away from providing ‘large executive style housing’ that does not necessarily meet local needs.”*

Eagle Quarter II

The above evidence from the Local Plan Review examination documents demonstrates that there is a demand for rental accommodation, particularly in Newbury. It is also acknowledged that there is high demand for 2-bedroom flats in particular, including in flatted developments.

The proposed Eagle Quarter II development comprises 426 build to rent residential units in a flatted development, which will include the following unit mix breakdown:

| No. of bedrooms/dwelling type | No. of dwellings |
|-------------------------------|------------------|
| Studio | 42 (9.9%) |
| 1 bedroom apartment | 181 (42.5%) |
| 2 bedroom apartment | 188 (44.1%) |
| 3 bedroom apartment | 15 (3.5%) |
| Total | 426 |

The proposed unit mix is in line with the Council’s and Government’s objectives and will increase housing supply in the urban area of Newbury on a brownfield site with excellent public transport links, near shops and services.

The proposal will help to meet the growing evidential demand in the private rental sector and provide a range of housing and unit sizes ranging from studio to 4 bed units with a larger focus including 2-beds. The built form being flats is considered acceptable given the town-centre, urban location.

In conclusion, the proposals will assist in meeting the Council’s housing needs.