Medway Local Housing Needs Assessment

Final Report

February 2025

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1. Introduction

Purpose

1.1 Medway is a Unitary Authority located on the Thames coast in Kent approximately 30 miles east of London. It contains the towns of Strood, Rochester, Chatham, Gillingham and Rainham, known collectively as the Medway towns. These towns are located close to the River Medway and run from west to east across the Unitary Authority. The south of Medway is mainly suburban which includes the areas of Lordswood, Hempstead and Parkwood. The south west of the authority includes Cuxton and Halling. The north of Medway is principally rural and includes the Isle of Grain and the Hoo Peninsula. Medway borders the local authorities of Gravesham to the west and Tonbridge & Malling and Maidstone to the south. Swale local authority is to the east.

1.2 Historically, the population of Medway initially grew around Rochester, which was originally a Roman settlement. Royal dockyards in Chatham (but extending into Gillingham) were opened in the 16th Century which became the major employment centre in the Unitary Authority for the majority of the next three centuries and facilitated the expansion of the Medway towns. Once the M2 motorway was opened in the south of Medway in the 1960s, the urban development expanded south from the Medway towns. Medway is connected to London by a high-speed rail line.

1.3 The current Medway Local Plan was adopted in 2003. The Council intends to update its housing need evidence base to inform its spatial strategy, planning policy and decisions on planning applications. This Local Housing Needs Assessment (LHNA) will provide a key element of the Local Plan Evidence Base and will help inform the development of the overall spatial strategy and policies. It will provide an understanding of the details of the different housing needs across Medway to ensure all housing delivery is based on robust evidence of need.

1.4 A Local Housing Needs Assessment and parallel Employment Land Needs Assessment were produced for Medway in 2021. Since then, there have been alterations to both Government guidance and changing demographic and housing market pressures. This report provides a new evidence base that reflects the current market situation, utilises the latest data available and adheres to the current Government guidance as set out in the 2024 National Planning Policy Framework (NPPF), and the Planning Practice Guidance (PPG), described below.

Government Guidance

1.5 The framework for undertaking a Strategic Housing Market Assessment is set out in detail in the National Planning Policy Framework (NPPF) and the Planning Practice Guidance (PPG). Both the NPPF and the PPG were updated in December 2024. The updated NPPF and PPG make some very significant changes to the way the that the overall requirement for housing is calculated, however the detail beyond that is largely unchanged.

1.6 Paragraph 36 (a) of the NPPF requires that plans are '*positively prepared'*. As a minimum, the NPPF requires strategic policies to provide for objectively assessed needs for housing. This carried forward the requirements under the 2012 NPPF and concerns the overall housing requirement.

> *61. To support the Government's objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay. The overall aim should be to meet an area's identified housing need, including with an appropriate mix of housing types for the local community.*
>
> *62. To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning practice guidance. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.*
>
> *63. Within this context of establishing need, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. These groups should include (but are not limited to) those who require affordable housing (including Social Rent); families with children; looked after children; older people (including those who require retirement housing, housing-with-care and care homes); students; people with disabilities; service families; travellers; people who rent their homes and people wishing to commission or build their own homes .*
>
> *Paragraphs 61 to 63 – 2024 NPPF*

1.7 The requirement for housing is derived through the Standard Method and is then disaggregated into the different types of housing the future population will need. Following which an assessment of the number of households in need of affordable housing must be undertaken. In essence, the first output[1] required by the NPPF, for a study of this type, is to disaggregate the new housing number as derived through the Standard Method. The second task is the assessment of Affordable Need, and the final task is the understanding of the needs of groups with specific housing requirements.

1.8 The NPPF outlines how a Housing Market Assessment fits into the wider housing policy framework and the PPG sets out how the various elements of a Housing Market Assessment should be undertaken, including detailing a comprehensive model for the assessment of affordable housing need (Chapter 6 of this report). The affordable housing need figure is an unconstrained figure set in the current housing market situation. It is not a component of the overall housing need, but is entirely independent, calculated using a different approach and different data sources.

[1] Before this is done it is necessary to profile the local housing market and demographic situation, to ensure that the subsequent outputs have a meaning in a local situation. However, there are no outputs required within the NPPF from this contextual study.

1.9 This Housing Market Assessment includes a Long-Term Balancing Housing Markets (LTBHM) model (Chapter 5 of this report) which breaks down the overall housing need into the component types (tenure and size) of housing required. Whilst both the Affordable Needs model (Chapter 6) and the LTBHM model (Chapter 5) produce figures indicating an amount of affordable housing required, they are not directly comparable as, in line with the PPG, they use different methods and have different purposes. The affordable housing need figure is calculated in isolation from the rest of the housing market and is used solely to indicate whether a Local Planning Authority should plan for more houses where it could help meet the need for affordable housing. The figure produced by the LTBHM model is based on the population projections and occupation patterns of household groups (considering the trends in how these occupation patterns are changing). This is the mix of housing for which the authority should be planning. How these figures should be used in Medway is summarised at the conclusion of this report, in Chapter 8.

1.10 In December 2024, the Government altered the Standard Method calculation. This has resulted in a notable modification to the Standard Method originally set out, with the guidance in the PPG detailing how the Standard Method is updated to reflect this. This report has followed the approach set out in the PPG (as at December 2024). In May 2021, the Government published detail on First Homes and their implementation[2]. It should be noted that the footnote 31 of the December 2024 NPPF indicated that the '*requirement to deliver a minimum of 25% of affordable housing as First Homes, as set out in 'Affordable Homes Update' Written Ministerial Statement dated 24 May 2021, no longer applies. Delivery of First Homes can, however, continue where local planning authorities judge that they meet local need.'* First Homes therefore still exist as an affordable tenure; however, they are no longer mandatory. This report assesses the potential requirement for First Homes as part of the housing mix to accommodate the future population, however there is no presumption that they must form part of the future tenure profile.

Previous NPPF (December 2023)

1.11 On 30th July 2024, just before the commencement of this report, the new government published their consultation for the proposed reforms to the NPPF (including a revised Standard Method calculation). The consultation process ran until late September 2024 and the finalised revised NPPF was published on 12th December 2024. The first draft of this report was produced under the old (December 2023) NPPF and accompanying (August 2020 based) Standard Method. The draft report and consultation process did however also consider the key outputs under the (at the time proposed) new Standard Method.

[2] https://www.gov.uk/guidance/first-homes

1.12 This finalised version of the report aligns entirely with the new December 2024 NPPF and PPG however for completeness and to provide the contextual data for understanding some of the stakeholder commentary the key outputs presented in the first draft under the old Standard Method and NPPF approach are presented in Appendix 5 and 6 of this report. The old Standard Method figure (used in the draft report main analysis) is detailed at the end of Chapter 4.

Report coverage

1.13 This report is focused on detailing the amount of new housing required over the plan-period in Medway, the size and tenure of housing that would be most suitable for the future population, the housing requirements of specific groups of the population and the level of affordable housing need that exists in the Unitary Authority. The report contains the following:

Chapter 2 presents an examination of the latest data on the resident population in Medway and the changes that have occurred within them. It also profiles the current housing stock, and the changes recorded within it.

Chapter 3 contains a detailed analysis of the cost of property in Medway and the affordability of the different forms of housing for residents.

Chapter 4 paragraph 008 of the PPG indicates that '*Strategic policy-making authorities will need to calculate their local housing need figure at the start of the plan-making process*[3]*.'* The chapter sets out the calculation of the local housing need figure for Medway.

Chapter 5 disaggregates the local housing need to show the demographic profile of the future population in Medway. The chapter uses this information to produce an analysis of the nature of future housing required within the long-term balancing housing markets model (LTBHM).

Chapter 6 sets out the calculation of outputs for the affordable housing needs model strictly in accordance with the PPG approach. The chapter identifies both the type of households in housing need and the tenure of affordable housing that would meet this housing need.

Chapter 7 contains an analysis of the specific housing situation of the particular sub-groups of the population identified within the NPPF.

Chapter 8 is a conclusion summarising the implications of these results.

[3] Reference ID: 2a-008-20190220

Sub-areas & Stakeholder consultation

1.14 The Council has identified seven sub-areas within Medway based on middle layer super output boundaries. The summary mix of housing required for each of these sub-areas is presented in Appendix 4. The figure below sets out the sub-areas and the following table sets out their composition in detail. Additional outputs have also been presented to two smaller areas of interest for the Council – St Mary's Island and Rochester Riverside.

Figure 1.1 Sub-areas in Medway

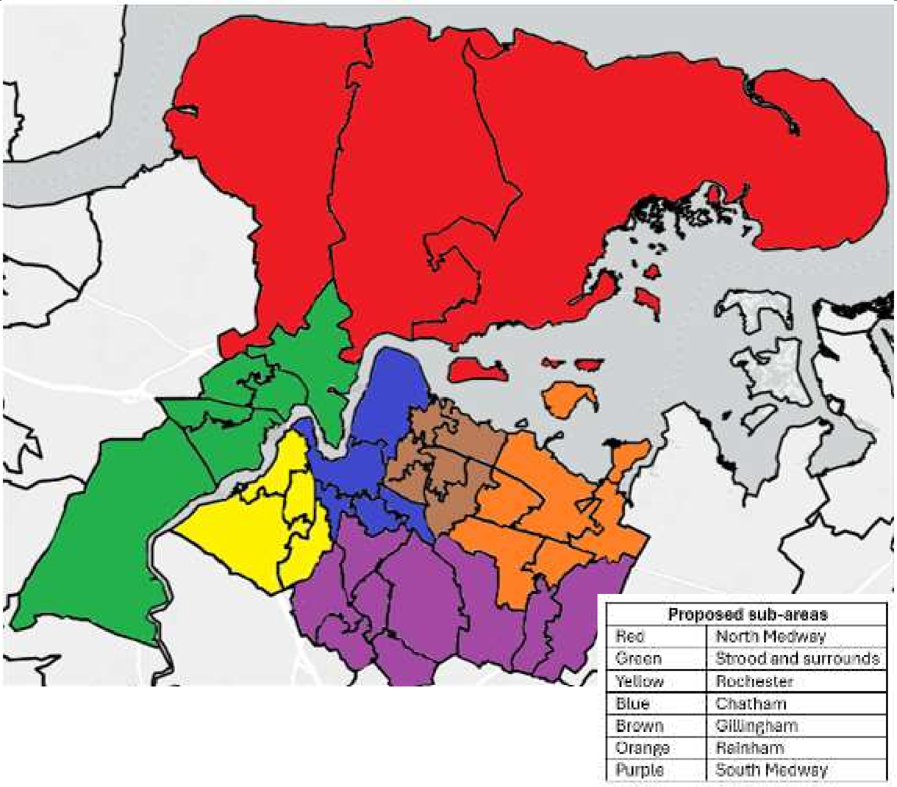


Table 1.1 Sub-area composition			
Sub-area	Middle Layer super output area	Sub-area	Middle Layer super output area
Strood and surrounds	Medway 004 - Wainscott & City Estate	Chatham	Medway 007 - Chatham Maritime
	Medway 005 - Broomhill		Medway 015 - Chatham Central and Rochester Riverside
	Medway 006 - Strood North & Frindsbury		Medway 020 - Luton
	Medway 008 - Rede Common		Medway 021 - Chatham South West
	Medway 011 - Strood South & Temple Marsh		Medway 022 - Chatham South West
	Medway 028 - Cuxton & Halling	Rainham	Medway 018 - Twydall
South Medway	Medway 027 - Wayfield		Medway 023 - Rainham North West
	Medway 031 - Capstone		Medway 025 - Rainham North East
	Medway 033 - Horsted		Medway 029 - Rainham South East
	Medway 034 - Settington		Medway 030 - Rainham South West
	Medway 037 - Walderslade	Rochester	Medway 014 - Rochester West
	Medway 038 - Lordswood		Medway 017 - Rochester East
	Medway 032 - Parkwood East		Medway 024 - Rochester South West
	Medway 035 - Hempstead & Wigmore		Medway 026 - Rochester South East
	Medway 036 - Parkwood West	North Medway	Medway 001 - Hoo Peninsula
Gillingham	Medway 009 - Gillingham North		Medway 002 - Cliffe
	Medway 010 - Gillingham North East		Medway 003 - Hoo St Werburgh & High Halstow
	Medway 012 - Gillingham Central		
	Medway 013 - Gillingham East		
	Medway 016 - Gillingham South		
	Medway 019 - Gillingham South East		

1.15 A stakeholder consultation took place on 6th November 2024 which discussed the preliminary outputs of the study, and the methodological assumptions used to derive the estimates. A range of organisations were invited to the event covering all the sectors involved in delivering housing in Medway. All authorities with which Medway shares a boundary were also invited as the Council works in collaboration with its neighbours. Appendix 1 details the stakeholder consultation process and how the feedback received has been used within this report.

Local housing market boundaries

1.16 This section of the report will assess what the most recent data indicates around the housing market area around Medway. Data on migration and commuting flows from the 2021 Census have recently been published providing an up-to-date and robust data source and allowing a comparison with the equivalent 2011 data to understand how the situation has changed in Medway.

1.17 This data on population flows will be supported by a comparison of property prices in Medway and the neighbouring authorities, which uses the most recent Land Registry data to establish the housing market linkages that exist in the region. This evidence presents the functional and geographic context in which the local housing market operates and determines whether Medway forms its own housing market area.

Commuting flows

1.18 Before the most recent data is discussed, the outputs generated from the 2011 Census data are presented for context. The Office of National Statistics (ONS) used the data on commuting flows collected in the 2011 Census to derive travel to work area boundaries. These outputs were published in 2015. The figure below shows an excerpt of the national map produced in this process, which concentrates on the travel to work areas around Medway. This shows that in 2011 the entirety of the authority was located in the Medway travel to work area, which extended eastwards into the western half of Swale and southwards to encompass the majority of Maidstone and some of Tonbridge and Malling. These boundaries were defined according to the criteria and thresholds used by the ONS[4] and they are totally distinct from local authority boundaries.

[4] The criteria applied by the ONS was that the travel to work areas had to have a working population of at least 3,500 and that at least 75% of an area's resident workforce work within the area and at least 75% of the people who work in the area also live in the area. For areas with a working population in excess of 25,000, self-containment rates as low as 66.7% were accepted.

Figure 1.2 2011 travel to work areas around Medway

Source: Office of National Statistics, 2015

1.19 The 2021 Census contains a detailed profile of commuting flows occurring at the local level. This indicates that of the 132,603, usual residents in Medway aged 16 years and over and in employment the week before the Census, 28.9% have a workplace also in Medway. A further 45.2% of residents mainly work at or from home or have no fixed workplace. These are also categorised as people working within the Unitary Authority. This means that in total, 74.2% of residents in employment in Medway in 2021 also worked in the Unitary Authority. The equivalent self-containment figure from the 2011 Census for Medway was 51.5%. It should be noted that the reason for the greater level of self-containment recorded in 2021 is principally due to a substantially larger number of people working at or mainly from home, partly as a consequence of the impact of COVID-19 and the national lockdown policies in place at that time, but also a more general trend for employees to work from home with better technological solutions available.

1.20 The table below shows the 10 authorities in which residents in Medway most travelled to work in 2021. The table also contains a column that details the equivalent number of workers from Medway in 2011 that had the same destination – this enables a comparison of the changing relationship between these authorities and Medway. People working from home or with no fixed workplace are considered to work in Medway as this is how they are classified by the ONS in their Census analysis.

1.21 The data indicates that Maidstone is the authority to which employed residents from Medway most commonly travel to for work, followed by Tonbridge & Malling. All of the authorities on this list have seen a reduction in commuting flows from Medway between 2011 and 2021, with this particularly pronounced for Westminster.

Table 1.2 The ten authorities that are the most common place of work for employed residents of Medway

Location of work for employed residents of Medway

Destination authority area	***2021***		***2011***
	Number of Medway residents that work there	*Proportion of all Medway residents in work that work there*	*Number of Medway residents that work there*
Medway	98,240	74.1%	53,629
Maidstone	5,462	4.1%	7,578
Tonbridge and Malling	4,483	3.4%	6,354
Swale	3,771	2.8%	4,201
Dartford	3,442	2.6%	3,977
Gravesham	3,049	2.3%	3,185
Bexley	1,513	1.1%	1,732
Greenwich	896	0.7%	1,159
Sevenoaks	869	0.7%	1,039
Westminster	773	0.6%	5,037

Source: Census 2011 and 2021

1.22 Although not as significant in terms of determining the self-containment of an area, it is interesting to understand where people that work in Medway reside. Overall, of the 116,112 people that worked in Medway in 2021, 84.6% also resided there. The equivalent figure from 2011 was 76.9%, again showing a reduction in the significance of commuting flows into Medway and the lock down restrictions in place because of the coronavirus pandemic.

1.23 The table below shows the 10 authorities in which those working within Medway most commonly lived in 2021. The table also contains a column that details the equivalent number of workers within Medway in 2011 that came from the same origin location. The data indicates that Swale is the authority from which people most commonly commute to Medway, followed by Maidstone and Gravesham. There is no authority within this list from which the size of the commuting flows into Medway has increased between 2011 and 2021.

Table 1.3 The ten authorities that are the most common place of residence for people employed within Medway			
Location of residence for people employed within Medway			
Local authority area of residence	***2021***		***2011***
	Number of people working in Medway that live in the authority	*Proportion of all Medway workers that live there*	*Number of people working in Medway that live in the authority*
Medway	98,240	84.6%	53,629
Swale	4,268	3.7%	4,751
Maidstone	2,989	2.6%	4,165
Gravesham	2,207	1.9%	2,389
Tonbridge and Malling	1,877	1.6%	2,523
Dartford	958	0.8%	1,196
Canterbury	770	0.7%	1,099
Ashford	544	0.5%	681
Bexley	436	0.4%	481
Sevenoaks	331	0.3%	434

Source: Census 2011 and 2021

Migration trends

1.24 The Census details the migration flows recorded in the year prior to the survey. It provides estimates on all usual residents who were living at a different address one year before the Census. Overall, of the 25,622 residents of Medway in 2021 that had moved home within the UK in the previous year, some 57.4% had moved from elsewhere in the Unitary Authority. The equivalent self-containment figure from the 2011 Census for Medway was 62.7%.

1.25 The table below shows the 10 authorities from which residents most commonly moved into a home within Medway in the year up to April 2021. The table also contains a column that details the equivalent number of movers to Medway in the year up to the 2011 Census that originated from the same location.

1.26 The data indicates that Gravesham is the authority from which people that moved into Medway most commonly came, followed by Swale, Maidstone and Bexley. The scale of flows from all authority areas other than Maidstone and Tonbridge & Malling have increased between 2011 and 2021. Of the residents in Medway that had moved in the year prior to the 2021 Census, Gravesham is the only origin authority that constituted more than 3% of these moves.

Table 1.4 The ten authorities from which people most commonly moved into a home in Medway			
People that moved from within the UK into a home in Medway in the preceding year			
Original authority area of residence	***2021***		***2011***
	Number of people that moved to a home in Medway	*Proportion of all people moving to a home in Medway*	*Number of people that moved to a home in Medway*
Medway	14,716	57.4%	17,443
Gravesham	846	3.3%	720
Swale	771	3.0%	632
Maidstone	718	2.8%	752
Bexley	710	2.8%	365
Dartford	579	2.3%	326
Greenwich	559	2.2%	288
Tonbridge and Malling	417	1.6%	487
Bromley	393	1.5%	215
Lewisham	319	1.2%	206

Source: Census 2011 and 2021

1.27 In terms of the new location of people who moved from a home in Medway in the year prior to the 2021 Census (and remained in the UK), the data shows that 57.9% remained in the Unitary Authority. In comparison in 2011, this figure for Medway was 65.3%. The table below shows the 10 authorities to which residents in Medway most commonly moved to a new home in the year up to the 2021 Census. The table also contains a column that details the equivalent number of movers from Medway in the year up to the 2011 Census that had the same destination.

1.28 The data indicates that Swale is the authority to which people from Medway most commonly moved in the year up to April 2021, followed by Maidstone, Tonbridge & Malling and Canterbury. The flows to all authorities have increased since the previous Census however Swale and Maidstone are the only authorities in which the flow is notable in scale.

Table 1.5 The ten authorities which Medway residents most commonly moved to			
Destinations of Medway home movers in the preceding year			
Destination authority area	***2021***		***2011***
	Number of Medway residents that moved there	*Proportion of all residents leaving a home in Medway that moved there*	*Number of Medway residents that moved there*
Medway	14,716	57.9%	17,443
Swale	1,376	5.4%	950
Maidstone	1,207	4.7%	831
Tonbridge and Malling	711	2.8%	517
Canterbury	502	2.0%	336
Gravesham	413	1.6%	251
Dartford	214	0.8%	186
Ashford	212	0.8%	133
Greenwich	188	0.7%	160
Thanet	152	0.6%	113

Source: Census 2011 and 2021

Housing market indicators

1.29 It is useful to compare the price of housing in Medway with its neighbouring authorities to see the similarities and differences between the housing markets in the area. The table below presents the average (mean) property price for dwellings sold in Medway and the surrounding authorities in 2023. The table shows the overall average price of homes sold as well as the average for each dwelling type categorised by the Land Registry.

1.30 The table indicates that homes in Sevenoaks are clearly the most expensive with Tonbridge & Malling also recording properties prices notably above the other areas. Medway records the lowest prices of the areas, other than Swale. Prices in Medway are notably cheaper than the authorities to the south and west.

Table 1.6 Average (mean) prices by property types in 2023 in Medway and surrounding authorities					
Location	Detached	Semi-detached	Terraced	Flat	Overall average price
Medway	£519,100	£349,413	£284,913	£202,960	£321,609
Dartford	£644,748	£443,820	£370,627	£243,783	£383,586
Maidstone	£610,196	£386,475	£302,516	£212,803	£377,263
Tonbridge & Malling	£724,317	£446,099	£343,386	£252,312	£455,364
Gravesham	£602,455	£405,747	£324,370	£180,483	£367,635
Swale	£482,430	£328,606	£275,621	£168,546	£329,149
Sevenoaks	£1,100,590	£537,709	£410,067	£312,407	£632,215

Source: Land Registry, 2023

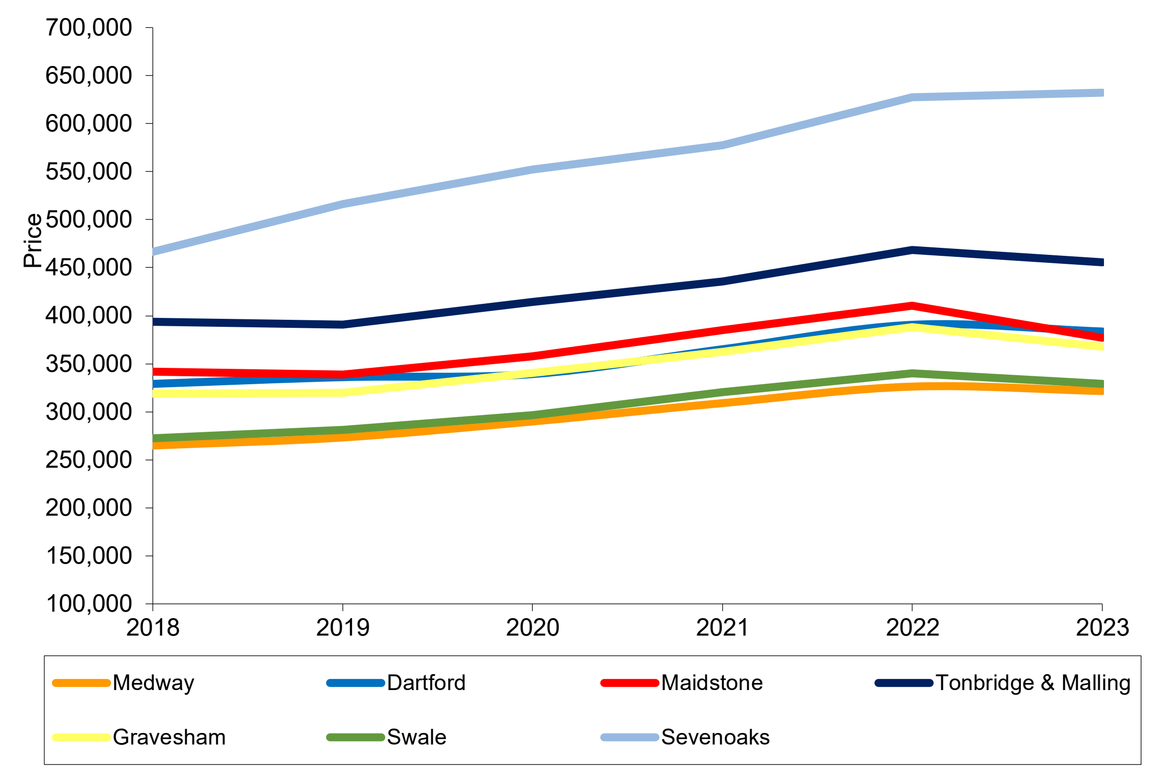
1.31 The table below shows the distribution of sales by property type in each of these areas in 2023, which allows comparison of the profile of dwelling stock in each authority. The data indicates that in Medway sales of terraced houses are most common and sales of detached houses are least frequent. The data implies that Gravesham is the authority with the accommodation profile most similar to Medway.

Table 1.7 Distribution of sales by property types in 2023					
Location	Detached	Semi-detached	Terraced	Flat	Total sales
Medway	12.2%	30.4%	43.3%	14.1%	3,053
Dartford	11.7%	24.9%	34.0%	29.4%	1,247
Maidstone	22.2%	31.0%	24.9%	21.9%	2,068
Tonbridge & Malling	24.0%	33.5%	27.5%	15.1%	1,448
Gravesham	14.4%	31.3%	39.0%	15.4%	885
Swale	23.7%	29.6%	36.3%	10.4%	1,499
Sevenoaks	28.8%	28.7%	28.6%	13.9%	1,204

Source: Land Registry, 2023

1.32 The figure below shows the change in average overall property price in each local authority area over the last five years. The figure shows that prices have continued to rise in the last few years in all areas. Over the last five years, prices have increased the most in Sevenoaks (by 35.5%) with the smallest increase being recorded in Maidstone (10.4%). Prices in Medway have risen by 21.4% between 2018 and 2023, which is most similar to the price rises in Swale (20.8%).

Figure 1.3 Change in overall average price since 2018



Source: Land Registry, 2024

Conclusion

1.33 The analysis of Medway and its neighbouring authorities presented above suggests that the most established linkages are those with Swale and Maidstone, both in terms of commuting and migration flows. However, the absolute number of people moving between Medway and these authorities represents a relatively small proportion of the total flows of people in Medway. The travel to work self-containment for Medway has increased notably between 2011 and 2021, and whilst the self-containment for in-migration has decreased over this time period it remains a very high figure. The housing market suggests that Medway is most similar to the market in Gravesham. The evidence however indicates that Medway is a distinct housing market area, with links to neighbouring authorities.

2. Local housing market drivers

Introduction

2.1 Two main drivers of the housing market are the resident population and the income profile of residents. They affect the nature of housing demand, including household formation rates and households' investment in housing. This socio-economic situation is important context to be understood before the level of housing need is calculated. The first half of this chapter uses the most recently available data to document the current demographic profile in Medway and how it has changed. The financial profile of households is also presented.

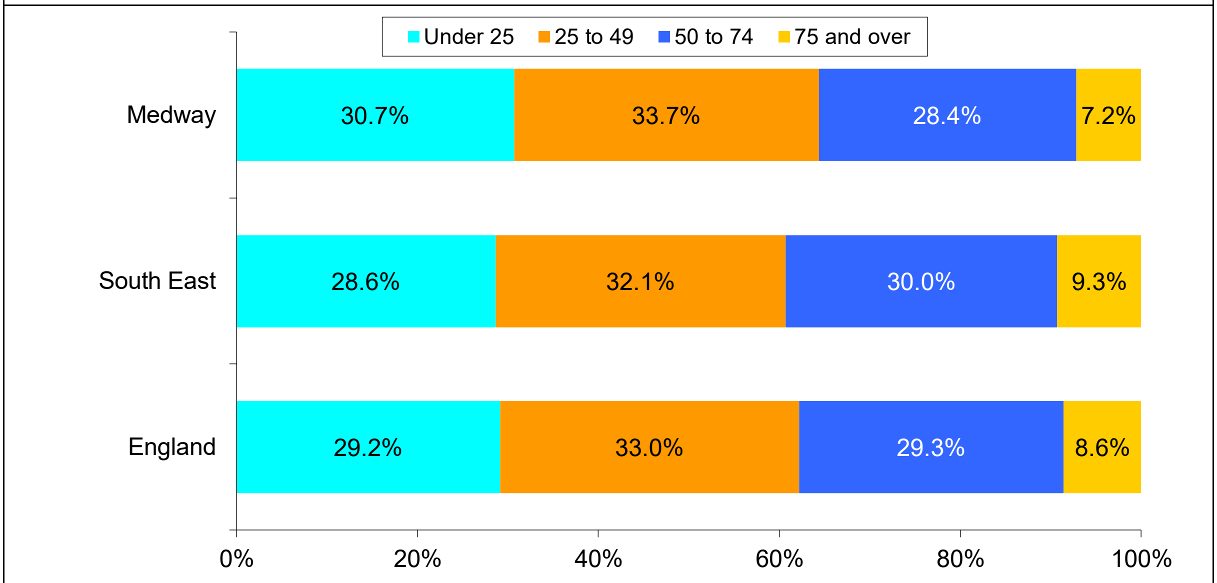
2.2 Analysis of the stock of housing allows an understanding of the current market balance and existing occupation patterns. Data from the 2021 Census is used to provide an overview of the housing stock in Medway and a comparison to the regional and national situation will be presented. The changes recorded over the last ten years will also be profiled.

Demography

2.3 The 2021 Census indicates that the resident population in Medway in 2021 was 279,771 and that, since 2011, the population had increased by 6.0%, by around 15,850 people. In comparison, the population of the South East region increased by 7.5% over the same period, whilst the population of England grew by 6.6%.

2.4 Figure 2.1 illustrates the age composition of the population of Medway, the South East, and England in 2021. The data shows that Medway has a relatively small proportion of those 50 and over and relatively more people aged under 25. The Unitary Authority has an atypically young population when compared with the national pattern.

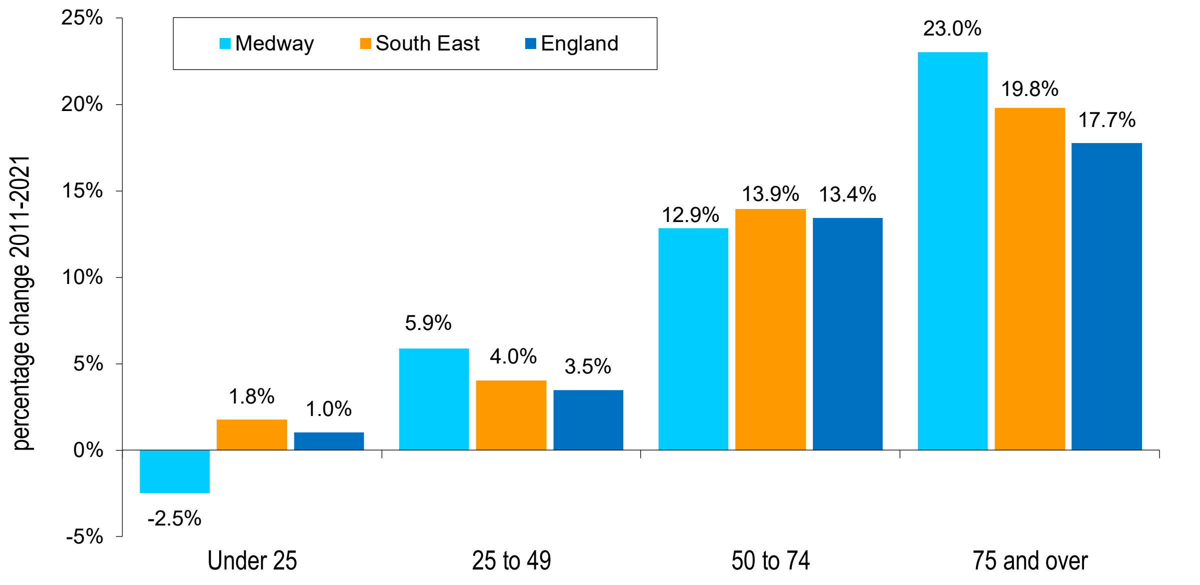
Figure 2.1 Population composition in Medway 2021



Source: 2021 Census

2.5 Figure 2.2 shows the change in the age profile in Medway between 2011 and 2021 as recorded by the Census. The regional and national equivalents are presented in addition. The figure shows that in Medway the number of people aged over 75 has grown by some 23.0%, with a decrease of 2.5% in those also aged under 25 recorded. The trend shown in Medway for an ageing population is replicated at a regional and national level.

Figure 2.2 Change in number of people in each age band between 2011 to 2021



Source: 2011 and 2021 Census

2.6 Table 2.1 provides a range of demographic details for Medway, the South East and England, including the average household size, the population density, the proportion of disabled residents and the proportion of people with a non-White ethnicity.

2.7 The population density in Medway in 2021 was 1,444 people per sq. km according to the 2021 Census, notably higher than the figure for England as a whole (434 people per sq. km) and the South East (487 people per sq. km). In 2021, the average household size in Medway was 2.48, notably higher than the national average of 2.37 and the regional average of 2.39. Medway recorded 17.4% of the population as disabled under the Equality Act in 2021, slightly higher than the national average.

2.8 Some 15.7% of the population of the Unitary Authority was non-White according to the Census, lower than the national figure of 19.0% but higher than the regional total of 13.7%. The largest non-White ethnic group in Medway is the Asian, Asian British or Asian Welsh ethnic groups, which constitutes 5.9% of the population. The 2021 Census indicates that 1.2% of the population of Medway had moved into the UK from abroad within the last two years, compared to 1.9% across England and 1.7% in the region.

Table 2.1 Demographic profile of Medway in 2021

Metric	*Medway*	*South East*	*England*
Total population in households*	276,024	9,088,552	55,504,302
Total households	111,458	3,807,966	23,436,090
Average household size	2.48	2.39	2.37
Population density	1,444	487	434
Proportion people disabled under the equality act	17.4%	16.1%	17.3%
Proportion people with a non-White ethnicity	15.7%	13.7%	19.0%
Proportion resident in the UK for less than 2 years	1.2%	1.7%	1.9%

*This excludes people living in residential institutions. Source: 2021 Census

2.9 Both the 2011 and 2021 Census collected data on the overall general health of the population. Table 2.2 shows the overall results recorded in 2021 in Medway, the South East and England for this measure alongside the relative change in the number of people in these different groups since the previous Census.

2.10 Overall, Medway records a marginally worse profile than the regional situation, with the Unitary Authority having a lower proportion of residents with very good health and a higher proportion of residents with bad or very bad health than is recorded for the South East. The biggest change recorded in Medway between 2011 and 2021 is an increase in the number of people with very good health, replicating national and regional trends. In Medway, the second largest growth is number of people with very bad health.

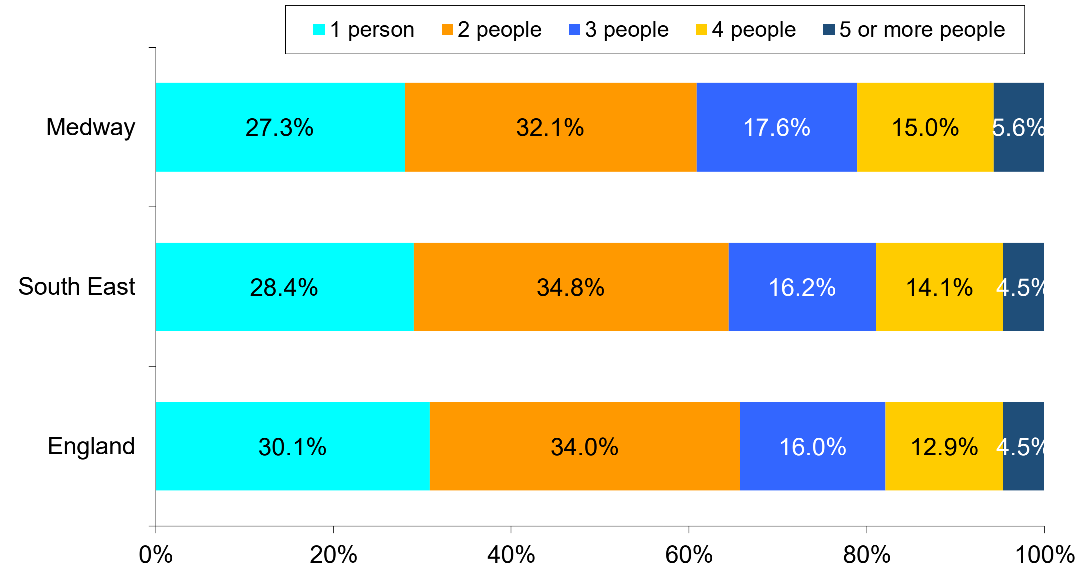
Table 2.2 General health 2011 and 2021

General health	*Medway*	*South East*	*England*	*Change in number of people in Medway since 2011*	*Change in number of people in South East since 2011*	*Change in number of people in England since 2011*
Very good health	47.5%	50.0%	48.5%	10.1%	9.5%	9.5%
Good health	34.6%	34.0%	33.7%	1.1%	5.5%	5.0%
Fair health	12.8%	11.8%	12.7%	4.7%	5.3%	2.8%
Bad health	4.0%	3.3%	4.0%	7.5%	5.4%	-0.1%
Very bad health	1.1%	0.9%	1.2%	7.8%	3.7%	0.3%
Total	100.0%	100.0%	100.0%	-	-	-

Source: 2011 and 2021 Census

2.11 Figure 2.3 shows the size of households in Medway, the South East and England. It shows that, in 2021 some 20.6% of households in Medway contained four or more people, higher than the regional and national figures. The proportion of one and two person households was however lower than the other geographies. Two person households were the most common within the Unitary Authority.

Figure 2.3 Household size in Medway 2021



Source: 2021 Census

2.12 Table 2.3 shows the composition of households in Medway. It shows that, in 2021, some 28.6% of all households in the Unitary Authority contained a couple with children and 15.9% of households were non older-person couples without children. Medway has a higher proportion of households with children and a smaller proportion of single older person and older couple households than is recorded across the region and nationally.

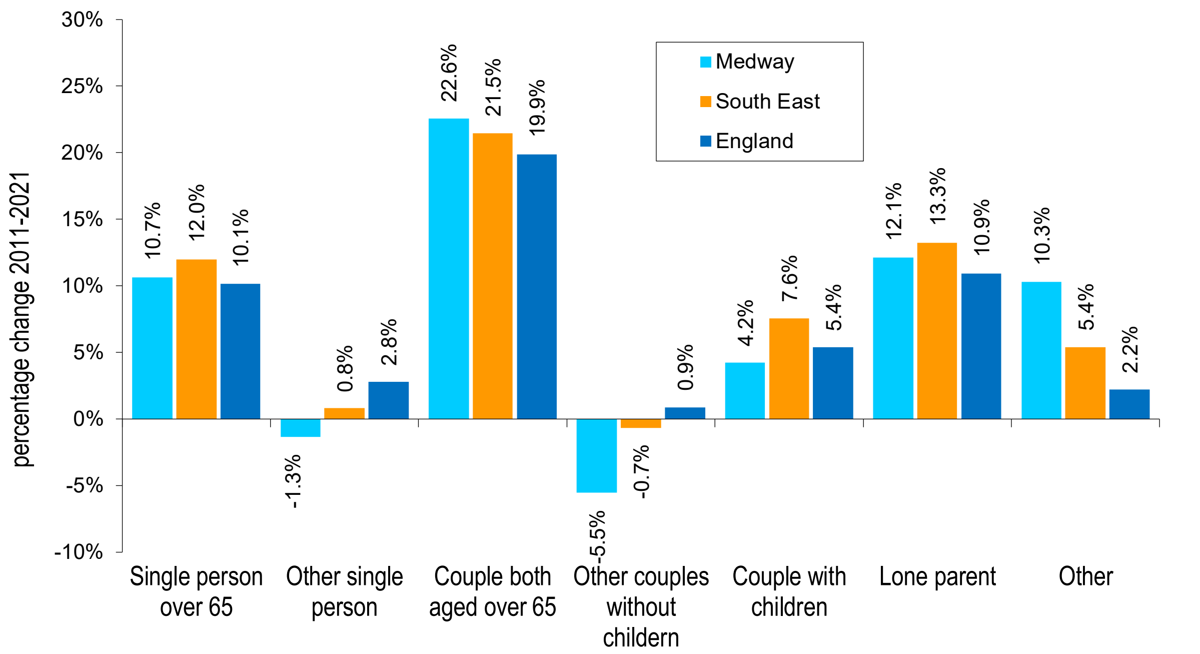
Table 2.3 Household type in Medway in 2021

Household type	*Medway*	*South East*	*England*
Single person over 65	11.8%	13.2%	12.8%
Other single person	15.5%	15.2%	17.3%
Couple both aged over 65	8.2%	10.2%	9.2%
Other couples without children	15.9%	17.4%	16.8%
Couple with children	28.6%	27.1%	25.2%
Lone parent	12.5%	9.7%	11.1%
Other	7.5%	7.2%	7.7%
Total	100.0%	100.0%	100.0%

Source: 2021 Census

2.13 Figure 2.4 shows the change in the household composition in Medway, the South East and England between 2011 and 2021 as recorded by the Census. The figure shows that in Medway, regionally and nationally, the number of households containing two or more pensioners has increased the most. In Medway the number of couple households with children have increased by a smaller amount than regionally and nationally. Other couple households without children decreased in number between 2011 and 2021 in Medway (alongside the South East) as have other single person households in Medway.

Figure 2.4 Change in household composition between 2011 and 2021



Source: 2011 and 2021 Census

Economy

2.14 Considerable data is available on the economic context in Medway, which enables a profile of the current local economy to be presented.

Employment in Medway

2.15 NOMIS[5] data on 'job density' (this is a measure of the number of individual jobs[6] per person of working age) for 2022 shows that there are 0.65 jobs per working age person in the Unitary Authority, compared to 0.87 jobs per working age person across the South East region and 0.88 for England as a whole. The level of job density nationally and regionally has not changed notably over the last five years (from 0.88 to 0.87 in the South East and from 0.87 to 0.88 in England). In Medway however, an increase in job density has been recorded over this period (from 0.62 to 0.65). It should be noted that, at a local authority level, the job density figures vary from year to year, so not too much emphasis should be placed on the trend information at this scale.

[5] NOMIS is a website provided by the Office for National Statistics that contains a range of labour market data at a local authority level. www.nomisweb.co.uk.

[6] Jobs includes employees (both full and part-time), self-employed, Government-supported trainees and HM Forces.

2.16 Measured by the ONS Business Register and Employment Survey, there were 96,000 individual employee jobs[7] in Medway in 2022. This is 6.7% higher than the number recorded in the Unitary Authority in 2017. The number of employee jobs in the South East has increased by 4.2% between 2017 and 2022, compared to 4.8% nationally over the same time period. It is worth noting that all the figures produced by this data source are rounded to the nearest thousand so fluctuations will appear larger where there is a lower base population.

2.17 Data is also available from the ONS about the number of businesses in the area and how this has changed. This can provide an indication of the state of the economy as an increase in businesses would suggest either new companies moving to the area or an increase in local entrepreneurship. The ONS indicates that in 2023 there were 8,815 enterprises in Medway. A slightly higher proportion of enterprises were micro (with 9 or fewer employees) across Medway (90.2%) compared with the South East (89.5%) and England (89.2%). In Medway the number of enterprises has increased by 4.8% between 2018 and 2023 (a rise of 300), higher than the rate of change for the region (0.1%) and nationally (2.2%).

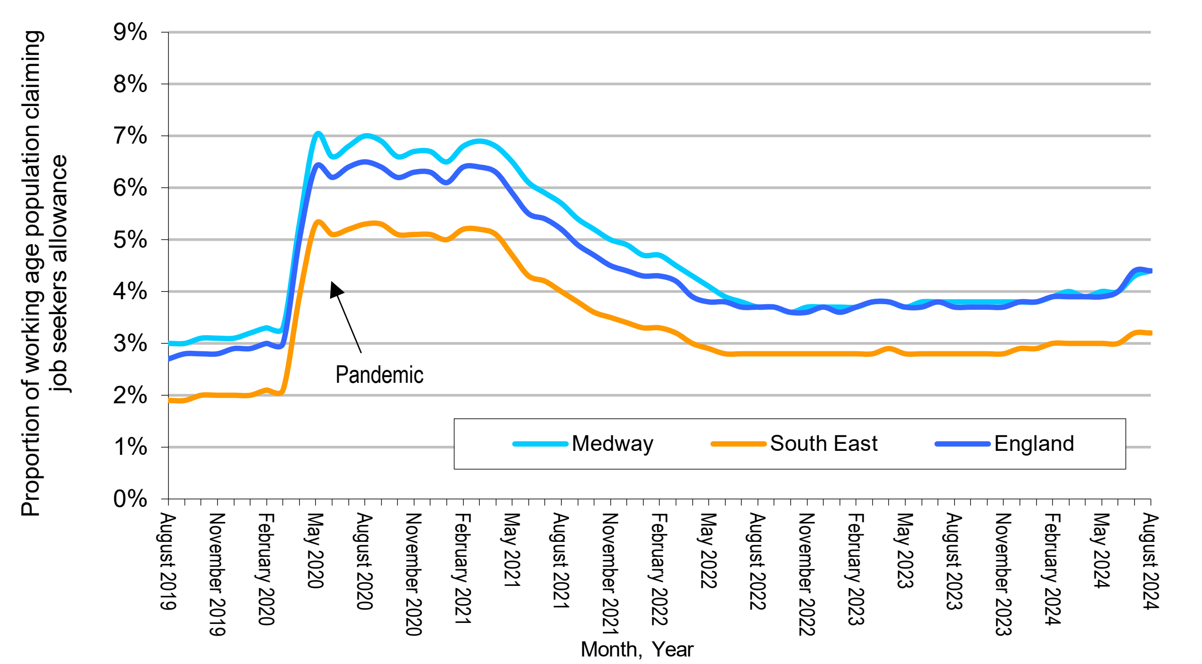
Employment profile of residents in Medway

2.18 Although the overall economic performance of Medway provides important context, an understanding of the effect of the economic climate on the resident population is more pertinent to this study.

2.19 The ONS publishes, on a monthly basis, the number of people claiming Job Seekers Allowance. This provides a very up-to-date measure of the level of unemployment of residents in an area. The figure below shows the change in the proportion of the working age population claiming Job Seekers Allowance in Medway, the South East and England over the last five years. The figure indicates that, in all areas, the level of unemployment increased notably in Spring 2020, as restrictions were put in place in response to the coronavirus pandemic. The level of unemployment remained at this higher level for a year, before beginning to fall gradually. The figure indicates that the unemployment level in Medway, whilst fluctuating, has been slightly higher than the national level and notably higher than the regional figure. Currently (August 2024), 4.4% of the working age population in Medway are unemployed, compared to 3.2% regionally and the national average of 4.4%.

[7] Employee jobs excludes self-employed, government-supported trainees and HM Forces. Employee jobs can be both part-time and full-time. Data also excludes farm-based agriculture.

Figure 2.5 Level of unemployment (2019-2024)



Source: ONS Claimant Count

2.20 An understanding of the economic situation of the resident population is useful context for this study. The Census presents a 'Standard Occupation Classification' which categorises all residents aged 16 years and over in employment the week before the census into one of nine groups depending on the nature of the skills that they use. These nine groups are graded from managerial jobs (Groups 1-3) to unskilled jobs (Groups 8-9). As Table 2.4 illustrates, some 40.8% of employed residents in Medway work in Groups 1 to 3, lower than the figure for the South East region and England as a whole. The proportion of people employed in all other groups in Medway is higher than in the South East and England. Further analysis shows that, since 2011, there has been a considerable increase in the number of people resident in Medway employed within Groups 1 to 3, and a fall in the number of people employed within the other groups.

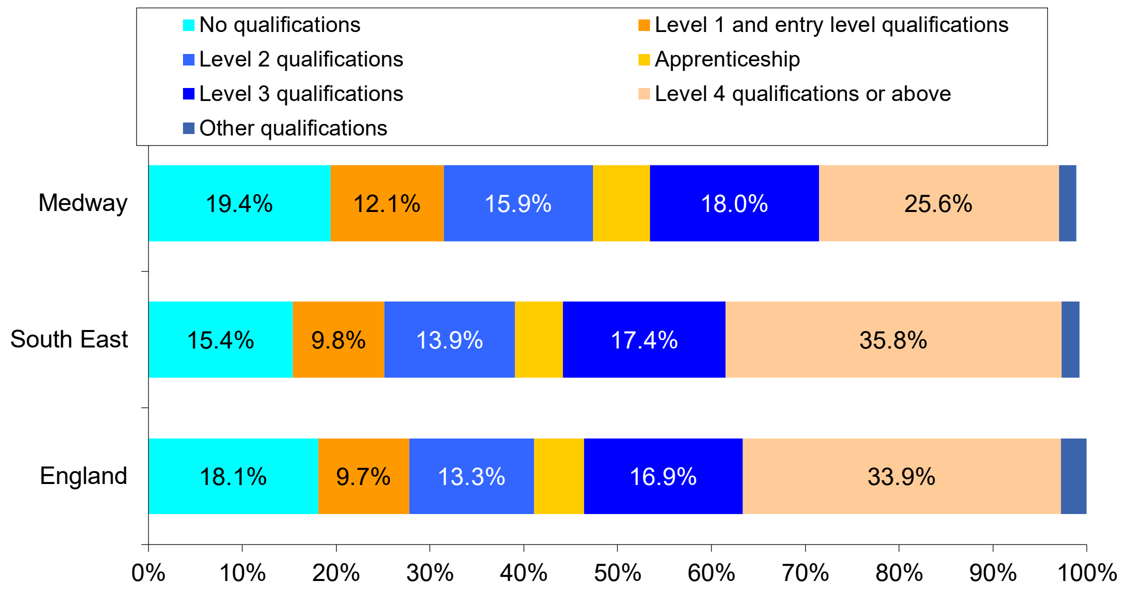
Table 2.4 Occupation structure (2021)				
Occupation Groups	*Medway*	*South East*	*England*	*Change in number of people employed in Medway since 2011*
Group 1-3: Senior, Professional or Technical	40.8%	50.4%	46.4%	24.0%
Group 4-5: Administrative, skilled trades	22.5%	19.4%	19.4%	-9.1%
Group 6-7: Personal service, Customer service and Sales	17.3%	15.9%	16.7%	-3.7%
Group 8-9: Machine operatives, Elementary occupations	19.4%	14.4%	17.4%	-2.6%
Total	100.0%	100.0%	100.0%	-

Source: 2011 and 2021 Census

Qualifications

2.21 An important factor in the ability of any economy to grow is the level of skill of the workforce. Figure 2.5 shows the highest qualification level of the working-age residents of Medway, compared to the regional and national equivalents as recorded in the 2021 Census. Level 1 qualification is the lowest (equivalent of any grade at GCSE or O-Level) and Level 4 the highest (undergraduate degree or higher). The data indicates that 25.6% of working-age residents in Medway have Level 4 or higher qualifications, notably lower than the figures for the South East region (35.8%), and England (33.9%). Medway has more residents with no qualifications than is found regionally and nationally.

Figure 2.6 Highest qualification level of residents (2021)



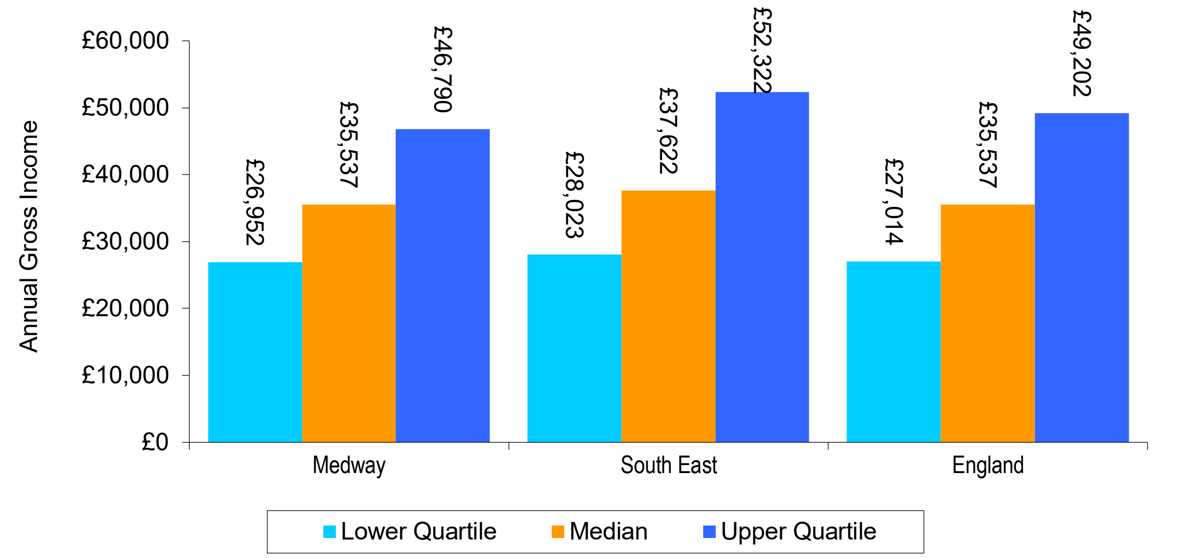
Source: Census, 2021

2.22 Income has a core effect on the level of choice a household has when determining their future accommodation. The mean earned gross income[8] for full-time employees' resident in Medway in 2023 was £40,238 according to the ONS Annual Survey of Hours and Earnings. In comparison, the regional figure was £44,637 and the national average was £42,245. It is important to note that these figures assess individual incomes rather than household incomes. It should also be noted that the median figures (set out in Figure 2.7) provide a more accurate average than the mean figures as they are less influenced by extreme values, however the mean figures are presented for context.

2.23 Figure 2.7 shows that at all points on the distribution, annual gross income for residents in Medway is lower than the national and regional equivalents. In Medway there is a relatively small difference between higher earners and lower earners (in comparison to nationally).

[8] This is obtained from employers about employees living in the area who are on adult rates of pay and whose pay was not affected by absence. It does not include those that are self-employed or in-work benefits for the low-paid received in addition to their salary.

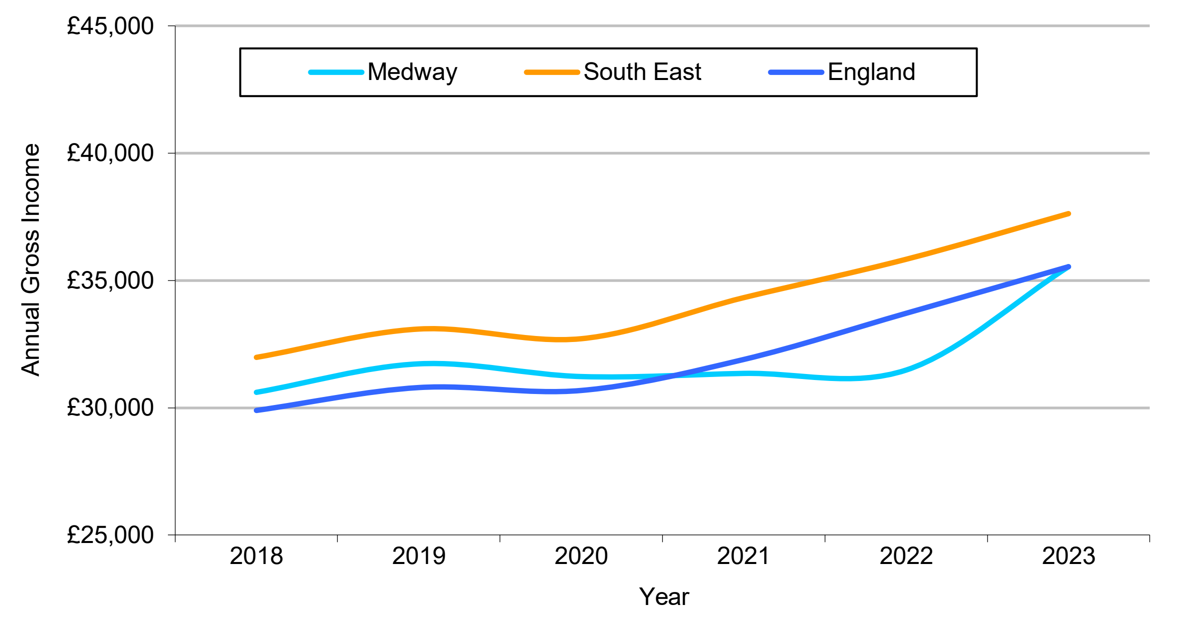
Figure 2.7 Annual gross income of full-time employed residents 2023 (residence based earnings)



Source: ONS Annual Survey of Hours and Earnings (2023)

2.24 Figure 2.8 shows the change in the median income of full-time employees' resident in Medway, the South East region and England since 2018. Medway has recorded the smallest increase since 2018 (at 16.1%) followed by the South East (17.7%) and then England (18.9%).

Figure 2.8 Change in median annual income of full-time employed residents 2018-2023

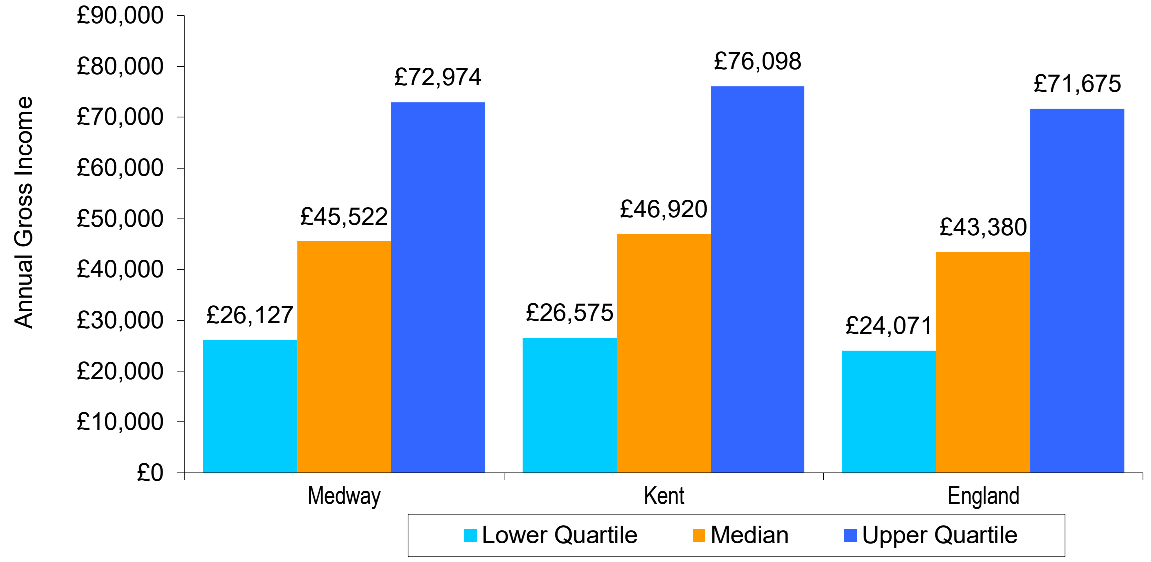


Source: ONS Annual Survey of Hours and Earnings (2018-2023)

Household income

2.25 CACI Paycheck[9] estimates that the mean gross annual household income[10] in Medway in 2024 was £53,368 which is 2.4% above the equivalent for England (£52,118) but 3.4% below the figure for Kent (£55,266). Figure 2.8 shows household income at various points on the income distribution for Medway alongside the county-wide and national equivalents. The data indicates that households in Medway are slightly less affluent than equivalent county-wide households at all points on the income distribution.

Figure 2.9 Annual gross household income, 2024 (residence based)



Source: CACI Paycheck, 2024

Dwelling stock

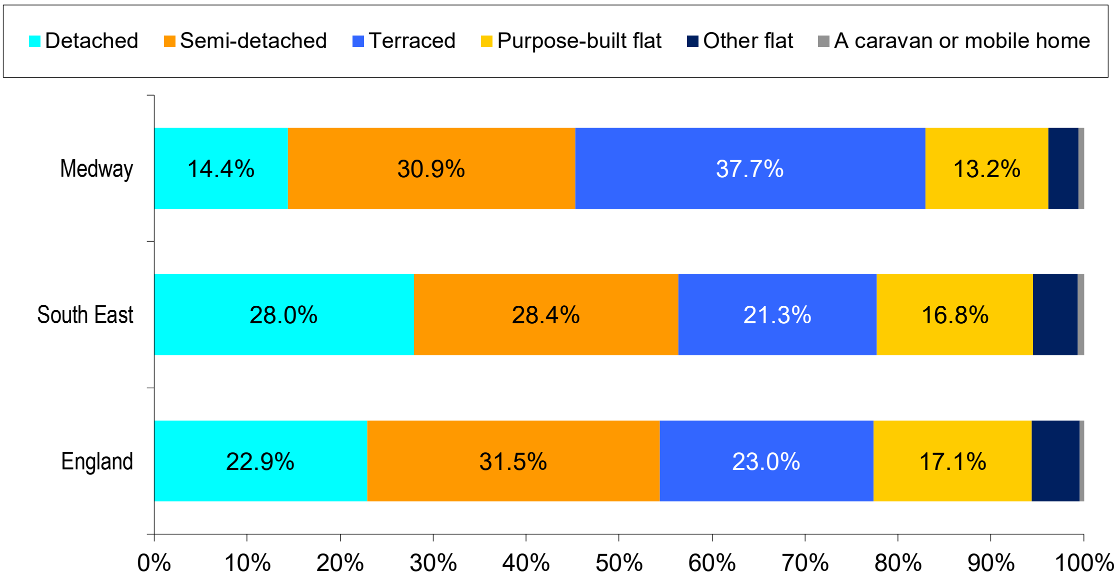
2.26 The Census indicates that there were 117,443 dwellings in Medway in 2021. The Census shows that the number of dwellings in the Unitary Authority grew by 6.7% between 2011 and 2021 (some 7,340 dwellings). This growth is in below that recorded regionally (the number of dwellings grew by 9.0% across the South East between 2011 and 2021), and nationally (growth in dwellings of 8.5% over the same time period). In 2021, some 5.1% of dwellings were empty or used as a second home, a lower vacancy rate than recorded for the South East (5.4%) and England (6.0%). There has been an increase in the vacancy rate recorded in the Unitary Authority since 2011 (3.7% of dwellings were empty or second homes at that time of the previous Census).

[9] CACI is a commercial company that provides household income data.
[10] This figure includes all sources of household income, including benefits (such as in-work benefits for the low paid) as well as both self-employed and employed earned income by household members.

Accommodation profile

2.27 Figure 2.10 compares the type of accommodation in Medway in 2021 with that recorded for the South East and England. Medway contains more substantially more terraced houses than the regional and national averages. The Unitary Authority contains fewer flats than is found across the region, but more semi-detached homes. The most common property type in Medway is terraced houses followed by semi-detached dwellings.

Figure 2.10 Dwelling type in Medway, South East and England, 2021



Source: 2021 Census

2.28 Table 2.5 compares the size of accommodation (in terms of bedrooms) in Medway with the South East and England. The table indicates that Medway has a greater proportion of three-bedroom homes than the South East and England as a whole. The proportion of four or more bedroom homes in Medway is lower than the regional and national average. Overall, some 47.0% of properties contain three bedrooms.

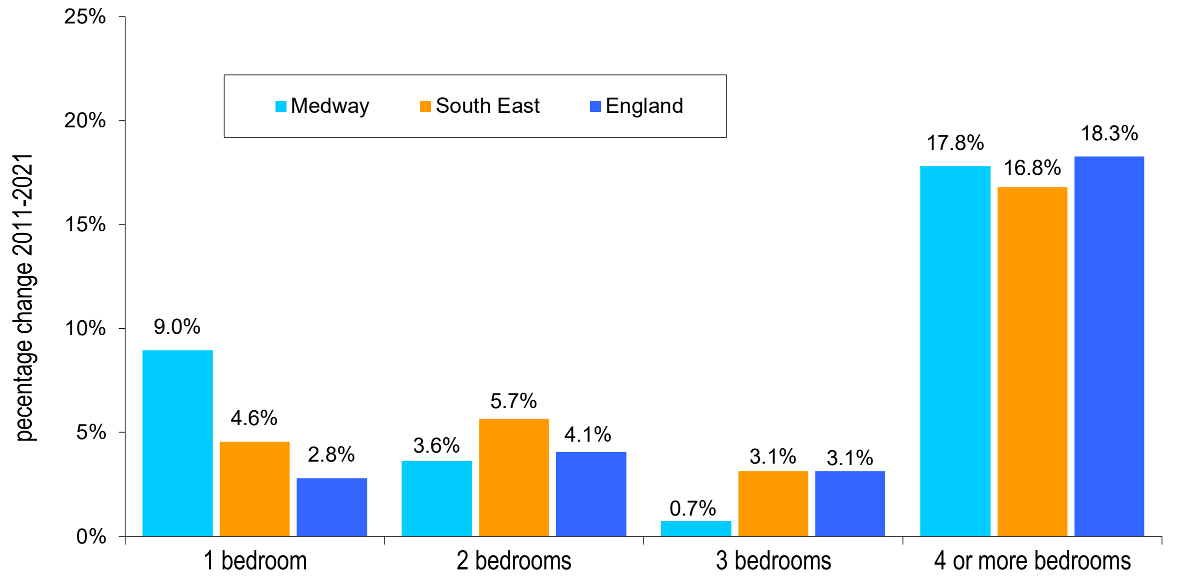
Table 2.5 Size of dwelling stock in Medway, South East and England, 2021

Property size	Medway	South East	England
1 bedroom	10.6%	11.6%	11.6%
2 bedrooms	25.1%	25.9%	27.3%
3 bedrooms	47.0%	37.5%	40.0%
4 or more bedrooms	17.4%	25.0%	21.1%
Total	100.0%	100.0%	100.0%

Source: 2021 Census

2.29 Figure 2.11 shows the change in the number of dwellings by number of bedrooms between 2011 and 2021. The figure shows that, in all areas, the number of four-bedroom homes has increased the most and at a notably greater rate than any other property size. In Medway, the number of three-bedroom homes recorded the smallest inter-Census growth.

Figure 2.11 Change in the number of homes by dwelling size 2011 and 2021

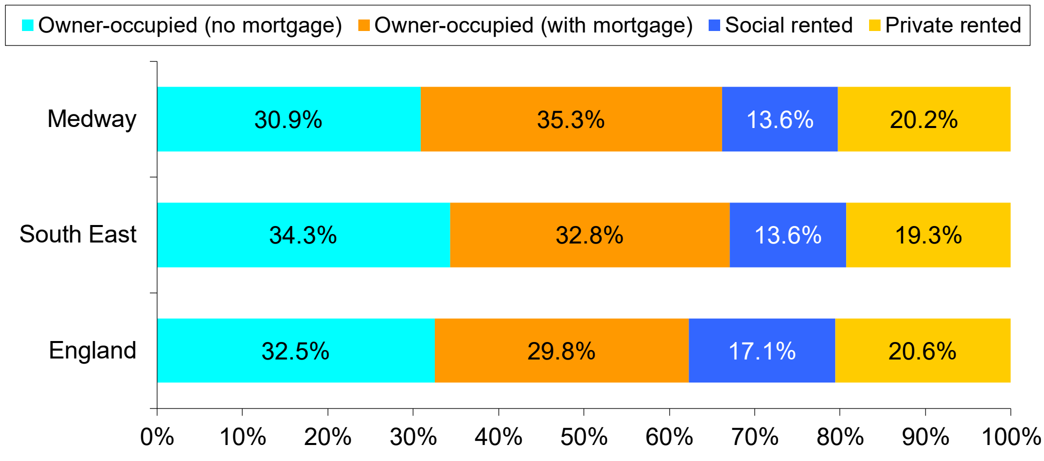


Source: 2011 and 2021 Census

Tenure

2.30 Figure 2.12 compares the tenure of households in Medway in 2021 with that recorded for the South East and England. The data indicates that 30.9% of households in the Unitary Authority are owner-occupiers without a mortgage, compared to 34.3% in the region and 32.5% nationally. This lower figure reflects that the population in Medway is younger than average. The proportion of owner-occupiers with a mortgage in Medway (35.3%) is however higher than the regional (32.8%) and national average (29.8%). Some 13.6% of households in Medway are resident in the Social Rented sector, the same as the regional average but substantially lower than the figure for England (17.1%). Finally, some 20.2% of households in Medway live in private rented accommodation, a similar level to that recorded in the South East (19.3%) and England (20.6%).

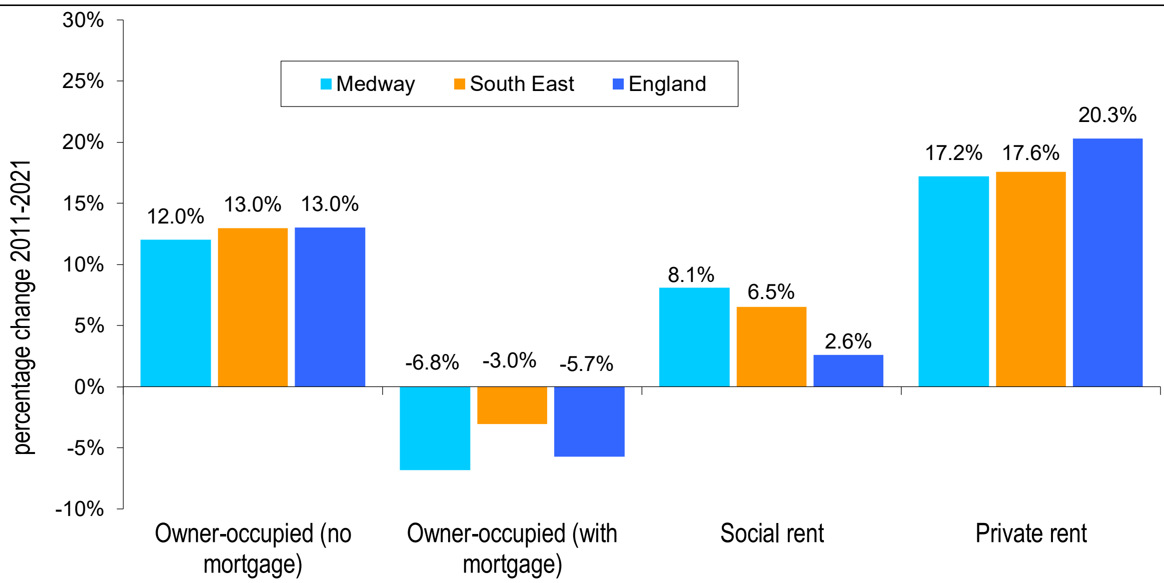
Figure 2.12 Tenure profile in Medway, South East and England, 2021



Source: 2021 Census

2.31 Figure 2.13 shows the change in the size of each tenure between 2011 and 2021. The figure shows that in all areas the private rented sector has increased dramatically and the number of owner-occupiers with no mortgage has also grown substantially. In comparison, the number of owner-occupiers with a mortgage has decreased. The Social Rented sector has recorded a more modest growth. Generally, the trends recorded in Medway align with the regional and national trends.

Figure 2.13 Change in number of households in each tenure 2011 to 2021

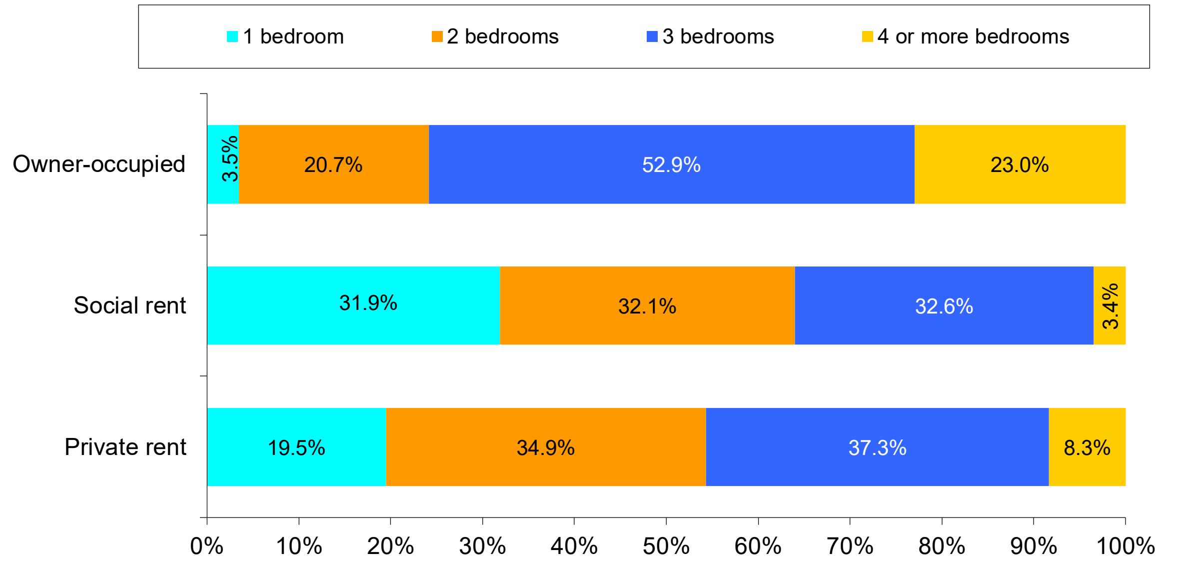


Source: 2011 and 2021 Census

Tenure by bedroom

2.32 Finally, it is useful to understand the size of accommodation within each tenure as recorded by the Census. This is shown in Figure 2.14. The data indicates that, Medway, rented accommodation is smaller on average than owned dwellings. This pattern is common across the country and reflects of the profile of dwellings built in each sector alongside the size of homes lost from the affordable stock through Right-to-Buy, rather than the aspirations of those in the different tenures. Generally, the private rented stock is larger than that recorded in the social rented sector.

Figure 2.14 Dwelling size within each tenure in Medway, 2021



Source: 2021 Census

2.33 Figure 2.15 shows the change in the change of the stock profile within each tenure in Medway between 2011 and 2021. The figure indicates that, the largest growth in the owner-occupied sector homes has been from homes with four or more bedrooms and there has been a reduction in the number of two and three bedroom dwellings in this tenure in Medway since 2011. The private rented sector has recorded growth across all property sizes, with the biggest increase in three-bedroom accommodation. Growth in the social rented sector has been highest amongst four and two bedroom properties.

Figure 2.15 Change in the number of homes in Medway by tenure and dwelling size 2011 and 2021

Source: 2011 and 2021 Census

3. The cost and affordability of housing

Introduction

3.1 An effective housing needs assessment is founded on a thorough understanding of local housing – what it costs and how this varies. This chapter initially considers the cost of market housing in Medway in a regional and national context. Subsequently, it assesses the entry-level costs of housing across the Unitary Authority as a whole. A comparison of the cost of different tenures will be used to identify the housing market gaps that exist. Finally, the chapter will report changes in affordability as well as the affordability of housing for different groups of the population currently.

Relative prices

3.2 Table 3.1 shows the average (mean) property price by dwelling type in 2023 in Medway, the South East and England as a whole as presented by the Land Registry[11]. The data indicates that the overall average property price in Medway is 11.8% lower than the national figure and 29.5% lower than the figure for the South East. Prices in Medway are lower across all property types, however the relative difference is smallest for semi-detached homes.

3.3 The dwelling profile is not the same across the three areas (with Medway having a greater proportion of sales of terraced houses and a smaller proportion of flats than nationally), so a mix adjusted average has therefore been derived to work out what the average price would be were the dwelling mix in Medway and the South East to be the same profile as is recorded across England. The mix adjusted average price indicates that equivalent properties in Medway are around 5.0% lower than those found nationally and 23.6% lower than those across the South East as a whole.

[11] http://landregistry.data.gov.uk/app/standard-reports/report-design?utf8=%E2%9C%93&report=avgPrice

Table 3.1 Average (mean) property prices* 2023						
Dwelling type	Medway		South East		England & Wales	
	Average price	% of sales	Average price	% of sales	Average price	% of sales
Detached	£519,100	12.2%	£725,125	26.7%	£526,575	24.3%
Semi-detached	£349,413	30.4%	£440,301	27.0%	£321,259	29.5%
Terraced	£284,913	43.3%	£362,952	25.1%	£299,368	28.6%
Flat	£202,960	14.1%	£247,668	21.2%	£319,577	17.6%
Overall average price	£321,609	100.0%	£456,082	100.0%	£364,580	100.0%
Mixed adjusted overall average price	£346,417	-	£453,471	-	£364,580	-

*This is average price per sold property. Source: Land Registry, 2024

3.4 The average property price in Medway has risen by 24.1% over the last five years compared to an increase of 22.5% nationally and a growth of 20.2% across the region. The number of sales in Medway over this period has fallen by 24.2% compared to a decrease of 32.2% in England & Wales and a fall of 27.6% for the Eats of England.

3.5 The table below shows the average private rents by dwelling size in 2022-2023 in Medway, the South East and England as recorded by the Valuation Office Agency. The data indicates that the overall average rental price in Medway is 6.4% lower than the national figure and 19.0% lower than the figure for the South East. The mix adjusted average rent indicates that equivalent properties in Medway are around 1.7% lower than those found nationally and 13.8% below those in the South East.

Table 3.2 Average private rents in 2022-2023* (price per month)						
Dwelling size	Medway		South East		England	
	No. of sales	Average price	No. of sales	Average price	No. of sales	Average price
One bedroom	600	£759	17,720	£851	84,820	£838
Two bedroom	950	£948	32,990	£1,090	190,540	£932
Three bedroom	450	£1,038	19,060	£1,137	121,700	£1,068
Four bedroom	110	£1,458	6,950	£2,066	34,180	£1,791
Overall average rent**	2,550	£930	82,050	£1,148	459,340	£994
Mixed adjusted rent	-	£977	-	£1,134	-	£994

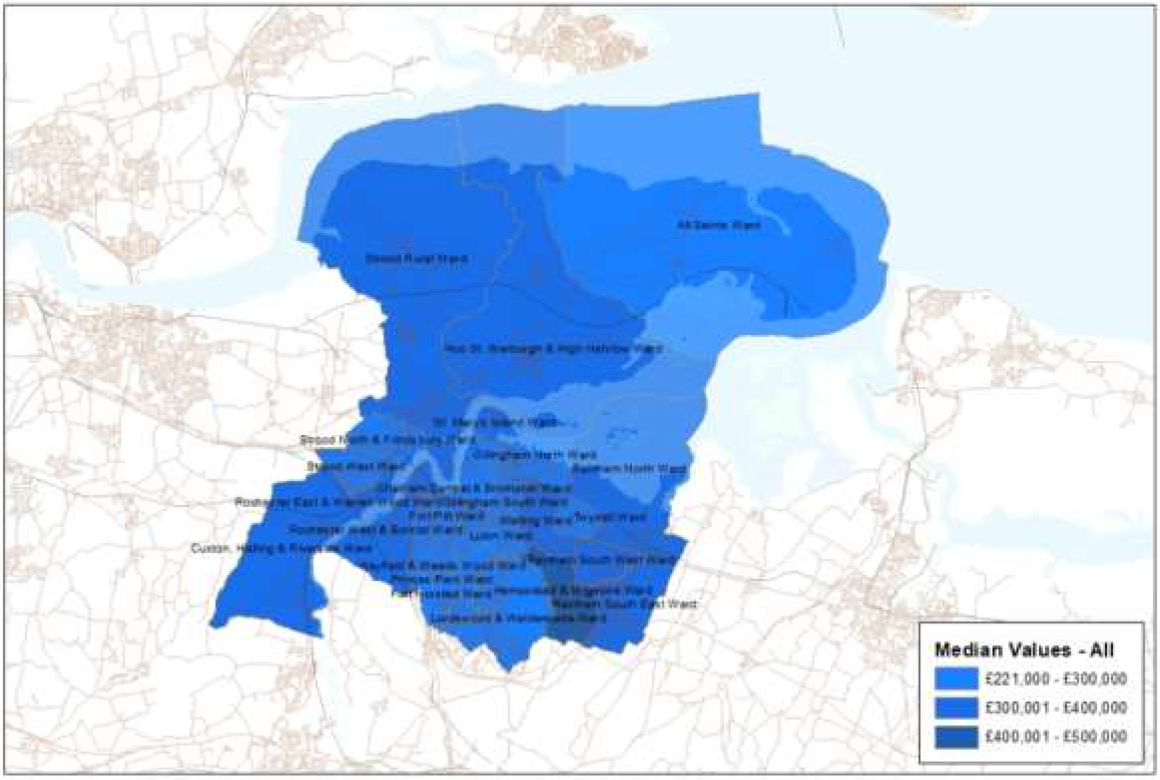
* Recorded between 1 October 2022 to 30 September 2023 **This figure includes the rents for room and studio accommodation which are not presented in this table. Source: Valuation Office Agency, 2024

3.6 The average rents in the Medway area have risen by 20.9% over the last five years, compared to an increase of 17.8% nationally and a growth of 16.7% across the wider region[12]. The number of lettings in Medway over this period has increased by 15.9%, larger than the fall of 5.5% in England and the increase of 2.3% for the South East.

The cost of housing

3.7 The figure below shows the variations in the cost of housing across the Unitary Authority as recorded by the Land Registry data on dwellings sold. It illustrates that there is relatively little variation across Medway. Prices are generally cheaper in Chatham and Gillingham and more expensive in the south east and south west corners of the Unitary Authority.

Figure 3.1 Variation in median sales prices by ward January 2021 to July 2024



This data covers transactions received at Land Registry from 2021 to 2024. © Crown Copyright 2024. Contains Ordnance Survey data © Crown Copyright and Database Right 2024. Contains public sector information licensed under the Open Government Licence v3.0. Source: Land Registry, 2023

3.8 To fully understand the affordability of housing within an area, it is necessary to collect data on the cost of housing by number of bedrooms. This ensures that it is possible to assess the ability of households to afford market housing of the size required by that particular household.

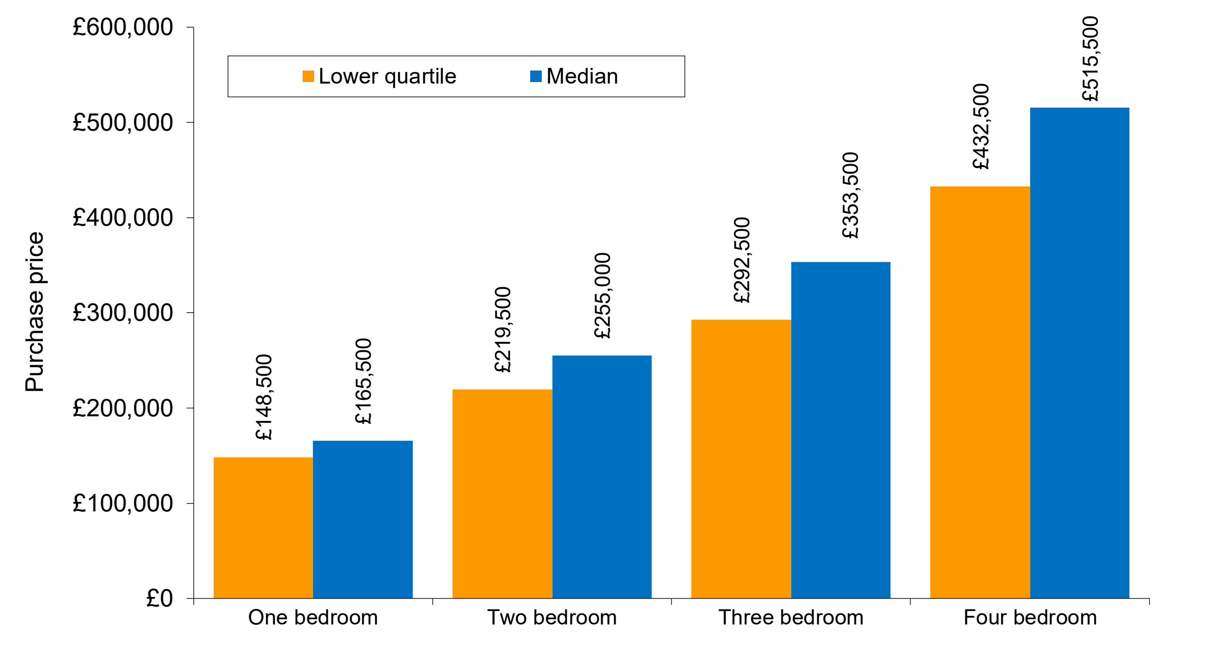
[12] This is the change in mean overall rents. Paragraphs 7.59 and 7.60 look in more detail at the change in private rents at different price levels by bedroom size. This gives a more precise analysis of the pressure on the sector within Medway.

No published secondary data contains this information at a local authority level. As part of this study a price survey was undertaken to assess the current cost of market (owner-occupied and private rented) and affordable housing in Medway. At the time of the price survey there were over 1,500 homes advertised for sale, and over 250 properties available to rent in Medway, providing a suitably large sample size for this process. Of these dwellings for sale, 39.1% were three bedroom homes, 28.3% two bedroom properties, 24.3% four bedroom dwellings and 8.2% one bedroom accommodation.

3.9 Median property prices by number of bedrooms were obtained in Medway via an online search of non-newbuild properties advertised for sale during October 2024. The results of this online price survey are presented in Figure 3.2. The prices recorded include a discount to reflect that the full asking price is not usually achieved (with sales values typically 2.5% lower). There is a notable premium on four bedroom homes in Medway.

3.10 Entry-level property prices are also presented in Figure 3.2. In accordance with the PPG, entry-level prices are based on lower quartile prices (paragraph 021 Reference ID: 2a-021-20190220). This lower quartile price reflects the cost of a home in suitable condition for habitation, some of the properties available in the lowest quartile are sub-standard and will require modernisation and updating which will add further expense to the purchase price. The figure indicates that entry-level prices in Medway range from £148,500 for a one bedroom home up to £432,500 for a four-bedroom property. Median prices are generally around 10-20% higher than entry-level prices.

Figure 3.2 Property prices by size in Medway



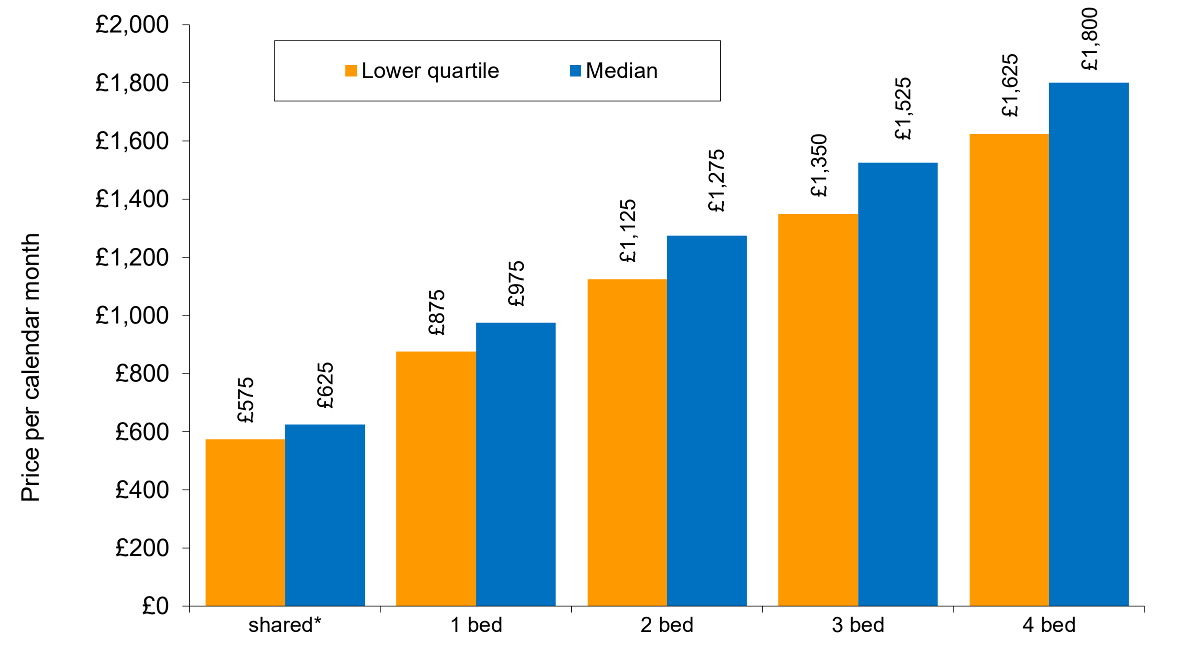
Source: Online estate agents survey October 2024

3.11 There are a number of park homes available in Medway, although they do not represent a significant amount of the stock, (park homes comprised under 2% of the stock within the price survey). Generally, park homes are priced at a similar level to other homes in Medway with the same number of bedrooms.

Private rents

3.12 Whilst private rent levels vary across Medway, the distinction between the areas is less marked than with owner-occupation, reflecting that location is not as important a determinant in rent levels as the condition and quality of the property. The median and lower quartile price for private rented accommodation by property size is presented in Figure 3.3. The figure also includes the cost of a shared room within the private rented sector. The figure indicates that entry-level rents range from £875 per month for a one-bedroom home, up to £1,625 per month for a four-bedroom property. The profile of properties available is somewhat different to that for purchase, with a greater proportion of one and two-bedroom homes available to rent.

Figure 3.3 Private rents by size in Medway



* Shared room is a room in a shared dwelling. Source: Online estate agents survey October 2024

Social and Affordable Rents

3.13 The cost of Social and Affordable Rented accommodation by dwelling size in Medway can be obtained from the Regulator of Social Housing's Statistical Data Return dataset[13]. Table 3.3 illustrates the cost of Social and Affordable Rented dwellings in Medway. The costs are significantly below those for private rented housing, indicating a significant gap between the Affordable Rented and market sectors.

Table 3.3 Average Social and Affordable Rented costs in Medway (per month)

Bedrooms	*Social rent*	*Affordable Rent*
One bedroom	£437	£525
Two bedrooms	£482	£619
Three bedrooms	£523	£692
Four bedrooms	£599	£793

Source: HCA's Statistical Data Return 2023, The figures include the service charge.

Analysis of housing market 'gaps'

3.14 Housing market gaps analysis has been developed to allow comparison of the costs of different tenures. The figure below shows the housing ladder that exists for different sizes of property. The housing ladder is illustrated by comparing the different types of housing in terms of the income required to afford them.

3.15 To establish the income required to afford the entry-level property purchase (lower quartile property prices set out in Figure 3.2) has been divided by 3.5[14] to get an annual income figure (to reflect the likely minimum income required to be granted a mortgage on the property)[15]. To produce a comparable figure for the income required to afford rental costs, annual rents have been multiplied by 2.8571. This approach assumes a household spends no more than 35% (1/0.35 = 2.8571) of gross household income on rent. This latter step was carried out for Social Rents and Affordable Rents (set out in Table 3.3) and market rents (set out in Figure 3.3). This figure is used as this broadly reflects current practice in the market, however the suitability of 35% in Medway is discussed further in Chapter 6.

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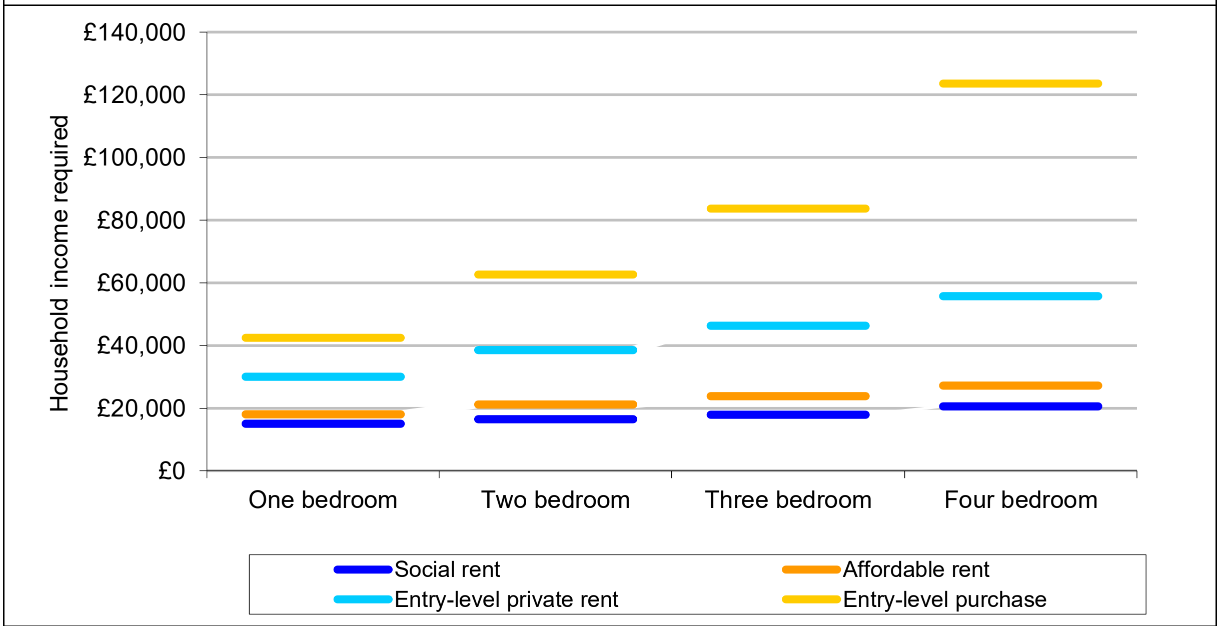
[13] https://www.gov.uk/government/statistics/registered-provider-social-housing-stock-and-rents-in-england-2022-to-2023

[14] The most recent data available from the Bank of England suggests that the multiple of 3.5 for owner-occupation is most appropriate. (https://www.bankofengland.co.uk/-/media/boe/files/statistics/mortgage-lenders-and-administrators/mlar-longrun-detailed.xlsx?la=en&hash=C19A1AC6C462416B0DA71926A744233793B8049B (table 1.31)).

[15] To present a simplified model of the income difference requirements across the housing ladder, the requirement to obtain a deposit (typically 10% of the purchase price) has been excluded.

3.16 Figure 3.4 shows a comparison of the indicative income requirements per household for different types of housing. Measurement of the size of the gaps between these 'rungs of the ladder' helps assess the feasibility of households moving between the tenures – the smaller the gaps, the easier it is for a household to ascend the ladder.

Figure 3.4 Household income required to access housing in Medway, by number of bedrooms



Source: Online survey of property prices October 2024; HCA's Statistical Data Return 2023

3.17 The figure indicates that, for one bedroom homes, the gap between the income required to access Affordable Rent and market rent is larger than the gap between the income required to access market rent and entry-level purchase, with the reverse true for two, three and four bedroom properties. The income gaps for four-bedroom accommodation are large; an additional £28,500 per year is required to access a four-bedroom private rented home over the cost of a four-bedroom Affordable Rented property, with a further £67,800 in household income required to move to an owner-occupied home (the gap between Social Rent and Affordable Rent is £6,600 in comparison).

3.18 Table 3.4 shows the size of the gaps between income levels required to access each dwelling by size and by tenure in Medway displayed in the figure above but in percentage terms. The table indicates, for example, that two-bedroom market entry rents in the Unitary Authority are 81.6% higher (in terms of income required) than the cost of Affordable Rented. The very large gap recorded between Affordable Rents and market entry rents for most dwelling sizes indicates that intermediate housing could potentially be useful for many households.

Table 3.4 Scale of the gaps between incomes required to access key property tenures (by size)			
Property size	*Social Rent < Affordable Rent*	*Affordable Rent < entry-level rent*	*Entry-level rent < entry-level purchase*
One bedroom	20.1%	66.6%	41.4%
Two bedrooms	28.4%	81.6%	62.6%
Three bedrooms	32.3%	95.0%	80.6%
Four bedrooms	32.3%	105.0%	121.8%

Source: Online survey of property prices October 2024; HCA's Statistical Data Return 2023

Intermediate products

3.19 A range of intermediate options are potentially available for households in Medway, the costs of these are profiled below. It should be noted that the prioritisation of First Homes since the publication of a separate Planning Guidance specifically on this topic in December 2021, has meant that other intermediate products are not getting as much attention as was the case five years ago. However, the cost profile of housing in Medway, with the gap between private rent and affordable accommodation being much larger than is typically found in local authorities outside of London, means that other intermediate products are likely to be more useful in the Unitary Authority.

Intermediate Rent/Rent-to-Buy

3.20 Rent-to-Buy is a route to home ownership where homes are let to working households at an Intermediate Rent (i.e. less than the full market rent) to give them the opportunity to save for a deposit to buy their first home. It is planned that, by RSLs providing a discounted rent for tenants for a minimum of five years, they will have sufficient time to acquire a deposit so that they may purchase the home. It is set out that the Intermediate Rent must not exceed 80% of the current market rent (inclusive of service charge), however the product is distinct from Affordable Rent which is available to tenants on the same basis as Social Rent.

3.21 Although the availability of Rent-to-Buy in the area is limited currently, its potential suitability for households can be tested by modelling its theoretical cost. Table 3.5 sets out the costs of Intermediate Rent in Medway, presuming that the rent is set at 80% of median market rents.

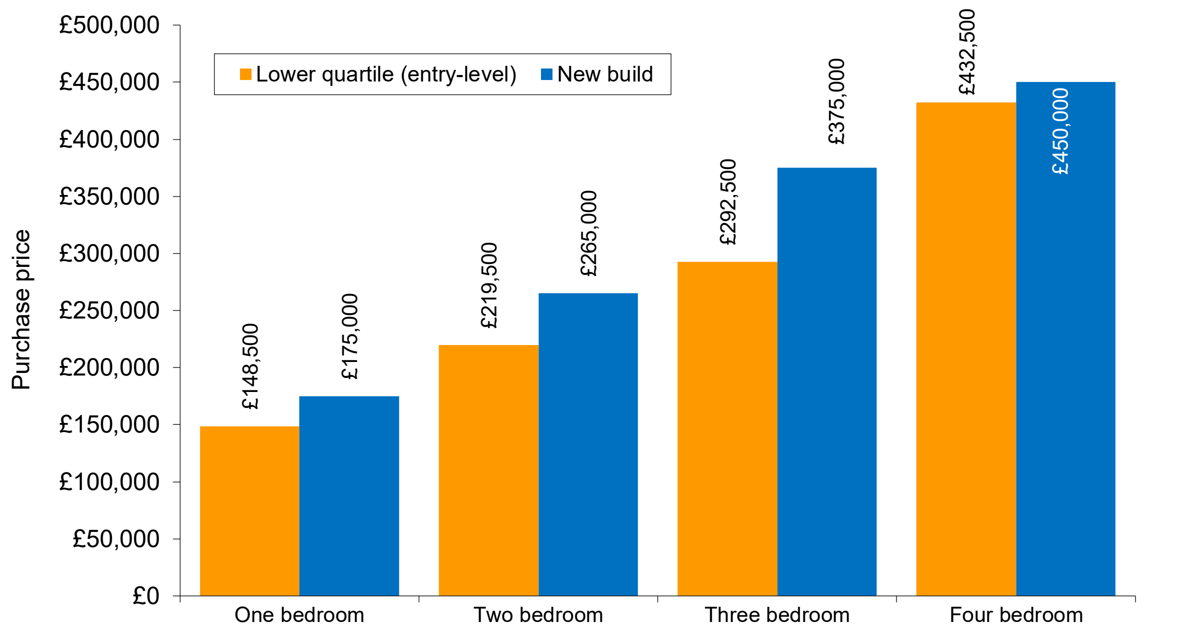
3.22 The table shows that, in all instances, Intermediate Rent is cheaper than market entry rent and can be considered an affordable product. In all cases, it is also more expensive than the Affordable Rent currently charged within Medway. As in all instances Intermediate Rent is more expensive than Affordable Rent (and is therefore serving a separate portion of the housing market), it will be considered for its suitability for meeting those in housing need in Chapter 6.

Table 3.5 Estimated cost of Intermediate Rent within Medway (monthly cost)			
Bedrooms	*Intermediate Rent*	*Entry-level private rent*	*Affordable Rent*
One bedroom	£780	£875	£525
Two bedrooms	£1,020	£1,125	£619
Three bedrooms	£1,220	£1,350	£692
Four bedrooms	£1,440	£1,625	£793

Source: Online survey of property prices October 2024; HCA's Statistical Data Return 2023

3.23 The remainder of the intermediate products profiled are principally available as a new home (whilst some products are available for resale, this supply is very limited). It is therefore useful to set out the purchase price of newbuild dwellings in Medway at the time of the price survey. These are set out in Figure 3.5. The cost of lower-quartile (entry-level) non-newbuild house prices are also included for reference. Newbuild properties in Medway are more expensive than second hand housing in the Unitary Authority, although the difference is not substantial for four bedroom properties.

Figure 3.5 Newbuild home prices by bedrooms



Source: Online estate agents survey October 2024

Shared Ownership

3.24 Shared ownership is the longest established intermediate product and represents 1.5% of the housing stock in Medway currently. Shared ownership has no substantial restrictions as to which households are able to access this accommodation (other than the household cannot be a pre-existing owner), however there are some household groups that have found it more difficult to acquire a mortgage for a shared ownership product. The Government's affordable housing programme 2021 to 2026 has introduced two initiatives to help two specific groups access shared ownership accommodation more easily, Home Ownership for People with Long-Term Disabilities (HOLD)[16] and Older Persons Shared Ownership (OPSO)[17].

3.25 These models offer shared ownership with a minimum equity share of 10% (instead of the previous minimum equity share of 25% and the possibility of staircasing up the owned percentage in 5% tranches (instead of 10%) and offer a 990-year lease instead of 125 years. The HOLD model is eligible to those with a long-term disability and household income below £80,000 outside of London. The OPSO model is targeted at those aged 55 and over with a household income below £80,000 outside of London.

3.26 Table 3.6 presents the estimated costs of Shared Ownership housing in Medway as obtained from the online estate agent survey. The open market values are based on newbuild prices set out above. The monthly costs of purchasing the property with a 40% equity share, with a 25% equity share and a 10% equity share are presented. The monthly costs are based on a 30-year repayment mortgage with an interest rate of 5.20%[18] paid on the equity share owned and a rent payable at 2.75% on the remaining equity (i.e. the part of the house not purchased).

3.27 The table shows that all three versions of shared ownership are cheaper than market entry rented housing in all instances and they will all help meet housing need. A 40% equity share Shared Ownership is only slightly cheaper than market-entry rent for three and four bedroom homes.

[16] https://www.ownyourhome.gov.uk/scheme/hold/

[17] https://www.ownyourhome.gov.uk/scheme/opso/

[18] This interest rate is available as a two-year fixed product to potential homeowners with a high loan to value ratio as at July 2024. It is also a rate with no additional product fee associated with it. Whilst there are lower interest rates available for those with lower loan to value ratios this report is principally assessing households looking to purchase a home for the first time who are likely to have higher loan to value ratios.

Shared Equity

3.28 Shared Equity is a product similar to Shared Ownership that is typically offered by the private sector rather than Registered Providers. With Shared Equity a mortgage is offered on the equity owned but with no rent due on the remaining equity. The typical proportion of the equity sold for a Shared Equity product is 75%. The monthly costs of purchasing a Shared Equity property with a 75% equity share are set out in Table 3.6. The monthly costs are based on a 30-year repayment mortgage with an interest rate of 5.20% paid on the equity share owned. Shared Equity accommodation with a 75% equity share is more expensive than entry-level market rent for three and four bedroom homes, but cheaper than market entry-rent for one and two bedroom dwellings. It is however cheaper than entry-level accommodation to buy in Medway. It is also more expensive than all versions of Shared Ownership accommodation.

Table 3.6 Estimated cost of intermediate housing in Medway (monthly cost)

Bedrooms	*Shared Ownership – 40% equity*	*Shared Ownership – 25% equity*	*Shared Ownership – 10% equity*	*Shared equity*	*Entry-level private rent*	*Entry-level owner-occupation**
One bedroom	£625	£541	£457	£721	£875	£815
Two bedrooms	£946	£819	£692	£1,091	£1,125	£1,205
Three bedrooms	£1,339	£1,159	£979	£1,544	£1,350	£1,606
Four bedrooms	£1,607	£1,391	£1,175	£1,853	£1,625	£2,375

*The monthly cost of entry-level owner-occupation presuming a 30-year repayment mortgage with an interest rate of 5.20%. Source: Online estate agents survey, October 2024

First Homes

3.29 On 24th May 2021, the Government published the First Homes Guidance[19]. First Homes are a new initiative to help deliver discounted homes to local people. They are intended to be newly built properties sold with a discount of at least 30% below market value. It is anticipated that no interest will be paid on the un-bought equity, rather, when the home is sold on in the future, it will be available at the same proportion of discount for which it was originally bought. First Homes are subject to price caps – outside of London a First Home cannot be sold for more than £250,000 (once the discount has been applied). The cap only applies to the first time that a First Home is sold – it does not apply to subsequent sales of the property.

[19] https://www.gov.uk/guidance/first-homes

3.30 Local Planning Authorities can set specific local connection restrictions provided they are evidenced; however, these restrictions should only apply for the first three months the property is available for sale, to ensure First Homes do not remain unsold[20]. First-time buyers are the target market for this product, however, mechanisms also exist to help prioritise members of the armed forces and key workers.

3.31 Whilst the product is available to those with notable savings levels, First Homes can only be purchased using mortgage finance or equivalent which covers at least 50% of the purchase value. The product is not suitable for investors as a First Home can only be bought if it is the buyer's only home. Outside of London, households acquiring a First Home cannot have an income over £80,000. Whilst the Government does allow Local Planning Authorities to set lower income caps, where the need and viability of this option can be evidenced, these local caps are time limited to the first three months that the property is for sale.

3.32 Under the previous NPPF regime here was an expectation that First Homes would represent a minimum of 25% of all affordable housing units secured through developer contributions. This requirement is no longer in place and there is no preference for any form of affordable accommodation within the current guidance; the proposed mix should represent the need for affordable housing that exists locally. As footnote 31 of the December 2024 NPPF notes *'Delivery of First Homes can, however, continue where local planning authorities judge that they meet local need.'*

3.33 Medway was one of the authorities chosen to pilot the First Homes initiative. There are now 95 First Homes in Medway, of which 36 are one bedroom homes and 59 two bedroom properties. First Home residents in Medway range from their early twenties to their early fifties however the majority (67.4%) are aged between 25 and 34. The median income for joint applicants is £47,500, whilst the median income for single applicants is £37,500. At least 56% of applicants have either a local connection with Medway, meet the key worker criteria or the armed forces criteria[21].

3.34 The guidance is clear that 30% is the minimum level of discount applied, however Local Planning Authorities will *'be able to require a higher minimum discount of either 40% or 50% if they can demonstrate a need for this'*[22]. It is useful therefore to understand whether a larger discount would be required in Medway currently. This is presented in Table 3.7. The table suggests that a 30% discount will be sufficient to ensure newbuild properties are cheaper than entry-level owner-occupation for all dwelling sizes and will therefore address a gap in the housing market locally.

[20] Local connections can be applied to prioritise those currently resident in Medway, those whose employment is crucial to the Unitary Authority's economy and those with family connections or caring responsibilities in the Unitary Authority. Local connections should be disapplied to those associated with the Armed Forces.

[21] This data was not fully collected for all applicants so the figure could be higher.

[22] Paragraph: 004 Reference ID: 70-004-20210524

Table 3.7 A comparison of the potential price of a First Home with entry-level owner-occupation

Bedrooms	*Newbuild prices*	*Newbuild prices with a 30% discount*	*Entry-level owner-occupation*
One bedroom	£175,000	£122,500	£148,500
Two bedrooms	£265,000	£185,500	£219,500
Three bedrooms	£375,000	£262,500	£292,500
Four bedrooms	£450,000	£315,000	£432,500

Source: Online survey of property prices October 2024

3.35 Three and four-bedroom homes with a 30% discount are still priced in excess of the cap level of £250,000 (a discount of 33.3% is required for a three-bedroom home to be priced at the cap level of £250,000 with a discount of 44.4% required for a four-bedroom home to be priced at the cap level). It is therefore presumed that the cap will be the limiting factor for three bedroom homes (they will be available for £250,000) and that four bedroom homes will be available with a 35% discount at a cost of £292,500[23]. All modelling done on the future demand for three and four bedroom First Homes will be based on these assumptions.

Local Housing Allowance

3.36 Local Housing Allowance (LHA) is the mechanism for calculating Housing Benefit and the housing element of Universal Credit outside of the Social Rented sector. It is designed to assist people in their ability to pay for their housing, however there is a limit as to how much financial assistance will be provided dependent on the location and size of the property. The LHA cap sets out what this maximum limit for the Broad Rental Market Area (BRMA) in which the claim is made as determined by the Valuation Office Agency. If the rent charged is in excess of this cap, it is the responsibility of the household to pay the shortfall.

3.37 Table 3.8 sets out the monthly LHA caps that apply in Medway, which is covered by two BRMAs, the Medway and Swale BRMA, which covers the overwhelming majority of the Unitary Authority and the Maidstone BRMA which covers the small part of the south eastern corner of Medway (the south eastern part of the Unitary Authority which is south of the M2, by Farthing Corner). A comparison with the entry level private rents in Medway (set out in Figure 3.3) indicates that the local Affordable Rents are currently cheaper than the LHA caps. A comparison with the entry-level private rents in Medway (set out in Table 3.5) suggests that the LHA caps are 20-30% lower than entry-level private rent. This means that households in receipt of the full LHA applicable in the private rented sector are likely to need additional income sources to be able to pay for their rent.

[23] There will be distinction between the cost of three and four bedroom First Homes in Medway so it is not realistic to base limit four bedroom homes to the £250,000 cap as well.

Table 3.8 Local Housing Allowance Cap (per month)		
Bedrooms	Medway & Swale BRMA	Maidstone BRMA
Shared room	£409	£444
One bedroom	£673	£748
Two bedrooms	£848	£903
Three bedrooms	£937	£1,197
Four bedrooms	£1,296	£1,546

Source: Valuation Office Agency 2024

Affordability of housing

3.38 Assessing the affordability of market housing in an area is crucial to understanding the sustainability of the housing market. As discussed further in Chapter 4, the affordability ratio is currently 8.58 in Medway (with a figure over 4 indicating a market adjustment is required). In comparison, the affordability ratio in 2023 in the South East was 10.39, whilst the national figure was 8.26. The affordability ratio in Medway has fallen from 8.67 since 2018. In comparison, over the same five-year period, the affordability ratio has changed from 10.37 in the South East and from 8.04 nationally.

Affordability for specific household groups

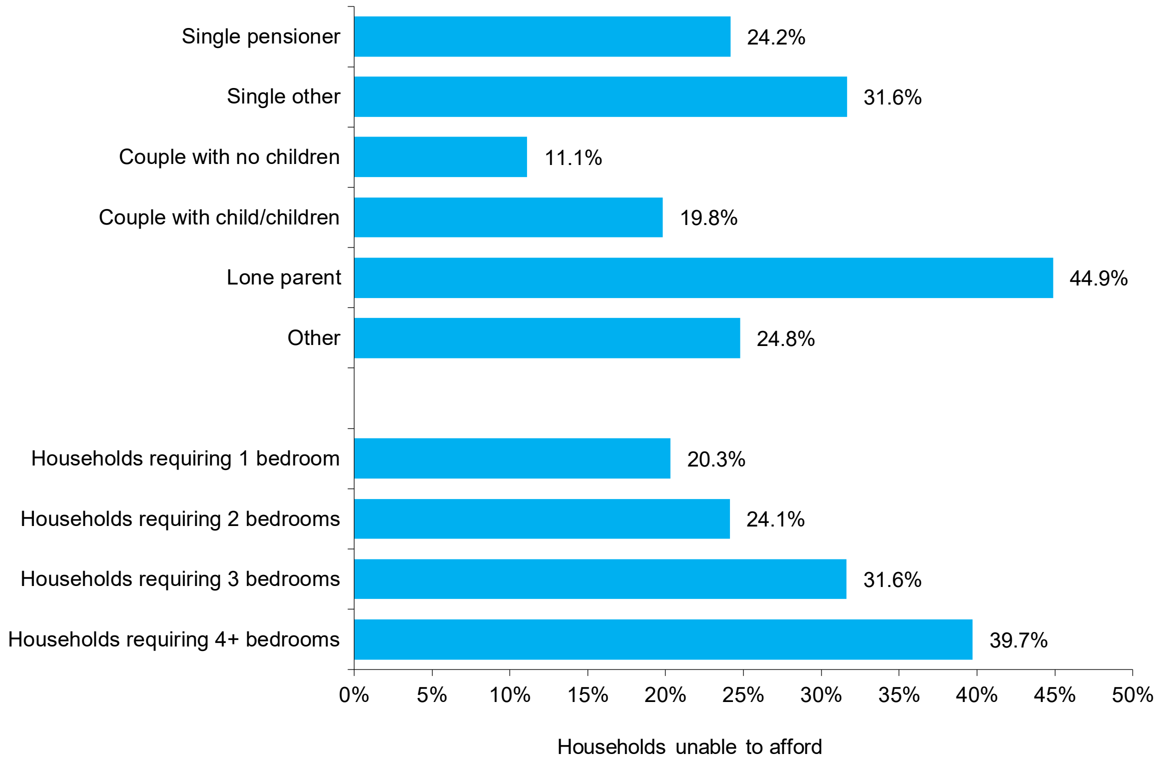
3.39 The household income distribution referred to in Figure 2.8, differentiated by household type, can be used to assess the ability of households in Medway to afford the size of home that they require (according to the bedroom standard[24]). The lower quartile cost (which represents the entry-level) of housing by bedroom size is presented in Figures 3.2 and 3.3 and the test is based on the affordability criteria discussed above.

3.40 Figure 3.6 shows the current affordability of lower quartile market housing for households in Medway by household type and number of bedrooms required. This is the theoretical affordability of households, as the analysis considers all households regardless of whether the household intends to move. It is used to demonstrate the comparative affordability of different household groups for contextual purposes and does not represent information that the Council needs to plan against.

[24] This is the number of bedrooms that is required and is calculated depending on the age, sex and relationship status of the members to the household. A separate bedroom is allocated for each couple and any single person aged 21 or over. Any children aged 10-20 of the same sex is presumed to be able to share a bedroom as are each pair of children under 10 (regardless of gender). Any unpaired child aged 10-20 is paired, if possible, with a child under 10 of the same sex, or, if that is not possible, they are counted as requiring a separate bedroom, as is any unpaired child under 10.

3.41 The data indicates that 44.9% of lone parent households in Medway would be unable to afford market housing (if they were to move home now). Single person households are also relatively unlikely to be able to afford, whilst couple households without children are most likely to be able to afford market housing in the Unitary Authority. Households requiring a four-bedroom home are least likely to be able to afford this size of market housing in Medway.

Figure 3.6 Theoretical affordability of market housing* in Medway



*Unable to afford both entry-level private rent and entry-level home ownership

4. Overall housing need

4.1 The NPPF requires that planning authorities should use the Standard Method to establish the overall need for housing. The Standard Method was introduced in 2018 to allow a simple and transparent assessment of the minimum number of homes needed in an area. The full Standard Method was then set out within the PPG published in February 2019. An altered Standard Method was then published within the PPG in December 2020. This was the approach that was extant at the time of the draft report and was used to inform the main analysis presented in the first draft.

4.2 In December 2024, after consultation by the new Government on their proposed changes, the new Standard Method was published. The purpose is to ensure that the Government's ambition for 370,000 new homes per year nationally is delivered. The new method has been designed to provide a figure that is more stable (does not fluctuate so much on an annual basis), is simple to calculate and responds to the locations where housing is least affordable. The approach is still based on a standardised calculation using publicly available data. As set out in Paragraph 1 of the PPG[25], '*assessing housing need is the first step in the process of deciding how many homes need to be planned for.'*

4.3 This chapter will describe the steps involved in the Standard Method, following the approach described in the PPG[26]. It is important to note that the use of the Standard Method is required. Unlike under the earlier iterations of the NPPF, the December 2024 NPPF does not include scope to deviate from the Standard Method except in very limited and specific circumstances (such as for a national park boundary in which not all the source data is available).

4.4 This does not mean that the Council cannot decide to pursue a figure higher than that indicated by the Standard Method, as Paragraph 2 of the PPG[27] indicates the Standard Method identifies *'a minimum annual housing need figure and ensures that plan-making is informed by an unconstrained assessment of the number of homes needed in an area. It does not produce a housing requirement figure.'*

4.5 The latest approach will be followed to calculate the housing need figure for Medway. This chapter sets out the policy-off calculation of the Standard Method figure.

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[25] Reference ID: 2a-001-20241212

[26] All the steps are described in paragraph 004 (Reference ID: 2a-004-20241212).

[27] Reference ID: 2a-002-20241212.

Step 1 – Setting the baseline

4.6 The baseline is set using the total existing housing stock for the area of the local authority sourced from the dwelling stock figures[28] published annually by the Ministry of Housing, Communities and Local Government. The PPG indicates that a baseline annual growth of 0.8% of the existing stock of the area is appropriate, with the total from the most recent published data to be used. The most recent figures (published in May 2024) indicate that, as at the end of March 2023, there are 119,504 dwellings in Medway. Applying the proposed figure of 0.8% gives a baseline figure of 956. Table 4.1 sets out the results of Step 1 of the Standard Method.

Table 4.1 Calculating the baseline figure in Medway

Local authority area	*Totals dwellings in 2023*	*Baseline ratio*	*Baseline annual growth*
Medway	119,504	0.8%	956

Source: 2023 Dwelling stock figures, 2024

Step 2 – An adjustment to take account of affordability

4.7 The baseline figure produced in Step 1 should then be adjusted to reflect the affordability of the area using the most recent median workplace-based affordability ratios. Paragraph 006 of the PPG describes why an affordability ratio is applied, to direct more homes to where they are most needed and to ensure that people aren't prevented from undertaking employment opportunities by the prohibitive cost of housing in the area near their proposed workplace.

4.8 The PPG is also absolute that the affordability adjustment also accounts for past under-delivery as described in Paragraph 011 of the PPG[29], which states that '*the standard method identifies the minimum uplift that will be required and therefore it is not a requirement to specifically address under-delivery separately.*'

4.9 An affordability adjustment is only required where the ratio is higher than 5 and *'for each 1% the ratio is above 5, the housing stock baseline should be increased by 0.95%.'* The full formula is detailed in the PPG:

$$\text{Adjustment factor} = \left[\frac{\text{five year average affordability ratio - 5}}{5}\right] * 0.95 + 1$$

[28] Dwelling stock (including vacants) - GOV.UK (www.gov.uk) Paragraph 005 of the PPG (Reference ID: 2a-005-20241212) states that the dwelling stock is used to set the baseline as 'housing stock provides a stable and predictable baseline that ensures all areas, as a minimum, are contributing a share of the national total that is proportionate to the size of their current housing market.*'*

[29] Reference ID: 2a-011-20241212

4.10 Table 4.2 sets out the results of Step 2 of the Standard Method calculation for Medway. The baseline figure, adjusted to take account of the most recent five-year affordability ratios in the Unitary Authority, is 1,594.

Table 4.2 Adjusting to take account of affordability				
Local authority area	*Five year average of affordability ratio (2019 to 2023) (a)*	*Adjustment factor (((a-5)/5)*0.95)+1*	*Baseline figure*	*Baseline figure adjusted for affordability*
Medway	8.51	1.66728	956	1,594

Source: Ratio of median house price to median gross annual workplace-based earnings by local authority 2023

Overall level of housing need

4.11 The final housing need in Medway, as assessed using the Standard Method, is **1,594** dwellings per year. Paragraph 008 of the PPG[30] notes that whilst *'the standard method may change as the inputs are variable…, local housing need calculated using the standard method may be relied upon for a period of 2 years from the time that a plan is submitted to the Planning Inspectorate for examination.'*

4.12 As noted in Paragraph 012 of the PPG[31], this approach provides an annual figure which can be applied to a whole plan-period. The NPPF requires strategic plans to identify a supply of sites for 15 years from adoption (due in 2025). The Local Plan for Medway is intended to run from 2024 to 2041. The modelling of the Local Housing Need will therefore be presented up to 2041 to facilitate this.

4.13 Paragraph 40 of the PPG[32] makes it clear that the Standard Method output represents a minimum starting point in determining the number of homes needed in an area and that an authority can choose to pursue a higher figure where that is appropriate.

A suitable baseline

4.14 The results of the 2021 Census can be compared with the most recent population projections. If the Census indicates that the population in 2021 is notably different to these projections it is likely that the next iteration of the projections will be materially different. Table 4.3 sets out the

[30] Reference ID: 2a-008-20241212

[31] Reference ID: 2a-012-20241212

[32] Reference ID: 2a-040-20241212

population in 2021 nationally, regionally and in Medway, as indicated by the 2018-based projections[33], the 2014-based projections[34] and the 2021 Census.

Table 4.3 Population estimates 2021			
Data source	*Medway*	*South East*	*England*
2014-based projected estimate	293,600	9,384,700	57,248,400
2018-based projected estimate	280,036	9,281,873	56,989,570
2021 Census	279,772	9,278,063	56,490,045

Source: ONS 2014 and 2018 household projections, 2021 Census

4.15 At a national level, the Census has reported a lower population in 2021, and a notably lower population than was projected for 2021 in both the 2014-based and 2018-based projections. The most likely reason for lower population growth on a national level is Brexit, with the 2014-based projections (which recorded the highest projected population in 2021) being pre-Brexit and containing a projection with too high international migration. The largest discrepancy between the Census and the 2014-based projections relates to London, where the impact of international migration trends is likely to be most pronounced. The potential effect of the coronavirus pandemic on these population figures has not yet been fully explored.

4.16 The pattern of the figures for the South East is notably different however, with the Census estimate being close to (but lower than) the 2021 estimate from the 2018-based projections and the 2020 mid-year estimate. The Census figure however is notably lower than the estimate for 2021 in the 2014-based projections. This suggests that the national divergence from the projections is not as great at a regional level.

4.17 Finally, the figures in Medway are the same as those recorded regionally, with the population in 2021 notably lower than that estimated from the 2014-based projections, but slightly lower than the 2018-based projections.

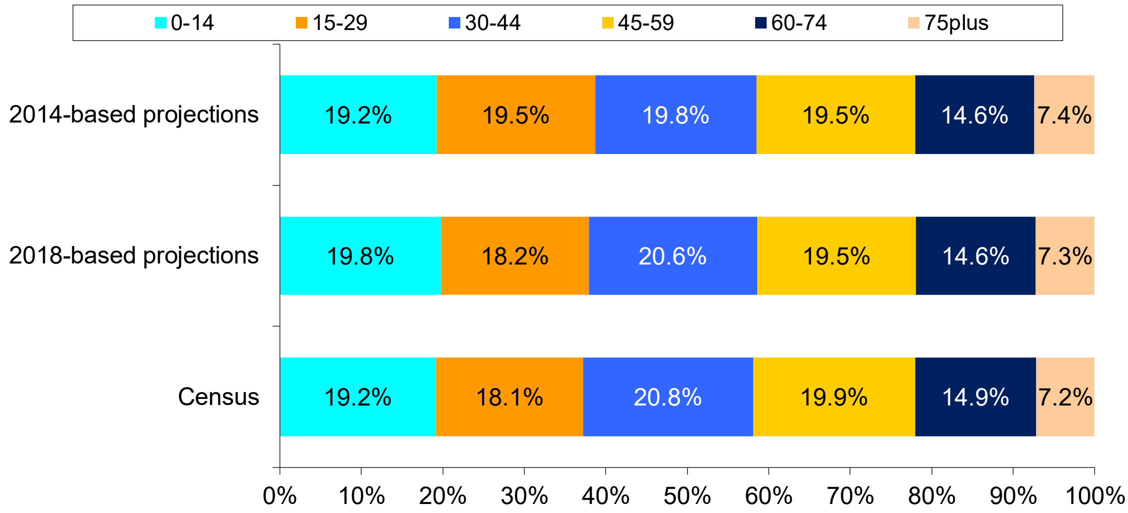
Age profile

4.18 Figure 4.1 compares the Medway age profiles in 2021 from three different sources, the 2021 Census, the 2014-based projections and the 2018-based projections. Unsurprisingly, there are not huge differences in the age structure recorded. However, in the 2021 Census, the proportion of the population aged between 45 and 59 is higher than was estimated by both the 2014 and 2018-based projections. By contrast, the proportion of the population aged 75 and over and aged under 30 according to the Census is lower in 2021 than was projected in both earlier versions.

[33] The most recent sub-national projections produced by the ONS.

[34] Until December 2024, the 2014-based projections were used to inform the baseline of the Standard Method.

Figure 4.1 Age structure in Medway in 2021 as estimated by different sources



Source: ONS 2014 and 2018 household projections, 2021 Census

4.19 The household profiles have been published from the 2021 Census; however, this uses a different household categorisation from the projections meaning it is appropriate to only compare the household totals from the different sources. The table below sets out the number of households in 2021 nationally, regionally and in Medway as indicated by the 2018-based projections, the 2014-based projections and the 2021 Census.

Table 4.4 Household totals 2021

Data source	*Medway*	*South East*	*England*
2014-based projected estimate	121,122	3,946,235	24,371,273
2018-based projected estimate	112,740	3,830,091	23,688,898
2021 Census	111,459	3,807,967	23,436,085

Source: ONS 2014 and 2018 household projections, 2021 Census

4.20 Nationally, the Census has reported a lower household total in 2021 than was projected for 2021 in both the 2014-based and 2018-based estimates, this same trend was recorded across the South East and also in Medway. Across all geographies, the average household size in 2021 was notably higher than the 2014-based projections anticipated and slightly higher than was projected from the 2018-based projections.

Table 4.5 Average household size 2021

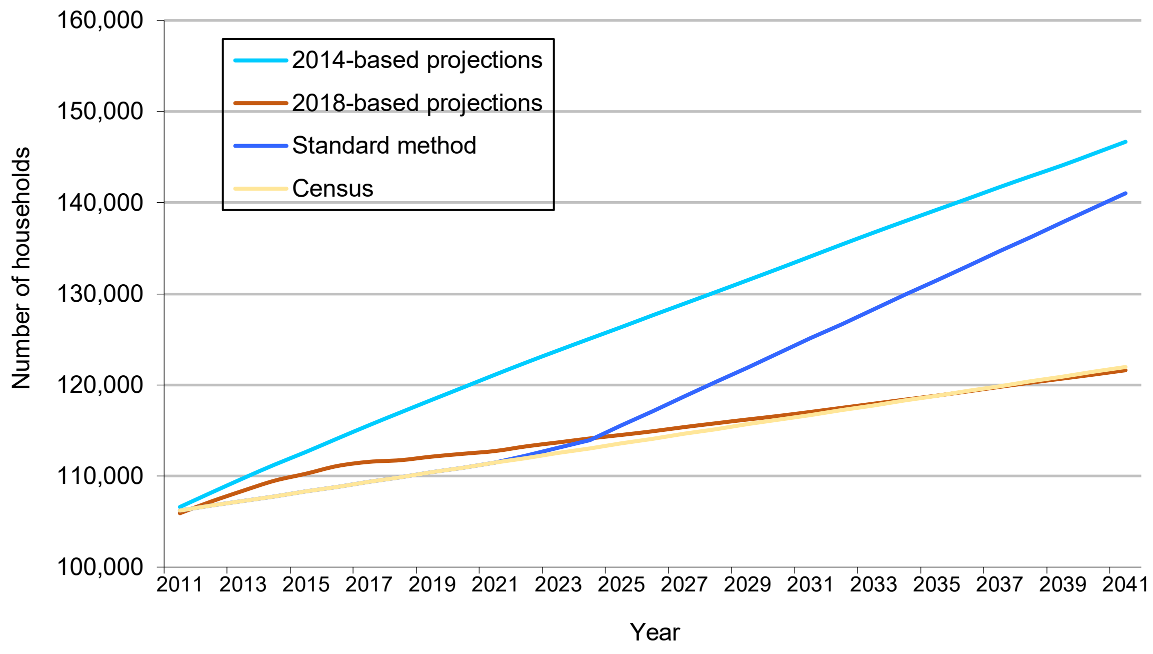
Data source	*Medway*	*South East*	*England*
2014-based projected estimate	2.39	2.33	2.31
2018-based projected estimate	2.45	2.37	2.36
2021 Census	2.48	2.39	2.37

Source: ONS 2014 and 2018 household projections, 2021 Census

4.21 The figure of 1,594 is the final annual housing need figure in Medway. It is however useful to compare the trajectory that it results in with both 2014-based household and the 2018-based household projections (which are the most recent estimates published).

4.22 Figure 4.2 shows the projected household total in Medway for every year from 2011 through to the end of the modelling period in 2041. The figure shows the data recorded by the 2014-based household projections[35], the 2018-based equivalent, and the Standard Method scenario in which household totals grows by 1,594 every year from 2024 onwards (with the 2024 household total informed by the 2021 Census data). The household growth indicated by the Census between 2011 and 2021 modelled forward at the same rate is also presented for reference[36].

Figure 4.2 Projected number of households under different scenarios



Source: ONS 2014 and 2018 household projections, 2011 & 2021 Census

4.23 The graph indicates that the Standard Method figure is substantially in excess of both the 2018-based projections and a Census based straight-line projection by the end of the modelling period in 2041. The rate of household growth within the Standard Method is also notably in excess of the rate of growth for Medway between 2024 and 2041 modelled within the 2014-based projections.

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[35] It should be noted that the 2014-based projections only extended as far as 2039, the figure for 2040 and beyond has therefore been derived by applying the average annual change in the five years prior to 2039 and applying that to the figure for 2039.

[36] It is assumed that household growth is uniform in the 10-year periods between the Census.

4.24 The 2018-based projections are considered the best sub-national projections however the publication of the 2021 Census data has shown that they have some flawed assumptions. The 2018-based projections for Medway have therefore been adjusted to account for these known differences indicated by the Census (this process is detailed further in Chapter 5). It is these adjusted projections that have been used to disaggregate the Standard Method figure in terms of age and gender profile.

The Standard Method in the 2023 NPPF (extant at the draft report)

4.25 The draft report for this study was produced in November 2024, whilst the previous Standard Method was still the official policy (but consultation on the proposed changes to the approach had begun). The principal outputs of the draft report were therefore based on the Standard Method following the official approach at that time (the December 2020 version of the Standard Method). This brief section will discuss the output from this version that was calculated for Medway in 2024 as this was an important output from the draft report and was a subject within the stakeholder consultation.

4.26 The housing need in Medway, as assessed using the superseded Standard Method in Medway, was 1,658 dwellings per year.

4.27 The figure of 1,594 is the current Standard Method output (as it follows the latest official NPPF) and the Council should use this figure for planning. This report is focused on outlining the requirements related to this Standard Method figure. However, to enable a contextual understanding of the discussion that occurred within the stakeholder consultation, Appendix 4 contains the key outputs from Chapter 5 of the draft report (based on the old Standard Method total) and Appendix 5 sets out the requirement for older persons specialist housing in Medway presented in Chapter 7 of the draft report (based on the old Standard Method total).

Conclusion

4.28 The final housing need in Medway, as assessed using the Standard Method of December 2024, is 1,594 dwellings per year. The Standard Method will result in household growth in excess of what was originally envisaged for Medway within the 2018-based projections. The Census has shown that the population and household profile is different in structure to what was originally projected. New Census-based projections have been created to model the population in Medway over the plan-period.

5. Type and tenure of future housing needed

Introduction

5.1 The requirement within paragraph 63 of the NPPF to disaggregate the local housing need figure to *'assess the size, type and tenure of housing needed for different groups in the community'* is reiterated in Paragraph 17 of the PPG. This chapter describes the long-term balancing housing markets (LTBHM) model which determines the future demand for housing by size and tenure based on the profile of the population derived within the local housing need calculation (set out in Chapter 4).

5.2 There are two stages to this process, the first is to disaggregate the local housing need as derived in Chapter 4 to produce a population profile for Medway at the end of the modelling period in 2041. The second process uses secondary data to model the future demand for housing arising from this future population and compare it to the current housing stock so that a profile of new accommodation required can be determined.

5.3 The demand modelling is described in more detail subsequently; however, this chapter initially presents the process for disaggregating the future local population. The change in the household composition indicated within these projections drives the size and tenure demand profiles generated by the model.

Disaggregating the local housing need

5.4 The application of the Standard Method local housing need figure of 1,594 for Medway will require the construction of notably more homes than is implied by the official projections as the affordability adjustment made in the Standard Method calculation lifts the housing need above the growth identified in the 2018-based household projections (as described in Chapter 4). If these 1,594 homes are built, the number of households will be larger than projected in the baseline projections (as is shown in Figure 4.3). It is necessary to determine the profile of this additional household growth and disaggregate the total local housing need, using the NMSS model,[37] so that appropriate accommodation can be provided for the whole population of Medway up to and including 2041.

[37] The model is detailed in Appendix 2.

5.5 The model takes as its starting point the 2023 sub-national mid-year population estimates[38] and the 2021 Census, which are used to inform the population profile and household composition in Medway in 2024, the start of the modelling period. The 2018-based population projections[39] are re-based to account for the population profile in Medway recorded in 2021 by the Census. The demographic flows within the 2018-based population projections have been adjusted to take account of post-Census national data on fertility and mortality rates alongside national and local data on the migration flows that occurred in Medway[40]. The trend period embedded in the 2018 projections has therefore been adjusted to reflect what the Census and post-Census data indicates. The 2018-based household projections have also been updated to reflect what the Census revealed about the occupancy rates of communal housing by age and gender in Medway and also household composition trends (for example changes in the number of single person households and the average household size).

5.6 These refreshed base-projections are then adjusted to make them align with the local housing need figures in Medway using the following assumptions:

- The Standard Method makes it clear that the uplift in housing it is trying to achieve is partly to reverse the falling level of household formation that have been recorded amongst younger people. The first step is therefore to progressively increase the household formation for all age groups under 45 until it reaches the rate recorded in 2001. This group is prioritised ahead of an increase in migrants moving into Medway in response to guidance in the PPG.
- Any additional gap between the number of households in Medway at the end of the year and the household growth identified within the Standard Method is presumed to be filled by an increase in in-migrants to Medway.
- The age and gender profile of this adjusted population (increased household formation and increased in-migrants) will be aged-on and have the same propensity to have children, move away from the area and die as other residents in Medway of the same gender and age. In this way it will be possible to estimate how the additional population (above that suggested by the latest population projections) is likely to develop over time.

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[38] The 2023 sub-national mid-year population estimates in Medway were higher than was anticipated. This reflects that the Unitary Authority has recorded an above average influx of refugees from Ukraine, that the local NHS has undergone a recruitment drive that has resulted in more people moving into Medway from London and abroad and that London Boroughs have increased the number of families that they have placed in Medway. This reality is reflected in the baseline position within our projections, however these flows do not form part of our long-term trend analysis as they are considered to be one-off flows rather than a structural pattern.

[39] The 2018-based population projections are used as a basis as these are the most recent and benefit from the ONS's latest methodology. The first sub-national post-Census population projections are not due to be published until Spring 2025.

[40] The 2018-based projections have the most recent local authority data and assumptions on key factors such as fertility and mortality rates and migration flows, however the most recent projected national mortality and fertility rates (published in 2023) have been compared to what was recorded nationally in the 2018-based projections and a suitable local authority-based adjustment has been made. Similarly national data on changes in immigration flows alongside a comparison between the local migration flows recorded within Medway in the Census with those recorded in the 2018-based projections have been used to create a new migration trend period.

Total future population in Medway

5.7 Table 5.1 sets out the age profile of the population in Medway in 2041 according to these population projections in comparison to the age profile of the Unitary Authority at the start of the plan-period (2024). The table suggests that those aged 75 or over are going to constitute a greater section of the population by the end of the modelling period – those aged 75 or over will rise from 22,957 in 2024 to 34,219 in 2041, an increase of 49.1%. Some 25.9% of all people in Medway in 2041 will be aged between 60 and over with 34.8% aged under 30. This means that despite a notable aging of the population within the Unitary Authority, Medway will remain relatively young demographically.

Table 5.1 Age of projected population in Medway in 2041 compared with current age profile

Age	*2024 Population*	*2024 Percentage*	*2041 Population*	*2041 Percentage*
Under 15	59,356	20.6%	57,452	17.6%
15 to 29	47,127	16.4%	55,776	17.1%
30 to 44	62,059	21.5%	63,064	19.4%
45 to 59	54,546	18.9%	64,764	19.9%
60 to 74	42,145	14.6%	50,250	15.4%
75 and over	22,957	8.0%	34,219	10.5%
Total	288,190	100.0%	325,525	100.0%

Source: Standard Method modelled population and household projections

5.8 The projections profiling the change to the population arising as the local housing need for Medway is met between 2024 and 2041 are summarised in the table above. These projections indicate that the working age population (those aged between 16 and 64) in Medway will grow by 21,213 people between 2024 and 2041, an increase of 11.7%. There is a separate study, currently being undertaken by Rapleys, looking into the employment needs of Medway over the plan period. The This data on the projected change in the population composition are being shared with the Rapleys study and will be used to determine whether the housing needs assessed support forecasted job growth. These two reports have been produced in parallel and should be read together.

Household profile

5.9 This population projection is then converted into a household projection by:

- Removing from the population projection an estimate of those living in communal establishments such as old people's homes. This is done using the same assumptions as in the official projections with an adjustment to account for the latest data on the communal housing occupation rates of different age and gender groups as published in the 2021 Census. The resulting population is known as the household population.

- Household formation rates are then applied to the household population to produce a household projection. The household formation rates are taken from the official 2018-based household projections with an adjustment for the Census data. A further adjustment is applied to return household formation rates to 2001 levels amongst younger age groups as described earlier in the chapter.

5.10 Table 5.2 sets out the projected number of households that will be resident in Medway in 2041 disaggregated by broad household type according to these projections. The 2024 household profile is also presented as a reference point, as 2024 is the base date for this model.

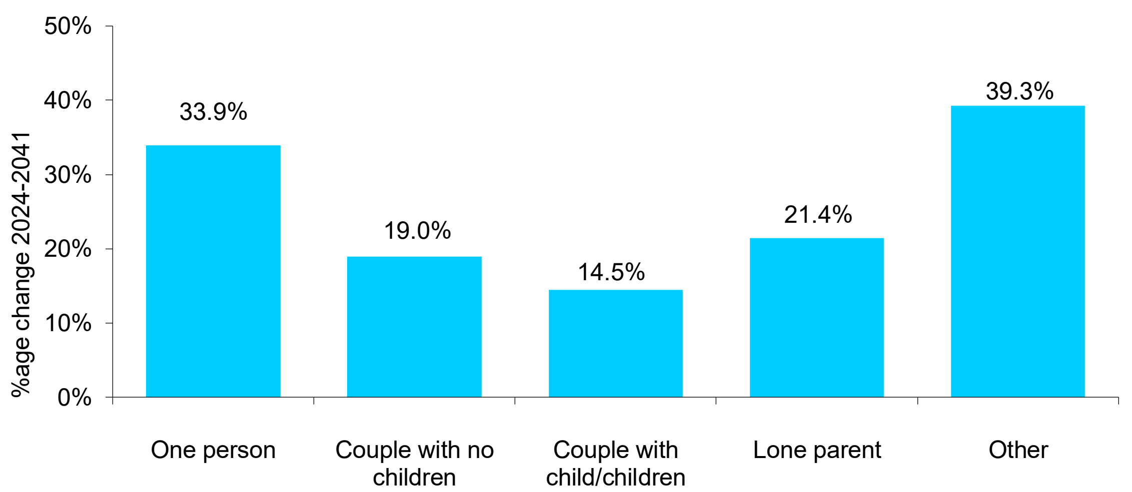
Table 5.2 Projected household population in Medway in 2041 by household type

Household type	*2024 Number*	*2024 Percentage*	*2041 Number*	*2041 Percentage*
One person	32,099	28.2%	42,976	30.5%
Couple with no children	27,274	23.9%	32,443	23.0%
Couple with child/children	31,833	27.9%	36,445	25.8%
Lone parent	13,919	12.2%	16,900	12.0%
Other*	8,806	7.7%	12,265	8.7%
Total	113,930	100.0%	141,029	100.0%

Source: Standard Method modelled population and household projections. *Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups.

5.11 Figure 5.1 indicates the change in these household types that will occur between 2024 and 2041 in Medway. The figure indicates that the largest absolute growth will be in one person households with the largest relative growth in other households (albeit from a low base).

Figure 5.1 Change in household structure in Medway, 2024 – 2041



Source: Standard Method modelled population and household projections

Methodology of the demand model

5.12 The demand model uses secondary data to determine the future demand for housing by size and tenure as derived from the profile of households resident in the area at the end of the modelling period in 2041. It is based on both a detailed understanding of the current stock of housing in the Unitary Authority, and also the occupation patterns of households in Medway and how they are changing. It is driven by the changes projected to the composition of the population over the 17-year period, as set out above.

5.13 The Census provides information on the size (in terms of bedrooms) and tenure of accommodation in Medway in 2021. This has been adjusted to reflect the changes since 2021 to provide an accommodation profile in 2024.

5.14 The 2021 Census also provides detail on the occupational patterns of different household groups in Medway, which means that the profile of housing occupied by each household type can be determined. Rather than assuming the current usage patterns for each household type will apply to the future population of that household group, the model assesses the current trends in occupation patterns (recorded by the change in the tenure profile of each household type between the 2011 and 2021 Census in Medway, with the changes in the size of accommodation occupied within each tenure also accounted for) and models their continuation through to 2041. This approach is in line with the PPG.

5.15 A further adjustment is made to counter the existence of overcrowding, which the PPG indicates should be addressed. Households currently overcrowded will therefore be housed in adequately sized accommodation within the model[41]. This means that the future housing stock will better reflect the requirements of the future population in the area.

5.16 This profile of suitable accommodation for each household type is applied to the size of the household group in 17 years' time. The accommodation profile required in 2041 is then compared to the current accommodation profile and the nature of additional housing required is derived. It should be noted that the model works by matching dwellings to households, so the figures are based on the change in number of households identified within the housing need calculations.

[41] Using the example of a lone parent household residing in a two bedroom property but requiring a three bedroom home, the modelled accommodation profile for this household group would assign this household a three bedroom property rather than a two bedroom dwelling. This means that it is anticipated that for equivalent households in the future, none would be expected to live in an overcrowded home.

First Homes

5.17 As discussed in Chapter 3, First Homes are an intermediate product that have been introduced specifically to help potential first-time buyers access home ownership. It is clear from the cost profile of First Homes, set out in Chapter 3, that their likely price-level (in which a greater discount than 30% is required for three and four bedroom homes) will mean that they could be suitable for a notable number of households seeking a home that would otherwise reside in the private rented sector. However, as it is a product that has only recently been introduced into the market, it cannot be modelled using the same trend data as is utilised for the rest of the LTBHM model.

5.18 The potential demand for this new product over the modelling period can be derived by making assumptions about the likelihood of different household groups within the private rented sector to try and acquire this form of housing, informed by data on the demographic profile and income situation of the households in Medway who have already accessed a First Home, an affordability analysis of the tenure and the length of time required to save a deposit.

Tenure of housing required

5.19 Table 5.3 shows the projected tenure profile in Medway at the end of the modelling period. The profile in 2024 at the start of the plan-period is also set out for context. The data shows that, in 2041, the housing stock across Medway should comprise 63.3% owner-occupied accommodation, 19.2% private rented homes, 1.1% First Homes, 2.2% Shared Ownership properties and 14.2% Social Rented/Affordable Rented housing.

Table 5.3 Current tenure and tenure profile projected in Medway in 2041

Tenure	*Base tenure (2024)*		*Projected tenure (2041)*	
	Number	*Percentage*	*Number*	*Percentage*
Owner-occupied	73,953	64.9%	89,226	63.3%
Private rented	23,333	20.5%	27,134	19.2%
First Homes	95	0.1%	1,576	1.1%
Shared Ownership	1,595	1.4%	3,110	2.2%
Social Rent/Affordable Rent	14,954	13.1%	19,982	14.2%
Total	113,930	100.0%	141,029	100.0%

Source: LTBHM Modelling

5.20 Table 5.4 shows the tenure profile required by households resident in Medway in 2041, in comparison to the tenure profile recorded in the Unitary Authority at the start of the plan-period. The difference between these two distributions is the change required to the housing stock over this period. The results show that 56.4% of new housing in Medway should be owner-occupied, 14.0% private rented, 5.5% First Homes, 5.6% should be Shared Ownership and 18.6% Social Rent/Affordable Rent.

Table 5.4 Tenure of new accommodation required in Medway over the 21-year modelling period				
Tenure	*Base tenure profile (2024)*	*Tenure profile 2041*	*Change required*	*% of change required*
Owner-occupied	73,953	89,226	15,273	56.4%
Private rent	23,333	27,134	3,801	14.0%
First Homes	95	1,576	1,481	5.5%
Shared Ownership	1,595	3,110	1,515	5.6%
Social Rent/Affordable Rent	14,954	19,982	5,028	18.6%
Total	113,930	141,029	27,098	100.0%

Source: LTBHM Modelling

5.21 The First Homes requirement will only be realised if First Homes are made available at the prices identified in chapter 3 (at a greater discount than 30% for three and four bedroom homes). If this is not possible then shared ownership is a more suitable tenure.

Size of housing required within each tenure

5.22 Table 5.5 presents the size of owner-occupied accommodation required in Medway in 17 years' time in comparison to the size profile recorded in the sector at the base date. The implied change to the housing stock is also presented. The data shows that some 31.7% of new owner-occupied housing in Medway should be units with four or more bedrooms, with 26.1% being two bedroom homes, 25.7% should have one bedroom and 16.5% should be three bedroom accommodation.

Table 5.5 Size of new owner-occupied accommodation required in Medway over the next 17 years				
Size of home	*Base size profile (2024)*	*Size profile 2041*	*Change required*	*% of change required*
One bedroom	2,581	6,504	3,924	25.7%
Two bedroom	15,009	19,002	3,992	26.1%
Three bedroom	38,539	41,056	2,517	16.5%
Four or more bedrooms	17,824	22,665	4,841	31.7%
Total	73,953	89,226	15,273	100.0%

Source: LTBHM Modelling

5.23 This analysis can be repeated for private rented housing and is presented in Table 5.6. The data indicates that, of the 3,801 private rented homes required within Medway, 27.8% should be properties with four or more bedrooms and a further 25.1% should have three bedrooms. Some 23.5% should be two bedroom homes and 23.7% should be one bedroom accommodation.

Table 5.6 Size of new private rented accommodation required in Medway over the next 17 years				
Size of home	*Base size profile (2024)*	*Size profile 2041*	*Change required*	*% of change required*
One bedroom	4,480	5,379	899	23.7%
Two bedroom	8,128	9,021	893	23.5%
Three bedroom	8,773	9,727	954	25.1%
Four or more bedrooms	1,952	3,008	1,056	27.8%
Total	23,333	27,134	3,801	100.0%

Source: LTBHM Modelling

5.24 Table 5.7 sets out the equivalent analysis for First Homes. The data indicates that of the 1,481 First Homes dwellings required within Medway, 33.9% should have four or more bedrooms with a further 31.1% three bedroom properties. Some 21.5% should have two bedrooms and 13.6% should be one bedroom accommodation.

Table 5.7 Size of new First Homes required in Medway over the next 17 years				
Size of home	*Base size profile (2024)*	*Size profile 2041*	*Change required*	*% of change required*
One bedroom	36	237	201	13.6%
Two bedroom	59	377	318	21.5%
Three bedroom	0	460	460	31.1%
Four or more bedrooms	0	502	502	33.9%
Total	95	1,576	1,481	100.0%

Source: LTBHM Modelling

5.25 Table 5.8 sets out the equivalent analysis for Shared Ownership housing. The data indicates that of the 1,515 Shared Ownership dwellings required within Medway, 30.2% should be three-bedroom properties with a further 26.2% two-bedroom accommodation. Some 18.1% should have one bedroom and 25.5% should have four or more bedrooms.

Table 5.8 Size of new Shared Ownership accommodation required in Medway over the next 17 years				
Size of home	*Base size profile (2024)*	*Size profile 2041*	*Change required*	*% of change required*
One bedroom	178	453	275	18.1%
Two bedroom	591	987	396	26.2%
Three bedroom	524	981	457	30.2%
Four or more bedrooms	302	688	386	25.5%
Total	1,595	3,110	1,515	100.0%

Source: LTBHM Modelling

5.26 Table 5.9 shows the size of accommodation required in the Affordable Rented/Social Rented sector. The table shows that, of the 5,028 additional Affordable Rented/Social Rented units required within Medway over the 17-year modelling period, 38.1% should be four-bedroom accommodation with a further 21.2% one bedroom properties. Some 20.5% should have two bedrooms and 20.2% should have three bedrooms. It should be noted that this is the net requirement for new Affordable Rented/Social Rented homes over the modelling period. If there is loss of affordable stock through Right-to-Buy, this will also need to be replaced.

5.27 Within the stakeholder consultation process a local RSL noted that whilst a relatively a high need for one bed social/affordable rented homes is logical, it is important that they are not concentrated in where they are delivered. *'Our Housing Management team find estates with a high proportion of one-bedroom homes can be very challenging to manage. To mitigate future issues, we usually design apartment blocks with a mix of one- and two-bedroom flats, preferably with a higher proportion of two beds.'*

Table 5.9 Size of new Social Rent/Affordable Rent required in Medway over the next 17 years

Size of home	*Base size profile (2024)*	*Size profile 2041*	*Change required*	*% of change required*
One bedroom	4,776	5,843	1,066	21.2%
Two bedroom	4,850	5,881	1,031	20.5%
Three bedroom	4,805	5,821	1,016	20.2%
Four or more bedrooms	523	2,437	1,914	38.1%
Total	14,954	19,982	5,028	100.0%

Source: LTBHM Modelling

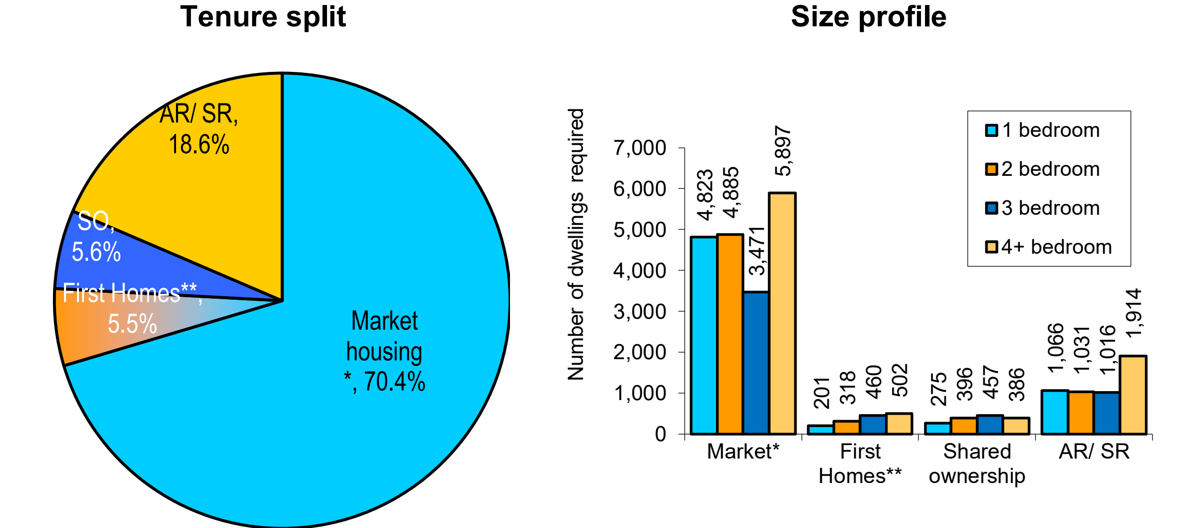
5.28 The Council wants to understand the relative requirement for Social Rented and Affordable Rented accommodation in Medway. Table 5.10 sets out the number of households identified as being in the sector at the end of the plan-period in 2041, split between those able to afford Affordable Rent and the remainder (presumed to require Social Rent). The table shows that in 2041, some 66.9% of households in the affordable sector would require a Social Rented property rather than an Affordable Rented home. Affordable Rent is generally more affordable for smaller accommodation.

Table 5.10 Relative requirement for Social Rent and Affordable Rent in Medway in 2041 (gross requirement)				
Size of home	*Affordable rent*		*Social rent*	
	Number of households in 2041	*Proportion of households 2041*	*Number of households in 2041*	*Proportion of households 2041*
One bedroom	2,079	31.4%	3,764	28.2%
Two bedroom	1,996	30.2%	3,885	29.1%
Three bedroom	1,904	28.8%	3,917	29.3%
Four or more bedrooms	639	9.7%	1,798	13.5%
Total	6,618	100.0%	13,364	100.0%

Source: LTBHM Modelling

5.29 Figure 5.2 summarises the results for each tenure individually above (with the two market tenures merged) and shows the profile of new housing required in Medway over the next 17 years.

Figure 5.2 Profile of new accommodation required in Medway



Size of home	*Market housing**	*First Homes***	*Shared Ownership*	Social/ Affordable Rented
1 bedroom	4,823	201	275	1,066
2 bedroom	4,885	318	396	1,031
3 bedroom	3,471	460	457	1,016
4+ bedrooms	5,897	502	386	1,914
Total	19,075	1,481	1,515	5,028

Source: LTBHM Modelling. *Market housing includes both owner-occupied and private rented **First Homes figures represent potential demand rather than a requirement. These figures represent the distribution of housing that should be delivered.

Further outputs

5.30 Appendix 4 sets out summary results of this modelling for the seven sub-areas of Medway as identified in chapter 1. Appendix 5 shows the equivalent Medway-wide results under the old Standard Method scenario presented in the draft report. This is based on growth in Medway of 1,658 households per year.

6. Affordable housing need

Introduction

6.1 As indicated in the PPG, it is necessary to undertake a separate calculation of affordable housing need. Paragraph 18 (Reference ID: 2a-018-20190220) to Paragraph 24 (Reference ID: 2a-024-20190220) of the PPG details how affordable housing need should be calculated. The affordable housing need figure is calculated in isolation from the rest of the housing market and is used solely to indicate whether the Local Planning Authority should plan for more dwellings where it could help meet the need for affordable housing.

6.2 The model outlined in the PPG is an assessment of the housing market at a particular point of time (August 2024) and does not consider likely future changes to the housing market that may impact the results (such as future loss of affordable stock through Right to Buy), i.e. it is based on what is known at the time of the assessment. The PPG (Paragraph 19) defines affordable housing need as *'the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market'*.

6.3 Appendix 3 presents the results of the three broad stages of the model used to calculate affordable housing need. This chapter sets out the overall annual estimate of the affordable housing need in Medway[42] as a consequence of following the steps detailed in the appendix, and the tenure of accommodation most appropriate to meet this need is discussed.

Estimate of net annual affordable housing need

6.4 Once all of the steps of the calculation of the affordable housing needs model (detailed in Appendix 2) have been completed, it is necessary to bring this evidence together to determine the overall net annual affordable housing need. This is set out below.

6.5 Paragraph 024 of the PPG[43] states that the figures in the model need to be converted to annual flows to establish the total need for affordable housing. The first step in this process is to calculate the total net current need. This is derived by subtracting the estimated current affordable housing supply (Stage 3) from the current unmet gross need for affordable housing (Stage 1).

[42] This will imply a figure for the amount of affordable accommodation required over the plan-period, however this is derived using a different approach and has a different purpose to the equivalent figure in Chapter 4, as described in Chapter 1, and the two should not be compared.
[43] Reference ID: 2a-024-20190220.

6.6 The second step is to convert this total net current need figure into an annual flow. The PPG indicates that annual flows should be based on the plan-period. For the purposes of this study the period of 17 years will be used to fit in with the timeframe of the Local Plan (through to 2041).

6.7 The final step is to sum the annualised net current need with the total newly arising affordable housing need (Stage 2) and subtract the future annual supply of affordable housing (Stage 4). Table 6.1 sets out this process. It leads to a total need for affordable housing of 436 per year in Medway. In accordance with paragraph 024 of the PPG, this figure should be compared with the local housing need identified following the Standard Method to determine whether an uplift to the local housing need is required. This is discussed in Chapter 8.

Table 6.1 Results of the affordable housing needs model in Medway

Stage in calculation	
Stage 1: Current unmet gross need for affordable housing (Total) (Table A2.3)	4,368
Stage 2: Newly arising affordable housing need (Annual) (Table A2.5)	1,235
Stage 3: Current affordable housing supply (Total) (Table A2.6)	3,668
Stage 4: Future housing supply (Annual) (Table A2.9)	840
Stage 5.1 Net current need (Stage 1 - Stage 3) (Total)	700
Stage 5.2 Annualised net current need (Stage 5.1/17) (Annual)	41
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	**436**
Total gross annual need (Stage 1/17 + Stage 2) (Annual)	1,492
Total gross annual supply (Stage 3/17 + Stage 4) (Annual)	1,056

6.8 The figure of 436 is an annual net need for affordable homes that accounts for both households in need of affordable housing and the likely supply of affordable homes available to accommodate these households.

Overall households in affordable housing need by type (gross)

6.9 Table 6.2 gives a breakdown of the gross annual households in need, by household type, in Medway. The table shows that some 4.2% of lone parent households are in housing need compared with 0.7% of couple households without children. Overall, lone parent households comprise over a third of all households in need.

Table 6.2 Annual need requirement by household type in Medway					
Household type	*Need requirement*				
	No. of h'holds in need (gross)	*Not in need*	*Total Number of h'holds*	*% of h'hold type in need*	*As a % of those in need*
One person	242	31,857	32,099	0.8%	16.2%
Couple with no children	183	27,091	27,274	0.7%	12.3%
Couple with child/children	359	31,474	31,833	1.1%	24.1%
Lone parent	590	13,328	13,919	4.2%	39.6%
Other	117	8,689	8,806	1.3%	7.9%
Total	1,492	112,439	113,930	1.3%	100.0%

Type of affordable home required

6.10 As discussed in Chapter 3, a range of affordable products is available to meet affordable housing need in Medway. This section will consider the suitability of these different products for meeting affordable housing need.

6.11 As the relative cost of each product is not always the same (for example, in some instances, Shared Ownership housing with a 40% equity share is more expensive than Intermediate Rent, but in other cases the reverse is true), each product is tested individually. Table 6.3 illustrates how many households in affordable housing need in Medway are able to afford the different affordable products. Several intermediate options are affordable to some households, so the table presents the maximum number of households able to afford each product. Households can therefore be included in more than one row. The only exception is the final row which includes only households unable to afford a product more expensive than Social Rent. The Social Rented group also includes those unable to afford any accommodation without support from HB/LHA, as this is the tenure in which these households are most likely to reside.

6.12 The table shows that of the 1,503 households in need each year in Medway, 12.7% could afford a First Home, 6.6% could afford shared equity 19.0% could afford Shared Ownership with a 40% share, 34.0% could afford Shared Ownership with a 25% share, 49.0% could afford Shared Ownership with a 10% share, 10.3% could afford Intermediate Rent and 56.2% could afford Affordable Rent. Some 40.2% of households in affordable housing need can only afford Social Rent or require support. These figures are based on the products being available at the costs set out in Chapter 3.

Table 6.3 Size and type of affordable home required by those in need (per annum) in Medway						
Product	*One bed*	*Two bed*	*Three bed*	*Four bed*	*Total*	*Total (%)*
First Homes	112	78	-	-	189	12.7%
Shared equity	74	25	-	-	99	6.6%
Shared Ownership – 40% equity share	149	130	3	1	283	19.0%
Shared Ownership – 25% equity share	215	223	54	16	507	34.0%
Shared Ownership – 10% equity share	280	316	104	31	731	49.0%
Intermediate Rent	28	77	37	13	154	10.3%
Affordable Rent	227	369	185	58	838	56.2%
Social Rent/requires assistance	145	288	131	36	600	40.2%
All households	425	656	316	94	1,492	100.0%

Sensitivity analysis - affordability threshold

6.13 As part of the process of identifying future needs for affordable housing, the Planning Practice Guidance (Paragraph: 021 Reference ID: 2a-021-20190220) states that planning authorities should *'identify the minimum household income required to access lower quartile (entry level) market housing (strategic policy-making authorities can use current costs in this process, but may wish to factor in anticipated changes in house prices and wages)'.* Current cost can be identified as the percentage of household income spent on housing in the local market at the time of the assessment.

6.14 In most areas in the southern half of England (excluding London) this affordability threshold is currently around 35%, with the range fluctuating between 30% and 40%. Medway is an area with relatively higher private rents, so it would be expected that the affordability threshold would be towards the upper end of this range. One of the drivers for high rent levels is high demand. The limited supply of affordable rented accommodation and the high cost of owner-occupation creates a large band of households that utilise the private rented sector. The relatively high proportion of households in the tenure in receipt of benefits to assist with their housing cost (47.1% as discussed further in Chapter 7), would suggest that the affordability threshold to be at the lower end of the range.

6.15 A comparison of the median private rent across Medway ascertained from the housing market price survey (set out in Figure 3.3), with the median household income in the private rented sector in the Unitary Authority (using the CACI income profiles summarised in Figure 2.8), shows that on average households in the private rent tenure in Medway spend 35.4% of the household income on rent. When lower quartile household incomes in the private rented sector are compared to lower quartile rents, it can be seen that households at this level in Medway typically spend 37.8% of their income on rent.

6.16 The results presented in this chapter are based on using an affordability test where the cost of housing can constitute up to 35% of gross income and still be affordable in Medway. This threshold has been chosen as it is judged to represent the limit of what could be reasonably sustained by households at the lower end of the market. This topic was discussed at the stakeholder consultation event and specific feedback was asked for within the response to this event. The feedback received with mixed. One stakeholder whose evidence *reflected input from marketing agents that are experienced in land transactions and development viability in Medway* indicated that the affordability threshold should be 35%. A second stakeholder however indicated that they felt that the threshold at 30% maximum being affordable because, although there is no Government guidance on this matter, the figure of 30% is cited as the threshold within *the ONS Private Rental Market Affordability* data[44].

6.17 This ONS Private Rental Market Affordability data source uses 30% as a theoretical baseline affordability figure; however, it is not necessarily an assessment of the market reality. The data source does include figures for the estimated affordability threshold in specific authorities and in the latest data it is suggested that the affordability threshold in Medway in 2022/23 (the latest data available) is 27.0%[45]. The methodology used for producing the figures at this level has a notable caveat to it indicating that they are *official statistics in development* and the figures are based on modelling regional variations downwards based on more limited local-level data. We do not therefore consider the figures in this methodology to be as reflective of the situation in Medway as the analysis that we have been able to conduct informed by local household incomes (rather than modelled household incomes) and a more recent rent survey[46]. We consider on reflection that an affordability threshold of 35% remains the correct one to apply in Medway as it reflects the current market reality, although an aspirational figure of 30% would also be justifiable.

[44] Private rental affordability, England and Wales - Office for National Statistics

[45] With a high of 30.8% recorded in the Unitary Authority 2021/22

[46] With the valuation office surveys rental figures used in the ONS modelling being consistently notably lower than what is recorded in the market across most geographies and over several years.

6.18 The impact of adjusting this affordability threshold is considered in the table below, which details the results of the PPG affordable housing need model across Medway where the cost of housing could constitute no more than 25% of gross household income and 30% of gross household income, as well as the 35% of gross household income base scenario.

6.19 In paragraph 020 of the PPG, it is noted that households should be considered against their ability to afford owner-occupation, where that is their aspiration. Unfortunately, the data sources do not collect information on the tenure that the households in need aspire to. To gauge the impact of presuming all households aspire to owner occupation, the final column in the table shows the results of the affordable housing need model if households were tested for their ability to afford market entry owner-occupation rather than market rents.

6.20 The table indicates that the net requirement would increase from 436 to 511 affordable homes per year in Medway if 30% of gross household income could be spent on housing costs. The figure would increase to 607 affordable homes per year if 25% of income could be spent on housing costs. If it was presumed that home ownership was the market access point, then there would be a need for 844 affordable homes per year.

Table 6.4 Impact of different affordability assumptions on affordable housing requirement in Medway

	Rent payable constitutes no more than:			*Market entry is based on owner-occupation*
	Affordability threshold: 35% of gross household income	*30% of gross household income*	*25% of gross household income*	
Stage 1: Current gross need	4,368	4,936	5,285	6,408
Stage 2: Newly arising need	1,235	1,290	1,371	1,557
Stage 3: Current supply	3,668	3,906	3,989	4,260
Stage 4: Future supply	840	840	840	840
Stage 5.1 Net current need	700	1,029	1,296	2,149
Stage 5.2 Annual net current need	41	61	76	126
Stage 5.3 Total annual need	**436**	**511**	**607**	**844**

7. Requirements of specific groups

Introduction

7.1 Paragraph 61 of the NPPF seeks *'... that the needs of groups with specific housing requirements are addressed ...'*, and then paragraph 63 requires:

> *... the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. These groups should include (but not limited to, those who require affordable housing, families with children, older people (including those who require retirement housing, housing-with-care and care homes), students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes).*

7.2 This chapter considers profiles of the specific groups of the population. For each group the analysis will present the relative prevalence of the population, the current accommodation situation and information on their future requirements. As stated in Paragraph: 001 (Reference I D: 67-001-20190722) of the PPG, '*Strategic policy-making authorities will need to consider the extent to which the identified needs of specific groups can be addressed in the area'.* Whilst the LTBHM model (set out in Chapter 5 above) considers all household groups within the model, the results can be broken down to show the accommodation requirements of certain household groups of interest. It should be noted that, in the PPG, housing needs assessments are divided into three different elements: *'housing and economic needs assessments'*, *'housing needs of different groups'* and *'housing needs of older and disabled people'*. This chapter will contain information that meets the requirements within each of these.

7.3 The chapter looks at the following groups of the population which all have an appreciable impact on the housing market in Medway:

- Older persons (the requirement for specialist accommodation)
- People with disabilities (the requirement for accessible accommodation)
- Family households (the requirement for suitable accommodation)
- Looked after children (the range of accommodation required)
- Students (the impact of this population on the wiser housing market)

7.4 This chapter will also comment on the level of demand from people wishing to build their own homes and present a detailed profile of the private rented sector.

Housing Needs of Older People

7.5 Paragraph: 001 of the PPG[47] recognises that '*the need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing…. Offering older people, a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems.'* Page 76 of the NPPF provides the following definition of older people: *'People over or approaching retirement age, including the active, newly retired through to the very frail elderly; and whose housing needs can encompass accessible, adaptable general needs housing through to the full range of retirement and specialised housing for those with support or care needs.'* The analysis of older people presented here will be focused on people aged 65 and over.

Current situation

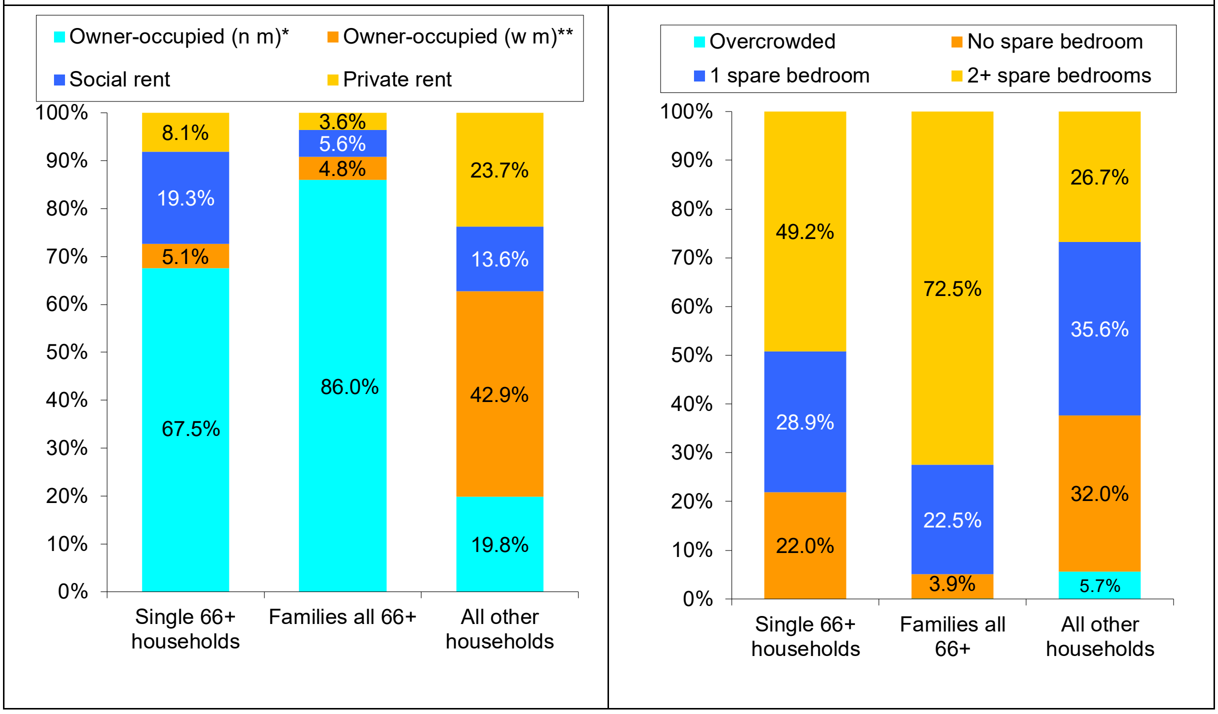
7.6 The 2021 Census data shows that some 16.5% of the population in Medway were aged 65 or over. This compares to a figure of 19.4% across the South East region and 18.4% nationally. This indicates that the profile of the population in Medway is currently notably younger than average. According to the 2021 Census, 20.0% of households in Medway were older person only households (households where all members are 66 and over[48]), compared to 23.4% regionally and 22.0% nationally. Of these older persons only households in Medway in 2021, 59.0% contained only one person, a figure higher than that recorded in the South East region (56.6%) and nationally (58.3%).

7.7 Figure 7.1 shows the tenure profile of older person only households in Medway in 2021 compared to the remainder of the household population. The figure also sets out the occupancy level of these groups. The results show that older person groups record a higher level of owner-occupation than other households and were also more likely than average to have multiple spare bedrooms in their home.

[47] Reference ID: 63-001-20190626

[48] The 2021 Census changed the boundary for older persons only households to 66 and over instead of 65 and over which was used in both the 2021 and 2001 Census.

Figure 7.1 Profile of accommodation for older person households in Medway



Source: 2021 Census *Owner–occupied no mortgage **Owner-occupied with mortgage, includes shared ownership

Future requirement

7.8 The disaggregated local housing need projections (set out in Chapter 5) indicate that the population aged 65 or over is going to increase notably in Medway over the modelling period; from 48,270 in 2024, to 66,296 in 2041, a rise of 37.3%. The projections also suggest that there will be an increase in the number of households headed by someone over 65 in Medway from 26,178 in 2024, to 42,351 in 2041, an increase of 61.8%. The projections indicate that the proportion of older persons living alone in Medway will increase from 56.9% in 2024, to 59.9% in 2041.

7.9 The results of the LTBHM model can be disaggregated into different household groups within the whole population. Table 7.1 shows the projected accommodation profile for older person households in Medway in 2041 arising from that model. It is clear that the OPSO shared ownership model will meet a notable demand in Medway with 257 households anticipated to live in this accommodation at the end of the plan period.

Table 7.1 Type of accommodation projected for 'older person only' households in Medway in 2041*					
Size of home	*Owner occupied*	*Private rented*	*First Homes*	*Shared Ownership*	*Social/ Affordable Rented*
1 bedroom	3,764	990	3	180	3,809
2 bedroom	10,376	1,255	1	64	1,429
3 bedroom	16,675	673	0	13	312
4+ bedrooms	2,650	107	0	0	49
Total	33,465	3,026	4	257	5,600

*This represents housing demand within the market sector and includes a notable amount of under-occupying within the owner-occupied tenure, reflecting that some older persons households choose to remain in their home rather than downsize to a smaller property.

7.10 In line with the updated PPG that says '*offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems*' it will be necessary for the Council to consider how the requirements of these groups could be accommodated in the future. It is anticipated that the majority of older person households will reside in the general housing stock in Medway in 2041 (as they do now) so it is important that new housing is suitable for the widest range of groups.

7.11 There are a range of tools for achieving this, such as following the HAPPI[49] design principles so housing may be suitable for older people (although these design features will appeal more widely across the population), adoption of the Building for Life[50] Standards (these are broad design principles) and adopting the Accessible and Adaptable Standards[51] of construction, as set out in the Building Regulations. The Council will need to determine which approach is most suitable for their requirements and this may vary for different sites in the Unitary Authority.

[49] https://www.housinglin.org.uk/Topics/browse/Design-building/HAPPI/

[50] https://www.designcouncil.org.uk/sites/default/files/asset/document/Building%20for%20Life%2012_0.pdf

[51] See paragraph 63-009-20190626 of the PPG and https://www.gov.uk/guidance/housing-optional-technical-standards.

Specialist accommodation

7.12 Given the dramatic growth in the older population, and the higher levels of disability and health problems amongst older people (illustrated in Figure 7.2), there is likely to be an increased requirement for specialist housing options. As Paragraph 004 of the PPG[52] notes *'the future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed'*.

7.13 This need has been assessed using the approach advocated by the Housing Learning and Improvement Network's (Housing LIN) Strategic Housing for Older People (SHOP) tool, which is the model recommended within Paragraph 004 of the PPG. It should be noted that this tool is only driven by demographic changes and does not consider people's choices or aspirations as to what form of accommodation they would prefer.

7.14 According to the latest information provided by the Council and the 2021 Census, there are 1,377 units of Sheltered housing for older people/retirement housing[53] in Medway currently, alongside 288 Extracare units[54]. It is worth noting that around 63.1% of the Sheltered housing for older people/retirement housing is in the affordable sector as is all of the Extracare units[55], despite the overwhelming propensity of older persons only households to be owner-occupiers. It should be noted that this balance reflects both how provision has developed in Medway and the tenure of those in need.

7.15 The current prevalence of Sheltered housing for older people/retirement housing in Medway is 60 per thousand head of population aged 75 or over, with the prevalence rate for Extracare units/ 13 per thousand head of population aged 75 or over. The SHOP model helps local authorities to plan to deliver more of this type of accommodation in response to the growth of the population that utilizes it (principally those aged 75 or over). The SHOP model uses these prevalence rates as the key variant when modelling future demand. For the purposes of this study, it is presumed that these prevalence rates will increase towards the base national levels that the SHOP model has identified as suitable. The target prevalence rates for Medway are 105 per thousand head of population aged 75 or over for Sheltered housing for older people/retirement housing and 25 per thousand head of population aged 75 or over for Extracare units.

[52] Reference ID: 63-001-20190626

[53] A collection of self-contained units of accommodation (usual bedsits within a communal block), which have on-site warden support (usually daytime only with on call service at night) and communal social areas and activities. This is very similar to the housing type *'Retirement living or sheltered housing'* as defined in the PPG.

[54] Extracare housing is similar to sheltered accommodation, but with enhanced provision for personal care of frailer older people. On-site support is usually provided on a 24 hour rather than daytime only basis. Extracare housing is often focused on addressing the needs of people with dementia. This housing type is similar to the 'Extra care housing or housing-with-care' definition in the PPG.

[55] Of these 288 extra care units, some 238 of these are social rented, and 50 are shared ownership, both of which tenures are considered as affordable housing.

7.16 To establish the potential demand for these accommodation types in Medway at the end of the modelling period, these target prevalence rates are applied to the total number of people aged 75 or over in Medway in 2041 according to the disaggregated local housing need projections. The demand that is derived is then compared to the current stock. This process is summarised in Table 7.2. The future tenure profile of this specialist stock takes account of the modelling that indicates that over three quarters of all older person households will live in market accommodation in 2041, as evidenced in Table 7.1.

7.17 To meet likely future demand rates in 2041, the model identifies a requirement for 2,216 additional units of Sheltered housing for older people/ retirement housing and 567 additional Extracare units in Medway over the modelling period. Of the 2,216 new units of Sheltered housing for older people/retirement housing, some 62.5% should be market accommodation, with the remainder affordable. Of the 567 new Extracare housing, 59.5% should be market and 40.5% affordable. These are Class C3 dwellings.

Table 7.2 Projected requirement for specialist accommodation for older person households in Medway over the modelling period

Type of specialist accommodation	*Tenure*	*Base profile (2024)*	*Profile 2041*	*Additional units required*
Sheltered housing for older people/ retirement housing	Market	508	1,893	1,385
	Affordable	869	1,700	831
	Total	1,377	3,593	2,216
Extracare housing	Market	0	338	338
	Affordable	288	517	229
	Total	288	855	567
All specialist accommodation for older person households	Market	508	2,231	1,723
	Affordable	1,157	2,218	1,061
	Total	1,665	4,448	2,784

7.18 The requirement for 2,784 additional specialist units for older person households represents 10.3% of the total household growth in Medway for the period 2024 to 2041. The actual numbers and type of specialist accommodation needed may depend on changes in patterns of demand and expectations. It is therefore appropriate to consider this level of need with the acknowledgement that the form of accommodation delivered should not be too prescriptive.

7.19 As well as the need for specialist housing for older people, there will also be an additional requirement for Registered and Nursing Care[56] (these are distinct from the previous type of specialist accommodation and constitute Class C2 dwellings). According to Council data, there are around 1,465 spaces in nursing and residential care homes in Medway currently. It is estimated that around 64.9% of these are in the affordable sector (they have been placed by Medway Council, another Local Authority or a health authority), with the remaining occupied by private residents (representing a market tenure).

7.20 As part of the process of projecting the future household typology within the disaggregation of the overall housing need figure as described in Chapter 5, the population that will reside in communal establishments is calculated. The model identifies that, in 2041, there will be 1,836 people aged 65 and over in Medway that will be resident in Registered Care[57]. This implies that there will be a requirement for 371 additional Registered Care spaces between 2024 and 2041, of which 56.2% should be in the affordable sector and 43.8% within a market tenure. The table below details these calculations.

Table 7.3 Projected requirement for Registered Care for older persons in Medway over the modelling period

Tenure	*Base profile (2024)*	*Profile 2041*	*Additional units required*
Market	514	676	162
Affordable	951	1,160	209
Total	1,465	1,836	371

7.21 Table 7.4 brings together the analysis presented in the previous three tables, to show the full profile of accommodation required by older persons in Medway at the end of the modelling period. Appendix 6 presents the equivalent results for the previous two tables under the old Standard Method scenario (used within the draft version of this report). This is based on growth in Medway of 1,658 households per year.

[56] Residential care homes and nursing homes: These have individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes. This is the same as the definition in the PPG.

[57] This figure is dependent on the communal population rates (separated by age and gender), that have been produced through to 2044 as part of the 2018-based household projections dataset, which has been adjusted to reflect what the 2021 Census showed was the situation in Medway. The Census revealed that nationally demand for registered care (discussed below) has reduced amongst older persons between 2011 and 2021.

Table 7.4 Type of accommodation required for older persons in Medway in 2041						
Size of home	*Market*			*Affordable*		
	*General housing**	Sheltered housing/ retirement housing	Extra care housing/ supported living housing	*General housing**	Sheltered housing/ retirement housing	Extra care housing/ supported living housing
1 bedroom	3,666	889	199	2,527	1,103	362
2 bedrooms	10,488	1,004	139	740	597	156
3 bedrooms	17,348	-	-	325	-	-
4+ bedrooms	2,757	-	-	49	-	-
Total in households	34,260	1,893	338	3,642	1,700	517
Residential care	676			1,160		

*This includes 'age-restricted general market housing' as defined in the PPG (the type of housing is generally for people aged 55 and over and the active elderly) as well as general housing available to all people. This analysis is focused only on those where all household members are aged 65 or over, there is likely to be additional requirement for age-restricted general market housing from those aged between 55 and 64.

7.22 The majority of older person households in Medway are likely to remain in general housing, as the Paragraph 012 (ID: 63-012-20190626) of the PPG notes *'Many older people may not want or need specialist accommodation or care and may wish to stay or move to general housing that is already suitable, such as bungalows, or homes which can be adapted to meet a change in their needs.'* The following section looks at the role of adaptations to help households remain in their own home, the remainder of this section looks at the potential demand for general housing.

7.23 It should be noted that the general housing that older people aspire to reside in includes age-restricted general market housing. This housing located on sites that are exclusively used by older people, typically those aged 55 or over. As paragraph 10 of the PPG indicates, *'it may include some shared amenities such as communal gardens, but does not include support or care services[58]'.*

7.24 The number of households headed by someone aged between 55 and 64 in Medway is projected to increase from 20,599 in 2024, to 23,153 in 2041, an increase of 12.4%. It would be presumed that around three-quarters of these households would reside in market accommodation in 2041. It is therefore projected that there will be around 51,628 households headed by someone aged 55 and over resident in market accommodation without services in Medway in 2041[59]. This is the total potential total market for age-restricted general market housing in Medway.

[58] Paragraph 63-010-20190626 of the PPG

[59] This is the 34,260 households aged 65 and over in general market housing as identified in table 7.4 added to 75% of the 23,153 households aged between 55 and 64.

7.25 It is hard to gauge the future demand for this age-restricted general market housing as there is limited evidence of the current supply in Medway (an issue that the Council may wish to address). The Council should encourage the provision of accommodation that meets the needs of this group where the demand for this housing can be independently verified.

7.26 Within Medway, bungalows are part of the market offer. The Census does not disaggregate bungalows within its data. However, the market survey (described in chapter 3), found that 10.3% of all homes available with more than one bedroom in Medway were bungalows. They represent a notable proportion of the property market and there is an expectation that this property type will also be available in the future. Stakeholder feedback indicated that demand for this property is currently high and that bungalows have a particularly important role in addressing the requirement for older households in the Unitary Authority and that both in age-restricted neighbourhoods but also in general market housing available more widely.

People with disabilities

7.27 Paragraph: 002 of the PPG[60] notes that '*The provision of appropriate housing for people with disabilities, including specialist and supported housing, is crucial in ensuring that they live safe and independent lives…. Providing suitable housing can enable disabled people to live more independently and safely, with greater choice and control over their lives'.* Page 76 of the NPPF provides the following definition of disabled people: *'People have a disability if they have a physical or mental impairment, and that impairment has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities. These persons include, but are not limited to, people with ambulatory difficulties, blindness, learning difficulties, autism and mental health needs.'* Due to a lack of accurate data on the individual groups within this population, the analysis in this section will consider all those with a specific need unless otherwise stated.

Current situation

7.28 As is noted in paragraph 005 (Reference ID: 63-005-20190626) of the PPG, *'Multiple sources of information may need to be considered in relation to disabled people who require adaptations in the home, either now or in the future. The Census provides information on the number of people with a long-term limiting illness'.* The 2011 Census collected data under this definition, however the 2021 Census has collected slightly different data on disability.

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[60] Reference ID: 63-002-20190626

7.29 The 2021 Census identified people who were disabled under the Equality Act[61], separated between those whose day-to-day activities are limited a lot and those whose day-to-day activities are limited a little, and those not disabled under the Equality Act but who have a long term physical or mental health condition that limits their day-to-day activities. The data from the 2021 Census is therefore used as a starting point.

7.30 The table below summarises the data on disability in Medway within the Census in comparison with the regional and national equivalents. It shows that, in 2021, some 17.4% of the resident population in Medway are disabled under the Equality Act, compared to 16.1% in the South East and 17.3% nationally. The table also shows a greater proportion of those disabled under the Equality Act in Medway were limited in their day-to-day activities than was recorded regionally, but not nationally. Finally, the data shows that 6.9% of residents in Medway are not disabled under the Equality Act but have a long term physical or mental health condition which does not limit their day-to-day activities, compared to 7.5% regionally and 6.8% nationally.

Table 7.5 Disability in Medway in 2021

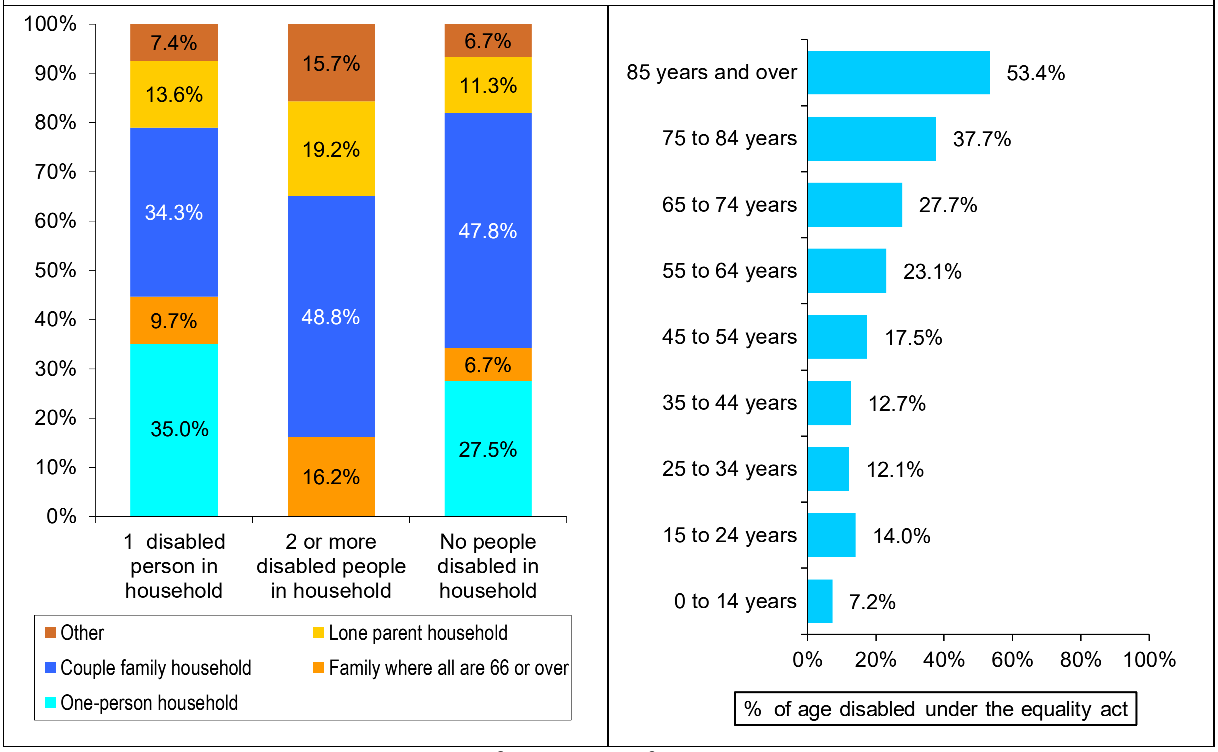
	Proportion of residents disabled under the equality act	*Disabled under the Equality Act*		*Not disabled under the Equality Act: Has long term physical or mental health condition but day-to-day activities are not limited*
		Day-to-day activities limited a lot	*Day-to-day activities limited a little*	
Medway	17.4%	41.5%	58.5%	6.9%
South East	16.1%	38.8%	61.2%	7.5%
England	17.3%	42.4%	57.6%	6.8%

Source: 2021 Census

7.31 Figure 7.2 shows the household profile of people disabled under the Equality Act in Medway in 2021 compared with the remainder of the population. The figure also sets out the prevalence of disability in the different age groups of the population. The results show that in Medway, some 35.0% of households with a single disabled resident are one person households, whilst households with two or more disabled people are more likely than average to be a family in which every member is 66 and over. The analysis also reveals a strong correlation between age and disability.

[61] This definition of a disabled person meets the harmonised standard for measuring disability and is in line with the Equality Act (2010). https://www.ons.gov.uk/census/census2021dictionary/variablesbytopic/healthdisabilityandunpaidcarevariablescensus2021/disability

Figure 7.2 Household type and age profile of people disabled under the Equality Act in Medway



Source: 2021 Census

Number of people in receipt of relevant benefits

7.32 The PPG indicates that an up-to-date estimate of the number of people with a disability can be acquired by looking at the number of people in an area that are in receipt of Personal Independence Payment or Attendance Allowance. Personal Independence Payment (PIP) helps with some of the extra costs caused by long-term disability, ill-health or terminal ill-health. Data from the Department of Work & Pensions indicates that, by February 2024, there have been 40,210 registrations in Medway for PIP, which is equivalent to 14.1% of the current population in Medway. In comparison PIP registrations represent some 9.7% of the population across the South East and 13.0% of the population of England.

7.33 Attendance Allowance is a benefit for people over the age of 65 who are so severely disabled, physically or mentally, that they need a great deal of help with personal care or supervision. The Department of Work & Pensions data shows that, as at February 2024, there were 6,636 people in Medway in receipt of Attendance Allowance, which equated to 2.3% of the population in the Unitary Authority. In comparison, some 2.4% of the population in the South East and 2.5% of the population nationally were in receipt of Attendance Allowance.

7.34 The PPG notes that *'whilst these data sources can provide a good indication of the number of disabled people, not all of the people included within these counts will require adaptations in the home.'*

Projected health of the future population

7.35 The Projecting Older People Information System (POPPI) website[62] and the parallel Projecting Adult Needs and Service Information (PANSI) website[63] model the current and likely future incidence of a range of health issues for each authority in England. Table 7.6 sets out the number of people estimated to have one of five health conditions in 2024 as determined by these data sources. The table also indicates the number of people projected to have these conditions in 2041, derived by applying the future prevalence rates used by the POPPI and PANSI modelling to the disaggregated future population for Medway in 2041, as identified within the local housing need calculation. The table then goes on to report on the current and future population in Medway that require assistance with activities. These figures are derived using the same approach as described for the health condition modelling. The data from PANSI and POPPI is based on current and recent prevalence rates and, whilst these may vary in the future, the figures provide a useful baseline estimate.

7.36 The table shows that the number of those aged 65 or over disabled under the Equality Act, is expected to increase by 41.3% between 2024 and 2041 in Medway. This compares to an increase of 1.4% in the number of people aged 18-64 in the Unitary Authority with impaired mobility, a rise of 12.1% in the number of people aged 18-64 in Medway with a common mental health disorder, an increase of 63.5% in the number of people aged 65 or over with dementia[64], and an increase of 19.3% in the number of people in Medway with a moderate or severe learning disability.

7.37 The table also shows that the number of those aged 65 or over that are unable to manage at least one mobility activity on their own, is expected to increase by 48.2% between 2024 and 2041, compared to an increase of 78.0% in the number of people aged 65 and over who need help with at least one domestic task, an increase of 148.2% in the number of people aged 65 and over who need help with at least one self-care activity and an increase of 12.2% in the number of people aged 18-64 with a serious personal care disability. It should be noted that these changes better reflect the projected change in the demographics of the population (an ageing population) rather than a notable change in the overall health of people.

[62] https://www.poppi.org.uk/

[63] https://www.pansi.org.uk/

[64] Paragraph 019 (Reference ID: 63-019-20190626) of the PPG notes that *‘Evidence has shown that good quality housing and sensitively planned environments can have a substantial impact on the quality of life of someone living with dementia. People with dementia need to have access to care and support to enable them to live independently and homes need to be designed with their needs in mind.’*

Table 7.6 Number of people with particular health issues projected over the modelling period in Medway

Condition	2024	2041	Total change	% change
Health condition				
People aged 65 or over disabled under the equality act	16,548	23,389	6,841	41.3%
People aged 18-64 with impaired mobility	13,050	14,927	1,877	14.4%
People aged 18-64 with a common mental health problem	33,007	36,992	3,986	12.1%
People aged 65 and over with dementia	3,197	5,228	2,031	63.5%
People all ages with a learning disability	5,403	6,444	1,041	19.3%
People requiring assistance with activities				
People aged 65 and over that are unable to manage at least one mobility activity on their own*	8,601	12,748	4,147	48.2%
People aged 65 and over who need help with at least one domestic task**	11,055	19,677	8,623	78.0%
People aged 65 and over who need help with at least one self-care activity***	7,815	19,396	11,581	148.2%
People aged 18-64 with a serious personal care disability****	1,490	1,672	181	12.2%
All people	288,190	325,525	37,335	13.0%

*Activities include going out of doors and walking down the road; getting up and down stairs; getting around the house on the level; getting to the toilet; getting in and out of bed. **These are activities which, while not fundamental to functioning, are important aspects of living independently such as doing routine housework or laundry, shopping for food, doing paperwork or paying bills. ***These are activities relating to personal care and mobility about the home that are basic to daily living. ****Their physical disability means that they require someone else to help from getting in and out of bed, or getting in and out of a chair, dressing, washing, feeding, and use of the toilet. Source: The Projecting Older People Information System and Projecting Adult Needs and Service Information, 2024, disaggregated local housing need figures, 2024.

Accessible and adaptable housing

7.38 The Nationally Described Space Standards (which set out national minimum space standards) published by the Department for Communities and Local Government in 2015[65] detail the minimum gross internal floor areas required in new dwellings and also the size of storage area required. The Nationally Described Space Standards also provide detail on the requirements of dwellings to meet the Accessible and Adaptable dwellings M4(2) and Wheelchair accessible dwellings M4 (3b) standards[66].

[65] Nationally_Described_Space_Standard____Final_Web_version.pdf
[66] BR_PDF_AD_M1_2015_with_2016_amendments_V3.pdf

7.39 Paragraph 008 of the PPG[67] sets out that *'Accessible and adaptable housing enables people to live more independently, while also saving on health and social costs in the future.'* The same paragraph then goes onto clarify that *'accessible and adaptable housing will provide safe and convenient approach routes into and out of the home and outside areas, suitable circulation space and suitable bathroom and kitchens within the home. Wheelchair user dwellings include additional features to meet the needs of occupants who use wheelchairs, or allow for adaptations to meet such needs.'*

7.40 The PPG[68] also details the data sources that can be used to provide evidence of the need in local planning authorities for dwellings that meet higher accessibility, adaptability standards (Building Regulations M4(2)) and wheelchair housing standards (Building Regulations M4(3). All of these have been researched, and whilst some have been used to provide the contextual information presented above, others have been used to model the future requirement for adaptable and accessible housing. The most important data input into the model is the CORE LA Area Lettings Reports which provide details about the accessibility requirements of those that have moved into affordable accommodation – both general and specialist housing. The other data sources used in the model include the age profile of people in receipt of Disability Living Allowance in Medway, the LTBHM modelling outputs on the current and future tenure profile of different household groups, the POPPI and PANSI projections (set out above) and analysis in the English Housing Survey.

7.41 The steps followed in the model to derive the future requirement for adaptable and accessible housing M4(2) are set out below:

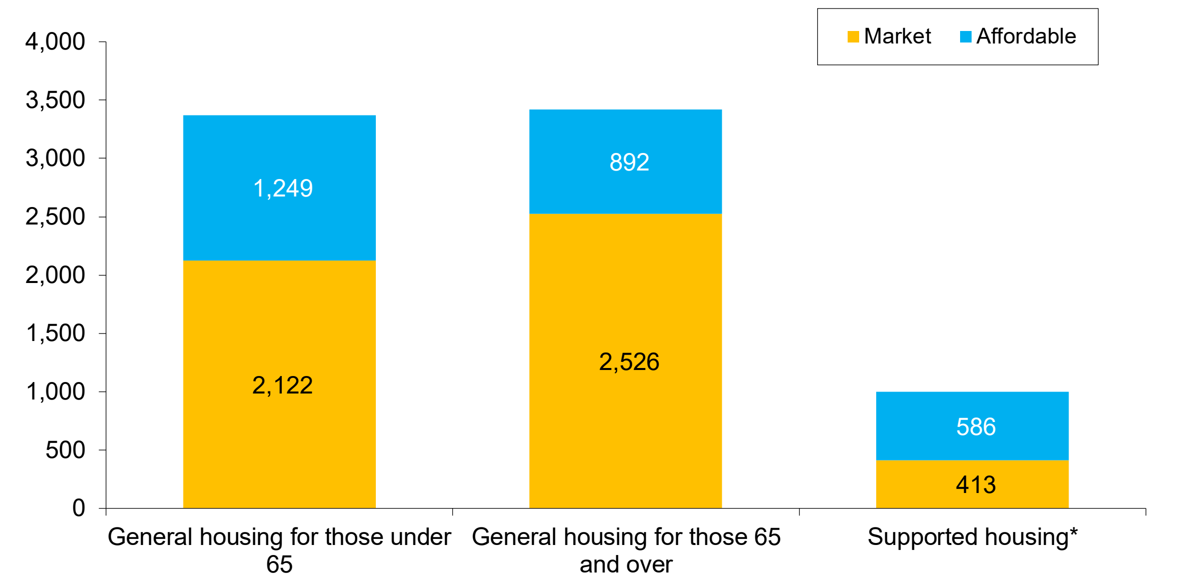
- The CORE LA Area Lettings Reports for the last three years (2019/20 to 2021/22) were examined and the total number of lettings that required a home to meet a mobility need was totalled alongside the total number of lettings (of all types). This was done within the general housing stock and separately within the supported housing[69] stock.
- It is presumed that all of the requirement for accessible and adaptable housing in the supported housing stock is from older persons households. To determine the requirement for accessible and adaptable housing within the general stock that arises from households over 65, the proportion of people in receipt of the higher rate of the Disability Living Allowance that are aged 65 or over in the authority as at August 2023 is calculated using the data published by the Department for Work and Pensions[70]. In Medway this figure is 71.2%. It is therefore presumed that this proportion of the demand for accessible and adaptable housing within the general stock arises from households over 65, with the remainder arising from younger households.

[67] Reference ID: 63-008-20190626
[68] Reference ID: 56-007-20150327
[69] Supported housing in this context refers to specialist housing for households (mainly older person households), such as that listed in Table 7.2.
[70] https://stat-xplore.dwp.gov.uk

- The totals of the number of lettings of housing that has been adapted to accommodate the residents over the last three years to these three groups; (those in sheltered accommodation, older person households in general housing and households under 65 in the general stock) are then compared to the total number of lettings to each of these groups over the last three years, to generate a requirement rate for adapted housing for these three household groups in the affordable sector.
- To produce an equivalent requirement rate for adapted housing amongst the same groups of households resident in the market sector, the rate identified for each of these three groups in the affordable sector is adjusted by the difference between the proportion of affordable homes with adaptations nationally and the proportion of market homes with adaptations nationally as recorded by the Survey of English Housing.
- The requirement rate for these three groups across the two broad tenures are then applied to the total number of households in these groups in 2024 as indicated by the LTBHM model. This provides an estimate of the current requirement for accessible and adaptable housing, differentiated both by the three household groups and the two broad tenures.
- To profile the future requirement, the total number of households under 65 in the general stock that require an adapted home currently is multiplied by the projected change in the number of people aged 18-64 with an impaired mobility as modelled using the PANSI data set out in Table 7.6 above.
- The total number of households aged 65 and over in the general stock that require an adapted home currently is multiplied by the projected change in the number of people aged 65 and over that are unable to manage at least one mobility activity on their own in each authority as modelled using the POPPI data set out in Table 7.6 above. The total number of households in sheltered accommodation that require an adapted home currently is also multiplied by this figure derived from the POPPI modelling.
- This provides a total requirement for accessible and adaptable housing in 2041 in Medway for the three different household groups. These are then divided by tenure, based on the tenure profile of these groups recorded in 2024, but also taking account of the changes in the tenure profile for each group that are projected to happen by 2041 according to the LTBHM model.

7.42 Figure 7.3 below shows the final results of the LTBHM model.

Figure 7.3 Number of accessible and adaptable homes required in Medway in 2041



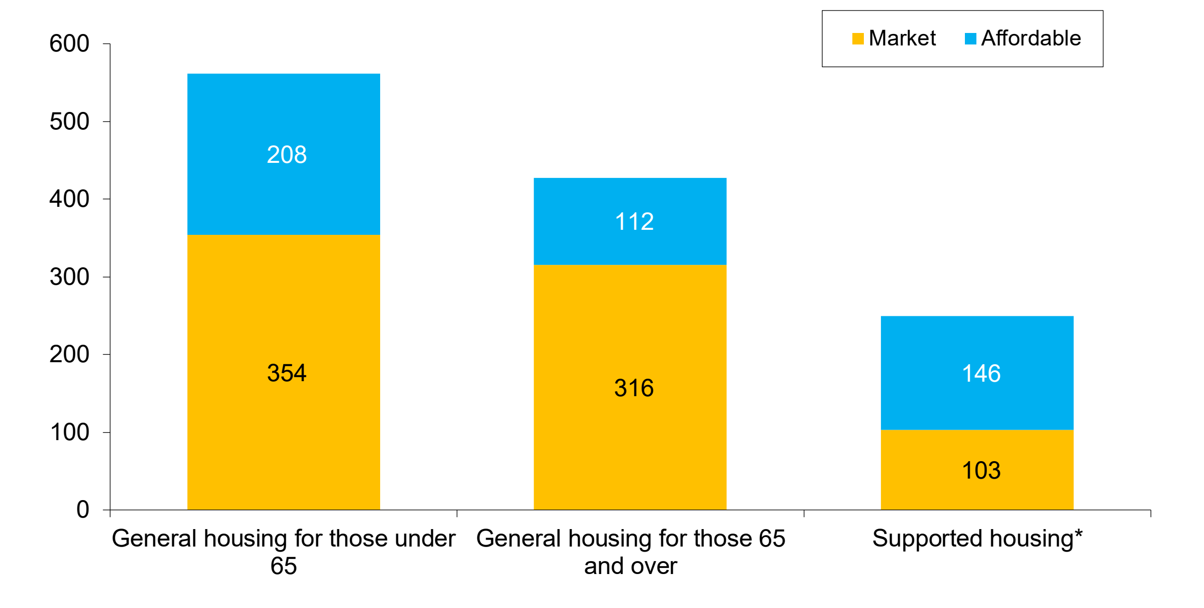
*Supported housing is specialist housing for older person households, such as those listed in Table 7.2.

7.43 The figure indicates the requirement for accessible and adaptable homes in Medway in 2041, differentiated by setting, age group and tenure. In total 7,787 accessible and adaptable homes are required in 2041 in Medway, of which 5,060 should be in the market sector and 2,727 in affordable accommodation. Of the 7,787 accessible and adaptable homes required, 6,789 should be in the general housing stock and 998 in supported accommodation.

7.44 The outputs of the LTBHM model and the older person accommodation modelling have compared the future requirement with the current stock to identify the net change required to be delivered over the modelling period. Whilst the future requirement for accessible and adaptable homes has been identified, there is limited information on the number of dwellings that fulfill this criterion in Medway currently, and therefore there is not a detailed profile of the current stock from which to derive a net requirement. Overall, the requirement for 7,787 accessible and adaptable homes implies that a notable uplift will be required to the number of homes that meet this standard currently, and, that by the end of the modelling period, around about 5.5% of the total stock should be available that meet this criterion. This is an estimated requirement for M4(2) Category 2 accessible and adaptable homes.

7.45 There is also a requirement for wheelchair user dwellings. Using the same data sources but focusing specifically on those that require fully wheelchair adaptable housing M4(3)(a) Category 3 homes within the CORE LA Letting Reports figures and the data specifically on wheelchair dwellings within the English Housing Survey, it is possible to follow the same method to produce equivalent results that identify the future requirement for a wheelchair accessible home in Medway in 2041.

Figure 7.4 Number of wheelchair user dwellings required in Medway in 2041



*Supported housing is specialist housing for older person households, such as those listed in Table 7.2.

7.46 Figure 7.4 indicates the requirement for wheelchair user dwellings in Medway in 2041, differentiated by setting, age group and tenure. In total, 1,239 wheelchair user dwellings are required in 2041 in Medway, of which 772 should be in the market sector and 466 in affordable accommodation. Of the 1,239 wheelchair user dwellings required, 989 should be in the general housing stock and 249 in supported accommodation. Overall, the requirement for 1,239 wheelchair user dwellings will mean that by the end of the modelling period, around 0.9% of the total stock should be available to meet this criterion.

7.47 It is important to note that the PPG[71] is clear that the suitability of these requirements should be assessed to determine whether they are viable, and also that the authority should not impose any further requirements to the building regulations beyond what is set out in the building regulations for M4(2) and M4(3) dwellings.

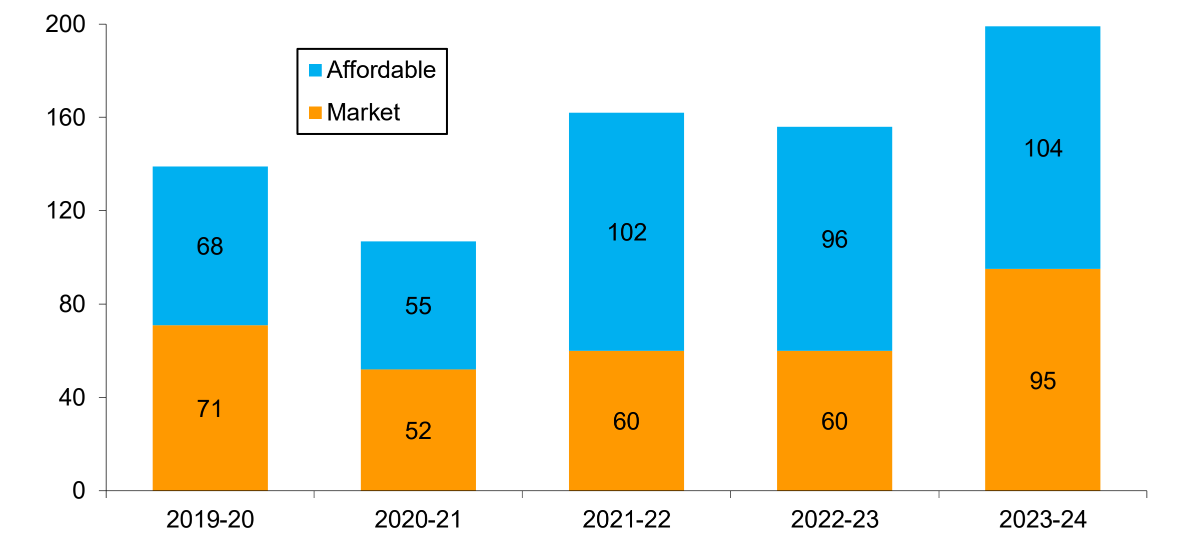
Adaptations and support

7.48 In addition to specialist accommodation, the Council helps people to remain in their current home by providing support and assistance. Any adaptations to dwellings provided through this mechanism could reduce the requirement for new homes meeting the M4(2) standard, depending on the nature of the adaptation work completed.

[71] Reference IDs: 56-003-20150327 & 56-008-20160519

7.49 Figure 7.5 shows the number of valid applications received within the Disabled Facilities Grants program over the last five years separated by the tenure of the household. The figures suggest there is an overall increase in applications received (especially as the year 2020-21 was impacted by the pandemic). The growth in the demand for Disabled Facilities Grant is greater amongst those in affordable accommodation. The total grant approved over this time period comes to over £8,000,000.

Figure 7.5 Disabled Facilities Grant applications and completions* in Medway



Source: Medway Council, 2024.

7.50 In this context, paragraph 005 of the PPG[72] notes that '*Applications for Disabled Facilities Grant (DFG) will provide an indication of levels of expressed need, although this will underestimate total need, as there may be a large number of people who would want or need an adaptation, but would not have applied to the DFG.'* The provision of M4(2) homes would reduce the need for these adaptations to be applied to existing dwellings retroactively and make the housing stock more responsive to the evolving needs of the local population.

Families with children

Current situation

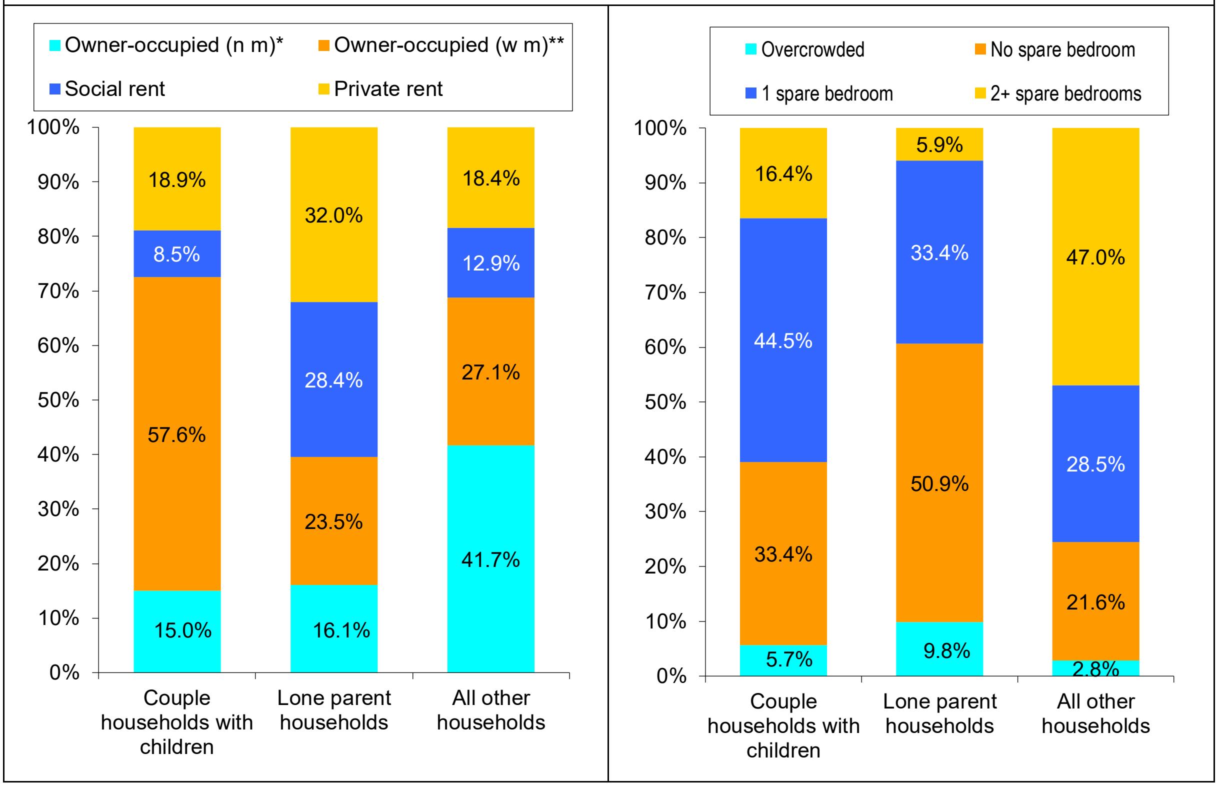
7.51 The Census provides detail on the housing situation of households with children at a local level. It is worth noting that in 2021, according to the Census, 41.1% of households in Medway were families with children, a figure notably higher than both the regional (36.8%) and national (36.3%) average.

[72] Reference ID: 63-005-20190626

7.52 Figure 7.6 shows the tenure profile of the two main types of 'family with children' households in Medway in 2021 compared with the remainder of the household population. The figure also sets out the occupancy level of these groups.

7.53 The data shows that there are notably fewer owner-occupiers with no-mortgage amongst couple households with children than amongst other households in Medway. The proportion of this group in the social rented sector is also lower than recorded for other households. Lone parents, however, are notably more likely than other households to be in both Social Rented and private rented accommodation. Family households with children are also more likely to be overcrowded and less likely to be under-occupied in Medway.

Figure 7.6 Profile of accommodation for family households in Medway



Source: 2021 Census *Owner–occupied no mortgage ** Owner-occupied with mortgage, includes Shared Ownership.

Future requirement

7.54 The disaggregated local housing need projections indicate that the total population of families with children is going to rise from 45,752 in 2024 to 53,345 by 2041, a growth of 16.6%. It is estimated that the proportion of lone parent families within this group will grow from 30.4% in 2024 to 31.7% in 2041. Table 7.7 shows the projected accommodation profile for family households in Medway in 2041 derived from the LTBHM model, presuming that households do not have to reside in overcrowded accommodation. This identifies that intermediate housing will be particularly useful for family households; it is estimated that, by 2041, 52.2% of Shared Ownership dwellings and 61.7% of First Homes will be occupied by family households.

Table 7.7 Type of accommodation projected for households with dependent children in 2041 in Medway					
Size of home	*Owner occupied*	*Private rented*	*First Homes*	*Shared Ownership*	*Social/ Affordable Rented*
1 bedroom	0	0	0	0	0
2 bedroom	3,939	874	154	513	3,341
3 bedroom	20,800	2,108	387	809	5,398
4+ bedrooms	12,130	1,055	431	301	1,104
Total	36,869	4,036	972	1,623	9,844

The private rented sector (PRS)

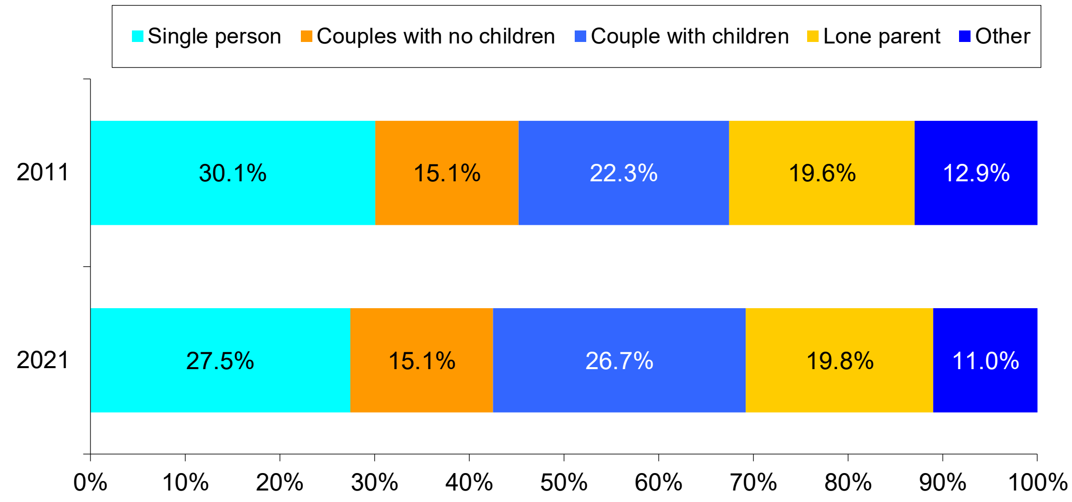
Growth

7.55 The current tenure profile in Medway was modelled as part of the LTBHM model. This estimated that there are 23,333 private rented households in Medway in 2024, which represents 20.5% of households in the Unitary Authority. The private rented sector (PRS) is becoming increasingly important in Medway; as shown in Figure 2.12, the data indicates that it increased by 17.2% in Medway between 2011 and 2021 – at a lower rate than was recorded nationally.

Those resident in the tenure

7.56 Figure 7.7 compares the household composition of the private rented sector in Medway in 2021, with the profile of households resident in this tenure in Medway in 2011. The data shows that not only has the private rented sector expanded, but the households in it have diversified slightly. It has become increasingly common for households with children to be resident in this tenure, however the most common households in the tenure are still single person households.

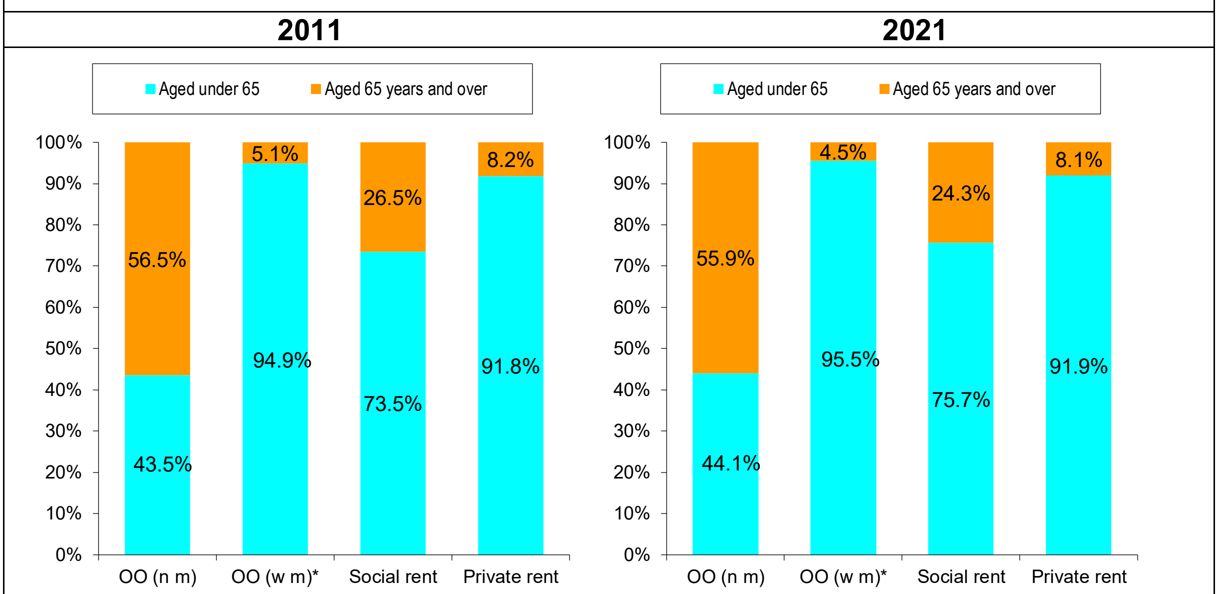
Figure 7.7 Change in the household composition of the PRS in Medway



Source: 2011 and 2021 Census

7.57 Figure 7.8 shows that the private rented sector is notably unlikely to be occupied by older households, with over 90% of household reference persons aged 64 or under. The proportion of older households in this tenure has decreased slightly between 2011 and 2021.

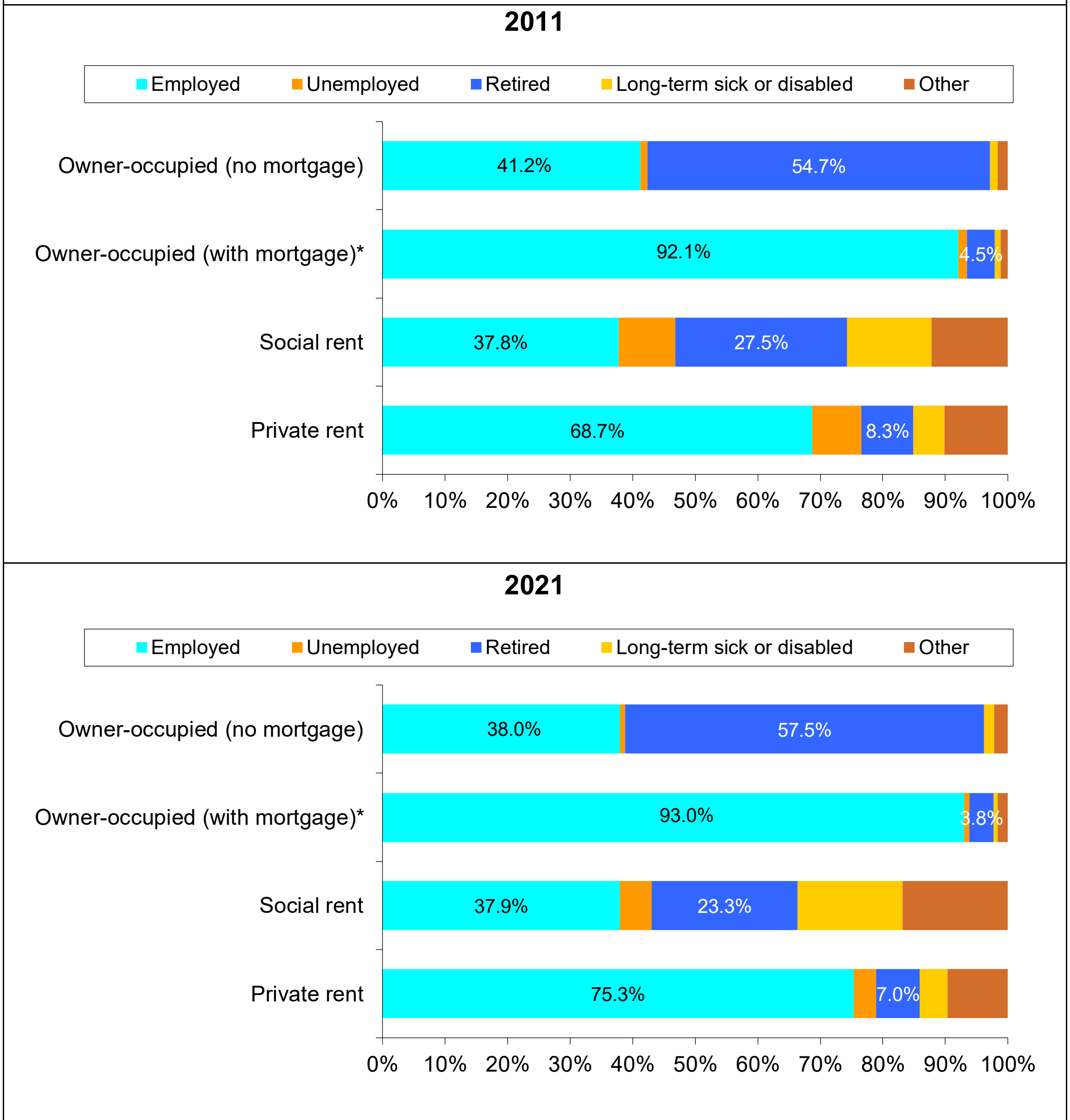
Figure 7.8 Age of household reference person within each tenure in Medway, 2011 & 2021



*Includes Shared Ownership Source: 2011 and 2021 Census

7.58 Figure 7.9 shows that whilst the majority of heads of households in the private rented sector in Medway are in work, there are a number where the head of household is unemployed or retired. It is also clear that the proportion of employed heads of households in the private rented sector has increased over the last decade.

Figure 7.9 Change in the economic activity of household reference person by tenure in Medway, 2011 to 2021



*Includes Shared Ownership, Source: 2011 and 2021 Census

7.59 The LTBHM model set out in Chapter 4 has been used to model the future housing market. This indicates that the private rented sector is likely to grow further in importance in Medway over the plan-period with the number of homes in the tenure projected to increase 3,801 households by 2041, a growth of 16.3%.

Current trends

7.60 The PPG suggests that *'market signals reflecting the demand for private rented sector housing could be indicated from the level of changes in rents.'* Therefore, to assess the stability of the sector currently it is useful to consider how the private rent levels charged vary over time. The table below shows the change in private rents over the last five years at both the median and lower quartile level. This data is disaggregated by accommodation size and location. The table shows for example that, between 2017/18 and 2022/23, two bedroom lower quartile rents increased by 18.2% in Medway.

7.61 Overall, the data suggests that whilst substantial growth in private rents have been recorded in Medway, the sector in the Unitary Authority is not under unusual pressure, as rent levels have risen at a lower rate than recorded nationally. The data does suggest that four bedroom rents are the least pressurised, and that one and two bedroom rents are most under pressure.

Table 7.8 Change in private rents charged in Medway, the South East and England between 2017/18 and 2022/23

Lower quartile prices				
Area	One bedroom	Two bedrooms	Three bedrooms	Four+ bedroom
Medway	18.2%	18.2%	14.2%	4.2%
South East	20.8%	20.0%	22.2%	9.1%
England	22.3%	23.8%	22.5%	30.6%
Median prices				
Area	One bedroom	Two bedrooms	Three bedrooms	Four+ bedroom
Medway	20.0%	19.4%	17.6%	0.0%
South East	17.1%	20.0%	18.7%	9.1%
England	25.0%	26.9%	23.3%	17.4%

Source: Valuation Office Agency, 2017-18, 2022-23

The benefit-supported private rented sector

7.62 Data available from the Department of Work & Pensions[73] indicates that there were 10,992 households in the private rented sector in Medway who were either in receipt of Housing Benefit or were receiving the Housing Element of Universal Credit in May 2024. This represents 47.1% of all households in the tenure and is notably higher than the equivalent proportion of households in the sector both regionally and nationally (some 31.1% of private rented households in the South East were in receipt of one of these benefits as were 34.4% of private rented households across England). The private rented sector is unaffordable for these households who would not be able to afford to live there without financial support.

7.63 Further analysis shows that the number of private rented tenants in receipt of assistance with their housing costs in Medway has increased by 34.9% between 2019 and 2024, in comparison to a regional growth of 33.3% and a national rise of 33.1% over the same period.

7.64 It is important to recognise the role that the benefit-supported private rented sector plays in alleviating the pressure on the affordable housing stock, by housing some households that would otherwise be resident within the sector; however, it is not an official form of affordable housing as defined by the NPPF. In addition, a comparison of the entry-level private rents with the LHA caps, as set out in Chapter 3, showed there is a substantial gap between the two and the housing costs of households in need would not be fully met if they were to reside in this sector as noted in Chapter 3.

People wishing to build their own homes

7.65 It should be noted that the NPPF specifically refers to people *wishing to build or commission their own homes* within the examples cited in paragraph 63. Medway launched a list for people interested in undertaking a self-build development to register themselves in April 2016. Some 139 individual applicants have applied to the register since it was opened with a further 2 associations joining the list. Some 54 of the individuals applied to the register within its first 18 months, after which there were an average of 14 new applicants a year for the next five years. In the last two years, the average number of new applicants has reduced to 8 per year.

7.66 Some 97 of the 141 applicants were currently resident in Medway at the time that they applied. The Council has granted permission for a self-build development at High Halstow on an application from a private landowner. There are four other privately owned sites which the council have granted permission for, making the total number of self build plots permitted in Medway 20. Some six of these plots have already been built on a site at Cooling Common. Regarding the remaining sites, applicants on the register have been/will be advised regarding self build plots once they are confirmed by the landowner that they are available for marketing and purchase.

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[73] https://stat-xplore.dwp.gov.uk

7.67 The PPG suggests that data from the Council's self-build register can be supplemented by secondary data where it exists. The Office of National Statistics has recently published the Right to Build Register Monitoring[74] on an annual basis. This presents a limited amount of data on the scale of demand for self-build properties across all authorities in England. This data indicates that, as at the time the data was collected in 2022, there were 118 people on the register, which when compared to the population estimated for the authority, equates to a demand of 42.2 self-build dwellings per 100,000 people resident in the authority. Across England the demand is for 114.1 self-build dwellings per 100,000 people. Overall, of the 306 Local Authorities in England in which sufficient data exists to allow this calculation, Medway is ranked as having the 207th greatest demand for self-build homes per head.

7.68 To identify the extent of demand for self-build beyond those that are already on the register, the Council have contacted local estate agents to understand how often they get approached about the topic. Only one estate agent engaged with their survey, and they advised that they rarely have people come to them looking for a plot, however if they advertise one that becomes available there is interest. There is no evidence of demand outside that shown on the register.

7.69 To project forward the requirement for self-build plots over the plan period, there are two potential methods. The first is to identify a suitable target prevalence rate for Medway. Currently there are 141 individuals or groups interested in a self-build opportunity in Medway which represents 0.1% of all households. The Right to Build Register Monitoring data published by the Office of National Statistics indicates that the demand rate within Medway is below the national average, which is an interest in self-build plots amongst 0.3% of all households. If it is assumed that the national prevalence rate is a better reflection of true demand then, a requirement for 465 plots is identified in Medway at the plan period in 2041[75]. The Council have already made 20 self-build plots available meaning that an additional 445 would be required over the plan period.

7.70 The second method is to identify the likely flow of demand over the plan period, presuming that the rate of new interest recorded in the history of the Councils' register (17 households per year) is maintained across the plan period[76]. This would lead to an additional demand of 289 self-build plots over the 17-year plan period. When added to the existing demand from 141 households it would lead to a total requirement for 430 self-build plots in 2041 in Medway. Subtracting the 20 plots already available would mean an additional 410 self-build plots would be required between 2024 and 2041.

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[74] https://www.gov.uk/government/publications/self-build-and-custom-housebuilding-data-2016-2016-17-2017-18-and-2018-19/data-release-self-build-and-custom-housebuilding-data-2016-to-2020-21

[75] This is derived by applying the national prevalence rate of 0.33% to the total household population of 141,029 in 2041 in Medway.

[76] Whilst the level of new interest in the self-build register has decreased in the last few years, the Council believe that demand likely to rise again as awareness of the register increases once the Local Plan is adopted.

7.71 Both approaches result in similar figures suggesting that the Council should be planning to add around 430 new self-build plots over the course of the plan period to address current and likely future demand. It should be noted that feedback provided within the stakeholder consultation indicated that a section106 requirement for self-build plots on new development can be a barrier to delivering additional affordable housing. The RSL respondent indicated that it would be helpful if there is flexibility on the Council's self-build policy to remove the requirement if affordable housing will be provided to ensure that it does not act as a deterrent to affordable housing delivery.

7.72 At the end of 2024 the Council began a survey of existing applicants on the register to gain more of an understanding of what they are looking for in a plot. At the time of the finalisation of this report, the responses were not collated so the results cannot be discussed here.

Looked-after children

7.73 In May 2023, the Department for Levelling Up, Housing and Communities emphasized that within the requirements of the NPPF that require local planning authorities to assess the size, type and tenure of housing needed for different groups in the community and reflect this in planning policies and decisions (what is now paragraph 63), they should specifically consider whether it is appropriate to include accommodation for children in need of social services care as part of that assessment[77]. The Department for Education provides the following definition for a looked-after child *"a child is looked after by a local authority if they are provided with accommodation for a continuous period of more than 24 hours; are subject to a care order or are subject to a placement order".* Medway Council has a corporate parenting responsibility for all children in care in Medway and a discussion with council officers on the children's commissioning team took place to inform this study. The team are currently working on their new sufficiency strategy 'A place called home', which is due to be published in 2025.

7.74 The latest statistics published by the Government on looked-after children indicates that, as of the 31st March 2023, there were 465 looked-after children in Medway. This represents around 0.7% of all children in Medway, which is the same as the national average (0.7%) and lower than the regional figure (0.8%).

7.75 The latest data from the Council's children's commissioning team indicates that there are 485 looked-after children from Medway that the Council needs to place. There has been a notable increase in the asylum seeker population which require a placement in the last year, with over 20 children needing to be allocated at the moment. Medway also has between 350 and 400 looked-after children that are placed within Medway (but originate and are under the jurisdiction of another authority), which has a significant impact on the availability of placements for Medway's own children.

[77] https://questions-statements.parliament.uk/written-statements/detail/2023-05-23/hcws795

Current situation in Medway

7.76 Table 7.9 shows the age profile of looked-after children in Medway in comparison to regional and national equivalents. The data shows that there is a greater proportion of looked-after children aged 5 to 15 in Medway than recorded regionally and nationally and a smaller proportion of younger and older looked-after children than is recorded at these geographies. The most common age band for looked-after children in Medway is 10 to 15 years old.

Table 7.9 Age of looked-after children in Medway in 2023

Age	*Medway*	*South East*	*England*
Under 1 year	3.9%	3.9%	4.6%
1 to 4 years	13.3%	10.7%	13.3%
5 to 9 years	19.8%	15.7%	17.8%
10 to 15 years	42.8%	39.2%	38.0%
16 years and over	20.2%	30.5%	26.3%
Total	100.0%	100.0%	100.0%

Source: Data set from Children looked after in England, 2023

7.77 Table 7.10 shows the placement location of looked-after children in Medway in comparison to regional and national equivalents. The data shows that some 42.6% of children are placed within the authority, whilst nationally 56.3% of placements are within the local authority of origin and regionally the figure is 59.2%. Where placements are outside the local authority, they are most commonly more than 20 miles away.

Table 7.10 Placement location of looked-after children in Medway in 2023

Location	*Medway*	*South East*	*England*
Placed inside the LA boundary, 20 miles or less from home	41.7%	44.2%	47.6%
Placed outside the LA boundary, 20 miles or less from home	25.8%	12.5%	22.1%
Placed inside the LA boundary, more than 20 miles from home	0.0%	7.1%	4.3%
Placed outside the LA boundary, more than 20 miles from home	31.0%	21.0%	16.8%
Placed inside the LA boundary, distance not known or not recorded	0.9%	7.9%	4.4%
Placed outside the LA boundary, distance not known or not recorded	0.6%	7.3%	4.9%
Total	100.0%	100.0%	100.0%

Source: Data set from Children looked after in England, 2023

7.78 Further information from the Council's children's commissioning team indicates that currently around a third of the children (approximately 170 of the 490) are placed within Medway. The Council's children's commissioning team have indicated that this figure would ideally be around 80% as there will always be a certain number of placements in which a local placement is not suitable for the reason of protecting the child (typically 20% of cases). There is however a shortage of locations to place children currently.

7.79 Table 7.11 shows the place providers of looked-after children in Medway in comparison to regional and national equivalents. The data shows that some 55.7% of children are in private provision, a figure higher than the regional and national equivalents. A further 36.3% are in Medway Local Authority provision, lower than is recorded across the South East region and England.

Table 7.11 Place providers of looked-after children in Medway in 2023			
Place providers	*Medway*	*South East*	*England*
Parents or other person with parental responsibility	0.6%	5.1%	6.8%
Own provision (by the LA)	36.3%	44.4%	44.5%
Other LA provision	3.4%	0.9%	1.3%
Other public provision (e.g. by a PCT etc)	0.6%	0.3%	0.4%
Placement provider not reported	0.0%	0.7%	1.0%
Private provision	55.7%	43.9%	39.5%
Voluntary/third sector provision	3.2%	4.8%	6.4%
Total	100.0%	100.0%	100.0%

Source: Data set from Children looked after in England, 2023

7.80 The majority of looked after children aged under 16 in Medway are with a foster family. There is however a requirement for more foster families in the area and the Council is working to develop foster carers. There is a shortage of suitable accommodation for foster carers, who typically require a 3 or 4 bedroom house to ensure sufficient space for all of the occupants. Ideally the Council would be able to offer foster families the opportunity to access a home at a discounted rate (on the condition that they are providing foster care to children). There have been successful pilots in different parts of the country where a small close has been created to specifically house foster families. This gives the children a large and safe community and provides a network of support for the carers. This model is something that the Council would be keen to pursue should a suitable site become available.

7.81 The Council's children's commissioning team advised that they are not currently very dependent on children's homes. There are four in Medway currently, all located in the centre of the Unitary Authority, with a further one due to be delivered within the next two years. Ideally children's homes would be 3-bedroom units (located outside of central Medway) so that the children can receive individualised care and the cost per child is not too prohibitively expensive. The property also needs to have a staff bedroom and an office. Corner plots are preferable as they provide more outside space for the residents.

7.82 For supported accommodation, the new regulation by Ofsted, whilst a positive development, has impacted providers. There is a 12-14 month wait for providers to get their Ofsted registration with the process taking longer than was originally intended. This long transition period is putting off some potential providers as the cost associated with both the application and the long waiting time mean that it is not as financially viable. The anticipation is that in 12 to 18 months the backlog will be largely cleared and the registration process should be much quicker. The Council have 30 different supported accommodation providers that they use regularly for placements, with 15 based within Medway. There are other potential supported accommodation locations available but some of these have issues around the quality of their offer.

7.83 The Council is also responsible for providing accommodation for care leavers. These are single people or single parents that have left the care system and are unable to access a home independently. The accommodation for care leavers offers a two-year tenancy and gives them the stability to hopefully go further independently within the housing market. The Council has a foyer for care leavers with over 40 individual units as well as making accommodation available within HMOs for this group. The Council would ideally have another foyer available because demand from this group is growing, but preferably in a different part of Medway as the current location is not ideal for all residents. Vulnerable young people are also able to stay in supported accommodation within Medway including Russell House and Endeavor.

7.84 There is a further issue with regard to the location of accommodation for looked-after children within Medway. It is currently concentrated in Gillingham and Chatham and in some instances these locations are not ideal. The Council would like to see a wider distribution of locations including more in Strood and Rainham as well as the Hoo Peninsula. Ideally the locations should have good transport links, but it is preferable for lower density locations. The possibility to be close to the countryside and nature is important for children in care and in some parts of Medway this opportunity is much more limited than others. A range of locations would enable the council to better place children in accommodation that would suit their individual situation.

7.85 A further issue is the lack of affordable accommodation for staff working in this field. The local salaries in this sector make it hard for employees to afford to purchase a property in Medway, where the cost of housing has increased so much in the last few years.

Future requirement in Medway

7.86 The Council have provided data on the number of looked-after children by age group currently and how this has changed over the last few years. This has been used to model a projected prevalence rate for looked-after children by age band in Medway in 2041. This has then been applied to the total population of these age groups at the end of the plan period to identify the likely number of looked-after children there will be in the Unitary Authority.

7.87 This approach results in an estimated 578 looked-after children in Medway in 2041. This is notably in excess of the current figure of 485 and represents an increase despite the projections suggesting that the population aged below 18 in Medway will decrease by over 1,700 people. This reflects that the data indicates that children have overall become more likely to become looked-after children (especially amongst the older age groups). It is therefore important that the Council makes provision to accommodate this growing population.

Students

7.88 Medway contains a university campus which hosts three different universities. The University of Greenwich, the University of Kent and Canterbury Christ Church University all have satellite campuses on the site in Medway with their main campuses elsewhere in London or the South East. There are an estimated 10,000 students studying at these three institutions of which around 2,000 are in specialist student accommodation. The universities were contacted and asked about the current accommodation provision for its students, what expectations it has for future growth and where this growth will be accommodated. The institutions have not responded to this engagement. There is nothing in their published literature to indicate that there will be a notable change in the student population over the plan period that will have an impact on the housing market in Medway.

8. Conclusions and Summary

8.1 Chapter 1 considered the geographic context in which the local housing market operates using the latest data on commuting flows, migration patterns and housing market linkages. This analysis concluded that Medway's most established linkages are those with Swale and Maidstone. The travel to work self-containment for Medway has increased notably between 2011 and 2021, and whilst the self-containment for in-migration has decreased over this time period it remains a very high figure. The housing market suggests that Medway is most similar to the market in Gravesham. The evidence however indicates that Medway is a distinct housing market area, with links to neighbouring authorities.

8.2 Chapter 2 considered the drivers of the local housing market in Medway. It was shown that the population in the Unitary Authority has grown between 2011 and 2021 at a slower rate than the national and regional average and that the age profile is notably younger to that recorded for England. The employment profile of residents in Medway indicated that unemployment is similar to national levels but there are fewer people employed in the most highly skilled roles. This is reflected in the household incomes recorded across Medway which are lower than the national average. Finally, the chapter noted that Medway also has a relatively small affordable stock currently and a larger than average proportion of owner-occupiers with a mortgage. Between 2011 and 2021 the number of four bedroom homes has increased at the greatest rate, across all tenures.

8.3 Chapter 3 examined the cost of housing in the Unitary Authority. Whilst market accommodation in Medway is cheaper than regional equivalents, lower local incomes mean the affordability of the market housing remains an issue in the Unitary Authority. The analysis of the local housing market indicated that there is a notable gap between the cost of Affordable Rent and entry-level market housing which could be potentially be filled by intermediate products including discount home ownership options, such as First Homes. It is important to note that the suitability of these intermediate and sub-market products to meet housing need to the extent identified in the report is contingent on them being priced at the levels set out in Chapter 3.

8.4 Chapter 4 documented the derivation of the overall housing need in Medway following the Standard Method set out in paragraph 004 of the PPG[78]. This indicated that the requirement is for 1,594 dwelling per year which equates to 27,098 new homes over the 17-year plan period (2024 to 2041).

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[78] Reference ID: 2a-004-20241212

8.5 The report has presented two main models, the Long Term Balancing Housing Markets (LTBHM) model (Chapter 5), which disaggregates the Standard Method local housing need calculations to identify the tenure and size of housing that should be sought over the plan period to best accommodate the future population, and the Affordable Housing Need model (Chapter 6), an unconstrained estimate of the amount of affordable housing required. The affordable housing need figure is calculated in isolation from the rest of the housing market and is only used to indicate whether the Standard Method local housing need figure should be increased. On completion of the calculation of the need for affordable housing paragraph 024 of the PPG[79] says:

> *'The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by eligible market housing led developments. An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.'*

8.6 Planning Authorities should consider whether the housing target in the Local Plans should be increased to assist with meeting the need for affordable housing. Once this has been established, the future mix of all housing required over the plan period should be identified. In accordance with the PPG this is derived using a separate approach.

8.7 The total annual affordable housing need in Medway of 436 per year (as set out in Chapter 6) represents 27.4% of the annual planned growth in the Unitary Authority of 1,594 dwellings per year. It would be reasonable to expect this proportion of new affordable housing to be delivered on a large housing site in Medway, where a maximum figure of 30% would be plausible (subject to viability).

8.8 To determine the size and tenure of the new housing required within the Standard Method local housing need to accord with the PPG, the LTBHM model outputs are used (the change required between 2024 and 2041). This model provides the profile of housing appropriate to meet the household growth over the plan period and is directly derived from the calculations used to determine the Standard Method local housing need.

8.9 Figure 8.1 sets out the size and tenure requirement for the 27,098 dwellings (1,594 per annum) to be delivered over the plan period (between 2024 and 2041). Stakeholder feedback noted that *'a mix of tenure and size of accommodation should be present on new developments to ensure sustainable communities. Steps should be taken to avoid large clusters of one tenure type or one house type in any one location.'*

[79] Reference ID: 2a-024-20190220

5.31 The overall requirement for 18.6% of housing to be Affordable Rented/ Social Rented and 11.0% affordable home ownership (of which 5.6% could be Shared Ownership[80] and 5.4% First Homes) reflects the mix of housing that would best address the needs of the local population. It does not take into account the funding that will be available to help provide subsidised housing. The First Homes requirement will only be realised if First Homes are made available at the prices identified in chapter 3 (at a greater discount than 30% for three and four bedroom homes). If this is not possible then shared ownership is a more suitable tenure.

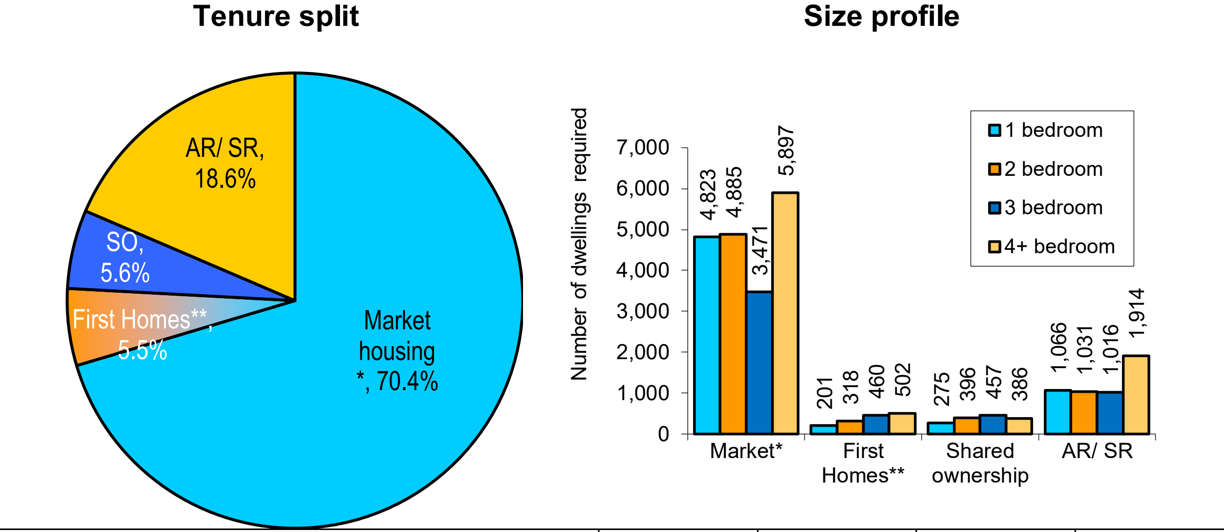
8.10 Within the Affordable Rented/ Social Rented sector it is clear that Social Rented housing is notably cheaper than Affordable Rent. The affordability analysis of households in affordable need presented in Table 5.10 indicates that between 65% and 70% of all affordable housing at the end of the plan-period in 2041 should be Social Rented with the remainder Affordable Rented. Social Rented accommodation is appropriate for the majority of households in this sector[81].

8.11 The profile set out is a guide to the overall mix of accommodation required in Medway although it is acknowledged that the Council may wish to divert away from this profile in particular instances. Stakeholder feedback noted that it would be beneficial for the Council *to enable Registered Providers to amend the affordable housing mix (within reason).* It should also be noted that the potential demand for First Homes is less robustly evidenced than for the other tenures and should therefore be treated with caution. RSLs indicated via the stakeholder consultation that they would like the flexibility not to have to provide First Homes.

[80] Shared Ownership refers to the version with a 25% equity share as this has been evidenced to cost less than market entry housing in Chapter 3.

[81] A representation to the Council has been made by the NHS to highlight the need for sufficient affordable housing in Medway to accommodate staff working in the area. They note that *'Ensuring that NHS staff have access to suitable housing at an affordable price within reasonable commuting distance of the communities they serve is an important factor in supporting the delivery of high-quality local healthcare services.'*

Figure 8.1 Requirement for all new housing in Medway over the plan period



New housing required 2024 to 2041		*1 bed*	*2 bed*	*3 bed*	*4 bed*
Market housing*	**19,075**	4,823	4,885	3,471	5,897
First Homes**	**1,481**	201	318	460	502
Shared ownership (SO)	**1,515**	275	396	457	386
Affordable Rent (AR)/ Social Rent (SR)	**5,028**	1,066	1,031	1,016	1,914
Total	**27,098**	6,365	6,630	5,404	8,700

*Market housing includes both owner-occupied and private rented **First Homes figures represent potential demand. These figures represent the distribution of housing that should be delivered.

8.12 Chapter 7 considered the housing requirement of particular groups of the population. Paragraph 006 of the PPG[82] notes that '*Plan-making authorities should set clear policies to address the housing needs of groups with particular needs such as older and disabled people….They could also provide indicative figures or a range for the number of units of specialist housing for older people needed across the plan area throughout the plan period.'*

8.13 In terms of specialist dwellings for older persons (Class C3), it is evidenced that in Medway, 2,216 additional units of Sheltered housing for older people/ retirement housing[83] and 567 additional Extracare units[84] are required over the plan period within the housing target. Feedback from the Council's Adult Services team noted that *'based on a new extra care scheme having 63 apartments, this is 9 new extra care schemes by 2041. This seems like a lot (ambitious) and would mean 1 new scheme opening less than every 2 years. At present*

[82] Reference ID: 63-006-20190626

[83] See footnote 60.

[84] See footnote 61.

we have 5 schemes in Medway, so this would be a significant development over the time period.'

8.14 Chapter 7 also identifies that an additional 371 Registered Care spaces (nursing and residential care homes) will be required over the next 17 years in Medway (Class C2). Feedback from the Council's Adult Services team noted that *'based on the average new care home being 80 beds, this equates to 5 new care homes during the time period, or 1 new care home opening every 3 years or so. This feels about right, and again will help from a Market Position Statement point of view.'*

8.15 In addition, it is calculated that adapted housing M4(2) Category 2 will be required for 7,787 households by 2041 in Medway, of which around 1,239 dwellings should be M4(3) Category 3 homes - wheelchair user dwellings. These figures are both gross, however as they represent both a notable uplift to the current situation and a substantial proportion of all new dwellings to be delivered, it would be suitable for the Council to require all newbuild housing to meet the Nationally Described Space Standards for Accessible and Adaptable dwellings.

Appendix 1. Stakeholder consultation

Introduction

This appendix describes the stakeholder consultation that occurred during the production of this report. This appendix details the consultation process – who was contacted and the nature of the consultation. It also describes the event that took place, including what was discussed. Finally, the appendix sets out the submissions received in response to the consultation and the actions that they have resulted in.

Stakeholder workshop

A consultation event on the draft report findings, took place on 6th November 2024. This was a specifically created stakeholder session to which all businesses associated with the local housing market were invited. The value of the participants to the process was highlighted in the invitation sent round to the event which noted that the Planning Practice Guidance sets out the importance of consultation saying:

'It is the responsibility of plan makers in collaboration with the local community, developers and other stakeholders, to create realistic, deliverable policies. Drafting of plan policies should be iterative and informed by engagement with developers, landowners, and infrastructure and affordable housing providers.'

Over 50 organisations and individuals were invited to attend to observe the preliminary outputs of the study and to discuss the methodological assumptions used to derive the estimates. A range of different organisations were invited including developers, agents, Registered Providers and planning professionals. In total, there were 23 different stakeholder organisations at the event. A full list of those that attended the stakeholder event is set out in the table below. Representatives of housing and planning from Medway Council were also present.

Table A1.1 List of attendees to the stakeholder event

Organisation	*Organisation*
Invicta Planning	Swale Borough Council
DHA Planning	The Hyde Group
TB Holdings	Taylor Wimpey
GRT Consulting	Esquire Developments
Tonbridge & Malling Borough Council	Marrons
Pinnacle Planning	KCC
Hume Planning	WSP
P4 Planning	Telereal Trillium Group
Maidstone Borough Council	Network Rail
Esquire Developments	Dartford Borough Council
Stantec	Savills

The event was a presentation of the relevant national guidance which provides the framework for the study, an overview of the purpose of the report, and the two main models used to obtain the outputs, the assumptions used within the models and the initial study-wide outputs that had been derived. Questions were encouraged throughout.

Written consultation

A copy of the slides used in the presentation and a copy of the draft consultation report was sent to all the attendees subsequently, as well as those originally invited that were unable to attend. All recipients were encouraged to feedback their views. The deadline for the consultation responses was 29h November (over a 3-week period).

In total four submissions were received. The table below sets out the key points within the submissions – those that imply an alteration to the report or require a specific response. The responses and actions taken as a consequence of these points are set out in the final column. Some of the submissions were long and contained notable background information. For ease of presentation only the key points from the submission are set out in the table below. In some cases the point has also been surmised.

Table A1.2 Summary of key points in the stakeholder submission and responses to these points		
Individual/ Organisation marking the submission	Comment that implies alteration to the report or requires a specific response	Action taken, or response to comment
Hyde Housing	There is a relatively a high need for 1bed social/affordable rented homes. Although we understand that these are currently needed, we would query high numbers of 1bed flats in any single location, would provide a sustainable mix in the future. Our Housing Management team find estates with a high proportion of 1bed homes can be very challenging to manage. This is because the tenants requiring 1bed accommodation often have multiple support needs and Hyde have had to deal with ASB on estates with too many vulnerable tenants living near each other. To mitigate future issues, we usually design apartment blocks with a mix of one- and two-bedroom flats, preferably with a higher proportion of two beds.	Note added within chapter 5.
	Is the higher need for 1bed property linked to the ageing population? Ensure that the requirement for small properties isn't included in the 'general needs' housing requirement when a proportion should be included in the need for 'older person' housing (such as sheltered housing, retirement villages and care homes).	It is partly linked to the ageing population alongside the relatively small number of existing one bedroom units within the market sector currently. The requirement for one bedroom older person housing is set out in chapter 7. There is also a requirement for one bedroom general needs housing.
	Steps should be taken to enable Registered Providers to amend the affordable housing mix (within reason).	Note added within chapter 8.
	A mix of tenure and size of accommodation should be present on new developments to ensure sustainable communities. Steps should be taken to avoid large clusters of one tenure type or one house type in any one location.	Note added within chapter 8.
	I would suggest that there is a differentiation between two bed flats and two bed houses in new policy. Unless these house types are separated the s.106 AH will only provide the cheaper option (flats) and there will be no more 2 bed houses delivered through s.106.	Determining policy in this detail is beyond the scope of this study.
	The draft presents a relatively low demand for self-build units. A barrier to delivering additional affordable housing can be a s106 requirement for self-build plots on new development. Hyde will seek to remove any requirement for self-build plots on affordable housing schemes, it would be helpful if self-build housing is not included in new policy or there is flexibility to remove the requirement if affordable housing will be provided.	Although determining policy is beyond the scope of this study, commentary on the issue has been added to chapter 7.
	Hyde do not deliver First Homes and would seek to remove any requirement for this tenure. Flexibility to not provide FH's would therefore be welcome.	Although determining policy is beyond the scope of this study, commentary on the issue has been added to chapter 8.

Marrons	We consider the conclusion that 1,658 dpa represents minimum need is robust, however it should be recognised this is only minimum need.	Further commentary has been added putting extra emphasis on this in chapter 4.
	As part of the Local Housing Need Asssesment work we consider there are 3 areas for further consideration: 1) Whether the minimum housing needs assessed support forecasted job growth; 2) Whether there is a justification for increasing minimum housing needs to support an increase in affordable housing delivery; and 3) Whether the calculation of affordable housing need should be based o a 25% or 30% income threshold, as opposed to the 35% threshold currently used.	1. There is a separate study looking into the employment needs of Medway over the plan period. The demographic outputs from this report are being shared with the separate economic-led study. This has been clarified in chapter 5 of the report. 2. This is considered within chapter 8 of the revised report. 3. This discussion is set out in chapter 6.
	In respect of the appropriate income threshold, there is no Government guidance on this matter. Whilst a 25-35% gross household income threshold is often applied, it should be recognised that 35% represents the absolute upper threshold and a lower 25% or 30% threshold has been accepted elsewhere as being “reasonable”. This is supported by the ONS “Private Rental Market Affordability” data which sets the threshold at 30% maximum being affordable – see Private rental affordability, England and Wales - Office for National Statistics. Applying the threshold at 30% would increase affordable need from 448 to 523 affordable dwellings per annum.	Thanks for the feedback, this has been fed into the discussion of the topic within chapter 6.
Hume Planning	This feedback is provided on behalf of F D Attwood and Partners and reflects input from marketing agents that are experienced in land transactions and development viability in Medway and across the county. Our feedback is focused on the rationale for the affordable housing levels. At 6.19 of the draft LHNA report the annual affordable need is calculated using different affordability thresholds at 35%, 30% and 25% of gross household income. 6.14 states that in most areas in the southern half of England the affordability threshold is at around 35% and that Medway is an area with relatively high private rents. 6.15 states that in Medway, on average, households spend 35% of the household income on rent and that lower quartile household incomes in the private rented sector typically spend 37.5% of their income on rent. Accordingly, we consider that to ensure that housing is delivered at the expected rate, the affordability threshold should be 35% and the level of affordable housing calculated based on this threshold.	Thanks for the feedback, this has been fed into the discussion of the topic within chapter 6.

WSP	7 sub-areas are identified within Medway in Chapter 1 which states that the mix of housing required for each sub area will be presented in the appendices to the draft report. Notably, the Hoo Peninsula is categorised within what is referred to in the draft LHNA as the 'rural north' sub category, while all other sub categories are referred to by name of town i.e. Rochester, Gillingham, Rainham (excluding South Medway). The 'Rural North' category is stated to be formed of 'Medway 001 – Hoo Peninsula', 'Medway 002 - Cliffe', 'Medway 003 – Hoo St Werburgh & High Halstow'. Homes England note that the Chattenden Barracks site is included in the 'rural north' sub area. However, the other sub areas are distinguished by the main area they fall within. It is considered that either 'rural north' is renamed removing the word rural or it is split further into additional sub areas to include the more populated and less 'rural' nature of parts of that sub area.	The sub-area has been renamed North Medway.
	Parag 1.12 states: "*The mix of housing required for each of these sub-areas will be presented in the appendices to this report in the following draft."* These appendices are not included at this stage and therefore it is not possible to interrogate the housing mix assigned to this Sub Area and the Chattenden Barracks site. Homes England would welcome Medway Council sharing this Appendix information at the Council's earliest opportunity, prior to it being published as part of the Reg 19 evidence base, in order to provide any comment at that juncture.	These were not included at the consultation stage as we did not want to present too detailed outputs when we are still awaiting feedback on the overall methodology. The consultation was trying to get feedback on the outlined approach within the model rather than the specific outputs.
	As set out in Homes England's Reg 18b Reps, the proposed revised draft NPPF amends the "maintaining effective co-operation" section of the NPPF to ensure that the right engagement is occurring on the sharing of unmet housing need and other strategic issues where plans are being prepared. The revised draft NPPF paragraph 24 provides that*: <u>"Effective strategic planning across local planning authority boundaries will play a vital and increasing role in how sustainable growth is delivered and key spatial issues, including meeting housing needs, delivering strategic infrastructure, and building economic and climate resilience, are addressed. Local planning authorities and county councils (in two-tier areas) continue to be under a duty to cooperate with each other, and with other prescribed bodies, on strategic matters that cross administrative boundaries".</u> Whilst this wording may change prior to adoption, the Government clearly wants to encourage greater collaboration between authorities and therefore, it is important for the Council to consider how it could increase its own housing requirement and supply to address some of these unmet needs from neighbouring authorities, otherwise the Plan may be considered not legally compliant or positively prepared.".* Homes England note that the Council should be seeking to adhere to the duty to corporate referenced above, with particular regard to joint working with Gravesham Council, where there has also been significant growth. This duty to cooperate should be acknowledged and reiterated in the final LHNA as set out clearly in the previous 2021 version undertaken by ARC4.	The Council have actively engaged with all of their neighbouring authorities within this process and invited all of them to the stakeholder consultation event. Four of the five attended (Gravesham was the only one that did not come) and Medway Council have received no feedback that any neighbouring authority had an expectation that their housing need would be met within Medway and there are currently no strategic matters that cross administrative boundaries. The evidence in chapter 1 does not indicate that Gravesham is the authority with which Medway is most closely linked (that is Swale). The Duty to cooperate does not exist in the current NPPF (December 2023) to the extent that it did within the NPPF under which the 2021 report by ARC4 was written.

Appendix 2. Details of the NMSS model

Overview

The NMSS model is an Excel spreadsheet model which seeks to replicate as closely as is reasonably practicable the methods used by MHCLG and ONS in producing the official population and household projections. It was developed by Neil McDonald to support local authorities and others in estimating objectively assessed housing needs. It has been widely used in Local Plan preparation; Local Plan examinations; and S78 planning appeals and inspectors have been happy to rely on its conclusions.

The model takes as its starting point a set of official projections – current the 2018-based projections (before adjusting them to the latest intra-projection data available). It is a 'stepping model' which means it takes one year's population figures and estimates of births, deaths and migration flows in the ensuing 12-month period to produce an estimate of the following year's population. That process is then repeated year by year until the end of the projection period is reached.

The estimates of births, deaths and migration flows are based on flow rates derived from official projections and these can be adjusted to produce variant projections. The flow rates are applied to the previous year's population which means that if the model is being used to explore, say, the consequences of assuming higher outflows of students than envisaged in the official projections, the impact this will have on births, deaths and migration flows is automatically taken into account.

Appendix 3. Detail of the calculation of the affordable housing need

This appendix sets out the results of the three broad stages of the model used to calculate affordable housing need. Within each of the three stages there are a number of detailed calculations many of which themselves have a number of components. This appendix presents details of how each of these stages is calculated using locally available data for Medway.

Stage 1: Current unmet gross need for affordable housing

The first stage of the model assesses current need. This begins with an assessment of housing suitability, before the affordability test is applied to determine the number of these households that require affordable housing and are therefore in current need.

The PPG sets out four particular categories of unsuitable housing that should be specifically identified. These are presented in the table below for Medway, which also indicates the number of households in each category and the source of the data. The final column represents the revised total for each of these categories once any double counting between them has been taken into account. Households can be unsuitably housed for more than one reason, so it is important that they are only counted once.

The first table shows that there are 9,288 households currently in unsuitable housing or lacking their own housing in Medway and the most common reason for unsuitability is overcrowding. This figure of 9,288 represents 8.2% of all households in the Unitary Authority.

Table A3.1 Current households who lack their own housing or live in unsuitable housing in Medway			
Element	*Source*	*Number of households*	*Revised number of households*
Homeless households	The Council's housing register as of October 2024.	134	134
Households in temporary accommodation	The Council's housing register as of October 2024.	261	261
Overcrowded households	2021 Census modelled to October 2024. This was done by calculating the annual change in the number of overcrowded households recorded in Medway between the 2011 and 2021 Census by tenure and applying this to the tenure profile for 2024.	5,961	5,961
Concealed households	2021 Census modelled to October 2024. This was done by calculating the annual change in the number of concealed households recorded in Medway between the 2011 and 2021 Census and applying this to the profile for 2024.	2,703	1,730[85]
Other groups	The Council's housing register as of October 2024.Only households that are on the register due to a category of unsuitable housing are included (excluding overcrowded, temporary, concealed and homeless households accounted for above).	1,959	1,959
Total		11,017	9,288

Source: 2021 Census data modelled to 2024, the Council's Housing Register

Affordability

Some of these households in unsuitable housing are likely to be able to afford alternative accommodation in the market sector without requiring subsidy. The ability of these households to afford the cost of entry-level market housing (whichever is the cheaper of entry-level private rent and entry-level owner-occupation) of the appropriate size (set out in Figures 3.2 and 3.3) is therefore tested. The housing register details the size of accommodation required by homeless households, households in temporary accommodation and households unsuitably housed for other reasons. For overcrowded households and concealed households the household composition recorded for these households in the Census is used to determine the size requirement profile.

[85] The Census indicated that 64.0% of concealed households were also overcrowded in Medway.

To test overcrowded households the income distribution for each dwelling size requirement, identified using the CACI income profile for Medway, is adjusted to reflect that nationally the income of overcrowded households is 104.6% of the figure for all households (according to the English Housing Survey)[86]. For concealed households the income distribution is adjusted to reflect that nationally the income of newly forming households is 83.1% of the figure for all households (according to the English Housing Survey). Finally, for homeless, concealed and 'other' unsuitably housed households the income distribution is adjusted to reflect that nationally the income of Social Rented households is 51.7% of the figure for all households (according to the English Housing Survey).

These households in unsuitable housing or lacking their own housing are therefore tested for their ability to afford market housing in their authority using an affordability test where the cost of housing can constitute up to 35% of gross income and still be affordable in Medway. The impact of using other thresholds is examined in the analysis in Chapter 6. The table below shows the number of unsuitably housed households requiring different dwelling sizes and the proportion of these households unable to afford the market-entry point (either to rent or to buy, whichever is cheaper) without their income being supplemented by housing related benefits (the test uses gross household income excluding housing related benefits). The number of households that are therefore in current need is shown in the final column.

Table A3.2 Affordability of households in unsuitable housing in Medway

Number of bedrooms required	*Unsuitable housed households*	*Percentage unable to afford both entry-level private rent and entry-level owner-occupation*	*Households in current need*
One bedroom	1,557	44.2%	689
Two bedroom	3,131	43.6%	1,366
Three bedroom	2,785	48.8%	1,360
Four or more bedrooms	1,815	52.5%	953
Total	9,288	47.0%	4,368

[86] Overcrowded households have higher incomes than other households because overcrowded households can include those with more than two people in work and generally there are very few overcrowded pensioner households (who typically have low incomes). Overcrowded households include owners or private renters households that are overcrowded and are not on the Council's waiting list.

Some 47.0% (4,368 households) of unsuitably housed households or households lacking their own housing in Medway are in current need. For the purposes of the housing needs assessment, households considered to be in housing need have been split into two categories: current occupiers of affordable housing in need that would make the property available when they move (this includes occupiers of Social Rented and Shared Ownership accommodation that are not living with another household currently), and other households. It is estimated that some 2,474 households in need in Medway currently live in affordable housing that would become available for reuse[87].

Total current need

The table below summarises the first stage of the assessment of affordable housing need as set out by PPG. The data shows that there are an estimated 4,368 households in current need in Medway.

Table A3.3 Stage 1: Current unmet gross need in Medway	
Component	
Homeless households and those in temporary accommodation	380
Overcrowded and concealed households	2,109
Other groups	1,879
Total current housing need (gross)	4,368

Stage 2: Newly arising affordable housing need

In addition to Current Need, there will also be Newly Arising (ongoing) Need. This forms the second stage of the affordable housing need model. This calculation, as per paragraph 021 of the PPG (Reference ID: 2a-021-20190220), is based on two elements:

- Number of newly forming households each year (× proportion unable to afford market housing)
- Plus existing households falling into need per year

[87] For those households who lack their own housing or live in unsuitable housing it was necessary to not only establish the number of households in each category, but also their current tenure so this information is obtained form the data sources in table A3.1 (the housing register or the Census).

Need from newly forming households

One of the outputs produced within the process of disaggregating the total housing need into a future population and household typology (as described in Chapter 5) is the calculation of the number of households that will form over the modelling period in Medway. This figure is then averaged to provide an annual estimate for the number of newly forming households. Using this methodology, it is estimated that 2,418 new households will form per year in Medway. This represents a household formation rate of 2.1%, higher than the figure of 1.4% recorded nationally by the English Housing Survey[88].

To assess the ability of these households to afford entry-level market housing (whichever is the cheaper of entry-level private rent and entry-level owner-occupation) of the appropriate size, the household composition for these new households identified within the disaggregation process are used to determine the appropriate size requirement profile. To test newly forming households' ability to afford market housing, the income distribution for each dwelling size requirement is adjusted to reflect that nationally the income of newly forming households is 83.1% of the figure for all households (as described above). The table below details the derivation of newly arising need from newly forming households. It shows that 27.2% of newly forming households will be unable to afford market housing in Medway (both private rent and owner-occupation), which means that there will be an annual affordable housing requirement from 658newly forming households.

Table A3.4 Newly arising need from new household formation (per annum) in Medway	
Component	
Number of newly forming households	2,418
Proportion unable to afford entry-level market housing (both entry-level private rent and entry-level owner-occupation)	27.2%
Number of newly forming households requiring affordable accommodation	658

[88] The relatively high household formation rate reflects that increased household formation is being prioritised within the disaggregation of the local housing need figure as discussed in Chapter 5. It is also worth noting that whilst the figure of 2.1% may appear high, the household formation rate nationally was above 2% between 1995/96 and 2000/01 (and also in 2004/05) and it is only more recently that it has dropped below 1.8% for a sustained period (it was most recently 1.8% four years ago in 2012/13).

Existing households falling into need

The current PPG does not provide detail on how this step should be calculated, however the previous version (of the PPG) recommended that this figure is derived by looking at recent trends in households applying for affordable housing (over a three-year period). Analysis of the lettings of affordable accommodation within Medway over the last 15 months (in July 2023 the housing register changed and it is not possible to review the historical data before this time) indicates that there were an average of 577 households that fell into need per year in Medway, excluding those that were newly forming households (which have featured in the previous step)[89].

Total newly arising need

The table below summarises the second stage of the assessment of affordable housing need as set out by the PPG. The table indicates that 1,246 (669+577) households will be in newly arising need per annum in Medway.

Table A3.5 Stage 2 Newly arising need (per annum) in Medway	
Component	
New household formation (gross per year)	2,418
Proportion of new households unable to buy or rent in the market	27.2% (658)
Existing households falling into need	577
Total newly arising housing need (gross per year)	1,235

Stage 3: Current affordable housing supply

Paragraph 022 (Reference ID: 2a-022-20190220) of the PPG indicates that the current supply of stock available to offset the current need includes stock from current occupiers of affordable housing in need, surplus stock from vacant properties and the committed supply of new affordable units. Units to be taken out of management are removed from the calculation.

[89] This is the annual average number of households from the housing register that have been accommodated excluding those that were newly forming households. The proportion of newly forming households was obtained from CORE LA Area Lettings tables. This total lettings figure has been provided by the Council.

Current occupiers of affordable housing in need

It is important when establishing net need levels to include the affordable dwellings of households living in unsuitable affordable housing in the supply. This is because the movement of such households within affordable housing stock will release a dwelling on moving and therefore have an overall nil effect in terms of housing need. As established when calculating current need, there are 1,274 households currently in need already living in affordable housing in Medway.

Surplus stock

A certain level of vacant dwellings is normal as this allows for transfers and for work on properties to be carried out. Established good practice suggests that if the vacancy rate in the affordable stock is in excess of 3%, some of the vacant units should be considered as surplus stock which can be included within the supply to offset housing need. Medway records a vacancy rate in the affordable sector of 2.3%. As the vacancy rate is lower than the 3% benchmark[90], no vacant dwellings are considered available to be brought back into use to increase the supply of affordable housing in Medway.

Committed supply of new affordable units

The PPG indicates that '*the committed supply of new net affordable homes at the point of the assessment (number and size)'* be taken into account within the model. The Council has reviewed its committed supply and provided an indication of the number of affordable units with planning permission that are anticipated to be built in the next few years. In total, there are 1,194 new affordable homes committed across Medway currently (as September 2024). This figure excludes any new dwellings that will replace existing stock.

Planned units to be taken out of management

The PPG states that the *'units to be taken out of management'* should be quantified. The Council has indicated that there are no affordable housing replacement schemes that will lead to a net loss of affordable accommodation and so a figure of 0 is used for this stage.

Total current affordable housing supply

Having been through the four components in order to assess the current affordable housing supply, the stage of the model is summarised in the tables below. The data shows that there will be an estimated 3,668 affordable homes available in Medway.

[90] SHMA Guidance 2003 (page 47)

Table A3.6 Stage 3 Affordable housing supply in Medway	
Component	
Affordable dwellings occupied by households in need	2,474
Surplus stock	0
Committed supply of affordable housing	1,194
Units to be taken out of management	0
Total affordable housing stock available	3,668

Stage 4: Future housing supply of social re-lets and intermediate affordable housing

The future supply of affordable housing is the flow of affordable housing arising from the existing stock that is available to meet future need[91]. It is split between the annual supply of social re-lets and the annual supply of re-lets within the intermediate sector[92].

The future supply of Social/Affordable Rented housing

This is an estimate of likely future re-lets from the existing RSL rented stock (both Social Rent and Affordable Rent). Data on the affordable accommodation lettings within Medway over the last three years as recorded in the CORE LA Area Lettings tables[93]. The table below sets out the number of rented lettings that have occurred in the last three years, excluding lets made within brand new properties (the figures only include re-lets). The average number of re-lets across the Social and Affordable Rented sector over the three-year period was 759 per annum in Medway.

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[91] Whilst this is not a step that is detailed in the current PPG, it is logically required to reflect that there is a flow of housing becoming available to meet need as well as a flow of households requiring affordable housing (Stage 2 of the model). This stage has also been included in all previous iterations of this model that have been published in government guidance.

[92] The intermediate sector includes all affordable tenures other than Social Rented and Affordable Rented.

[93] CORE (COntinuous REcording) is a national information source funded by the Department for Communities and local Government that records information on the characteristics of both private registered providers and local authority new social housing tenants and the homes they rent and buy.

https://www.gov.uk/government/collections/rents-lettings-and-tenancies

Table A3.7 Past RSL rented supply (re-lets only)	
Year	*Number of re-lets*
2020/21	683
2021/22	887
2022/23	707
Average	759

Source: Social Housing Lettings in England 2020/21, 2021/22 and 2022/23

Supply of intermediate housing

In most local authorities, the amount of intermediate housing (mostly Shared Ownership) available in the stock is fairly limited (as is the case in Medway). However, it is still important to consider to what extent the supply may be able to help those in need of affordable housing.

Therefore, we include an estimate of the number of intermediate units that become available each year, based on applying the estimated re-let rate for the Social Rented sector[94] (5.1% in Medway) to the estimated stock for each form of intermediate housing. This is set out in the table below. It is estimated that around 81 units of intermediate housing will become available to meet housing needs from the existing stock each year in Medway.

Table A3.8 Estimated intermediate supply in Medway		
Intermediate tenure	*Stock*	*Annual re-lets*
Shared Ownership	**1595**	**81**

Source: HCA's Statistical Data Return 2023

Annual future supply of affordable housing

The total future supply of affordable housing is the sum of the Social Rented supply and the intermediate supply as set out in the table below.

[94] This is calculated by dividing the average number of relets (759 as set out in the previous step) by the total stock of social and affordable housing as set out in the HCA's Statistical Data Return, 2023.

Table A3.9 Stage 4 Future supply of all affordable housing (per annum) in Medway	
Component	
Annual supply of Social/Affordable Rented re-lets	759
Annual supply of intermediate housing available for re-let or resale at sub-market levels	81
Annual supply of all affordable housing	840

Appendix 4. Sub-area results for the type and tenure of new housing

Introduction

Chapter 5 presents the tenure and size of new accommodation required over the seventeen-year plan period in Medway. This appendix sets out the results of the size profile required in each tenure at the end of the plan period in 2041 for each of the seven constituent sub-areas. The methodology behind the results is the same as described in Chapter 5, however the results are presented as a range of sizes within each tenure and for the final size distribution required rather than only the new dwellings. The sub-areas are introduced in paragraph 1.12.

Owner-occupied requirement

The table below shows the size profile required in the owner-occupied sector in each sub-area in 2041.

Table A4.1 Size of owner-occupied accommodation required in 2041 in Medway by sub-area

Sub-area	*One bedroom*	*Two bedroom*	Three bedroom	Four or more bedrooms
North Medway	4-8%	19-23%	43-47%	26-30%
Strood and surrounds	4-8%	19-23%	45-49%	24-28%
Rochester	6-10%	21-25%	42-46%	22-26%
Chatham	9-13%	25-29%	39-43%	19-23%
Gillingham	8-12%	20-24%	45-49%	19-23%
Rainham	4-8%	17-21%	47-51%	25-29%
South Medway	4-8%	18-22%	45-49%	26-30%

Private rented requirement

The table below shows the size profile required in the private rented sector in each sub-area in 2041.

Table A4.2 Size of private rented accommodation required in 2041 in Medway by sub-area				
Sub-area	*One bedroom*	*Two bedroom*	Three bedroom	Four or more bedrooms
North Medway	16-20%	28-32%	34-38%	15-19%
Strood and surrounds	15-19%	31-35%	37-41%	9-13%
Rochester	20-24%	33-37%	30-34%	9-13%
Chatham	21-25%	33-37%	31-35%	7-11%
Gillingham	20-24%	29-33%	35-39%	7-11%
Rainham	16-20%	30-34%	35-39%	11-15%
South Medway	14-18%	33-37%	35-39%	11-15%

Intermediate requirement

The table below shows the size profile required across both the shared ownership and First Home tenures in each sub-area in 2041.

Table A4.3 Size of First Homes and shared ownership accommodation required in 2041 in Medway by sub-area				
Sub-area	*One bedroom*	*Two bedroom*	Three bedroom	Four or more bedrooms
North Medway	15-19%	27-31%	27-31%	23-27%
Strood and surrounds	10-14%	27-31%	31-35%	24-28%
Rochester	14-18%	28-32%	26-30%	24-28%
Chatham	16-20%	31-35%	25-29%	20-24%
Gillingham	13-17%	26-30%	30-34%	23-27%
Rainham	11-15%	26-30%	30-34%	25-29%
South Medway	10-14%	25-29%	32-36%	25-29%

Social/ Affordable rented requirement

The table below shows the size profile required in the Social/ Affordable rented sector in each sub-area in 2041.

Table A4.4 Size of Social/ Affordable Rented accommodation required in 2041 in Medway by sub-area				
Sub-area	*One bedroom*	*Two bedroom*	Three bedroom	Four or more bedrooms
North Medway	24-28%	26-30%	28-32%	15-19%
Strood and surrounds	22-26%	27-31%	32-36%	11-15%
Rochester	28-32%	31-35%	24-28%	8-12%
Chatham	33-37%	29-33%	22-27%	6-10%
Gillingham	24-28%	30-34%	26-30%	12-16%
Rainham	30-34%	25-29%	27-31%	10-14%
South Medway	27-31%	24-28%	29-33%	11-15%

Appendix 5. LTBHM outputs under new Standard Method scenario

Introduction

As discussed at the end of chapter 4, the draft report contained the main outputs based on the old Standard Method which was extant at the time of the draft report and the stakeholder consultation process. To enable an understanding of the context in which the stakeholder consultation took this appendix presents the key outputs from the LTBHM model under the old Standard Method scenario. This amounted to an increase in 1,658 households per year in Medway.

Demographic changes

Table A5.1 Age of projected population in Medway in 2041 under the growth of the old Standard Method scenario (1,658 additional households per year)

Age	*2024 Population*	*2024 Percentage*	*2041 Population*	*2041 Percentage*
Under 15	59,356	20.6%	57,611	17.6%
15 to 29	47,127	16.4%	56,256	17.2%
30 to 44	62,059	21.5%	64,004	19.5%
45 to 59	54,546	18.9%	65,240	19.9%
60 to 74	42,145	14.6%	50,450	15.4%
75 and over	22,957	8.0%	34,304	10.5%
Total	288,190	100.0%	327,863	100.0%

Table A5.2 Projected household population in Medway in 2041 by household type under the growth of the old Standard Method scenario (1,658 additional households per year)

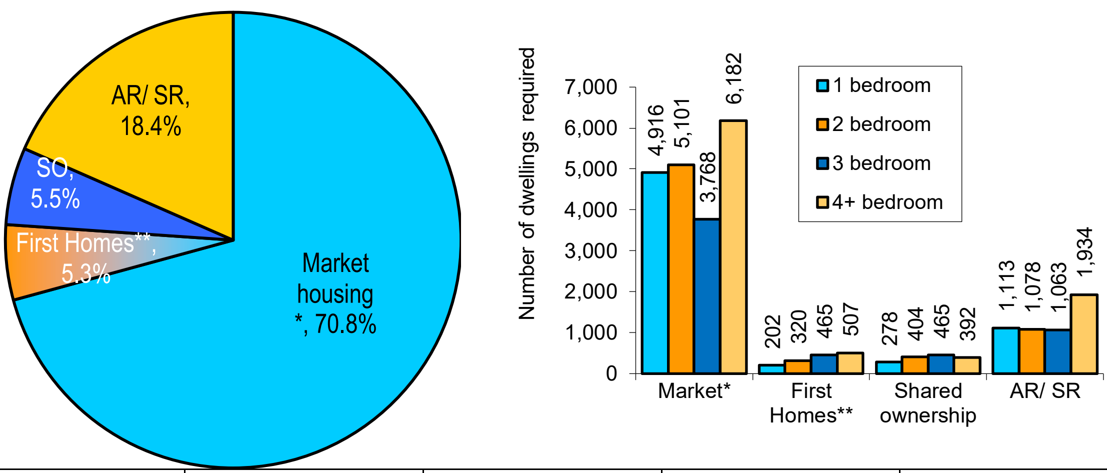
Household type	*2024 Number*	*2024 Percentage*	*2041 Number*	*2041 Percentage*
One person	32,099	28.2%	43,242	30.4%
Couple with no children	27,274	23.9%	32,618	23.0%
Couple with child/children	31,833	27.9%	36,815	25.9%
Lone parent	13,919	12.2%	17,070	12.0%
Other*	8,806	7.7%	12,371	8.7%
Total	113,930	100.0%	142,116	100.0%

*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups.

Dwelling requirements

Figure A5.1 Profile of new accommodation required in Medway under the old Standard Method scenario (1,658 additional households per year)

Tenure split | **Size profile**



Size of home	*Market housing**	*First Homes***	*Shared Ownership*	*Social/ Affordable Rented*
1 bedroom	4,916	202	278	1,113
2 bedroom	5,101	320	404	1,078
3 bedroom	3,768	465	465	1,063
4+ bedrooms	6,182	507	392	1,934
Total	19,966	1,493	1,539	5,188

*Market housing includes both owner-occupied and private rented **First Homes figures represent potential demand. These figures represent the distribution of housing that should be delivered.

Appendix 6. LTBHM outputs under new Standard Method scenario

Introduction

As discussed at the end of chapter 4, the draft report contained the main outputs based on the old Standard Method which was extant at the time of the draft report and the stakeholder consultation process. To enable an understanding of the context in which the stakeholder consultation took this appendix presents the key outputs from the older persons accommodation model (as set out in chapter 7). This amounted to an increase in 1,658 households per year in Medway.

Specialist accommodation for older person households

Table A6.1 Projected requirement for specialist accommodation for older person households in Medway under the growth of the old Standard Method scenario (1,658 additional households per year)

Type of specialist accommodation	*Tenure*	*Base profile (2024)*	*Profile 2041*	*Additional units required*
Sheltered housing for older people/ retirement housing	Market	508	1,897	1,390
	Affordable	869	1,704	835
	Total	1,377	3,602	2,225
Extracare housing	Market	0	339	339
	Affordable	288	519	231
	Total	288	858	570
All specialist accommodation for older person households	Market	508	2,236	1,728
	Affordable	1,157	2,223	1,066
	Total	1,665	4,459	2,795

Residential accommodation for older persons

Table A6.2 Projected requirement for Registered Care for older persons in Medway under the growth of the old Standard Method scenario (1,658 additional households per year)

Tenure	*Base profile (2024)*	*Profile 2041*	*Additional units required*
Market	514	678	164
Affordable	951	1,163	212
Total	1,465	1,841	376

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