

August 2025



AFFORDABLE HOUSING STATEMENT

LAND OFF ECHO HILL, ROYSTON



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1 INTRODUCTION

1.1 Scope of the Statement

- 1.1.1 This Affordable Housing Statement has been prepared by Gladman in support of an outline planning application for:

'Outline application for the demolition of No. 24 Echo Hill and the erection of up to 84 dwellings with public open space, landscaping and sustainable drainage system (SuDS), with all matters reserved save for access.'

- 1.1.2 This statement summarises the relevant planning policy context as well as trends in housing affordability and affordable housing delivery at national, regional and local levels. This paints a clear picture of the severity of the affordable housing shortfall in North Hertfordshire
- 1.1.3 The delivery of up to 34 affordable homes (40% of the proposed dwellings) is therefore a very significant benefit which should be weighted accordingly in the planning balance, as set out in the accompanying Planning Statement. This has been recognised time and again by both the Inspectors and the Secretary of State, as set out in the appeal decisions referenced below.

1.2 The National Housing Crisis

- 1.2.1 It is widely acknowledged at all levels that England is facing a housing crisis, which has arisen as a direct consequence of too few houses being completed to keep pace with a growing population, increasing life expectancy, and household formation rates.
- 1.2.2 Recent research published by Centre for Cities estimated that Britain today has a backlog of 4.3 million homes that are missing from the national housing market¹.

¹ Centre for Cities, The housebuilding crisis. February 2023.

- 1.2.3 The human consequences of the persistent under delivery of homes are severe and far reaching. Research by the University of Essex estimates that the housing crisis affects 8.4 million people in England². This extends far beyond the 400,000 people who are homeless or at risk of homelessness (including people sleeping rough, living in homeless shelters, temporary accommodation, and/or ‘sofa surfing’), to include those currently living in accommodation which harms their life opportunities (including 3.6 million people living in an overcrowded home and 2.5 million who are in "hidden households").
- 1.2.4 This crisis has been recognised by National Government, who consistently maintain that housing unaffordability and inability of individuals to get on the housing ladder is a significant problem. In the December 2024 Written Ministerial Statement, the Minister for Housing and Planning Matthew Pennycook states that:
- 1.2.1 *“It is also vital that, alongside the appropriate infrastructure, these reforms also deliver substantial affordable housing. It is vital that local communities can see the benefits of development terms of enhancements to public services and more affordable housing for local people.”³*

1.3 Relevant Appeal Decisions

- 1.3.1 The severity of the national housing crisis has been reflected within many planning judgements where the delivery of affordable homes has been afforded ‘very substantial’ or ‘very significant’ weight by appeal Inspectors and the Secretary of State.
- 1.3.2 **Land to the rear of 42-100 Tollgate Road & 42 Tollgate Road, Colney Heath, St Albans Appeal Reference APP/B1930/W/23/3323099 (January 2024)**

² BBC News, Housing crisis affects estimated 8.4 million in England - research. September 2019.

³ Minister of State for Housing and Planning Matthew Pennycook, Building the Homes We Need. Statement UIN HCWS308 made on 12 December 2024.

“It is common ground that the provision of 60 units of affordable housing on the appeal site, amounting to 40% of the total, would represent a social benefit to which very substantial weight should be given. I concur with this, given the scale of the need for affordable housing in the District and the evidence that this will worsen in the next 5 years without further permissions on non-allocated sites.” (Paragraph 95)

1.3.3 Land South of London Road, Newington, Swale Appeal Reference: APP/V2255/W/23/3318448 (August 2023)

“The proposal would deliver up to 135 dwellings, of which 40% would be affordable housing. This would accord with Policy DM 8. Moreover, having regard to the housing land supply position in Swale, the pressing need for affordable housing in Swale and the general imperative to boost the supply of housing set out in the Framework, I attach substantial weight to the delivery of housing, including affordable housing.” (Paragraph 94)

1.3.4 Land at Fryatts Way, Bexhill, East Sussex Appeal Reference: APP/U1430/W/22/3304805 (January 2023)

“The appeal scheme would deliver 30% affordable housing (up to 63 homes). This is a policy requirement but is a benefit nonetheless. This matter needs to be considered in the context that delivery is failing to keep up with need, meaning the backlog is getting worse[...] The provision of up to 63 affordable homes would therefore be a very significant benefit.” (Paragraph 84)

1.3.5 This demonstrates clear direction from Inspector’s (on behalf of the Secretary of State) for affordable housing to be considered a very significant material consideration.

2 PLANNING POLICY CONTEXT

2.1 Introduction

- 2.1.1 This section of the statement provides a summary of the national and local planning policy applicable to this application, specifically relating to the need for and delivery of affordable housing.

2.2 National Planning Policy

- 2.2.1 The provision of affordable housing is a key part of the planning system. A community's need for affordable housing was first enshrined as a material consideration in PPG3 in 1992 and has continued to play an important role in subsequent national planning policy, including the NPPF.
- 2.2.2 The current iteration of the National Planning Policy Framework ('the Framework'), published in December 2024, makes clear that the purpose of the planning system is to contribute to achieving sustainable development. Paragraph 8 of the Framework sets out the three overarching objectives which support the creation of sustainable communities, namely an economic objective, a social objective, and an environmental objective.
- 2.2.3 Paragraph 8(b) of the Framework clarifies that "to support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations" is a central objective to the achievement of sustainable development.
- 2.2.4 Reflecting the above, paragraph 20 states that strategic policies should set out an overall strategy for the pattern, scale, and design quality of places, which includes making sufficient provision for housing (including affordable housing).
- 2.2.5 In support of this, paragraph 61 explains "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."

2.3 Written Ministerial Statements

2.3.1 A Written Ministerial Statement was ('WMS') made, on 30 July 2024, by Angela Rayner, Deputy Prime Minister and Secretary of State for Housing, Communities and Local Government titled 'Building the Homes We Need'. The WMS stresses the severity of the of the housing crisis facing the country which is remarked as being *"the most acute housing crisis in living memory"*.

2.3.2 Within the WMS, it is specified that in 2023 there were just 3.8 million social rent homes in the country, 200,000 fewer than in 2013. Correspondingly, the WMS states:

"Although increasing supply will be an essential part of improving affordability, we must also go further in building a greater share of genuinely affordable homes. That is why the Government is committed to the biggest growth in social and affordable housebuilding in a generation."

2.3.3 A further WMS was published by Matthew Pennycook, Minister of State for Housing and Planning, on 12 December 2024, again titled 'Building the homes we need'. The WMS reiterates the severity of the housing crisis facing the country and seeks to emphasise the impact it has had on people's lives, and their living accommodation.

2.3.4 The WMSs represent a firm statement of the Government's policy and makes clear its commitment to increasing social and affordable housing construction. It is well established that a WMS is a statement against which full weight can be attached as a material consideration in the determination of a planning application, and particularly in this case one which will see the delivery of up to 52 affordable homes.

2.4 The Development Plan

- 2.4.1 Section 38(6) of the Town and Country Planning and Compulsory Purchase Act 2004 places a statutory duty on local planning authorities to determine planning applications in accordance with the development plan unless material planning considerations indicate otherwise. Section 39 of the Act requires decision makers to exercise their functions with the objective of contributing to the achievement of sustainable development.
- 2.4.2 The adopted Local Development Plan relevant to this application comprises:
- The North Hertfordshire Local Plan 2011-2031 (adopted November 2022)
- 2.4.3 Policy HS2 of the Local Plan specifies that, over the period 2011 - 2031 housing growth will be supported across the District, which will support a range of housing tenures, types and sizes measured against targets to provide 33% of all homes over the plan period as Affordable Housing for local needs, with residential developments of 25 or more dwellings to be 40% Affordable Housing where viable. The proposed development complies with this policy and will thus deliver up to 34 affordable homes.
- 2.4.4 The affordable housing mix will be agreed with NHDC, based upon the most recent evidence on affordable housing need, and will be secured through the Section 106 legal obligation.
- 2.4.5 If supported post determination, a local connection clause could be included within the Section 106 obligation, to ensure the affordable homes constructed will be made available for those with an existing connection to Royston.

3 MARKET HOUSING AFFORDABILITY

3.1 Introduction

3.1.1 Aside from the accumulating backlog of households in need of an affordable home, market housing within North Hertfordshire is becoming increasingly inaccessible due to rising unaffordability, as evidenced below.

3.1.2 This housing crisis has arisen because, over recent decades, new housebuilding has not kept pace with population growth and household formation rates. In turn, due to the shortage in housing stock being outstripped by demand, house prices in the UK have continually increased, both in real terms and relative to incomes.

3.2 The National Picture

3.2.1 House price growth has accelerated over recent years; the average UK house price was £268,319 in February 2025, £55,890 higher than in February 2020, when they stood at £212,429

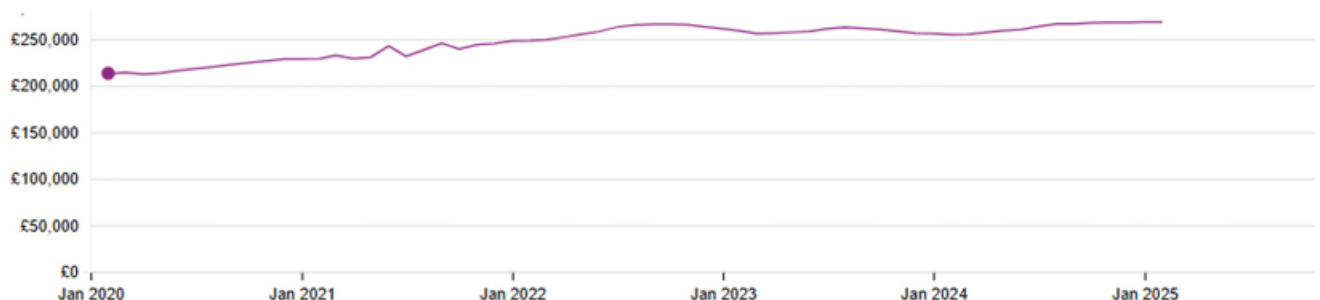


Figure 1 - Average house price, UK, February 2020 to February 2025. Source: HM Land Registry, Registers of Scotland, Land and Property Services Northern Ireland, Office for National Statistics - UK House Price Index

- 3.2.2 This has corresponded with a significant rise in rental prices, with average monthly rents rising by 44.5% between 2010 and 2021⁴, meaning it is increasingly challenging for younger generations to save sufficient funds to meet the average cost of a deposit.
- 3.2.3 It is the younger generations who are directly affected by this crisis. In 1989 51% of those aged 25 to 34 owned their own home. By 2019, that figure had fallen to just 28%. Home ownership among the poorest younger people (those in the lowest two-fifths on the income scale) more than halved over the same period, falling from 24% to just 11% ⁵.
- 3.2.4 Additionally, in May 2023 the Office for National Statistics (‘ONS’) released 2021 Census data in respect of the number of adult children living with parents⁶. The census results demonstrate that the number of adult children living with their parents rose by approximately 15%. This is reflected in the increase of overcrowded households, with 11.3% of families with adult children living in overcrowded households compared with 5.1% of families without adult children. The ONS explain that, despite the 2021 Census being conducted during the COVID-19 pandemic, the rise in numbers of adults living with their parents is a continuing trend, and was not just a result of the Covid-19 pandemic.

3.3 Housing Affordability Within North Hertfordshire

- 3.3.1 House prices have increased significantly in North Hertfordshire. Over the five year period between Feb 2020 and February 2025, the average house price rose by over £46,184 from £359,365 to £405,549 with the average price of a detached house rising by over £95,570 across the same five year period, from £680,593 to £776,163⁷.

⁴ *ibid*

⁵ Centre for Policy Studies, January 2023.

⁶ Office for National Statistics, More adults living with their parents. May 2025

⁷ Land Registry UK House Price Index February 2025.

- 3.3.2 Over this time period, overall house prices in North Hertfordshire have therefore increased by approximately 13.2%, with detached house prices also increasing by 14%.
- 3.3.3 Property prices for First Time Buyers are also significant, with average price paid by first time buyers being £329,166 in February 2025. Therefore, increasingly large deposits are required making it harder for young people to get onto the housing ladder.
- 3.3.4 As demonstrated by the indicators at both national and local levels, affordability of housing in North Hertfordshire is a significant issue which has real consequences for those in need of a home.

3.4 Affordability Ratios

- 3.4.1 The increase in house prices has inflated affordability ratios. In England, in 2024 full-time employees could expect to spend around 7.71 times their workplace-based annual earnings on purchasing a home. This is a significant increase from the previous decade where, in 2013, house prices were 6.76 times median income, and from 2003 where this figure stood at 5.93⁸.
- 3.4.2 The affordability ratio in North Hertfordshire stands at 11.14⁹. This is significantly higher than the ratio of 3.5, traditionally seen as the signifier of an affordable housing market based on mortgage lending patterns. When compared against regional and national ratios, it can be seen that homes are less affordable in North Hertfordshire than in the rest of England and the East of England signifying a real problem regarding local housing unaffordability.
- England: 7.71
 - East of England: 9.07

⁸ ONS House price to workplace-based earnings ratio 1997-2024 available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian> (Data from release date 25 March 2024)

⁹ ONS House price to workplace-based earnings ratio 1971-2023 available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian> (Data from release date 22 March 2024)

- North Hertfordshire: 11.14

3.4.3 Increasingly therefore, those in need of a home are being priced out of the housing market.

4 THE AFFORDABLE HOUSING POSITION IN NORTH HERTFORDSHIRE

4.1 Introduction

- 4.1.1** The fact that so many are being priced out of the housing market means waiting lists for those in need of an affordable home is increasing. This chapter sets out relevant data on the delivery of affordable housing within North Hertfordshire and provides an assessment of whether affordable housing needs are being met.
- 4.1.2** According to statistics published by the Ministry of Housing, Communities and Local Government (MHCLG)¹⁰, there are 1.33 million households on local authority social housing waiting lists across the country, which roughly equates to 3.19 million people in need of an affordable home. Further data published by MHCLG in November 2024 also demonstrated that in the monitoring period 2023/24 only 62,289 gross affordable homes were built and just 43,439 starts on site were recorded¹¹. At this level of delivery, it will take roughly 21 years to address the current waiting list. This is before factoring in future housing need, or loss of affordable homes through demolition, or the Right to Buy programme.
- 4.1.3** At a national level the direction of travel to address housing need and supply, including affordable housing, is abundantly clear. Additionally, with 44% of affordable homes in 2023/24 funded entirely through S106 Agreements (i.e. funded by developers with nil grant from the public sector), it is clear that meeting affordable housing needs is dependent on delivery by the planning system¹².

¹⁰ DLUHC Live Table 600, Local Authority Waiting Lists. December 2024 update.

¹¹ DLUHC, Affordable Housing Supply in England: 2023 to 2024. November 2024.

¹² DLUHC Live Table 1000C, Additional affordable homes provided by type of scheme, Completions, England, 2023-2024. December 2024 update.

4.2 Affordable Housing Need, Delivery and Supply

4.2.1 As set out above, Policy HS2 of the NHDC Local Plan sets out a target of 40% affordable housing for residential developments of 25 or more dwellings, and a totalled 33% of dwellings delivered the plan period.

4.2.2 Table 1 taken from North Hertfordshire's Authority Monitoring Report 2022/2023 sets out the affordable housing completions, against a percentage of all completions since the start of the plan period till 2023. This demonstrates the requirement has not been met since 2011.

4.2.1 **Table 1: Affordable housing completions as a proportion of overall housing completions in North Hertfordshire 2011/12-2023/24**¹³

Monitoring Year	Affordable Completions	% of all completions
2011/12	122	29%
2012/13	71	23%
2013/14	60	22%
2014/15	49	20%
2015/16	44	12%
2016/17	118	21%
2017/18	34	10%
2018/19	24	10%
2019/20	51	15%
2020/21	166	28%
2021/22	74	21%
2022/23	148	31%

¹³ North Hertfordshire District Council Authority Monitoring Report 2022/2023

- 4.2.3 Therefore, it is clear that the delivery of a policy compliant quantum of affordable housing at Land off Echo Hill is therefore a very significant benefit, which is required to contribute towards meeting the affordable housing deficit within North Hertfordshire.

4.3 Affordable Housing Waiting Lists

- 4.3.1 Information on average and estimated waiting times for an affordable home can be found on North Hertfordshire's Council's website¹⁴. The Common Housing Allocation Scheme (CHAS) is published by North Herts Housing Partnership, a partnership between North Herts Council and settle housing association. There are currently 2,400 households on our waiting list for social housing, which includes 200 households with a high or urgent medical need to move and almost 400 households with children living in overcrowded homes. The wait times for a property can vary, but those with high-priority can expect to wait 2 years for a 1-bedroom property, and 2.5 years for a 2-bed property. For other applicants, the wait time for a 1-bedroom is 4 years.
- 4.3.2 While waiting for an affordable home, families are too often living in unsuitable, unhealthy and overcrowded accommodation. This has real impacts on the health and wellbeing of both adults and children in need of a suitable home.

¹⁴ North Hertfordshire District Council, Available At: <https://www.north-herts.gov.uk/news/have-your-say-who-can-join-housing-list-and-how-social-housing-allocated#:~:text=There%20are%20currently%20%2C400%20households,children%20living%20in%20overcrowded%20homes>. Accessed April 2025.

5 SUMMARY AND CONCLUSIONS

5.1 Summary

- 5.1.1 Paragraph 61 of the NPPF states it is essential that sufficient housing is delivered to ensure that the *“needs of groups with specific housing requirements are addressed”*.
- 5.1.2 Targets identified within NHDC’s Local Plan are not being met, and the persistent under delivery of affordable homes has resulted in a backlog of 603 households needs going unmet.
- 5.1.3 The under-delivery of affordable housing is reflected in the unacceptably long time periods people are waiting for an affordable home, which amounts to over two years for high priority individuals, during which families remain living in unsuitable accommodation.
- 5.1.4 With the median price of a market house in North Hertfordshire having risen by 24.8% over the last five years, and the affordability ratio sitting significantly higher than national averages, the local housing market is becoming increasingly inaccessible.
- 5.1.5 The delivery of a policy compliant scheme of up to 34 affordable homes at Land off Echo Hill, Royston is therefore a very significant benefit that will make a substantial contribution towards addressing the critical shortfall in affordable housing.

