Swale Borough Council

Local Housing Market Assessment Update

May 2026

Planning & Development

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1. Introduction

Purpose

1.1 Swale Council is a Borough on the north coast of Kent, with excellent road and rail links to London and to the rest of the County. Sittingbourne is the largest settlement in the Borough with three other notable towns; Faversham, Sheerness and Queenborough in an authority with a large rural area. The Isle of Sheppey is in the north of the Borough and the south is part of the Kent Downs.

1.2 Swale Borough Council is preparing a new Local Plan which will propose a number of updated strategies and policies for guiding the housing, employment and other growth required across the Borough with the plan-period running from 2027 to 2042. As part of the new Local Plan programme the evidence base is being updated. A Housing Market Assessment was undertaken in Swale in 2020 and then an update report produced in 2022. These reports however became dated as new Government guidance had subsequently been published so the Council commissioned a new piece of work to reflect the latest market situation, utilise the most up-to-date data available and adhere to the latest guidance.

1.3 At the end of December 2024, the new Government published a new NPPF alongside a new Standard Method within the revised PPG. This Local Housing Market Assessment (LHMA) Update has been produced to provide a single document that contains the full profile of the current housing market area, the latest Standard Method figure for Swale (in 2026) and the associated outputs derived from this figure (the type and tenure of housing needed, the requirement for specialist accommodation for older people and the requirement for accessible and adaptable housing), a revised assessment of the extent of affordable housing need, and the associated conclusions resulting from these outputs. This document is intended to supersede both the 2020 Housing Market Assessment and the 2022 Update.

1.4 This report provides evidence for the Local Plan. The information presented in this report complies with the current Government guidance as set out in the 2024 National Planning Policy Framework (NPPF) [1], and the Planning Practice Guidance (PPG), described below. In December 2025, the Government published, for consultation, a new iteration of the NPPF. Whilst this includes numerous changes to the planning system, the method for establishing the amount and types of housing to be planning for is largely unchanged.

[1] The December 2024 version of the National Planning Policy Framework was amended on 7 February 2025 to correct cross-references from footnotes 7 and 8 and amend the end of the first sentence of paragraph 155 to make its intent clear. The amendment to paragraph 155 is not intended to constitute a change to the policy set out in the Framework as published on 12 December 2024.

Government Guidance

1.5 The framework for undertaking a SHMA 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 (2024) NPPF and PPG make some very significant changes to the way 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[2] 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

[2] 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.

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 independent, calculated using a different approach and using different data sources.

1.9 This SHMA includes a Long-Term Balancing Housing Markets (LTBHM) model which breaks down the overall housing need into the component types (tenure and size) of housing required. Whilst both the Affordable Needs model and the LTBHM model 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 Swale is summarised at the conclusion of this report.

1.10 In December 2024, the Government updated the Standard Method calculation. This has resulted in a notable modification to the Standard Method. This report has followed the approach set out in the 2024 PPG.

1.11 In May 2021, the Government published detail on First Homes and their implementation[3]. Footnote 31 of the December 2024 NPPF indicated that the '*requirement to deliver a minimum of 25% of affordable housing as First Homes, ... 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.

1.12 The Government recently consulted on further proposed revisions to the NPPF[4] (December 2025) The new NPPF is expected in summer 2026. While the proposals do not indicate any significant changes that would materially affect this report, the analysis has been prepared to reflect the direction of travel suggested by the consultation. This includes modelling relating to

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

[4] https://www.gov.uk/government/consultations/national-planning-policy-framework-proposed-reforms-and-other-changes-to-the-planning-system/national-planning-policy-framework-proposed-reforms-and-other-changes-to-the-planning-system#delivering-a-sufficient-supply-of-homes

the requirement for M4(2) and M4(3) homes and the proposed emphasis on delivering additional Social Rented housing.

Report coverage

1.13 This report is focused on detailing the amount of new housing required over the plan-period in Swale, 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 Borough. The report contains the following:

Chapter 2 presents an examination of the latest data on the labour market and the resident population in Swale 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 Swale 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*[5]*.'* The chapter sets out the calculation of the local housing need figure for the Borough, as per the Standard Method.

Chapter 5 disaggregates the local housing need to show the demographic profile of the future population in the Borough. 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 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.

Summary

1.14 The purpose of this report is to provide the Council with a robust and up-to-date evidence base that enables an understanding of the Borough's current and future housing needs through to the end of the new Local Plan period (2042). The information presented in this report complies with the current Government guidance on undertaking these studies as set out in the

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

December 2024 National Planning Policy Framework (NPPF) and the Planning Practice Guidance (PPG).

2. Local housing market drivers

2.1 Two main drivers of the housing market are the resident population and the local labour market. 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 Swale and how it has changed. The current labour market conditions are then discussed in the second half of this chapter.

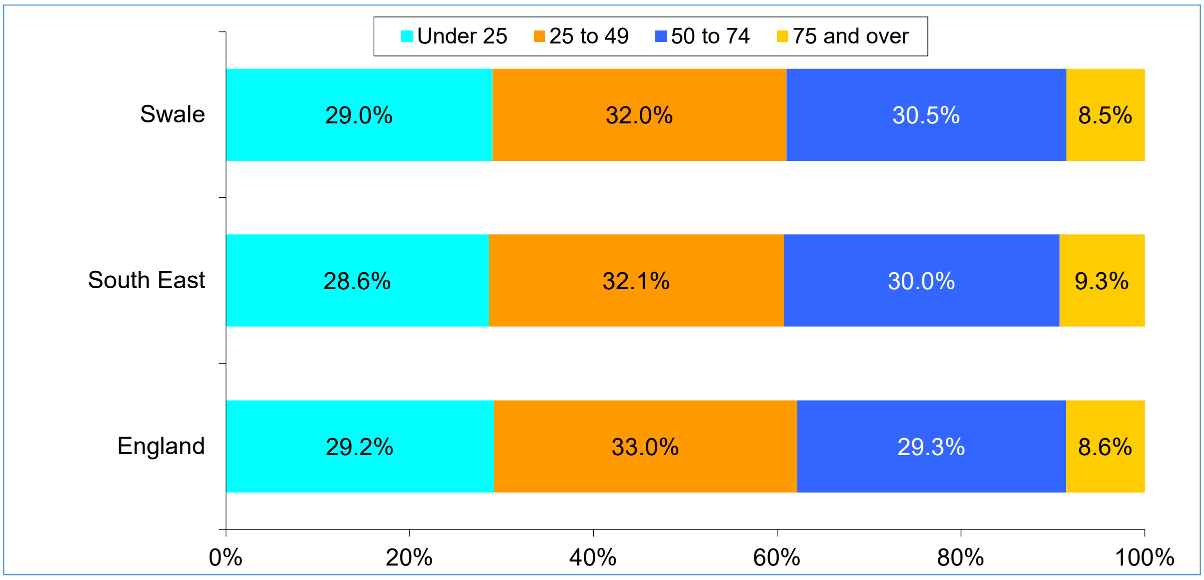
2.2 Analysis of the stock of housing allows an understanding of the current market balance and existing occupation patterns. Data from the 2021 Census is used to provide an overview of the housing stock in Swale and a comparison to the regional and national situation will be presented. The changes recorded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

Demography

2.3 The 2021 Census indicates that the resident population in Swale in 2021 was 151,678 and that since 2011 the population had increased by 11.7%, 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%. The Borough therefore has had a notably higher growing population than the regional and national averages over the last 10 years.

2.4 The figure below illustrates the age composition of the population of Swale, the South East, and England in 2021. The data show that Swale has a larger proportion of people between 50 and 74, but a smaller proportion of people aged 75 and over than is recorded nationally and regionally.

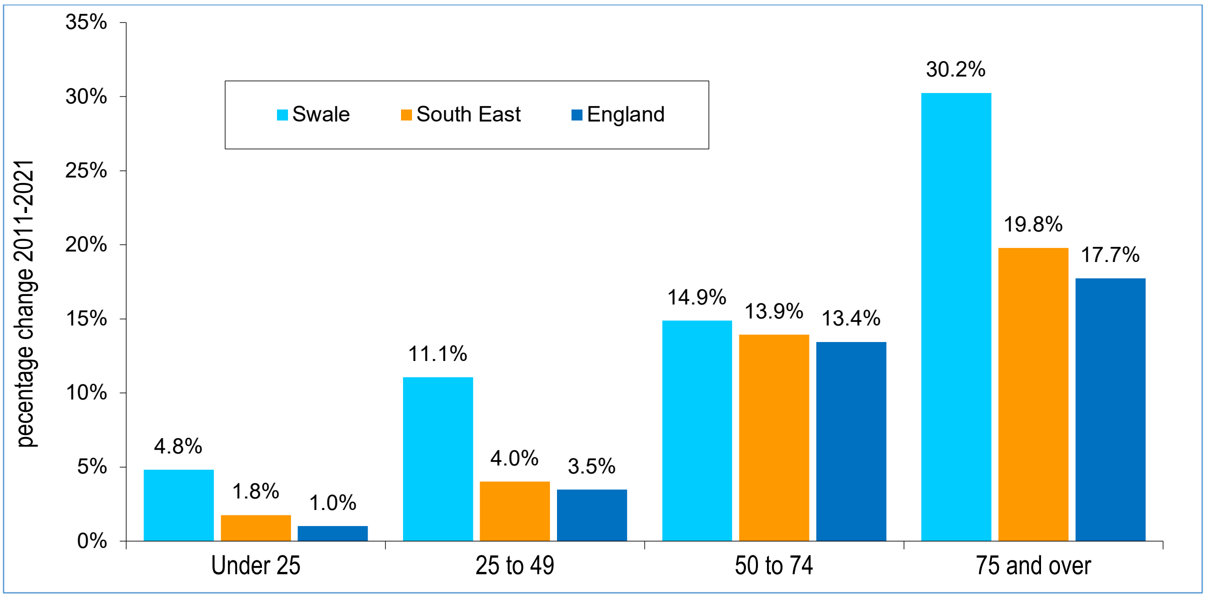
Figure 2.1 Population composition in Swale 2021



Source: 2021 Census

2.5 The figure below shows the change in the age profile in Swale between 2011 and 2021 as recorded by the Census. The regional and national equivalents are presented in addition. The figure shows that in Swale the number of people aged 75 and over has grown by some 30.2%, with a notable increase in those aged between 50 and 74 also recorded. The pattern of an ageing population is replicated at a regional and national level although it is more pronounced in Swale.

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



Source: 2011 and 2021 Census

2.6 The table below provides a range of demographic details for Swale, 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 Swale in 2021 was 406 people per sq km according to the 2021 Census, slightly lower than both the figure for England as a whole (434 people per sq km) and the figure for the South East (487 people per sq km). In 2021, the average household size in Swale was 2.46, notably higher than the national figure of 2.37 and the average regional figure of 2.39. Swale recorded 19.5% of the population as disabled under the Equality Act in 2021, markedly higher than the regional and national averages.

2.8 Some 6.2% of the population of the Borough was non-White according to the Census, lower than the national figure of 19.0% and the regional total of 13.7%. The largest non-White ethnic group in Swale is the Black, Black British, Black Welsh, Caribbean or African group, which constitutes 2.3% of the population. The 2021 Census indicates that 0.5% of the population of Swale had moved into the UK from abroad within the last two years, compared to 1.9% across England.

Table 2.1 Demographic profile of Swale in 2021

Metric	*Swale*	*South East*	*England*
Total population in households	148,676*	9,088,552	55,504,302
Total households	60,495	3,807,966	23,436,090
Average household size	2.46	2.39	2.37
Population density (per sq km)	406	487	434
Proportion people disabled under the Equality Act	19.5%	16.1%	17.3%
Proportion people with a non-White ethnicity	6.2%	13.7%	19.0%
Proportion resident in the UK for less than 2 years	0.5%	1.7%	1.9%

*This figure differs from the total population set out in paragraph 2.3 because not all of the population are resident in a household, some live in communal housing such as residential homes. Source: 2021 Census

2.9 Both Census collected data on the overall general health of the population. The table below shows the overall results recorded in 2021 in Swale, 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, Swale has a lower proportion of people with very good health and a higher proportion with either bad health or very bad health than is recorded nationally and regionally. The biggest change recorded in Swale between 2011 and 2021 is an increase in the number of people with very good health, replicating the regional and national pattern. Swale also recorded a notable growth in the number of people with fair health and bad health.

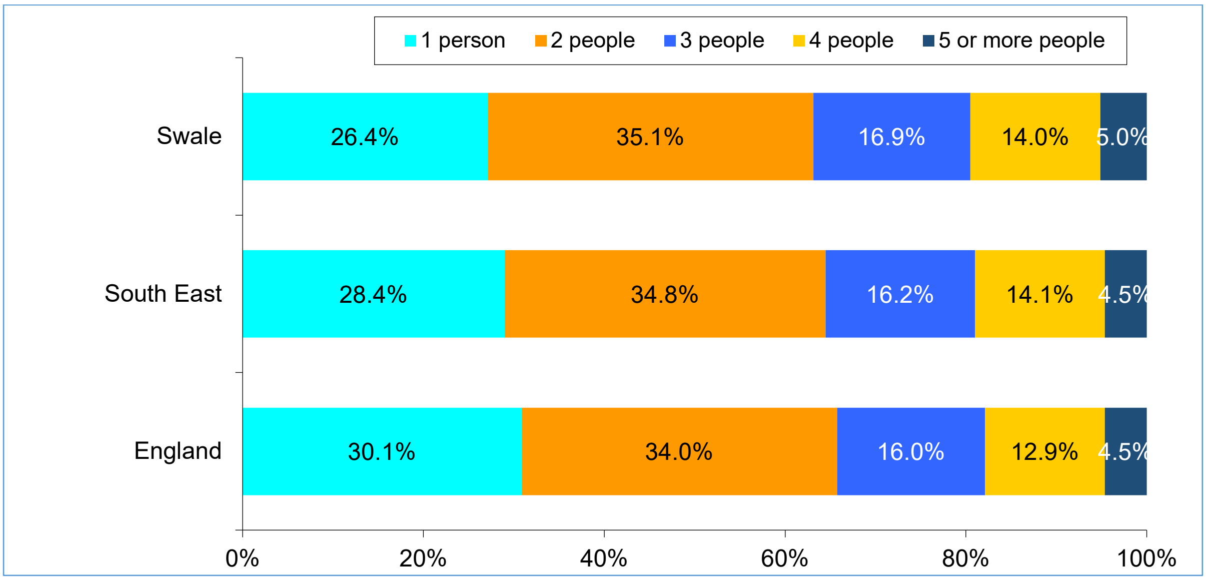
Table 2.2 General health 2011 and 2021

General health	*Swale*	*South East*	*England*	*Change in # in Swale since 2011*	*Change in # in South East since 2011*	*Change in # in England since 2011*
Very good health	45.5%	50.0%	48.5%	14.6%	9.5%	9.5%
Good health	34.8%	34.0%	33.7%	8.2%	5.5%	5.0%
Fair health	14.1%	11.8%	12.7%	11.6%	5.3%	2.8%
Bad health	4.4%	3.3%	4.0%	11.3%	5.4%	-0.1%
Very bad health	1.3%	0.9%	1.2%	8.6%	3.7%	0.3%
Total	100.0%	100.0%	100.0%	-	-	-

Source: 2011 and 2021 Census

2.11 The figure below shows the size of households in Swale, the South East and England. In 2021, some 26.4% of households in Swale contained one person, lower than the regional and national figures. The proportion of large households (containing five or more people) was however higher than the other geographies.

Figure 2.3 Household size in Swale 2021



Source: 2021 Census

2.12 The table below shows the composition of households in Swale. In 2021, some 38.7% of households in the Borough contained a couple with children, a figure higher than the national and regional equivalents. The second largest household group is other couple households without children. Relatively few other single person households were recorded in Swale.

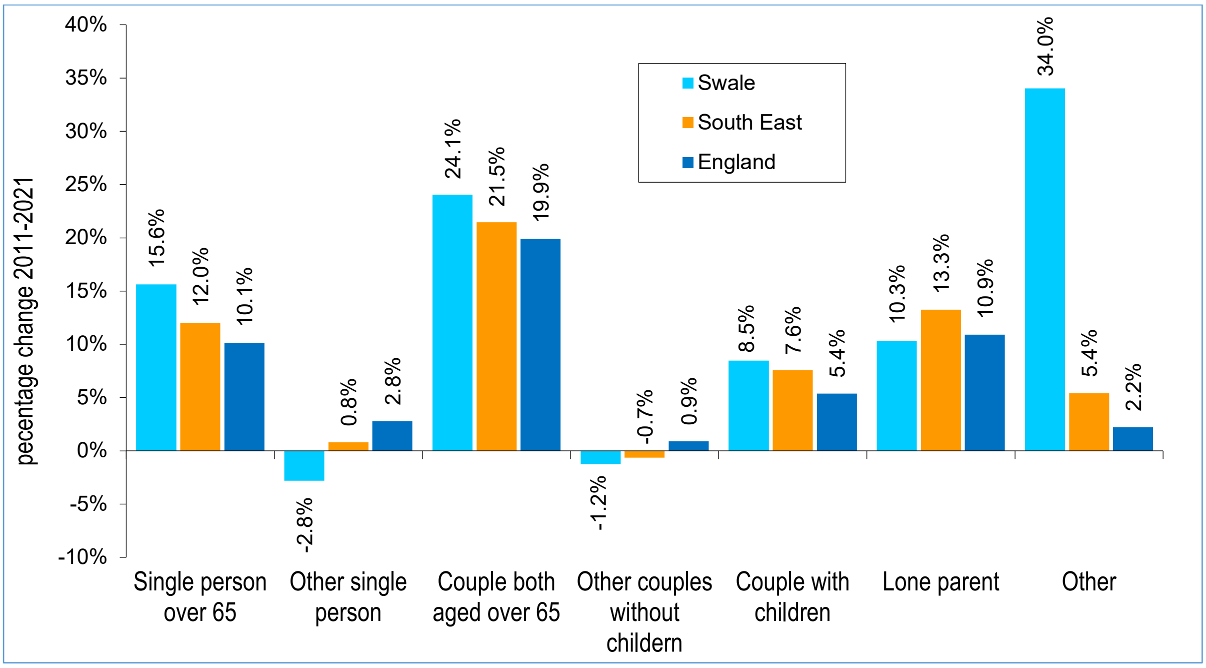
Table 2.3 Household type in Swale in 2021

Household type	*Swale*	*South East*	*England*
Single person over 65	13.0%	13.2%	12.8%
Other single person	13.4%	15.2%	17.3%
Couple both aged over 65	10.1%	10.2%	9.2%
Other couples without children	17.7%	17.4%	16.8%
Couple with children	27.4%	27.1%	25.2%
Lone parent	11.4%	9.7%	11.1%
Other	7.1%	7.2%	7.7%
Total	100.0%	100.0%	100.0%

Source: 2021 Census

2.13 The figure below shows the change in the household composition in Swale between 2011 and 2021 as recorded by the Census. The equivalent data for the South East and England is presented in addition. In the South East and England as a whole, the number of households containing two or more pensioners has increased the most, whilst in Swale the number of other households has increased the most (although from a relatively low base). Older couple households have recorded the second largest growth in Swale followed by single older households. In Swale there are two household types that reduced in number between 2011 and 2021: other couple households without children, and other single person households.

Figure 2.4 Change in household composition between 2011 to 2021



Source: 2011 and 2021 Census

Economy

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

Employment in Swale

2.15 NOMIS[6] data on 'job density' (this is a measure of the number of individual jobs[7] per person of working age) for 2024 shows that there are 0.64 jobs per working age person in the Borough, compared to 0.85 jobs per working age person across the South East region and 0.86 for England as a whole. For all geographies, the level of job density has not changed notably over the last five years (from 0.62 to 0.64 in Swale, from 0.86 to 0.85 in the South East and from 0.85 to 0.86 in England).

2.16 Measured by the ONS Business Register and Employment Survey, there were 51,000 individual employee jobs[8] in Swale in 2024. This is 4.1% higher than the number recorded in the Borough in 2019. The number of employee jobs in the South East has increased by 2.3% between 2019 and 2024, compared to 4.8% nationally over the same time period. It is worth

[6] 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.
[7] Jobs includes employees (both full and part-time), self-employed, Government-supported trainees and HM Forces.
[8] Employee jobs exclude self-employed, government-supported trainees and HM Forces. Employee jobs can be both part-time and full-time. Data also excludes farm-based agriculture.

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.

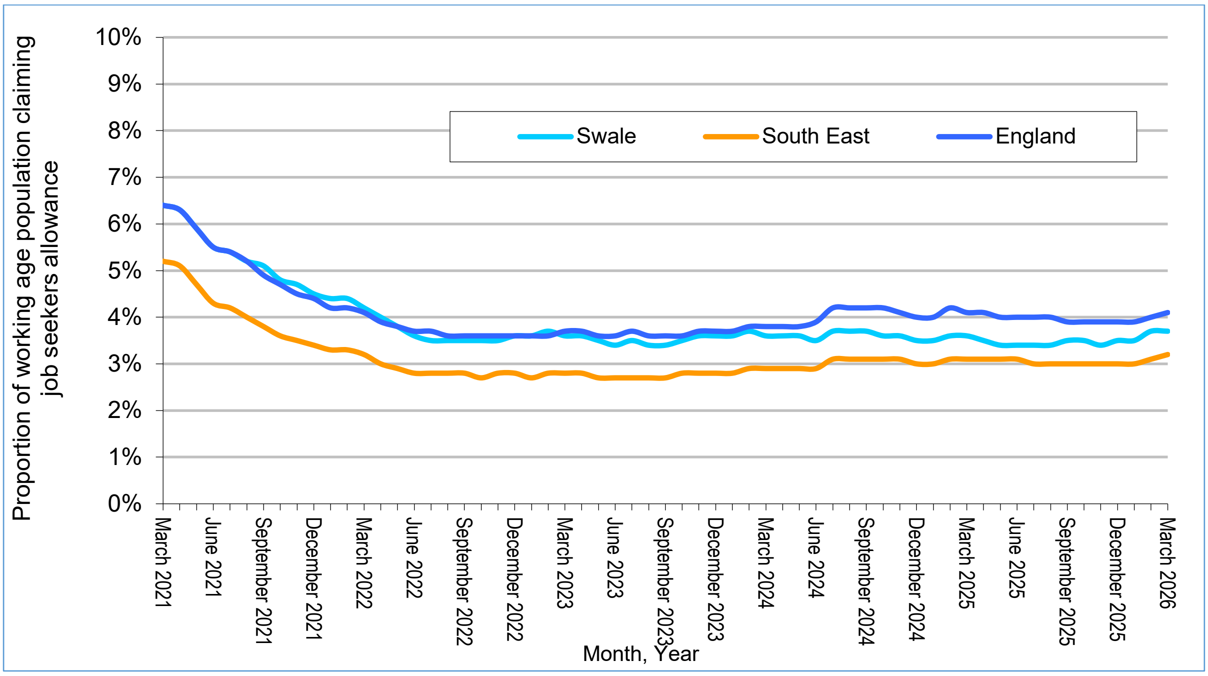
2.17 Data is also available from the ONS about the number of businesses in the area and how this has changed. This can provide an indication of the state of the economy as an increase in businesses would suggest either new companies moving to the area or an increase in local entrepreneurship. The ONS indicates that in 2025 there were 5,225 enterprises in Swale. A similar proportion of enterprises were micro (with 9 or fewer employees) across Swale (89.3%) as is found in the South East (89.6%) and England (89.2%). In Swale the number of enterprises has increased by 4.1% between 2020 and 2025 (a rise of 205), whilst regionally the number of enterprises reduced by 3.2% over this time period and nationally a decrease of 0.6% was recorded.

Employment profile of residents in Swale

2.18 Although the overall economic performance of the Borough 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 Swale, the South East and England over the last five years. The figure indicates that, in all areas, the level of unemployment decreased since spring 2021, when restrictions that were in place in response to the coronavirus pandemic were reduced and the economy began to function in a more regular way again. The figure indicates that the unemployment level in Swale, whilst fluctuating, has reduced over the last few years from being in line with the national average to being between the regional and national averages. Currently (March 2026), 3.7% of the working age population in Swale are unemployed, compared to 3.2% regionally and the national average of 4.1%.

Figure 2.5 Level of unemployment (2021-2026)



Source: ONS Claimant Count

2.20 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 the table below illustrates, some 40.2% of employed residents in Swale 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 Groups 4 to 5 and Groups 8 to 9 in Swale is higher than in the South East and England.

2.21 Further analysis shows that, since 2011, there has been a considerable increase in the number of people resident in Swale employed within Groups 1 to 3, and a fall in the number of people employed in Groups 4 to 5.

Table 2.4 Occupation structure (2021)

Occupation Groups	*Swale*	*South East*	*England*	*Change in # of people employed in Swale since 2011*
Group 1-3: Senior, Professional or Technical	40.2%	50.4%	46.4%	27.0%
Group 4-5: Administrative, skilled trades	22.3%	19.4%	19.4%	-3.2%
Group 6-7: Personal service, Customer service and Sales	16.4%	15.9%	16.7%	4.1%
Group 8-9: Machine operatives, Elementary occupations	21.0%	14.4%	17.4%	3.9%
Total	100.0%	100.0%	100.0%	-

Source: 2011 and 2021 Census

Qualifications

2.22 An important factor in the ability of any economy to grow is the level of skill of the workforce. 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 table below outlines the full classification of qualification levels used in the Census.

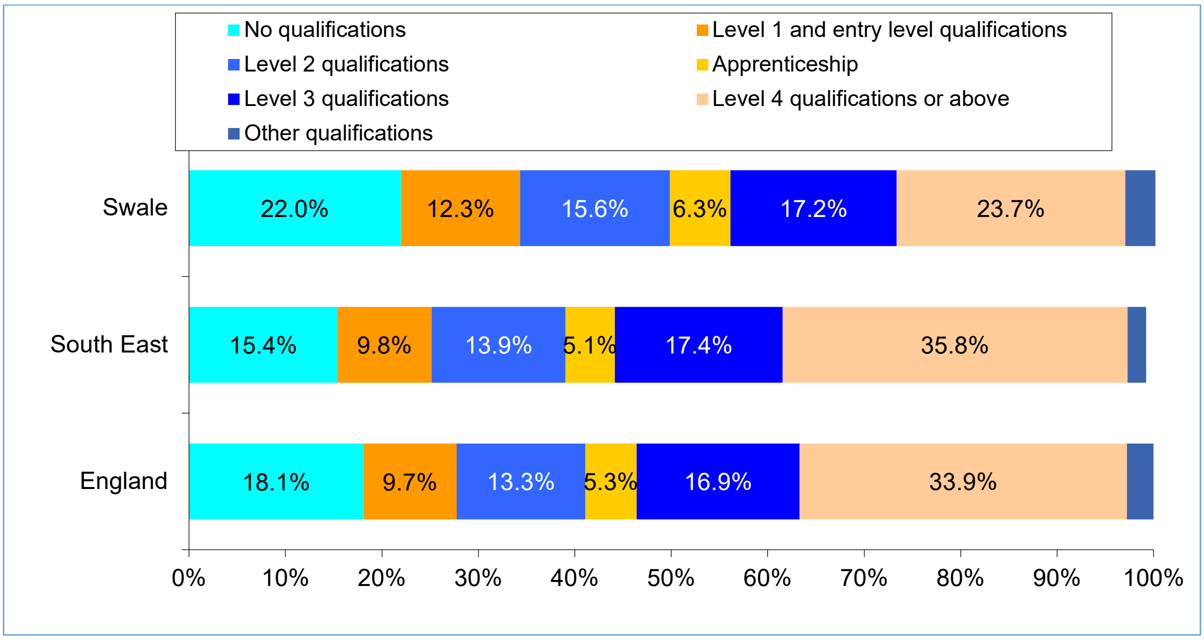
Table 2.5 Census qualification levels

Qualification Group	*Qualifications within the group*
Level 1 and entry level qualifications	1 to 4 GCSEs grade A* to C, Any GCSEs at other grades, O levels or CSEs (any grades), 1 AS level, NVQ level 1, Foundation GNVQ, Basic or Essential Skills
Level 2 qualifications	5 or more GCSEs (A* to C or 9 to 4), O levels (passes), CSEs (grade 1), School Certification, 1 A level, 2 to 3 AS levels, VCEs, Intermediate or Higher Diploma, Welsh Baccalaureate Intermediate Diploma, NVQ level 2, Intermediate GNVQ, City and Guilds Craft, BTEC First or General Diploma, RSA Diploma
Apprenticeship	Apprenticeship
Level 3 qualifications	2 or more A levels or VCEs, 4 or more AS levels, Higher School Certificate, Progression or Advanced Diploma, Welsh Baccalaureate Advance Diploma, NVQ level 3; Advanced GNVQ, City and Guilds Advanced Craft, ONC, OND, BTEC National, RSA Advanced Diploma
Level 4 qualifications or above	Degree (BA, BSc), higher degree (MA, PhD, PGCE), NVQ level 4 to 5, HNC, HND, RSA Higher Diploma, BTEC Higher level, professional qualifications (for example, teaching, nursing, accountancy)
Other qualifications	Vocational or work-related qualifications, other qualifications achieved in England or Wales, qualifications achieved outside England or Wales (equivalent not stated or unknown)

Source: 2021 Census

2.23 The figure below shows the highest qualification level of the working-age residents of Swale, compared to the regional and national equivalents as recorded in the 2021 Census. The data indicates that 23.7% of working-age residents in Swale have Level 4 or higher qualifications, substantially lower than the figures for the South East region (35.8%), and England (33.9%). Swale has more residents with no qualifications than is found regionally and nationally.

Figure 2.6 Highest qualification level of residents (2021)



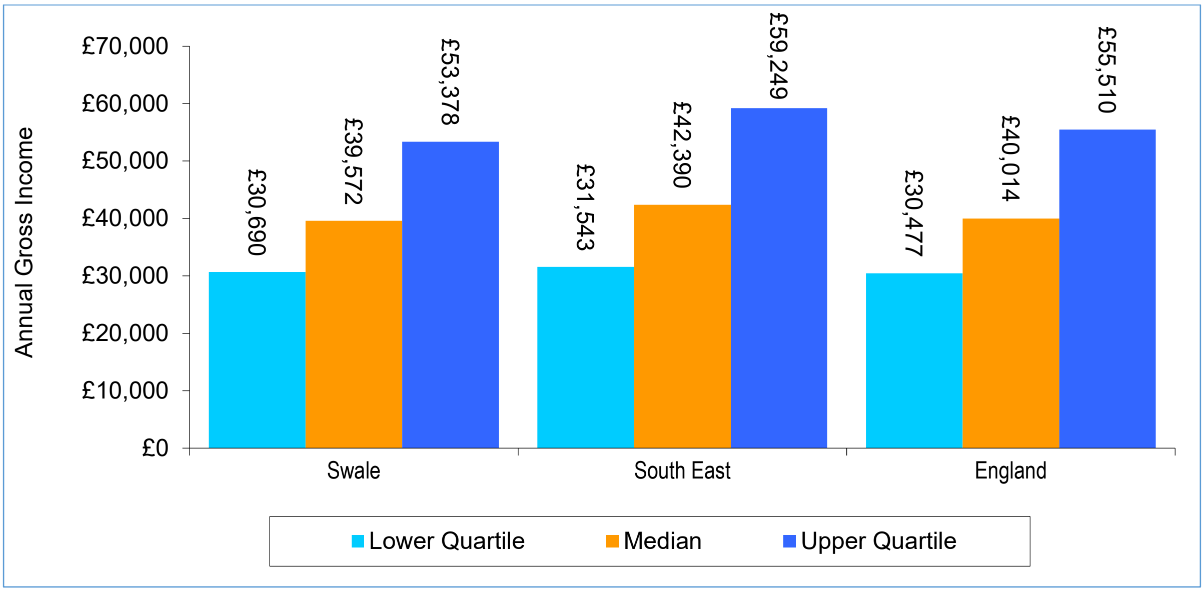
Source: Census, 2021

Income

2.24 Income is critical to the choice a household has when determining their accommodation. The mean earned gross income for full-time employees resident in Swale in 2025 was £46,504, according to the ONS Annual Survey of Hours and Earnings. In comparison, the regional figure was £51,671 and the national average was £48,490. 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 the figure below) provide a more appropriate average than the mean figure, as they are less influenced by extreme values.

2.25 The figure below shows that, at all points on the distribution, annual gross income in Swale is lower than the regional equivalents. In Swale there is a relatively small difference between higher earners and lower earners (in comparison to nationally).

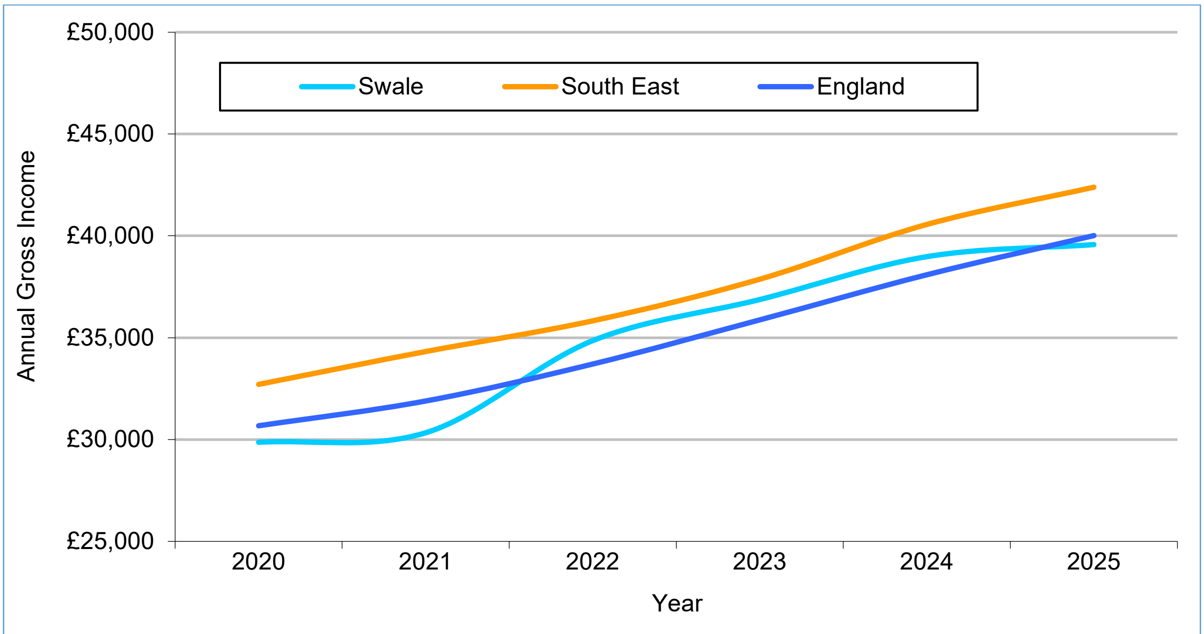
Figure 2.7 Annual gross income of full-time employed residents 2025



Source: ONS Annual Survey of Hours and Earnings (2025)

2.26 The figure below shows the change in the median income of full-time employees' resident in Swale, the South East region and England since 2020. Swale has recorded the highest increase over this period (at 32.5%) followed by England (30.4%) and the South East (29.6%). The data for Swale fluctuates over this period to a greater degree than the regional and national figures because the sample of data it is based on is smaller. It is therefore more susceptible to year-to-year variation than the national and regional figures where outlying figures are subsumed within a larger sample.

Figure 2.8 Change in median annual income of full-time employed residents 2020-2025

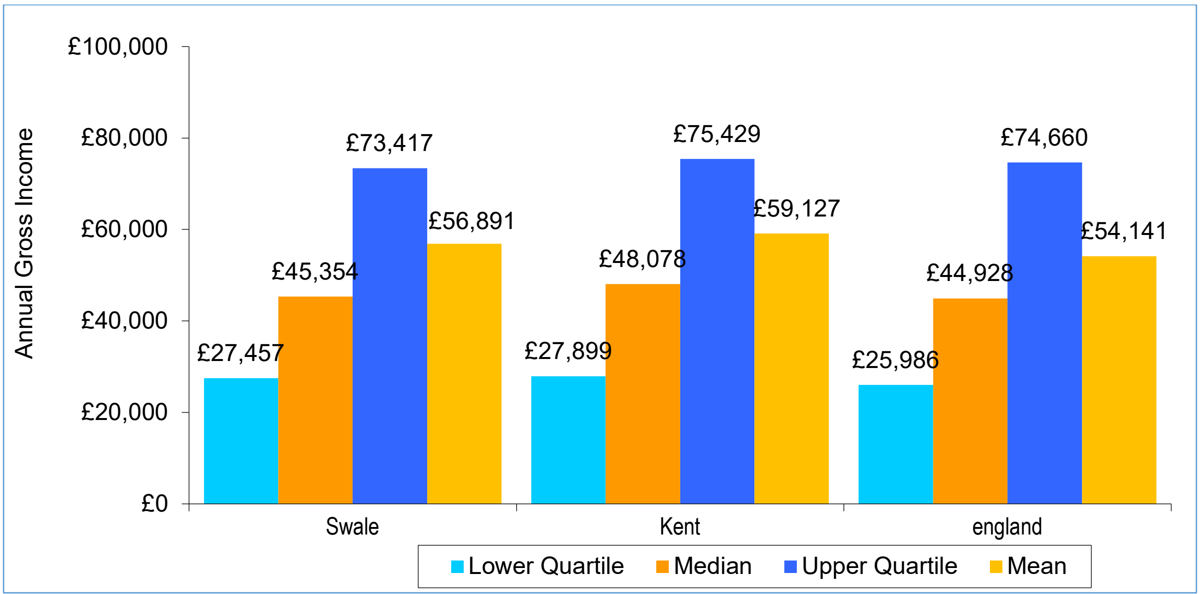


Source: ONS Annual Survey of Hours and Earnings (2020-2025)

Household income

2.27 CACI Paycheck[9] estimates that the mean gross annual household income in Swale is £54,791, which is 1.2% above the equivalent for England (£54,141) and 4.3% below the figure for Kent (£57,227). The figure below shows household income at various points on the income distribution for the Borough alongside the national and regional equivalents. The data indicates that households in Swale are slightly more affluent than equivalent nationwide households at the lower quartile and median levels but those at the upper quartile of the distribution record a lower household income than the equivalent households in England.

Figure 2.9 Distribution of annual gross household income, 2026



Source: CACI Paycheck, 2026

Dwelling stock

2.28 The Census indicates that there were 66,200 dwellings in Swale in 2021[10]. The number of dwellings in the Borough grew by 14.2% between 2011 and 2021 (some 8,211 dwellings). This growth is higher than 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).

2.29 In 2021, some 8.6% of dwellings were empty or used as a second home, a higher vacancy rate than recorded for the South East (5.4%) and England (6.0%). There was an increase in

[9] CACI is a commercial company that provides household income data.

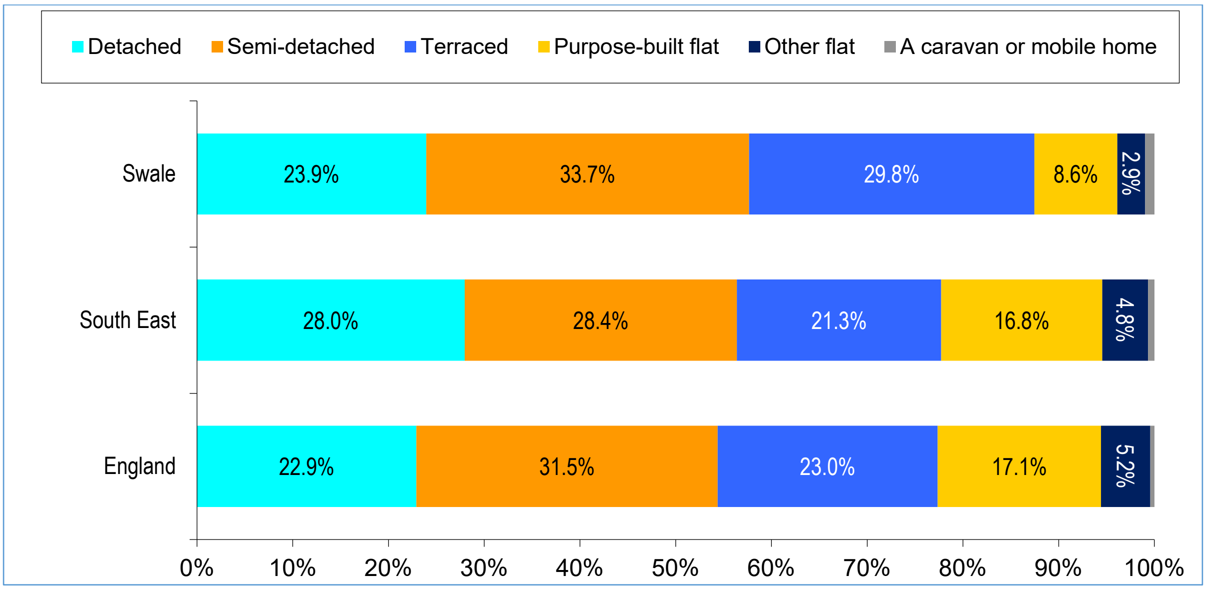
[10] This is derived from table RM204 - Number of Dwellings. Not all these dwellings are occupied so there is a difference with the number of households recorded for Swale in the Census.

the vacancy rate recorded in the Borough in 2011 (4.3% of dwellings were empty or second homes at the time of the previous Census).

Accommodation profile

2.30 The figure below compares the type of accommodation in Swale in 2021 with that recorded for the South East and England. Swale contains fewer detached houses and flats than the regional and national averages with more semi-detached and terraced houses. The most common property type in Swale is semi-detached homes followed by terraced houses.

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



Source: 2021 Census

2.31 The table below compares the size of accommodation (in terms of bedrooms) in Swale with the South East and England. The table indicates that Swale has a smaller proportion of homes with four or more bedrooms and also fewer one bedroom dwellings than the South East and England as a whole. Overall, some 46.0% of homes contain three bedrooms, a figure notably higher than the regional and national averages.

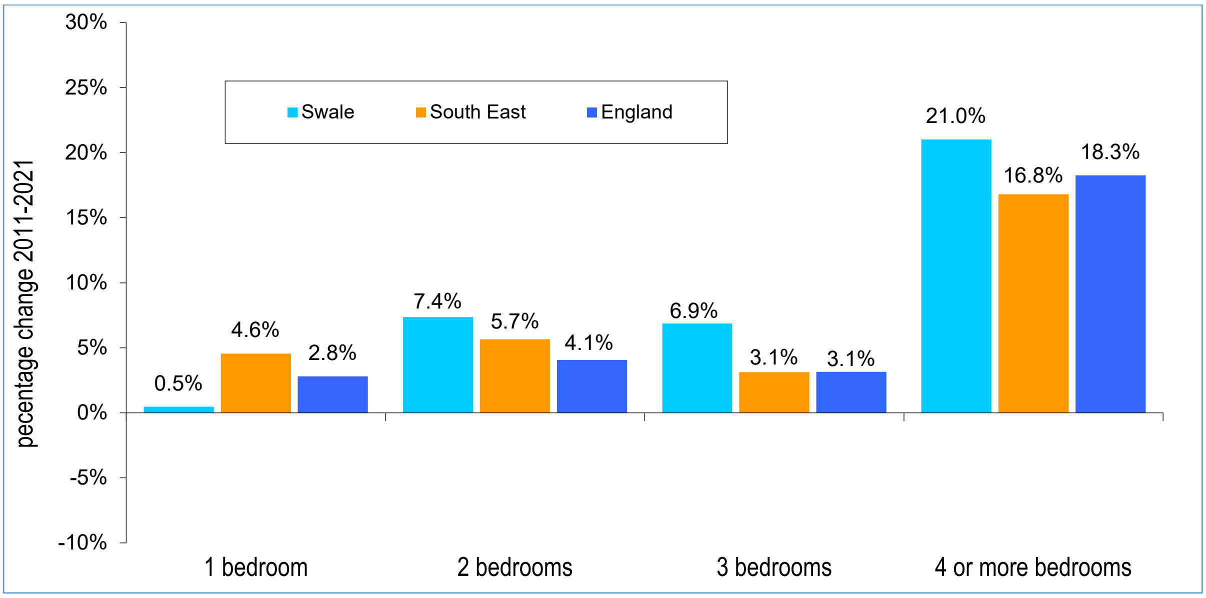
Table 2.6 Size of dwelling stock in Swale, South East and England, 2021

Property size	Swale	South East	England
1 bedroom	8.6%	11.6%	11.6%
2 bedrooms	26.4%	25.9%	27.3%
3 bedrooms	46.0%	37.5%	40.0%
4 or more bedrooms	19.1%	25.0%	21.1%
Total	100.0%	100.0%	100.0%

Source: 2021 Census

2.32 The figure below 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 Swale, the number of one bedroom homes recorded the smallest inter-Census growth.

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

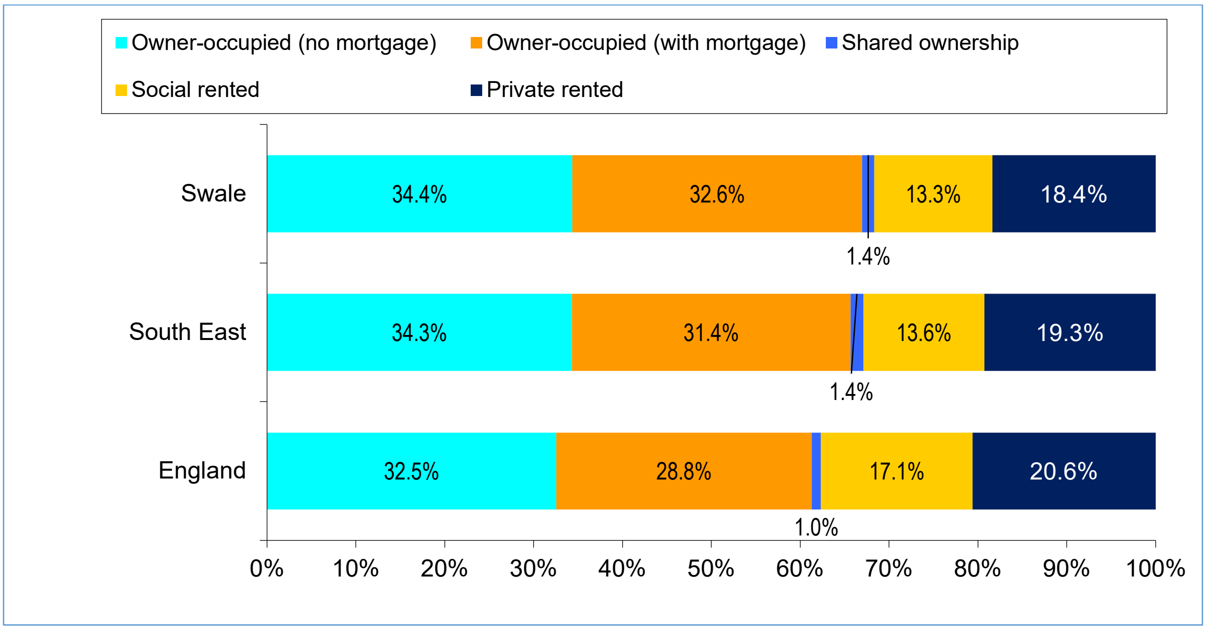


Source: 2011 and 2021 Census

Tenure

2.33 The figure below compares the tenure of households in Swale in 2021 with that recorded for the South East and England. 34.4% of households in the Borough are owner-occupiers without a mortgage, compared to 34.3% in the region and 32.5% nationally. The proportion of owner-occupiers with a mortgage in Swale (32.6%) is also higher than both the regional (31.4%) and national average (28.8%). In Swale the proportion of households in Shared Ownership accommodation (at 1.4%) is similar to the regional and national equivalents (1.4% and 1.0% respectively). Some 13.3% of households in Swale are resident in the Social Rented sector, lower than the figure for the South East (13.6%) and England (17.1%). Finally, some 18.4% of households in Swale live in private rented accommodation, compared to 19.3% in the South East and 20.6% in England.

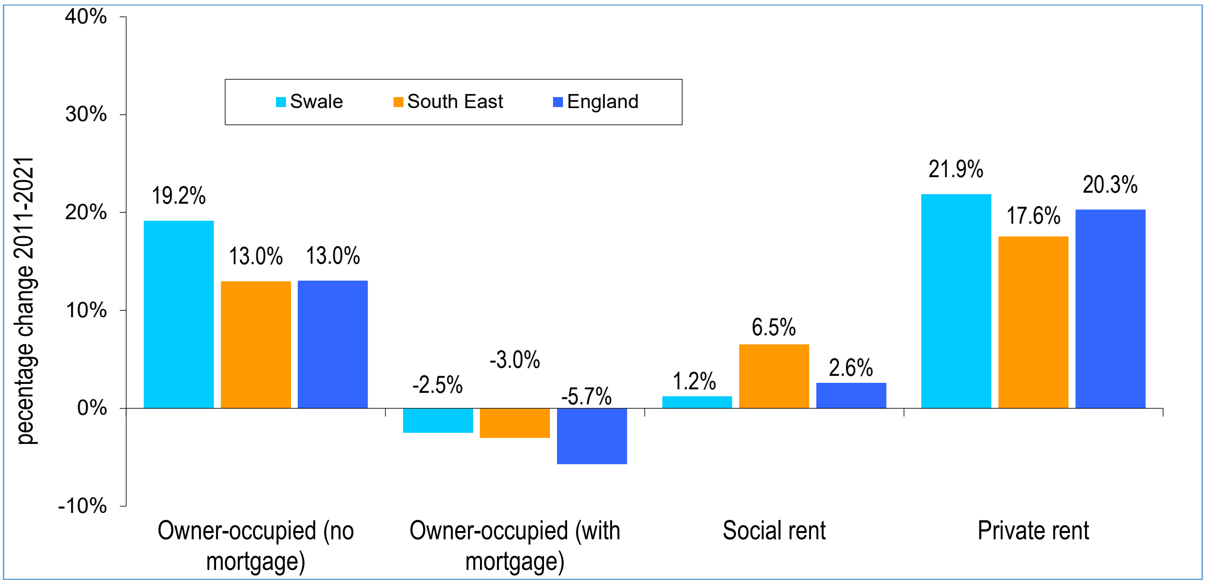
Figure 2.12 Tenure profile in Swale, South East and England, 2021



Source: 2021 Census

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

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

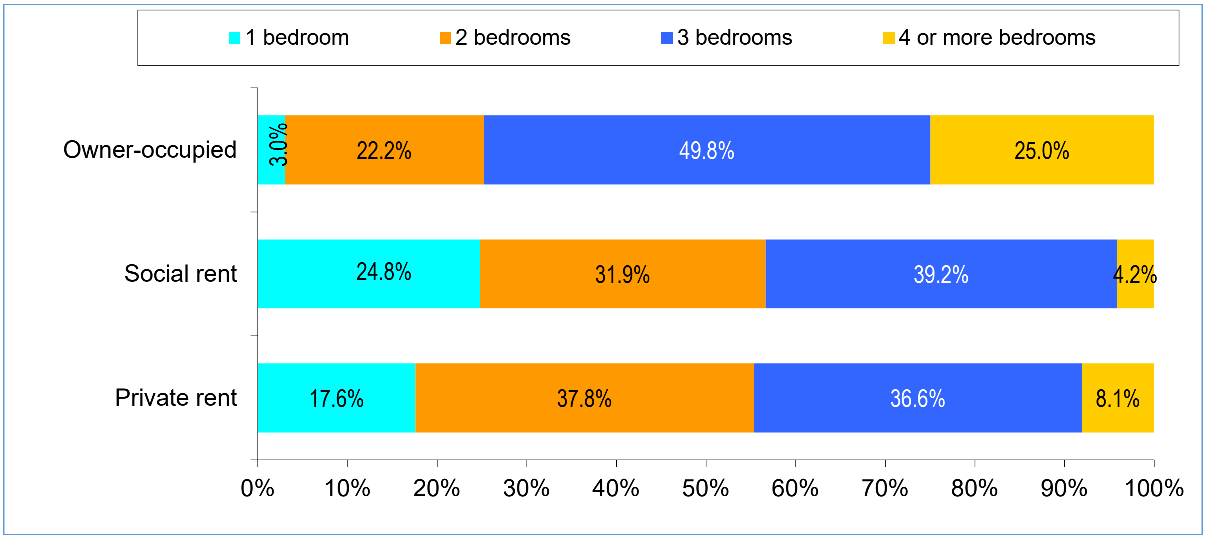


Source: 2011 and 2021 Census

Tenure by bedroom

2.35 Finally, it is useful to understand the size of accommodation within each tenure as recorded by the Census. This is shown in the figure below. In Swale, 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.

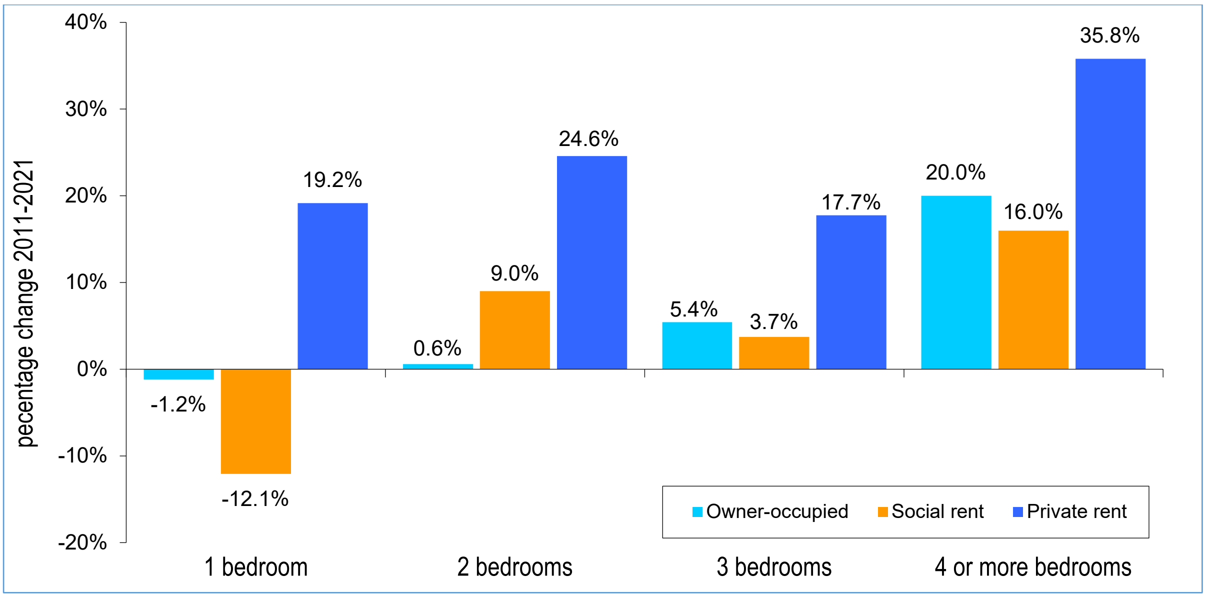
Figure 2.14 Dwelling size within each tenure in Swale, 2021



Source: 2021 Census

2.36 The figure below shows the change in the stock profile within each tenure in Swale between 2011 and 2021. The largest growth in the owner-occupied sector homes has been from homes with four or more bedrooms, which has occurred alongside a slight reduction in the number of one bedroom dwellings in this tenure in Swale since 2011. The private rented sector has recorded growth across all property sizes, with the biggest increase in four bedroom accommodation. Growth in the Social Rented sector has been concentrated amongst four bedroom homes (although from a relatively low base). The number of one bedroom Social Rented homes in Swale has reduced significantly since 2011, whilst the number of four bedroom properties has grown notably.

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



Source: 2011 and 2021 Census

3. The cost and affordability of housing

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 Swale in a regional and national context. Subsequently, it assesses the entry-level costs of housing across the Borough. 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 The table below shows the average property price by dwelling type in 2023 in Swale, the South East and England as a whole as presented by the Land Registry[11]. The overall average property price in Swale is 8.0% lower than the national figure and 26.1% lower than the figure for the South East. Prices in Swale are lower than national figures across all property types other than semi-detached homes.

3.3 The dwelling profile is not the same across the three areas (with Swale having a greater proportion of sales of detached houses and a smaller proportion of flats than regionally or nationally), so a mix adjusted average has therefore been derived to work out what the average price would be were the dwelling mix in Swale and the South East to be the same profile as is recorded across England. The mix adjusted average price indicates that equivalent properties in Swale are around 10.9% lower than those found nationally and 28.2% lower than those across the South East as a whole.

Table 3.1 Average property prices* 2024

Dwelling type	Swale		South East		England & Wales	
	Average price	% of sales	Average price	% of sales	Average price	% of sales
Detached	£468,457	26.7%	£693,008	27.1%	£507,388	25.4%
Semi-detached	£330,429	31.5%	£441,254	28.1%	£326,865	30.1%
Terraced	£272,622	33.2%	£364,949	26.2%	£305,201	28.3%
Flat	£178,016	8.6%	£246,736	18.6%	£310,684	16.2%
Overall average price	£334,926	100.0%	£453,167	100.0%	£363,969	100.0%
Mixed adjusted overall average price	£324,450	-	£452,112	-	£363,969	-

*This is the average price per sold property. Source: Land Registry (2025)

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

3.4 The average property price in Swale has risen by 13.1% over the last five years compared to a rise of 11.3% nationally and a growth of 9.8% across the region. The number of sales in Swale over this period has fallen by 9.1% compared to a decrease of 13.0% in England & Wales and a fall of 8.9% for the South East.

3.5 The table below shows the average private rents by dwelling size in February 2026 in Swale, the South East and England as recorded by the Office of National Statistics. The overall average rental price in Swale is 21.7% lower than the national figure and 20.6% lower than the figure for the South East. The average rents in Swale have risen by 30.0% over the last five years, compared to an increase of 32.7% nationally and a growth of 31.3% across the wider region[12].

Table 3.2 Average private rents in February 2026 (price per month)

Dwelling size	Swale	South East	England
One bedroom	£782	£981	£1,170
Two bedroom	£1,033	£1,257	£1,307
Three bedroom	£1,249	£1,529	£1,456
Four bedroom	£1,872	£2,192	£2,124
Overall average rent	£1,119	£1,409	£1,430

Source: Office of National Statistics (2026)

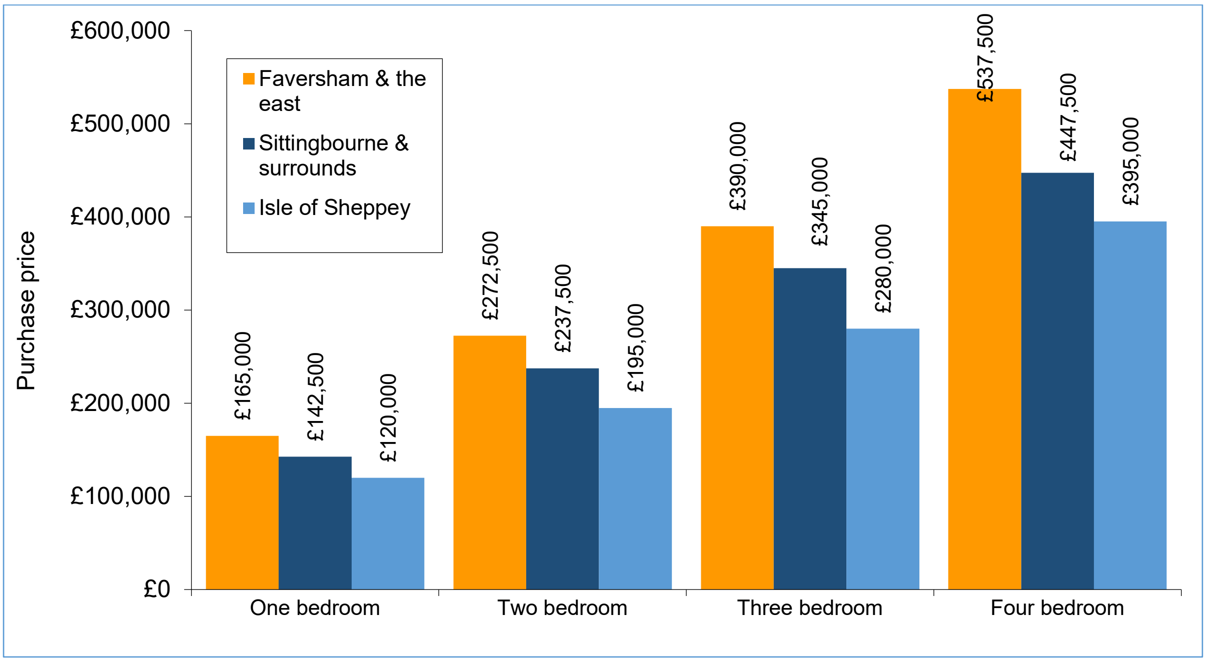
The cost of housing

3.6 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. 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 Swale. At the time of the price survey there were over 1,100 homes advertised for sale, and over 160 properties available to rent in Swale, providing a suitably large sample size for this process.

3.7 Median property prices by number of bedrooms were obtained in each of the three price markets in the Borough via an online search of properties advertised for sale during April 2026. The results of this online price survey are presented in Figure 3.1. The prices recorded include a discount to reflect that the full asking price is not usually achieved (with sales values typically 2.5% lower). The figure shows that prices in the Isle of Sheppey price market are cheapest and homes in the Faversham and the east price market are most expensive, with four bedroom homes here notably more expensive than in any other area.

[12] This is the change in mean overall rents.

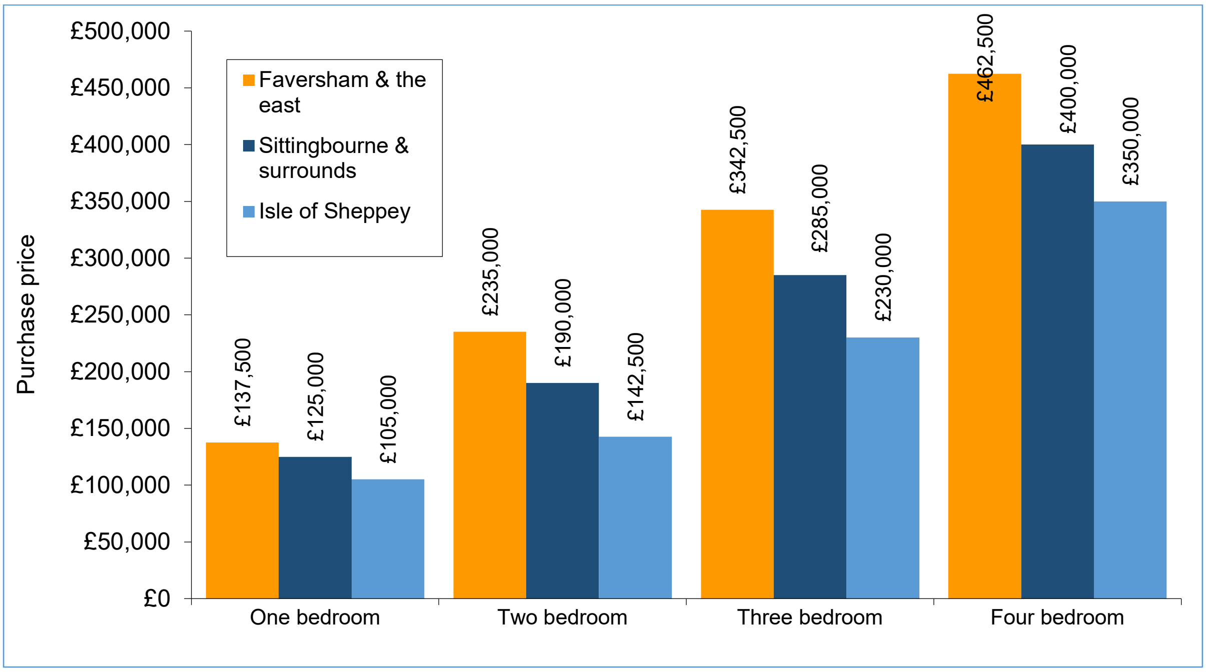
Figure 3.1 Median prices by size and price market



Source: Online estate agents survey (April 2026)

3.8 The online survey also collected information at different points of the price distribution. Entry-level property prices for each price market are presented in the figure below. 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.

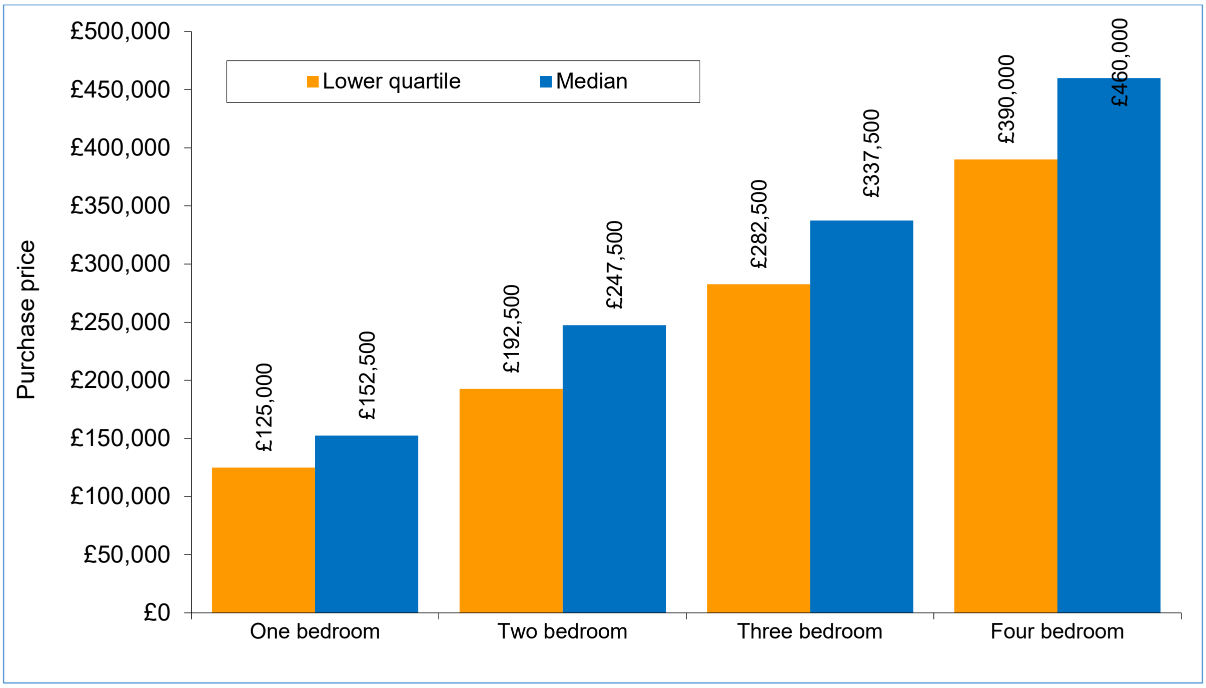
Figure 3.2 Lower quartile prices by size and price market



Source: Online estate agents survey (April 2026)

3.9 The analysis so far has considered price data by price market; however, it is useful to also present this information for the Borough as a whole. The figure below therefore shows median and entry-level (lower quartile) property prices by number of bedrooms across Swale. The figure indicates that entry-level prices in the Borough range from £125,000 for a one bedroom home up to £390,000 for a four-bedroom property. Median prices are generally around 15-30% higher than entry-level prices. In terms of market availability, the analysis showed that three-bedroom properties are most commonly available to purchase in Swale, with two-bedroom homes the next most widely available. The smallest supply is of one-bedroom homes or studios.

Figure 3.3 Property prices by size in Swale



Source: Online estate agents survey (April 2026)

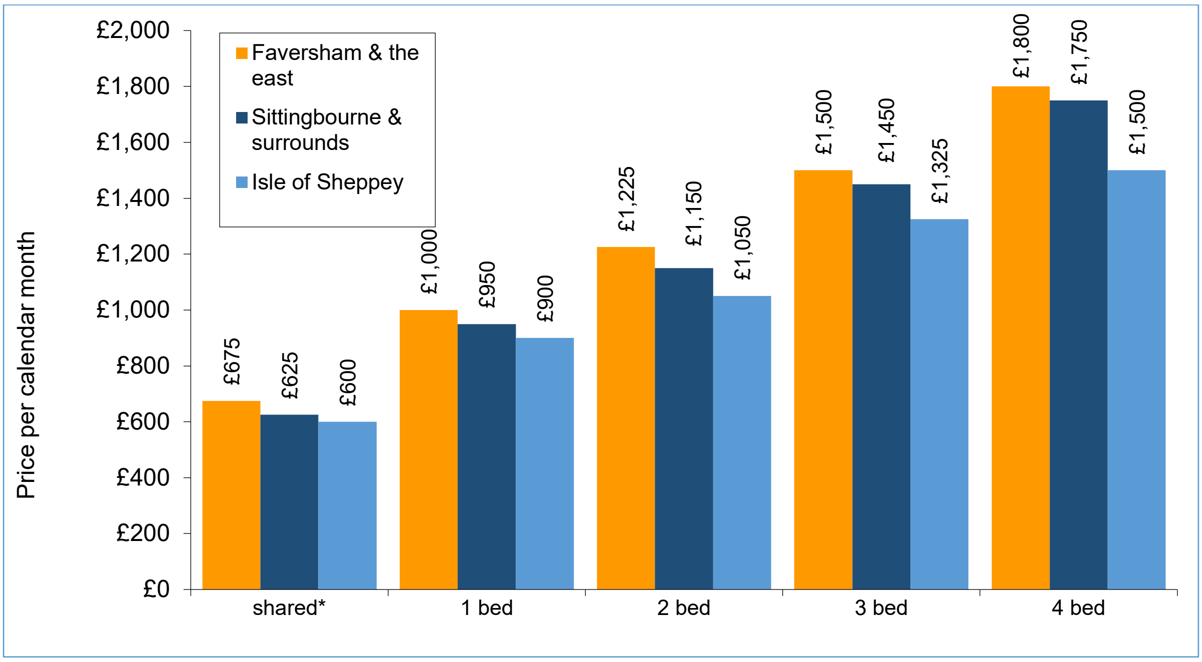
Private rents

3.10 Whilst private rent levels vary across the Borough, 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 price for private rented accommodation by property size in each price market is presented in the figure below. The figure also includes the cost of a room in a shared dwelling within the private rented sector[13].

[13] The Local Housing Allowance regulations, which indicates that single people 35 or under are only entitled to the shared accommodation rate rather than the rate for a one bedroom home, imply that these individuals are deemed suitable to meet their housing needs within the market in this way. The cost of a room within shared accommodation is therefore included as it represents appropriate accommodation for single person households of 35 or under and this group of households will be tested against its ability to afford this in the affordable housing needs model.

3.11 The overall pattern of price variation is similar to that recorded for the owner-occupied sector, although there is less difference between the rental levels in the price markets. The Sittingbourne & surrounds price market is closest in price to Faversham & the east price market rather than the Isle of Sheppey price market.

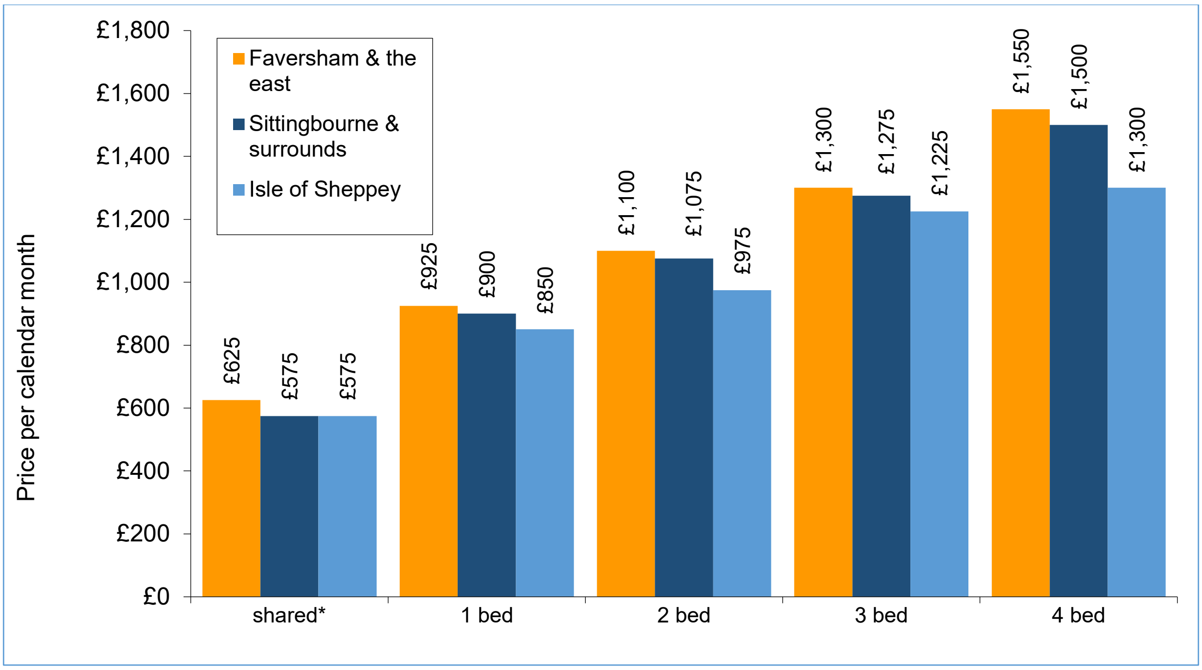
Figure 3.4 Median private rents by size and price market



* Shared is a room in a shared dwelling. Source: Online estate agents survey (April 2026)

3.12 Entry-level private rents for each price market are presented in the figure below.

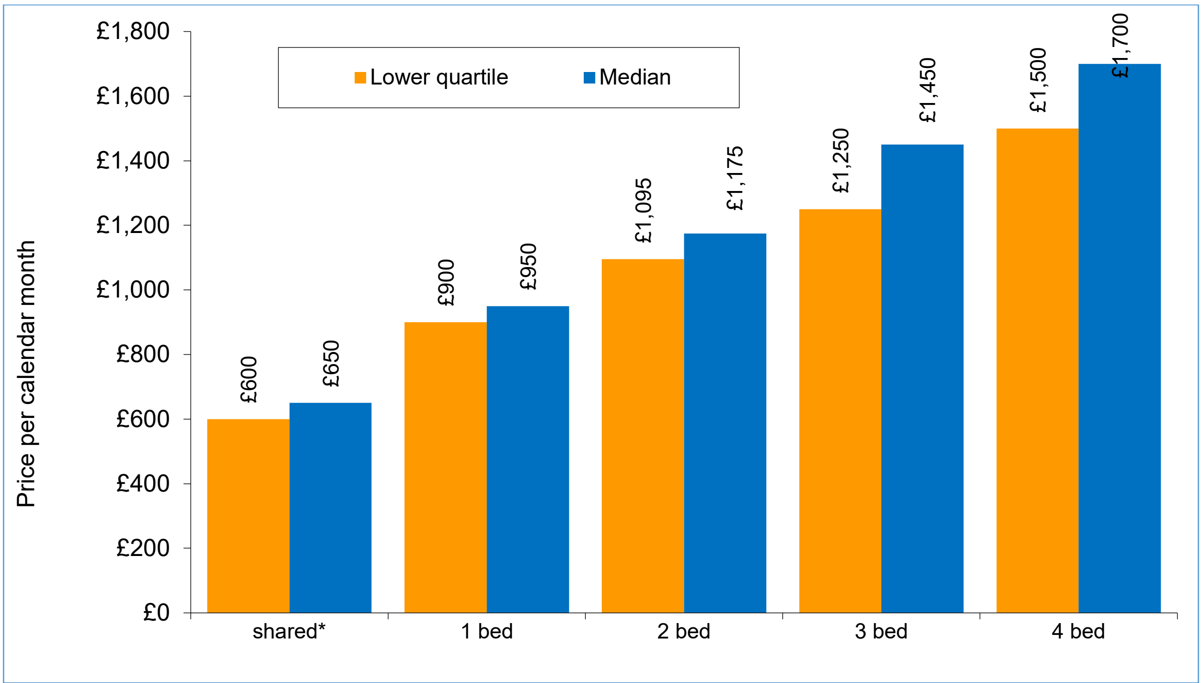
Figure 3.5 Lower quartile private rents by size and price market



* Shared is a room in a shared dwelling. Source: Online estate agents survey (April 2026)

3.13 The entry-level and median price for private rented accommodation by property size across the whole of Swale is presented in the figure below. The figure indicates that entry-level rents range from £900 per month for a one-bedroom home, up to £1,500 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 in the Borough.

Figure 3.6 Private Rents by size in Swale



* Shared is a room in a shared dwelling. Source: Online estate agents survey (April 2026)

Social and Affordable Rents

3.14 The cost of Social and Affordable Rented accommodation by dwelling size in Swale can be obtained from the Regulator of Social Housing's Statistical Data Return dataset[14]. The table below sets out the cost of Social and Affordable Rented dwellings in Swale. The costs are significantly below those for private rented housing, particularly for larger homes, indicating a significant gap between the Affordable Rented and market sectors.

14 https://www.gov.uk/government/statistics/private-registered-provider-social-housing-stock-and-rents-in-england-2024-to-2025

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

Bedrooms	*Social rent*	*Affordable Rent*
One bedroom	£487	£578
Two bedrooms	£530	£713
Three bedrooms	£575	£810
Four bedrooms	£649	£1,154

Source: Regulator of Social Housing's Statistical Data Return (2025)

Analysis of housing market 'gaps'

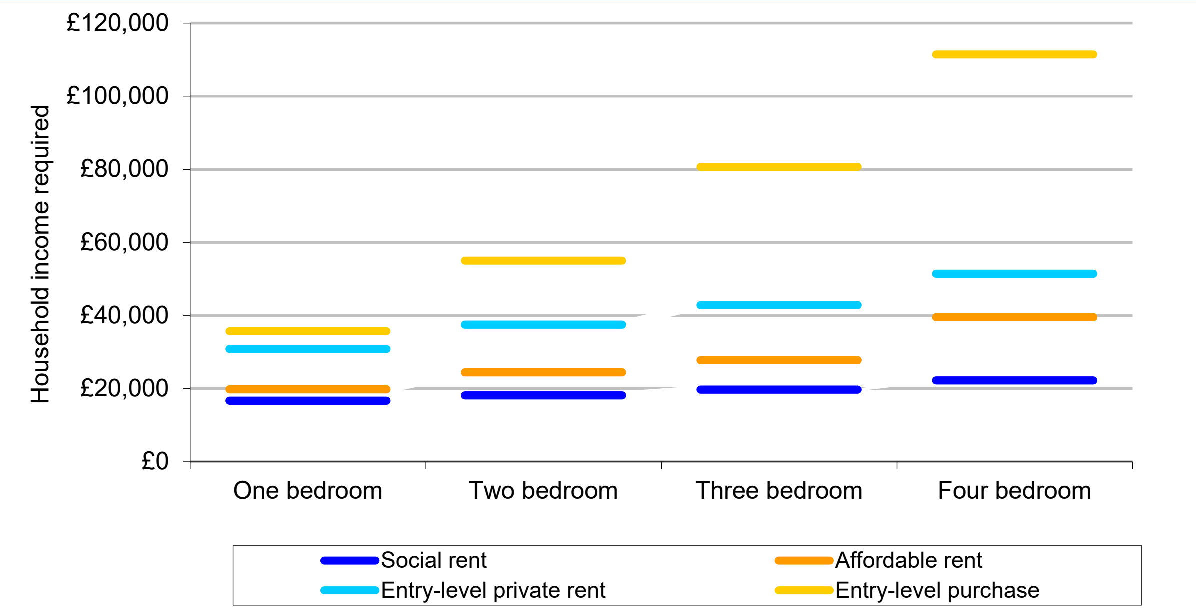
3.15 Housing market gaps analysis has been developed to allow comparison of the costs of different tenures. The figure below shows the housing ladder that exists for different sizes of property. The housing ladder is illustrated by comparing the different types of housing in terms of the income required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

3.16 To do this, the entry-level property price (set out in Figure 3.4) has been divided by 3.5[15] to get an annual income figure (to reflect the likely minimum income required to be granted a mortgage on the property) and multiplied the annual rent by 2.857 to produce a comparable figure. 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 3.6). These approaches assume a household spends no more than 35% (1/0.35 = 2.857) of gross household income on rent. This figure is used as this reflects current practice in the market.

3.17 The figure 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.

[15] 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)).

Figure 3.7 Household income required to access housing in Swale, by number of bedrooms



Source: Online survey of property prices (April 2026); Regulator of Social Housing's Statistical Data Return (2025)

3.18 For one, two and three bedroom homes, the gap between Social Rent and Affordable Rent is smallest, whilst for four bedroom properties the gap between Affordable Rent and entry-level private rent is smallest. The largest gap for two, three and four bedroom dwellings is between entry-level private rent and entry-level home ownership, whilst for one bedroom accommodation it is between Affordable Rent and entry-level private rent. The gaps for four bedroom accommodation are large; an additional £12,000 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 £60,000 in household income required to move to an owner-occupied home.

3.19 The table shows the size of the gaps for each dwelling size in Swale, for example, three-bedroom market entry rents in the Borough are 54.4% higher (in terms of income required) than the cost of Affordable Rented. The notable gap recorded between Affordable Rents and market entry rents for most dwelling sizes indicates that intermediate housing could potentially be useful for many households. The large gap between market entry rents and market entry purchase indicates notable potential demand for part-ownership products for households.

Table 3.4 Scale of key housing market gaps

Property size	*Social Rent < Affordable Rent*	*Affordable Rent < entry-level rent*	*Entry-level rent < entry-level purchase*
One bedroom	18.7%	55.7%	15.7%
Two bedrooms	34.7%	53.5%	46.5%
Three bedrooms	40.8%	54.4%	88.3%
Four bedrooms	77.7%	30.0%	116.7%

Source: Online survey of property prices (April 2026); Regulator of Social Housing's Statistical Data Return (2025)

Intermediate products

3.20 A range of intermediate options are potentially available for households in Swale, the costs of these are profiled below.

Intermediate Rent/Rent-to-Buy

3.21 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 landlords providing a discounted rent for tenants for a minimum of 5 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. Although the availability of Rent-to-Buy in the area is extremely limited currently, its potential suitability for households can be tested by modelling its theoretical cost.

3.22 The table below sets out the costs of Intermediate Rent in Swale, presuming that the rent is set at 80% of Borough-wide median market rents. The table shows that, for all dwelling sizes, 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 Swale. 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.

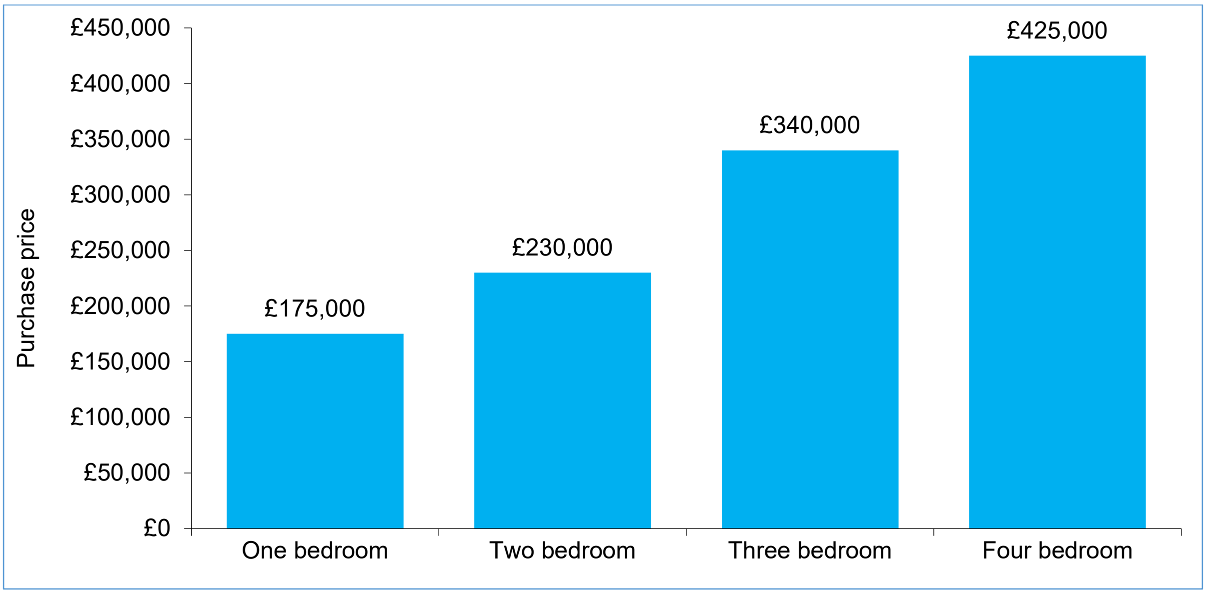
Table 3.5 Estimated cost of Intermediate Rent within Swale (monthly cost)

Bedrooms	*Intermediate Rent*	*Entry-level private rent*	*Affordable Rent*
One bedroom	£760	£900	£578
Two bedrooms	£940	£1,095	£713
Three bedrooms	£1,160	£1,250	£810
Four bedrooms	£1,360	£1,500	£1,154

Source: Online survey of property prices (April 2026); Regulator of Social Housing's Statistical Data Return (2025)

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 Swale at the time of the price survey. These are set out in the figure below.

Figure 3.8 Average Newbuild Home Prices by Bedrooms



Source: Online estate agents survey (April 2026)

Shared Ownership

3.24 The table below presents the estimated costs of Shared Ownership housing in Swale 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 and a 25% equity share are presented. The monthly costs are based on a 30-year repayment mortgage with an interest rate of 4.55%[16] 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).

3.25 The table shows that a 25% equity share Shared Ownership home is cheaper than market entry rented housing for all dwelling sizes. A 40% equity share Shared Ownership home is also cheaper than market entry rented housing for all property sizes.

Shared Equity

3.26 Shared Equity is a product similar to Shared Ownership that is typically offered by the private sector rather than by 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 the table below. The monthly costs are based

[16] This interest rate is available as a five-year fixed product to potential homeowners with a high loan to value ratio as at April 2026. 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. Lower interest rates are available for those choosing a shorter fixed-term period, however the use of a five-year period provides a known cost for households becoming owners for a good amount of time.

on a 30-year repayment mortgage with an interest rate of 4.55% paid on the equity share owned.

3.27 Shared Equity accommodation with a 75% equity share is more expensive than entry-level market accommodation for all accommodation sizes other than two bedroom homes. It is also more expensive than all sizes of Shared Ownership accommodation. It is however cheaper than entry-level home ownership in Swale for two, three and four bedroom homes.

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

Bedrooms	*Shared Ownership – 40% equity*	*Shared Ownership – 25% equity*	*Shared equity*	*Entry-level private rent*	*Entry-level owner-occupation **
One bedroom	£597	£524	£669	£900	£637
Two bedrooms	£785	£688	£879	£1,095	£981
Three bedrooms	£1,161	£1,018	£1,300	£1,250	£1,440
Four bedrooms	£1,451	£1,272	£1,625	£1,500	£1,988

*The monthly cost of entry-level owner-occupation presuming a 30-year repayment mortgage with an interest rate of 4.55%. Source: Online estate agents survey (April 2026)

First Homes

3.28 In May 2021, the Government published the First Homes Guidance[17]. First Homes are an 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.

3.29 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. First-time buyers are the target market for this product, and this group is identified using the same definition that is used for Stamp Duty Relief for First-Time Buyers as set out in the Finance Act 2003. However, mechanisms also exist to help prioritise members of the Armed Forces and key workers.

3.30 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

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

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.

3.31 Under the previous NPPF regime there 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.'*

3.32 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'*[18]. It is useful therefore to understand whether a larger discount would be required in Swale currently. This is presented in the table below. The table suggests that a 30% discount will be sufficient to ensure newbuild properties are notably cheaper than entry-level owner-occupation for two, three and four bedroom dwellings. For one bedroom homes the 30% discount provides a cost below entry-level home ownership, but it is not a substantially lower price. A First Home with a 30% discount will address a gap in the housing market in Swale. The cost of a four-bedroom home with a 30% discount however is above the £250,000 threshold set out in the First Homes Guidance, whereas smaller homes (3 or fewer bedrooms) are within it.

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	£125,000
Two bedrooms	£230,000	£161,000	£192,500
Three bedrooms	£340,000	£238,000	£282,500
Four bedrooms	£425,000	£297,500	£390,000

Source: Online survey of property prices (April 2026)

3.33 Four-bedroom homes with a 30% discount are still priced in excess of the cap level of £250,000 (a discount of 41.2% is required for a four-bedroom home to be priced at the cap level of £250,000). It is therefore presumed that the cap will be the limiting factor for four-

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

bedroom homes, rather than the level of discount, and all modelling done on the future demand for four bedroom First Homes will assume that they are available for £250,000.

Local Housing Allowance

3.34 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.

3.35 The table below sets out the monthly LHA caps that apply in Swale, which is covered by three BRMAs: The Medway & Swale BRMA applies in the Isle of Sheppey and Sittingbourne, including Bapchild and Teynham. The Canterbury BRMA covers the eastern part of the Borough starting from the Faversham side of Teynham. The Maidstone BRMA applies to the villages on the top of the North Downs below the M2 motorway as far east as Doddington.

3.36 A comparison with the Affordable Rent levels in Swale (set out in Table 3.3) indicates that the local Affordable Rents are currently cheaper than the LHA caps. A comparison with the entry-level private rents in Swale (set out in Figure 3.6) suggests that the LHA caps are 10-30% 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.

Table 3.8 Local Housing Allowance Cap (per month)

Bedrooms	*Canterbury BRMA*	*Maidstone BRMA*	*Medway & Swale BRMA*
Room in a shared dwelling	£424	£444	£409
One bedroom	£673	£748	£673
Two bedrooms	£893	£903	£848
Three bedrooms	£1,097	£1,197	£937
Four bedrooms	£1,311	£1,546	£1,296

Source: Valuation Office Agency (2026)

Affordability of housing

3.37 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 8.77 in Swale (with a figure over 4 indicating a market adjustment is required). In comparison, the affordability ratio in 2025 in the South East was 9.58, whilst the national figure was 7.63. The affordability ratio in Swale has decreased from 9.31 since 2020. In comparison, over the same five-year period, the affordability ratio has fallen from 10.01 in the South East and reduced from 7.86 nationally.

Affordability for specific household groups

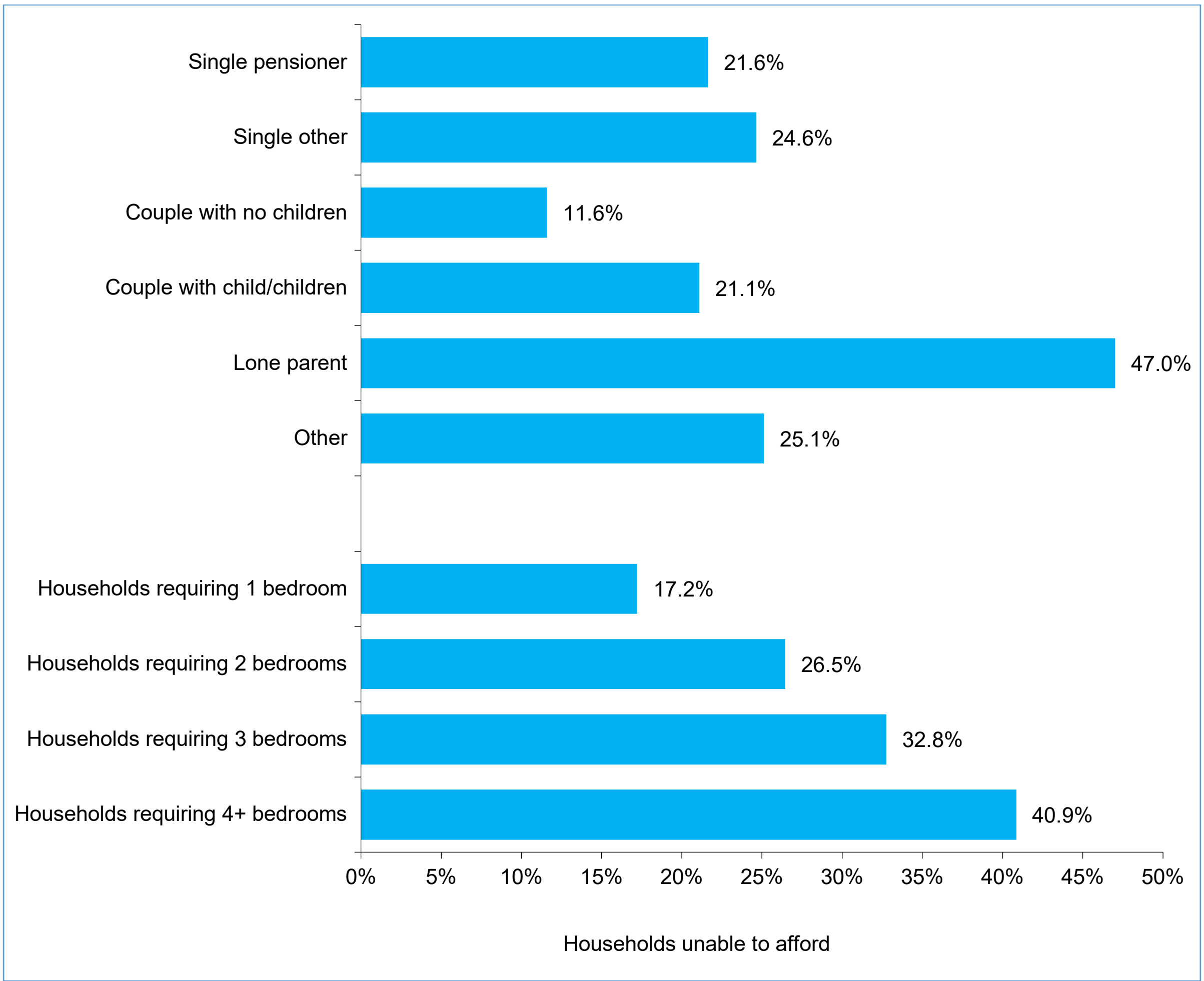
3.38 The household income distribution referred to in Figure 2.9, differentiated by household type, can be used to assess the ability of households in Swale to afford the size of home that they require (according to the bedroom standard[19]). The entry-level cost of housing by bedroom size is presented in Figures 3.3 and 3.6 and the test is based on the affordability criteria discussed above.

3.39 The figure below shows the current affordability of households in Swale 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.

3.40 The data indicates that 47.0% of lone parent households in Swale would be unable to afford market housing (if they were to move home now). Other and single person households are also relatively unlikely to be able to afford market housing, whilst couple households without children are most likely to be able to afford market housing in the Borough. Households requiring a four-bedroom home are least likely to be able to afford this size of market housing in Swale.

[19] 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.

Figure 3.9 Theoretical affordability of market housing*



*Percentage of households unable to afford both entry-level private rent and entry-level home ownership Source: HDH affordability modelling based on price survey and household income profile.

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. In December 2024, the new Government published a new Standard Method to ensure the delivery of the Government's ambition for 370,000 new homes per year nationally. The new method has been designed to provide a figure that is more stable (as it does not fluctuate so much on an annual basis), is simple to calculate, and responds to the locations where housing is the least affordable. The approach is still based on a standardised calculation using publicly available data. As set out in Paragraph 001 of the PPG[20], '*assessing housing need is the first step in the process of deciding how many homes need to be planned for.'*

4.2 This chapter describes the steps involved in the Standard Method, following the approach described in the PPG[21]. 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 in a National Park in which not all the source data are available).

4.3 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[22] 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.'*

4.4 The latest approach is followed to calculate the housing need figure for Swale. This chapter sets out the policy-off calculation of the Standard Method figure.

Step 1 – Setting the baseline

4.5 The baseline is set using the total existing housing stock for the area of the local authority sourced from the dwelling stock figures[23] 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

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

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

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

[23] 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.'

published data to be used. The most recent figures (published in May 2026) indicate that, as at the end of March 2024, there were 69,374 dwellings in Swale at the end of March 2025. Applying the proposed figure of 0.8% gives a baseline figure of 555. The table below sets out the results of Step 1 of the Standard Method.

Table 4.1 Calculating the baseline figure in Swale

Local authority area	*Totals dwellings in 2025*	*Baseline ratio*	*Baseline annual growth*
Swale	69,374	0.8%	555

Source: 2024 Dwelling stock figures (2026)0, Swale Council, 2026

Step 2 – An adjustment to take account of affordability

4.6 The baseline figure produced in Step 1 is then adjusted to reflect the affordability of the area using the most recent median workplace-based affordability ratios. Paragraph 006 of the PPG describes that 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.

4.7 The PPG is also absolute that the affordability adjustment also accounts for past under-delivery as described in Paragraph 011 of the PPG[24], 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.'*

4.8 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:

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

4.9 The table below sets out the results of Step 2 of the Standard Method calculation for Swale. The baseline figure, adjusted to take account of the most recent five-year affordability ratio in the Borough, is 1,071.

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

Table 4.2 Adjusting to take account of affordability - Swale

Five year average of affordability ratio (2021 to 2025) (a)	*Adjustment factor (((a-5)/5)*0.95)+1*	*Baseline figure*	*Baseline figure adjusted for affordability*
9.89	1.9291	555	1,071

Source: Ratio of median house price to median gross annual workplace-based earnings by local authority (2026)

Overall level of housing need

4.10 The final housing need in Swale, as assessed using the Standard Method, is **1,071** dwellings per year based on the current year 2026. Paragraph 008 of the PPG[25] 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.'*

4.11 As noted in Paragraph 012 of the PPG[26], this approach provides an annual figure which can be applied to a whole plan-period. The Local Plan for Swale is intended to run from 2027 to 2042 (15 years). The modelling of the Local Housing Need will therefore be presented over this period to inform this.

4.12 Paragraph 40 of the PPG[27] 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

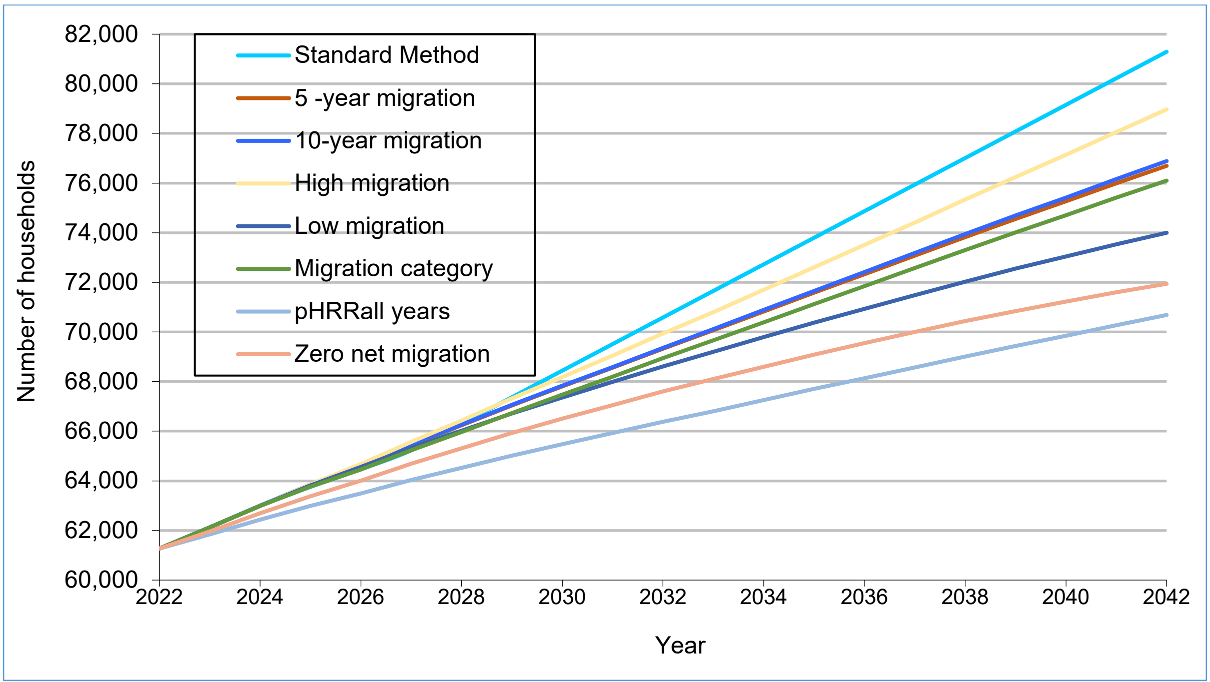
4.13 The figure of 1,071 is the final annual housing need figure in Swale. However, it is useful to compare the trajectory that it results in with the different scenarios in the recently published 2022-based household projections for the Borough. The figure below shows the projected household total in Swale for every year from 2022 through to the end of the modelling period in 2042. The figure shows the growth created by the Standard Method is notably in excess of all scenarios including both the *high migration category* variant and the *migration category* variant which the Office of National Statistics has been using as its baseline scenario. This is an ambitious level of growth for which to plan. This additional household growth has to be accurately modelled. This process is described in Chapter 5.

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

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

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

Figure 4.1 Projected number of households under different scenarios



Source: ONS 2022 household projections

Conclusion

4.14 The final housing need in Swale, as assessed using the Standard Method of December 2024, is 1,071 dwellings per year. The Standard Method will result in household growth is notably in excess of all scenarios, including both the *high migration category* variant and the *migration category* variant which the Office of National Statistics has been using as its baseline scenario.

5. Type and tenure of future housing needed

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 the previous chapter).

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 the Borough at the end of the modelling period in 2042. The second process uses secondary data to model the future demand for housing arising from this future population and compare it with 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 1,071 for Swale will result in higher household growth than in all variants of the 2022-based household projections. If these 1,071 homes per year are built, the number of households will be different to any of the official 2022-based household projections variants (as is shown in Figure 4.1). It is necessary to determine the profile of this household growth and disaggregate the total local housing need, using the NMSS model,[28] so that appropriate accommodation can be provided for the whole population of Swale up to and including 2042.

5.5 The model takes as its starting point the 2024 sub-national population estimates, which are used to inform the population profile and household composition in Swale in 2027, the start of the modelling period. The 2022-based population projections are re-based to account for the population profile in Swale recorded in 2024 by the most recent population estimates. The demographic flows within the 2022-based population projections are then used to model the future population within Swale. The 2022-based household projections are used to convert the population into a household typology, by accounting for the population living in communal housing and disaggregating the household population into household groups based on age of the household head and household composition.

[28] The model is detailed in **Appendix 1**.

5.6 The refreshed base-projections are then adjusted to align Swale's local housing need figure through two key modifications: firstly, an uplift to the household headship rates for young adults to increase household formation rates, and secondly an increase in in-migration to the Borough. This process is described below:

a. The 2022-based household projections show lower headship rates for those aged under 35 compared with the 2018-based projections, with this especially marked in the 16-18 age group. While the 2022-based rates reflect recent trends and behaviours, the uplift implied by the Standard Method provides scope for higher household formation among younger adults – an outcome that is likely if the national population remains as projected but housing supply increases beyond projected household growth. The ONS notes that the headship rates used in the 2022 based household projections are constant[29] (as were the equivalent 2018 based headship rates). To reflect a more realistic increase in household formation, the model assumes that:

- For those aged 19–24, 25–29, and 30-34 the headship rates rise linearly from the 2027 rate in the 2022-based projections to the 2032 rate in the 2018-based projections, remaining at the 2018-based level thereafter.
- For those aged 16–18, where the gap between the two projection sets is larger, headship rates rise linearly from the 2027 2022-based rate to the average of the 2018- and 2022-based rates by 2032, remaining at this level thereafter.

These adjustments increase the number of households generated from the base population, but not sufficiently to meet the full level of growth required under the Standard Method.

b. The remaining difference between the revised household total and the annual growth required under the Standard Method is met by increasing in-migration to the Borough. The age and gender profile of these additional in-migrants is informed by the differences between the in-migrants recorded within the migration-category scenario and the high-migration variant in the ONS projections. This adjustment is applied annually:

- In-migration is increased each year until the Standard Method total is reached.
- The resulting population is then aged forward to the next year, with births, deaths, and migration flows applied.
- In-migration is then increased again as needed to meet the Standard Method requirement for the following year, and so on.

29 https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/methodologies/methodologyusedtoproducehouseholdprojectionsforengland2022based

5.7 This process crates a demographic model where total household growth in Swale over the plan-period aligns to the Standard Method figure of 1,071 new households per year.

Total future population in Swale

5.8 The table below sets out the age profile of the population in Swale in 2042 according to these population projections, in comparison to the age profile of the Borough at the start of the plan-period (2027). 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 15,888 in 2027 to 20,854 in 2042, an increase of 31.3%. Some 27.3% of all people in Swale in 2042 will be aged 60 or over, with almost a third aged under 30.

Table 5.1 Age of projected population in Swale in 2042 compared with current age profile

Age	*2027 Population*	*2027 Percentage*	*2042 Population*	*2042 Percentage*
0-14	30,817	19.0%	30,190	16.0%
15-29	24,561	15.1%	30,546	16.2%
30-44	33,417	20.6%	37,472	19.8%
45-59	30,536	18.8%	39,296	20.8%
60-75	27,248	16.8%	30,760	16.3%
75+	15,888	9.8%	20,854	11.0%
Total	162,468	100.0%	189,119	100.0%

Source: Standard Method modelling based on ONS 2022 household and population projections

Economically active population

5.9 The disaggregated Standard Method projections indicate that Swale's core working-age population (those aged 16–64) will increase by 19,110 people between 2027 and 2042. To translate this population growth into an estimate of the active labour force, the analysis first applies the Office for Budget Responsibility's (OBR) labour market participation rates[30]. As defined by the OBR, the *"participation rate is the proportion of the population that is active in the labour force – that is they are either employed or unemployed and actively looking for work".* The OBR published updated participation rates in May 2027, providing national projections for every single year of age from 16 to 90 for the period 2022–2073.

5.10 To produce a locally relevant set of participation rates for Swale, these national projections are adjusted using Census 2021 data (table RM024), which records economic activity by age band at both national and local authority level. The difference between Swale's 2021

[30] https://obr.uk/forecasts-in-depth/the-economy-forecast/labour-market/#participation

participation rates and the national equivalent is applied to the OBR projections, generating a Swale-specific set of projected participation rates.

5.11 These adjusted participation rates are then applied to the projected population aged 16–90 across the plan-period. This ensures the modelling captures economic activity among older workers, reflecting national expectations that participation among older age groups will rise as the population ages and state pension ages increase. The modelling indicates that the labour force in 2042 will contain 18,139 more economically active people than in 2027. Of this increase, 15,062 are aged 16–64 (a 20.2% rise) and 3,077 are aged 65 and over (a 75.3% rise), highlighting the growing importance of older workers in the future labour market.

5.12 A final adjustment is made to account for unemployment. Applying Swale's most recent unemployment rate of 3.7% uniformly across all ages and years of the plan-period results in an estimated 17,468 additional people in employment in 2042 compared with the start of the plan-period. It is important to note that this figure does not take commuting patterns into account. Not all of these additional workers will be employed within Swale, and some residents of neighbouring areas will commute into the Borough. However, commuting is no longer a simple binary choice for most workers. Patterns of travel to work have changed significantly over the past five years, particularly with the rise of hybrid working. These shifts make it increasingly difficult to model future commuting behaviour with precision.

Household profile

5.13 This overall population projection is then converted into a household projection by:

a. Removing from the population projection an estimate of those living in communal establishments such as residential care homes. This is done using the same assumptions as in the official projections. The resulting population is known as the household population.

b. Household formation rates are then applied to the household population to produce a household projection. The household formation rates are taken from the official 2022-based household projections with the adjustment for headship rates for those headed by someone aged under 35 as described above.

5.14 The table below sets out the number of households that will be resident in Swale in 2042 disaggregated by broad household type according to these projections. The 2027 household profile is also presented as a reference point, as 2027 is the base date for this model.

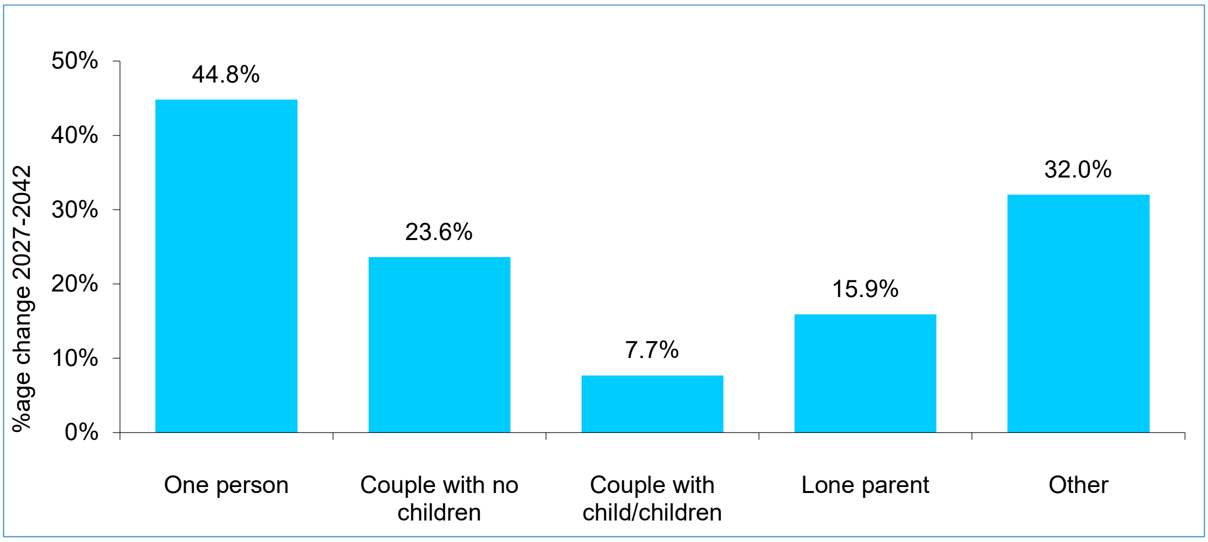
Table 5.2 Projected household population in Swale in 2042 by household type

Household type	*2027 Number*	*2027 Percentage*	*2042 Number*	*2042 Percentage*
One person	17,457	26.7%	25,282	31.1%
Couple with no children	18,343	28.1%	22,679	27.9%
Couple with child/children	17,831	27.3%	19,203	23.6%
Lone parent	7,415	11.4%	8,596	10.6%
Other*	4,218	6.5%	5,569	6.8%
Total	65,264	100.0%	81,329	100.0%

*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups. Source: Standard Method modelling based on ONS 2022 household and population projections

5.15 The figure below indicates the change in these household types that will occur between 2027 and 2042 in Swale. The figure indicates that the largest absolute and relative growth will be in one person. In contrast, the number of households with children is projected to increase at a notably slower rate.

Figure 5.1 Change in household structure in Swale, 2027 – 2042



Source: Standard Method modelling based on ONS 2022 household and population projections

Methodology of the demand model

5.16 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 2042. It is based on both an understanding of the current stock of housing in the Borough, and also the occupation patterns of households in Swale and how they are changing. It is driven by the changes projected to the composition of the population over the 15-year period, as set out above.

5.17 The Census provides information on the size (in terms of bedrooms) and tenure of accommodation in Swale in 2021. This has been adjusted to reflect the changes since 2021 to provide an accommodation profile in 2027.

5.18 The 2021 Census also provides detail on the occupational patterns of different household groups in Swale, 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 Swale, with the changes in the size of accommodation occupied within each tenure also accounted for), and models their continuation through to 2042. An affordability check is applied to ensure that this is a sustainable option. This approach is in line with the PPG.

5.19 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[31]. In terms of households where at least one resident is in work, it is presumed that an additional bedroom (beyond that implied by the bedroom standard) is required as a home office in 43.9% of households[32]. This means that the future housing stock will better reflect the requirements of the future population in the area.

5.20 This profile of suitable accommodation for each household type is applied to the size of the household group in 15 years' time. The accommodation profile required in 2042 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.

First Homes

5.21 As discussed earlier, 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 will mean that they could be suitable for some households 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.

[31] 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.

[32] This reflects the rate of home working recorded in Swale in the 2021 Census. Whilst theoretically this figure may be expected to increase over the plan-period, it is likely that the 2021 Census figure was overinflated due to the fact it took place during the coronavirus pandemic.

5.22 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 an affordability analysis of the tenure and the length of time required to save a deposit.

Tenure of housing required

5.23 The tables below show the projected tenure profile in Swale at the end of the modelling period. The profile in 2027 at the start of the plan-period is also set out for context. The data shows that, in 2042, the housing stock across Swale should comprise 66.6% owner-occupied accommodation, 17.3% private rented homes, 0.7% First Homes, 2.1% Shared Ownership properties, 2.8% Affordable Rent and 10.5% Social Rented housing.

Table 5.3 Current tenure and tenure profile projected in Swale in 2042

Tenure	*Base tenure (2027)*		*Projected tenure (2042)*	
	Number	*Percentage*	*Number*	*Percentage*
Owner-occupied	43,593	66.8%	54,153	66.6%
Private rented	12,316	18.9%	14,076	17.3%
First Homes	0	0.0%	561	0.7%
Shared Ownership	1,114	1.7%	1,747	2.1%
Affordable Rent	1,588	2.4%	2,247	2.8%
Social Rent	6,653	10.2%	8,545	10.5%
Total	65,264	100.0%	81,329	100.0%

Source: Standard Method modelling based on ONS 2022 household and population projections, Census trend data and affordability assessment

5.24 The table below shows the tenure profile required by households resident in Swale in 2042, in comparison to the tenure profile recorded in the Borough 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 65.7% of new housing in Swale should be owner-occupied, 11.0% private rented, 3.5% First Homes, 3.9% should be Shared Ownership, 4.1% Affordable Rent and 11.8% Social Rent.

Table 5.4 Tenure of new accommodation required in Swale over the 15-year modelling period

Tenure	*Base tenure profile (2027)*	*Tenure profile 2042*	*Change required*	*% of change required*
Owner-occupied	43,593	54,153	10,561	65.7%
Private rented	12,316	14,076	1,760	11.0%
First Homes	0	561	561	3.5%
Shared Ownership	1,114	1,747	633	3.9%
Affordable Rent	1,588	2,247	659	4.1%
Social Rent	6,653	8,545	1,892	11.8%
Total	65,264	81,329	16,065	100.0%

Source: Standard Method modelling based on ONS 2022 household and population projections, Census trend data and affordability assessment

Size of housing required within each tenure

5.25 The tables below present the size of owner-occupied accommodation required in Swale in 15 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 32.8% of new owner-occupied housing in Swale should be homes with four or more bedrooms, with 31.3% being for units of two bedrooms, 23.2% should have three bedrooms and 12.7% should be one bedroom accommodation.

Table 5.5 Size of new owner-occupied accommodation required in Swale over the next 15 years

Size of home	*Base size profile (2027)*	*Size profile 2042*	*Change required*	*% of change required*
One bedroom	1,275	2,613	1,338	12.7%
Two bedroom	9,410	12,718	3,309	31.3%
Three bedroom	21,507	23,956	2,449	23.2%
Four or more bedrooms	11,400	14,866	3,466	32.8%
Total	43,593	54,153	10,561	100.0%

Source: Standard Method modelling based on ONS 2022 household and population projections, Census trend data and affordability assessment

5.26 This analysis can be repeated for private rented housing and is presented in the table below. The data indicates that, of the 1,760 private rented homes required within Swale, 29.4% should be properties with three bedrooms, a further 25.6% should have one bedroom. Some 21.1% should be homes with four or more bedrooms and 23.9% should be two bedroom accommodation.

Table 5.6 Size of new private rented accommodation required in Swale over the next 15 years

Size of home	*Base size profile (2027)*	*Size profile 2042*	*Change required*	*% of change required*
One bedroom	2,141	2,592	451	25.6%
Two bedroom	4,698	5,118	421	23.9%
Three bedroom	4,436	4,953	517	29.4%
Four or more bedrooms	1,042	1,412	371	21.1%
Total	12,316	14,076	1,760	100.0%

Source: Standard Method modelling based on ONS 2022 household and population projections, Census trend data and affordability assessment

5.27 The table below shows the size of First Homes that would be required at the end of the plan-period. The potential market for First Homes is largest for four bedroom properties as the difference between the cost of a First Home and entry-level owner occupation is notably large. Some 44.6% of the requirement for First Homes is for four or more bedroom properties, 30.7% for three bedroom homes, 14.9% for two bedroom dwellings and 9.8% is for one bedroom accommodation.

Table 5.7 Potential demand for First Homes in Swale over the next 15 years

Size of home	*Number of households in 2042*	*Proportion of households 2042*
One bedroom	55	9.8%
Two bedroom	84	14.9%
Three bedroom	172	30.7%
Four or more bedrooms	250	44.6%
Total	561	100.0%

Source: Standard Method modelling based on ONS 2022 household and population projections, Census trend data and affordability assessment

5.28 The table below sets out the equivalent analysis for Shared Ownership housing. The data indicates that of the 633 Shared Ownership dwellings required within Swale, 30.2% should be two bedroom properties with a further 26.9% three bedroom accommodation. Some 24.7% should have one bedroom and 18.2% should have four or more bedrooms.

Table 5.8 Size of new Shared Ownership accommodation required in Swale over the next 15 years

Size of home	*Base size profile (2027)*	*Size profile 2042*	*Change required*	*% of change required*
One bedroom	254	410	156	24.7%
Two bedroom	349	540	191	30.2%
Three bedroom	373	543	170	26.9%
Four or more bedrooms	138	253	115	18.2%
Total	1,114	1,747	633	100.0%

Source: Standard Method modelling based on ONS 2022 household and population projections, Census trend data and affordability assessment

5.29 The table below shows the size of accommodation required in the Affordable Rented sector. Of the 659 additional Affordable Rented units required within Swale over the 15-year modelling period, 44.5% should be properties with three bedrooms, with a further 23.4% as one bedroom accommodation. Some 19.5% should have two bedrooms and 12.6% should have four or more bedrooms.

Table 5.9 Size of new Affordable Rent required in Swale over the next 15 years

Size of home	*Base size profile (2027)*	*Size profile 2042*	*Change required*	*% of change required*
One bedroom	273	427	154	23.4%
Two bedroom	660	788	129	19.5%
Three bedroom	577	870	293	44.5%
Four or more bedrooms	78	161	83	12.6%
Total	1,588	2,247	659	100.0%

Source: Standard Method modelling based on ONS 2022 household and population projections, Census trend data and affordability assessment

5.30 The table below shows the size of accommodation required in the Social Rented sector. Of the 1,892 additional Social Rented dwellings required within Swale until 2042, 35.0% should be properties with four or more bedrooms and a further 25.1% should be one bedroom accommodation. Some 23.0% should have two bedrooms and 16.9% should have three bedrooms. The figures shown in the table below represent a net requirement for new Social Rented homes over the modelling period. It should be noted that this is the net requirement for new Social Rented homes over the modelling period. If there is loss of affordable stock, such as through units being required to be demolished due to being of unsuitable quality, these would also need to be replaced. Similarly, if there is loss of affordable stock through Right-to-Buy, this will also need to be replaced.

Table 5.10 Size of new Social Rent required in Swale over the next 15 years

Size of home	*Base size profile (2027)*	*Size profile 2042*	*Change required*	*% of change required*
One bedroom	1,898	2,373	475	25.1%
Two bedroom	1,999	2,434	435	23.0%
Three bedroom	2,589	2,909	320	16.9%
Four or more bedrooms	167	829	662	35.0%
Total	6,653	8,545	1,892	100.0%

Source: Standard Method modelling based on ONS 2022 household and population projections, Census trend data and affordability assessment

6. Affordable housing need

6.1 As required by 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 (April 2026) and does not consider likely future changes to the housing market that may impact the results, 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 2** presents 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 Swale[33] 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 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[34] 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).

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 Local Plan period of 15 years will be used. 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). The table below sets out this process.

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[33] 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.

[34] Reference ID: 2a-024-20190220.

It leads to a total need for affordable housing of 304 per year in Swale. 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 Swale

Stage in calculation	
Stage 1: Current unmet gross need for affordable housing (Total) (Table A2.3)	2,318
Stage 2: Newly arising affordable housing need (Annual) (Table A2.5)	722
Stage 3: Current affordable housing supply (Total) (Table A2.6)	2,169
Stage 4: Future housing supply (Annual) (Table A2.9)	428
Stage 5.1 Net current need (Stage 1 minus Stage 3) (Total)	149
Stage 5.2 Annualise net current need (Stage 5.1 divided by 15) (Annual)	10
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	**304**
Total gross annual need (Stage 1 divided by 15 + Stage 2) (Annual)	876
Total gross annual supply (Stage 3 divided by 15 + Stage 4) (Annual)	572

Source: Range of data – see appendix 2 for details

Overall households in affordable housing need by type (gross)

6.7 The table below gives a breakdown of the gross annual households in need, by household type, in Swale. The table shows that some 4.3% of lone parent households are in housing need compared with 0.9% of couple only households. Overall, lone parent households comprise over a 40% of all households in need.

Table 6.2 Annual need requirement by household type in Swale

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	175	17,283	17,457	1.0%	22.6%
Couple with no children	157	18,186	18,343	0.9%	20.3%
Couple with child/children	172	17,659	17,831	1.0%	22.3%
Lone parent	321	7,094	7,415	4.3%	41.5%
Other	51	4,167	4,218	1.2%	6.6%
Total	876	64,388	65,264	1.3%	113.3%

Source: Range of data – see Appendix 2 for details

Type of affordable home required

6.8 As discussed earlier, a range of affordable products is available to meet affordable housing need in Swale. This section will consider the suitability of these different products for meeting affordable housing need.

6.9 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. The table below illustrates how many households in affordable housing need in Swale 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.

6.10 The table shows that, of the 876 households in need each year in Swale, 8.7% could afford a First Home, 6.1% could afford shared equity, 13.4% could afford Shared Ownership with a 40% share, 26.5% could afford Shared Ownership with a 25% share, 5.2% could afford Intermediate Rent and 28.0% could afford Affordable Rent. Some 68.0% 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 Swale

Product	*One bed*	*Two bed*	*Three bed*	*Four bed*	*Total*	*Total (%)*
First Homes	6	64	7	-	76	8.7%
Shared equity	6	40	7	-	53	6.1%
Shared Ownership – 40% equity share	19	78	16	4	117	13.4%
Shared Ownership – 25% equity share	54	116	42	20	232	26.5%
Intermediate Rent	-	16	16	13	45	5.2%
Affordable Rent	28	106	80	31	245	28.0%
Social Rent/requires assistance	198	208	109	81	596	68.0%
All households	251	324	190	112	876	100.0%

Source: Range of data – see appendix 2 for details

Sensitivity analysis - affordability threshold

6.11 The results presented in this chapter are based on using an affordability test where the cost of housing for those aspiring to rent privately can constitute up to 35% of gross income and still be affordable in Swale, reflecting the current market reality. 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 Swale where the cost of housing those aspiring to rent privately 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.

6.12 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. This has been modelled for all scenarios; however, it is possible that the assumptions around tenure aspiration may underestimate the demand for owner-occupation. Therefore, for reference, a scenario is also included that presumes all households aspire to owner occupation. The final column in the table shows the results of the affordable housing need model if all households were tested for their ability to afford market entry owner-occupation rather than market rents.

6.13 The table indicates that the net requirement would increase from 304 to 357 affordable homes per year in Swale if 30% of gross household income could be spent on housing costs. This would increase further to 424 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 437 affordable homes per year.

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

	For those not aspiring to home ownership, rent payable constitutes no more than:			*Market entry is based only on owner-occupation for all households*
	Affordability threshold: 35% of gross household income	*30% of gross household income*	*25% of gross household income*	
Stage 1: Current gross need	2,318	2,577	2,794	2,654
Stage 2: Newly arising need	722	760	810	832
Stage 3: Current supply	2,169	2,203	2,169	2,169
Stage 4: Future supply	428	428	428	428
Stage 5.1 Net current need	149	375	625	485
Stage 5.2 Annual net current need	10	25	42	32
Stage 5.3 Total annual need	**304**	**357**	**424**	**437**

Source: Range of data – see appendix 2 for details

7. Requirements of specific groups

7.1 Paragraph 61 of the NPPF seeks that '... *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 the 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 Swale and there is notable new data on these groups available since the previous report:

- Older persons
- People with disabilities
- Family households
- The private rented sector

7.4 This chapter will also comment on the level of demand from people wishing to build their own homes. It is important to note that the section on people wishing to build their own homes is reproduced from the 2022 LHMA report, as no significant new data has been published for this topic area.

Housing Needs of Older People

7.5 Paragraph: 001 of the PPG[35] 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*.'

7.6 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.

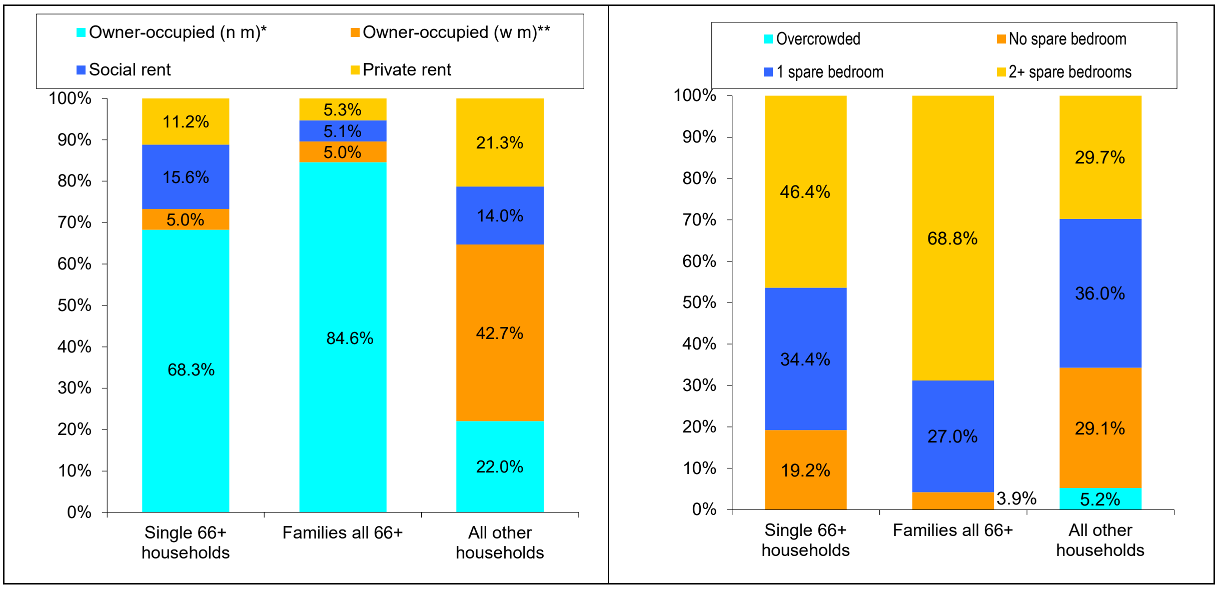
Current situation

7.7 The 2021 Census shows that some 19.1% of the population in the Borough were aged 65 or over. This compares to a figure of 19.4% across the South East region and 18.4% nationally. According to the 2021 Census, 23.1% of households in Swale were older person only households (households where all members are 66 and over), compared to 23.4% regionally and 22.0% nationally. Of these older person only households in Swale in 2021, 56.2% contained only one person, a figure lower than that recorded in the South East (56.6%) and England (58.3%).

7.8 The figure below shows the tenure profile of older person only households in Swale in 2021 compared to the remainder of the household population. The figures also set out the occupancy level of these groups. The results show that both of the older person groups record a higher level of owner-occupation than other households. Single older persons are also more likely to reside in Social Rented accommodation. Older person households were also more likely than average to have multiple spare bedrooms in their home.

[35] Reference ID: 63-001-20190626

Figure 7.1 Profile of accommodation for older person households in Swale



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

Future requirement

7.9 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 Swale over the modelling period; from 32,242 in 2027, to 40,411 in 2042, a rise of 25.3%. The projections also suggest that there will be an increase in the number of households headed by someone over 65 in Swale from 21,015 in 2027, to 26,478 in 2042, an increase of 25.9%. The projections indicate that the proportion of older persons living alone in Swale will increase from 44.6% in 2027, to 46.0% in 2042. The results of the LTBHM model can be disaggregated into different household groups within the whole population. The table below shows the projected accommodation profile for older person households in Swale in 2042 arising from that model.

Table 7.1 Type of accommodation projected for ‘older person only’ households in Swale in 2042*

Size of home	*Owner occupied*	*Private rented*	*First Homes*	*Shared Ownership*	*Social/ Affordable Rented*
1 bedroom	1,009	583	3	47	2,030
2 bedroom	6,919	976	1	27	1,022
3 bedroom	9,685	413	0	4	199
4+ bedrooms**	3,465	62	0	0	32
Total	21,079	2,035	4	78	3,282

*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. **The requirement for four-bedroom homes reflects that there will multi-generational households headed by someone aged over 65 that will require a large dwelling and also that there will continue to be a small amount of under-occupation by older persons households (especially in the owner-occupied sector).

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 Swale in 2042 (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[36] 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 a Healthy Life 12[37] Standards (these are broad design principles) and adopting the Accessible and Adaptable Standards[38] of construction, as set out in the Building Regulations. The Council will need to determine which approach is most suitable for the Council's requirements and this may vary for different sites in the Borough.

Specialist accommodation

7.12 Given the notable growth in the older population, and the higher levels of disability and health problems amongst older people, there is likely to be an increased requirement for specialist housing options. As Paragraph 004 of the PPG[39] 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'*. 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.

7.13 According to the latest published information and the latest Census data, there are 653 units of Sheltered housing for older people/retirement housing[40] in Swale currently, alongside 128 Extracare units/supported living housing[41]. It is worth noting that 67.7% of the Sheltered

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

[37] BFL-2020-Brochure.pdf

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

[39] Reference ID: 63-001-20190626

[40] 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.

[41] 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.

housing for older people/retirement housing is in the affordable sector, as is all of the Extracare units/supported living housing, despite the overwhelming propensity of older persons only households to be owner-occupiers.

7.14 The current prevalence of Sheltered housing for older people/retirement housing in Swale is 42 per thousand head of population aged 75 or over, with the prevalence rate for Extracare units/supported living housing being 8 per thousand head of population aged 75 or over. The SHOP model helps 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.

7.15 For the purposes of this study, it is presumed that these prevalence rates will move towards the latest trends in the occupation of this accommodation nationally. Demand for Extracare units/supported living housing has notably expanded as the demand for registered care (discussed below) has reduced. The target prevalence rates for Swale are 80 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/supported living housing.

7.16 To establish the potential demand for these accommodation types in Swale at the end of the modelling period, these target prevalence rates are applied to the total number of people aged 75 or over in Swale in 2042 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 the table below. 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 2042, as evidenced in Table 7.1.

7.17 To meet likely future demand rates in 2042, the model identifies a requirement for 1,015 additional units of Sheltered housing for older people/ retirement housing and 289 additional Extracare units/ supported living housing in Swale over the modelling period. Of the 1,015 new units of Sheltered housing for older people/retirement housing, some 54.0% should be market accommodation, with the remainder affordable. Of the 289 new Extracare housing/ supported living housing, 57.4% should be market and 42.6% affordable. These are Class C3 dwellings.

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

Type of specialist accommodation	*Tenure*	*Base profile (2027)*	*Profile 2042*	*Additional units required*
Sheltered housing for older people/ retirement housing	Market	211	759	548
	Affordable	442	909	467
	Total	653	1,668	1,015
Extracare housing/supported living housing	Market	0	166	166
	Affordable	128	251	123
	Total	128	417	289
All specialist accommodation for older person households	Market	211	925	714
	Affordable	570	1,160	590
	Total	781	2,085	1,304

7.18 The requirement for 1,304 additional specialist units for older person households represents 8.1% of the total household growth in Swale for the period 2027 to 2042. 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 Care[42]. According to the latest published figures, there are around 758 spaces in nursing and residential care homes in Swale currently. It is estimated that around 31% of these are in the affordable sector, with the remaining being 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 2042, there will be 1,124 people aged 65 and over in Swale that will be resident in Registered Care[43]. This implies that there will be a requirement for 366 additional Registered Care spaces between 2027 and 2042, of which 55.6% should be in the affordable sector and 44.4% within a market tenure. The table below details these calculations.

[42] 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.

[43] This figure is dependent on the communal population rates (separated by age and gender), that have been produced through to 2042 as part of the 2018-based household projections dataset, which has been adjusted to reflect what the 2021 Census showed was the situation in Swale. The Census revealed that nationally demand for registered care has reduced amongst older persons between 2011 and 2021.

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

Tenure	*Base profile (2027)*	*Profile 2042*	*Additional units required*
Market	520	683	163
Affordable	238	442	204
Total	758	1,124	366

7.21 The table below brings together the analysis, presented in the previous three tables, to show the full profile of accommodation required by older persons in Swale at the end of the modelling period.

Table 7.4 Type of accommodation required for older persons in Swale in 2042

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	1,150	348	94	1,266	627	186
2 bedrooms	7,413	411	72	703	282	65
3 bedrooms	10,098	-	-	203	-	-
4+ bedrooms	3,527	-	-	32	-	-
Total in households	22,189	759	166	2,203	909	251
Residential care	683			442		

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 Swale 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 next section looks at the role of adaptations to help households remain in their own home.

7.23 It should be noted that the general housing that older people aspire to reside in includes age-restricted general market housing. This is non-specialist housing located on sites that are exclusively used by older people, typically those aged 55 or over. It is hard to gauge the future demand for this accommodation as there is limited evidence of the current supply in Swale, however it is envisaged that this will increase as the population ages over the modelling period and the Council should monitor whether the existing provision is able to meet demand.

People with disabilities

7.24 Paragraph: 002 of the PPG[44] 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 70 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

7.25 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. It identified people who were disabled under the Equality Act, separated between those whose day-to-day activities were limited a lot and those whose day-to-day activities were 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.

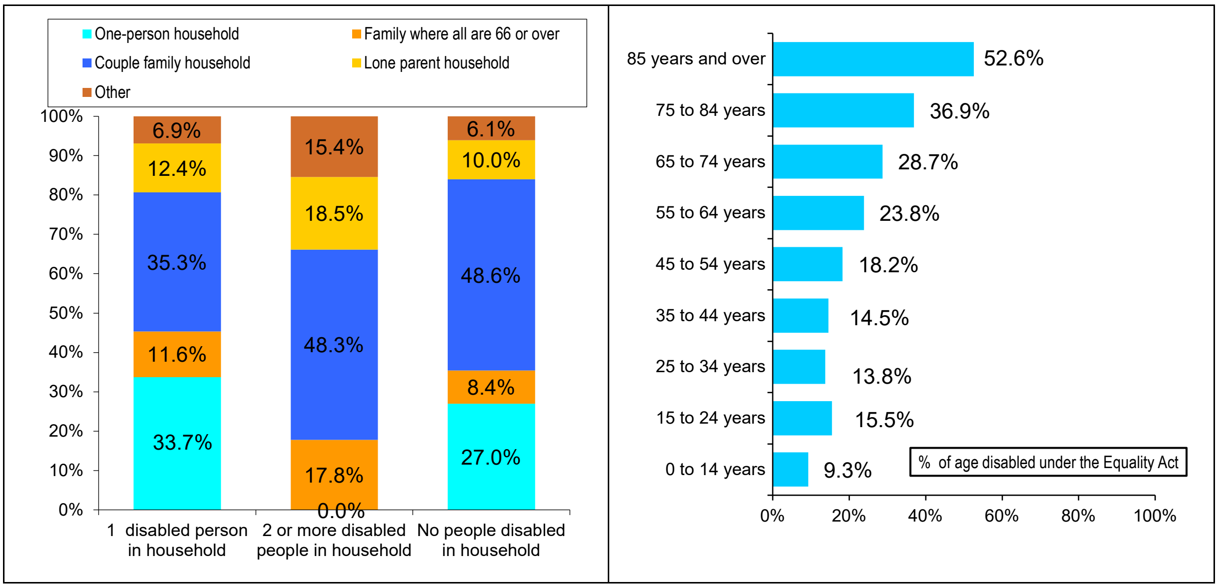
7.26 The Census shows that, in 2021, some 19.5% of the resident population in Swale are disabled under the Equality Act, compared to 16.1% in the South East and 17.3% nationally. Further analysis shows some 42.8% of all residents disabled under the Equality Act in Swale had a condition that limited day-to-day activities a lot, with 57.2% having a condition that limited activities a little. In the South East, 38.8% of all residents disabled under the Equality Act had a condition that limited day-to-day activities a lot and 61.2% had a condition that limited activities a little, with the equivalent national figures being 42.4% and 57.6% respectively. Finally, the 2021 Census shows that 7.3% of residents in Swale are not disabled under the Equality Act but have a long term physical or mental health condition but day-to-day activities are not limited, compared to 7.5% regionally and 6.8% nationally.

7.27 The figure below shows the household profile of people disabled under the Equality Act in Swale in 2021 compared to the remainder of the population. The figure also sets out the prevalence of a disability in the different age groups of the population. The results show that

[44] Reference ID: 63-002-20190626

in Swale, some 33.7% 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.

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



Source: 2021 Census

Number of people in receipt of relevant benefits

7.28 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, as at January 2026, there were 12,222 people in Swale in receipt of PIP, which equated to 7.6% of the population in the Borough. In comparison, some 4.7% of the population across the South East and 6.2% of the population of England were in receipt of PIP.

7.29 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 August 2025, there were 4,653 people in Swale in receipt of Attendance Allowance, which equated to 2.9% of the population in the Borough. In comparison, some 2.6% of the population in the South East and 2.8% of the population nationally were in receipt of Attendance Allowance.

7.30 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

7.31 The Projecting Older People Information System (POPPI) website[45] and the parallel Projecting Adult Needs and Service Information (PANSI) website[46] model the current and likely future incidence of a range of health issues for each authority in England. The table below sets out the number of people estimated to have one of five health conditions currently as determined by these data sources. The table also indicates the number of people projected to have these conditions in 2042, derived by applying the future prevalence rates used by the POPPI and PANSI modelling to the disaggregated future population for Swale in 2042, as identified within the local housing need calculation. The table then goes on to report the current and future population in Swale 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.

7.32 The table shows that the number of those aged 65 or over disabled under the Equality Act, is expected to increase by 27.5% between 2027 and 2042 in Swale. This compares to an increase of 16.0% in the number of people aged 18-64 in the Borough with impaired mobility, a rise of 20.2% in the number of people aged 18-64 in Swale with a common mental health disorder, an increase of 40.8% in the number of people aged 65 or over with dementia[47], and an increase of 21.1% in the number of people in Swale with a moderate or severe learning disability.

7.33 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 55.0% between 2027 and 2042, compared to an increase of 58.8% in the number of people aged 65 and over who need help with at least one domestic task, an increase of 50.9% in the number of people aged 65 and over who need help with at least one self-care activity and an increase of 18.5% 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.

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

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

[47] 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 7.5 Number of people with particular health issues projected over the modelling period in Swale

Condition	2027	2042	Total change	% change
Health condition				
People aged 65 or over disabled under the Equality Act	11,170	14,241	3,071	27.5%
People aged 18-64 with impaired mobility	7,799	9,043	1,245	16.0%
People aged 18-64 with a common mental health problem	18,068	21,710	3,642	20.2%
People aged 65 and over with dementia	2,221	3,128	907	40.8%
People all ages with a learning disability	3,141	3,803	662	21.1%
People requiring assistance with activities				
People aged 65 and over that are unable to manage at least one mobility activity on their own*	4,967	7,700	2,733	55.0%
People aged 65 and over who need help with at least one domestic task**	7,541	11,971	4,430	58.8%
People aged 65 and over who need help with at least one self-care activity***	7,815	11,795	3,980	50.9%
People aged 18-64 with a serious personal care disability****	847	1,004	157	18.5%
All people	162,468	189,085	26,617	16.4%

*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, 2026, disaggregated local housing need figures, 2026.

Accessible and adaptable housing

7.34 The Nationally Described Space Standards (which set out national minimum space standards) published by the Department for Communities and Local Government in 2015[48] 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

48 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/524531/160519_Nationally_Described_Space_Standard____Final_Web_version.pdf

of dwellings to meet the Accessible and Adaptable dwellings M4(2) and Wheelchair user dwellings M4 (3) standards[49].

7.35 Paragraph 008 of the PPG[50] 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.'*

7.36 The PPG[51] 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 and wheelchair housing standards. 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 needs and specialist homes. The other data sources used in the model include the age profile of people in receipt of Disability Living Allowance in the Borough, the Council's housing register, 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.

7.37 The steps followed in the model to derive the future requirement for adaptable and accessible housing are set out below:

- The CORE LA Area Lettings Reports for the last three years (2022/23 to 2024/25) 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[52] stock.
- It is presumed that all of the requirement for adapted housing in the supported housing stock is from older persons households. To determine the requirement for adapted housing within the general stock that arises from households over 65, the proportion of adults in receipt of the higher rate of the Disability Living Allowance that are aged

[49] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/540330/BR_PDF_AD_M1_2015_with_2016_amendments_V3.pdf

[50] Reference ID: 63-008-20190626

[51] Reference ID: 56-007-20150327

[52] Supported housing in this context refers to specialist housing for households (mainly older person households), such as that listed in Table 7.2.

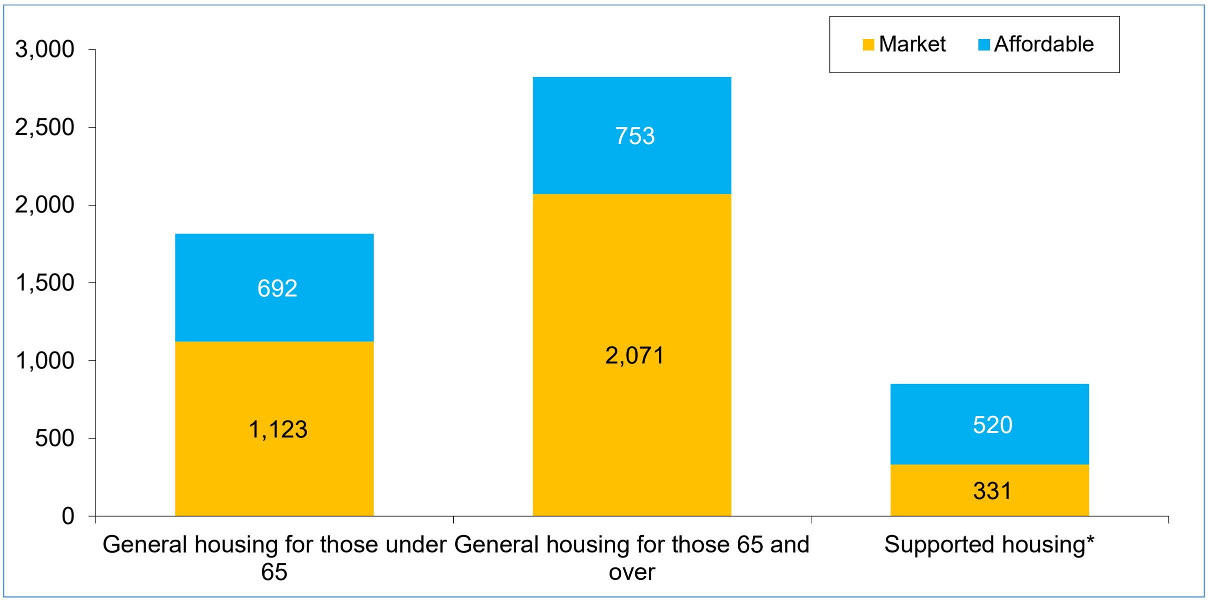
65 or over in the authority, as at November 2025, is calculated using the data published by the Department for Work and Pensions[53]. In Swale this figure is 68.2%. It is therefore presumed that this proportion of the demand for adapted housing within the general stock arises from households over 65, with the remainder arising from younger households.

- The total of the number of lettings of adapted housing 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 2027 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 in Swale as modelled using the PANSI data set out in Table 7.5 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 Swale as modelled using the POPPI data set out in Table 7.5 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 2042 in Swale for the three different household groups. These are then divided by tenure, based on the tenure profile of these groups recorded in 2027, but also taking account of the changes in the tenure profile for each group that are projected to happen by 2042 according to the LTBHM model.

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

7.38 The figure below shows the final result of this model.

Figure 7.3 Number of accessible and adaptable homes required in Swale in 2042



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

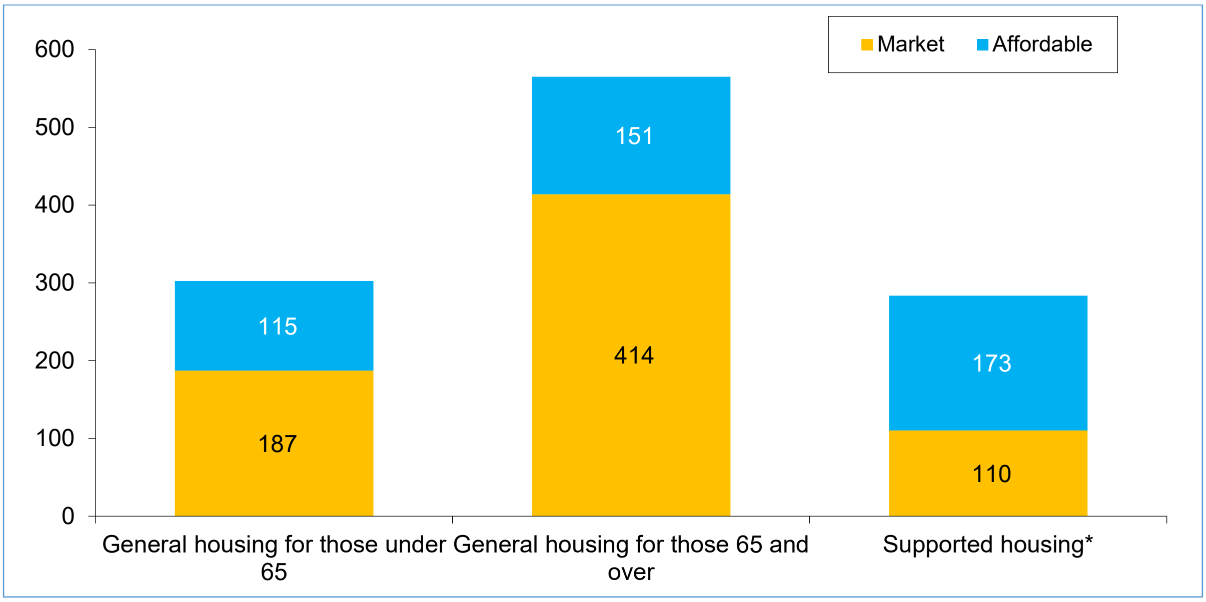
7.39 The figure indicates the requirement, for accessible and adaptable homes, in Swale in 2042, differentiated by setting, age group and tenure. In total, 5,490 accessible and adaptable homes are required in 2042 in Swale, of which 3,525 should be in the market sector and 1,965 in affordable accommodation. Of the 5,490 accessible and adaptable homes required, 4,640 should be in the general housing stock and 851 in supported accommodation.

7.40 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 fulfil this criteria in Swale currently, and therefore there is not a detailed profile of the current stock from which to derive a net requirement.

7.41 Overall, the requirement for 5,490 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 8.4% of the total stock should be available to meet this criteria. This is an estimated requirement for M4(2) Category 2 accessible and adaptable homes.

7.42 There is also a requirement for M4(3) Category 3 homes - wheelchair user dwellings. Using the same data sources (but focusing on the requirement for a fully wheelchair accessible housing within those that require a property with mobility adaptions as indicated in the Council's housing register), it is possible to follow the same method to produce equivalent results that identify the future requirement for a wheelchair accessible home in Swale in 2042.

Figure 7.4 Number of wheelchair user dwellings required in Swale in 2042



*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 wheelchair user dwellings in Swale in 2042, differentiated by setting, age group and tenure. In total, 1,151 wheelchair user dwellings are required in 2042 in Swale, of which 712 should be in the market sector and 439 in affordable accommodation. Of the 1,151 wheelchair user dwellings required, 867 should be in the general housing stock and 284 in supported accommodation. Overall, the requirement for 1,151 wheelchair user dwellings will mean that, by the end of the modelling period, around 1.8% of the total stock should be available to meet this criteria.

7.44 It is important to note that the PPG[54] is clear that the suitability of these requirements should be assessed to determine whether they are viable, and also that the Council 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

7.45 In addition to specialist accommodation, the Council helps people to remain in their current home by providing support and assistance. Any adaptions 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. In this context, paragraph 005 of the PPG[55] 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*

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

[55] Reference ID: 63-005-20190626

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

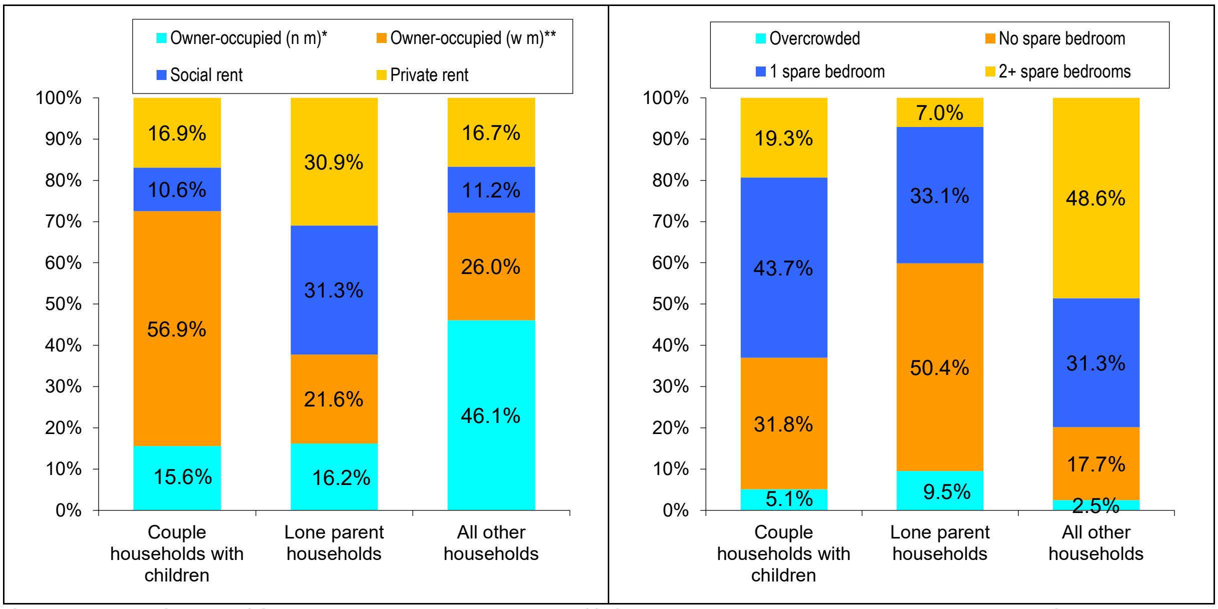
Current situation

7.46 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, 38.7% of households in Swale were families with children, a figure higher than both the regional average (36.8%) and the national average (36.3%).

7.47 The figure below shows the tenure profile of the two main types of 'family with children' households in Swale in 2021 compared to the remainder of the household population. The figure also set out the occupancy level of these groups.

7.48 The data shows that there are notably fewer owner-occupiers with no-mortgage amongst couple households with children than amongst other households in Swale. Lone parents 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 Swale.

Figure 7.5 Profile of accommodation for family households in Swale



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

Future requirement

7.49 The disaggregated local housing need projections indicate that the total population of families with children is going to rise from 25,246 in 2027 to 27,799 by 2042, a growth of 10.1%. It is estimated that the proportion of lone parent families within this group will grow from 29.4% in 2027 to 30.9% in 2042.

7.50 The table below shows the projected accommodation profile for family households in Swale in 2042 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 2042, 51.0% of Shared Ownership dwellings and 55.9% of First Homes will be occupied by family households.

Table 7.6 Type of accommodation projected for households with dependent children in 2042 in Swale

Size of home	*Owner occupied*	*Private rented*	*First Homes*	*Shared Ownership*	*Social/ Affordable Rented*
1 bedroom	0	0	0	0	0
2 bedroom	2,054	519	27	286	1,663
3 bedroom	10,364	1,004	105	425	2,993
4+ bedrooms	6,848	516	181	179	633
Total	19,266	2,039	314	891	5,289

The private rented sector (PRS)

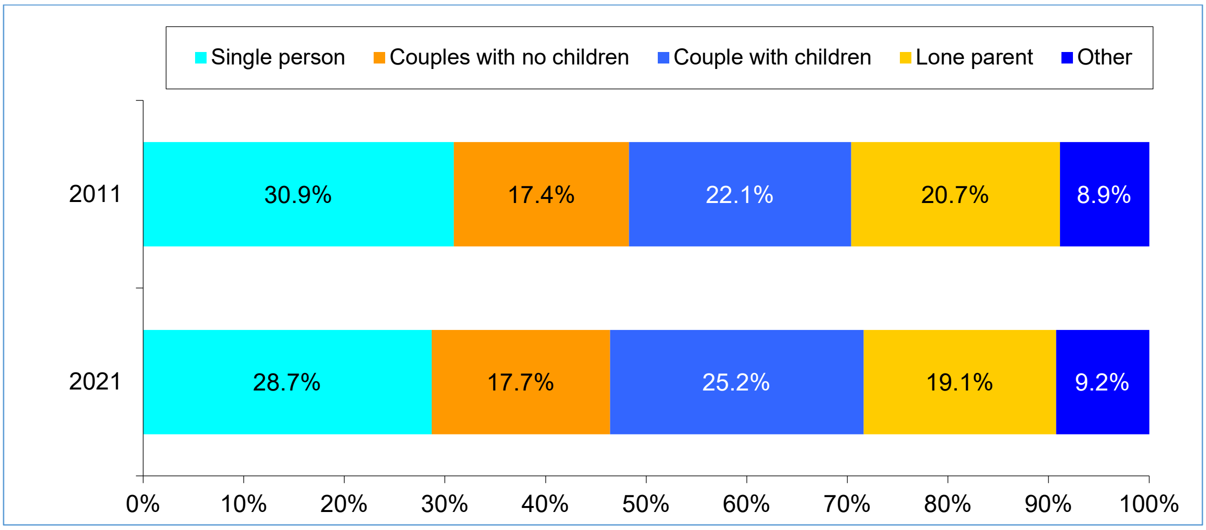
Growth

7.51 The current tenure profile in the Borough was modelled as part of the LTBHM model. This estimated that there are 20,079 private rented households in Swale in 2027, which represents 18.9% of households in the Borough. The private rented sector (PRS) is becoming increasingly important in Swale; as shown in Figure 2.13, the data indicates that it increased by 21.9% in the Borough between 2011 and 2021 and at a greater rate than was recorded regionally and nationally. The proportion of households in the private rented sector in Swale is lower than in the South East and England as a whole.

Those resident in the tenure

7.52 The figure below compares the household composition of the private rented sector in Swale in 2021, with the profile of households who are resident in the private rented sector in Swale in 2011. The data shows that not only has the tenure grown, but it has become more diverse with a decrease in the common household group, single persons, and an increase in all other household types within the sector (with the exception of lone parent households which have also reduced).

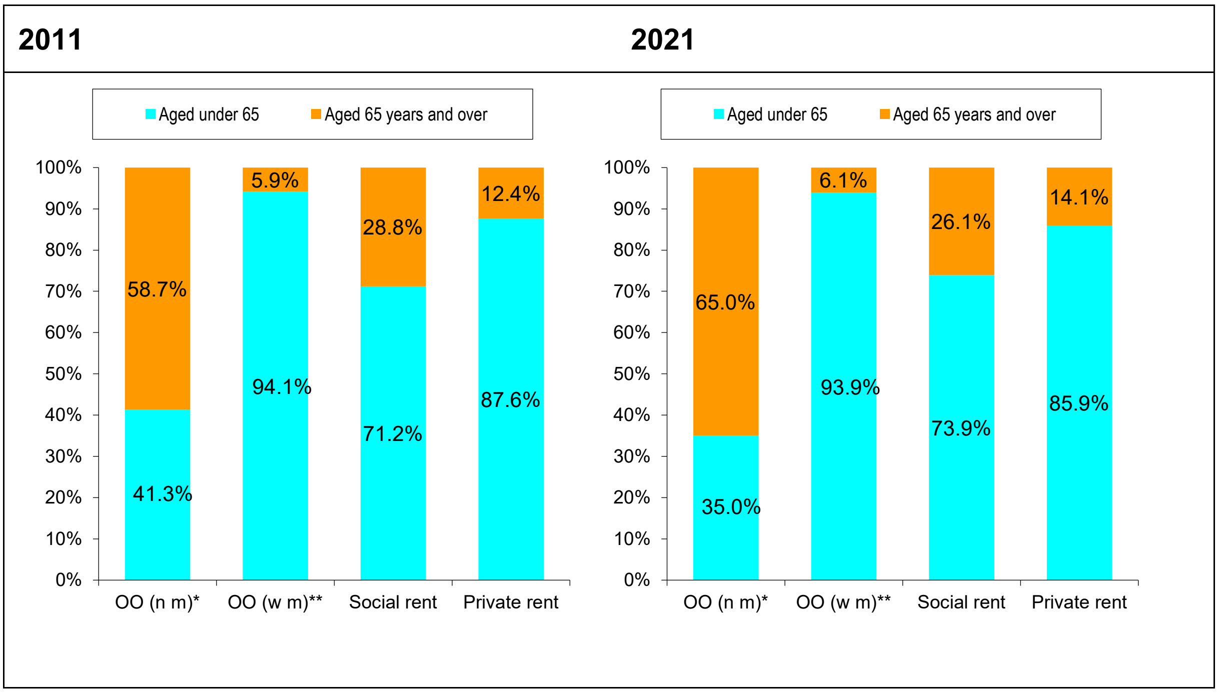
Figure 7.6 Change in the household composition of the PRS in Swale



Source: 2011 and 2021 Census

7.53 The figure below shows that whilst the private rented sector has diversified, it is still notably unlikely to be occupied by older households, with over 85% of household reference persons aged 64 or under. The proportion of older households in this tenure has however increased between 2011 and 2021.

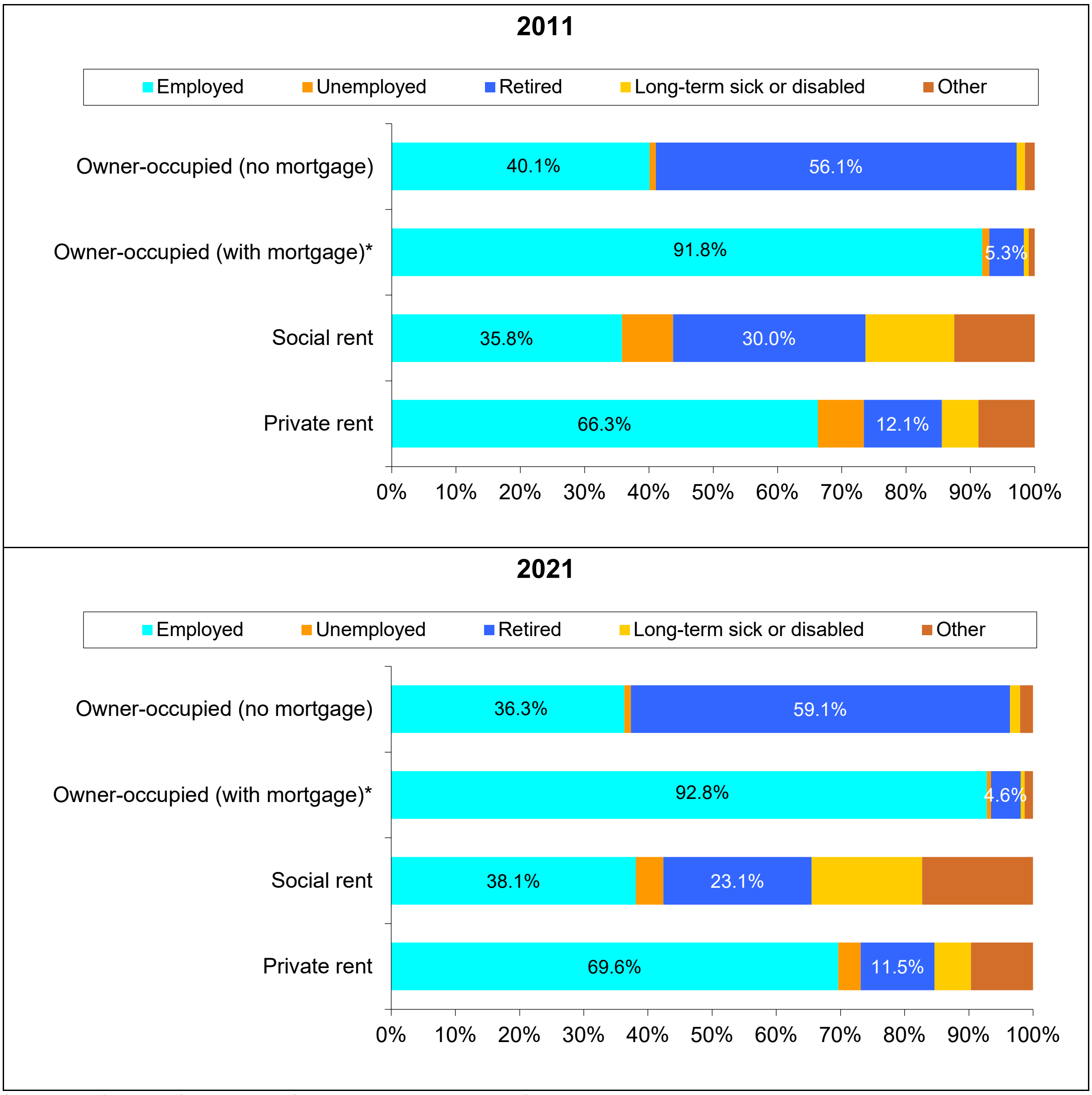
Figure 7.7 Age of household reference person within each tenure in Swale, 2011 & 2021



Census *Owner–occupied no mortgage ** Owner-occupied with mortgage, includes Shared Ownership. Source: 2011 and 2021 Census

7.54 The figure below shows that whilst the majority of household heads in the private rented in Swale are in work, there are a number where the household head is unemployed or retired. It is also clear that the proportion of employed household heads in the private rented sector has increased slightly over the last decade.

Figure 7.8 Change in the economic activity of household reference person by tenure in Swale, 2011 to 2021



*Includes Shared Ownership, Source: 2011 and 2021 Census

7.55 The LTBHM model set out earlier has been used to model the future housing market. This indicates that the private rented sector is likely to grow further in importance in Swale over the plan-period with the number of homes in the tenure projected to increase by 1,760 households by 2042, a growth of 14.3%.

Current trends

7.56 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 mean private rents over the last five years. This data is disaggregated by accommodation size and location. The table shows for example that, between 2021and 2026, mean two bedroom rents increased by 30.1% in Swale.

7.57 Overall, the data suggests that the private rented sector is not under unusual pressure in Swale, as rent levels have not risen at a greater rate to that recorded regionally and nationally. The rises in one and three bedroom rents in Swale are overall the highest, but there is not a great difference between different size homes.

Table 7.7 Change in mean private rents charged in Swale, the South East and England between 2021 and 2026

Area	One bedroom	Two bedrooms	Three bedrooms	Four+ bedroom
Swale	30.8%	30.1%	30.8%	28.2%
South East	31.9%	30.9%	31.7%	29.7%
England	32.7%	32.3%	33.3%	31.3%

Source: Office of National Statistics, February 2021 and February 2026

The benefit-supported private rented sector

7.58 Data available from the Department of Work & Pensions[56] indicates that there were 5,763 households in the private rented sector in Swale who were either in receipt of Housing Benefit or were receiving the Housing Element of Universal Credit in November 2025. This represents 48.1% of all households in the tenure and is notably higher than the equivalent proportion of households in the sector both regionally and nationally (some 30.1% of private rented households in the South East were in receipt of one of these benefits as were 33.3% of private rented households across England).

7.59 Further analysis shows that the number of private rented tenants in receipt of assistance with their housing costs in Swale has increased by 10.9% between 2020 and 2025, in comparison to a regional reduction of 4.1% and a national decrease of 4.3% over the same period.

7.60 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 notable gap between the two.

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

The housing costs of households in need would not be fully met if they were to reside in this sector, as noted earlier in Chapter 3.

People wishing to build their own homes

7.61 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 62. Swale Council has launched a list for people interested in undertaking a self-build development to register themselves. As at April 2022, this had 108 applicants from individuals and four from associations. Analysis of the individuals that have applied to the register indicates that, 9 applications were made in 2016, 28 in 2017, 16 in 2018, 11 in 2019, 19 in 2020, 18 in 2021 and 7 in 2022 so far (to April).

7.62 People interested in self-build on the Council's self-build register generally aspire towards a larger home, they also prefer a more rural location and there is also a high level of interest in building dwellings with a low environmental impact.

7.63 The PPG suggests that data from the Council's self-build register can be supplemented by information collated on the Self Build Portal[57]. The Self Build Portal presents a limited amount of self-build data at a Local Authority level (it contains more information on the national situation). This source assesses the relative level of self-build demand in each authority in England, which is presented in the table below.

Table 7.8 Demand for self-build plots per 100,000 people, 2019

Area	Demand per 100,00 people
Swale	42
Canterbury	92
Maidstone	175
Medway	24
Ashford	17

Source: Self Build Portal

7.64 Swale is assessed as having a demand for 42 self-build plots per 100,000 people in 2019. This figure is in the middle of the range recorded by the neighbouring authorities. The Self Build Portal also indicates that there was an increase in the number of people on the self-build register by 18 between 2018 and 2019 in Swale, which suggests that demand for self-build properties in the Borough is growing, albeit slowly.

[57] https://nacsba.org.uk/

8. Conclusions and Summary

8.1 Chapter 4 documented the derivation of the overall housing need in Swale following the revised Standard Method set out in paragraph 004 of the PPG[58]. This indicated that the requirement is for 1,071 dwellings per year which equates to 16,065 new homes over the 15-year plan-period (2027 to 2042). The report has not found any evidence to suggest that the Standard Method should be deviated from in Swale.

8.2 The report has presented two main models, the Long Term Balancing Housing Markets (LTBHM) model (Chapter 5), which disaggregates the revised 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[59] 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.'*

8.3 Planning authorities should consider whether the housing target in their 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.

8.4 The total annual affordable housing need in Swale of 304 per year (as set out in Chapter 6) represents 28.4% of the annual planned growth in the Borough of 1,071 dwellings per year. It would be reasonable to expect this proportion of new housing as affordable to be delivered on housing sites in Swale, where a figure of 30% would be plausible (subject to viability).

8.5 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 2027 and 2042). This model provides the profile of housing appropriate to meet the population over the plan-period and is directly derived from the calculations used to determine the Standard Method local housing need.

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

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

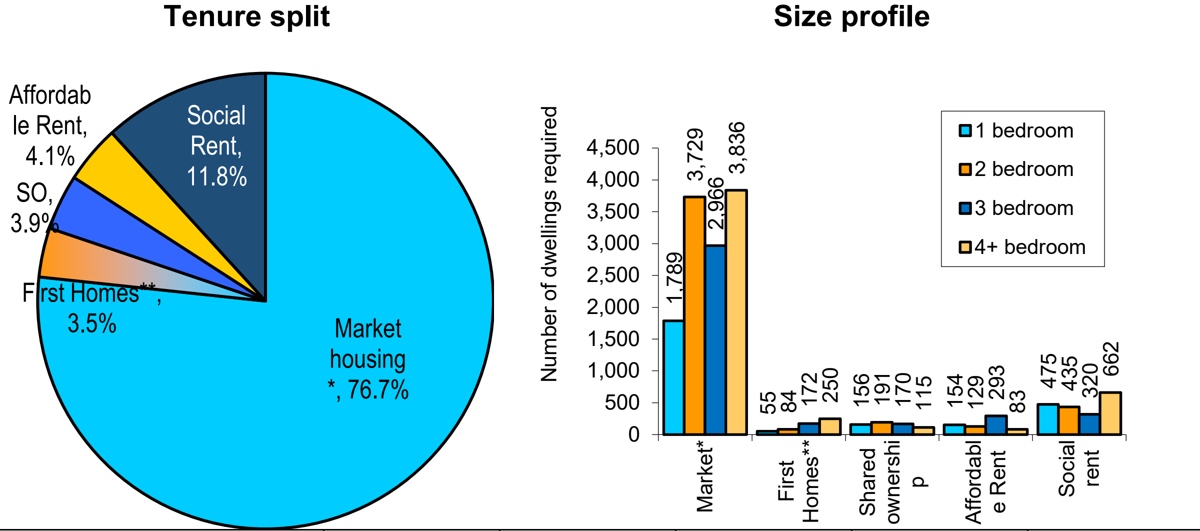
8.6 Figure 8.1 sets out the size and tenure requirement for the 16,065 dwellings (1,071 per annum) to be delivered between 2027 and 2042. The overall requirement for 15.9% of housing to be Affordable Rented/ Social Rented and 7.4% affordable home ownership (of which 3.9% could be Shared Ownership[60] and 3.5% 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. If this is not possible then Shared Ownership is a more suitable tenure.

8.7 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 requiring affordable housing presented in Chapter 5 indicates that around 79% of all affordable housing at the end of the plan-period in 2042 should be Social Rented with the remainder Affordable Rented. Social Rented accommodation is appropriate for the majority of households in this sector.

8.8 The profile set out is a guide to the overall mix of accommodation required in Swale although it is acknowledged that the Council may wish to divert away from this profile in particular instances. 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.

[60] 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.

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



New housing required 2027 to 2042	**By Tenure**	1 bed	2 bed	3 bed	4 bed
Market housing*	**12,320** **76.7%**	1,789 14.5%	3,729 30.3%	2,966 24.1%	3,836 31.1%
First Homes	**561** **3.5%**	55 9.8%	84 14.9%	172 30.7%	250 44.6%
Shared Ownership (SO)	**633** **3.9%**	156 24.7%	191 30.2%	170 26.9%	115 18.2%
Affordable Rent	**659** **4.1%**	154 23.4%	129 19.5%	293 44.5%	83 12.6%
Social Rent	**1,892** **11.8%**	475 25.1%	435 23.0%	320 16.9%	662 35.0%
Total	**16,065** **100.0%**	2,629 16.4%	4,568 28.4%	3,921 24.4%	4,947 30.8%

*Market housing includes both owner-occupied and private rented These figures represent the distribution of housing that should be delivered. Source: Standard Method modelling based on ONS 2022 household and population projections, Census trend data and affordability assessment

8.9 Chapter 7 considered the housing requirement of particular groups of the population. Paragraph 006 of the PPG[61] 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'.'*

[61] Reference ID: 63-006-20190626

8.10 In terms of specialist dwellings for older persons (Class C3), it is evidenced that, in Swale, 1,015 additional units of Sheltered housing for older people/ retirement housing[62] and 289 additional Extracare units/ supported living housing[63] are required over the plan-period within the housing target (they form part of the 1,071 dwellings per year). Chapter 7 also identifies that an additional 366 Registered Care spaces (in nursing and residential care homes) will be required over the next 15 years in Swale (Class C2). These units are required in addition to the 1,071 new homes required each year. There is also a notable potential demand for age-restricted general market housing (which will also form part of the 1,071 new homes required each year).

8.11 In addition, it is calculated that adapted housing M4(2) Category 2 will be required for 5,490 households by 2042 in Swale, of which around 1,151 dwellings should be M4(3b) Category 3 homes - wheelchair adaptable dwellings.

[62] See footnote 51.

[63] See footnote 52.

Appendix 1. 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 2022-based projections. 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 2. 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 Swale.

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 Swale, 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 4,575 households currently in unsuitable housing or lacking their own housing in Swale and the most common reason for unsuitability is overcrowding. This figure of 4,575 represents 7.2% of all households in the Borough.

Table A2.1 Current households who lack their own housing or live in unsuitable housing in Swale

Element	*Source*	*Number of households*	*Revised number of households*
Homeless households	The Council's housing register as of March 2026.	85	85
Households in temporary accommodation	The Council's housing register as of March 2026.	240	240
Overcrowded households	2021 Census modelled to March 2026. This was done by calculating the annual change in the number of overcrowded households recorded in Swale between the 2011 and 2021 Census by tenure and applying this to the tenure profile for 2026.	2,787	2,787
Concealed households	2021 Census modelled to March 2026. This was done by calculating the annual change in the number of concealed households recorded in Swale between the 2011 and 2021 Census and applying this the number of concealed households identified in the 2021 Census.	1,628	605
Other groups	The Council's housing register as of March 2026. 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).	859	859
Total		5,598	4,575

Source: 2021 Census data modelled to 2026, 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. Initially, we identify the likely tenure aspiration of households in unsuitable housing. The tenure distribution of newly forming households recorded in the 2023/24 English Housing Survey[64] as a proxy for aspirations among current concealed households. This implies that 50.4% of new households aspire to own and 49.6% aspire to rent privately (households accessing affordable housing in the EHS are excluded). For currently overcrowded households and other household groups in unsuitable housing, it is assumed that they aspire to remain within their existing tenure. Homeless households and households in temporary accommodation are assumed to aspire to whatever is the cheaper of entry-level private rent and entry-level owner-occupation. For households assumed to aspire to private renting, an affordability threshold of 35% of gross income is applied.

[64] English Housing Survey data on new households and recent movers - GOV.UK Table FA4301

The ability of these households to afford the cost of entry-level market housing (within their aspired tenure) of the appropriate size (set out in Figures 3.3 and 3.6) 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 and concealed households, the household composition recorded for these households in the Census is used to determine the size requirement profile.

To test overcrowded households the income distribution for each dwelling size requirement, identified using the CACI income profile for the Borough, 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). Similarly, 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 their aspired tenure of market housing in their authority using an affordability test where the cost of entry-level private rent can constitute up to 35% of gross income and still be affordable in Swale (for those aspiring to access this tenure).. 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 of their aspired tenure. The number of households that are therefore in current need is shown in the final column.

Table A2.2 Affordability of households in unsuitable housing in Swale

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	891	61.1%	544
Two bedroom	1,408	46.6%	656
Three bedroom	1,266	47.2%	598
Four or more bedrooms	1,011	51.4%	520
Total	4,575	50.7%	2,318

Some 50.7% (2,318 households) of unsuitably housed households or households lacking their own housing in Swale 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 1,490 households in need in Swale currently live in affordable housing that would become available for reuse[65].

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 2,318 households in current need in Swale.

Table A2.3 Stage 1: Current unmet gross need in Swale

Component	
Homeless households and those in temporary accommodation	321
Overcrowded and concealed households	1,263
Other groups	734
Total current housing need (gross)	2,318

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

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 Swale. This figure is then averaged to provide an annual estimate for the number of newly forming households. Using this methodology, it is estimated that 1,448 new households will form per year in Swale. This represents a household formation rate of 2.3%, higher than the figure of 1.4% recorded nationally by the English Housing Survey[66].

[65] 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.

[66] It is also worth noting that whilst the figure of 2.3% 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% in 2012/13).

To assess the ability of these households to afford the aspired entry-level market housing it is again presumed that the tenure aspiration reflects that recorded for newly forming households recorded in the 2023/24 English Housing Survey (as described above). 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 89.5% of the figure for all households (according to the English Housing Survey).

The table below details the derivation of newly arising need from newly forming households. It shows that 27.5% of newly forming households will be unable to afford market housing in Swale (both private rent and owner-occupation), which means that there will be an annual affordable housing requirement from 399 newly forming households.

Table A2.4 Newly arising need from new household formation (per annum) in Swale

Component	
Number of newly forming households	1,448
Proportion unable to afford entry-level market housing (both entry-level private rent and entry-level owner-occupation)	27.5%
Number of newly forming households requiring affordable accommodation	399

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. Analysis of the lettings of affordable accommodation within Swale over the last three years indicates that there were an average of 323 households that fell into need per year in Swale, excluding those that were newly forming households (which have featured in the previous step).

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 722 (399+323) households will be in newly arising need per annum in Swale.

Table A2.5 Stage 2 Newly arising need (per annum) in Swale

Component	
New household formation (gross per year)	1,448
Proportion of new households unable to buy or rent in the market	27.5% (399)
Existing households falling into need	323
Total newly arising housing need (gross per year)	722

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.

Current occupiers of affordable housing in need

It is important when considering net need levels to discount households already living in affordable housing. This is because the movement of such households within affordable housing will have an overall nil effect in terms of housing need. As established when calculating current need, there are 1,490 households currently in need already living in affordable housing in Swale.

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. The Regulator of Social Housing's Statistical Data Return and the Local Authority Housing Statistics data returns indicates that Swale in 2025 records a vacancy rate in the affordable sector of 1.7%. As the vacancy rate is lower than the 3% benchmark[67], no vacant dwellings are considered available to be brought back into use to increase the supply of affordable housing in Swale.

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 provided its list of affordable housing units expected to be delivered on the housing permissions as at March 2026. In total, there are 679 new affordable homes committed across Swale currently.

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 currently no affordable dwellings planned to be demolished. Therefore, a figure of 0 is used for this stage.

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67 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/11812/Strategic_Housing_Market_Assessments-_Practice_Guidance.pdf (page 47)

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 2,169 affordable homes available in Swale.

Table A2.6 Stage 3 Affordable housing supply in Swale

Component	
Affordable dwellings occupied by households in need	1,490
Surplus stock	0
Committed supply of affordable housing	679
Units to be taken out of management	0
Total affordable housing stock available	2,169

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[68]. It is split between the annual supply of social re-lets and the annual supply of re-lets within the intermediate sector[69].

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 Swale over the last three years as recorded in the CORE LA Area Lettings tables[70] is used for this figure. 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 377 per annum in Swale.

[68] 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.

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

[70] 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 A2.7 Past RSL rented supply (re-lets only)

Year	*Number of re-lets*
2022/23	290
2023/24	415
2024/25	426
Average	377

Source: Social Housing Lettings in England 2022/23, 2023/24 and 2024/25

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 Swale). However, it is still important to consider to what extent the supply may be able to help those in need of affordable housing. Therefore, an estimate of the number of intermediate units that become available each year is included, based on applying the estimated re-let rate for the Social Rented sector[71] (4.5% in Swale) to the estimated stock for each form of intermediate housing. This is set out in the table below. It is estimated that around 51 units of intermediate housing will become available to meet housing needs from the existing stock each year in Swale.

Table A2.8 Estimated intermediate supply in Swale

Intermediate tenure	*Stock*	*Annual re-lets*
Shared Ownership	1136	51

Source: Regulator of Social Housing's Statistical Data Return 2025

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.

Table A2.9 Stage 4 Future supply of all affordable housing (per annum) in Swale

Component	
Annual supply of Social/Affordable Rented re-lets	377
Annual supply of intermediate housing available for re-let or resale at sub-market levels	51
Annual supply of all affordable housing	428

[71] This is calculated by dividing the average number of relets (377 as set out in the previous step) by the total stock of social and affordable housing as set out in the Regulator of Social Housing's Statistical Data Return 2025.

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