

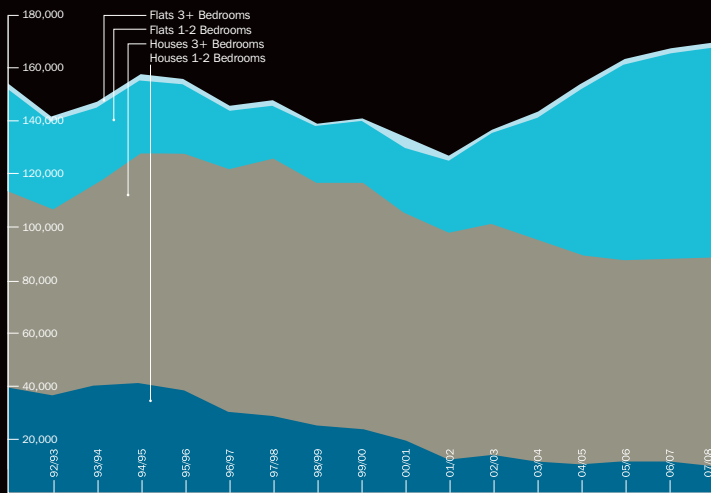


## Nathaniel Lichfield and Partners

Planning Design Economics

### Balancing Aspirational and Affordable Housing Supply

September 2008



New housing development in the UK from 1991–2008

Since 2000, Government policy directives, most notably Planning Policy Statement 3 (PPG3), have rigorously promoted high density brownfield development. Alongside the buy-to-let phenomenon, this has conspired to ensure much of the new housing delivered has been city centre apartments, with a falling proportion of new family homes (see chart).

Yet there is growing recognition that a more diverse range of housing is a key 'enabling' factor for economic growth; vital in attracting and retaining households in towns, cities and sub-regions. The provision of aspirational family housing is integral to achieving a balanced housing offer and creating mixed income and tenure communities. However, in some towns and cities, policy targets and requirements around density frequently prove incompatible with the provision of more aspirational homes and diversification of the housing stock.

In addition, the delivery of aspirational housing in regeneration areas has frequently been undermined by the manner in which, within the current policy framework, affordable housing requirements can often be largely based on the incomes and needs of existing residents in a particular area, and in particular, where households have no income or expectation of market access to housing. Counter-intuitively this has often meant the concentration of new affordable housing in areas already dominated by such housing, rather than in areas dominated by higher-priced owner occupied housing.

This shortfall, inherent in the current approach to defining affordable housing requirements, is compounded by the lack of consistency in methodologies between local authorities and a lack of transparency in how income and need analyses are then translated into an affordable housing requirement for new developments.

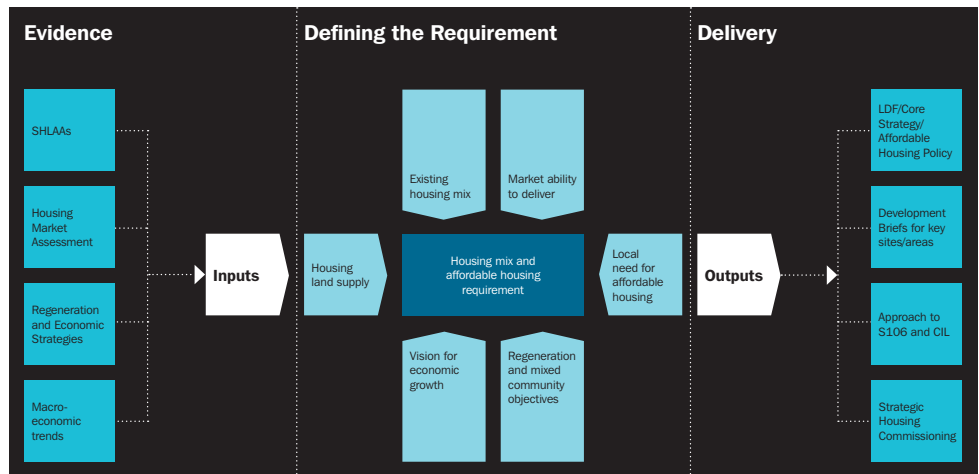
## Implications

Ultimately much of the new build delivered in recent years has not been conducive to achieving the mix of type, size and tenure of dwellings required to deliver sustainable and mixed communities, or to achieve genuine and long lasting urban renaissance.

In order to provide more balanced and sustainable housing markets there must be a greater acceptance that in certain locations, where there is evidence to support it, lower density and/or higher value development can be more appropriate, and more sustainable in terms of viable communities, than high density, lower value or affordable accommodation where that is already in plentiful supply.

The need for a more constructive and rational approach to balancing aspirational and affordable housing provision is increasingly acknowledged, and was recently highlighted by a successful High Court challenge to one local authority's affordable housing requirement.

Current population profiles and 'past trend' projections are often not an appropriate basis for decision making on this important issue – particularly in regeneration areas where the needs and aspirations of potential incoming residents, not just existing residents, must be met. There is a need for a more forward-looking and dynamic process of data collection and analysis to inform housing and planning policy, and this needs to be properly embedded within a wider process that takes into account a wider range of factors, as illustrated in the framework above.



## About NLP

Established in 1962, Nathaniel Lichfield and Partners provides the high quality planning, economic and urban design advice that our clients need to develop and deliver high quality regeneration. With a large professional team of over 120 planners, economists, and urban designers based in Cardiff, London, Manchester and Newcastle upon Tyne, we provide consultancy services on all aspects of regeneration to the public and private sector.

Working throughout the UK, for local authorities, other local and regional delivery agencies, and across our extensive private sector client-base, we have an extensive and fast expanding track record.

Drawing on our extensive expertise in planning, housing and regeneration development there are a number of ways in which we can help:

- Formulation of planning, housing and regeneration strategies grounded in robust research and framed within a sub-regional, regional and national policy context.
- Comprehensive assessments of the economic, housing market, and regeneration impacts of proposed interventions
- Reviewing the current approach to housing mix and affordable housing provision in light of market changes, viability, and policy drivers, with practical advice to shape and achieve delivery in changing economic and commercial climates

Each of our offices contains experienced and highly qualified specialists in planning for housing. Our housing, economics and regeneration teams, operating UK-wide, draws together core planning and regeneration skills with specialist expertise in economics, housing markets, GIS and graphics, urban design, and spatial planning.



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