

Sunderland
Strategic Housing Market Assessment
Addendum 2018

Sunderland City Council

Final Report
April 2018

Main Contact: Dr Michael Bullock
Email: Michael.bullock@arc4.co.uk
Telephone: 0800 612 9133
Website: www.arc4.co.uk



Table of Contents

1. Background	3
2. Establishing an Objectively Assessed Need for housing.....	4
Demographic starting point	4
Adjusting the projections	4
Employment trends	8
Jobs growth associated with IAMP.....	11
Market signals and past trends in delivery	12
Affordable need and housing provision targets	13
Objectively Assessed Housing Need	14
3. The need for adapted properties.....	15
Introduction	15
Establishing a need for optional accessible standard housing	17
Need for M4(2) dwellings	17
Need for M4(3) dwellings	18
Policy recommendations for optional adaptation optional accessibility and wheelchair housing standards.....	19

1. Background

- 1.1 Arc4 has prepared several iterations of the Sunderland Strategic Housing Market Assessment (SHMA), the latest of which was published in May 2017. Following the publication of the SHMA and the draft Core Strategy Development Plan (CSDP), the Government published its 'Planning for the Right Homes in the Right Places' document for consultation in September 2017 which proposed the introduction of a standardised methodology for calculating housing need. This was later followed by the publication of the draft revised National Planning Policy Framework (NPPF) for consultation in March 2017.
- 1.2 Further consideration has also needed to be given to the potential impacts of the International Advanced Manufacturing Park (IAMP) following the adoption of the IAMP Area Action Plan (AAP) in November 2017.
- 1.3 The Council have therefore asked Arc4 to prepare an addendum which updates the existing Objectively Assessed Housing Need (OAN) evidence base. This addendum should be read in conjunction with a report by Edge Analytics 'Updating the Demographic Evidence' October 2016 which sets out further detail of the scenarios modelled to inform the calculation of the.
- 1.4 The May 2017 SHMA Update Chapter 6 set out the OAN calculation for Sunderland, which was taken forward in the draft Core Strategy and Development Plan, which the Council consulted on between August and October 2017. This indicated that the OAN for the Council was an average of 768 net additional dwellings per annum over the plan period from 2015-2033. That OAN calculation was based on reasonable assumptions which took into account baseline demography, adjustments to reflect local demographic trends, past delivery, market signals, future jobs and other local circumstances: the SHMA explored these factors in detail. Planning Advisory Service (PAS) guidance suggested that the OAN should exclude any policy objectives and value judgements and evidence should be entirely about need and demand, to the exclusion of any supply-side factors such as physical constraints, policy designations and adverse impacts of development. However, these factors should be considered when translating the OAN into a Housing Requirement.
- 1.5 In preparing the Publication version of the CSDP, the Council received an advisory visit from the Planning Inspectorate, which is common practice for local planning authorities which are nearing submission of their local plan. The purpose of this advisory visit is to highlight any potential areas which would warrant further evidence or clarification. Therefore, this addendum has also taken into account matters raised by the Planning Inspectorate during their advisory visit.

- 1.6 This addendum sets out the Council's latest position with regard to its OAN which will inform the preparation of the Publication version of the CSDP. It should be noted that as the Council intend to submit the CSDP to the Secretary of State in late 2018, the OAN calculation contained within this addendum is therefore based on the current NPPF and Planning Practice Guidance (PPG), as under the transitional arrangements, this is the Framework against which the plan will be assessed during the Examination.

2. Establishing an Objectively Assessed Need for housing

Demographic starting point

- 2.1 PPG Paragraph 2a-015 states that plan makers should make use of the household projections published by DCLG as the starting point estimate of housing need. The latest official population and household projections (2014-based) have been used in accordance with PPG Paragraph 2a-016. Over the 2015-2033 plan period, the 2014-based household projection model suggests an increase of 9,965 households, which equates to 570 net additional dwellings each year.

Adjusting the projections

- 2.2 The PPG recommends adjustments be made to the household projections with reference to local demographic trends, future jobs, past delivery and market signals and other local circumstances not captured by past trends. Each of these is now considered in turn.

Local demographic trends

- 2.3 Whilst the official 2014-based ONS population and DCLG household projections will form the 'starting point' of the assessment of housing need, the PPG states that it is appropriate to consider '*alternative assumptions in relation to the underlying demographic projections and household formation rates*' of the local area (PPG Paragraph 2a-017).
- 2.4 In line with the PPG, Edge Analytics have developed a range of alternative demographic scenarios. The 2014-based population projections from ONS provided the official 'benchmark' scenario, with household growth assessed using household headship rate assumptions from the 2014-based CLG household projection model. For comparison with this official benchmark, a number of 'alternative trend' scenarios have been developed, including alternative migration assumptions.

- 2.5 The following alternative trend scenarios have been developed by Edge Analytics:
- SNPP-2012 which replicated 2012-based projections;
 - PG-5yr: internal migration rates and international migration flow assumptions are based on the last five years of historical evidence (2010/11 to 2014/15);
 - PG-10yr: internal migration rates and international migration flow assumptions are based on the last ten years of historical evidence (2005/06 to 2014/15)
 - Natural change in which migration is set to zero from 2014/15 onwards;
 - PG-10yr SENS CD Mig: considers a 25% reduction in the annual net migration loss to County Durham, with net-internal migration reduced by 97 in each year of the forecast period;
 - SNPP-2014 SENS Zero migration: net migration balance (inflows equal outflows) over the forecast period; and
 - SNPP-2014 SENS Reducing Mig: seeks to achieve zero net internal migration gradually over the forecast period.
- 2.6 Three alternative sets of headship rates have also been applied to the scenarios, to evaluate: firstly, the impact of the earlier 2008-based household growth assumptions upon the scenario dwelling growth outcomes (HH-08); secondly, to illustrate the impact of the previous 2012-based headship rates (HH-12) and thirdly, to illustrate a 'return' in household headship rates of the 25-34 age group to its 2001 level by 2024, following the original trend thereafter.
- 2.7 PAS guidance recommends that when starting on a new housing assessment or updating an earlier one, plan-makers should set aside headship rates that pre-date CLG 2012 (which were the latest available projections when the guidance was published). It is therefore implied that the latest headship rates are used as a basis for calculating OAN.
- 2.8 Table 1.1 summarises the range of scenarios and dwelling requirements under alternative headship rate assumptions in line with PPG. These outputs also assume a 2.9% dwelling vacancy rate.

Table 1.1 Dwelling requirements under alternative scenarios and headship rate sensitivities

Scenario	Average annual dwelling requirement 2015-2033			
	HH-08	HH-12	HH-14	HH-14 return
SNPP-2014 SENS Zero Mig	996	944	947	987
SNPP-2014 SENS Reducing Migration	794	738	742	782
SNPP-2014	620	566	570	608
PG-5yr	582	529	534	571
Natural Change	543	504	509	540
PG-10yr SENS CD Mig	537	489	494	529
SNPP-2012	528	479	484	519
PG-10yr	491	443	448	483

2.9 Having reviewed the latest demographic and household projections and considered alternative assumptions relating to migration and headship rates in line with PPG, it is recommended that:

- I. the baseline dwelling requirement is 570 based on the latest (2014-based) projections which accords with PPG Paragraph 2a-016.
- II. an adjustment is considered to reflect alternative assumptions in relation to the underlying demographic projections and household formation rates of the local areas which accords with PPG paragraph 2a-017. This requires a consideration of migration assumptions and alternative headship rates.
- III. Regarding migration assumptions, the scale of net out-migration from Sunderland is falling. This is evidenced in the outcomes of the PG-10 year (448) and PG-5 year (534). The SNPP-2014 takes account of recent national and international flows and results in a higher dwelling requirement of 570. Alternative scenarios which consider a potential reduction in net out-migration have also been considered but these are considered to be 'policy on' scenarios and therefore not part of the OAN calculation.
- IV. Regarding alternative headships rates, these have been tested using 2014-based, 2012-based, 2008-based and 2014-return rates. The 2014-based rates are the Government's most recent estimate of future growth and dwelling requirement, are broadly consistent with those under 2012-based headship rates and therefore used in the OAN calculation. PAS guidance para 6.41 makes a particular comment that 'CLG 2008 rates are no longer helpful because they are based on very old evidence and anyway may not reflect the true long-term trend'. This is borne

out in research¹ which concludes that the 2008-based rates never did provide a robust view of long-term trends and are now irrelevant, because societal change is slowing down historical rise in Household Representative Rates and a resulting fall in household sizes. There is only a slight difference in the outcomes of the HH-14 and HH-12 headship rates, with the HH-14 rates resulting in a slight increase in dwelling requirements. It is therefore recommended that the latest HH-14 headship rates are used to inform the OAN calculation.

V. A variant headship assumption has also been prepared which considers a return of headship among the 25-34 age group to its 2001 level by 2024, following the original trend thereafter. This would uplift the dwelling requirement by +38 under the baseline SNPP-2014 scenario. However, there are concerns that this assumption is increasingly unrealistic given changes in the underlying dynamics of the housing market affecting younger people. Recent ONS data² reveals that:

- The median house price nationally is £30,000 or 16.9% above its pre-economic downturn peak (although in Sunderland median prices have only increased by around £1,000 or 0.9% since a peak in 2007);
- Nationally the percentage younger homeowners is decreasing. The percentage 25 to 29 year olds owning their home has decreased from 55% in 1996 to 29% in 2015 (with renting becoming more common than ownership in 2004); and amongst 30 to 34 year olds it has decreased from 55% in 1996 to 29% in 2015 (with renting become more common than ownership in 2011);
- The number of first time buyers has been generally declining since the early 2000s. Although in recent years there has been an increase in activity, numbers fell in 2015 and levels remain below those seen from the early 1980s to the early 2000s when there were typically between 400,000 and 600,000 first buyers each year;
- Increased deposits are needed to buy a first home as a result of increasing restrictions by mortgage lenders. The average deposits paid by first time buyers have increased from around 10% in 1996, peaking at 27% in 2009 but have since fallen to around 20%;
- The number of young adults aged 20-24 living with their parents has increased from 1 in 5 in 2008 to 1 in 4 in 2014.

It is therefore suggested that a return to historical headship rates amongst 25-34 year olds is less likely to be achieved.

¹ L Simpson, Wither household projections? In Town and Country Planning , December 2014

² <http://visual.ons.gov.uk/living-with-parents/> August 2016; <http://visual.ons.gov.uk/uk-perspectives-2016-housing-and-home-ownership-in-the-uk/> May 2016; <http://visual.ons.gov.uk/five-facts-about-housing/> August 2016

Additionally, local evidence points to a notable proportion of adult children continuing to live in the family home. A 2007 housing needs survey used to inform the 2008 Strategic Housing Market Assessment established that 12% of all households comprised couples or lone parents with adult children living at home: this was prior to the financial crash of 2009 which is often cited as a reason for suppression of household formation.

- VI. In conclusion, no further adjustments are recommended to take account of alternative migration or headship rates. Therefore, the baseline demographic requirement remains at 570 dwelling each year over the plan period 2015-2033.

Employment trends

- 2.10 PPG paragraph 2a-018 states that 'plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area'. Edge Analytics have approached this in two ways: firstly, by considering the potential change in the labour force by applying key assumptions on future economic activity rates, level of unemployment and balance of commuting between resident workers and local jobs; and secondly by considering future economic forecasts and the extent to which these could be supported by the City's working age population.

Demographic scenarios: labour force and job growth implications

- 2.11 The labour force and job growth implications under alternative demographic scenarios are evaluated through the application of key assumptions on Sunderland's future economic activity rates, level of unemployment and balance of commuting between resident workers and local jobs. In a trend-based scenario, the size of the resident labour force and the number of jobs that can be supported are sensitive to adjustments to these key factors. The following set of assumptions has been applied to the demographic scenarios:
- **Economic activity rates** have been derived from the 2011 census disaggregated by sex and 5 year age groups (16-75+). Age-specific rates have been adjusted in line with Office for Budget Responsibility (OBR) labour market trends analysis for the 60+ male and female age groups;
 - The **unemployment rate** determines the proportion of the labour force that is unemployed (and as a result, the proportion that is employed). It has been aligned to that used in the latest Experian employment forecast for Sunderland;

- A fixed **commuting ratio** of 0.96 from the 2011 Census Travel to Work data for Sunderland has been applied each year of the forecast period and indicates a small net in-commute into Sunderland

2.12 For each of the Sunderland demographic scenarios, Edge Analytics have applied these assumptions to derive an estimate of the changing size of the labour force that the population growth implies, and the level of employment growth that could be supported under these assumptions (Table 1.2). Analysis indicates that most scenarios, including the baseline SNPP-2014, do not support jobs growth under the parameters tested by Edge Analytics. Reducing net out-migration will help support jobs growth and under the SNPP-2014 SENS Reducing Migration scenario, annual jobs growth of +199 is supported.

Table 1.2 Labour force and jobs-growth outcomes 2015-2033		
Scenario	Change in labour force 2015-33	Average Annual Jobs Growth
SNPP-2014 SENS Zero Mig	4,985	433
SNPP-2014 SENS Reducing Migration	645	199
SNPP-2014	-3,383	-17
PG-5yr	-4,364	-71
PG-10yr SENS CD Mig	-5,663	-141
SNPP-2012	-6,534	-189
PG-10yr	-6,765	-200
Natural Change	-8,483	-292

Economic forecasts

2.13 In the consideration of future jobs in an area, the PPG states that 'economic forecasts' should be considered (PPG Paragraph 2a-018). 'Post EU-referendum' employment growth forecasts for Sunderland have been provided by Experian. Over the 2015-2033 plan period, annual employment growth is forecast to result in an average annual growth in 'workplace-based employment' in Sunderland of 317 net additional jobs each year.

2.14 Edge Analytics have also run sensitivity analysis based on alternative economic activity, unemployment and commuting flows.

Summary of employment trends

2.15 This section has summarised material in the Edge Analytics report which considers the labour force and employment growth outcomes of

the demographic scenarios and considered the scale of jobs growth under the Experian economic forecast,

2.16 Having considered the potential change in labour force capacity and future economic forecasts, it can be concluded that:

VII. Most of the demographic scenarios do not support employment growth: that is due to the legacy of net out-migration from Sunderland and an ageing population. However, the scale of net out-migration is reducing and this will increasingly support jobs growth. The SNPP-2014 SENS Reducing Migration scenario results in an annual jobs growth of 199 compared with the 2014-SNPP baseline scenario which results in a loss of jobs, with a -17 annual employment growth;

VIII. Over the 2015-2033 plan period, the Experian 'post EU-referendum' employment forecast suggests an annual net increase of 317 'workplace-based employment' i.e. people in employment in Sunderland;

IX. Edge Analytics have prepared a range of sensitivity outcomes to the Experian job-led forecast. These consider the implications on migration and dwelling requirement under alternative economic activity, unemployment and commuting flows. The Edge report identifies that three sensitivity scenarios (SENS A, SENS C and SENS D) represent the most realistic assessment of the dwelling growth implications of the proposed employment forecasts, with OBR adjustments to economic activity rates, combined with higher female participation rates and either a fixed or modest adjustment to Sunderland's commuting balance.

The assumptions of the three scenarios are set out in table 1.3.

Table 1.3 Assumptions underpinning Scenario analysis				
Factor	Description	SENS A	SENS C	SENS D
Economic activity	2011 Census economic activity rates by sex and 5 year groups (16-75+), with OBR adjustments applied to males and females aged 60-75+ to 2033		☐	
	2011 Census economic activity rates by sex and 5 year groups (16-75+), with OBR adjustments applied to males aged 60-75+ and females aged 30-75+ to 2033	☐		☐
Unemployment	ILO (International Labour Organisation) unemployment rate from the Experian Assumptions	☐	☐	☐
Commuting	2011 Census commuting ratio for Sunderland (0.96) fixed	☐		
	2011 Census commuting ratio for Sunderland (0.96) reducing to 0.94 between 2015-2020, then fixed		☐	☐

The SENS A scenario assumes a fixed commuting ratio (which ensures consistency with the approach being undertaken by neighbouring authorities) and takes into account the full OBR projections relating to economic activity rates, therefore this is taken forward as the most appropriate scenario to consider the impact of employment trends on dwelling requirements.

- X. In summary, an assessment of the *'likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area'* would suggest that a further adjustment is required to take account of employment trends.
- XI. Therefore, the most appropriate OAN to take account of employment growth is considered to be 745 dwellings each year.

Jobs growth associated with IAMP

2.17 In the previous SHMA Update (2017), an additional uplift to the dwelling requirement was provided to take account of the potential

impacts of the IAMP, as set out within the IAMP Housing Impact Paper (2016).

- 2.18 However, in order to ensure that the were not double-counting the IAMP related jobs growth, the Council has re-evaluated their OAN calculation.
- 2.19 Having considered the overall jobs growth forecast of 7,200 workforce jobs, set out within the Experian economic forecast, it was recognised that 3,400 of these anticipated jobs would be within IAMP related sectors (+800 in Machinery and Equipment and +2,600 in Transport Equipment). It is considered likely that most of this growth would take place upon the IAMP.
- 2.20 As set out within the IAMP AAP, it is anticipated that approximately 7,850 jobs would be completed over the lifetime of the project. As 60% of the IAMP is located within the administrative area of Sunderland City Council, this would represent approximately 4,700 jobs being created in Sunderland on the IAMP over the lifetime of the project.
- 2.21 It is therefore considered that the vast majority of the anticipated jobs growth resulting from the IAMP within Sunderland is already accounted for within the economic uplift applied as part of the OAN calculation.
- 2.22 Furthermore, it is not clear how quickly the IAMP will be developed and when the associated dwellings would be needed. There is therefore merit in not over-planning for this now, especially as the Council is committed to reviewing it's plan every 5 years. The Council will carefully monitor the impacts of the IAMP and work with neighbouring authorities through the duty-to-cooperate to ensure that any additional identified needs not already planned for are met.
- 2.23 Notwithstanding the above, it should also be recognised that the Council is already planning for an additional uplift to its demographic baseline of over 30%.

Market signals and past trends in delivery

- 2.24 Chapter 5 of the 2017 SHMA update presented information on market signals and past trends in delivery. This considered signals relating to price and quantity and compared Sunderland with neighbouring districts, the region and England. PPG does not specific the mechanism for uplift but the Local Plans Experts Group (LPEG) report recommends uplift from the demographic starting point based on two measures of affordability: House Price Ratios and Rental Affordability Ratios. For Sunderland, the ratios are: HPR 4.6 and RAR 26.6%. Uplifts are recommended by LPEG when the HPR exceeds 6.3 and/or the RAR 25%. However, the RAR in Sunderland has been reducing and influenced by the student rental market, so it is not recommended there is an uplift on the basis of affordability. The ratios derived from the relationship between house prices and incomes, including those

ones produced by the ONS, would not suggest a need to uplift to take account of affordability pressures.

- 2.25 Regarding past trends in delivery, there has been an up-turn in delivery levels in more recent years. No adjustment to take account of past trends in delivery is suggested.
- 2.26 Regarding market signals and past trends in delivery:
- XII. It is recommended that the OAN is not adjusted upwards to take account of market signals relating to affordability; and
 - XIII. No adjustment is necessary to take account of past delivery.

Affordable need and housing provision targets

- 2.27 PPG Paragraph 2a-029 advises on how housing needs assessments should take account of affordable housing need: 'the total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing-led developments. An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes'.
- 2.28 The analysis of housing need within the SHMA update (2017) suggests there is an annual imbalance of 542 affordable dwellings each year. However, this is not a target for delivery but expresses the overall need from household survey evidence compared with the current supply of affordable housing. In reality, households in need who cannot access the market can pay proportionately more for their housing above suggested affordable thresholds, people can share dwellings to reduce housing costs, and the private rented sector has the potential to accommodate households in affordable housing need.
- 2.29 PAS³ guidance provides helpful guidance in interpreting affordable need in the context of objectively assessed need. Paragraph 9.6 states 'in practical terms, there is no arithmetical way of combining the two calculations set out in PPG to produce a joined-up assessment of overall housing need. We cannot add together the calculated OAN and the calculated affordable need, because they overlap: the OAN of course covers both affordable and market housing, but we cannot measure these components separately, because demographic projections – which are the starting point for the OAN – do not distinguish between different sectors of the housing market. Para 9.7 continues 'In summary, it seems logically clear that affordable need, as defined and measured in paragraphs 22-29 of the PPG, cannot be a component of the OAN. The OAN does have an affordable component – which cannot be measured separately but will normally be much smaller than the affordable need discussed at paragraphs 22-30. When paragraph 47 of the NPPF says that plans should meet in full 'the need

³ Planning Advisory Service Objectively Assessed Need and Housing Targets Technical Advice Note Second Edition July 2015

for market and affordable housing', it is referring to that component rather than the separately calculated affordable need.

2.30 In summary:

XIV. No further adjustment is necessary to take account of additional affordable housing delivery.

Objectively Assessed Housing Need

- 2.31 An OAN should be based on reasonable assumptions which take into account baseline demography, adjustments to reflect local demographic trends, past delivery, market signals, future jobs and other local circumstances: this addendum summarises key messages to inform the OAN calculation . PAS guidance suggests that the OAN should exclude any policy objectives and value judgements and evidence should be entirely about need and demand, to the exclusion of any supply-side factors such as physical constraints, policy designations and adverse impacts of development. However, these factors should be considered when translating the OAN into a Housing Requirement.
- 2.32 The challenge for the Council is to deliver an appropriate and proportionate level of dwelling growth that supports economic growth and carefully takes into account the current demographic profile of the City.
- 2.33 It is proposed that the Objectively Assessed Housing Need for Sunderland over the plan period 2015-2033 is established from a baseline of 570 (using the latest 2014-based SNPP), with an upward adjustment to take account of employment growth to 745 dwellings each year based on the Jobs-led Experian SENS A scenario. This upward adjustment is clearly justified, proportionate and realistic. It has been demonstrated that without positively planning for household growth, the working age population is set to decline over the plan period (see Table 1.2), which would not support economic growth within the city without significant levels of additional in-commuting.
- 2.34 A further uplift to the baseline demographic requirement to take account of market signals is not recommended.
- 2.35 Whilst it is recognised that this is marginally lower than the OAN figure presented within the SHMA update (2017), it ensures that there is no double-counting of jobs growth associated with the IAMP and allows for further consideration to be given to the potential impacts of this through a plan review, once the speed of delivery and greater clarity of potential impacts are known.
- 2.36 In conclusion, the Objectively Assessed Need figure of 745 takes account of the need to deliver more affordable and market housing for an increasing number of households and supports economic growth. The full objectively assessed dwelling need over the Plan Period 2015-

2033 (18 years) is for at least 13,410 dwellings. The chosen scenario would result in a population growth of around 16,500 people, which is 8,000 higher than the population projections. This would take the population back to over 290,000 which was last seen in the mid- to late-1990s. This is considered to be aspirational but realistic and supports the Council's aspirations to retain more of its working age population.

From an OAN to a housing requirement

- 2.37 Having established an up-to-date OAN, it is necessary to translate this into a growth target for the purposes of future plan-making. This is referred to as the 'housing requirement'. The housing requirement should, in normal circumstances, reflect the objectively assessed need but can be adjusted either upwards or downwards. An OAN could be adjusted downwards due to development constraints or upwards to support economic or other growth ambitions. The OAN is in effect a 'policy off' need for housing over the plan period. Once policy considerations have been applied to the OAN figure, the result is a 'policy on' figure for the housing requirement. The housing requirement figure will be the target against which housing supply will normally be measured.

3. The need for adapted properties

Introduction

- 3.1 Draft PPG states 'to bring forward an adequate supply of accessible housing to meet local need, policies for older and disabled people's housing could be developed using the optional technical housing standard'. This approach was set out in a Written Ministerial Statement in March 2015 as a response to the Housing Standards Review. Accessible housing standards are contained within Part M Volume 1 of the Building Regulations⁴ which includes a three-tier system. All dwellings need to adhere to M4 (1) standard meaning that they are 'visitable' and reasonable provision should be made for people to gain access to and use the dwelling and its facilities. The next two technical standards, M4(2) Accessible and adaptable and M4(3) wheelchair user dwellings are optional and are described as follows:

⁴Building Regulations Approved Document M - Access to and use of buildings: Volume 1 – Dwellings (2015 edition incorporating 2016 amendments), March 2016

Optional accessibility standard M4(2), Accessible and adaptable dwellings

In the Secretary of State's view, optional requirement M4(2) will be met where a new dwelling makes reasonable provision for most people to access the dwelling and incorporates features that make it potentially suitable for a wide range of occupants, including older people, those with reduced mobility and some wheelchair users. Reasonable provision is made if the dwelling complies with all of the following.

- a. Within the curtilage of the dwelling, or of the building containing the dwelling, it is possible to approach and gain step-free access to the dwelling and to any associated parking space and communal facilities intended for the occupants to use.
- b. There is step-free access to the WC and other accommodation within the entrance storey, and to any associated private outdoor space directly connected to the entrance storey.
- c. A wide range of people, including older and disabled people and some wheelchair users, are able to use the accommodation and its sanitary facilities.
- d. Features are provided to enable common adaptations to be carried out in future to increase the accessibility and functionality of the dwelling.
- e. Wall-mounted switches, socket outlets and other controls are reasonably accessible to people who have reduced reach.

Optional accessibility standard M4(3), Wheelchair user dwellings

In the Secretary of State's view, optional requirement M4(3) will be met where a new dwelling makes reasonable provision, either at completion or at a point following completion, for a wheelchair user to live in the dwelling and use any associated private outdoor space, parking and communal facilities that may be provided for the use of the occupants. Reasonable provision is made if the dwelling complies with all of the following.

- a. Within the curtilage of the dwelling or of the building containing the dwelling, a wheelchair user can approach and gain step-free access to every private entrance to the dwelling and to every associated private outdoor space, parking space and communal facility for occupants' use.
- b. Access to the WC and other accommodation within the entrance storey is step-free and the dwelling is designed to have the potential for step-free access to all other parts.
- c. There is sufficient internal space to make accommodation within the dwelling suitable for a wheelchair user.
- d. The dwelling is wheelchair adaptable such that key parts of the accommodation, including sanitary facilities and kitchens, could be easily altered to meet the needs of a wheelchair user or, where required by a local planning authority, the dwelling is wheelchair accessible.
- e. Wall-mounted switches, controls and socket outlets are accessible to people who have reduced reach.

- 3.2 M4(1) is a mandatory baseline standard and is automatically applied through Building Regulations where an optional housing standard has not been applied and is not subject to planning policy or planning conditions.

- 3.3 The M4(2) accessible and adaptable dwellings standard is based on, and effectively replaces, the 'lifetime homes' standard⁵
- 3.4 The M4(3) wheelchair accessible standard is divided further into:
 - Wheelchair accessible dwelling (a home readily useable by a wheelchair user at the point of completion); and
 - Wheelchair adaptable dwelling (a home that can be easily adapted to meet the needs of a household including wheelchair users).
- 3.5 The optional national accessible standards can be applied to a dwelling if 'switched on', that is, required by a planning condition but a property can only conform to either M4(2) or M4(3) and not both standards.
- 3.6 Under the CLGs Housing : optional technical standards guidance 2015, Local planning authorities need to gather evidence to determine whether there is a need for additional standards in their area and justify setting appropriate policies in their Local Plan.

Establishing a need for optional accessible standard housing

- 3.7 A range of national data are available to help establish need for M4(2) and M4(3) dwellings. The DCLG published a 'guide to disability data' which sets out a range of relevant information which can be refreshed using more up to date information. For Sunderland, the 2012 household survey (rebased to 2015 households) carried out as part of the Strategic Housing Market Assessment is a key source of data to inform the need for optional accessible standard housing

Need for M4(2) dwellings

- 3.8 The 2015 household survey carried out as part of the 2015 SHMA identified around 9,100 households who were living in properties that had been adapted or had been purpose built as adapted properties. Table 1.4 sets out the number of households by the age of household reference person living in adapted properties. This can be applied to household projections to establish the likely number of households needing adapted properties over the plan period.

⁵ <http://www.lifetimehomes.org.uk/>

Table 1.4 Households living in adapted properties			
Age Group	% living in adapted dwellings	Total adapted properties	
		2015	2033
15-24	5.3	261	260
25-34	1.3	206	194
35-44	5.6	1081	1280
45-54	3.8	897	789
55-59	7.3	858	687
60-64	7.4	752	795
65-74	9.9	1788	2081
75-84	16.1	2089	2852
85+	26.4	1170	2306
Total	7.4	9102	11245
All households		121,842	131,805
% adapted		7.5	8.5

- 3.9 This analysis would suggest that an additional 2,143 adapted properties are required over the plan period. These can be delivered either through the adaptation of existing stock or through newbuild.

Need for M4(3) dwellings

- 3.10 The 2012 household survey (rebased to 2015 households) identified 2,895 household who required wheelchair adaptations to their home. Using this as a proxy for the need for wheelchair housing, similar analysis has been carried out which considers number of households by the age of household reference person needing wheelchair adapted housing. This can be applied to household projections to establish the likely number of households needing wheelchair adapted properties over the plan period.

Table 1.5 Households needing wheelchair adapted properties			
Age Group	% needing wheelchair adapted housing	Total wheelchair adapted properties needed	
		2015	2033
15-24	1.1	54	54
25-34	2.7	447	421
35-44	1.9	371	439
45-54	2.7	633	557
55-59	1.2	144	115
60-64	2.1	209	221
65-74	2.3	415	483
75-84	4.0	518	708
85+	8.0	356	701
Total	1.1	3145	3698
All households		121,842	131,805
% adapted		2.6	2.8

- 3.11 This analysis would suggest that 553 wheelchair adapted properties are required over the plan period. These can be delivered through the adaptation of existing stock or through newbuild.

Policy recommendations for optional adaptation optional accessibility and wheelchair housing standards

- 3.12 In conclusion, there is a need for accessibility and wheelchair housing. An element of need for adapted dwellings is likely to be delivered through the adaptation of existing dwelling stock. However to positively plan for the future need for adapted dwellings, it is recommended that the Council seeks 10% of new development to meet optional accessibility standards subject to viability. This reflects that some of the need identified within the addendum will be met through adaptations to existing housing stock, which would allow residents to stay within their existing homes.