Colchester Local Housing Needs Assessment

Draft Report

Iceni Projects Limited on behalf of

Colchester City Council

August 2026

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Colchester
DRAFT REPORT

Executive Summary

- Colchester City Council has commissioned Iceni Projects and Justin Gardner Consulting to update its 2024 Local Housing Needs Assessment. This report should be read in conjunction with the 2024 LHNA.
- The Assessment considers the overall need for housing in the city, as well as the need for different types of homes; and the needs of different groups within the local community.
- The Assessment has been prepared to inform the review of the City's Local Plan and reflects the latest adopted NPPF (December 2024) and more recent data releases.

Housing Stock and Supply Trends

- Housing delivery has been stronger on average than the housing target in Colchester over the last 10 years but has fallen in the most recent years.
- The annual average delivery of affordable housing over the 5 years since 2021/2022 is 98 dwellings per annum. In addition, between 2020/21 and 2023/24 the Council has acquired an additional 173 homes.

Housing Market Dynamics

- In the year to September 2025, the median house price in Colchester was £327,000.

- Colchester has comparatively lower house prices than surrounding areas, as the housing stock is focused more on smaller dwellings.

- House price growth in Colchester has been relatively strong (3.5% per annum over the last 5 years); however, it is again lower than comparators.

- Sales volumes have been falling since their pandemic-driven peak in 2021, and in Colchester, they have fallen at a rate faster than that seen by comparator geographies across Essex.

Demographics and Overall Housing Need

- The LHNA Update studied the overall housing need set against the NPPF and the framework of PPG – specifically the Standard Method for assessing housing need. This shows a need for 1,276 dwellings per annum. This is based on household growth of 693 per annum and an affordability uplift of 84%.

- On that basis, a bespoke demographic projection was developed to look at how the population might change if 1,276 homes per annum were delivered over the period to 2043 (from 2026). This showed continued strong population growth and ageing.

- The Standard Method projection was also used to look at potential changes to the resident labour supply and the number of additional jobs that might be supported.

- Overall, it was projected that the labour supply linked to the Standard Method would increase by around 21,800 jobs over the 2026-43 period and that this could support around 22,000 additional jobs within the City.

Affordable Housing Need

- The analysis identifies a continued and notable need for affordable housing, and it is clear that the provision of new affordable housing is an important and pressing issue in the area.
- The analysis suggests that affordable housing delivery should be maximised where opportunities arise. Still, caution is needed when trying to make direct links between affordable need and overall need.
- An affordable housing target is not provided as the amount of affordable housing delivered will be limited to the amount that can viably be provided.
- However, we note the Council's emerging policy position which is to seek 30% of homes as affordable housing, and we consider this target to be reasonable – this having been tested through a viability study.
- It is, however, clear that social rents are more affordable and could benefit a wider range of households – social rents could therefore be prioritised where delivery does not prejudice the overall delivery of affordable homes.
- Overall, the recommendation is for an 80:20 split, with all rented housing at social rents where viable; intermediate housing focussing on shared ownership; no targets are suggested for discounted market sale or First Homes.

Need for Different Types and Sizes of Homes

- There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability.
- Our recommended mix over the 2026-43 period is set out below:

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	35%	40%	20%
Affordable home ownership	20%	45%	25%	10%
Affordable housing (rented)	25%	35%	30%	10%

- These conclusions are largely based on demographic modelling through to 2043 and in considering the mix at a point in time (or on any specific site), consideration should also be given to other evidence.
- For example, currently, the Council's Housing Register shows a lower need for 2-bedroom homes than is implied above and a higher need for 1- and 3-bedroom homes. Therefore, the mix could be adjusted on specific sites to include a greater proportion of 1- and 3+-bedroom homes in the shorter term to reflect the current Housing Register.

- When compared with the LHNA, this suggests a slightly smaller mix of homes in the market sector (more homes with 1- or 2-bedrooms.
- As per the previous report, and emerging policy, the suggested mix should therefore not be applied prescriptively but could be used as a monitoring tool.

Older and Disabled Persons

- The older person population is projected to increase notably moving forward. An ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2026-43 period include:
    - a need for around 1,800 housing units with support (sheltered/retirement housing) – around 59% in the market sector;
    - a need for around 1,000 additional housing units with care (e.g. extra-care) – again split between market and affordable housing (around two-thirds market); and
    - a need for 900 additional nursing and residential care bedspaces although there is estimated to be a current surplus of residential care.
- There continues to be a clear need to increase the supply of accessible and adaptable dwellings and wheelchair-user dwellings as well as provide specific provisions for older persons housing.
- Given the evidence, the Council could increase its draft target for M4(2) homes to 100% - all homes of all tenures to be of this standard unless they are already of the higher M4(3) standard.

The 5% and 10% figures for M4(3), depending on tenure, align with the conclusions of this report.

Private Rental Sector

- The median monthly rent in 2026 in Colchester was £1,211. Overall median monthly rental costs for Colchester are lower than comparator geographies across Essex and the East of England.
- The evidence points to the Private Rented Sector playing a continued role in providing housing for those unable to access the market without some degree of subsidy, and it is noted that increasing numbers of landlords are leaving the market due to increased costs and reforms. Hence there is a risk in relying on this 'supply' moving forward.
- Colchester has an above-average level of HMOs when compared to other areas; however, these only represent a small percentage of the total stock.
- HMOs are important in offering choice to renters and in providing an affordable option, particularly given issues with affordability in the East of England.
- The Council may consider developing a policy around Build to Rent, but there is currently not a significant level of developer interest.

Specific Group

Students

- The University of Essex believes that a combination of falling student numbers, a pipeline supply of PBSA, the existing supply of HMOs and student housing requirements within proposed allocations will be sufficient to meet all future need.

Service families

- Colchester is a Garrison Town and is home to three Army Barracks. The most recent MOD statistics suggest that 3,120 MOD personnel are stationed in Colchester, 160 of whom are civilian personnel.
- The Council's housing register data indicates relatively low levels of affordable housing need amongst Armed Forces households.
- Overall, this suggests that while Colchester has a reasonably sized cohort of armed forces personnel within it, this does not appear to contribute to an increase in the need for affordable housing.
- In line with the draft NPPF, the Council should aim to be supportive of proposals for new military accommodation, including affordable provision

Children in Care

- For Colchester, the Children in Care rate per 10,000 under 18s is 28.9, which is below the county average of 36 and well below the national figure of 70.
- The County Council identified a need for 19 additional residential placements by 2026 across the county.

1. Introduction

1.1 Colchester City Council has commissioned Iceni Projects ('Iceni') and Justin Gardner Consulting ('JGC') to prepare an update to the Colchester City Council Local Housing Needs Assessment (LHNA) of 2024.

1.2 The Assessment Update has been prepared to inform, alongside other evidence, the review of the City's Local Plan; and to inform the preparation of a new Housing and Homelessness Strategy for the City.

1.3 Whilst the previous report can be considered as up-to-date, there are several changes to national policy and data which mean an update is useful. Key changes include:

- A new National Planning Policy Framework (NPPF) in December 2024 which introduced a new Standard Method for assessing housing need. For Colchester, the need is now set at 1,276 dwellings per annum (dpa), whereas the LHNA used 1,043 dpa, based on the Standard Method applicable at that time. The change in number is likely to have some impact on estimates of how the population and households might change over time – i.e. delivery of more homes may well drive a greater growth in population;

- The NPPF also puts a stronger focus on delivery of social rented housing and less emphasis on the need to provide forms of affordable home ownership (although these remain in the definitions of affordable housing in Annex 2);

- The Council are now looking at a different plan period from that at the time of the LHNA (which analysed needs over the 2023-41 period). Again, a different plan period, including both start and end dates, will have some impact on estimates of need, including demographic change as discussed above – this study uses a plan period of 2026-43; and

- In terms of data, much of the housing needs study drew on 2021 Census data which has not been updated (and therefore should be read in conjunction with the previous report). However, there are key updates (notably a new set of subnational population projections (SNPP)) and new data on house prices, rents, and incomes that can feed into an assessment of the need for affordable housing.

Updated National Policy Context

1.4 Paragraph 63 of the National Planning Policy Framework (published December 2024, NPPF 2024) sets out that "the size, type, and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies". The groups in the NPPF include those who require affordable housing (including Social Rent), older people, and people with disabilities; this report focuses on these groups.

1.5 When compared with the NPPF in place at the time of the LHNA, the key changes are in relation to the focus on social rented housing as well as the overall change to the Standard Method (as noted above).

1.6 In December 2025, Government published a consultation NPPF, although for the purposes of this report it is not considered that any aspect of that will impact on the analysis to follow.

Geographies

1.8 The Housing Market Area was defined in the previous report and remains valid. In terms of migration self-containment rates, Colchester did not meet the 70% threshold set out in historic PPG guidance when long-distance moves are removed. This meant examining other local authorities to combine with the city to create an appropriate HMA.

1.9 The previous report identified that in terms of both migration and commuting, Colchester's strongest relationships were with Tendring and Braintree.

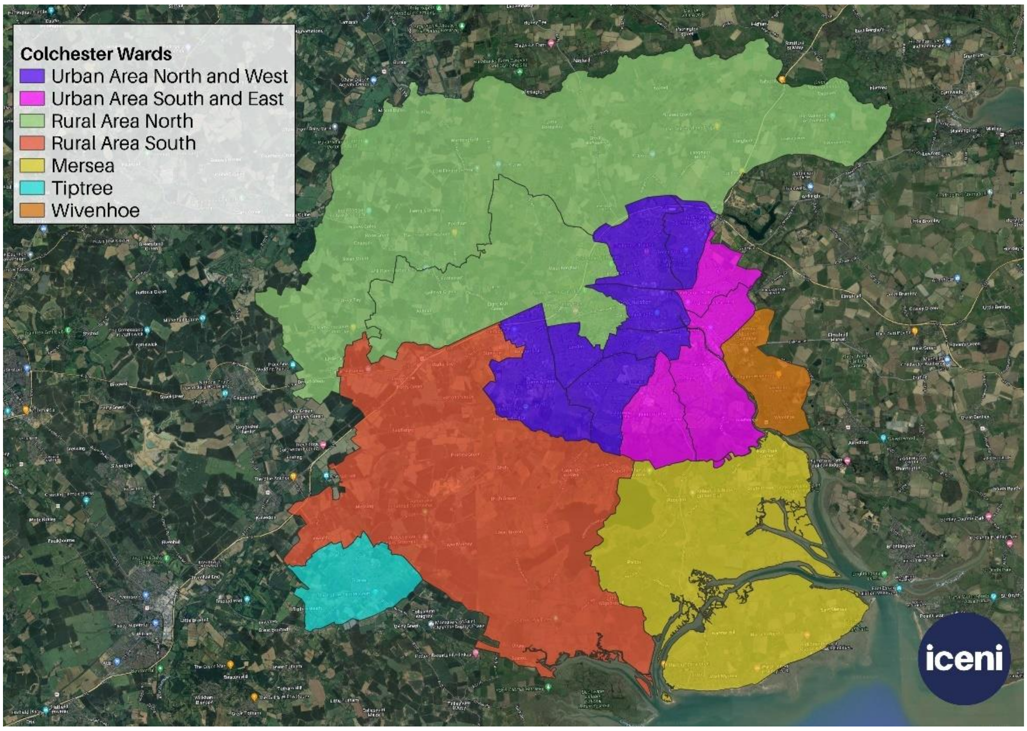
1.10 While Babergh was also considered, it appears more closely linked to Ipswich in migration terms. Notably, only a very small proportion of commuters travel between Colchester and Chelmsford, and even fewer travel in the opposite direction.

1.11 Chelmsford's housing market was identified as being stronger than Colchester's and had seen higher levels of growth. Meanwhile, Colchester saw growth rates similar to Braintree and Babergh, while Tendring's house prices were lower still.

1.12 While there remained a clear link between Colchester, Tendring and Braintree. Chelmsford has a different set of dynamics but also has close links with Braintree. Babergh was also likely linked to Ipswich.

1.13 Overall, the evidence suggested the HMA should be seen as Colchester and Tendring. The map overleaf also shows the geographies of the defined sub-areas in Colchester. Iceni Projects and the Council collated these areas, reflecting house prices, the role of the area, and the housing stock.

Figure 1.1 Map of Sub-area geographies in Colchester City



Source: Iceni Projects

2. Housing Stock and Supply Trends

2.1 This section of the report considers the existing housing stock in Colchester and wider comparators and how these have changed over time.

2.2 As a geographical comparator, the North Essex Area (NEA) has been identified and comprises the local government districts of Colchester, Tendring, Chelmsford and Braintree.

2.3 References made to Essex are not inclusive of the Southend-on-Sea and Thurrock local government districts unless specified. This is because they are unitary authorities

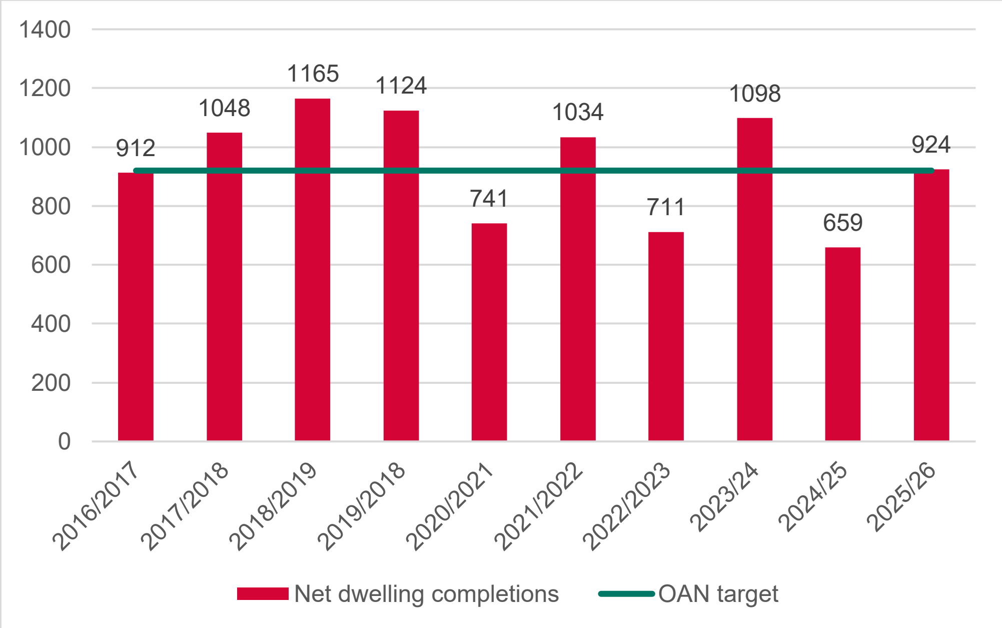
Housing Delivery

2.4 The Adopted Colchester Local Plan is in 2 sections. Section 1 provides a shared strategic policy context and addresses cross-boundary matters for North Essex, with Braintree and Tendring Councils. These matters include the Tendring Colchester Borders Garden Community.

2.5 Section 2 of the Local Plan applies to Colchester only and was adopted in 2022.

2.6 The Figure below shows net completions since 2021/22. The average annual delivery over the past 5 years is 698 dwellings. However, delivery peaked in 2023/24 at 1,098 dpa.

Figure 2.1 Net Dwelling Completions in Colchester, 2015/2016 to 2025/2026

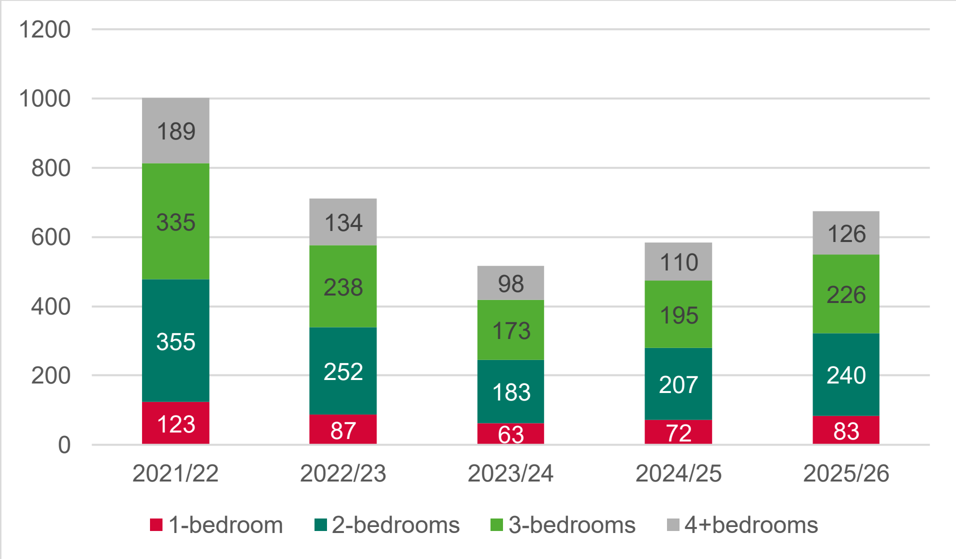


Source: Local Authority Annual Monitoring Reports

2.7 Over the previous decade, the annual average net dwelling delivery of 941 units is therefore at 102% of the 920 dpa annualised housing requirement set out in the Local Plan. The current expectation is that this strong delivery performance should continue in the short term.

2.8 The figure below breaks the delivery of new homes over the past 5 years down by size of dwelling. Overall, the focus has been on 2- and 3-bed properties, with two beds making up 35% of delivery and 3 beds 33%; 4 beds make up 19% of delivery and 1 beds 12%.

Figure 2.2 Housing Delivery by Size of Dwelling



Source: Council Monitoring

2.9 These proportions have stayed consistent across the 5-year period, with all years seeing a size split of delivery that broadly matches.

2.10 The delivery of affordable housing across Colchester in recent years has varied. As shown in the table below, affordable housing delivery dropped significantly in 2020/2021 and 2021/2022; however, it recovered somewhat in 2022/2023.

2.11 The annual average delivery of affordable housing over the 5 years since 2021 is 98 dwellings per annum, less than the 103 dwellings per annum over the decade since 2016.

Table 2.1 Net Affordable Housing Completions

	Affordable Rent	Social Rent	First Homes	Shared Ownership	Total AH
2015/2016	248	0	0	11	259
2016/2017	55	38	0	13	106
2017/2018	65	0	0	25	90
2018/2019	87	0	0	23	110
2019/2020	159	0	0	43	202
2020/2021	35	0	0	5	40
2021/2022	29	6	0	10	45
2022/2023	49	20	10	51	130
2023/2024	73	0	0	19	92
2024/2025	81	0	0	22	103
2025/2026	95	0	0	25	120

Source: Local Authority Annual Monitoring Reports

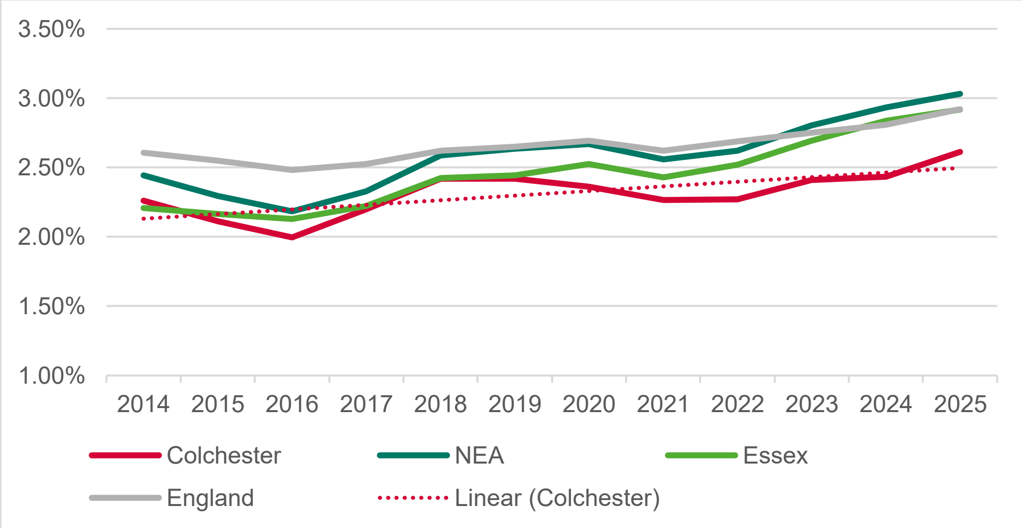
2.12 In addition to the delivery of new affordable housing, the Council has also been very successful in the acquisition of affordable housing back from the private sector (predominantly ex local authority housing sold under Right to Buy) and from new build development.

2.13 Between 2020/21 and 2023/24 the Council's acquisition programmes (including new build acquisitions direct from developers as well as buy backs) have resulted in the purchase of an additional 173 homes. This is expected to continue, with a further 65 homes planned for purchase in 2026/27.

2.14 A level of vacancy is required to ensure there is sufficient churn of stock; too low a vacancy rate can indicate a constrained supply and market. The figure below shows that in 2025, Colchester’s vacancy rate was 2.6%, and of those vacant properties, 30% were long-term vacancies.

2.15 Vacancies in Colchester are lower than in the wider areas and the typical 3% expected, which may indicate that the market is to some degree constrained.

Figure 2.3 Vacancy rate in Colchester against comparator geographies, 2014 to 2025



Source: DLUHC LT100 and LT615 tables, Iceni analysis

Housing Stock: Summary

2.16 Housing delivery has been stronger on average than the housing target in Colchester over the last 10 years but has fallen in the most recent years. Most delivery has been in 2- or 3-bedroom homes (68%).

2.17 The annual average delivery of affordable housing over the 5 years since 2021/22 is 98 dwellings per annum. In addition, between 2020/21 and 2023/24 the Council has acquired an additional 173 homes.

3. Housing Market Dynamics

3.1 This section of the report considers housing market dynamics in different parts of Colchester and addresses both the sales and lettings markets. It primarily updates the data considered in the 2023 SHMA.

National Market Dynamics

3.2 Over the past two years (2024–2025), the housing market in England has been characterised by a gradual recovery following the significant disruption caused by higher interest rates and affordability pressures in 2022–2023.

3.3 After a period of weaker demand and subdued transaction levels, falling mortgage rates, continued wage growth and improving buyer confidence have helped to stabilise the market.

3.4 House prices have generally returned to modest growth. However, performance has varied geographically, with stronger price growth typically seen in more affordable markets in the Midlands and North of England and weaker growth in London and parts of southern England where affordability constraints remain.

3.5 Savills[1] has reported that sales activity strengthened during 2025, with transaction levels approaching longer-term averages, while Zoopla[2] noted that sales agreed were running at their fastest pace for around four years during mid-2025.

[1] Savills UK | Residential Property Market Forecasts
[2] House Price Index: June 2026 - Zoopla

3.6 House price growth has remained relatively modest, reflecting both affordability constraints and increased levels of housing supply. House price inflation has generally been strongest in lower-value and more affordable markets, while higher-value areas of southern England have seen slower growth.

3.7 Despite this uptick in sales activity, affordability remains a key challenge. Mortgage rates, while falling from their recent peaks, remain substantially above the exceptionally low levels seen before 2022.

3.8 Higher construction costs, development finance costs and the withdrawal of demand-support measures such as Help to Buy have also constrained housing delivery.

Sales Market Dynamics

3.9 In the year to September 2025, the median house price in Colchester was £327,000, which, while above that seen nationally (£300,000), is slightly below that for Essex and the East of England.

3.10 The relatively lower property prices in the City compared to other areas will in part be an effect of the City's urban character, which brings higher levels of flats and terraces which typically attract lower values.

3.11 That said, Colchester is cheaper across all types when compared to the county and the region; it has the second lowest prices overall across the north Essex authorities, with only Tendring seeing cheaper costs. The higher number of lower-value flats and terraces in Colchester has contributed to a lower overall median price.

Table 3.1 Median Price by Type (September 2025)

Name	All	Detached	Semi-detached	Terraced	Flats
Colchester	**£327,000**	**£465,000**	**£325,000**	**£275,000**	**£178,500**
Braintree	£345,000	£483,500	£339,000	£290,000	£182,000
Tendring	£288,975	£359,995	£260,000	£225,000	£145,000
Chelmsford	£410,000	£580,000	£420,000	£355,000	£215,000
Essex	£375,000	£515,000	£375,000	£328,500	£210,000
East	£348,000	£466,104	£348,000	£310,000	£212,500
England	£300,000	£425,000	£279,995	£247,000	£248,000

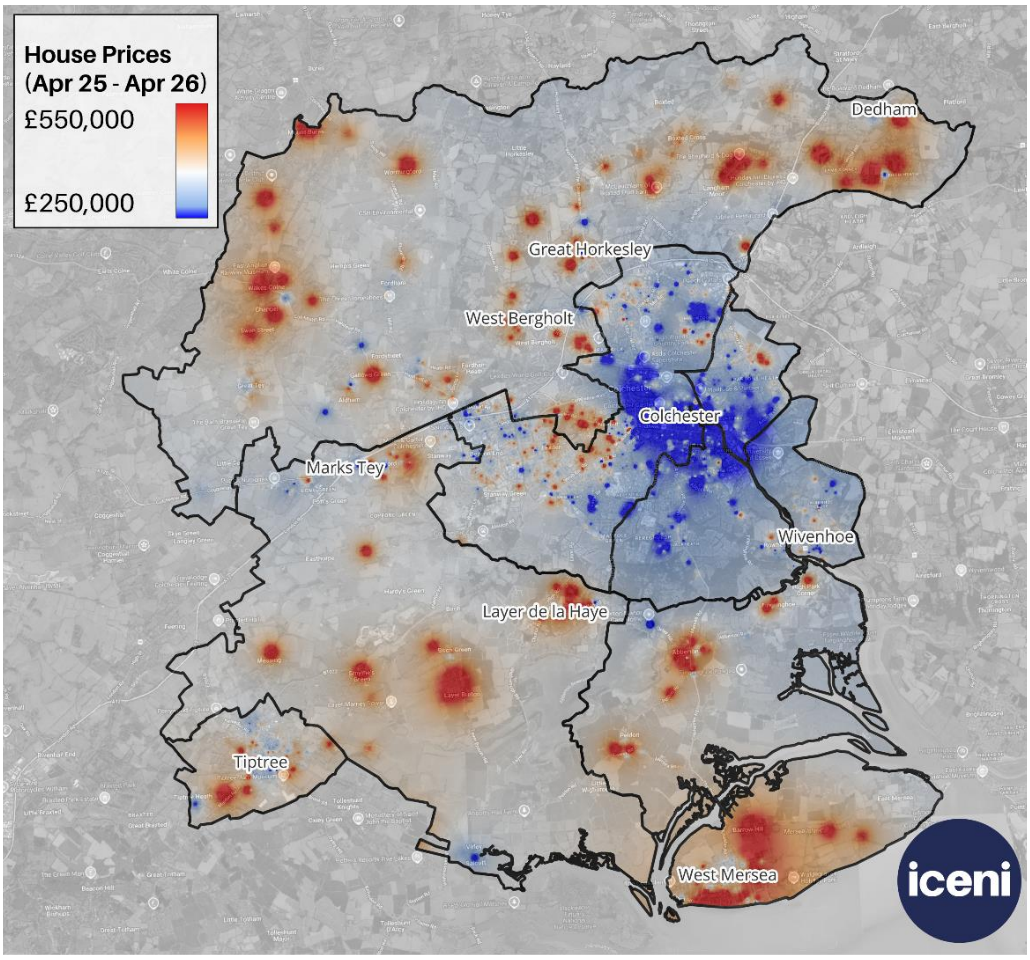
Source: ONS Median House Price for Administrative Geographies

3.12 The figure below illustrates the cost of housing across the City. There is clearly an urban-rural price dynamic with generally higher values seen in the more rural areas of Colchester. Again, this is linked to the stock in these areas

3.13 In addition, there is a notable east and west distinction within the Urban Area, with the West, South West, and pockets of the North West of the Urban Area seeing significantly higher values. Some of this is linked to larger suburban houses but also, to a degree, to a premium on new-build properties.

3.14 The Wivenhoe sub-area is split with a cheaper north and a more expensive south towards the River Colne. The Mersea sub-area sees higher prices, driven by its main settlements such as West Mersea and Rowhedge.

Figure 3.1 House Price Heat Map (2026)



Source: Iceni analysis of Land Registry data

3.15 The table below shows the median average prices paid in each sub-area of Colchester in 2025/26. The Mersea area sees the highest median overall at £457,500, as well as the highest median for semi-detached and terraced properties. This is followed by Rural Area North, which sees the highest prices for detached properties (£533,750).

3.16 Both Urban Areas, but particularly the South and East, see the lowest values overall (£271,500) and see significantly lower prices than the rest of the City across most housing types.

3.17 The sales price of flats in Wivenhoe is and has been significantly higher than the other sub-areas and that seen nationally, suggesting a demand and supply imbalance.

Table 3.2 Median Price by Type and Sub-area (Apr 25 - Apr 26)

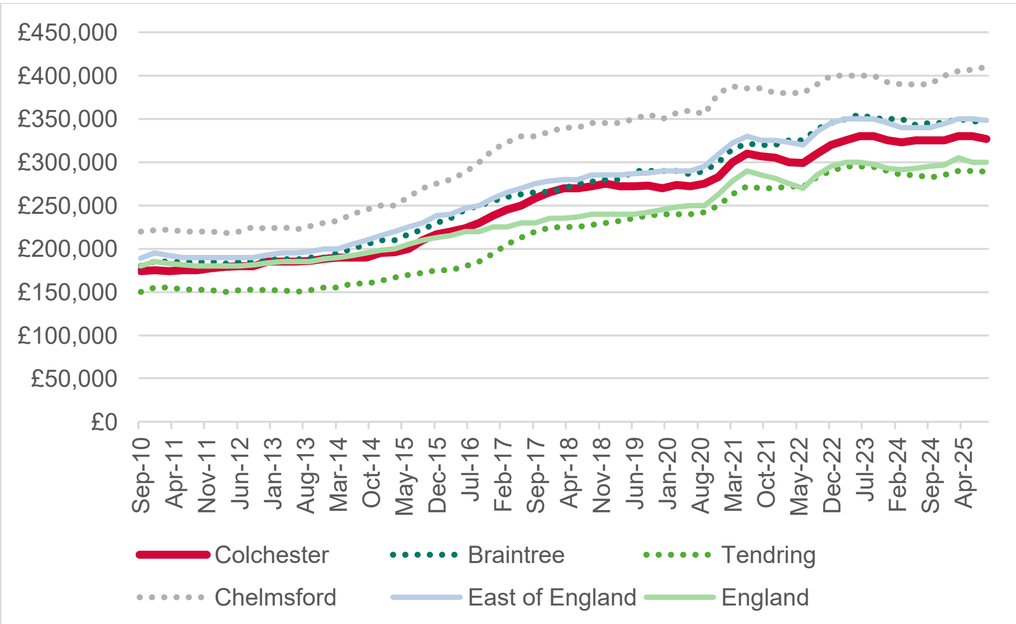
Geography	All	Detached	Semi-detached	Terraced	Flat
Mersea	£457,500	£527,500	£365,000	£295,000	£213,750
Rural Area South	£363,750	£495,000	£329,250	£277,500	£163,500
Tiptree	£355,000	£458,250	£342,500	£291,250	£172,500
Urban Area North and West	£296,000	£462,500	£325,000	£262,000	£177,250
Rural Area North	£445,000	£533,750	£355,000	£290,000	£182,000
Urban Area South and East	£271,500	£385,000	£290,000	£260,000	£142,500
Wivenhoe	£320,000	£367,500	£315,000	£275,000	£277,500
Colchester	**£316,000**	**£450,000**	**£325,000**	**£268,000**	**£170,000**

Source: Iceni analysis of Land Registry data

House Price Change

3.18 Since 2010, a steady increase has been seen across all areas to March 2020, when the impact of the Covid pandemic and associated Stamp Duty Holiday increased prices sharply.

Figure 3.2 Trends in Median House Prices (2010 – 2025)



Source: ONS, Median House Price for Administrative Geographies

3.19 There is a slight stabilisation from March to December 2021, followed by a drop up to March 2022 as prices level out following the end of the stamp duty holiday.

3.20 Prices from March 2022 onwards started to increase again; however, more recently this appears to be tailing off as increased mortgage costs subdue the market and, as such, property prices have fallen to compensate for this.

3.21 The table below summarises the median house price change over the last 5 and 10 years. Colchester and neighbouring authorities in North Essex have seen a slightly higher Compound Annual Growth Rate (CAGR) since 2015 than the region as a whole and England overall.

Table 3.3 House Price Compound Annual Growth Rates (CAGR)

Name	5-year CAGR Sept 20 – Sept 25	10-year CAGR Sept 15 – Sept 25
Colchester	3.5%	4.5%
Braintree	3.5%	4.5%
Tendring	3.6%	5.3%
Chelmsford	2.9%	4.3%
East of England	3.4%	4.2%
England	3.7%	3.6%

Source: ONS, Median House Price for Administrative Geographies

3.22 Within the North Essex Authorities, the 10-year CAGR is highest in Tendring and lowest in Chelmsford. Colchester and Braintree saw the same rate across the decade.

3.23 Over the 5 years to 2025, the CAGR of median house prices has been weaker across the entire East of England region, including Colchester, while across England it was stronger. This may represent a relative ‘cooling-off’ of demand in the East of England over the past few years; however, growth remains relatively strong.

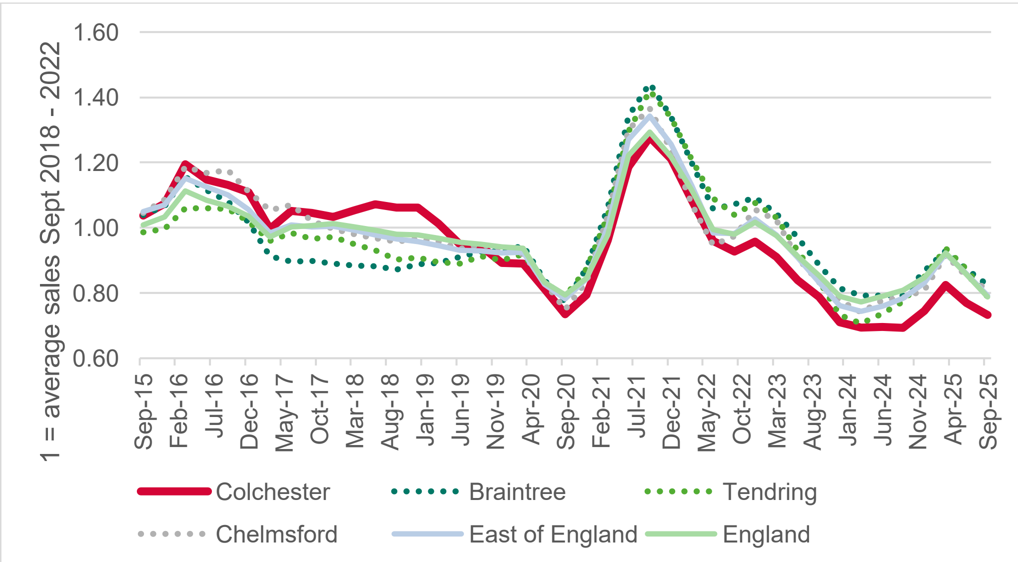
Sales Activity

3.24 In the year ending March 2023, there were 2,561 sales across all property types in Colchester, and there have been 16,055 total sales in Colchester since 2019.

3.25 The Figure below demonstrates the trend of sales activity in Colchester since 2014—by and large, the areas assessed track each other from 2014 onwards.

3.26 After recovery from early 2013 to a peak in 2016, all areas, including Colchester, median sales trended downward year on year to September 2020.

Figure 3.3 Index of sales volumes in Colchester and comparators, 2015 to 2025



Source: ONS

3.27 The Figure above highlights the influence of recent national and wider macroeconomic factors on the housing market in more recent years. All areas shown saw a jump in sales volumes between 2020 and 2021, driven by pent-up demand from COVID-19, households re-evaluating their living circumstances, and the Stamp Duty Holiday.

3.28 Since the end of the Stamp Duty Holiday in 2021, sales volumes in the assessed areas have risen. However, they remain below pre-pandemic levels, with Colchester falling faster than its comparators and recovering less. This reflects rising interest rates inhibiting purchases, as mortgages become less affordable and market confidence weakens.

3.29 More recently, while an increase in sales across all areas was seen from September 2024 to March 2025, this has fallen since. This jump was primarily driven by the expiry of the temporary Stamp Duty thresholds in April 2025, when the thresholds for payment dropped to pre-2022 levels.

Affordability

3.30 Colchester, with an affordability ratio of 8.65, is one of the more affordable parts of the region and sub-region but is still less affordable than the national average (7.84).

Table 3.4 Median Workplace-Based Affordability Ratio

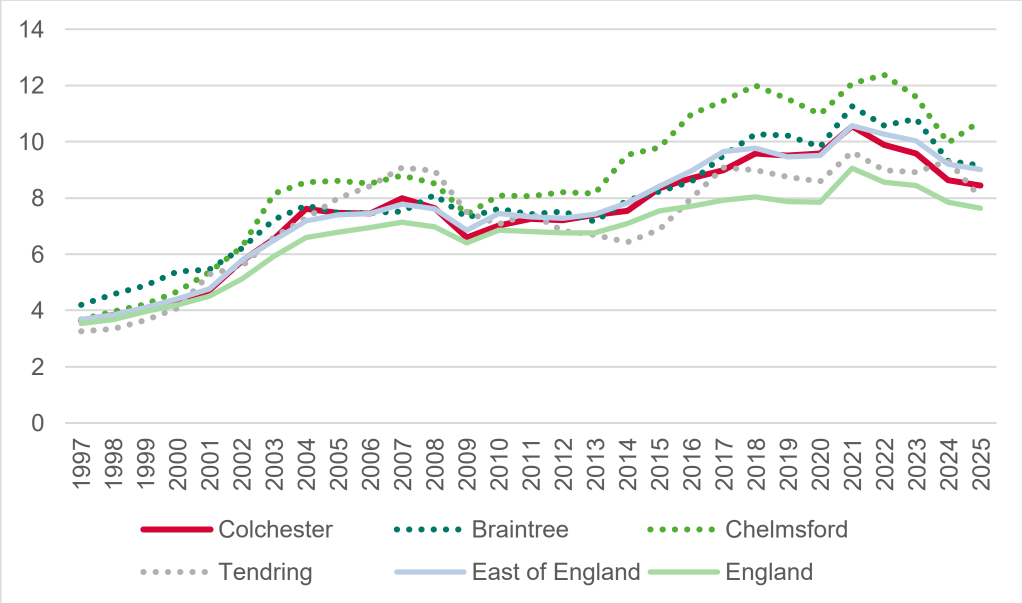
Name	2025
Colchester	8.65
Braintree	9.15
Chelmsford	10.74
Tendring	8.02
NEA (median)	9.32
East of England	9.20
England	7.84

Source: ONS

3.31 The figure below shows how affordability has changed from 1997 across the comparators. In all areas, affordability has worsened over time. However, from 2021 to 2022, affordability ratios in most areas improved as prices stagnated and wages grew.

3.32 At 8.65, however, affordability in Colchester is still at a level where considerable equity is required to enter the housing market.

Figure 3.4 Affordability Ratio (1997-2025)



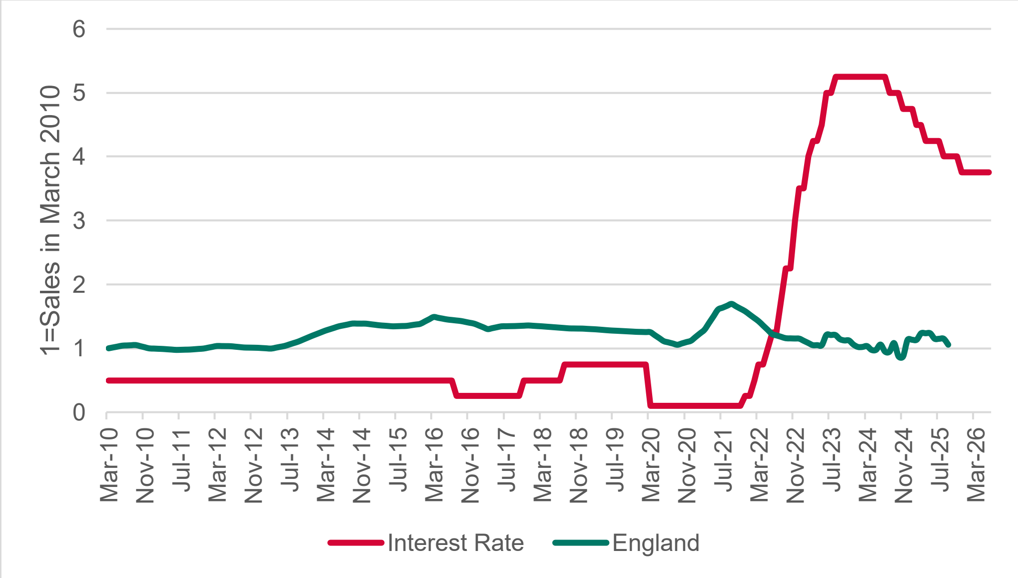
Source: ONS, Housing Affordability in England and Wales

3.33 The ONS affordability ratio is only one metric that considers affordability in an area. However, it does not consider additional affordability factors such as savings, stamp duty, and other associated moving costs.

3.34 An additional factor that impacts property sales is interest rates; if interest rates are high, borrowing becomes less affordable. Raising interest rates can discourage buyers from taking larger mortgages and discourage first-time buyers entirely.

3.35 The Figure below shows the indexed number of property sales against UK interest rates over time. What is clear is that in November 2021, when UK interest rates started climbing, sales started falling.

Figure 3.5 England Sales and UK Interest Rates

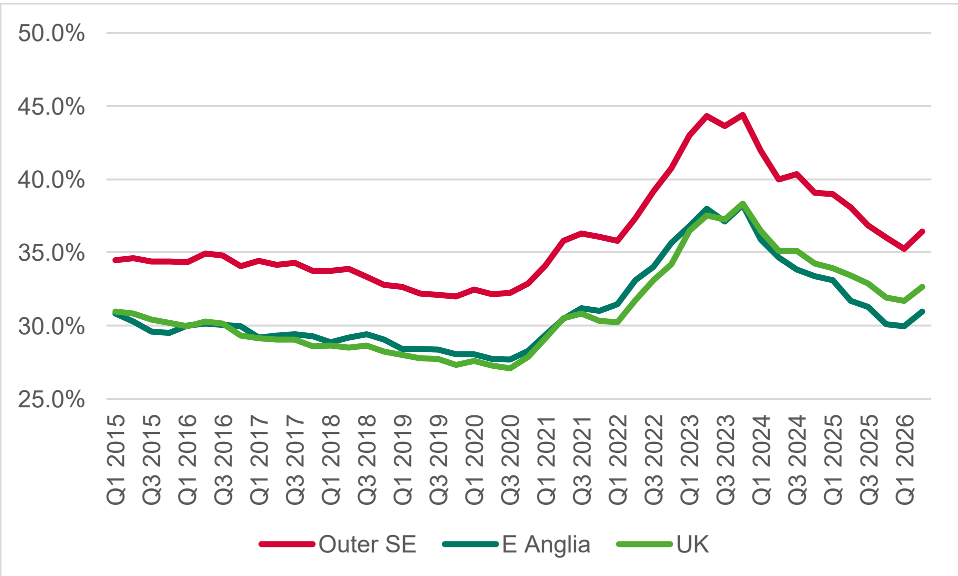


Source: Iceni analysis of ONS and Bank of England data

3.36 As mentioned, rising interest rates make mortgages less affordable, and this can be examined further by looking at how much take-home pay goes towards mortgage payments.

3.37 The Figure below shows data from Nationwide on the percentage of pay first-time buyers in the UK, the outer South East region, which covers much of Essex as well as East Anglia, spend on mortgages.

Figure 3.6 First-time buyer mortgage payments as % take-home pay



Source: Nationwide

3.38 What is clear is that the overall Outer South East percentage is higher than for the UK overall as well as East Anglia. Between 2022 and 2023, the percentage of income that first-time buyers, on average, have spent on mortgages climbed quickly.

3.39 While this has decreased, it is still higher than the levels seen before Covid; additionally, there has also been a slight increase across all areas in the first 2 quarters of 2026.

3.40 Ultimately, mortgage costs are high, and this will discourage first-time buyers from purchasing, particularly given the cost-of-living crisis which has increased the cost of many other essentials such as energy and food.

Housing Market Dynamics – Summary

3.41 In the year to September 2025, the median house price in Colchester was £327,000.

3.42 Colchester has comparatively lower house prices than surrounding areas, as the housing stock is focused more on smaller dwellings.

3.43 House price growth in Colchester has been relatively strong (3.5% per annum over the last 5 years); however, it is again lower than comparators.

3.44 Sales volumes have been falling since their pandemic-driven peak in 2021, and in Colchester, they have fallen at a rate faster than that seen by comparator geographies across Essex.

4. Demographics and Overall Housing Need

Introduction

4.1 This section of the report considers overall housing need set against the framework of Planning Practice Guidance (PPG) – specifically the Standard Method for assessing housing need.

4.2 A projection has also been developed to consider the implications of housing delivery in line with the Standard Method; this projection looks at a 2026-2043 period – to align with the emerging Local Plan.

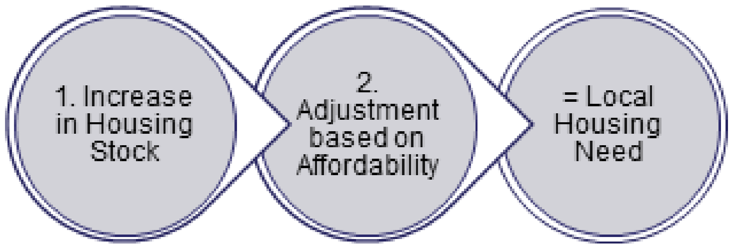
Standard Method

4.1 The NPPF specifies that the Standard Method should be used to calculate the local housing need, and that plans should aim to provide a sufficient supply of housing to meet this need where this is consistent with achieving sustainable development.

4.2 The standard method for calculating housing need is defined and set out by the Government in Planning Practice Guidance. Later in this section, projections have been developed to consider the demographic implications of housing delivery in line with this number.

4.3 The two-step process is set out in the figure below and worked through below.

Figure 5.1 Overview of the Standard Method for calculating local housing need



4.4 The steps are as follows:

- **Step one** seeks to grow the baseline level of housing (as captured in MHCLG Live Table 125) by 0.8% per year. For Colchester, there is a baseline of 86,661 dwellings in 2025, leading to a step one figure of 693 additional dwellings per annum
- **Step two** is an affordability uplift which uses an average of the median workplace-based affordability ratio results over the last five years according to the formula below. For Colchester, the average affordability ratio of 9.42 between 2021-2025 yields an adjustment factor of 184%

4.5 As a result, the Standard Method now shows a housing need in Colchester of 1,276 dpa. How this figure is derived is set out in the table below.

Table 4.1 Standard Method housing need calculation, Colchester

	Colchester
Total dwellings stock (2025)	86,661
Annual dwelling stock increase (0.8%)	693
Average affordability ratio (2021-2025)	9.42
Adjustment factor	184%
Step 2: Housing need (per annum)	1,276

Source: Iceni analysis

4.6 Under the provisions of the December 2024 NPPF, this should be regarded as the annual local housing need. Between 2026 and 2043, this would imply a total housing need of 21,684 dwellings across the city.

4.7 The use of the standard method to calculate housing need is now essentially mandatory. An alternative approach is permissible only in specific circumstances, as outlined in paragraph 2a-014-20241212 of the PPG on Housing and economic needs assessment. These principally relate to data availability or boundary issues, and none of the situations described is relevant to Colchester.

4.8 The Council will need to keep the calculation above under review, reflecting any national data updates, until the point of submission of a new Local Plan. (New stock and affordability data is published annually, each Spring).

Demographic Trends

4.9 This section of the report examines the demographic implications of delivering and filling 1,276 dpa. It starts by examining the existing population before developing a bespoke projection that informs later stages of the report.

Population

4.10 As of mid-2024 (the latest date for which ONS has published mid-year population estimates (MYE)), the population of Colchester is estimated to be 200,200; this is an increase of around 19,800 people over the previous decade (an 11% increase), which is higher than seen across other areas.

Table 4.2 Population change (2014-24)

	2014	2024	Change	% change
Colchester	180,414	200,222	19,808	11.0%
Essex	1,436,516	1,563,365	126,849	8.8%
East of England	6,039,521	6,576,306	536,785	8.9%
England	54,370,319	58,620,101	4,249,782	7.8%

Source: ONS

4.11 A similar analysis in the LHNA (see Table 5.3) showed a similar level of population growth in the 2012-22 period.

Components of Population Change

4.12 The table below considers the drivers of population change from 2011 to 2024. The main components of change are natural change (births minus deaths) and net migration (internal/domestic and international).

4.13 There is also an Unattributable Population Change (UPC) which is a correction made by ONS upon publication of Census data if the population has been under- or over-estimated (this is only calculated for the 2011-21 period).

4.14 There are also 'other changes', which are variable (sometimes positive and sometimes negative but generally balancing out over time) – these changes are often related to armed forces personnel, prisons or boarding school pupils.

4.15 The data shows natural change to generally be dropping over time – although all years show more births than deaths, i.e. positive natural change.

4.16 Migration is variable and always positive for international migration. For internal (domestic) net migration, the figures are negative for the past four years, a period when international net migration has been significantly higher than typically seen in the past. However, this is consistent with the national trend.

Table 4.3 Components of population change, mid-2011 to mid-2024 – Colchester

	Natural change	Net internal migration	Net intern-ational migration	Other changes	Other (unattri-butable)	Total change
2011/12	847	1,272	657	-161	-389	2,226
2012/13	832	317	894	-198	-377	1,468
2013/14	797	1,532	945	221	-389	3,106
2014/15	674	1,399	1,069	85	-399	2,828
2015/16	628	589	1,290	25	-413	2,119
2016/17	594	1,087	627	3	-495	1,816
2017/18	565	1,109	803	-5	-548	1,924
2018/19	472	491	1,013	1	-608	1,369
2019/20	477	737	773	111	-589	1,509
2020/21	218	-1,042	2,280	-19	-758	679
2021/22	368	-1,105	2,583	-29	0	1,817
2022/23	126	-901	4,752	45	0	4,022
2023/24	417	-2,487	3,865	-70	0	1,725

Source: ONS

4.17 The analysis also shows (for the 2011-21 period a negative level of UPC (totalling around 5,000 people over the 10 years); this suggests that when the 2021 Census was published, ONS had previously over-estimated population change.

4.18 Overall, the data generally shows a continuing trend of increasing population throughout the period studied but at quite a variable rate year-on-year.

4.19 Equivalent data for the period to 2022 was shown in the LHNA (see Table 5.4). The latest data shows a continuation of the downward trend in natural change and continued higher levels of international net migration.

Population and Household Projections

4.20 A demographic model has been developed to assess the potential implications of delivering 1,276 dwellings per annum in the 2026-43 period.

4.21 This considers the levels of migration likely to be needed to fill homes and also the possibility of seeing higher levels of household formation in younger age groups (where there is evidence of a historical constraint in formation).

4.22 The modelling essentially has two components, firstly a population projection and then converting this into household change estimates by applying data about the communal (institutional) population and household representative rates (HRRs) – essentially the changes of someone in a particular age group also being considered as the head of household.

4.23 For the base population projection, key assumptions in the modelling are:

- Taking the 2022-based subnational population projections (SNPP) as a start point – this includes data on birth and death rates as well as migration; and
- Updating this projection to take account of mid-year population data to 2024 (looking at more recent data about births, deaths and migration).

4.24 For household projections, data about the communal population is taken from the 2021 Census. Consistent with typical ONS projections. It is assumed actual numbers are held constant up to ages under 75, with the proportion of the population being used for 75+ age groups.

4.25 For household representative rates (HRRs), the figures are calculated at the time of the Census, although consideration has also been given to data in the last three Census points (2001, 2011 and 2021).

4.26 For Colchester there is some evidence of suppression in household formation for younger households, and it has been assumed that formation rates for the population aged under 45 might return to 2011 levels with additional housing delivery.

4.27 The analysis below looks at how the population and household structures might change if housing delivery were to be in line with the Standard Method. The modelling flexes migration to and from the Council area so that there is sufficient population to fill this level of additional homes each year.

4.28 Within the modelling, migration assumptions have been changed so that across the area the increase in households matches the housing need. It is assumed that around 3% of new stock will be vacant at any time (to allow for movement within the stock).

4.29 This means that for 1,276 dpa it is assumed there would be household growth of approximately 1,239 per annum. Adjustments are made to both in- and out-migration (e.g. if in-migration is increased by 1% then out-migration is reduced by 1%).

4.30 The Planning Practice Guidance (PPG) was revised in December 2024, alongside the new Standard Method, and provides some indication of why the Government sees a need to increase housing delivery[3]. Paragraph 006 (Reference ID: 2a-006-20241212) states:

> *'Why is an affordability adjustment applied?*

[3] https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments

> *An affordability adjustment is applied as housing stock on its own is insufficient as an indicator of future housing need because:*
>
> *Housing stock reflects existing housing patterns and means all areas contribute to meeting housing needs. The affordability adjustment directs more homes to where they are most needed.*
>
> *People may want to live in an area in which they do not reside currently, for example to be near to work, but be unable to find appropriate accommodation that they can afford.*
>
> *The affordability adjustment is applied in order to ensure that the standard method for assessing local housing need responds to price signals and is consistent with the policy objective of significantly boosting the supply of homes. The specific adjustment in this guidance is set at a level to ensure that minimum annual housing need starts to address the affordability of homes.'*

4.31 The previous PPG also stated that an affordability uplift is required because 'household formation is constrained to the supply of available properties – new households cannot form if there is nowhere for them to live'.

4.32 Essentially, the Government considers that by providing more homes there is the opportunity for increased migration to an area to fill the homes whilst equally, one of Government's core objectives in planning for the delivery of 370,000 homes a year nationally is to improve affordability. Increased housing provision should create opportunities for additional household formation.

4.33 In developing this projection, the population is projected to increase by 31,600 people over the 2026-43 period, with this increase being particularly strong in the 16-64 age group.

4.34 However, the greatest proportionate change is projected in the 65 and over age group (36% of the growth is projected to be in age groups 65 and over, with this group increasing by 31%). There is projected to be a decrease in the number of children.

Table 4.4 Projected population change 2026 to 2043 by broad age bands – Colchester

	2026	2043	Change in population	% change
Under 16	38,117	36,251	-1,866	-4.9%
16-64	127,043	149,039	21,996	17.3%
65 and over	37,225	48,662	11,437	30.7%
Total	202,385	233,953	31,567	15.6%

Source: Iceni analysis

4.35 Below are a series of charts showing past trends and projected population growth and key components of change for the projection linking to the Standard Method.

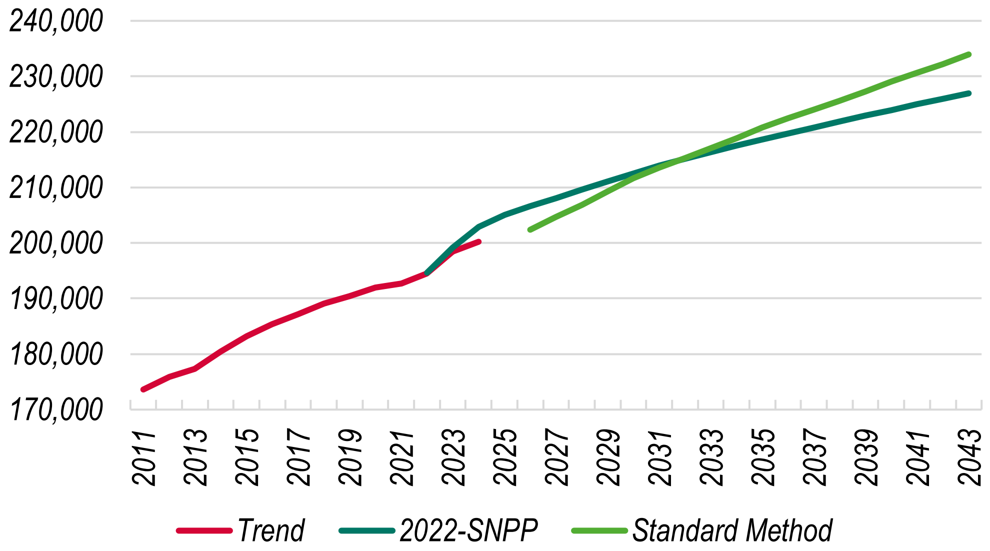
4.36 For comparison, data has also been provided from the 2022-based SNPP. The first figure shows overall population growth before accounting for natural change and net migration.

4.37 The analysis suggests the population of Colchester could rise to 234,000 by 2043 (up from 202,400 in 2026 (estimated)), a 16% increase, or 0.9% per annum – this is an average increase of 1,900 people per annum.

4.38 For comparison, between 2011 and 2024 the population increased by an average of around 2,000 people per annum, with a similar figure if looking over the past 3-4 years.

4.39 The analysis therefore suggests a general continuation of past trends, although it is notable that the projected population change is greater than the latest (2022-based) ONS projections.

Table 4.5 Past trends and projected population – Colchester

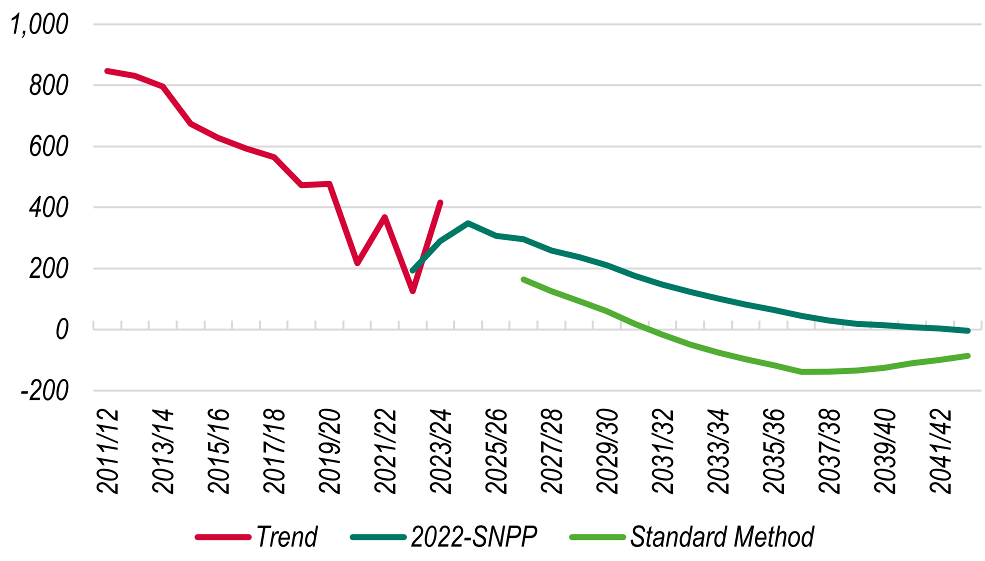


Source: ONS and Iceni analysis

4.40 The figures below show projected natural change and net migration under the scenarios.

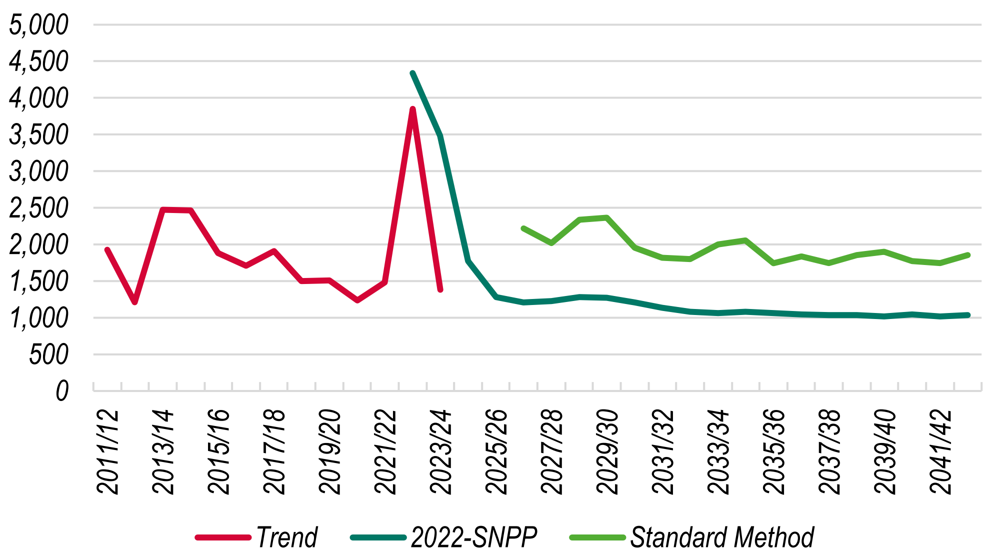
4.41 Focussing on net migration, the analysis suggests that with delivery linked to the Standard Method, net migration would average a net in-migration of 1,900 people per annum over the 2026-43 period – this is similar to the level typically seen historically, but somewhat higher than projected by ONS in the SNPP (an average of 1,100 people (net) over the 2026-43 period.

Figure 4.1 Past trends and projected natural change – Colchester



Source: ONS and Iceni analysis

Figure 4.2 Past trends and projected net migration – Colchester



Source: ONS and Iceni analysis

Comparison with LHNA

4.42 The LHNA also developed a projection linking to the Standard Method (see Section 5 of that report) – however, that was based on a lower estimate of need (for 1,043 dwellings per annum and also looking over an 18- rather than 17-year period).

4.43 Interestingly, this report with a higher need figure projects for a lower level of population growth (31,600 additional people over 17 years compared with 37,900 (for 18 years (2023-41).

4.44 This difference is mainly accounted for by the use of the 2022-based SNPP, which models much lower fertility rates; this can be seen in the table below.

Table 4.6 Projected population change in 2024 LHNA and this study

	2024 LHNA – 18 years	2026 update – 17 years	Difference
Under 16	4,439	-1,866	-6,305
16-64	20,439	21,996	1,557
65 and over	12,975	11,437	-1,538
Total	37,854	31,567	-6,287

Source: Iceni analysis (LHNA data from Table 5.10)

4.45 In the LHNA, a notable growth in the number of children was projected, but this report shows the numbers to be falling. The age structure estimated in this report also sees a greater projected increase in those aged 16-64. It is also notable that the projections in this report project a slightly lower increase in the number of people aged 65+.

Growth in Resident Labour Supply and Jobs Supported

4.46 The final changes relating to demographic change are in relation to projected growth in the labour force (number of economically active people) and an estimate of the number of jobs this could support.

4.47 Consistent with the LHNA, the analysis takes account of commuting patterns, the proportion of people with more than one job (double jobbing) and unemployment.

4.48 These assumptions have been taken from the LHNA; however, we have updated the estimates as to how economic participation might change moving forward, linking to Office for Budget Responsibility (OBR) data from 2025 (the LHNA used an earlier 2018 OBR release) – this only has a modest impact on outputs.

4.49 The table below shows how many additional jobs might be supported by population growth under the Standard Method. Given different assumptions about commuting patterns and estimates of double jobbing, the model estimates that changes in resident labour supply could support between 22,000 and 22,600 additional jobs over the 2026-43 period.

Table 4.7 Jobs supported by demographic projections (2026-43)

	Total change in economically active	Allowance for double jobbing	Allowance for net commuting (= jobs supported)
2011 commuting	21,781	22,477	22,004
2021 commuting	21,781	22,477	22,568
1:1 commuting	21,781	22,477	22,477

Source: Iceni analysis

4.50 This compares with a range of 20,900 to 21,400 (over 18 years) in the LHNA – see Table 5.14. This also compares to 15,500 additional jobs from the emerging baseline forecasts from the Employment Land Review. This suggests there is no need to increase housing delivery to address economic growth.

Demographic and Housing Need Summary

4.51 The LHNA Update studied the overall housing need set against the NPPF and the framework of PPG – specifically the Standard Method for assessing housing need. This shows a need for 1,276 dwellings per annum. This is based on household growth of 693 per annum and an affordability uplift of 84%.

4.52 On that basis, a bespoke demographic projection was developed to look at how the population might change if 1,276 homes per annum were delivered over the period to 2043 (from 2026). This showed continued strong population growth and ageing of the population.

4.53 The Standard Method projection was also used to look at potential changes to the resident labour supply and the number of additional jobs that might be supported.

4.54 Overall, it was projected that the labour supply linked to the Standard Method would increase by around 21,800 jobs over the 2026-43 period and that this could support around 22,000 additional jobs within the City.

5. Affordable Housing Need

Introduction

5.1 This section provides an update to the assessment of affordable housing need in Section 6 of the LHNA. The analysis looks at data City-wide (whilst the LHNA looked at a range of sub-areas) and is again split between needs for rented affordable housing (social/affordable rents) and affordable home ownership (AHO).

5.2 The key aspect of updating is around prices, rents and incomes, but estimates of supply through the existing stock have also been updated. The method used is identical to that in the LHNA and is not repeated in this study.

Prices, Rents and Incomes

5.3 The table below shows an estimate of current lower quartile house prices to buy and rent. As with the LHNA, the data is based on a range of sources, including Land Registry and an internet-based housing cost analysis (including data from Rightmove). The data below uses 2026 as the base year, compared with 2024 in the LHNA.

5.4 The analysis suggests across all sizes, a lower quartile price of around £240,000 and a lower quartile rent of £1,075 per calendar month. When compared with the LHNA (see Table 6.2), there has been little change in house prices (increasing by 4% from £230,000) but a higher increase in rents (increasing by 8% overall from a figure of £995).

5.5 When examining the change by size, there has been little change in estimated figures for homes to buy and increases of up to 13% for private rents.

Table 5.1 Estimated lower quartile cost of housing to buy (existing dwellings) and privately rent (by size) – Colchester

	Lower quartile price	Lower Quartile rent, pcm
1-bedroom	£120,000	£850
2-bedrooms	£175,000	£1,125
3-bedrooms	£315,000	£1,450
4-bedrooms	£405,000	£1,775
All Dwellings	£240,000	£1,075

Source: Land Registry and Internet Price Search

5.6 Consistent with the LHNA, an income distribution for all households across the Council area has been constructed (updated to 2025). Overall, the average (mean) income is estimated at around £64,700, with a median income of £54,000; the lower quartile income for all households is estimated at £31,000.

5.7 When compared with household income estimates from the LHNA, these figures are estimated to be around 16% higher – this is largely driven by a new set of ONS small-area income data which suggests higher incomes when compared with the same data available at the time of the LHNA.

Need for Social/Affordable Rented Housing

5.8 The table below shows an updated estimate of the need from households unable to buy or rent housing in the Council area (taken to be a need for social and affordable rented housing).

5.9 This shows a slightly lower need in the City although overall the figures continue to point to a significant need.

Table 5.2 Comparing need for rented affordable housing in different reports

	LHNA (2024)	Update (2026)
Current need	124	136
Newly forming households	845	738
Existing households falling into need	185	179
Total Gross Need	1,154	1,053
Relet Supply	277	278
Net Need	877	774

Source: 2024 LHNA (Table 6.6) and this study

5.10 In studying the table, several minor points should be noted:

- The current need figure has increased slightly. This is partly due to more up-to-date information on the number of households in temporary accommodation and a modest change to the modelling, using estimates of how key variables might have changed (notably overcrowding by tenure, with data from the English Housing Survey (EHS)). Figures are slightly offset by improved affordability assumptions (the estimated increase in incomes being higher than increases in private sector rents). Additionally, this report looks to meet the current need over 17 years, rather than 18 years in the LHNA;

- Estimates of the number of newly-forming households have fallen slightly; this is despite the higher overall housing need figure driving a slightly higher estimate of gross household formation. Again, the reason for the difference is due to improved affordability increasing access to market properties; and

- In both studies, the relet supply is shown to be virtually the same. This is despite this update looking at data for the 2022-25 period (compared with 2020-23), with both sources estimating broadly the same figure. However, the updated information points to more lettings (in part due to an increase in newbuild), but this does not appear to have affected overall turnover of the existing stock.

5.11 The analysis in this report does confirm the conclusions of the LHNA in that there is a notable need for affordable housing, and provision of new affordable housing is an important and pressing issue across the City. Affordable housing delivery should be maximised where opportunities arise.

Split Between Social and Affordable Rented Housing

5.12 The analysis continues by looking at the split between social and affordable rented housing (see paragraphs 6.22 to 6.25 of LHNA). This included the cost of different housing tenures and the proportion of households able to afford different products.

5.13 The table below shows current (2025-26) rent levels in the Council area for a range of products along with relevant local housing allowance (LHA) rates. This analysis shows that social rents are lower than affordable rents; the analysis also shows that affordable rents are notably lower than lower quartile market rents.

5.14 It can also be noted that LHA rates for all sizes of home are below lower quartile market rents. This means households seeking accommodation in many locations may struggle to secure sufficient benefits to cover their rent.

Table 5.3 Comparison of rent levels for different products – Colchester

	Social rent	Affordable rent (AR)	Lower quartile (LQ) market rent	LHA (Colchester)
1-bedroom	£423	£566	£850	£623
2-bedrooms	£492	£716	£1,125	£793
3-bedrooms	£560	£869	£1,450	£972
4-bedrooms	£652	£1,121	£1,775	£1,247
All	£499	£767	£1,075	-

Source: RSH, market survey and VOA

5.15 The data in the table above has been used alongside income data to estimate the proportion of households able to afford a range of different products, and this is shown in the table below (equivalent to Table 6.8 of the LHNA).

5.16 This points to around 19% of households as being able to afford an affordable rent (either at 80% of the market or at current affordable rent levels), 28% need social rented housing, and 53% would need benefit support regardless of the tenure. These figures are broadly similar to those in the LHNA.

Table 5.4 Estimated need for affordable rented housing (% of households able to afford)

	% of households able to afford
Afford 80% of market rent	12%
Afford current affordable rent	7%
Afford social rent	28%
Need benefit support	53%
All unable to afford market	100%

Source: Iceni analysis

5.17 In the LHNA it was recommended the Council considers seeking around three-quarters of rented housing as social rents (although it is recognised there may be viability issues with this for some schemes).

The analysis above would suggest this figure could be raised to 80% of rented affordable housing.

Establishing a Need for Affordable Home Ownership

5.18 The LHNA also considered the need for affordable home ownership (AHO) based on looking at the number of households who are in the ‘gap’ between renting and buying a home (along with several supply assumptions).

5.19 The data above suggests that this gap has been narrowing, with a greater increase in the cost of renting a home than to buy. This is reflected in the estimates of need, which are lower than shown in the LHNA.

5.20 The first table below shows need estimates with three different assumptions about resale supply – this can be compared with Table 6.11 of the LHNA.

5.21 When assuming the supply can only come from resales of AHO (such as shared ownership), a modest positive need is shown. When including a supply of market homes sold at below a lower quartile price, there is no clear need for AHO – this is the same conclusion as the LHNA.

Table 5.5 Estimated Net Need for Affordable Home Ownership (per annum)

	AHO resales only	AHO resales plus 50% of LQ sales	AHO resales plus 100% of LQ sales
Total gross need	105	105	105
LCHO supply	25	325	625
Net need	80	-220	-520

Source: Iceni analysis

5.22 However, in comparing details from the two studies and focussing on the first of the three scenarios above (as this is the only one showing any net need), it can be seen that estimates of need are somewhat lower in this update.

5.23 This is mainly due to a lower level of gross need (driven by the reduced 'gap' between buying and renting), although supply estimates have also increased slightly based on looking at turnover data in the EHS.

Table 5.6 Comparing Estimated Net Need for Affordable Home Ownership (per annum)

	LHNA (2024)	Update (2026)
Total gross need	131	105
LCHO supply	19	25
Net need	112	80

Source: 2024 LHNA (Table 6.11) and this study

5.24 Regardless of the figures, it is clear from the update (as with the LHNA) that there is a far more limited need for AHO products than for rented affordable homes (and particularly social rents).

Types of Affordable Home Ownership

5.25 The final analysis looks at the affordability of different affordable home ownership products, in this case discounted market housing and shared ownership. This updates the analysis from paragraph 6.48 onwards of the LHNA.

5.26 The first table below shows the housing cost needed to make a home genuinely affordable in the current market (linked to estimates of local prices and rents).

5.27 Taking a 3-bedroom home as an example, for a home to be 'genuinely affordable' to those unable to afford market housing, a sale price of no more than £290,000 would be appropriate.

5.28 For illustration, this shows that this could be achieved with an Open Market Value (OMV) of £414,000 and a 30% discount. You can compare the data in this table with Table 6.13 of the LHNA.

Table 5.7 Affordable home ownership prices – Colchester

	What households able to rent but not buy could afford	Open Market Value (OMV) of Home with 30% Discount
1-bedroom	£120,000	£171,000
2-bedrooms	£175,000	£250,000
3-bedrooms	£290,000	£414,000
4-bedrooms	£355,000	£507,000

Source: Iceni analysis

5.29 To consider the potential to achieve these selling prices, a new home analysis was undertaken to look at newbuild homes for sale in Colchester by size – this is shown in the table below and can be compared with Table 6.14 of the LHNA.

5.30 This shows that median newbuild prices sit above the affordable price OMV as shown above and suggests it will be difficult to make discounted market housing genuinely affordable without discounts higher than 30% (which could impact on the viability of providing rented affordable housing). This matches the conclusion in the LHNA.

Table 5.8 Estimated newbuild housing cost by size – Colchester

	No. of homes advertised	Range of prices	Median price
1-bedroom	0	-	-
2-bedrooms	10	£265,000-£525,000	£340,000
3-bedrooms	48	£350,000-£895,000	£420,000
4+-bedrooms	58	£400,000-£1,100,000	£595,000

Source: Internet Property Search

5.31 For shared ownership, an analysis has been carried out to look at the equity shares likely to be required to make shared ownership 'genuinely affordable'. This is a slightly different analysis to that undertaken in the

LHNA which sought to look at the OMVs required at different equity share levels.

5.32 The analysis suggests that equity shares generally in the 35%-40% range (for 2- and 3-bedroom homes) would potentially make shared ownership an affordable product in the Council area.

5.33 This broadly confirms the LHNA analysis that shared ownership is likely to be preferable to discounted market housing but may be difficult to be considered as 'genuinely affordable' with higher equity shares. This analysis points to the need for the Council to prioritise delivery of rented affordable housing where possible.

Table 5.9 Estimated equity share required to make shared ownership affordable – Colchester

	Maximum equity share
1-bedroom	-
2-bedroom	34%
3-bedroom	39%
4-bedrooms	23%

Source: Iceni analysis

Policy response

5.34 It is not possible through the LHNA update to set out the amount of affordable housing to be required through policy as this will largely depend on the viability of provision.

5.35 We do, however, note the Council's emerging policy position in the Preferred Options Local Plan Regulation 18 Consultation of November 2025 (Policy H2). This suggests a broad policy position of seeking 30% of homes as affordable housing.

5.36 No specific tenure split is provided, but the plan notes the LHNA *'identifies a clear and acute need for social and affordable rented housing; this should be prioritised where delivery does not prejudice the overall delivery of affordable homes'*.

5.37 It is considered that the 30% overall target is likely to be reasonable – this having been tested through a viability study.

5.38 This report can provide further and updated advice on the tenure split, particularly in light of the December 2024 NPPF which says (in paragraph 64) that *'planning policies should specify the type of affordable housing required (including the minimum proportion of Social Rent homes required)'.* The Council could consider including a more specific tenure split as a start point for negotiations within the plan.

5.39 The profile of affordable housing delivered in Colchester over the last 5 years is broadly 80% rented affordable homes and 20% intermediate, as shown below. The high proportion of delivery as rented products is noteworthy, although the latest evidence would point to a greater focus on social rented homes.

Table 5.10 Profile of Affordable Housing delivered in Colchester – 2020/21 – 2024/25

	Affordable Homes	% Homes
Social Rent	297	35%
Affordable Rent	388	46%
Shared Ownership	137	16%
Intermediate Rent	0	0%
First Homes	30	4%
Other Affordable Home Ownership	0	0%
Total	852	100%

Source: MHCLG

5.40 Overall, it is recommended that the Council consider seeking a split between rented and intermediate housing in an 80:20 ratio. This is justified because households with a need for rented products are more likely to have acute needs and fewer options in the housing market.

5.41 Whilst the analysis above does point to some difficulties in making intermediate housing ‘genuinely affordable’ due to current newbuild prices, this is a situation that could change over time and can also vary on a site-by-site basis.

5.42 In addition, the provision of some intermediate products may support viability as well as helping develop mixed and balanced communities by offering a wider range of products.

5.43 In terms of types of affordable housing, the analysis indicates that there is a high need for social rented housing in the Council area and as a start point the Council could seek 100% of rented provision as social rents. However, if this is not viable, 20% affordable rent could be considered to ensure that the overall delivery of affordable homes is not prejudiced.

5.44 The analysis also suggests there is unlikely to be a role for discounted market housing, with the main focus likely to be on shared ownership.

5.45 The following table sets out a suggested tenure split based on the evidence in this report. This would still be subject to viability and also the potential for alternative choices to be made by the Council – for example, it is possible that increasing levels of intermediate housing would increase overall delivery and this may be considered preferable to providing homes at social rents (of course the opposite could also be sought – more social rents, fewer homes overall).

5.46 Overall, the recommendation is for an 80:20 split, with all rented housing at social rents where viable; intermediate housing focusses on shared ownership; no targets are suggested for discounted market sale or First Homes.

5.47 The categories used in the table below are consistent with the affordable housing definitions set out in Annex 2 of the NPPF.

Table 5.11 Suggested mix of affordable housing – Colchester

Type of affordable housing	Recommended Target (subject to viability)
a) Social Rent	80%
b) Other affordable housing to rent	0%
c) Discounted market sales housing	N/A
d) Other affordable routes to home ownership (Focussing on Shared Ownership)	20%

Source: Iceni analysis

5.48 Given the need for social rents, it will be appropriate to focus on delivering this tenure as the only rented provision on sites where it is economically viable to do so (also noting that it may be difficult to develop sites with both social and affordable rented products due to having a different rent for essentially the same home).

5.49 Affordable rents could be delivered only on sites where it is necessary due to viability issues. Where necessary, these should be capped at LHA rates to ensure they are as affordable as possible for as many households as possible.

Affordable Housing Need – Summary

5.50 The analysis identifies a continued and notable need for affordable housing, and it is clear that the provision of new affordable housing is an important and pressing issue in the area.

5.51 The analysis suggests that affordable housing delivery should be maximised where opportunities arise. Still, caution is needed when trying to make direct links between affordable need and overall need.

5.52 An affordable housing target is not provided as the amount of affordable housing delivered will be limited to the amount that can viably be provided.

5.53 However, we note the Council’s emerging policy position which is to seek 30% of homes as affordable housing, and we consider this target to be reasonable – this having been tested through a viability study.

5.54 It is, however, clear that social rents are more affordable and could benefit a wider range of households. For example, social rents could therefore be prioritised where delivery does not prejudice the overall delivery of affordable homes.

5.55 Overall, the recommendation is for an 80:20 split, with all rented housing at social rents where viable; intermediate housing focusses on shared ownership; no targets are suggested for discounted market sale or First Homes.

6. Housing Mix

Introduction

6.1 The analysis below updates Section 7 of the LHNA in looking at the mix of housing likely to be needed by size (and tenure). This analysis is based on the new projections linked to providing 1,276 dwellings per annum. The method used is broadly the same as in the LHNA, with key tables below showing changes made.

Changes to Households by Age

6.2 The table below presents the projected change in households by age of household reference person; this shows growth as being expected in most age groups and in particular older age groups.

6.3 This can be compared with Table 7.4 of the LHNA, which showed a greater ageing of the population (higher increases in those aged 65+) and much lower changes for younger age groups. For example, the 35-49 age group was projected to increase by around 21% (over 18 years), with the figure now standing at 24% (over 17 years).

6.4 The differences are driven in part by changed demographics in the area (which has been showing less of an ageing population) and also due to the higher housing number modelled, which has driven higher estimates of in-migration, which would be expected to be amongst younger age groups (older people typically being less likely to move home).

Table 6.1 Projected Change in Households by Age of HRP in Colchester

	2026	2043	Change in Households	% Change
Under 25	2,394	3,697	1,303	54.4%
25-34	11,653	14,495	2,842	24.4%
35-49	23,796	28,191	4,395	18.5%
50-64	22,537	27,294	4,757	21.1%
65-74	10,276	12,833	2,557	24.9%
75-84	10,017	12,461	2,444	24.4%
85+	3,951	6,713	2,762	69.9%
TOTAL	84,623	105,683	21,060	24.9%

Source: Iceni analysis

Mix of Housing Linked to Demographic Change

6.5 The table below shows modelled outputs to look at estimated housing needs by size of home and in broad tenures. The modelling looks at how different household groups occupy homes and how the number of households in these groups is projected to change over time. The table also builds in analysis around levels of overcrowding and under-occupation (which is significant in the owner-occupied sector).

6.6 Consistent with the LHNA, the analysis shows a need for market housing focussing on 3+-bedroom homes, affordable home ownership on 2- and 3-bedroom accommodation and rented affordable housing showing a slightly smaller profile again.

6.7 These figures can be compared with Table 7.10 of the LHNA and generally show a similar profile of housing being needed. One modest difference is for market housing where the analysis in this report suggests a greater need for smaller (1- and 2-bedroom) homes.

6.8 This difference is driven by consideration of the private rented sector as part of the market housing modelling; the LHNA is linked only to the profile of owner-occupiers, which is not now considered to be the most appropriate approach.

Table 6.2 Modelled Mix of Housing by Size and Tenure

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	8%	32%	40%	20%
Affordable home ownership	22%	42%	24%	12%
Affordable housing (rented)	30%	34%	29%	6%

Source: Iceni analysis

6.9 A further analysis is to look at the rented affordable housing split between older (65+) and younger households; this is shown in the table below and can be compared with Table 7.11 of the LHNA. This shows very little difference between the two studies.

Table 6.3 Modelled Mix of Housing by Size and Age – affordable housing (rented) – Colchester

Age of HRP	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Under 65	22%	37%	33%	7%
65 and over	54%	46%		
All affordable housing (rented)	30%	34%	29%	6%

Source: Iceni analysis

6.10 Finally, the analysis has looked at the rented affordable housing in comparison to the turnover of different sizes of accommodation (an update to Table 7.12 of the LHNA).

6.11 This generally shows a similar pattern to the LHNA, although the supply data does point to a higher proportion of the need for larger (3+-bedroom) homes potentially being met.

Table 6.4 Need for rented affordable housing by number of bedrooms

	Gross Annual Need	Gross Annual Supply	Net Annual Need	As a % of total net annual need	Supply as a % of gross need
1-bedroom	331	96	235	30.3%	29.0%
2-bedrooms	378	113	265	34.2%	29.9%
3-bedrooms	285	57	228	29.4%	20.0%
4+-bedrooms	59	12	47	6.1%	20.8%
Total	1,053	278	774	100.0%	26.4%

Source: Iceni analysis

6.12 This difference is largely due to inclusion of all households in the analysis – the LHNA basing the profile of need on those households aged under 65.

Indicative Targets for Different Sizes of Property by Tenure

6.13 Drawing this data together, it is possible to update the indicative targets for different sizes of home (by tenure) provided in the LHNA (see paragraph 7.45 of the LHNA).

6.14 The conclusions take account of a range of factors, including the modelled outputs and an understanding of the stock profile. The analysis (for rented affordable housing) also draws on the Housing Register data. It takes a broader view of issues such as the flexibility of homes to accommodate changes to households (e.g. the lack of flexibility offered by a 1-bedroom home for a couple looking to start a family).

6.15 The table below shows the suggested mix of housing by tenure based on the updated analysis. Compared with the LHNA, this suggests a slightly smaller mix of homes in the market sector (more 1- or 2-bedroom homes).

Table 6.5 Suggested size mix of housing by tenure – Colchester

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	35%	40%	20%
Affordable home ownership	20%	45%	25%	10%
Affordable housing (rented)	25%	35%	30%	10%

Source: Iceni analysis

6.16 It is also suggested that no specific split is made between households aged over and under 65 when looking at rented affordable housing – although it should be noted that a broad 50:50 split between 1- and 2-bedroom homes could be considered for any specific older persons schemes.

6.17 The Council's own analysis shows that on the 1st April 2026, there were 1,512 households registered in priority Bands A to C only. Of these, almost half require a 1-bedroom property and a quarter a three-bedroom property. This includes applicants requesting sheltered accommodation and single applicants not in priority need under homelessness legislation.

Table 6.6 The property size (no. bedrooms) needed by the highest-need households:

Number of Bedrooms Required	Band A	Band B	Band C	Total	% Total
One	11	258	480	749	49.5%
Two	44	74	135	253	16.7%
Three	16	342	37	395	26.1%
Four or more	1	108	6	115	7.6%
Total	72	782	658	1,512	100%

Source: Colchester City Council

6.18 While the average wait time for those in a priority banding increases as the size requirement increases, this is not the case for 2-bedrooms. This is due to lower need, combined with higher turnover in smaller homes.

Table 6.7 Waiting time by property size (no. bedrooms)

Number of Bedrooms Required	Waiting Time
One	9.4
Two	7.1
Three	31.1
Four or more	37.6

Source: Colchester City Council

6.19 Therefore, the mix could be adjusted on specific sites to include a greater proportion of 1- and 3+-bedroom homes in the shorter term to reflect the current Housing Register.

Policy Response

6.20 Policy H1 of the emerging Local Plan deals with housing mix by size, noting that 'new residential developments should assist in the creation of sustainable and inclusive communities by providing an appropriate mix of dwellings in terms of size, type and tenure'.

6.21 The policy also provides a table from the LHNA as well as noting that mix should take account of 'existing housing stock in the local area and character of the local area'.

6.22 Given this, this update suggests a slightly different mix of housing. Also, it suggests not splitting out those aged under 65 and 65 and over; the Council could consider updating the table in the plan to reflect the one above.

Housing Mix - Summary

6.23 There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability.

6.24 Our recommended mix over the 2026-43 period is set out below:

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	35%	40%	20%
Affordable home ownership	20%	45%	25%	10%
Affordable housing (rented)	25%	35%	30%	10%

6.25 These conclusions are largely based on demographic modelling through to 2043 and in considering the mix at a point in time (or on any specific site) consideration should also be given to other evidence. For example, the Council's Housing Register currently shows a lower need for 2-bedroom homes than implied above; particularly in priority bands A-C, given analysis of the housing register, the mix required on specific sites could be adjusted to include a greater proportion of 1- and 3+-bedroom homes and fewer 2-beds in the short term.

6.26 In the market sector, when compared with the LHNA, this suggests a slightly smaller mix of homes (more homes with 1- or 2-bedrooms).

6.27 As per the previous report, and emerging policy, the suggested mix should therefore not be applied prescriptively but could be used as a monitoring tool.

7. Older and Disabled Persons

Introduction

7.1 This section of the report updates Section 8 of the LHNA, which looked at housing needs in relation to older people and people with disabilities; much of the analysis looked at how needs might change in the future based on population projections, and the key analysis has been updated below.

Current Population of Older People

7.2 The table below provides baseline population data about older persons in Colchester and compares this with other areas (the equivalent table in the LHNA is Table 8.1).

7.3 The table confirms the City has a very slightly younger age structure than seen regionally or nationally, with 18% of the population being aged 65 and over in 2024.

Table 7.1 Older Persons Population, 2024

	Colchester		Essex	East of England	England
	No.	%	%	%	%
Under 65	164,177	82.0%	79.2%	80.0%	81.3%
65-74	17,200	8.6%	10.0%	9.7%	9.4%
75-84	13,856	6.9%	7.9%	7.4%	6.8%
85+	4,989	2.5%	2.9%	2.8%	2.5%
Total	200,222	100.0%	100.0%	100.0%	100.0%
Total 65+	36,045	18.0%	20.8%	20.0%	18.7%
Total 75+	18,845	9.4%	10.8%	10.2%	9.3%

Source: ONS

Projected Future Change in the Population of Older People

7.4 As with the LHNA, a population projection has been used to indicate how the number of older persons might change in the future. The projection in this update is based on delivery of 1,276 dwellings per annum (2026-43),

7.5 This can be compared with similar analysis in the LHNA (see Table 8.2), albeit that was based on a slightly lower housing number and for a different period (2023-41).

7.6 The table below shows the Council area is projected to see a notable increase in the older person population, with a projected increase in the population aged 65+ of around 31% - the population aged under 65 is projected to see an increase of 12%.

7.7 These figures are slightly different from those in the LHNA, with that document projecting higher increases across age bands and a higher overall population change. The main difference is in the Under 65 population, which appears driven by a projection of fewer children, linked to ONS projections of lower future fertility.

7.8 In total population terms, the projection shows an increase in the population aged 65 and over of 11,400 people. This is against a backdrop of an overall increase of 31,600. Population growth among people aged 65 and over therefore accounts for 36% of the total projected population change (34% in the LHNA).

Table 7.2 Projected Change in Population of Older Persons, 2026 to 2043 – Colchester

	2026	2043	Change in population	% change
Under 65	165,160	185,290	20,130	12.2%
65-74	17,621	21,877	4,256	24.2%
75-84	14,409	17,907	3,498	24.3%
85+	5,195	8,879	3,684	70.9%
Total	202,385	233,953	31,567	15.6%
Total 65+	37,225	48,662	11,437	30.7%
Total 75+	19,604	26,785	7,181	36.6%

Source: Iceni analysis

Health Related Population Projections

7.9 The table below updates analysis in Table 8.4 of the LHNA and looks at how the number of people with a range of disabilities might change in the future based on projected population growth.

7.10 An additional row has been included in this table to model Census prevalence rates (related to disability under the Equalities Act) – this shows a projected increase of 7,700 people with a disability over the 2026-43 period, with the number of people reaching 42,500 by 2043.

7.11 Consistent with the LHNA, the analysis suggests a large increase in the number of older people with dementia (increasing by 48% from 2026 to 2043 and mobility problems (up 41% over the same period).

7.12 However, these figures are slightly lower than those shown in the LHNA. Changes for younger age groups are smaller, reflecting the fact that projections are expecting older age groups to see the greatest proportional increases in population.

7.13 However, in this case the changes are greater than in the LHNA; for example, the table below projects a 17% increase in the number of people aged 16-64 with impaired mobility; the equivalent figure in the LHNA was just 12%.

Table 7.3 Projected Changes to Population with a Range of Disabilities – Colchester

Disability	Age Range	2026	2043	Change	% change
All disabilities (Equalities Act)	All	34,770	42,473	7,703	22.2%
Dementia	65+	2,550	3,764	1,214	47.6%
Mobility problems	65+	6,569	9,234	2,664	40.6%
Autistic Spectrum Disorders	18-64	1,223	1,460	237	19.4%
	65+	322	418	97	30.1%
Learning Disabilities	15-64	3,208	3,744	536	16.7%
	65+	718	938	219	30.5%
Impaired mobility	16-64	6,632	7,760	1,128	17.0%

Source: POPPI/PANSI and Iceni analysis

Need for Specialist Accommodation for Older People

7.14 The table below updates the analysis examining the need for specialist accommodation for older people. This is based on applying prevalence rates for different types of housing to estimate need and also considering the current supply of different types of housing. The detailed method is in paragraphs 8.22 onwards in the LHNA.

7.15 Once again, the data for this analysis is linked to the updated projections although supply estimates have also been updated to a 2025 base. The table can be compared with Table 8.6 of the LHNA. Key findings for the 2026-43 period include:

- a need for around 1,800 housing units with support (sheltered/retirement housing) – around 59% in the market sector;

- a need for around 1,000 additional housing units with care (e.g. extra-care) – again split between market and affordable housing (around two-thirds market); and
- a need for 900 additional nursing and residential care bedspaces although there is estimated to be a current surplus of residential care.

7.16 When compared with the LHNA, the general outcomes are broadly similar, with the main difference being a lower estimated need for residential care bedspaces – this is mainly due to a higher supply being recorded in this update rather than any significant change in estimated need.

Table 7.4 Specialist Housing Need (2026-43) – Colchester

		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall / surplus (-ve)	Addition-al demand to 2043	Shortfall /surplus by 2043
Housing with support	Market	53	365	1,044	679	382	1,061
	Affordable	65	994	1,268	274	465	739
Total (housing with support)		118	1,359	2,312	953	847	1,800
Housing with care	Market	26	53	517	464	189	654
	Affordable	16	38	315	277	115	393
Total (housing with care)		42	91	832	741	305	1,046
Residential care bedspaces		38	830	740	-90	271	181
Nursing care bedspaces		42	376	832	456	305	761
Total bedspaces		80	1,206	1,572	366	576	942

Source: Iceni analysis

Wheelchair Users

7.17 The final updated analysis looks at the number of wheelchair user households, with the method for calculating being found from paragraph 8.46 onwards in the LHNA (and data to be compared with Table 8.8).

7.18 The table below estimates there are 2,321 wheelchair user households in the Council area in 2026, and this will rise to 2,940 by 2043 – this is a slightly lower figure than that estimated through the LHNA (3,119 wheelchair user households by 2041).

Table 7.5 Estimated number of wheelchair user households (2026-43) – Colchester

	Prev-alence rate (% of house-holds)	*House-holds 2026*	*House-holds 2043*	*Wheel-chair user house-holds (2026)*	*Wheel-chair user house-holds (2043)*
24 and under	0.7%	2,394	3,697	16	24
25-34	0.6%	11,653	14,495	65	81
35-49	2.0%	23,796	28,191	466	552
50-64	2.4%	22,537	27,294	542	656
65 and over	5.1%	24,244	32,006	1,232	1,627
All households		84,623	105,683	2,321	2,940

Source: Iceni analysis

The need for accessible housing

7.19 The existing minimum standard for accessible housing (M4(1)) has four main requirements that make homes accessible and visitable for most people, including wheelchair users: level access to the main entrance; a flush threshold; sufficiently wide doorways and circulation space; and a toilet at entrance level. The M4(1) standard could be described as ‘visitable’ homes.

7.20 The higher M4(2) standard requires additional features including having a living area at entrance level and step-free access to all entrance level rooms and facilities, wider doorways and corridors as well as clear access routes to reach windows.

7.21 It also includes further features to make homes more easily adaptable over time for a wide range of occupants, including older people, those with reduced mobility and some wheelchair users, for example sanitary provisions that can be adapted easily for installation of grab rails and stairs designed to allow easy fit of a stair lift.

7.22 The M4(3) requirement is achieved when a new dwelling provides reasonable provisions for a wheelchair user to live in the dwelling and have the ability to use any private outdoor space, parking and communal facilities. The table below summarises key features for M4(2) and M4(3) dwellings.

Table 7.6 M4(2) and M4(3) – Key Features

Standard	Key Features
M4(2) – Accessible and Adaptable Dwellings	Step-free access to the dwelling Wider doorways and corridors (typically 850mm doors, 900mm corridors) Space in bathrooms and kitchens for future adaptations Reinforced walls for grab rails Living space on the entrance level
M4(3) – Wheelchair User Dwellings Two types: M4(3)2a – Adaptable - Can be modified later M4(3)2b – Accessible – Fully usable from day one.	Larger circulation spaces (corridors ≥1050mm, turning circles of 1500mm) Step-free access throughout Space for through-floor lifts or stairlifts Bathrooms with level-access showers and sufficient transfer space Storage/charging space for wheelchairs

Source: Building Regulations 2015

7.23 Determining a need for M4(2) and M4(3) will depend on the quality of the current stock as well as estimates of need from households containing someone with a disability.

7.24 It is difficult to determine the quality of stock at a local level and even national data does not match the standards set out in Planning Practice Guidance (and Building Regulations).

7.25 Currently, it is estimated that only 13% of homes in England[4] have all four basic accessibility criteria that help make a home visitable for most people, namely:

1. A toilet at entrance level
2. Sufficiently wide doorways and circulation space for a wheelchair
3. Level access to reach the front door
4. A flush threshold with no obstructions that create a trip hazard or make it difficult for a wheelchair to cross

7.26 This is essentially only 13% of homes even meeting the most basic M4(1) standards and therefore proportions meeting higher M4(2) and M4(3) will undoubtedly be much lower. This suggests a potential need for a higher proportion of new homes to meet higher standards.

7.27 That said, it is possible some homes could be adapted to meet the M4 standards with adaptation. Again, data on this is difficult to find; however, the 2014-15 English Housing Survey[5] did show the number of homes that could be brought up to a visitable standard (albeit this would be the M4(1) standard) and the amount of work required. The table below shows this.

[4] https://www.housinglin.org.uk/Topics/type/The-state-of-accessible-housing-Accessible-Homes-Factsheet-2025/

[5] https://assets.publishing.service.gov.uk/media/5a8056e240f0b62302692eb5/Adaptations_and_Accessibility_Report.pdf

Table 7.7 Level of work required to homes in England to achieve all four visitability standards

	Number of homes ('000s)	% of homes
No work (has all visitability features)	1,667	7.1%
minor work only	2,587	11.1%
moderate work only	9,785	41.9%
major/problematic	3,330	14.2%
Not feasible	6,002	25.7%
TOTAL	23,371	100.0%

Source: Survey of English Housing

7.28 This data would suggest it is likely to be very difficult to even get to an M4(1) standard for around 40% of homes, with another 40% or so still requiring a 'moderate' amount of work.

7.29 Notably, the EHS did also point to only 7% of homes in England as having all visitability features (although as noted above, this figure is now estimated at 13%).

7.30 For wheelchair users' households, the data was slightly more positive, with 16% of homes including all four visitability features and a lower proportion of homes needing major work or where work is not feasible. That said, these figures are to bring homes up to an M4(1) standard and would fall well short of M4(3).

Table 7.8 Level of work required to homes in England to achieve all four visitability standards – wheelchair user households

	Number of homes ('000s)	% of homes
No work (has all visitability features)	129	15.8%
minor work only	99	12.1%
moderate work only	387	47.5%
major/problematic	59	7.2%
Not feasible	141	17.3%
TOTAL	814	100.0%

Source: Survey of English Housing

7.31 From this analysis it can be seen how difficult it is to estimate the quality of current stock (when set against the optional technical standards) and therefore to numerically estimate what proportions of new stock should be of different categories.

M4(2)

7.32 Starting with M4(2), a working assumption is that this is only a slightly higher standard than M4(1); this seems reasonable given the M4(1) already includes four visitability criteria and it is also the case that various publications suggest the cost difference between building to M4(1) and M4(2) standards is fairly minor.

7.33 In a 2020 consultation[6] it was stated that *'the estimated additional cost per new dwelling is approximately £1,400 for units which would not already meet M4(2)'*. Whilst this is an additional cost, it is unlikely in most cases to be a large enough difference to unduly compromise the viability of a development.

[6] https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes/raising-accessibility-standards-for-new-homes-html-version

7.34 In terms of an overall need for M4(2) dwellings, it is difficult to completely match this to any of the range of disabilities set out previously. Looking at the number of people with a disability under the Equalities Act, it can be seen this is estimated to reach around 42,500 by 2043.

7.35 Furthermore, Census data (shown in Table 8.3 of the LHNA) suggests there are around 32,600 people with a disability (in 2011) living in 24,800 different households. This suggests a household need in 2043 of around 32,300 households, compared with a Standard method housing need figure over the plan period of 21,700 dwellings.

7.36 Whilst it is acknowledged some households will already live in a home that meets the standard and some will live in a home that could be improved to the standard, this data does point to the Council potentially seeking all homes to be at M4(2) standards as a start point.

7.37 In looking at a start point of all dwellings as M4(2), it should be noted that the December 2025 consultation version of the NPPF considers this and states that at least 40% of new housing should be delivered to M4(2) standards over the course of the plan period.

7.38 This might point to a lower figure as a target; however, as not all homes will be capable of meeting this level, a higher target is reasonable (as long as viability is not unduly compromised).

M4(3)

7.39 With M4(3) the analysis suggests there may be 2,900 wheelchair user households in the Council area in 2043 – this notionally represents 14% of the Standard Method.

7.40 Again, there will be some households living in a home that is already fully adapted as well as some where full adaptation is possible.

However, a proportion of new homes will need to be built to M4(3) standards.

7.41 There is also likely to be a different need depending on the tenure of the home. Information in the EHS (for 2020/21) shows, at that time, around 6.7% of social tenants were wheelchair users (including 1.8% using a wheelchair indoors/all the time), compared with 2.6% of owner-occupiers (0.8% indoors/all the time).

7.42 These proportions can be expected to increase with an ageing population but do highlight the likely need for a greater proportion of social (affordable) homes to be for wheelchair users.

Table 7.9 Proportion of wheelchair user households by tenure of household reference person – England

Tenure	*No household members use a wheelchair*	*Uses wheelchair all the time*	*Uses wheelchair indoors only*	*Uses wheelchair outdoors only*	TOTAL
Owners	97.4%	0.6%	0.2%	1.8%	100.0%
Social sector	93.3%	1.3%	0.5%	4.9%	100.0%
Private renters	98.6%	0.2%	0.2%	1.0%	100.0%
All households	96.9%	0.6%	0.3%	2.2%	100.0%

Source: English Housing Survey (2020/21)

7.43 With M4(3) homes, viability is likely to be more of an issue than for M4(2). Although slightly dated, at the time of the PPG of optional standards a report was published written by EC Harris[7] - this estimated the costs of achieving M4(3)2b in new homes would vary from £10,600

[7] https://assets.publishing.service.gov.uk/media/5a7ebf1bed915d74e33f228b/021c_Cost_Report_11th_Sept_2014_FINAL.pdf

for a 1-bedroom home, up to £25,300 for homes with four bedrooms; this standard is likely to apply to homes provided in the affordable sector (where the authority has nomination rights).

7.44 For market housing, delivery is likely to be M4(3)2a, which might be described as having 'future adaptability' – in this case the additional costs are estimated to be much lower (in the range of £8,100 to £10,200 depending on size and built-form).

7.45 As a start point, it is suggested the Council could seek a proportion (potentially up to 5%) of all new market homes to be M4(3) compliant and potentially a higher figure in the affordable sector (potentially up to 10%). In the market sector, these homes would be M4(3)A (adaptable) and M4(3)B (accessible) for affordable housing.

7.46 For both M4(2) and M4(3) homes, it does additionally need to be noted there may be other reasons why the standard cannot be met (in addition to viability); this might include built-form, topography or flooding.

Policy Response

7.47 Policy H5 of the emerging Local Plan deals with specialist housing (including for older people) and also sets out the Council's approach to M4(2) and M4(3) – these are also discussed in Policy H2 on affordable housing.

7.48 The Council's general approach to older persons housing is to be supportive of proposals for a range of types of housing and specifically that sites of 500 dwellings or more are expected to provide a mix of housing, including a range of homes for older people. The general approach seems reasonable.

7.49 Regarding M4(2) and M4(3), the Council's position is that '80% of dwellings (in all tenures) should meet Building Regulations 2015 Part M4 (2) accessible and adaptable standards and 5% of all new market homes and 10% of all affordable homes should meet Building Regulations 2015 Part M4(3)'.

7.50 On the basis of our discussion and recommendations above, we would suggest increasing the target for M4(2) homes to 100% - all homes to be of this standard unless they are already of the higher M4(3) standard. The 5% and 10% figures for M4(3), depending on tenure, fit with the conclusions of this report.

Older and Disabled Persons – Summary

7.51 The older person population is projected to increase notably moving forward. An ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2026-43 period include:

- a need for around 1,800 housing units with support (sheltered/retirement housing) – around 59% in the market sector;
- a need for around 1,000 additional housing units with care (e.g. extra-care) – again split between market and affordable housing (around two-thirds market); and
- a need for 900 additional nursing and residential care bedspaces although there is estimated to be a current surplus of residential care.

7.52 There continues to be a clear need to increase the supply of accessible and adaptable dwellings and wheelchair-user dwellings as well as provide specific provisions for older persons housing.

7.53 Given the evidence, the Council could increase its draft target for M4(2) homes to 100% - all homes to be of this standard unless they are already of the higher M4(3) standard. The 5% and 10% figures for M4(3), depending on tenure, align with the conclusions of this report.

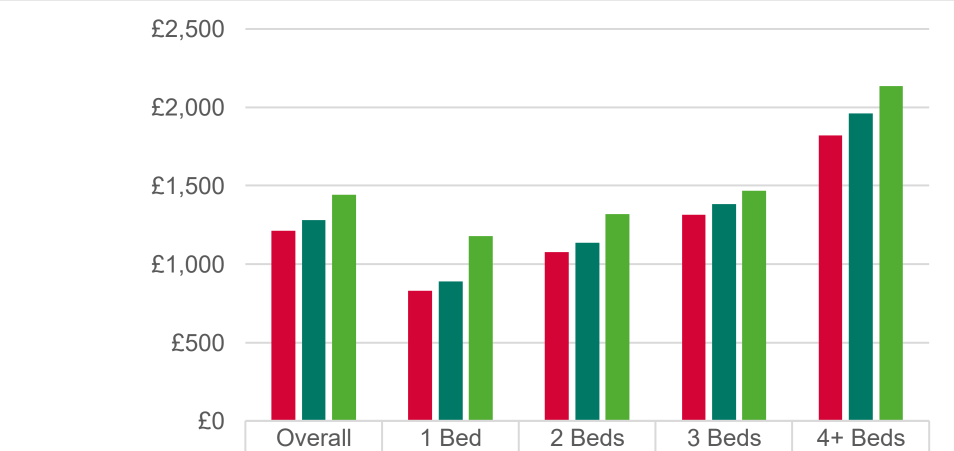
8. Private Rental Sector

8.1 The Private Rental Sector (PRS) makes an important contribution to the overall housing market in Colchester, particularly for those people who cannot afford to buy and are not eligible for social housing.

Private Rental Market Dynamics

8.2 The Figure below shows the median rental costs for different property sizes. The overall median monthly rental cost in Colchester in May 2026 was £1,211. Colchester is less expensive than the national and regional medians across all property types.

Figure 8.1 Rental Costs (£ pcm, May 2026)

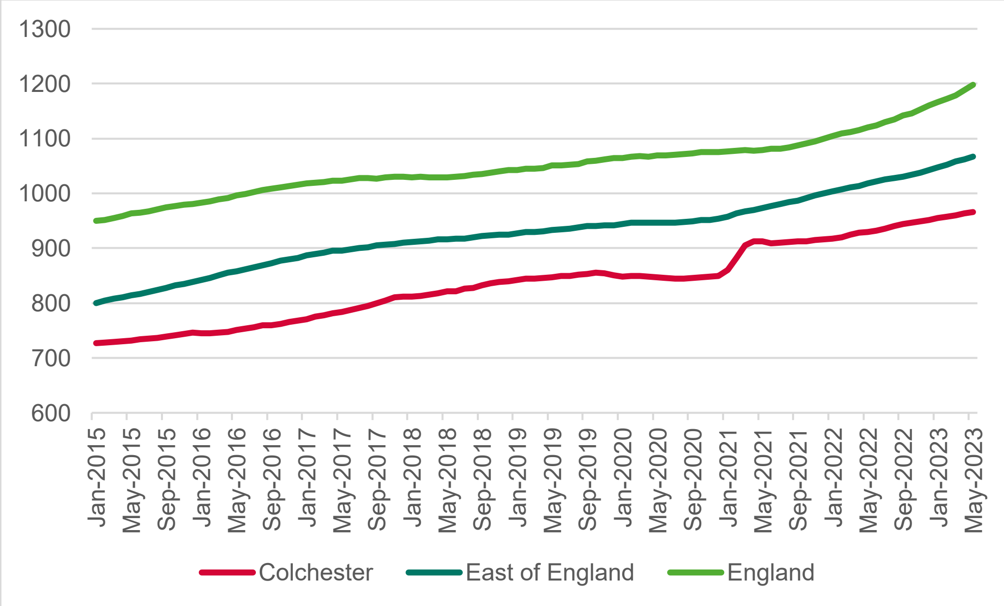


	Overall	1 Bed	2 Beds	3 Beds	4+ Beds
Colchester	£1,211	£829	£1,075	£1,315	£1,819
East of England	£1,280	£889	£1,138	£1,382	£1,962
England	£1,442	£1,180	£1,318	£1,470	£2,135

Source: Iceni analysis of VOA/ONS data

8.3 Consistent with the national trend, median monthly rents have been increasing consistently in Colchester since 2015. This reflects decreasing affordability in the purchase market shifting demand to PRS as a more affordable option.

Figure 8.2 Private Rental costs over time



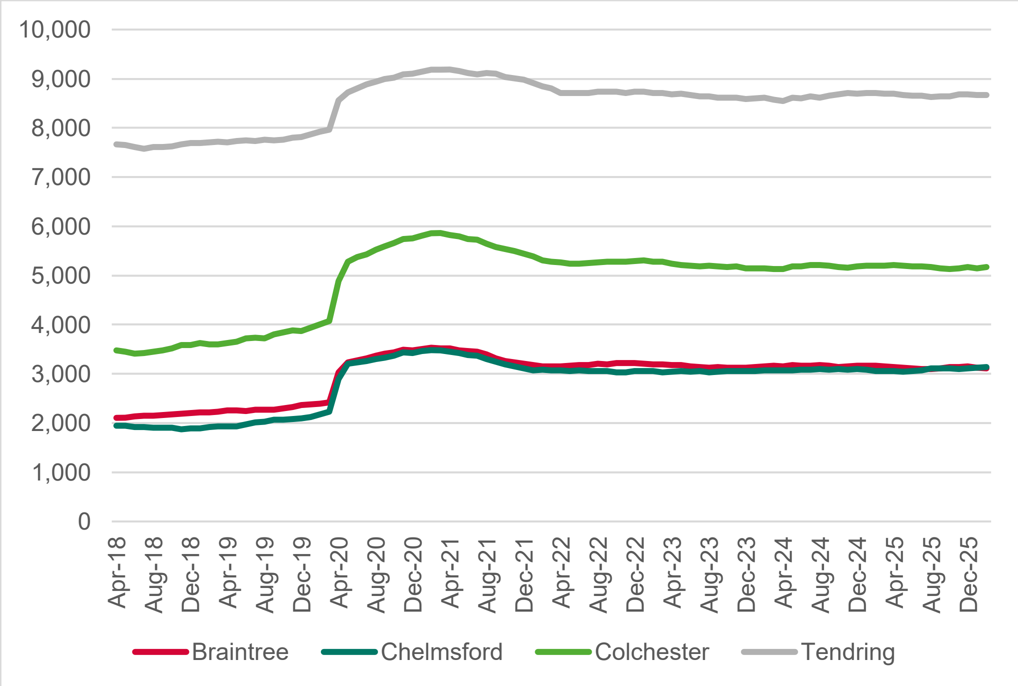
Source: Iceni analysis of VOA/ONS data

8.4 The figure below looks at the number of people who live in the private rented sector and claim some form of housing benefits to aid in affording their rent over time. Over time, it is clear that the COVID-19 lockdown affected all areas, with the number of claimants jumping in March 2020; this will be a factor in many people losing jobs and income.

8.5 What is clear is that the increase seen in Colchester (44%) over that period (March 2020 to the February 2021 peak) was below both Braintree (46%) and Chelmsford (56%) but greater than Tendring (15%).

8.6 The number of overall claimants in Colchester has, however, dropped since the pandemic peak, to the extent that there are now 12% fewer claimants in February 2026 than there were in February 2021 but still around 27% above the pre-pandemic levels.

Figure 8.3 Universal Credit and Housing Benefit Claimant by Local Authority (2018-2026)



Source: DWP, 2023

8.7 This evidence points to the Private Rented Sector playing a continued role in meeting affordable housing needs and compensating for a shortfall in genuinely affordable housing.

Houses in Multiple Occupation (HMOs)

8.8 A house in multiple occupation (HMO) is a property rented out by at least 3 people who are not from 1 'household' (for example a family) but share facilities like the bathroom and kitchen. It is sometimes called a 'house share'.

8.9 One definition[8] of use class C4 (HMO) is "small, shared houses or flats occupied by between three and six unrelated people who share basic amenities" such as a toilet, personal washing facilities or cooking

[8] https://www.gov.uk/government/publications/changes-to-planning-regulations-for-dwellinghouses-and-houses-in-multiple-occupation-circular-08-2010

facilities. Where more than six unrelated individuals share amenities, this is termed an HMO in sui generis use.

8.10 Colchester, being a city with a large University, has a significant demand for student accommodation, which often includes HMOs. The previous report noted that Colchester has a relatively high number of HMOs compared to the rest of Essex. Indeed, almost half (46%) of all HMOs in Essex are in Colchester.

8.11 In comparison to neighbouring authorities, HMOs represent 0.84% of total dwellings (2021 Census) in Colchester, which is a greater concentration than that seen across the other areas assessed.

Table 8.1 Detail of Houses in Multiple Occupation in Colchester and Comparator

	Total HMOs	Is a small HMO	Is a large HMO	Total dwellings	HMOs as % of dwellings
Colchester	697	522	175	83,168	0.84%
NEA	1,064	782	282	301,315	0.35%
Essex	1,516	1,102	414	807,198	0.19%
East	10,725	7,795	2,930	2,762,295	0.39%
England	175,661	130,733	44,928	24,927,591	0.70%

Source: Census 2021

8.12 According to the latest Local Authority Housing Statistics, the Total Number of HMOs in the City has fallen by 500 in the last year from 2000 to 1500. At the same time, the total number of licensed HMOS has fallen by 50 from 600 to 550.

8.13 This is likely a combination of landlords leaving the market as interest rates increase and regulations tighten. It may also be due to the number of students in the city falling.

8.14 In conclusion, while the numbers have fallen, HMOs remain important in offering choice to renters and provide an affordable option, particularly given issues with affordability in the East of England.

8.15 There remains no suggestion of the need for an Article 4 direction at this time; however, the Council should continue to monitor HMO proliferation and continue to build a picture of the HMO market using robust data.

Build to Rent

8.16 In respect of Build to Rent, the Housing White Paper (February 2017) set out that the Government wanted to build on earlier initiatives to attract new investment into large-scale housing which is purpose-built for market rent (i.e., Build to Rent).

8.17 The government set out that this would drive up the overall housing supply, increase choice and standards for people living in privately rented homes and provide more stable rented accommodation for families – particularly as access to ownership has become more challenging.

8.18 The NPPF sets out that the needs of people who rent their homes (as separate from affordable housing) should be assessed and reflected in planning policies (Para 63). Its glossary also includes a definition for Build to Rent development:

"Purpose built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses but should be on the same site and/or contiguous with the main development".

8.19 It therefore represents development which is constructed with the intention that it will be let rather than sold.

Benefits of Build-to-Rent

8.20 The benefits of Build to Rent are best summarised in the Government's A Build to Rent Guide for Local Authorities which was published in March 2015. The Guide notes the benefits are wide-ranging but can include:

- Helping local authorities to meet demand for private rented housing whilst increasing tenants' choice "as generally speaking tenants only have the option to rent from a small-scale landlord".
- Retaining tenants for longer and maximising occupancy levels as Build to Rent investment is an income-focused business model;
- Helping to increase housing supply, particularly on large, multiple phased sites as it can be built alongside build-for-sale and affordable housing; and
- Utilising good design and high-quality construction methods which are often key components of the Build to Rent model.

8.21 This Build to Rent Guide provides a helpful overview of the role that Build to Rent is intended to play in the housing market, offering opportunities for those who wish to rent privately (i.e. young professionals) and for those on lower incomes who are unable to afford their own home.

8.22 Over recent years, there has been rapid growth in the Build to Rent sector backed by domestic and overseas institutional investment. In Savills' UK Build to Rent Market Update for Q4 2024, the BTR market now has 123,500 completed homes, 49,000 under construction, and 109,800 in the development pipeline, for a total of 282,500 units. Investment has increased dramatically since 2019, even as building starts have fallen nationwide.

Tenant profile

8.23 The British Property Federation ("BPF"), London First and UK Apartment Association ("UKAA") published (July 2025) a report[9] profiling those living in Build-to-Rent accommodation in England.

8.24 While this is focused on larger urban areas such as London, Birmingham and Manchester, it helps to understand the broad profile of tenants.

8.25 According to their research, around 51% of Multi-Family Housing (MFH) residents were aged between 25 and 34, which is slightly higher than the wider private rented sector (42%).

8.26 The survey-based data identified that incomes in MFH are similar to those in private rented sector accommodation, with 43% earning between £26,000 and £50,000 compared to 45% in PRS.

8.27 The report noted that Build to Rent offers comparable affordability (around 30% in both) but is notably more affordable for couples and sharers.

8.28 The report also identified the public sector as a key employment sector. In BTR, 11% of renters work in public-sector roles; in the wider PRS, the figure is 18%. This will include many key workers.

8.29 Demonstrating the overlap between specialist rental options, 30% of BTR residents are students compared to just 14% in the wider private sector.

Existing provision

8.30 The Council advised that there was currently one Build to Rent Scheme in the City and this is for single-family living, which is the term used to

[9] British Property Federation, July 2025. Who lives in Build-to-Rent? https://realestateuk.org/media/kluguz4e/who-lives-in-build-to-rent-report-2025-final-1.pdf

describe non-flatted BTR schemes rather than its typical form of flatted development with shared facilities.

8.31 This development is the Leaf Living Scheme in Chesterwell / Mile End and has 200 units and is being built out by Countryside. The available units at the time of writing range from 3 to 4 beds, with prices ranging from £2,000 to £2,485 per calendar month.

8.32 They are therefore a premium product, and these rental costs considerably exceed 2026 median prices across Colchester. Other such schemes likely exist within the City, but they are not easily definable.

8.33 The Council have also highlighted three further developments of studio flats in converted office space. These sites at 23 and 25 Southway and Ryegate House provide 92 studios. However, it is unclear if these units will be HMOs, BTR or short-term lets.

Recommended policy response

8.34 The PPG on Build to Rent recognises that where a need is identified, local planning authorities should include a specific plan policy relating to the promotion and accommodation of Build to Rent.

8.35 In recognition of the potential growth of the sector, the Council might consider including a policy on Build-to-Rent development to set out parameters (such as design, contract lengths, space standards, communal space standards (even if just stipulating wider standards apply) and facilities, outdoor space, bike storage and active transport measures etc.), regarding how schemes would be considered, with the expectation that there is likely to be some activity moving forward – and this policy should also deal with how affordable housing policies would be applied.

8.36 Given that the sector is still evolving, we would recommend that the Council is not overly prescriptive on the mix of dwelling sizes within new Build to Rent development.

8.37 The NPPF's definition of Build-to-Rent development sets out that schemes will usually offer tenancy agreements of three or more years and will typically be professionally managed stock in single ownership and management control.

8.38 The Council will need to consider affordable housing policies specifically for the Build-to-Rent sector. The viability of Build-to-Rent development will, however, differ from that of a typical mixed tenure development in the sense that returns from the Build-to-Rent development are phased over time. In contrast, a typical mixed tenure scheme generates capital receipts as units are sold.

8.39 In general terms, it is expected that a proportion of Build to Rent units will be delivered as 'Affordable Private Rent' housing. Planning Practice Guidance[10] states that:

> "The National Planning Policy Framework states that affordable housing on build to rent schemes should be provided by default in the form of affordable private rent, a class of affordable housing specifically designed for build to rent. A single build-to-rent landlord should manage affordable private rent and private market rent units within a development collectively.
>
> 20% is generally a suitable benchmark for the level of affordable private rent homes to be provided (and maintained in perpetuity) in any build-to-rent scheme. If local authorities wish to set a different proportion, they should justify it using evidence from their local housing need assessment and set the policy out in their local plan. Similarly, the guidance on viability permits developers, in exceptional cases, to make a case for differing from this benchmark.

[10] ID: 60-002-20180913

> National affordable housing policy also requires a minimum rent discount of 20% for affordable private rent homes relative to local market rents. The discount should be calculated when a discounted home is rented out, or when the tenancy is renewed. The rent on the discounted homes should increase on the same basis as rent increases for longer-term (market) tenancies within the development”

8.40 The Council should have regard to the PPG on Build-to-Rent developments. This states that at least 20% of the units within a Build-to-Rent development should be let as Affordable Private Rented units at a 20% discount to local market rents. The Council might consider capping these at LHA rates, subject to viability.

Private Rental Sector Summary

8.41 The median monthly rent in 2026 in Colchester was £1,211. Overall median monthly rental costs for Colchester are lower than Essex and the East of England.

8.42 The evidence points to the Private Rented Sector playing a continued role in meeting affordable housing needs and compensating for a shortfall in genuinely affordable housing.

8.43 Colchester has an above-average level of HMOs when compared to other areas; however, these only represent a small percentage of the total stock.

8.44 HMOs are important in offering choice to renters and in providing an affordable option, particularly given issues with affordability in the East of England.

8.45 The Council may consider developing a policy around Build to Rent, but there is currently not a significant level of developer interest.

9. Housing Needs of Specific Groups

9.1 This report section at this stage includes a selected analysis of the needs of specific groups within the population drawing on secondary data.

Self and Custom Build

9.2 As of 1st April 2016, and in line with the Act and the Right to Build, relevant authorities in England are required to have established and publicised a self-build and custom housebuilding register which records those seeking to acquire serviced plots of land in the authority's area to build their own self-build and custom houses.

9.3 Furthermore, in line with the continued Government drive to support the self and custom-build sector, the latest National Planning Policy Framework (paragraphs 71 and 73(b), December 2024) duly recognises that it is important that a sufficient amount and variety of land can come forward where it is needed and that the needs of groups with specific housing requirements are addressed.

9.4 As part of this, the Framework (paragraph 63) states that:

> *"the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies, including…people wishing to commission or build their own homes" (our emphasis)*

9.5 The Self-Build and Custom Housebuilding Planning Practice Guidance is a material consideration and draws on legislation set out under the 2015 Act and the 2016 Act, but provides wider guidance on assessing demand and supporting self-build development.

9.6 In line with the legal duty placed on local authorities by the 2016 Act, the PPG reminds us that relevant authorities must give suitable development permission for enough suitable serviced plots of land to meet the demand for self-build and custom housebuilding in their area. The level of demand is established by reference to the number of entries added to an authority's register during a 'base period'.

9.7 The first base period began on the day on which the register is established. Each subsequent base period is 12 months beginning immediately after the end of the previous base period. Subsequent base periods will therefore run from October 31st to October 30th each year.

9.8 At the end of each base period, relevant authorities have 3 years in which to meet their legal duty and grant permission for an equivalent number of plots of land, which are suitable for self-build and custom housebuilding, as there are entries for that base period.

9.9 The PPG states that local planning authorities should use the demand data from the registers in their area, but this should also be supported as necessary by additional data from secondary sources, to understand and consider the future need for this type of housing in their area when preparing housing needs assessments.

9.10 Concerning what a 'duty to grant planning permission etc' means, the PPG states that:

> *"Relevant authorities must give suitable development permission to enough suitable serviced plots of land to meet the demand for self-build and custom housebuilding in their area. The level of demand is established by reference to the number of entries added to an authority's register during a base period."*

9.11 In respect of what having a 'duty as regards registers' means, the PPG states that:

> *"Section 2(1) of the Self-build and Custom Housebuilding Act 2015 places a duty on relevant bodies to have regard to each*

self-build and custom housebuilding register, including Part 2 of the register (where a register is in two parts), that relates to their area when carrying out their planning, housing, land disposal and regeneration functions." (our emphasis)

9.12 The PPG[11] is clear that self-build or custom build helps to diversify the housing market and increase consumer choice. Self-build and custom housebuilders choose the design and layout of their homes and can be innovative in both their design and construction.

9.13 The Levelling Up and Regeneration Act (2023) made some amendments to the 2015 Self and Custom Housebuilding Act, which advised how the supply and demand of self and custom build housing plots can be assessed. When assessing demand, the LURA inserted in section 6 of the 2015 Act the following:

> *"(a) the demand for self-build and custom housebuilding in an authority's area in respect of a base period is the aggregate of—*
>
> *(i) the demand for self-build and custom housebuilding arising in the authority's area in the base period; and*
>
> *(ii) any demand for self-build and custom housebuilding that arose in the authority's area in an earlier base period and in relation to which—*
>
> *(A) the time allowed for complying with the duty in subsection (2) expired during the base period in question, and*
>
> *(B) the duty in subsection (2) has not been met;*
>
> *(aa) the demand for self-build and custom housebuilding arising in an authority's area in a base period is evidenced by the number of entries added during that period to the register under section 1 kept by the authority;"*

9.14 As a result, although each authority still has 3 years to meet the need that arises from its Register, this need must now be counted cumulatively. For example, as of October 30, 2024, the need will be the cumulative demand shown in all base periods prior to October 30, 2021.

[11] Paragraph: 16a Reference ID: 57-016a-20210208

9.15 When considering the supply of plots LURA removes section 6(c) of the 2015 Act which read:

> *"development permission is 'suitable' if it is permission in respect of development that could include self-build and custom housebuilding"*

9.16 This change means that the Council will therefore need to demonstrate that serviced plots have resulted in self and custom-build development rather than what could be self and custom-build plots, for example, on the assumption of a CIL exemption.

9.17 Essentially, this means that for planning permissions to be counted towards the supply of self and custom-build homes, there needs to be evidence that this is what the development is for.

9.18 The exact detail of what can be considered appropriate evidence of a dwelling or planning application being specifically for self and custom-build is still to be confirmed. Still, appeal case law gives some indication of what this may be.

9.19 Evidence that would confirm that a development is specifically for self and custom-build may include:

- Planning Condition attached to approval requiring the development to be carried out for self-build; or
- Confirmation through S106 agreement for self-build; or
- Requirement for the self-build nature of the scheme to be included within the description of the development.

9.20 On historic permissions, further evidence will likely be required to demonstrate that the development was self- and custom-built; often this will be in the Design and Access Statement.

9.21 Although the regulations for what constitutes an appropriate permission for self-build are not yet known. Regulations will likely reflect the 2015 Act and existing PPG, demonstrating that the applicant/occupant has had "primary input" into the design of the scheme.

9.22 It is also likely that applications to replace existing dwellings with new self-build properties will constitute a fair proportion of the self-build supply, even though they do not result in a net gain of housing.

9.23 Going forward, local authorities will need to continue to monitor applications for self-build dwellings in their areas. Ensuring that all supply permissions are evidenced as self-build will also be important to ensure that an assessment can be made on whether the duty is met correctly.

9.24 It may also be prudent for the Council to retrospectively assess supply permissions to properly ascertain which permissions are specifically for the carrying out of self and custom-build development.

Colchester Planning Policy Framework

9.25 The current Colchester City Plan (2022) contains no specific policy on self and custom build, nor does the North Essex Strategic Plan (2021).

9.26 However, Policies SP8 and SP9 do mention self and custom build; SP8 requires development coming forward at the Tendring/Colchester Garden Community to include provision for self and custom build plots, although it does not specify a number or proportion. Policy SP9 reiterates this, requiring self-build plots as part of the housing mix on site.

9.27 The emerging local plan does contain a specific Policy on self and custom build; this is Policy H6 which states:

"The Council will support proposals for self and custom build housing, to meet demand as indicated by registrations on the Council's self build register and other relevant evidence of need, taking a flexible and evidence-led approach to delivery allowing requirements to be adjusted based on demand identified through the Self-Build Register, monitoring of delivery, and site-specific considerations including viability.

On developments of 100 dwellings or more, proposals will be expected to provide a minimum 5% of dwellings as serviced plots for self build or custom build homes, unless it can be robustly demonstrated that this would be unviable or otherwise inappropriate. Where justified by evidence of local *demand, the Council may seek a higher proportion of serviced plots or alternative forms of delivery. All plots must meet the definition of a serviced plot as per national policy*

Proposals for self and custom build housing should demonstrate high quality design including consideration of inclusivity, adaptability, accessibility and safety in accordance with relevant design policies, contribute positively to the character, design quality and placemaking objectives of the wider development and provide flexibility for occupiers to influence the design and layout of their homes. This should be supported by design codes, plot passports, or parameter plans where appropriate.

To ensure effective delivery, proposals must demonstrate how serviced plots will be marketed which should include being made available to households on the Self-Build Register for a period of 6 months. If after that time, plots have not been purchased or reserved by those on the Council's Self Build Register, they may remain on the open market as self-build plots for a further 6 months before being built out as market housing".

Council Register

9.28 The Council has 3 years from an individual's entry to the register to permit a plot to satisfy the need they create. Therefore, as of October 30th 2025, the need was the total entries on the register at the end of Base Period 7 (October 30th 2022). The table below shows the entries to the register made each base period alongside the permissions granted.

Table 9.1 Self and Custom build Register and Permissions

Base Period	Annual Entries	Per-missions
Base Period 1 (1st April 2016 to 30th October 2016)	22	
Base Period 2 (31st October 2016 to 30th October 2017)	86	79
Base Period 3 (31st October 2017 to 30th October 2018)	51	49
Base Period 4 (31st October 2018 to 30th October 2019)	29	74
Base Period 5 (31st October 2019 to 30th October 2020)	49	63
Base Period 6 (31st October 2020 to 30th October 2021)	73	57
Base Period 7 (31st October 2021 to 30th October 2022)	41	61
Base Period 8 (31st October 2022 to 30th October 2023)	35	70
Base Period 9 (31st October 2023 to 30th October 2024)	32	37
Base Period 10 (31st October 2024 to 30th October 2025)	14	35
Total	**432**	**525**
Average	**43**	**52**

Source: Colchester Self and Custom Build Register

9.29 To the end of Base Period 7, the council have seen 351 entries to the register, against which a total number of permissions of 525. The council has therefore met the need for self and custom build housing as of 30th October 2025, with an oversupply of 174 plots.

9.30 Indeed, the level of supply will continue to meet the need shown on the register until at least the end of base period 13 (30th of October 2028).

9.31 As discussed earlier, changes made by the Levelling Up and Regeneration Act (2023) have amended how supply permissions can be counted.

9.32 Going forward, we recommend that the Council consider monitoring receipts of CIL Self-Build Exemption Form 7 Part 1 and Part 2 if received (providing these are filled out correctly and contain other evidence proving that a development is self or custom build). The Council can also count permissions given through the development management process.

9.33 The Council could also consider all planning applications for self-build development to submit a Self-Build Delivery Statement at the validation stage or during the decision-making process to confirm the development will be brought forward as self or custom build. Examples of this include those sought in Mid-Sussex[12] as well as in East Suffolk[13]. This would enable the council to ensure that all supply permissions are accounted for, not just those that are fully developed.

9.34 Relevant permissions should be able to demonstrate that they will result in the delivery of a self and custom build dwelling. Legal agreements, such as Unilateral Undertakings and S106 agreements, can also confirm this, as can conditions attached to planning permissions and descriptions of development specifying self- and custom-build.

9.35 In total, the council have seen 432 entries to the register, an average of 43 a year. This indicates future need, which the policy could be based on. However, the council will need to respond to any changes in the register over time.

Broader demand evidence

9.36 To supplement the data from the council's registers, we have looked to secondary sources as recommended by the PPG, which, for this report, is data from NaCSBA – the National Custom and Self-build Association.

[12] Self-build and Custom Build Statement
[13] Self Build and Custom Build homes | East Suffolk Council

9.37 First, it is worth highlighting that the October 2020 survey undertaken by YouGov on behalf of NaCSBA found that 1 in 3 people (32%) are interested in building their own home at some point in the future, including 12% who said they were very interested.

9.38 Notably, almost half (48%) of those aged between 18 and 24 were interested in building their own home, compared to just 18% of those aged 55 and over.

9.39 This is notable as, traditionally, self-build has been seen as the reserve of older members of society aged 55 and over, with equity in their property.

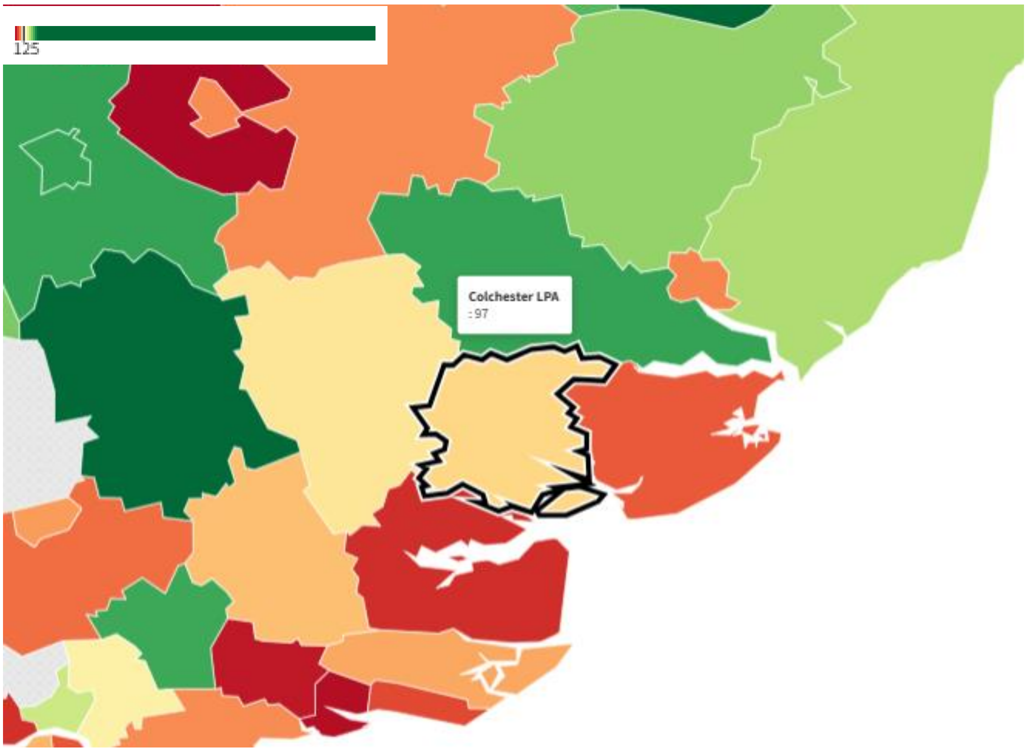
9.40 Evidence from the UK self-build sector suggests that construction costs typically range from around £1,900 to £2,400 per square metre for a good quality self-build dwelling, with costs varying according to size, specification and location.

9.41 Secondly, we can draw on NaCSBA data to better understand the level of demand for serviced plots in Colchester in relative terms. The association published an analysis with supporting maps and commentary titled “Mapping the Right to Build” in 2020.

9.42 This document includes an output on the demand for serviced plots as a proportion of the total population relative to all other local authorities across England. This shows that the demand was 97 plots per 100,000 in Colchester; if applied to the overall population, this results in an indicative need of 194 plots.

9.43 While this sits below the overall number of entries on the register, the council are still required to permit enough plots as the register dictates. It does, however, provide confidence that the Council register is not under-estimating need.

Figure 9.1 Demand for self-build plots per 100,000



Source: NaSCBA

9.44 In addition, data from the NaCSBA's most recent market survey indicates that the majority of self-build plots are purchased for between £100,000 and £299,000, with cost varying depending on location and existing services.

9.45 Taking both land and build costs into account, the overall investment required for a self-build home often starts at around £350,000. However, this can vary depending on a range of factors such as location, size of dwelling, project management, site conditions and service access.

9.46 When compared against median house prices across Colchester, this sits above the overall median house price of £325,000. However, it does fall below the median price of detached properties, indicating that, while self-build homes require a significant investment, they can still represent a comparatively affordable route to home ownership relative to larger detached properties within the wider market.

9.47 A commonly cited advantage of self-build housing is that it can offer better value than purchasing a comparable new-build home on the open market.

9.48 Unlike volume housebuilders, who must account for developer profit alongside land, construction, infrastructure and overhead costs, self-builders are commissioning a home for their own occupation and therefore do not need to incorporate a commercial profit margin into the final value of the dwelling.

9.49 As a result, a greater proportion of expenditure is directed towards the land, construction quality and specification of the home itself. Industry guidance from Build It[14] notes that self-build can enable households to achieve a higher-quality or larger home for a similar outlay to purchasing a comparable developer-built property, reflecting the absence of a developer's profit within the overall cost structure.

Policy Response

9.50 The Self-Build and Custom Housebuilding PPG sets out how authorities can increase the number of planning permissions which are suitable for self-build and custom housebuilding and support the sector.

9.51 The PPG[15] is clear that authorities should consider how local planning policies may address identified requirements for self and custom housebuilding to ensure enough serviced plots with suitable permission come forward. They can play a key role in facilitating relationships to bring land forward.

9.52 There are several measures which can be used to do this, including but not limited to:

[14] How Much Does it Cost to Build a House in 2026? Your Guide to UK Build Costs
[15] Paragraph: 025 Reference ID: 57-025-20210508

- supporting Neighbourhood Planning groups where they choose to include self-build and custom-build housing policies in their plans;
- working with Homes England to unlock land and sites in wider public ownership to deliver self-build and custom-build housing;
- when engaging with developers and landowners who own sites that are suitable for housing, encouraging them to consider self-build and custom housebuilding, and facilitating access to those on the register where the landowner is interested; and
- working with local partners, such as Housing Associations and third sector groups, to custom build affordable housing for veterans and other groups in acute housing need.

9.53 An increasing number of local planning authorities have adopted specific self-build and custom housebuilding policies in their respective Local Plans to encourage delivery, promote and boost housing supply.

9.54 There are also several appeal decisions in the context of decision-making which have found that paragraph 11(d) of the Framework is engaged in the absence of a specific policy on self-build housing when this is the focus of a planning application.

9.55 There are several policy levers which the council could consider to ensure that they continue to meet the need for self and custom build housing. These include:

- **General Support Policies** - Although these set out the council's intentions to support housing, they are weak unless supplemented with clear guidance and expectations around how self and custom build can be delivered.
- **Housing Mix Policies** – Such policies are more strategic in nature but could address Self and Custom Build need as well as built form and the size and tenure of homes. However, such policies are unlikely to apply to every site.
- **Percentage Policies –** This approach seeks a specific percentage of plots from typically large sites. It is a good way to generate supply, but the council needs to ensure the supply is reliable. The site scale and the percentage applied should reflect the identified need and likely delivery.
- **Site Allocations –** The council could also consider allocating sites specifically for Self and Custom Build use. This could be council-owned sites or smaller sites in a particular location of high

demand. Such sites provide greater certainty for delivery but may not be welcomed by the site owner in all instances.

- **Exception Sites –** Allows Self and Custom Build homes to be built where the market will not deliver, in specifically prescribed circumstances.

9.56 No single policy choice will be fully effective; therefore, the Council should consider which suite of policies will be most effective in their area. This should include considering potential yield from both small sites primed for early delivery and large sites that could be sustained later in the plan period.

9.57 Where percentage policies are taken forwards, these are best suited to larger strategic sites (for 200+ homes) where there is potential to identify a part of the development for strategic sites. Policies should avoid including requirements on smaller sites (such as those for < 100 dwellings) that might be taken forward by SME housebuilders.

9.58 Policies should require plots to be marketed appropriately for 6 to 12 months (online and offline at realistic prices). Then the developer can revert to delivering these sites as market accommodation without significantly elongating the build-out period if there is no take-up.

9.59 To provide greater clarity to the development industry, the council may wish to consider publishing supporting text or additional guidance on matters relating to:

- Design codes
- Phasing
- S106 Clauses
- Validation requirements (e.g. delivery statements)
- Affordable Contributions

Students

9.60 Since the previous HEDNA, the University of Essex has updated the Council with their latest position as part of the consultation process of the draft Local Plan.

9.61 The University of Essex stated that it is in the process of developing a new strategic framework and has experienced reduced student numbers in recent years. Consequently, it has sufficient capacity within its existing on-campus facilities to accommodate a short-term recovery in student numbers.

9.62 Furthermore, the University believe that, with the supply of HMOs in the City, a pipeline of unimplemented PBSA and on-campus facilities coupled with the Tendring Colchester Borders Garden Community Development Plan requiring student accommodation, there are sufficient bedspaces available to meet the future student accommodation need to 2030 and beyond.

Service families

9.63 As of April 2025, there were 3,120 service personnel based in Colchester, most of whom are Regular Forces personnel with a smaller element of Civilian Personnel.

Table 9.2 Service Personnel (2025**)**

MOD Personnel	Total	Proportion
Regular Forces	2,960	94.9%
Civilian Personnel	160	5.1%
Total	3,120	

Source: MOD Annual Location Statistics

9.64 Overall, the number of service personnel based in Colchester has reduced over time, from a high of 3,520 in 2012 down to 3,120 in 2025; overall, this is a decline of 8.4%.

9.65 While the largest decline in absolute terms has been in military personnel, with a fall of 270 staff, this sits alongside a fall of 130 civilian personnel. However, the proportional decline of the civilian personnel is higher.

Table 9.3 Change in Service Personnel (2012-2025)

MOD Personnel	2012	2025	Absolute Change	% Change
Regular Forces	3,230	2,960	-270	-8.4%
Civilian Personnel	290	160	-130	-44.8%
Total	3,520	3,120	-400	-11.4%

Source: MOD Annual Location Statistics

9.66 The 2025 draft NPPF consultation seeks to align with wider Government policy to expand affordable housing opportunities for serving personnel and their families.

9.67 The consultation sits alongside major reforms in Defence housing policy. In early 2025, the Ministry of Defence announced a deal to return more than 36,000 military homes to public ownership, enabling the Government to accelerate the building of new service family accommodation and create “new opportunities for forces homeownership”, including affordable homes delivered through MOD land releases.

9.68 The forthcoming Military Housing Strategy, flagged within the same set of Government reforms, explicitly aims to use MOD land to support the delivery of affordable homes for families across Britain.

9.69 The NPPF consultation reflects this direction by reinforcing the overall requirement for Local Plans to address identified housing needs, including the housing needs of service personnel where relevant, and by supporting policies that allow public sector land, including MOD estates, to be used for new affordable housing delivery.

9.70 Although the consultation text does not detail a specific “military affordable housing” policy, it is clear that the Government expects planning authorities to facilitate housing delivery on surplus or remodelled Defence land, consistent with the Defence Housing Strategy 2025, which emphasises unlocking defence development land for civilian and affordable housing as part of a national renewal of military accommodation.

9.71 Colchester City Council is a signatory to the Armed Forces Covenant and already provides housing support through its allocations policy. Armed Forces veterans and certain serving personnel receive additional preference for social housing, and recent policy changes have removed the five-year local connection requirement for serving and former Armed Forces personnel.

9.72 The Council's housing register data indicates relatively low levels of housing need amongst Armed Forces households, as of September 2025

- 16 Armed Forces households were on the housing register in priority Bands A–C.
- Of these, only 5 households were classified as homeless.
- Only 1 Armed Forces household was living in temporary accommodation.
- No Armed Forces veterans were known to the Rough Sleeper Team or awaiting supported housing through the Joint Referral Panel.

9.73 Evidence overall suggests that while Colchester has a reasonably sized cohort of armed forces personnel within it, this does not appear to contribute to an increase in the need for affordable housing.

9.74 Going forward, the Council should consider planning policy that seeks to echo the draft NPPF on supporting the provision of service personnel accommodation.

9.75 The Council should aim to be supportive of proposals for new military accommodation, particularly where this accommodation aims to meet the needs of officers and staff based in the county or wider military families and is evidenced as such.

9.76 That being said, enabling new military accommodation will also have to be viewed through the context of the significant affordable housing need detailed in previous chapters.

Children in Care

9.77 The Care Standards Act 2000 defines a Children's Home stating *'an establishment is a children's home… if it provides care and accommodation wholly or mainly for children'*. 'Wholly or mainly' means that most of the people who stay at a home must be children.

- Key legislation relating to the accommodation and maintenance of a looked-after child is defined and outlined in Sections 22A to 22D of the Children Act 1989. The legislation provides a framework within which decisions about the most appropriate way to accommodate and maintain children must be considered:

- Section 22A of the Children Act 1989 imposes a duty on the responsible authority when a child is in their care to provide the child with accommodation.

- Section 22B of the Children Act 1989 sets out the duty of the responsible authority to maintain a looked-after child in other respects apart from providing accommodation.

- Section 22C of the Children Act 1989 sets out how a looked-after child is to be accommodated.

- Section 22D of the Children Act 1989 imposes a duty on the responsible authority to formally review the child's case before making alternative arrangements for accommodation.

- Section 22G of the Children Act 1989 requires local authorities to take strategic action with respect to those children they look after and for whom it would be consistent with their welfare for them to be provided with accommodation within their own local authority area.

9.78 Under paragraph 63 of the December 2024 NPPF, local authorities are required to assess the housing needs of looked after children and reflect these in planning policy.

9.79 In a Written Ministerial Statement[16] (WMS) made in May 2023, the Housing and Planning Minister reminded local authorities of their requirement to assess the housing need of different groups in the community, including "accommodation for children in need of social services care".

9.80 The WMS statement said, "Local planning authorities should give due weight to and be supportive of applications, where appropriate, for all types of accommodation for looked after children in their area that reflect local needs and all parties in the development process should work together closely to facilitate the timely delivery of such vital accommodation for children across the country".

9.81 The Children's Social Care National Framework (December 2023) provides statutory guidance for local authorities and partner agencies in England setting out the purpose, principles, enablers and outcomes that the children's social-care system must deliver.

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

9.82 The fourth outcome is most relevant to children’s homes and requires “children in care and care leavers have stable, loving homes“. The framework details expectations for practice to achieve this outcome, including sufficiency planning and working with partners to provide care options that meet children's future needs.

9.83 The Keeping Children Safe, Helping Families Thrive Policy Statement (November 2024) sets the current government’s strategic direction for reforming children’s social care.

9.84 It emphasises supporting families so fewer children need care, prioritising kinship and foster placements where safe, and ensuring the provision of high-quality residential care only when needed.

9.85 The Policy Statement commits to reforming planning processes to make it easier to set up care homes where they are most needed. This includes the changes in the December 2024 NPPF, as well as potential further changes to support the delivery of small children’s homes.

9.86 It also commits to rebalancing the market in response to large numbers of private providers, encouraging providers such as charities and those in the voluntary sector.

9.87 Potential reforms to allow regional planning and commissioning for care places are also highlighted, improving the ability of local authorities to shape the market.

Demographic Growth

9.88 The population projections linked to the Standard Method show a slight fall in those aged under 16 of around 1,850 between 2026 and 2043 (from 38,100 to 46,250).

9.89 As a result, demographic growth alone would not suggest any additional need for children’s care places. However, wider considerations may also require further provision.

Table 9.4 Projected Under 16 population 2026 to 2043 – Colchester

	2026	2043	Change in population	% change
Under 16	38,117	36,251	-1,866	-4.9%

Source: Iceni Projects

9.90 For example, there may be a further need for children's care homes to meet complex needs, reduce reliance on private provision, to repatriate children placed out of area, to better cater for care leavers or in response to needs from specific groups like unaccompanied asylum seeker children.

9.91 National and County Council policy is to ensure that children are firstly cared for in their family home and secondly within a foster home. However, local fostering capacity has been falling.

9.92 The success of policies seeking to care for children primarily in the home will ultimately determine the future need for children's care homes in the City.

Essex County Council Sufficiency Strategy

9.93 Essex County Council's Children and Families team[17] "Sufficiency Strategy for Children in Care and Care Leavers in Essex 2023-2026" was last updated in January 2025.

9.94 The Strategy sets out how Essex County Council will fulfil its duties and meet the needs of our Children in Care and care leavers. It includes the council's commissioning intentions.

9.95 The strategy also sets out a range of statistics including:

[17] https://www.essex.gov.uk/sites/default/files/2025-06/Children%20in%20Care%20Sufficiency%20and%20Commissioning%20Strategy%202023%20to%202026.pdf

- Across Essex, there are 1,131 Children In Care (this equates to 36 per 10,000 under 18, far below the England average of 70);
- The Colchester rate is below the county average at 28.9 looked-after children per 10,000 under 18.
- 1,012 of the County's Children in Care were from Essex and 119 were Separated Migrant Children;
- 10.9% of Children in Care are placed in residential children's homes (123 Children)
- 66% of Children in Care are in Foster Care;
- 12.6% are in Supported Accommodation

9.96 Although no justification is given for the County having significantly lower rates of children in care, this may relate to existing strategy (early intervention programmes) as well as family-based placements by default and wrap-around support through police, education and health services.

9.97 The report notes that 79% of placements are in Essex but only 13% of registered children's homes capacity in the County is being used by Essex County Council placements.

9.98 The report also profiled the County's Children in Care population. This showed that 19.8% of Children in Care are in BME Groups and 15- to 17-year-olds are the most common age, including Separated Migrant Children. There are also 819 Care Leavers aged 18-21.

9.99 The report identified that county-wide need has increased notably since 2017/18 when the rate was 33 looked after children per 10,000 under 18. It also identified that future need for residential placements will increase from 123 in December 2024 to 142 in October 2026—an increase of 19 placements.

9.100 The report also notes that only 13% of registered children's homes capacity in Essex is being used by Essex Children in Care.

9.101 In relation to improving sufficiency within the residential care home stock, the County Council is seeking to:

- Strengthening and brokering closer relationships with Essex providers to increase access to local placements.
- Creating more placement capacity by providing buildings from which providers can deliver the care and support.
- Creating emergency/crisis placement capacity.
- Capitalising on collaborations with other regional and like-minded Local Authority Partners to address specific gaps in provision.
- Working with Local Planning authorities to increase their understanding of the need for Children's Homes.
- Being a strong leader with the market, sharing intelligence on existing and emerging trends and co-producing new innovative models.
- Ensuring there is an even spread of placements across the county, so that we can offer placements in all our localities.

Policy Implications

9.102 The WMS said, *"Local planning authorities should give due weight to and be supportive of applications, where appropriate, for all types of accommodation for looked after children in their area that reflect local needs"*.

9.103 Planning policy should recognise the potential need for additional children's care homes in appropriate locations. When considering future supply, the Council should seek to include such accommodation as part of wider, appropriately located, housing allocations or larger permissions. Typically, these are "ordinary homes."

9.104 Such sites should align with the most appropriate locations according to Ofsted's Location Assessment[18] for such accommodation. In summary, this includes ensuring safeguarding concerns are met and that children have access to services.

9.105 The County Council is also seeking opportunities to access future independent sector supply for local children rather than out-of-area placements. This could be achieved through planning or licensing regulations forcing operators to give first refusal to local children. Lancaster City Council is using such an approach.

9.106 There will also be a need for supported accommodation for young adults, and the Council should work with Registered Providers to explore opportunities to provide this through developer contributions and in the existing stock.

Specific Group – Summary

Self and Custom Build

9.107 The Council is currently meeting their need for self and custom build housing and has an oversupply of 174 plots. Supply will continue to meet the need shown on the register until at least the end of base period 13 (30th of October 2028).

9.108 Going forward, it is recommended that the council ensure that the supply permissions counted meet the requirements set out by the LURA. Requiring self- and custom-build planning applications to submit a self-build delivery statement would help with this.

18 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/339545/Children_s_homes_regulations_amendments_2014.pdf

9.109 The council's draft planning policy shows support for self and custom build and encourages its development. To provide greater clarity to the development industry, the council may wish to consider publishing supporting text or additional guidance on matters relating to:

- Design codes
- Phasing
- S106 Clauses
- Validation requirements (e.g. delivery statements)
- Affordable Contributions

Students

9.110 The University of Essex believes that a combination of falling student numbers, a pipeline supply of PBSA, the existing supply of HMOs and student housing requirements within proposed allocations will be sufficient to meet all future need.

Service families

9.111 Colchester is a Garrison Town and is home to three Army Barracks. The most recent MOD statistics suggest that 3,120 MOD personnel are stationed in Colchester, 160 of whom are civilian personnel.

9.112 The Council's housing register data indicates relatively low levels of housing need amongst Armed Forces households.

9.113 Overall, this suggests that while Colchester has a reasonably sized cohort of armed forces personnel within it, this does not appear to contribute to an increase in the need for affordable housing.

9.114 In line with the draft NPPF, the Council should aim to be supportive of proposals for new military accommodation, including affordable provision

Children in Care

9.115 For Colchester, the Children in Care rate per 10,000 under 18s is 28.9, which is below the county average of 36 and well below the national figure of 70.

9.116 The County Council identified a need for 19 additional residential placements by 2026 across the county.