

Appendix A: Glossary

Glossary of Terms

Definitions

Affordability is a measure of whether housing may be afforded by certain groups of households.

Affordable housing includes affordable rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. For the purpose of this report we have used the definition in the National Planning Policy Framework 2012

Affordable Rent is a type of low cost rented housing, targeted at the same groups as Social Rent, but with rents set at a maximum of 80% of market rents.

Affordable rented housing is provided by social landlords and rented for less than would be paid if renting privately and included both Affordable Rent and Social Rent.

Category 2 and 3 are classifications of wheelchair accessible housing. They refer to building regulations Approved Document M (2015) which introduced three categories of accessible dwellings. Category 1 (visitable dwellings) relates to accessibility of all properties and, being mandatory, is not assessed in the SHMA. Category 2 (accessible and adaptable dwellings) is optional and similar to Lifetime Homes. Category 3 (wheelchair user dwellings) is optional and equivalent to wheelchair accessible standard.

Census Output Area is the smallest area for which UK Census of Population statistics are produced. Each Census Output Area had a population of around 250 people with around 100 dwellings at the time of the 2001 Census.

Concealed families are defined as; “family units or single adults living within other households, who may be regarded as potential separate households which may wish to form given appropriate opportunity”¹⁴.

A Dwelling as a single self-contained household space (an unshared dwelling) or two or more household spaces at the same address that are not self-contained, but combine to form a shared dwelling that is self-contained. In most cases, a single household space will be an unshared dwelling.

Equity is the difference between the selling price of a house and the value of the outstanding mortgage.

Headship rates are defined by CLG as: “the proportion of people in each age group and household type who are the ‘head’ of a household”¹⁵

A household is one person living alone, or two or more people living together at the same address who share at least one meal a day together or who share a living room.

Household formation refers to the process whereby individuals in the population form separate households. ‘Gross’ or ‘new’ household formation refers to households that form over a period of time, conventionally one year. This is equal to the number of households existing at the end of the year that did not exist as separate households at the beginning of the year (not counting ‘successor’ households, when the former head of household dies or departs). ‘Net’ household formation is the net growth in households resulting from new households forming less the number of existing households dissolving (e.g. through death or joining up with other households).

¹⁴ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6339/1776873.pdf

¹⁵ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/182417/MethodologyFinalDraft.pdf

A Housing Association or Registered Provider is an independent not-for-profit body that primarily provides low-cost "social or affordable housing" for people in housing need.

Housing demand is the quantity of housing that households are willing and able to buy or rent.

Household income includes all salaries, benefits and pensions, before deductions such as tax and National Insurance.

Household Representative (HRP) is a person chosen for statistical reasons by virtue of economic activity, age and/or sex as the representative of a household.

House in Multiple Occupation are currently defined by the Housing Act 2004 as:

- » an entire house or flat which is let to three or more tenants who form two or more households and who share a kitchen, bathroom or toilet;
- » a house which has been converted entirely into bedsits or other non-self-contained accommodation and which is let to three or more tenants who form two or more households and who share kitchen, bathroom or toilet facilities;
- » a converted house which contains one or more flats which are not wholly self-contained (i.e. the flat does not contain within it a kitchen, bathroom and toilet) and which is occupied by three or more tenants who form two or more households; and
- » a building which is converted entirely into self-contained flats if the conversion did not meet the standards of the 1991 Building Regulations and more than one-third of the flats are let on short-term tenancies.

Housing market areas are geographical areas in which a substantial majority of the employed population both live and work and where those moving to a new house without changing employment choose to stay.

Housing need is the quantity of housing required for households who are unable to access suitable housing without financial assistance.

Housing requirements encompasses both housing demand and housing need and is therefore the quantity of housing necessary for all households to have access to suitable housing, irrespective of their ability to pay.

Housing type refers to the type of dwelling, for example, flat, house, specialist accommodation.

Intermediate affordable housing is housing at prices and rents above those of affordable rented housing, but below market price or rents, and which meet the criteria for affordable housing set out above. These include shared equity products (e.g. HomeBuy), other low cost home ownership products and intermediate rent.

Lending multiplier is the number of times a household's gross annual income a mortgage lender will normally be willing to lend. The most common multipliers quoted are 3.5 times income for a one-income household and 2.9 times total income for dual income households.

Low cost home ownership or Shared ownership is intermediate affordable housing designed to help people who wish to buy their own home but cannot afford to buy outright (with a mortgage). Through this type of scheme, you buy a share in the property with a Housing Association or other organisation.

Lower quartile means the value below which one quarter of the cases falls. In relation to house prices, it means the price of the house that is one-quarter of the way up the ranking from the cheapest to the most expensive.

Lower Super Output Area is a group of around 5-6 Census Output Areas and is the smallest geography for many Government statistics. Each Lower Super Output Area had a population of around 1,250 people with around 500 dwellings at the time of the 2001 Census.

Market housing is private housing for rent or for sale, where the price is set in the open market.

Market signals are indicators that supply and demand are not in balance for a local housing market. Possible market signals are listed in PPG and the following are the most pertinent; house prices, private sector rents, affordability, rate of development and overcrowding.

Migration is the movement of people between geographical areas. In this context it could be either local authority Boroughs, or wider housing market areas. The rate of migration is usually measured as an annual number of individuals, living in the defined area at a point in time, who were not resident there one year earlier. Gross migration refers to the number of individuals moving into or out of the authority. Net migration is the difference between gross in-migration and gross out-migration.

A projection of housing needs or requirements is a calculation of numbers expected in some future year or years based on the extrapolation of existing conditions and assumptions. For example, household projections calculate the number and composition of households expected at some future date(s) given the projected number of residents, broken down by age, sex and marital status, and an extrapolation of recent trends in the propensity of different groups to form separate households.

Registered Social Landlord/Registered Provider see Housing Association.

Secondary data is existing information that someone else has collected. Data from administrative systems and some research projects are made available for others to summarise and analyse for their own purposes (e.g. Census, national surveys).

Shared ownership see Low Cost Home Ownership.

Social Rented housing is housing where the landlord is a Registered Provider, usually the Council or a housing association, and where social rents are charged. These rents are significantly lower than market rents, and set in accordance with a formula set by Government.

Specialised housing refers to specially designed housing (such as mobility or wheelchair accommodation, hostels or group homes) or housing specifically designated for particular groups (such as retirement housing).

Acronyms and Initials

AHC	Affordable Housing Commission
AHO	Affordable Homeownership
BRMA	Broad Rental Market Area
CLG	Department for Communities and Local Government (now MHCLG)
CPI	Consumer Prices Index
DFG	Disable Facilities Grant
DWP	Department of Work and Pensions
EHS	English Housing Survey
HB	Housing Benefit
HMA	Housing Market Area
HPSSA	House Price Statistics for Small Areas
LA	Local Authority
LHA	Local Housing Allowance
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LLTI	Limiting Long-Term Illness
LPA	Local Planning Authority
LQ	Lower Quartile
LRR	Local Reference Rent
LSE	Leasehold Schemes for the Elderly
MHCLG	Ministry for Housing, Communities and Local Government
MSOA	Middle-layer Super Output Area
NPPF	National Planning Policy Framework
OAN	Objectively Assessed [Housing] Need
OBR	Office for Budget Responsibility
ONS	Office for National Statistics
ORS	Opinion Research Services
PPG	Planning Practice Guidance
PPTS	Planning Policy for Traveller Sites
PRS	Private Rental Sector
RSL	Registered Social Landlord
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

Appendix B: Table of Figures

Figure 1: Net annualised requirement for new homes in London, 2016 to 2041 (Source: 2017 London Strategic Housing Market Assessment: Mayor of London)	9
Figure 2: Table A1: Net annualised requirement for new homes, 2016-41, based on current occupancy rates continuing into the future for homeowners, private renters and low-cost rent tenants (Source: 2017 London Strategic Housing Market Assessment: Mayor of London)	10
Figure 3: Household projections for Camden 2021-31 (Source: CLG, ONS, GLA, ORS; Note: All figures presented unrounded for transparency)	15
Figure 4: Average household size estimates and projections for Camden for the period 1991-2043 (Source: CLG 2014 based projections; ONS 2018 is 2018-based projections, GLA 2020 CC based projections)	15
Figure 5: Population projections 2021-39 by 5-year age cohort for Camden (Source: 2020 MYE adjusted ONS sub-national projections 2018)	17
Figure 6: Total projected households in Camden for 2021 and 2039 (Note: Figures may not sum due to rounding)	18
Figure 7: Total projected households for 2021 and 2039 by age cohort of household representative (Note: Figures may not sum due to rounding)	18
Figure 8: Total projected households for 2021 and 2039 and change by household type and age of household representative (Note: Figures rounded to nearest 100; All calculations based on unrounded data. Figures may not sum due to rounding)	19
Figure 9: Number of Households by Tenure in Camden 1981-2011 (Source: UK Census of Population)	21
Figure 10: Percentage of Households by Tenure in Camden 1981-2011 (Source: UK Census of Population)	21
Figure 11: Households by Tenure for Camden 1981-2011 (Source: UK Census of Population)	21
Figure 12: Real House Price Trends: Lower Quartile Prices adjusted to 2019 values using CPI (Source: ONS; Bank of England)	22
Figure 13: Real House Price Trends: Lower Quartile Prices adjusted to 2019 values using CPI (Source: ONS; Bank of England)	22
Figure 14: Lower quartile prices (adjusted to 2021 values using CPI) for existing dwellings and newly built dwellings (2019-21) by property size in Camden (Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)	23
Figure 15: Annual income required to afford proprietries based on a 10% deposit and 3.5 times income mortgage by property size (Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)	24
Figure 16: Annual income required to afford proprietries based on a First Homes with a 50% discount on lower quartile market prices (Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)	25
Figure 17: Weekly rent thresholds 2021 (Source: Private Rental Market Statistics, Valuation Office Agency; GLA, Regulator of Social Housing. Note: Private rent data excludes housing benefit funded tenancies)	26
Figure 18: Weekly rent thresholds in Camden (Source: Valuation Office Agency 2020-21; GLA, London Borough of Camden, JLL)	27
Figure 19: Comparison of weekly housing costs in Camden by property size (Source: VOA 2019-2020, Land Registry, ORS model)	28
Figure 20: Establishing the need for market and affordable housing	30
Figure 21: Assessing affordability by household type and age (Source: Census 2011 and DWP)	31
Figure 22: Assessing current unmet gross need for affordable housing (Source: ORS Housing Model)	33

Figure 23:	Annual change in household numbers in each age cohort by age of HRP in Camden (Source: ORS Housing Model)	34
Figure 24:	Annual components of Household Growth 2021-39 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	34
Figure 25:	Annual components of Household Growth 2021-39 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	35
Figure 26:	Annual components of Household Growth 2021-39 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	35
Figure 27:	Annual components of Household Growth 2021-39 (Source: ORS Housing Model)	36
Figure 28:	Percentage of Owner Occupiers in England by Age Group 2001-2016 (Source: English Housing Survey)	38
Figure 29:	Long-term aspirations for England (Source: English Housing Survey 2013/4).....	38
Figure 30:	Long-term Tenure Expectation for those in the Private Rented Sector with and without Housing Benefit support for England (Source: English Housing Survey 2013-14. Note: Own includes shared ownership).....	39
Figure 31:	Households currently living in the Private Rented Sector in Camden and paying their own rent that aspire to home ownership in 2021 (Note: Figures may not sum due to rounding)	40
Figure 32:	Assessing total need for affordable housing 2021-2039 (Source: ORS Housing Model)	40
Figure 33:	Households aspiring to home ownership for properties within the £420,000 London First Homes price cap (Source: ORS Housing Model)	42
Figure 34:	Households aspiring to home ownership who have incomes sufficient to afford First Homes with a 3.5 times mortgage to income ratio and have incomes below £90,000 per annum (Source: ORS Housing Model)	43
Figure 35:	Households aspiring to home ownership who have incomes sufficient to afford First Homes with a 4 times mortgage to income ratio and have incomes below £90,000 per annum (Source: ORS Housing Model)	43
Figure 36:	Households aspiring to home ownership who have incomes sufficient to afford First Homes with a 4.5 times mortgage to income ratio and have incomes below £90,000 per annum (Source: ORS Housing Model)	44
Figure 37	Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	48