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Windmill Court, Mortimer – Housing Need Report

Affordable Housing and Specialist Housing

Iceni Projects Limited on behalf of
Sovereign Housing Association

December 2022

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**Windmill Court, Mortimer – Housing
Need Report**
AFFORDABLE HOUSING AND SPECIALIST HOUSING

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1. EXECUTIVE SUMMARY

- 1.1 Iceni Projects has been appointed by Sovereign Housing Association to examine the demand for older persons accommodation and the need for affordable housing in the village of Mortimer in West Berkshire.
- 1.2 This is in support of their proposed redevelopment of Windmill Court which is a 34 unit affordable age-restricted housing scheme. An age restricted scheme is a general market housing development built specifically for over 55s. It differs from other forms of housing for older people, such as sheltered and extra-care in that it does not provide any support or care. The current proposal is to redevelop the site to provide an affordable housing led development of general needs homes cross-subsidised by open market accommodation.
- 1.3 Despite concerted efforts properties at Windmill Court have been extremely difficult to let for and number of years and prior to announcing plans to redevelop the site eight units (25%) were empty. Sovereign have found the accommodation hard to let primarily due to a lack of demand for an age restricted housing scheme in this location.

Mortimer Profile

- 1.4 In 2020, the population of the Burghfield & Mortimer ward was estimated to be 10,429 and has been declining since 2016. This is despite over 200 homes being delivered in Mortimer in the last 10 years.
- 1.5 In comparison to the wider district, the village has an above average percentage of population aged 35-64 and linked to this an above average school aged population. The village also has a marginally above average population aged over 65. In comparison to the wider district, Mortimer also has an over representation of families with dependent children, families and single person households where all members are over 66.
- 1.6 In contrast, there is a smaller percentage of households in Mortimer that are comprised of single people aged under 65 and "Other:Other" households which include student households and HMOs.
- 1.7 The vast majority of households in Mortimer (69.1%) are owner occupiers although this is slightly below the rest of West Berkshire (69.7%) but above the rest of the South East (37.6%). This increases with age
- 1.8 Private renting in Mortimer is below the rest of the district (15.4%). In contrast, social renting is higher in Mortimer (15.3%) than in the rest of West Berkshire (13.8%).

- 1.9 As of 2021 there were 2,327 dwellings in Mortimer (MSOA). In comparison to West Berkshire there is a high percentage of detached and to a lesser extent semi-detached homes.
- 1.10 There has been a recent spike in development in the village, including a 110 unit scheme which is currently under construction which includes 44 affordable units.

Affordable Housing Need

- 1.11 Since the start of 2021 the lower quartile sales price in the village is £366,250 and the median value of £471,500. This is above the equivalent values for the district by 26% and 29% respectively.
- 1.12 Lower quartile rent in the village (across all dwelling sizes) are estimated to be £1,020 per month rising to a median of £1,145 per month. This is around 28% and 21% higher than the respective West Berkshire figures.
- 1.13 Around 12% of households in the village have an income below £20,000. The lower quartile household income is around £34,700 and the median income is around £54,000. These are 29% and 16% higher than the equivalent values for the District.
- 1.14 Housing affordability is therefore similar to the wider district, albeit with higher rents and sales prices matched by higher incomes.
- 1.15 To afford a £1,020 pcm rent, this would require a gross household income of about £40,800 to be affordable.
- 1.16 To be able to buy a house in Mortimer the household income would need to be around £73,325 for it to be affordable.
- 1.17 Excluding existing equity and savings and based on the distribution of incomes in the Village, only around 31% of households could afford to purchase a home while around 65% could afford to rent.
- 1.18 Based on our calculations, there is a net annual need for between 8 and 14 affordable homes to rent in Mortimer. These figures are around 12% to 20% of all need within the Eastern Sub-Area.
- 1.19 Whilst the need above is for the village it should be remembered that affordable need can be met across the District as and when opportunities arise, and so specific village data should not be treated as a local target. For example areas where there is no capacity to deliver affordable homes could require Mortimer or other areas to deliver this.

- 1.20 Based on the waiting list, around 66% of younger age groups require a one or two bed home although the wider mix would see a higher percentage of smaller homes.
- 1.21 However, as Mortimer is a village location in a more expensive location, then it would be reasonable to assume that a greater mix of family housing is required.

Older Persons Need

- 1.22 The population aged over 75 in Mortimer is expected to increase by around 395 people over the period to 2032. In contrast, the population aged less than 65 is expected to decline.
- 1.23 Our modelling suggests over the period to 2032 there will be a net need for 11 units of age-restricted accommodation of which three would be market and eight would be affordable.
- 1.24 If the existing Windmill Court accommodation were included within the supply then there would be a surplus of 26 affordable units. This would suggest that Windmill Court is meeting wider needs than just the village.
- 1.25 While this report suggests that a small quantitative need (once Windmill Court is removed) there is no obligation for anyone to live in this type of accommodation. Hence while this level of need is identified there remains a high level of voids (25%) in the scheme illustrating low demand.
- 1.26 This can be further evidence by the amount of time it has taken to fill voids at the scheme. It is normally the case that a void property is re-occupied within nine days, however on average during the period 2015 – 2020 the average length that a property was void was 44 days. It has not been uncommon for homes at Windmill Court to be empty for 80 to 120 days. Sovereign have consistently advertised vacancies at Windmill Court locally and nationally including using Zoopla and Gumtree but have found a lack of demand and interest.
- 1.27 A lack of demand for age-specific accommodation is not specific to Windmill Court, even Sovereign's flagship developments in the centre of Newbury and elsewhere within the district struggle to fill voids. This is despite those schemes obvious benefits in comparison to Windmill Court. For example, an older persons housing scheme in Lambourn, managed by Sovereign, several units have taken approximately 6 months to re-let, and in one case a home was empty for 12 months. With regards to the schemes in Newbury, Sovereign has regularly had to advertise empty homes to find new tenants.
- 1.28 In March 2022 prior to the announcement that Sovereign intended to redevelop Windmill Court, there were only two eligible households seeking older persons accommodation in Mortimer. But neither were actively bidding for suitable accommodation which meets their need.

- 1.29 Many of Windmill Court's residents do not require age-specific accommodation and only live there through circumstance and a lack of choice. Others do not even have a connection to the area. This can be highlighted by the relatively low number of new tenants during the 2015 – 2020 period who came from the West Berkshire Housing Register compared to the those that identified a vacancy by viewing an advertisement on Gumtree etc, who are likely to have come from locations outside of Mortimer and potentially outside of the district.
- 1.30 Sovereign are helping facilitate a range of alternative accommodation options for Windmill Court residents. This includes equivalent accommodation owned and managed by Sovereign, and nearby schemes. Sovereign are also conducting an exercise to see if there are any potential vacancies in the existing stock of bungalows within Mortimer.

2. INTRODUCTION

- 2.1 Iceni Projects have been appointed by Sovereign to examine the demand for older persons accommodation and the need for affordable housing in the village of Mortimer Common (referred to as Mortimer) in West Berkshire. This is in support of their proposed redevelopment of Windmill Court which can be found in the same village.
- 2.2 The village of Mortimer lies in the South East corner of West Berkshire district approximately 11 miles east of Newbury and 6 miles south west of Reading. Windmill Court is on the northern edge of the village (see map below).

Table 2.1 Location of Windmill Court.



Source: Iceni Projects based on OS and Google Data

- 2.3 Windmill Court is a 34 units scheme of affordable age restricted housing. Despite concerted efforts properties have been extremely difficult to let for some years and in March 2022 eight units (25%) were currently empty. Sovereign have found that demand and need for the accommodation is low, as such they are proposing to redevelop the site.

2.4 The current proposal is to redevelop the site for affordable housing with the inclusion of open market units to ensure that the development is financially viable. The focus has been to provide family homes to meet the need for this type of accommodation. Both the affordable and market elements will be general housing.

2.5 Following this introduction the remainder of this assessment examines:

- Background and policy context
- Examines the population of Mortimer in the West Berkshire and Regional context
- Assesses Affordable Housing Need in the Village
- Examines the demand for specialist housing for older people in the village and the alternative supply.

3. BACKGROUND AND POLICY CONTEXT

- 3.1 Built in the 1980s, Windmill Court is a single storey block comprising 34 bedsits and one/two-bedroom flats, in addition, one more bedsit is maintained as a guest room. The development is restricted to residents over the age of 55.
- 3.2 As well as the residential elements there is a small communal kitchen, communal lounge, communal laundry, and hairdressing room which is no longer used due to lack of interest from residents.
- 3.3 Windmill Court was originally developed as an extra care scheme for the elderly, but became age restricted housing on agreement with West Berkshire Council partially as a result of changes to the Supporting People grant regime.
- 3.4 The site has struggled in recent years to fill void units despite a notional need for older persons accommodation as well as a long waiting list for housing. The site owners put this down to a number of reasons including the site becoming outdated and both the communal and private areas are small and old-fashioned. Consequently the site no longer meets the expectations or aspirations of potential residents. In addition, Sovereign have not witnessed a strong demand for older persons accommodation in Mortimer.
- 3.5 The site requires substantial maintenance and refurbishment in order for it to be in continued use. This includes replacing two costly and inefficient oil fired boilers which provide communal heating to the scheme. There is also an obligation to provide households with bills based on their own usage. This can only be achieved through a new heating system. In addition the site is due for a new roof.
- 3.6 In order to carry out this maintenance, major disruption will need to occur with residents having to be decanted off-site for a period of up to three months. The capital investment required to undertake this work will also not resolve the wider quality issues and therefore may not resolve the levels of voids.
- 3.7 Consequently, the site owner Sovereign Housing, who are a registered provider, wish to redevelop the site to provide modern housing that will meet the needs of the local population both now and in the future.
- 3.8 The proposed scheme is an affordable housing led development including an element of open market homes to cross-subsidise the provision of affordable accommodation 9 market homes will be delivered.

- 3.9 The site will be a mixture of homes and flats with ground floor flats being suitable for elderly residents and those that require a wheelchair. The homes will also be built to Sovereign's Homes and Place Standard, ensuring good and lasting designed and fit for the long term.
- 3.10 Despite proposing a lower number of properties overall, the new scheme will accommodate more residents as they will incorporate housing for families.

Policy Framework

- 3.11 West Berkshire has an adopted Core Strategy from 2012 and had prepared a draft Local Plan Review in 2021 although this later document holds only limited weight. Regardless the relevant policies in both documents are the same. These includes:

Policy SP12: Approach to housing delivery

- There should be no net losses from the existing stock of homes.
- Existing homes should be retained in residential use (or replaced at least in equal numbers, normally on the proposed site), unless there is a reasoned justification in the form of a benefit to the wider community for a change of use.
- Developments should utilise opportunities to make better use of the existing housing stock.

Policy SP19: Affordable housing

- The following levels of affordable housing provision will be sought by negotiation:
 - On development sites of 10 dwellings or more (or 0.5 hectares or more), 30% provision on previously developed land and 40% on greenfield land;
 - On development sites of between five and nine dwellings, 20% provision.
- The Council will seek a tenure split of 70% social rented and 30% for affordable home ownership but will consider the identified local need and the site specifics, including funding and the economics of provision.

Policy DC18: Specialist housing

- There is a presumption in favour of new housing designed to meet the needs of those with identified support or care needs where:
 - Housing meets a proven locally identified need for the specific housing product being proposed; and
 - The location is appropriate, in terms of accessibility of facilities, services and public transport.
- Planning permission for extensions or alterations to existing specialised housing will be permitted where:

- The activities and/or operations associated with the development do not cause unacceptable harm to the amenity of neighbours, through increased noise and disturbance or obtrusive light; and
- Due regard is given to the design of the development, considering the needs of the end users, particularly regarding on-site accessible outdoor spaces and provision of a satisfactory outlook for all residents.

4. DEMOGRAPHIC AND SOCIO-ECONOMIC INDICATORS

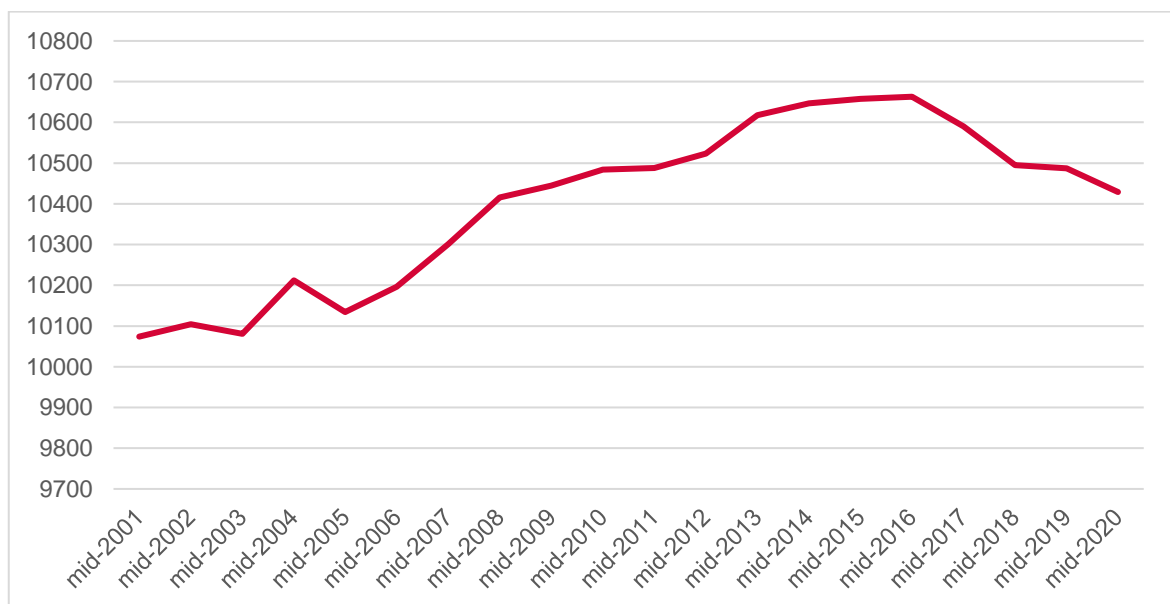
4.1 This section of the report provides a description of the current demographic and socio-economic indicators in Mortimer to provide a baseline assessment for the consideration of the impacts of the proposed development at the local and wider level.

4.2 We have used a range of different geographies depending on the availability of data. This includes the Burghfield and Mortimer Ward and the MSOA West Berkshire 022 (E02003388) which extends to much of the rural area surrounding the village including Beech Hill but not Burghfield.

Population

4.3 In 2020 the population of the Burghfield & Mortimer ward¹ was estimated to be 10,429. This was around 60 people less than the 2011 census and the population has been declining since 2016 when the population of the ward peaked at 10,663. Although over the longer term the population has increased from by around 302 since 2001.

Table 4.1 Population of Burghfield and Mortimer Ward (2001-2020)

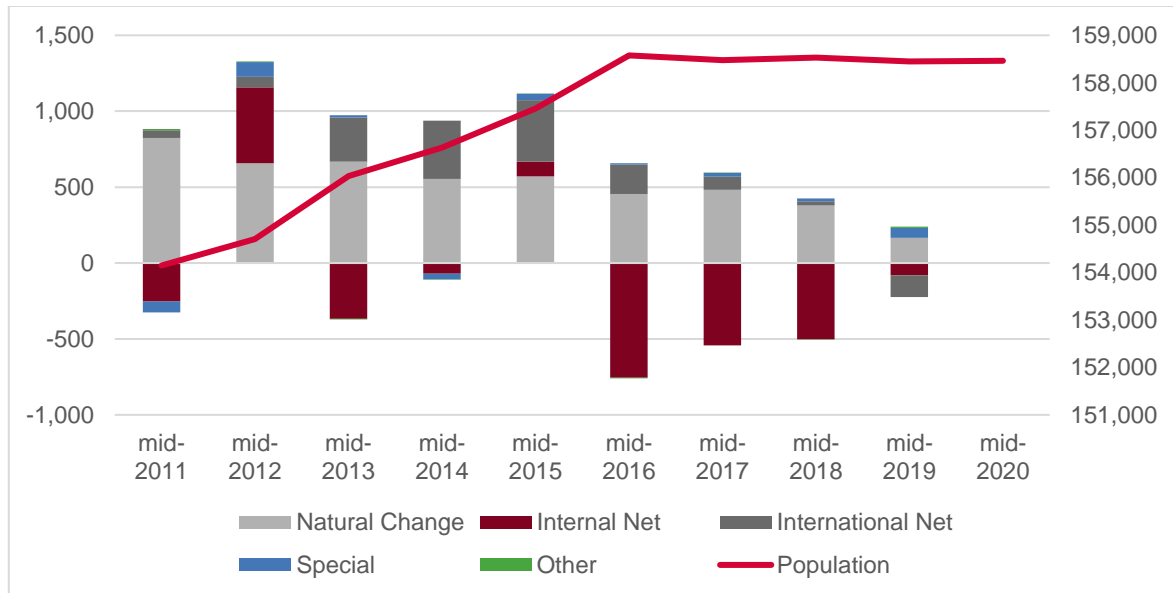


Source: ONS, mid-year population estimates, 2021

¹ For comparison the MSOA West Berkshire 022 (E02003388) has a population of 6,040 people as of the 2021 Census.

4.4 Over the last 10 years the West Berkshire population growth has been driven by natural change but that is now declining and the population is flatlining. We are also seeing net out migration from the district. Both of these can be linked to affordability issues.

Table 4.2 Components of Population Change (2011-2020) – West Berkshire

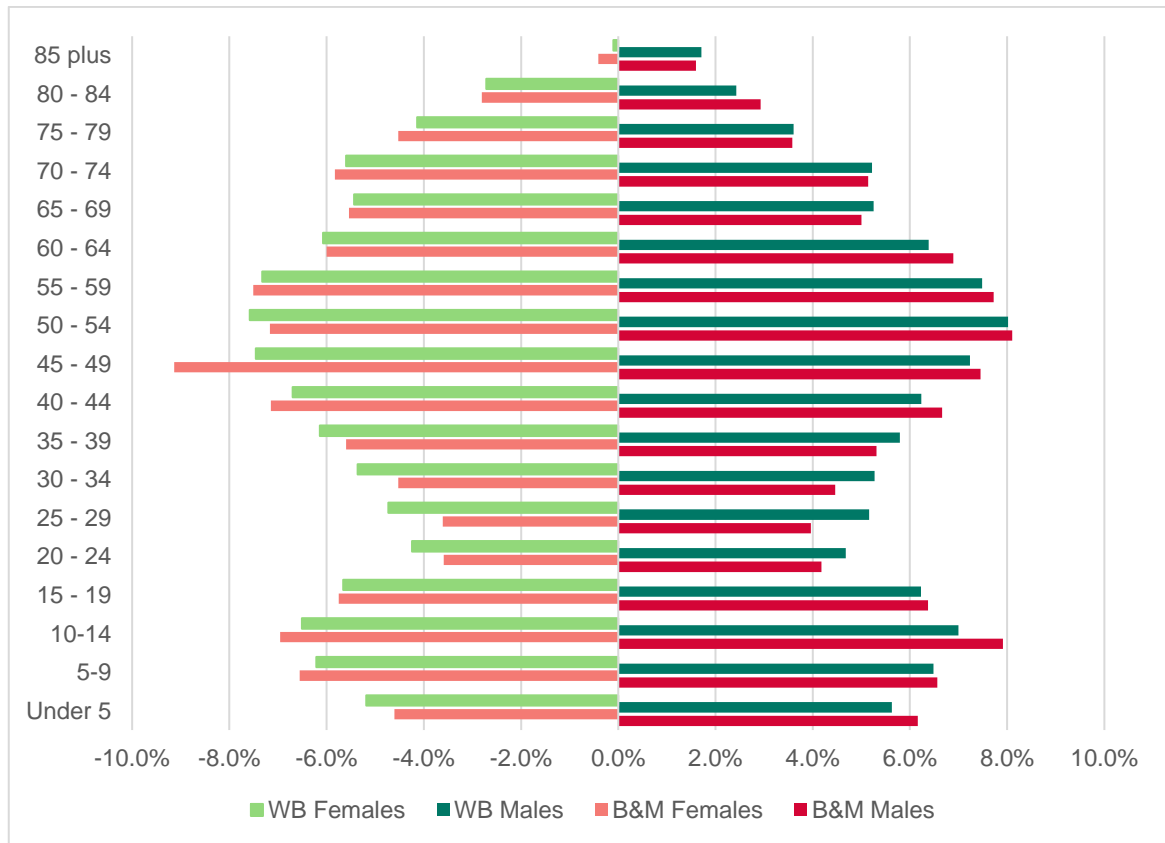


Source: Mid-Year Population Estimates

Age Profile

4.5 As illustrated in the figure below in comparison to the wider district the ward has an over-representation of school aged children which is linked to the over-representation of those in their forties. There is also an over-representation of the very oldest age groups (+80 years).

Table 4.3 Age and Sex Pyramid (2020)



Source: ONS, Mid-Year Population Estimate (2021)

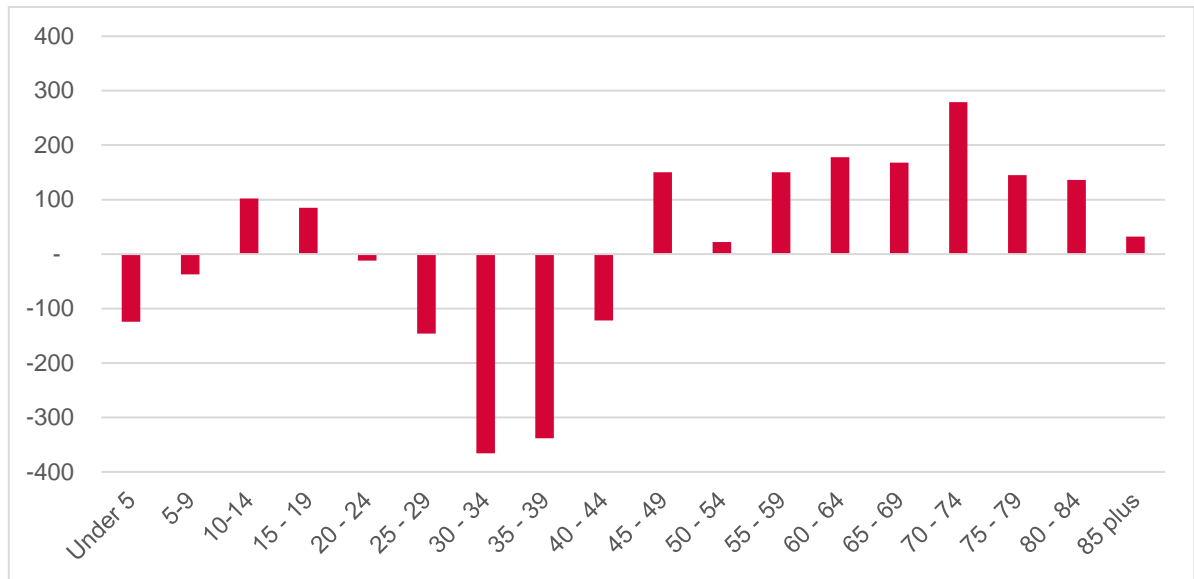
4.6 The table below summarises the pyramid in to broad age categories. As shown the population aged over 65 in Burghfield and Mortimer is only slightly larger than the wider district. The village has a slightly larger older working age population and school aged population than the wider district.

Table 4.4 Summary By Broad Age (2020)

	Burghfield and Mortimer	Burghfield and Mortimer %	West Berkshire	West Berkshire %
Under 5	561	5.4%	8,559	5.4%
5-19	2,091	20.0%	30,167	19.0%
20 -34	1,269	12.2%	23,328	14.7%
35-64	4,416	42.3%	65,305	41.2%
Over 65	2,092	20.1%	31,106	19.6%
Total	10,429	100.0%	15,8465	100.0%

Source: ONS, Mid-Year Population Estimate (2021)

4.7 The vast majority of the population is under the age of 65. There is also a clear school aged dynamic which demonstrates the villages continued role as a destination for families. Although this is declining as demonstrated by the fall in population of people in their 20s and 30s and linked to this those aged under 10, see figure below. This is also happening across the wider district.

Table 4.5 Change in Population by Age –(2001 to 2020)

Source: Mid-Year Population Estimates

Households

- 4.8 The table below sets out the household composition in Mortimer (MSOA) in comparison to the wider district and region. As shown, there family households are by far the most common type in Mortimer and there is an over representation in comparison to the wider county and region.
- 4.9 This includes a slightly higher representation of families with dependent children as well as families where all members are of a retirement age (+66) and single persons households in the same age bracket.

Table 4.6 Household Composition (2021)

	Mortimer		West Berkshire		South East	
	number	%	number	%	number	%
Total	2,498	100.0	66,658	100.0	3,807,967	100.0
One person household	664	26.6	18,008	27.0	1,081,739	28.4
One person household: Aged 66 years and over	329	13.2	8,321	12.5	503,974	13.2
One person household: Other	335	13.4	9,687	14.5	577,765	15.2
Single family household	1,725	69.1	45,249	67.9	2,473,698	65.0
Single family household: All aged 66 years and over	320	12.8	7,183	10.8	386,986	10.2
Single family household: Married or CV couple	963	38.6	24,582	36.9	1,260,379	33.1
Single family household: Married or CV couple: No children	323	12.9	8,439	12.7	420,975	11.1
Single family household: Married or CV couple: Dependent children	489	19.6	11,836	17.8	619,300	16.3
Single family household: Married or CV couple: All children non-dependent	151	6.0	4,307	6.5	220,104	5.8
Single family household: Cohabiting Couple	236	9.4	7,436	11.2	433,453	11.4
Single family household: Cohabiting Couple: No children	128	5.1	4,261	6.4	240,827	6.3
Single family household: Cohabiting Couple: With dependent children	94	3.8	2,804	4.2	166,572	4.4
Single family household: Cohabiting Couple: All children non-dependent	14	0.6	371	0.6	26,054	0.7
Single family household: Single Parent	199	8.0	5,720	8.6	369,841	9.7
Single family household: Single Parent: With dependent children	125	5.0	3,498	5.2	227,161	6.0
Single family household: Single Parent: All children non-dependent	74	3.0	2,222	3.3	142,680	3.7
Single family household: Other single family household	7	0.3	328	0.5	23,039	0.6
Other household types	109	4.4	3,401	5.1	252,530	6.6
Other household types: With dependent children	40	1.6	1,232	1.8	93,493	2.5
Other household types: Other, including students and all aged 66 years and over	69	2.8	2,169	3.3	159,037	4.2

Source: ONS Census 2022

- 4.10 In contrast there is a smaller percentage of households in Mortimer that are comprised of single people aged under 65 and “Other:Other” households which include student households and HMOs.

Tenure

- 4.11 The vast majority of households in Mortimer (69.1%) are owner occupiers with a fairly even split between those that have a mortgage and those that own outright. This is slightly below the rest of

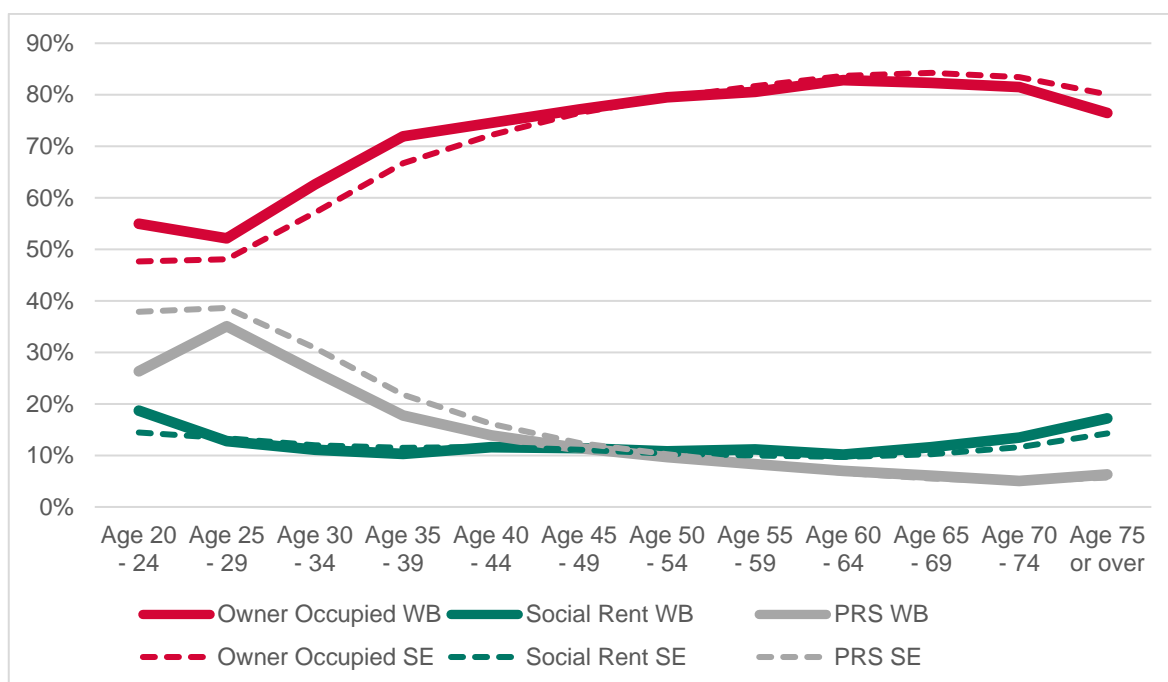
West Berkshire (69.7%) but above the rest of the South East (37.6%). Levels of shared ownership are at 1.1% of households across all three areas.

Table 4.7 Tenure of Households (2021)

Tenure	Mortimer		West Berkshire		South East	
	number	%	number	%	number	%
All households	2,326	100.0	62,340	100.0	3,555,463	100.0
Owned: Owned outright	781	33.6	19,455	31.2	1,156,081	32.5
Owned: Owned with a mortgage	826	35.5	23,980	38.5	1,248,436	35.1
Shared ownership	26	1.1	695	1.1	39,280	1.1
Social rented: Rented from council	27	1.2	575	0.9	206,431	5.8
Social rented: Other	328	14.1	8,053	12.9	281,042	7.9
Private rented: Private landlord	267	11.5	7,457	12.0	521,479	14.7
Private rented: Other	24	1.0	1,098	1.8	57,113	1.6
Living rent free	47	2.0	1,027	1.6	45,601	1.3

Source: ONS, 2021

- 4.12 Private renting (including living rent free) in Mortimer is below the rest of the district (15.4%) and significantly below the South East (17.6%). In contrast, social rental is higher in Mortimer (15.3%) than in the rest of West Berkshire (13.8%) and the South East (13.7%).
- 4.13 We have also examined how different tenures change by age. This information is only available at a West Berkshire level. As shown in the figure below Owner Occupation is high in the District but particularly in younger age groups. The opposite is true for both for private renting and to a lesser degree social renting.

Table 4.8 Tenure by Age (2011)

ONS: Source, Census 2011

- 4.14 For older age groups, the vast majority in West Berkshire (76%) are owner occupiers although this is below the rest of the South East Region (80%). In contrast, social rent (17%) is above that for the South East (14%) and increases slightly for the oldest age group.

Dwellings

- 4.15 As of 2021 there were 2,327 dwellings in Mortimer (MSOA). In comparison to West Berkshire there is a high percentage of detached and to a lesser extent semi-detached homes. This reflects the rural nature of the area. In contrast, there are comparatively few flats and terraced homes in Mortimer.

Table 4.9 Dwelling Type (2021)

Dwelling Type	Mortimer		West Berkshire		South East	
	number	%	number	%	number	%
Detached	958	39.5	21,875	33.8	1,037,388	28.0
Semi-Detached	832	34.3	21,198	32.8	1,022,394	27.6
Terraced	308	12.7	11,542	17.9	829,923	22.4
Flat	299	12.4	9,323	14.5	788,570	21.2
Other	30	1.2	719	1.1	25,898	0.7
All Dwellings	2,427	100.1	64,657	100.1	3,704,173	99.9

Source: ONS, 2021

- 4.16 We have used Energy Performance Certificates issued to new homes in Mortimer as a proxy of completions. As the map and table below show these are located across the village and includes three detached homes at Holly Cottages close to the proposal site.

Table 4.10 New Dwellings (2011-22)



Source: DLUHC, 2021

- 4.17 The majority of delivery over the last 10 years have been homes although much of the new build have been flats, particularly in comparison to the wider historic mix.

Table 4.11 Completions By Year – Mortimer (2011-2021)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Flats	0	0	2	6	0	5	0	10	9	2	34	68
House	19	6	0	4	13	0	5	4	13	3	67	134
Total	19	6	2	10	13	5	5	14	22	5	101	202

Source: DLUHC, 2021

- 4.18 The recent spike in development includes the Tower House Farm development which comprises 110 units and is currently under construction although some of the initial phases are being occupied. The scheme includes 44 affordable units and is a mixture of mix of one and two-bedroom flats, two and three-bedroom bungalows and two, three, four and five-bedroom houses.

5. AFFORDABLE HOUSING NEED

- 5.1 This section of the report examines affordable housing need in Mortimer and establishes the profile of that need in terms of number of bedrooms.

Local Prices and Rents

- 5.2 Using the HM Land Registry price paid database we have analysed house prices in the village. Since the start of 2021 there have been 99 properties sold with a lower quartile sales price of £366,250 and a median value of £471,500. This is above the equivalent values for the wider district by 26% and 29% respectively.

Table 5.1 Median and Lower Quartile House Price By Type (Since Jan 2021)

	Detached	Semi-Detached	Terraced	Flat	Overall
Mortimer LQ	£523,750	£387,625	£307,000	£195,000	£366,250
Mortimer Median	£632,500	£447,500	£370,000	£210,000	£471,500
West Berkshire LQ	£450,000	£320,000	£267,750	£175,000	£285,000
West Berkshire Median	£570,000	£370,000	£305,000	£210,000	£375,000

Source: HM Land Registry

- 5.3 It is also useful to provide estimates of property prices by the number of bedrooms in a home. Analysis for this draws together Land Registry data with an internet search of prices of homes for sale (using sites such as Rightmove). The analysis suggests a lower quartile price of about £175,000 for a 1-bedroom home, rising to £545,000 for homes with 4-bedrooms or more.

Table 5.2 Estimated cost of housing to buy by size (existing dwellings)

	Median	Lower Quartile
1-Bedroom	£270,000	£175,000
2-Bedrooms	£405,000	£345,000
3-Bedrooms	£500,000	£455,000
4-Bedrooms +	£760,000	£545,000
Overall	£471,500	£366,250

Source: Land Registry and Internet Price Search, year to September 2021

- 5.4 A similar analysis has been carried out for private rents using ONS data – this covers a 12-month period to September 2021. But for local rents we have surveyed local lettings agents to understand values in the village for different sizes of homes. This was because there are very few rental transactions recorded by Rightmove. We have then modelled overall values based on the likely percentage of sales in each typology

- 5.5 For the rental data, information about dwelling sizes is provided (rather than types); the analysis shows a lower quartile cost (across all dwelling sizes) of £1,020 per month rising to £1,145 at a median value. This is around 28% and 21% higher than the respective West Berkshire figures

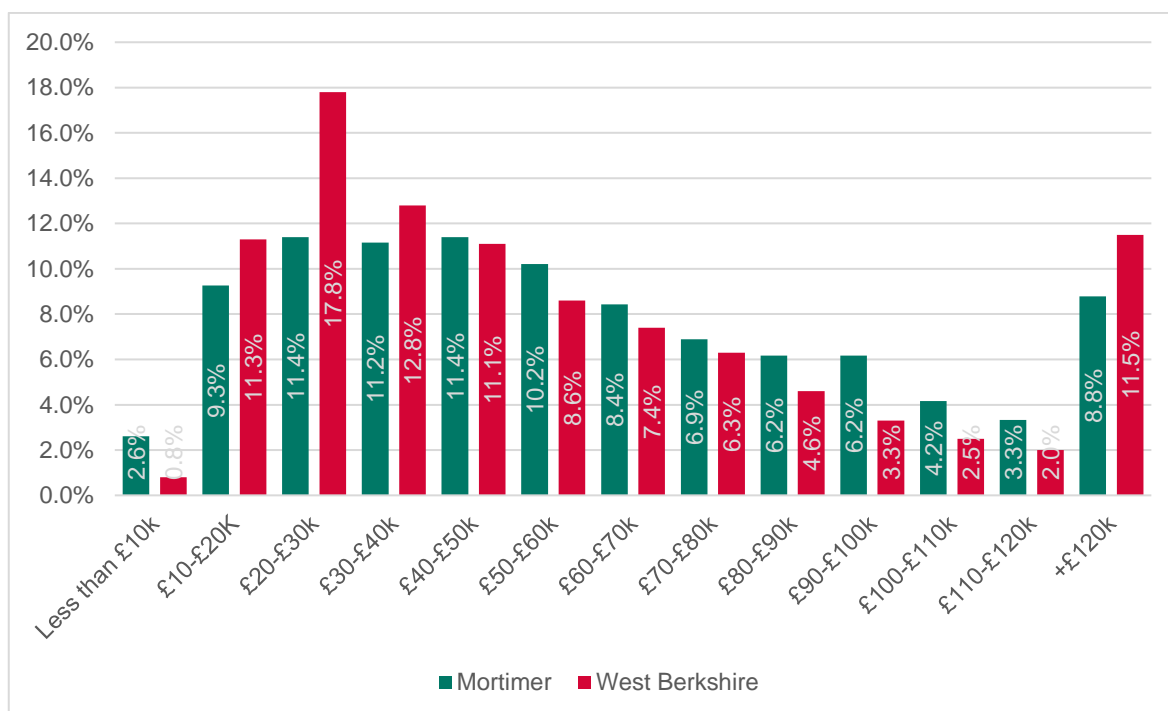
Table 5.3 LQ Market Rents (2021)

	West Berkshire LQ Rent £pcm	West Berkshire Median £pcm	Mortimer Lower Quartile rent, pcm	Mortimer Median rent, pcm
Room only	£387	£433		
Studio	£520	£565	£625	£700
1-bedroom	£695	£750	£765	£825
2-bedrooms	£850	£908	£900	£1,025
3-bedrooms	£1,095	£1,195	£1,340	£1,475
4-bedrooms	£1,400	£1,650	£1,550	£1,825
All properties	£795	£945	£1,020	£1,145

Source: ONS year to September 2021

Earnings

- 5.6 Following on from the assessment of local prices and rents it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability (i.e. the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy). Data about total household income has been based on ONS modelled income estimates for small areas (updated based on ASHE growth), with additional data from the English Housing Survey (EHS) being used to provide information about the distribution of incomes.
- 5.7 Drawing all of this data together an income distribution for the village has been constructed for 2021, this is placed against the same distribution figure for the District. The figure below shows that around an 12% of households have incomes below £20,000. Overall, the lower quartile income is around £34,700 and median income is around £54,000. These are 29% and 16% higher than the equivalent values for the District.

Figure 4.1 Distribution of Household Income, 2021

Source: Derived from a range of data as discussed

- 5.8 By this measure housing affordability is similar to the wider district albeit with higher rents and sales prices matching higher earnings.

Affordability

- 5.9 To assess affordability two different measures are used; firstly to consider what income levels are likely to be needed to access private rented housing (this establishes those households in need of social/affordable rented housing) and secondly to consider what income level is needed to access owner occupation (this, along with the first test helps to identify households in the 'gap' between renting and buying).
- 5.10 This analysis therefore brings together the data on household incomes with the estimated incomes required to access private sector housing. Additionally, different affordability tests are applied to different parts of the analysis depending on the group being studied (e.g. recognising that newly forming households are likely on average to have lower incomes than existing households).
- 5.11 A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a particular percentage of gross income. The choice of an appropriate threshold is an important aspect of the analysis – the PPG does not provide any guidance on this issue. The Government's Strategic Housing Market Assessment guidance prepared in 2007 suggested that 25% of income is a reasonable start point, it also noted that a different figure could be used depending on local housing costs.

- 5.12 At £1,020 per calendar month, lower quartile rent levels in Mortimer are typically above average in comparison to those seen across the wider district and nationally. This would suggest that a proportion of income to be spent on housing could be higher than the bottom end of the range (the range starting from 25%). On balance, it is considered that a threshold of 30% is reasonable in a local context, to afford a £1,020 pcm rent this would require a gross household income of about £40,800 to be affordable.
- 5.13 In reality, many households may well spend a higher proportion of their income on housing and therefore would have less money for other living costs – for the purposes of this assessment these households would essentially be assumed as ideally having some form of subsidised rent (or benefits) so as to ensure a sufficient level of residual income.
- 5.14 Generally, the gross income required to access owner-occupied housing is higher than that required to rent and so the analysis of the need for social/affordable rented housing is based on the ability to afford to access private rented housing. However, local house prices (and affordability) are important when looking at the need for affordable home ownership.
- 5.15 For the purposes of this assessment, the income thresholds for owner-occupation assume a household has a 10% deposit and can secure a mortgage for four and a half times their salary. These assumptions are considered to be broadly in line with typical lending practices although it is recognised that there will be differences on a case by case basis. Overall to be able to buy a house in Mortimer the household income would need to be around £73,325.
- 5.16 The table below shows the estimated incomes required to both buy and rent (privately) in Mortimer in comparison to the district and eastern area which includes Mortimer (from the LHNA). This shows a notable ‘gap’ particularly driven by the relatively higher house prices.

Table 5.4 Estimated Household Gross Income to Buy and Privately Rent

	To buy	To rent (privately)	Income gap
Mortimer	£73,250	£40,800	£32,450
Eastern Area	£61,400	£34,400	£27,000
District wide	£59,000	£32,000	£27,000

Source: Based on Housing Market Cost Analysis

- 5.17 Looking at the distribution of incomes in the Village only around 31% of households in the Village could now afford to purchase a home. With regards to rent around 65% of households in the village could afford to rent there.

Affordable Housing Need

- 5.18 The LHNA goes through a series of steps to identify an affordable housing need of 330 per annum of which around 71 are in the Eastern Area. We have used a series of assumptions to disaggregate the sub-area need to Mortimer.
- 5.19 The current need is disaggregated using the latest housing register and the percentage of people on the register that are seeking a unit in Mortimer. This suggests that 10% of the current need in the eastern area is in Mortimer. This results in a need for one per annum.
- 5.20 Alternatively, as of October 2022 there are 122 bedrooms on the housing register seeking accommodation in Stratfield Mortimer Parish. If this is divided by 18 to annualise it over the plan period (2021-2039) then the need would be 7 per annum.
- 5.21 This does not mean that some households would be expected to wait 18-years for housing as the need is likely to be dynamic, with households leaving the current need as they are housed but with other households developing a need over time.
- 5.22 For newly forming need we have modelled growth in the household population by applying age and sex growth assumptions in the district to the Mortimer population. This calculated a growth of around 29 new households per annum.
- 5.23 We have then assumed that incomes for newly forming households are 84% of those in all households. Using the revised earnings distribution this assumes that 43% of those new household cannot afford to rent. This means that 12 newly forming household per annum will require an affordable home. This is around 14% of the Eastern area need.
- 5.24 For existing households falling into need we have assumed that 12.7% of the Eastern Area need will be in Mortimer. This is based on the distribution of housing between the two area i.e. 12.7% of households in the Eastern Area are in Mortimer as of 2021.
- 5.25 For the supply we have assumed that 17.1% of the re-let supply will occur in Mortimer as that percentage of all the social housing stock in the Eastern sub-area can be found in the village. Bringing these together, the net need is calculated as follows:

$$\text{Net Need} = \text{Current Need (allowance for)} + \text{Need from Newly-Forming Households} \\ + \text{Existing Households falling into Need} - \text{Supply of Affordable Housing}$$

Table 5.5 Estimated Need for Social/Affordable Rented Housing by Sub-Area (p.a.)

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Mortimer	1	12	2	15	7	8
Eastern Area	12	84	15	110	39	71
District	60	401	76	537	207	330

Source: Range of sources as discussed

- 5.26 As shown there is a net annual need for around 8 affordable homes to rent in Mortimer. If we were to use the housing register this would increase to 14 per annum. These figures are around 12% to 20% of all the need within the Eastern Sub-Area.
- 5.27 Whilst the need above is provided down to the village and sub-area level, it should be remembered that affordable need can be met across the District as and when opportunities arise, and so specific village and sub-area data should not be treated as a local target.

Mix of Affordable Housing Need

- 5.28 Drawing on the housing waiting list we can see that the majority (70%) of households in affordable housing need in the Stratfield Mortimer parish are seeking one and two bedroom homes. Although around 30% are seeking larger homes. This would be a good starting point for analysing the mix of affordable housing in future.

Table 5.6 Stratfield Mortimer Housing Register (Oct 2022)

Bedroom Need	18-54	55-64	65-74	Over 75	Total	% Total
1	20	8	2	6	36	30%
2	47	1	0	1	49	40%
3	21	2	0	0	23	19%
4+	13	0	1	0	14	11%
Total	101	11	3	7	122	100%
% Total	83%	9%	2%	6%	100%	

Source: West Berkshire District Council, 2022

- 5.29 We can also see that majority of those that are in affordable housing need are younger people in the 18-54 brackets. This would be a combination of single people, couples and single parent families based on the bedroom requirement which shows that 66% of this age group require a one or two bed home.

- 5.30 The waiting list also includes existing residents seeking a move. This resulted from a meeting Sovereign held in March to inform residents about their proposals to redevelop the Windmill Court site.
- 5.31 Alternatively, the affordable housing mix could be more closely aligned with recommended mix in the Housing Needs Assessment Update (2022). This can be seen at both the sub-area level and district level. In both cases the recommended mix has a higher percentage of smaller homes.

Table 5.7 Adjusted Modelled Mix of Housing by Size and Tenure

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Waiting List	30%	40%	19%	11%
Affordable housing (rented)	46%	29%	22%	4%
District	42%	32%	22%	4%

Source: Housing Market Model (with adjustments)

- 5.32 The recommended mix is broadly reflective of the waiting list although other factors are taken into account. The report also notes that when preparing a mix of homes considerations should be given to the role and function of the area, the lack of smaller/cheaper stock and the location/quality of the sites.
- 5.33 As Mortimer is a village location in a typically more expensive location then it would be reasonable to assume that a greater mix of family housing than in the LHNA. However, there will still be a role for smaller units not least because the waiting list suggests so but also to ensure that residents of Windmill Court have the opportunity to be rehomed.
- 5.34 Much of the very local demand will have been met by the 44 affordable units being delivered at the Tower House Farm development. However, there will still be wider need to be met and as mentioned local assessments of need are not targets.
- 5.35 Smaller homes will also support wider downsizing although with the affordable sector this can be difficult. For example, the housing association have written to residents and launched a Facebook campaign saying they would be paid to downsize. Sovereign would also cover the cost of removals, carpeting, painting and decorating and cover the first six months' rent. Only 2 people took up this offer.

6. DEMAND FOR OLDER PERSONS NEED

- 6.1 This chapter of the report provides a quantitative assessment of need for age-restricted housing in Mortimer based on population projections. We have also provide qualitative commentary in relation to the demand for such housing.
- 6.2 Age-restricted general market housing is defined by the PPG as “housing is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens, but does not include support or care services.”
- 6.3 The need for specialist housing for older persons is typically modelled by applying prevalence rates to current and projected population changes and considering the level of existing supply. There is no standard methodology for assessing the housing and care needs of older people. The current and future demand for elderly care is influenced by a host of factors including the balance between demand and supply in any given area and social, political, regulatory and financial issues.
- 6.4 Additionally, the extent to which new homes are built to accessible and adaptable standards may over time have an impact on specialist demand (given that older people often want to remain at home rather than move to care) – this will need to be monitored.

Population Growth

- 6.5 As set out earlier in this report we have projected population growth in Mortimer by applying age and sex specific rates of growth to the villages known population as of 2020. The rates of growth are drawn from the 2018-based Sub-National Population Projections (SNPP) for West Berkshire.
- 6.6 As the table below shows, the population aged over 75 is expected to increase in Mortimer by around 395 people over the period to 2032. In contrast, the population aged 65 and younger is expected to decline by a similar amount.

Table 6.1 Projected Population Growth (2020-2032) - Mortimer

Age group	2020	2032	Change
Total Under 65	6,173	5,802	-371
Total Over 65	2,092	2,680	588
Total Over 75	970	1,365	395
Total	8,265	8,482	217

Source: Iceni based on ONS data

Prevalence Rates

- 6.7 For age-restricted housing, such as Windmill Court, the main prevalence rate used is taken from the 2016 Housing LIN Review which identifies a need for 25 units per 1,000 aged over 75. This does not differentiate between affordable and market housing.
- 6.8 However we can use information set out earlier in this report to assess the potential split. As shown in Table 3.8 and summarised below, approximately 76% of households aged over 75 in West Berkshire are Owner Occupiers with 20% renting. The percentage of owner occupiers actually increase for those aged Over 55 (to 81%), however, a broader split is perhaps more appropriate.

Table 6.2 Tenure By Age – West Berkshire (2011)

	Owner Occupied	Social Rent	PRS
Age 55 or over	81%	13%	7%
Age 75 or over	76%	17%	6%

Source: ONS, Census 2011

- 6.9 We would therefore assume that for age-specific accommodation the 25 units per 1,000 population aged over 75s would be 19 market units and 6 affordable units.
- 6.10 We have used data from the Elderly Accommodation Counsel (EAC) to examine the supply of age-restricted accommodation in the Village. This shows just two developments, Windmill Court, which is not included within our supply calculation and Badgers Court which is a market development with 23 units.
- 6.11 As shown in the table below by 2032 there will be a net need for 11 units of age-restricted accommodation of which three would be market and eight would be affordable. If Windmill Court were included within the supply then there would be a surplus of 26 affordable units.

Table 6.3 Need for Age-Restricted Accommodation (2020-2032)

	Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall/surplus (-ve)	Additional demand to 2032	Shortfall /surplus by 2032
Market	19	23	18	-5	8	3
Affordable	6	0	6	6	2	8

Source: Iceni Projects, based on ONS and EAC data

- 6.12 This would suggest that Windmill Court is meeting wider needs than just the village. This was confirmed by Sovereign, who stated that all residents over 55 on the housing register in West Berkshire were eligible can bid to live in the available units.

- 6.13 While this provides a small quantitative need (once Windmill Court is removed) there is no obligation for anyone to live in this type of accommodation. Hence while this level of need is identified there remains a high level of voids in the scheme. This is discussed in the qualitative commentary below.
- 6.14 To illustrate the extent of voids, Flat 33 was vacated on the 16th of March 2020 and was only filled on the 16th of July. This was a vacancy of 151 days when the typically turnaround time should only be 14 days. This is not an isolated incident either as another unit was vacated in May and was only let again in September.
- 6.15 When people intend to leave their unit they are required to give 4 weeks' notice and the housing association would begin to advertise the unit almost immediately. This would be in addition to the period set out above.

Qualitative Discussion

Lack of Demand

- 6.16 Despite the need for affordable housing being high, including from many in the ineligible age groups across the district, Mortimer is not a likely destination. This is not because it is an unattractive village but because it is peripheral to the district.
- 6.17 Most of the need originates in the major towns of Newbury and Thatcham, however, it is difficult to persuade people move to Mortimer. The village has fewer services, public transport is relatively poor in comparison to the larger settlements in the district, and households will also have community and family ties to the larger towns. By far the most sought after locations for those aged 65 were Newbury and Thatcham. This will be in part due to their current location but also due to the access to services and transport.
- 6.18 Prior to announcing plans to redevelop Windmill Court there were only two households on the housing register living in Mortimer seeking older persons accommodation. However, Sovereign understand they are not actively bidding for suitable accommodation which meets their need. This has since increased with what is believed to be residents of Windmill Court applying to enter the Housing Register.
- 6.19 There are wider issues with the demand for this type of accommodation across the district. Sovereigns flagship developments of Caernarvon House and Willow Close in the centre of Newbury also struggle to fill voids. This is despite these schemes being only 15 years old, in good quality, having a variety of one and two bedrooms and in the most accessible location in the district.
- 6.20 Another issue with demand is that many potential tenants do not want to live in bedsits and "corridor schemes" any longer. The majority of existing residents at Windmill Court are single men in their 50s

and 60s (60%) Often this group will have limited accommodation options which is likely to be one of the main reasons as to why they have been housed at a scheme designed for elderly persons.

- 6.21 This is further evidenced by the fact that ten residents are still working. This would suggest that they would only have been offered these units as they are hard to fill and they meet the age criteria. Alternatively, they could join the general needs list and waited a long time for suitable accommodation or move into the costlier although arguably more suitable PRS.
- 6.22 Despite concerted efforts to fill voids across the district demand is low. The housing association have written to residents and launched a Facebook campaign to all residents of a certain age saying they would be paid to downsize. Sovereign would also cover the cost of removals, carpeting, painting and decorating.
- 6.23 Sovereign are also conducting an exercise which has involved contacting the tenants of the existing bungalows in Mortimer to identify if any of the tenants wish to move elsewhere. This would then free-up a home for a Windmill Court resident to potentially occupy.
- 6.24 Prior to the proposed redevelopment of the site Sovereign have also been working with West Berkshire Council to remind those on the waiting list that they have vacant units at both Windmill Court and other older persons accommodation in the District. But this has been to no avail and very few potential tenants came to visit the refurbished suites.
- 6.25 Because of the lack of demand Sovereign have had to widen their criteria to fill voids. Of the 18 lettings since 2015, only 10 residents came via the housing needs register with a local connection to West Berkshire. The remaining 8 residents were housed after Sovereign advertised properties nationally after failing to fill these with locals. In some cases these residents would not normally meet local authority housing eligibility criteria, however they did meet Sovereign's own housing criteria.

Alternative Accommodation

- 6.26 Existing residents are being offered alternative accommodation and many have gone back on the housing register. Of the existing residents many do not need to live in a housing scheme designed for elderly persons and are capable of living independently in a general needs property..
- 6.27 There are also other supported accommodation schemes in West Berkshire which could accommodate the Windmill Court residents. According to the LHNA there is a current surplus of over 700 affordable housing with support units in the district.
- 6.28 Sovereign have also committed to supporting existing household towards an appropriate move including to other specialist schemes such as Blands Court or to other general needs accommodation

(including bungalows) or to homes managed by other housing associations. They will also help residents with their housing applications to West Berkshire Home Choice. The Windmill Court tenants will also receive statutory compensation and disturbance payments.

7. CONCLUSION

- 7.1 This report has sought to establish the need for affordable housing and age restricted housing in Mortimer.
- 7.2 On examining older persons need we have established a net need for 8 units of age-restricted affordable accommodation by 2032 This can be considered to be a low need. This is far less than the capacity that Windmill Court provides and is likely feed into the real world evidence of increasing voids as a result of low demand.
- 7.3 We have also established that this type of accommodation has wider demand issues with even Sovereign's flagship developments in the centre of Newbury struggling to fill voids.
- 7.4 The report also establishes a clear need for affordable housing in Mortimer which leads on from a similar conclusion on a district wide basis as set out in the Local Housing Needs Assessment.
- 7.5 On examining house price and rents against local earnings clear affordability issues in the village are established.
- 7.6 To be able to affordably buy a house in Mortimer the household income would need to be around £73,325 while to rent it would be £40,800.
- 7.7 This compares to a lower quartile household income of around £34,700 and a median income of £54,000. Excluding existing equity and savings only around 31% of households could afford to buy a home while around 65% could afford to rent. This means that many local households will be excluded from market accommodation.
- 7.8 Using our long standing model we have disaggregated the substantial affordable housing need in the district and Eastern sub-area to up to 14 affordable homes to rent per annum in Mortimer.
- 7.9 The proposed development is capable of delivering this level of need and could potentially contribute to the wider need should be it permitted.
- 7.10 While Windmill Court is itself an affordable development, prior to the announcement that Sovereign intended to redevelop, there were only two eligible households seeking older persons accommodation in the village, neither of which were actively bidding for suitable accommodation.

- 7.11 We can therefore conclude that there is no longer the demand for Windmill Court in its current scale or form and that redevelopment will ensure that the large need for affordable housing, both across the district and locally, will be addressed.