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Dorset and BCP Local Housing Needs Assessment

Iceni Projects Limited on behalf of
Bournemouth, Christchurch and
Poole and Dorset Council
November 2021

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ON BEHALF OF
BOURNEMOUTH,
CHRISTCHURCH
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Assessment

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EXECUTIVE SUMMARY

- The purpose of the document is to examine the future need for housing as well as the affordable housing need and makes recommendations on the mix of housing and the need for specific groups for BCP and Dorset. The two areas act as standalone housing market areas although there is an element of overlap between the two.

Housing Stock

- The total number of dwellings in BCP is 184,507 and 181,739 in Dorset as of 2020. This reflects an overall rate of growth of 0.59% per annum and 0.63% per annum respectively since the last census. Within these dwellings there are around 175,000 households in BCP and 169,000 in Dorset.
- Around 66% of households in BCP and 76% in Dorset were owner occupiers including shared ownership. In comparison the figure in the South West is 67% and in England and Wales it is 64%.
- There was a much higher percentage of households (21%) privately renting in BCP than the South West and England and Wales (15%). By comparison only 12% of households in Dorset privately rent.
- Across the study area there has been a further shift from owner occupation to privately renting since 2011 although in both tenures there has been a numerical growth.
- Housing stock in Dorset has significant levels of under-occupation than across wider comparator areas and there are lower levels of overcrowding.

Housing Market

- In the year to September 2020, Median house prices in BCP (£285,000) and Dorset (£295,000) were above the South West median (£260,000) and significantly above the national median (£243,000). The highest house prices by some margin were found in the BCP Sandbanks Sub-Area. The lowest prices, again by some margin, are found in the BCP Outer Central Sub-Area.
- In 2020, the median house price in BCP was 9.76 times average earnings (higher than across all wider comparator areas) while in Dorset it was 9.84. Affordability has not significantly deteriorated in either area since 2003.

- Consultation with local estate agents suggests that demand for a home in BCP and Dorset has grown since the onset of Covid-19 due to people moving to the area but also the Stamp Duty holiday. This combined with lack of stock has led to a rise in prices.

Housing Need

- The four step standard method results in a minimum housing need of 2,667 dpa in BCP and 1,757 dpa in Dorset. While this is calculated over the 2021-31 period it can be applied across the Local Plan period from 2021 onwards. This level of housing need forms the basis of much of the analysis in the remainder of this report.
- This is a minimum need and local authorities are guided to consider uplifts to this number on the basis of unmet need from neighbouring, growth plans or infrastructure delivery.
- However, housing need is an unconstrained assessment of the number of homes needed in an area and should be brought together with other evidence when calculating the housing requirement within local plan.

Demographic Trends and Projections

- Dorset has an older age structure, with 29% of the population estimated to be aged 65 and over in 2019 (compared to a national average of 18%); in BCP, 22% of people are aged 65+, the same as seen across the South West region.
- Population growth in Dorset is largely driven by net internal migration (moves from one part of the country to another), whilst BCP also sees an appreciable level of international migration. Both areas typically see a negative level of natural change related to the older age structure.
- Using the information from the 2018-based Sub National Population Projections (SNPP) and Sub National Household Projections (SNHP) (along with adjustments to Household Representative Rates (HRRs) for younger people) a bespoke projection has been developed that links to the Standard Method.
- These projections improve both household formation as well as increasing migration which is in line with the PPG and its intentions for the affordability uplift to a point when the 2,667 dpa in BCP and 1,757 dpa in Dorset are filled. Overall, this projects an increase in population of 21% in BCP and 10% in Dorset in the 2021-38 period.

Affordable Housing Need

- Analysis has been undertaken to estimate the need for affordable housing in the 2021-38 period. The analysis is split between a need for social/affordable rented accommodation based on households unable to buy or rent in the market and the need for affordable home ownership (AHO) –for those who can afford to rent privately but cannot afford to buy a home.
- When looking at rented needs, the analysis suggests a need for 1,653 affordable homes per annum in BCP and 950 in Dorset; the Councils are therefore justified in seeking to secure additional affordable housing.
- Despite the level of need being high, it is not considered that this would point to any requirement for the Councils to increase the Local Plan housing requirement above that suggested by the Standard Method.
- The analysis suggests that there will be a need for both social and affordable rented housing – the latter will be suitable particularly for households who are close to being able to afford to rent privately and also for some households who claim full Housing Benefit or Universal Credit. On this basis, it is not recommended that the Councils has a rigid policy for the split between social and affordable rented housing, although the analysis is clear that both tenures of homes are likely to be required.
- When looking at the need for AHO products, the analysis suggests a need for 1,017 per annum in BCP and 767 in Dorset. In interpreting this figure, it should be noted that there could be additional supply from resales of market homes (below a lower quartile price) which arguably would mean there is a more limited need for AHO.
- The study also considers different types of AHO (notably First Homes and shared ownership) as each will have a role to play – shared ownership is likely to be suitable for households with more marginal affordability as it has the advantage of a lower deposit and subsidised rent.
- In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Councils will need to consider the relative levels of need and also viability issues.
- Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the area. It does need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

Private Rental Sector

- The PRS comprises around 22.3% of households in BCP and 13.7% of households in Dorset. BCP has a higher level of PRS than the Region and Country while there in Dorset there is a lower level. Levels of private renting is particularly high amongst young people in BCP.
- The population projections linked to the standard method show that the population in the BCP aged 20 to 39 will increase by a significant 28,793 people. This is an increase of around 29.3%. In contrast the population aged 20-39 in Dorset is only expected to increase 3,274 by 5.0%.
- This is a clear demonstration that the typical build to rent occupier group is expected to expand significantly in BCP while in Dorset that is not the case. This is also reflected in the level of activity in the sector within BCP.

Housing Mix

- 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.
- The analysis linked to long-term (17-year) demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population:

BCP	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	35%	40%	20%
Affordable home ownership	25%	40%	25%	10%
Affordable housing (rented)	35%	35%	25%	5%
Dorset	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	35%	45%	15%
Affordable home ownership	20%	40%	30%	10%
Affordable housing (rented)	35%	35%	25%	5%

- The mix identified above could inform strategic policies although a flexible approach should be adopted.

Older People and those with Disabilities

- The data shows in general that BCP has a similar age structure and similar levels of disability compared with the national average whilst Dorset has an older age structure (and lower age-specific rates of disability than in a regional/national context).
- The older person population is projected to increase notably in the future and an ageing population means that the number of people with disabilities is likely to increase substantially.
- Key findings for the 2021-38 period include:
 - The projections linked to the standard method housing need project a 38% (BCP) and 36% (Dorset) increase in the population aged 65+;
 - A 45%-54% increase in the number of people aged 65+ with dementia and a 42%-47% increase in those aged 65+ with mobility problems;
 - A need for around 500 housing units with support (sheltered/retirement housing) in BCP (2021-38) and 2,600 units in Dorset (mainly in the market sector in Dorset);
 - A need for around 1,600 additional housing units with care (e.g. extra-care) in BCP and 1,800 in Dorset – split roughly equally between market and affordable homes;
 - A need for an additional 1,379 residential and nursing care bedspaces in BCP and 2,769 in Dorset; and
 - A need for around 3,500 (BCP) and 3,900 (Dorset) dwellings to be for wheelchair users (meeting technical standard M4(3)).
- This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings (where viability and other factors permit) as well as providing specific provision of older persons housing.
- Given the evidence, the Councils could consider (as a start point) requiring all dwellings (in all tenures) to meet the M4(2) standards (which are similar to the Lifetime Homes Standards) and 10%-15% of homes meeting M4(3) – wheelchair user dwellings (a higher proportion in the affordable sector).
- Where the authority has nomination rights M4(3) would be wheelchair accessible dwellings (constructed for immediate occupation) and in the market sector they should be wheelchair user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user).

Other Groups

- On average 56 individuals enter the self and custom build register per base period in BCP and 178 in Dorset. This gives an indication of the scale of future need and moving forward, the Councils will need to ensure that the actual number of entries on the register at the end of each base period is equivalent to the number of plots of land that are permitted within 3 years.
- The average number of households presenting themselves as homeless who are owed a duty is 656 per annum in BCP of which 46% required a prevention duty and 54% a relief duty. In Dorset the average number of households who are owed a duty is 359 per annum of which 48% required a prevention duty and 52% a relief duty.
- The majority seeking assistance are from single person households which require smaller homes and the Councils should consider ensuring a supply of smaller affordable homes to meet this need.
- Many of those presenting as homeless also have a support need. The Council should continue to work with the relevant bodies to ensure proper support is provided and monitor the situation for any rapid changes (For example, an increase in homelessness once the eviction amnesty is finished).
- There is unlikely to be any significant additional demand from students and that which is likely to arise will be met with additional purpose-built student accommodation.
- There is significant service (or ex-service) personnel in the study area although this appears to be falling. The Councils have a duty to ensure such households are not disadvantaged when seeking affordable housing. The Councils may also wish to consider prioritising this group for First Homes.

1. INTRODUCTION AND CONTEXT

- 1.1 Dorset Council and Bournemouth Christchurch and Poole Council (“The Councils”) commissioned a consultancy team led by Iceni Projects Limited (“Iceni”) to prepare a new Local Housing Needs Assessment (“LHNA”) for the two local authorities. The Assessment is intended to provide a robust evidence base regarding the need for housing to allow the Councils to be able to develop policies to create balanced communities, create relevant housing pathways of choice and to support economic regeneration in both urban and rural parts of the study area.

Purpose of the Local Housing Market Assessment

- 1.2 The Assessment considers the current housing stock, the future need and demand for housing, and gaps in housing provision – both for market rent, sale and affordable housing. It also considers the housing needs of different groups within the population – including older persons, those with disabilities, students and current or former forces personnel. The Assessment also provides an evidence base regarding the need for specific types of housing, including affordable housing, specialist housing for older people, student accommodation, and self- and custom-build housing.
- 1.3 This section sets out an overview of the key national planning policy and guidance underpinning the preparation of this Local Housing Market Area Needs Assessment which applies at time of writing.
- 1.4 There are potential implications for this assessment arising from the national policy proposals set out in the Government’s White Paper: Planning for the Future (August 2020). The changes proposed in the White Paper have been considered throughout the main body of our assessment, where necessary.

National Planning Policy Framework (July 2021)

- 1.5 The latest version of the National Planning Policy Framework (NPPF) was published by Government on 20 July 2021. Paragraph 7 in the NPPF states that the purpose of planning is to contribute to the achievement of sustainable development. It sets out that planning policies and decisions should play an active role in guiding development towards sustainable solutions, but in doing so should take local circumstances into account, to reflect the character, needs and opportunities of each area.
- 1.6 The development plans must include strategic policies to address each local planning authority’s priorities for the development and use of land in its area. Plans should apply a presumption in favour of sustainable development and for plan-making, this means that plans should positively seek opportunities to meet the development needs of their area, and be sufficiently flexible to adapt to rapid change and strategic policies should, as a minimum, provide for objectively assessed needs

for housing and other uses, as well as any needs that cannot be met within neighbouring authorities, where it is sustainable to do so.

- 1.7 In order to support the Government's objective of significantly boosting the supply of homes, Paragraph 60 in the NPPF states it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay.
- 1.8 Paragraph 61 sets out that in order to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals.
- 1.9 Paragraph 62 goes on to set out that within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, people who rent their homes and people wishing to commission or build their own homes.
- 1.10 Paragraphs 63 – 65 address affordable housing provision. They set out that where an affordable housing need is identified, planning policies should specify the type of affordable housing required and expect it to be met on-site unless off-site provision or a financial contribution in lieu can be robustly justified, or the agreed approach contributes to the objectives of creating mixed and balanced communities.
- 1.11 Paragraph 64 states provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas.
- 1.12 Paragraph 65 sets out that where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of homes to be available for affordable home ownership unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups. In addition, other exemptions to this 10% requirement include instances where a site or proposed development:
- Provides solely for Build to Rent homes;
 - Provides specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students);
 - Is proposed to be developed by people who wish to build or commission their own homes; or
 - Is exclusively for affordable housing, an entry-level exception site or a rural exception site.

- 1.13 The NPPF's Glossary (Annex 2) provides an updated definition of affordable housing; as well as definitions of Build to Rent development, local housing need, old people; and self-build and custom housebuilding.

Planning Policy Guidance

- 1.14 Government's Planning Practice Guidance includes several sections which are relevant to the assessment of housing need.
- 1.15 Guidance on Housing and economic needs assessments explains that housing need is "an unconstrained assessment of the number of homes needed in an area" and should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations. Details of the standard method calculations for BCP and Dorset are addressed in Section 4 of this report.
- 1.16 Guidance in Housing needs of different groups sets out how affordable housing need can be assessed, as well as the needs of students, and how planning policies can support rural communities. It makes clear that the housing needs of individual groups may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method, as these will often be calculated having consideration to the whole population as opposed to new households.
- 1.17 Councils will need to take into account these needs including the need for affordable housing - having regard to the overall housing need identified, the extent to which this can be translated into a housing requirement figure over the plan period, and the anticipated deliverability of different forms of provision, having regard to viability.
- 1.18 The Guidance section for Housing for older and disabled people describes the need to provide housing for older people as critical, as people are living longer, and the older population is increasing. It sets out that the health, lifestyle and housing needs of older people will differ greatly with housing needs ranging from accessible and adaptable general needs housing to specialist housing with high levels of care and support.
- 1.19 It provides guidance on how the housing needs of older and disabled people can be assessed, and sets out that this should inform clear policies within plans which may include specific site allocations to provide greater certainty to developers. Separate guidance is provided on optional technical standards including for accessible and adaptable housing, use of national space standards and wheelchair-accessible housing.
- 1.20 Separate guidance sections have also been prepared which address Build to Rent and Self-Build and Custom Housebuilding. The Build-to-Rent Guidance requires authorities to assess need, and

where a need is identified to include a plan policy setting out the circumstances and locations where build-to-rent development will be encouraged.

- 1.21 The Self-Build Guidance section sets the requirements of the Self-Build and Custom Housebuilding Act 2015 (as amended) including the requirements on Councils to maintain a Register of those interested in self-build housing and to grant consents to meet the need shown. It also sets out that needs assessments can consider other secondary data sources.

Housing and Social Care Legislation

- 1.22 Wider legislation affecting housing need includes the 1996 Housing Act (as amended), the Housing and Social Care Act 2012, the 2014 Care Act and 2017 Homelessness Reduction Act.
- 1.23 The 2014 Care Act sets out local authorities' duties in relation to assessing people's needs and their eligibility for publicly funded care and support. Under the Act, local authorities must carry out an assessment of anyone who appears to require care and support and focus the assessment on the person's needs and how they impact on their wellbeing, and the outcomes they want to achieve. Local authorities must also consider other things besides care services that can contribute to the desired outcomes (e.g. preventive services, community support and specialised housing needs).
- 1.24 The Homelessness Reduction Act 2017 places new legal duties on English councils so that everyone who is homeless or at risk of homelessness will have access to meaningful help. Local Authorities have a duty to produce homelessness strategies to prevent homelessness in their respective areas.

Structure

- 1.25 Following this introductory section the report is set out as follows:
- Chapter 2 examines the housing market areas which cross Dorset and BCP;
 - Chapter 3 provides a baseline of the area housing stock;
 - Chapter 4 examines the housing market in the area;
 - Chapter 5 calculates housing need;
 - Chapter 6 examines local demographics and projects future population growth;
 - Chapter 7 calculates the need for affordable housing to buy and rent;
 - Chapter 8 examines the Private Rental Sector;
 - Chapter 9 makes recommendations in relation to the size of homes that are required;
 - Chapter 10 looks at the need for Older People and those with a disability;
 - Chapter 11 examines the needs of other groups; and
 - Chapter 12 provides a summary of the previous chapters and a set of conclusions.

2. HOUSING MARKET AREA GEOGRAPHIES

2.1 Paragraph 18 of the Plan Making Planning Practice Guidance (PPG)¹ defines what a Housing Market Area (HMA) is and sets out the approach local authorities should take when defining these.

2.2 According to the Guidance a housing market area is a “*geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work.*” The PPG goes on to add:

“These can be broadly defined by analysing:

- The relationship between housing demand and supply across different locations, using house prices and rates of change in house prices. This should identify areas which have clearly different price levels compared to surrounding areas.*
- Migration flow and housing search patterns. This can help identify the extent to which people move house within an area, in particular where a relatively high proportion of short household moves are contained, (due to connections to families, jobs, and schools).*
- Contextual data such as travel to work areas, retail and school catchment areas. These can provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use).”*

2.3 The guidance finally sets out a range of suggested data sources for doing this. These are:

“Office for National Statistics (internal migration and travel to work areas statistics); Land Registry House Price Index and Price Paid data (including sales); data from estate agents and local newspapers about geographical coverage of houses advertised for sale and rent; Ministry of Housing, Communities and Local Government statistics including live tables on affordability (lower quartile house prices/lower quartile earnings); and neighbourhood data from the Census.”

2.4 This slimmed down guidance notably omits any self-containment threshold for defining HMAs. This is unlike the previous version of the PPG which stated that migration self-containment of “typically 70 per cent” excluding long distance moves can help identify a suitable HMA. The scale of a Housing Market Area and its required self-containment rate is therefore less definitive if it is identified using the approach in the PPG. However, it is considered that the Government’s previous advice remains of some relevance.

2.5 It is also worth noting that HMA boundaries do not stop and start at administrative boundaries. Despite this, it is often commonplace for housing market areas to be defined using local authority boundaries. This is because much of the key datasets used in both defining housing market geographies and housing need (such as the household projections) are only published at a local authority level. In many areas, a pragmatic response has therefore been to define HMAs at a local

¹ Reference ID: 61-018-20190315

authority level. However, the appropriate approach needs to take account of the geography of the local area beyond its administrative boundaries.

- 2.6 These issues were touched upon in the Planning Advisory Services Technical Advice Note on Objectively Assessed Housing Need and Housing Targets² (July 2015) which concluded that:

“It is best if HMAs, as defined for the purpose of needs assessments, do not straddle local authority boundaries. For areas smaller than local authorities data availability is poor and analysis becomes impossibly complex. There may also be ‘cliff edge’ effects at the HMA boundary, for example development allowed on one side of a road but not the other.”

- 2.7 However, the Technical Advice Note notably adds:

“This is not always possible and it may be the case that some areas, particularly those covering an expansive area fall into more than one HMA”.

- 2.8 Dorset Council, which covers an area of 962 square miles, would potentially be one such local authority. It is the 5th largest out of 314 local authorities in England behind only the newly formed Northumberland, Cornwall, Wiltshire and Shropshire.

Previously defined Geographies

- 2.9 In 2015 GL Hearn undertook an update and review of the 2012 Strategic Housing Market Assessment for the Eastern Dorset housing market area. A separate SHMA for the Weymouth and West Dorset area has been undertaken by Peter Brett Associates in 2014.
- 2.10 The PBA report did not revisit the HMA boundaries as this was defined in earlier evidence. It did note that the HMA, which covered Weymouth and Portland and West Dorset was also mirrored in the HMA boundaries produced by the Centre for Urban and Regional Development Studies (CURDs) in Newcastle University.
- 2.11 The GL Hearn report took a comprehensive look at the HMA boundaries across Dorset although the focus of the analysis was for those former local authorities to the east of the County (Bournemouth, Poole, Christchurch, East Dorset, North Dorset and Purbeck).
- 2.12 As well as the CURDs HMA Boundaries, the report examined migration and commuting trends and self-containment from the 2011 census. These sources remain the most robust and comprehensive datasets examining these factors and have therefore not been revisited herein.

² <https://www.local.gov.uk/sites/default/files/documents/objectively-assessed-need-9fb.pdf>

- 2.13 This report has therefore examined and updated house prices and house price change alongside more recent inter-local authority migration from the Office of National Statistics (ONS), noting this source does not collate intra-local authority movements. We have also confirmed the migration self-containment rates for both local authorities as the previous works were based on the predecessor districts.

Migration and Self-Containment

- 2.14 The ONS provides annual data on internal migration flows (both in- and out- migration flows) which is informed by a range of official datasets including NHS GP registrations data.
- 2.15 We have sought to appraise gross migration flows (the sum of flows in both directions) between areas to understand the relative strength of the housing market interactions between different local authorities. We use gross flows to understand the strength of the migration relationship between areas, and then benchmark them for the combined population size of the two local authorities to understand the relative strength of links. This recognises that two larger authorities will have a larger absolute flow than smaller authorities. The table below shows these flows with Dorset and BCP.

Table 2.1 Top Migration Gross Flows with BCP and Dorset per 1,000 Population (2017-2019)

	1st	2nd	3rd	4th	5th
BCP	Dorset (11.0)	New Forest (4.2)	Southampton (1.9)	Wiltshire (1.1)	Winchester (1.0)
Dorset	BCP (11.0)	S. Somerset (4.5)	New Forest (2.5)	Wiltshire (2.2)	East Devon (1.1)

Source: Internal migration - Matrices of moves between English and Welsh local authorities, English regions, Scotland and Northern Ireland, year ending June 2017-2019

- 2.16 Approximately 4,745 people move from BCP to Dorset and 3,584 moved from Dorset to BCP on average between 2017 and 2019. As a result the strongest relationship for each authority is with each other (11 moves per 1,000 head of population) with the next strongest relationship for both authorities, less than half of this.
- 2.17 One of the previous benchmarks for identifying a HMA was self-containment levels. These are the percentage of moves to or from an area which also originate from the same area. The guidance suggested that a self-containment rate of 70% would be typical of an HMA.
- 2.18 The guidance also suggested long distance moves should be excluded as these would include such things as people retiring to the area or moving for University which would typically be outside of the HMA they reside. We are required to use data from the 2011 Census as more recent data does not report on internal moves within a local authority.

- 2.19 As the table below sets out, both areas have very high levels of origin and destination self-containment rates in their own right when long-distance moves are excluded (moves from outside the South West). When combined the self-containment rates exceed 90% for both in and out migration.

Table 2.2 Self-Containment Rates (2011)

Out Migration	BCP	Dorset	BCP and Dorset
Internal Moves	34,364	21,814	62,558
All Moves Out	48,791	36,805	85,596
Destination Self-Containment	70%	59%	73%
Short Distance Moves Out	39,372	29,380	68,752
Destination Self-Containment (Excluding Long Moves)	87%	74%	91%
In Migration	BCP	Dorset	BCP and Dorset
Internal Moves	34,364	21,814	62,558
All Moves to	53,313	37,575	90,888
Origin Self-Containment	64%	58%	69%
Short Distance Moves In	40,020	28,742	68,762
Origin Self-Containment (Excluding Long Moves)	86%	76%	91%

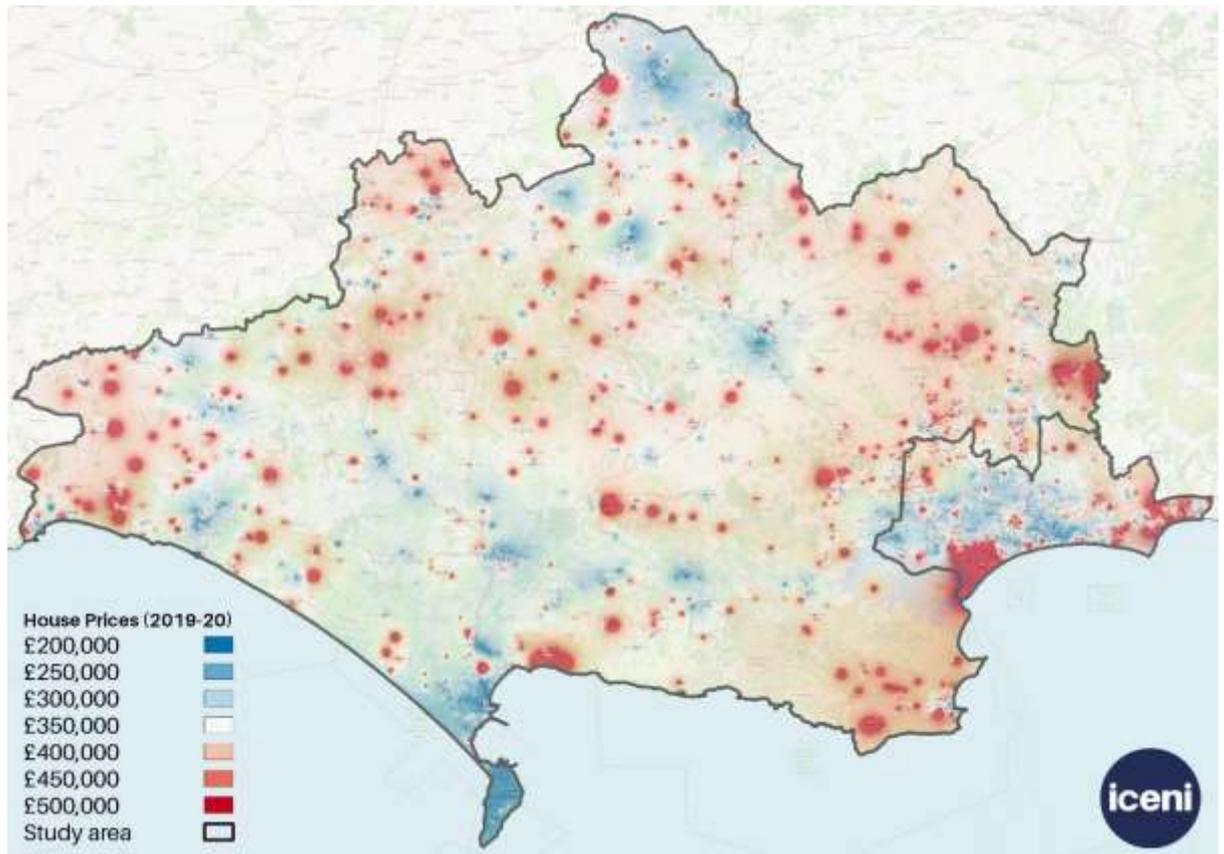
Source: ONS, Census 2011

- 2.20 As the rates exceed the typical 70% rate for housing market areas both local authorities can be deemed as a housing market area in their own right. Noting that the latest gross migration links are also highest within each other also suggests the two local authorities should continue to work on strategic matters. These patterns are likely to reflect the relationship with parts of eastern Dorset and BCP which were previously identified.

House Prices and House Price Change

- 2.21 The PPG also suggests that when identifying HMAs the “*relationship between housing demand and supply across different locations, using house prices and rates of change in house prices. This should identify areas which have clearly different price levels compared to surrounding areas.*”
- 2.22 The map below examines the cost of housing in Dorset and BCP in 2019 and 2020. The typically lower values in the urban areas reflects the size and type of homes being sold (i.e. more flats than detached homes). Although this trend is bucked by Sandbanks and parts of Christchurch which has extremely high values despite being an urban area and the low values found in the rural parts to the north of Dorset.

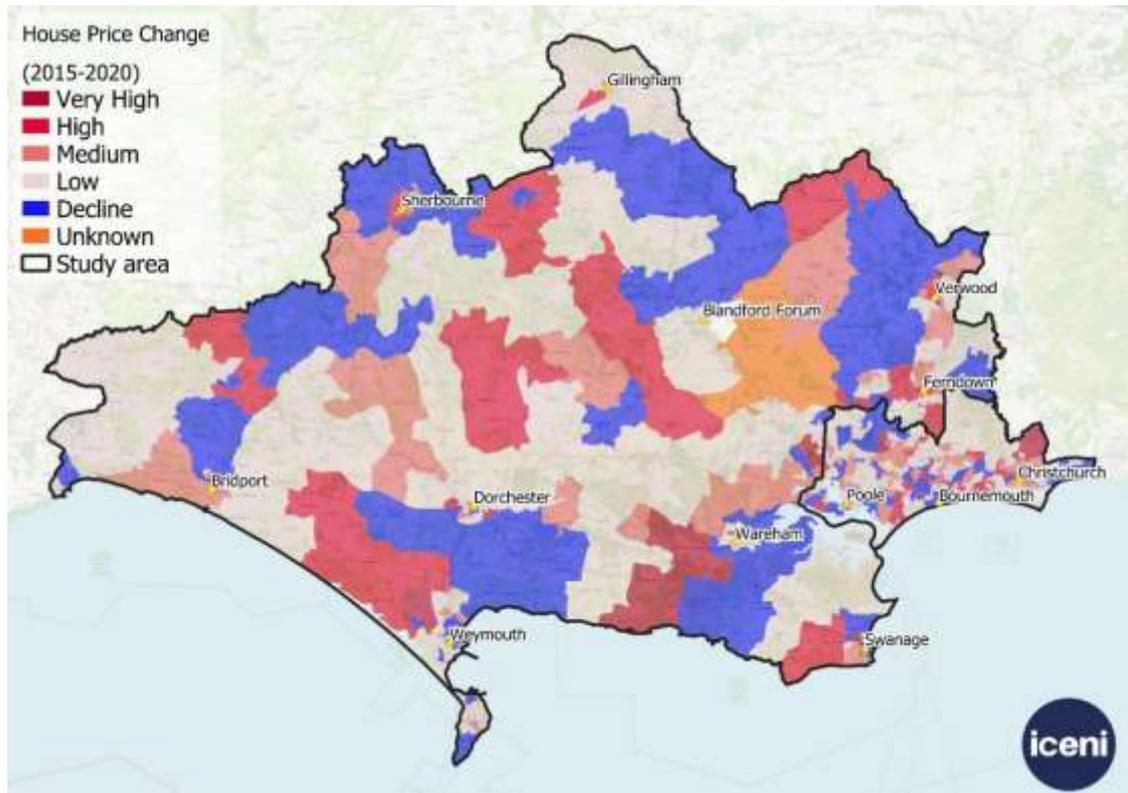
Table 2.3 House Prices (2019-2020)



Source: HM Land Registry, 2021

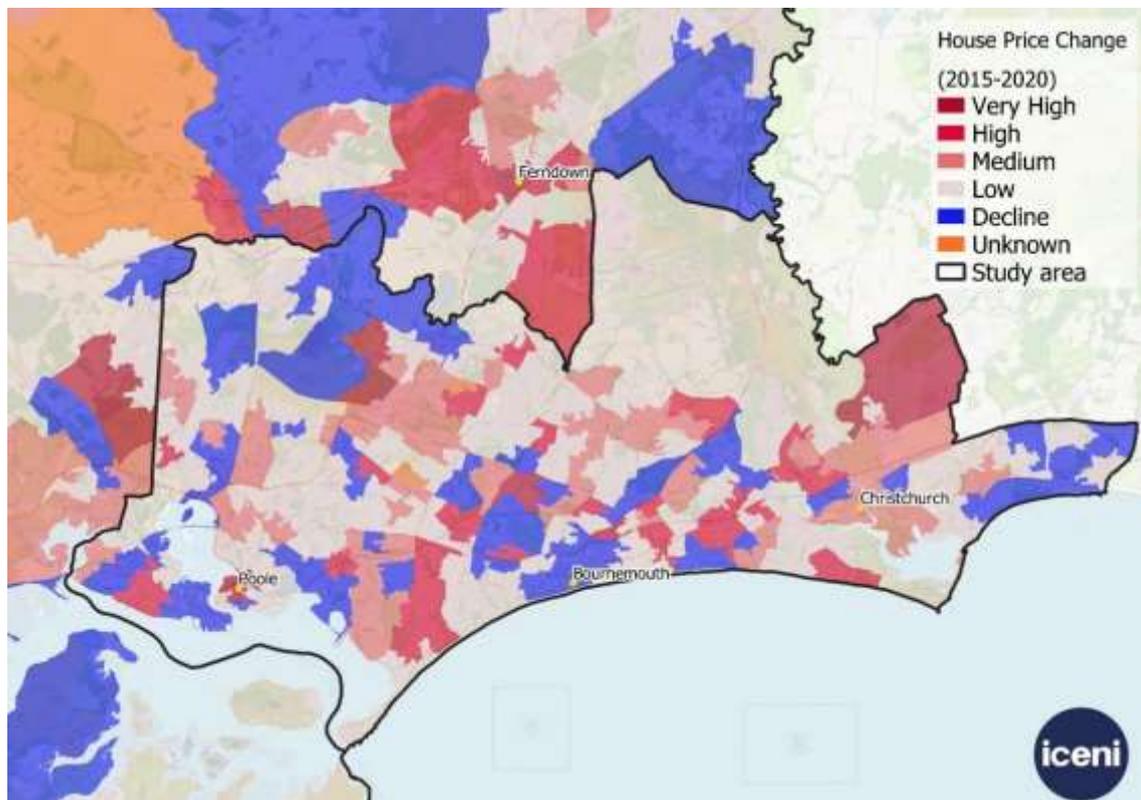
- 2.23 In the rural areas there are particularly high values around Corfe, Osmington and St Ives and St Leonards in the east of Dorset and Charmouth and around Lyme Regis in the west of Dorset. Although difficult to quantify some of these high prices will be related to second home purchase, which increase demand in an area with limited supply thus driving up prices.
- 2.24 As per the PPG we have also examined the change in median housing costs for each LSOA since 2015. This is illustrated in the figure below this shows a patchwork of changes and the change in house prices at this level might relate to very few transactions so it is difficult to draw out any meaningful conclusions.

Table 2.4 Median House Price Change (2015-2020) - Dorset



Source: HM Land Registry, 2020

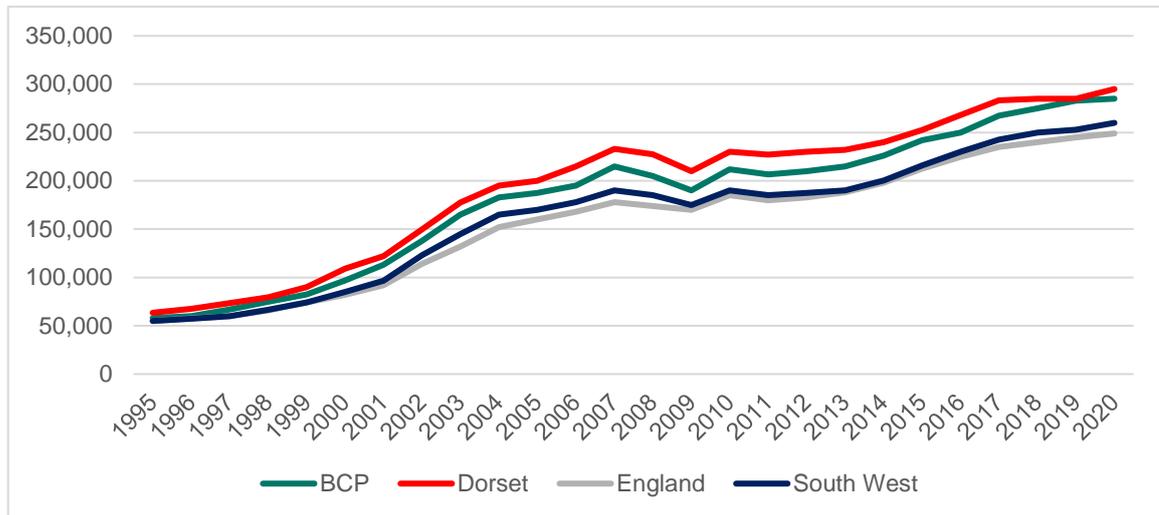
Table 2.5 Median House Price Change (2015-2020) - BCP



Source: HM Land Registry, 2020

- 2.25 We have also looked at the change in house prices aggregated to the two local authority areas. This shows a clear alignment between the trends in house prices in both areas and to a lesser extent the wider region and country. This would suggest that the two areas could, by this measure be seen as single HMA, although this might just reflect the close links in the east of Dorset with BCP.

Table 2.6 Median House Price Change (1995 to 2020)



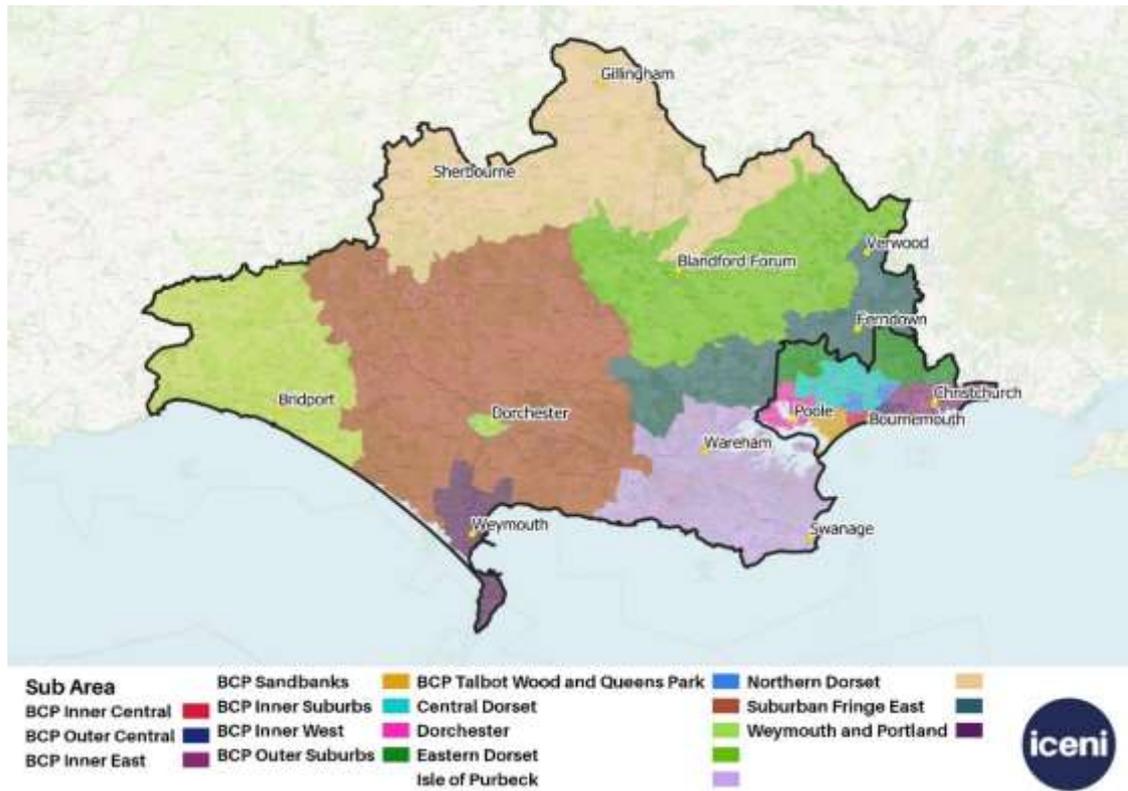
Source: ONS

- 2.26 The housing markets are complex and don't simply begin and end at the local authorities' boundaries. For instance, the conurbation influences surrounding sub geographies such as the suburban fringe east and parts of the Isle of Purbeck. Similarly, Yeovil influences its surrounding submarkets.

Sub Areas

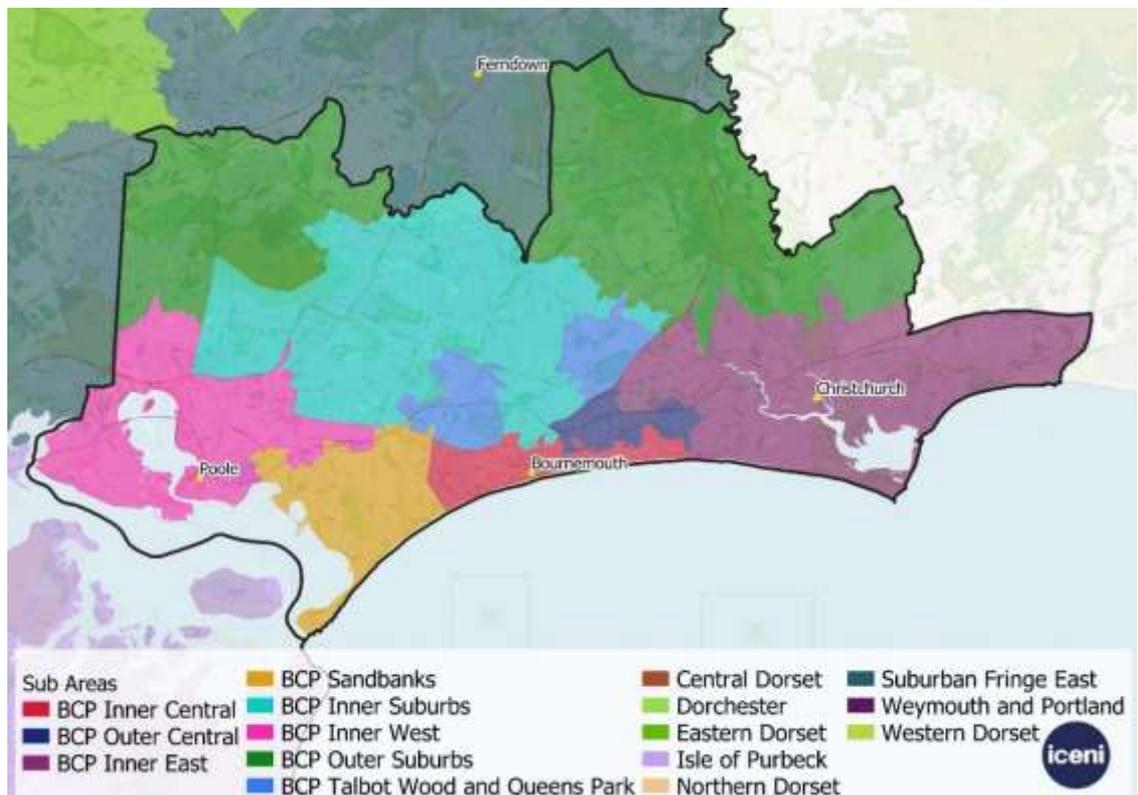
- 2.27 In order to adopt more constructive local plan policies and look at a finer grain picture of the housing markets, this document has split the two local authorities into a series of sub area. These sub-areas are principally based on house prices and to a lesser degree the built form. The map below illustrates the extent of each area and where possible analysis is provided for each.

Table 2.7 Sub Area in Dorset



Source: Iceni Projects, 2021 based on OS data

Table 2.8 Sub Area in BCP



Source: Iceni Projects, 2021 based on OS data

Conclusions

- 2.28 The previous Eastern Dorset SHMA and the Weymouth & Portland and West Dorset Councils identified two HMAs across the former local authorities. However, the redrawing of the local authority boundaries largely makes these HMAs impractical.
- 2.29 Because of the scale of the new authority areas, it **is reasonable to conclude that they each form a HMA in their own right**. This is also confirmed by the levels of self-containment each area displays. The more recent migration data and house price analysis suggests a close correlation between the two areas. It is also evident that HMA boundaries overlap at the edges and in this case, it would be along the lines of the former HMAs i.e. in the eastern parts of Dorset. This would be addressed through the duty to cooperate.
- 2.30 However, this assessment does not include any analysis of how the housing market functions within and across Dorset. Housing markets are complex and rarely begin and end at local authority boundaries. For instance, the BCP conurbation influences surrounding parts of Dorset such as the suburban fringe east and parts of the Isle of Purbeck. Similarly, Yeovil influences its surrounding areas including parts of northern Dorset.
- 2.31 One of the purposes of defining housing market areas is to identify the *“appropriate functional geographical area to gather evidence and develop policies to address these (Strategic) matters, based on demonstrable cross-boundary relationships.”*
- 2.32 Where these areas are identified the relevant local planning authority are required to cooperate on strategic matters. This cooperation includes, according to Paragraph 11 of the Plan-Making PPG (reference ID: 61-011-20190315), agreeing a statement of common ground which contains:
- “if applicable, the housing requirements in any adopted and (if known) emerging strategic policies relevant to housing within the area covered by the statement” or*
- “distribution of needs in the area as agreed through the plan-making process, or the process for agreeing the distribution of need (including unmet need) across the area”*
- 2.33 It will be important for the Councils to therefore liaise with surrounding authorities in discussing any issues associated with unmet housing needs (either from BCP, Dorset or neighbouring areas). However, the most important discussions will be with each other.

3. HOUSING STOCK

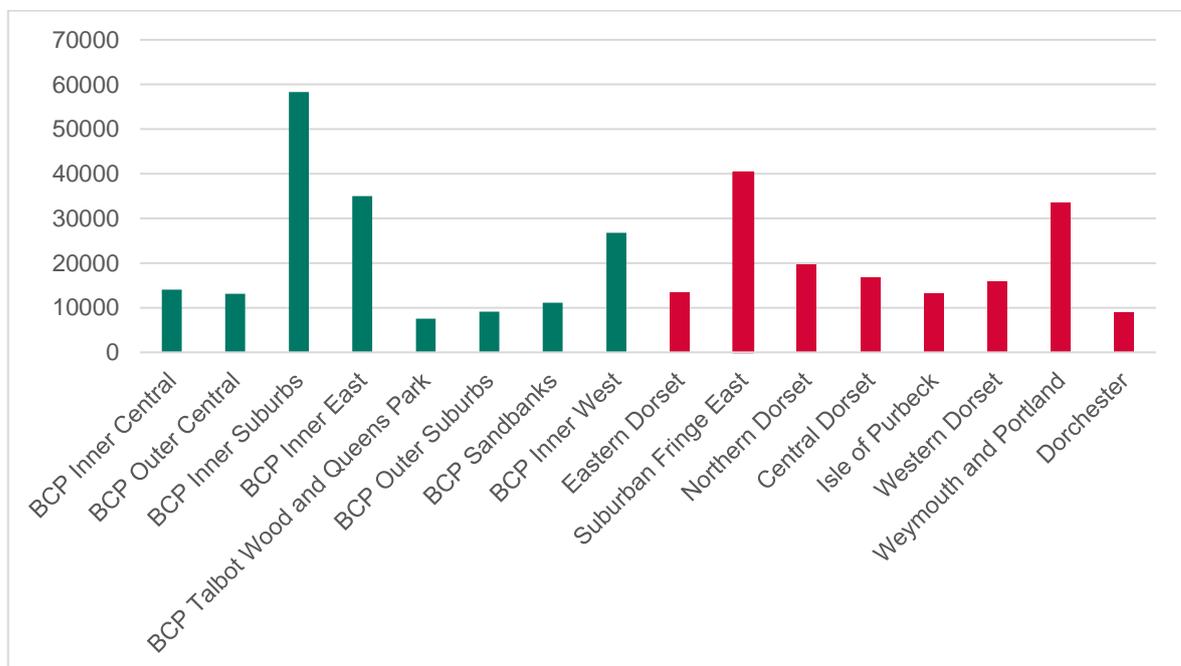
Introduction

- 3.1 This section of the report summaries the current housing stock in the district Including the type, tenure and size of accommodation. It also examines the pipeline supply of housing.

Housing Stock

- 3.2 In 2011, there were 175,015 dwellings in BCP and 171,812 dwellings in Dorset. Since the last Census the BCP area has seen a net additional 9,492 dwellings and 9,927 in Dorset to 2019/20. This has taken the total number of dwellings in BCP to 184,507 in 2020 and 181,739 in Dorset to 2020.
- 3.3 In 2011, the largest sub areas in terms of number of dwellings are in the BCP inner Suburbs Sub-Area (58,280 dwellings) and in Dorset the Suburban Fringe East Sub Area (40,306 dwellings) which includes Wimborne Minster, Ferndown and Corfe Mullen. The smallest sub areas are the BCP Talbot Wood and Queens Park (7,520 dwellings) and Dorchester sub-areas (8,996 dwellings).

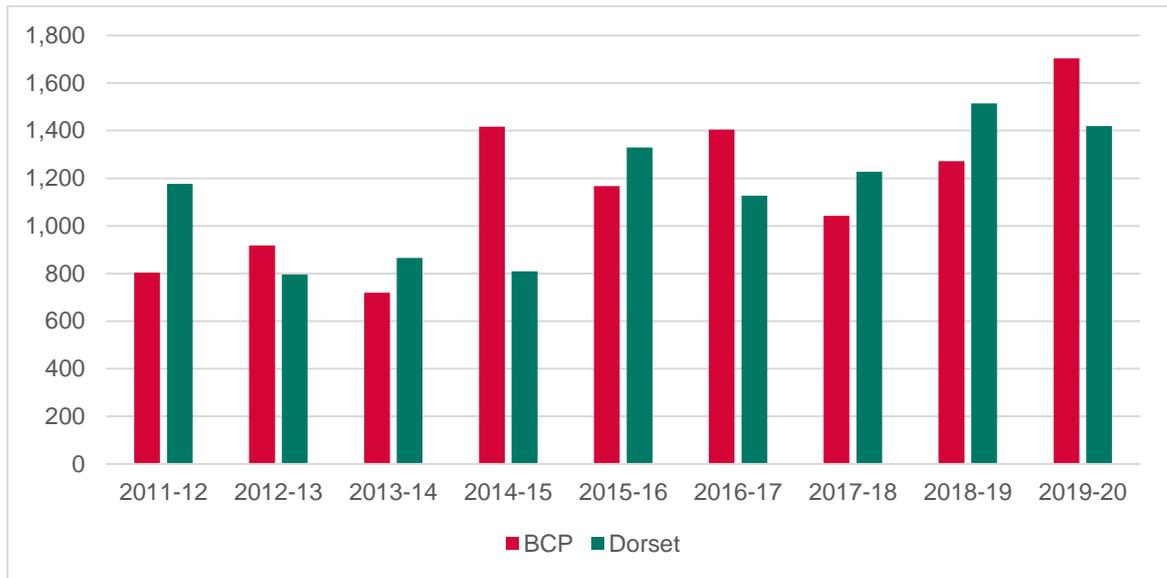
Table 3.1 Dwellings by Sub Area (2011)



Source: ONS Census 2011

- 3.4 Net completions in Dorset have averaged 1,141 dwellings per annum since 2011 and 1,161 in BCP. This equates to an overall rate of growth of 0.66% per annum in both local authorities.

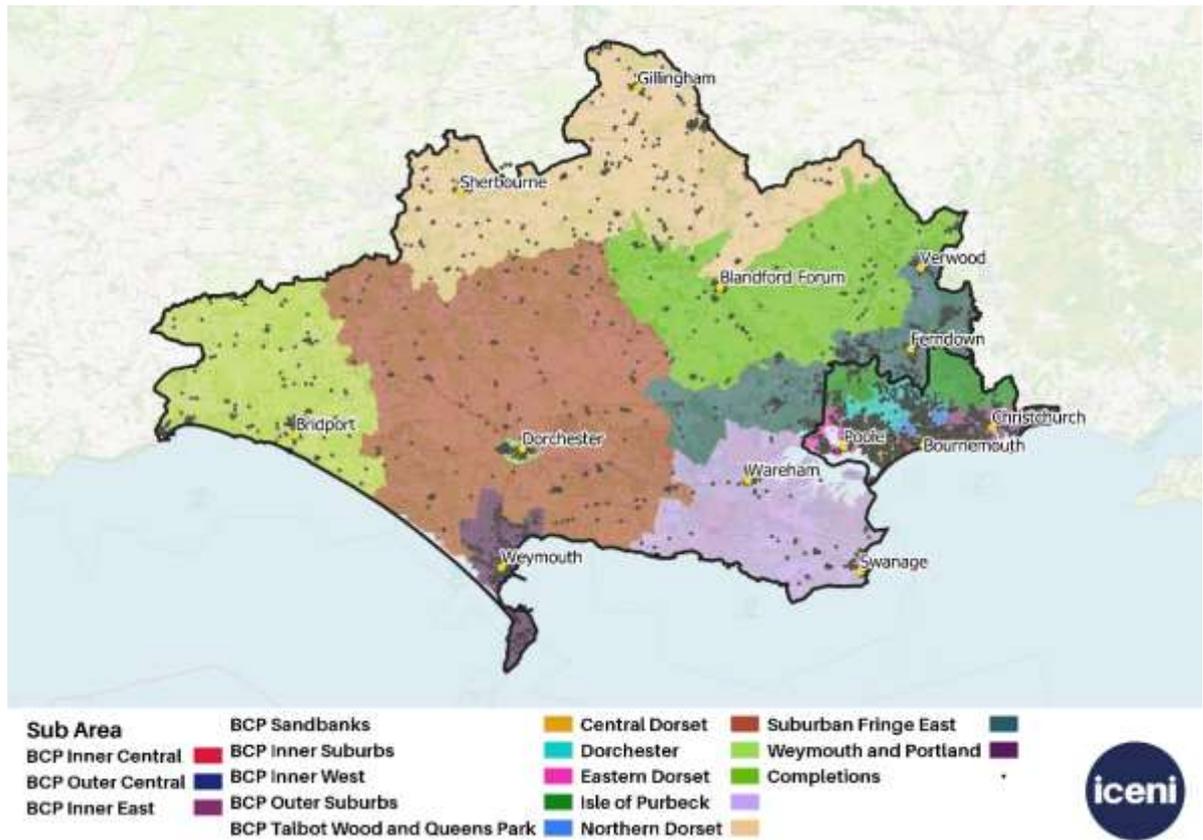
Table 3.2 Net Housing Completions (2011/12-2019/20)



Source: ONS Live table 122)

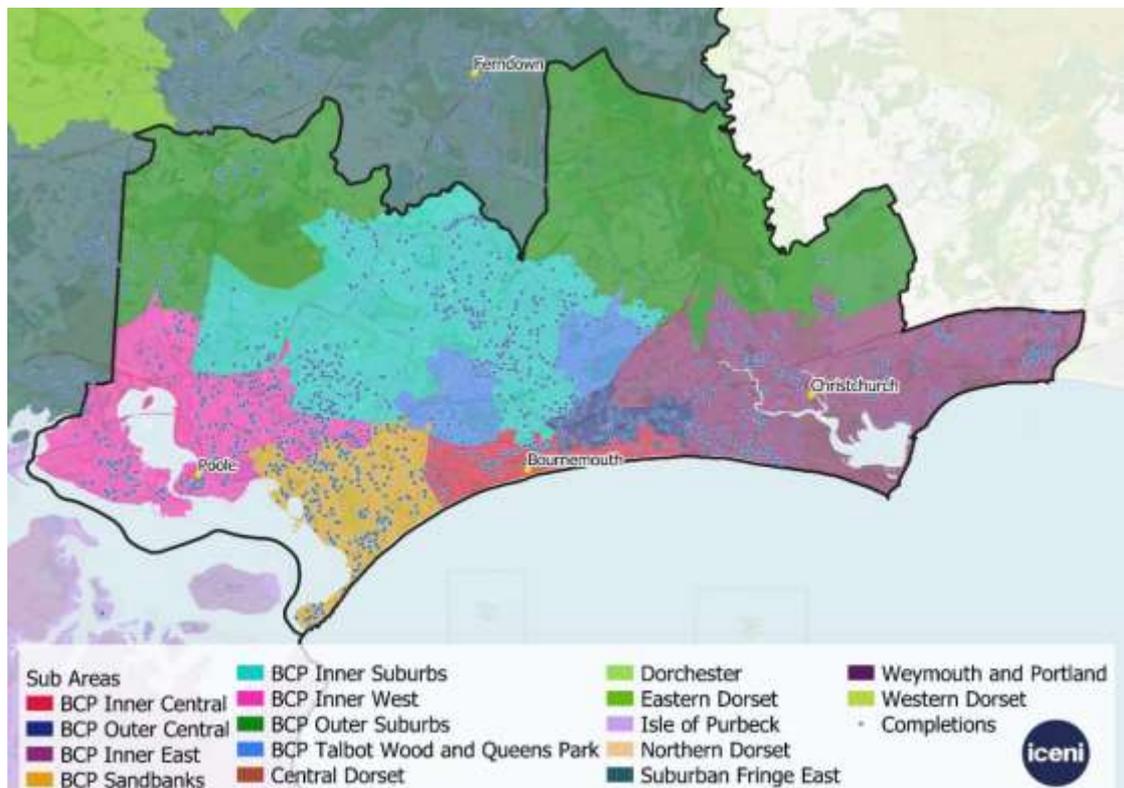
- 3.5 The map below shows where energy performance certificates have been issued to new dwellings across BCP and Dorset since 2011. This can be taken as a proxy for completions. It should be noted that this slightly varies from the AMR data and DLUHC data which is not available as sub-area.

Table 3.3 Completions Since 2011 – Dorset



Source: MHCLG, Energy Performance Certificates

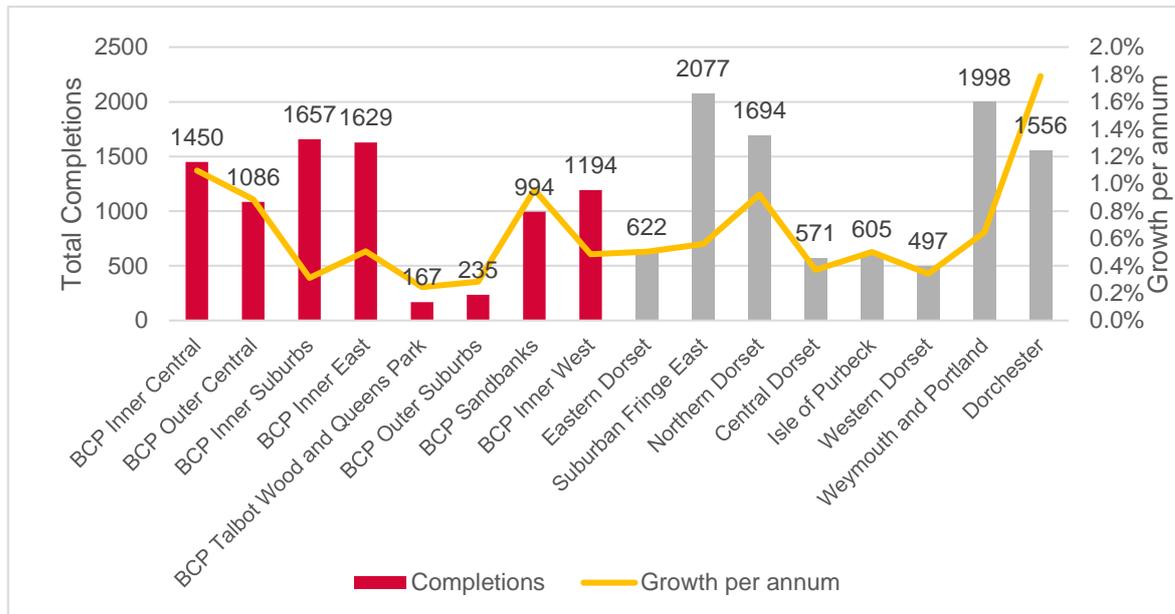
Table 3.4 Completions Since 2011 - BCP



Source: MHCLG, Energy Performance Certificates

- 3.6 The figure below shows completions since 2011 by sub-area (again based on the number of energy performance certificates issued). The most active sub area was the Suburban Fringe East (2,077 dwellings) and Weymouth and Portland Sub-Areas (1,998 dwellings). Within BCP the most active sub-areas were Inner Suburbs and Inner East where 1,657 and 1,629 dwellings were completed.

Table 3.5 Delivery by HMA Sub-area Since 2011



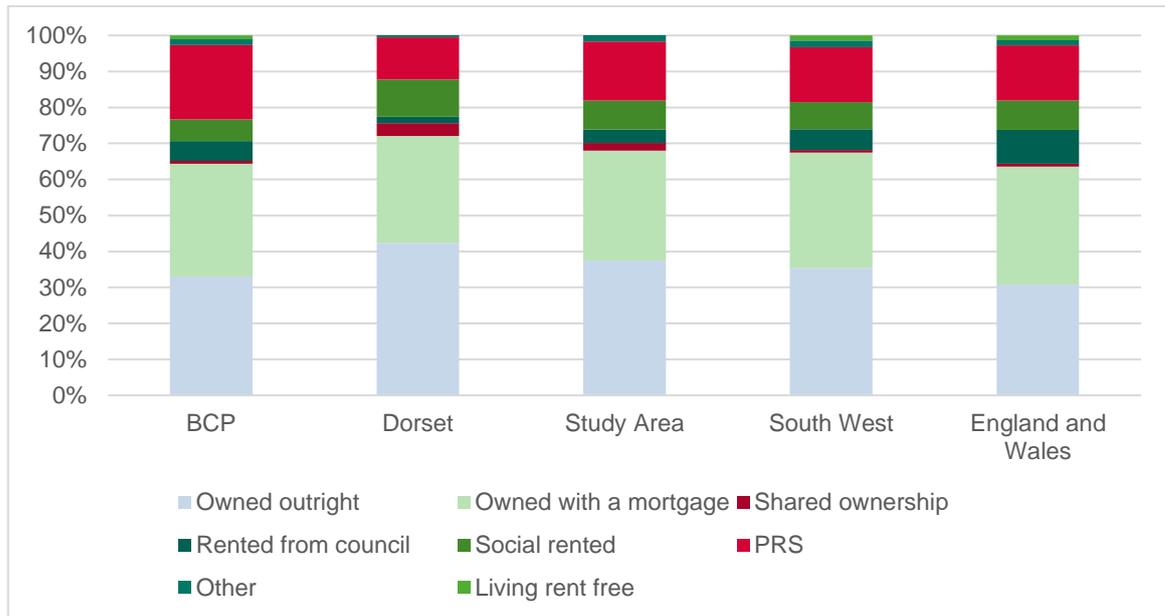
Source: MHCLG, Energy Performance Certificates

- 3.7 In terms of percentage growth the fastest growing sub-area was Dorchester which has grown at a rate of 1.79% per annum. The fastest growing area in BCP is the Inner Central sub-area. In contrast the slowest growth was in Talbot Wood and Queens Park in BCP (0.24% per annum) and Western Dorset (0.34%) in Dorset.

Tenure

- 3.8 The figure below shows the split of tenures across BCP according to the 2011 Census. Around 66% of households in BCP and 76% in Dorset were owner occupiers including shared ownership. In comparison the figure in the South West is 67% and in England and Wales it is 64%.

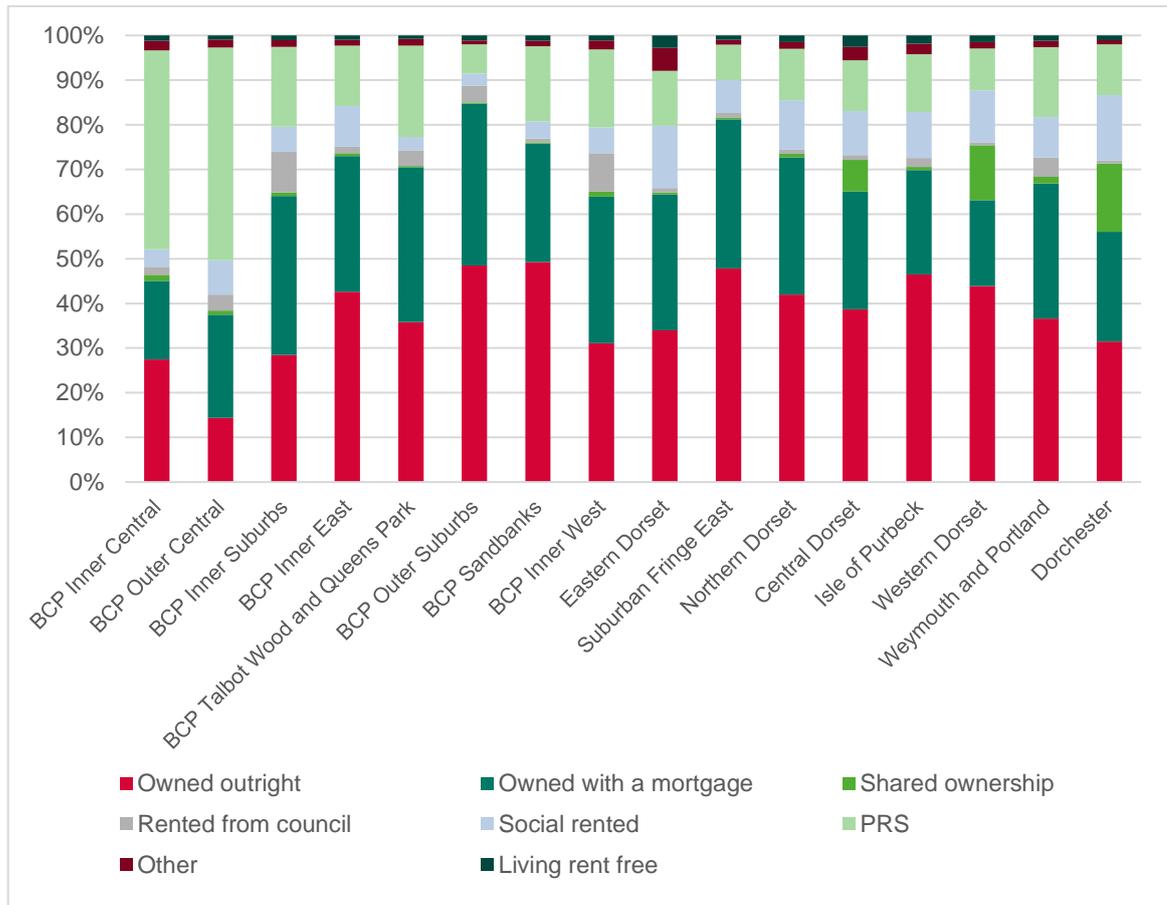
Table 3.6 Household by Tenure (2011)



Source: ONS Census

- 3.9 Correspondingly, there was a much higher percentage of households (21%) privately renting in BCP than the South West and England and Wales (15%). By comparison only 12% of households in Dorset privately rent. Around 12% of households in BCP and Dorset rent socially. This compares to 13% in the South West and 18% in England and Wales.
- 3.10 In BCP, the highest percentage of households owning their homes was in the Outer Suburbs where 85% of the households are owner occupiers. The Suburban Fringe East Sub-Area had the highest percentage of owner-occupiers in Dorset (82%).
- 3.11 The largest number of households renting privately can be found in the Inner Central (45%) and Outer Central (48%) Sub-Areas of BCP. In Dorset the highest percentages privately renting are in Weymouth and Portland (16%).
- 3.12 The highest percentage of households socially renting (from the Council and PRS) are in Dorchester (18%) and Eastern Dorset (15%). The Inner Suburbs Sub-Area (BCP) had the highest percentage of social renting in BCP (15%).

Table 3.7 Household by Tenure and Sub Area (2011)



Source: ONS Census

3.13 More recent data from ONS provides an update to the Census data and shows the breakdown as of 2019, although this data is not as detailed as the Census data, particularly in relation to the breakdown of the private sector housing. The table below shows that across Dorset there was a significant percentage increase in the dwellings owned by housing associations and an absolute growth in private sector dwellings.

Table 3.8 Change in Tenure (2011-2019)

BCP	Local Authority	Housing association	Other public sector	Private sector	Total
2011	9,712	1,871	33	60,195	65,159
2019	9,830	2,618	11	64,459	70,029
Change	118	747	-22	4,264	4,870
% Change	1.21%	39.93%	-66.67%	7.08%	7.47%
Dorset	Local Authority	Housing association	Other public sector	Private sector	Total
2011	2	20,621	1,101	114,925	171,812
2019	39	21,103	0	160,937	182,079
Change	37	482	-1,101	46,012	10,267
% Change	1850%	2.34%	-100%	40.04%	5.98%

Source: ONS, Table 100 Dwelling stock: Number of Dwellings by Tenure; 2019

- 3.14 In Dorset there was also a significant growth in Private Sector housing. There were also significant percentage gains in LA owned stock but a similar fall in other public sector stock. Although, these related to a small number of dwellings.
- 3.15 Another dataset provided by ONS is the sub-national dwelling stock by tenure estimates. This data set only breaks down the privately held stock between owner-occupied and privately rented and is over a slightly different timeframe. Importantly these are not official statistics, therefore, cannot be relied upon in the same way.
- 3.16 As the table below illustrates across the study area there has been a further shift from owner occupation to privately renting although in both tenures there has been a growth. This does not reflect delivery of each of these tenures but rather a shift between them. This shift has happened to a greater degree in BCP than in the region or nationally.

Table 3.9 Change in Private Tenues (2012-2019)

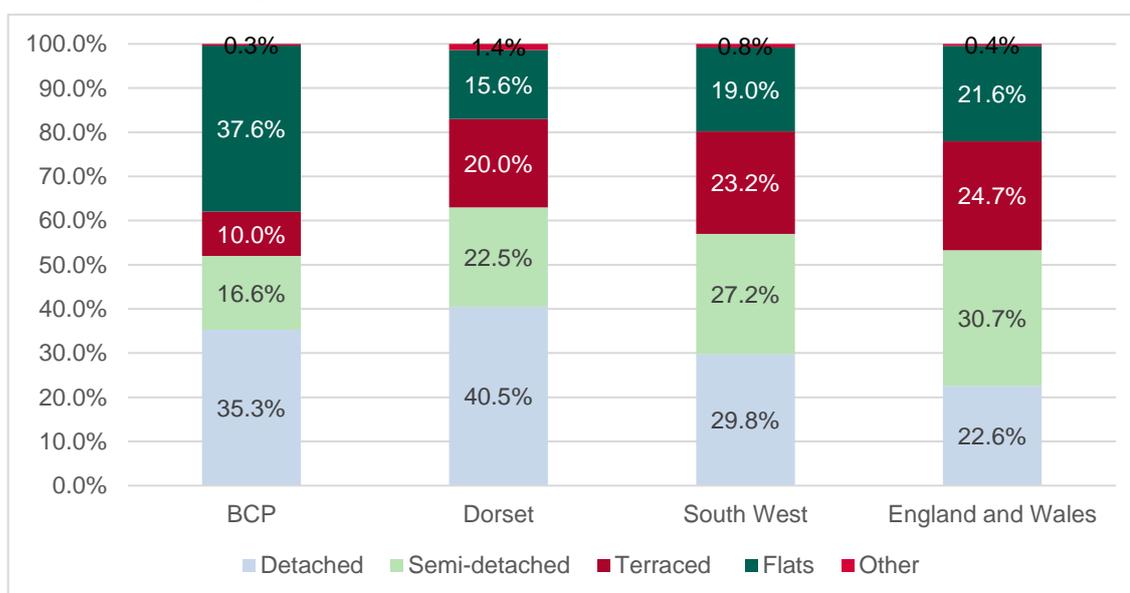
	2012		2019		2012-2019 Change	
	Owner Occupied	Privately Rented	Owner Occupied	Privately Rented	Owner Occupied	Privately Rented
BCP	110,191	41,815	118,699	46,163	8,508	4,348
BCP %	68.8%	23.8%	62.7%	25.1%	-6.1%	1.3%
Dorset	123,037	28,777	128,199	30,973	5,162	2,196
Dorset %	71.1%	16.6%	71.0%	17.14	-0.2%	0.5%
South West %	68.0%	19.0%	68.8%	19.0%	0.7%	0.0%
England %	63.8%	18.5%	63.2%	19.9%	-0.6%	1.3%

Source: ONS, Sub-national dwelling stock by tenure estimates, 2019

Dwelling Type

- 3.17 In 2011 the BCP housing stock comprised of 35.3% of detached dwellings, 16.6% semi-detached, 10% terraced and 37.6% flats. In Dorset housing stock comprised of 40.5% as detached, 22.5% semi-detached, 20% terraced and 15.6% flats.
- 3.18 The percentage of detached dwellings in both BCP and Dorset was significantly higher than across the South West (29.8%) and England and Wales (22.6%). The percentage of flats in BCP was also significantly higher than the regional and national figures (19% and 21.6% respectively).
- 3.19 Conversely, the percentage of semi-detached and terraced dwellings in both BCP and Dorset were lower than across the South West (27% and 23% respectively) and England and Wales (31% and 25% respectively).

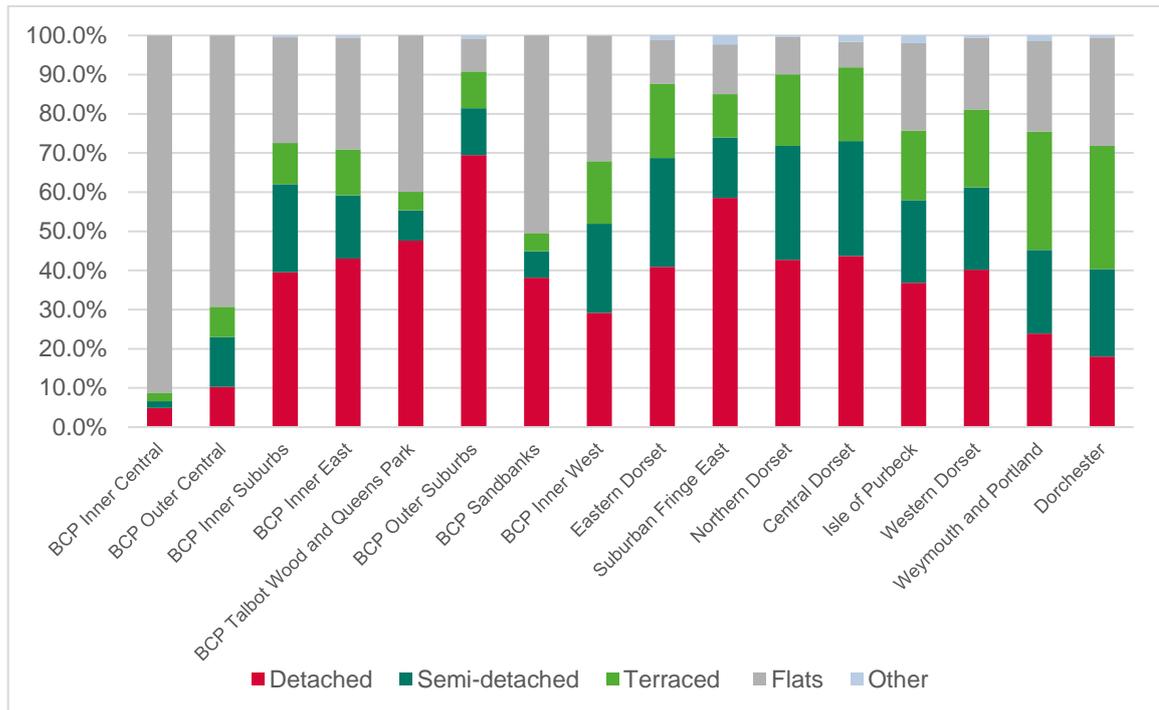
Table 3.10 Dwellings by Type and Sub Area (2011)



Source: ONS, Census 2011

- 3.20 The percentage of detached dwellings is highest in the BCP Outer Suburbs (69.4%) and the Suburban Fringe East (58.5%) Sub Areas.

Table 3.11 Dwellings by Type and Sub Area (2011)



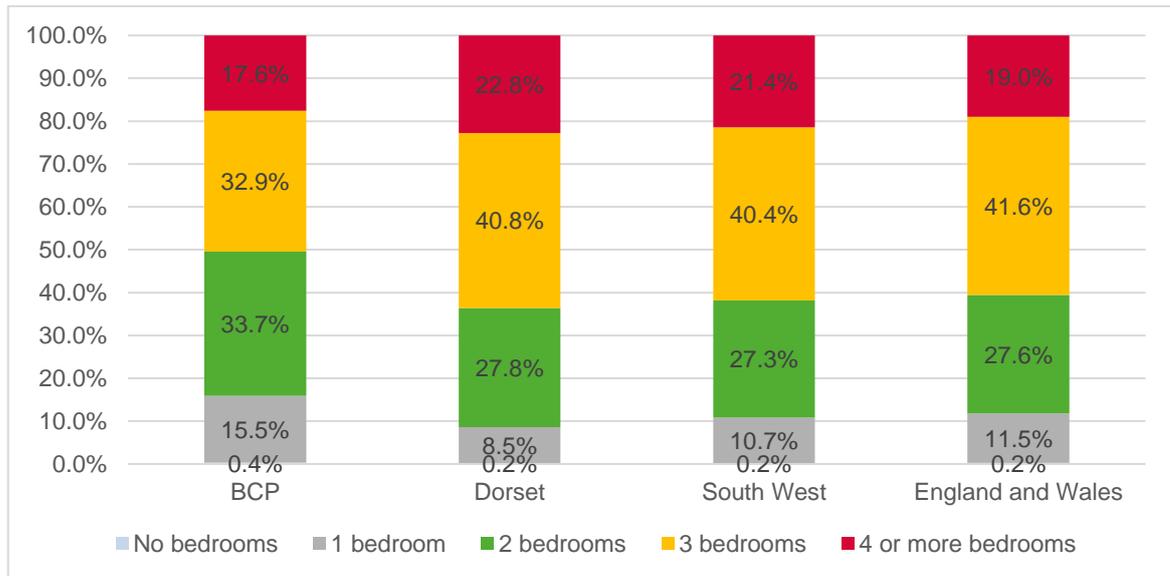
Source: ONS, Census 2011

- 3.21 The stock of flatted homes is most prevalent in BCP inner Central (91.2%) BCP Outer Central (69.3%) and BCP Sandbanks (50.4%) which are the only sub-areas with more than 50% of the housing stock in flats. The highest percentage of flats in Dorset can be found in Dorchester (27.6%).

Bedrooms

- 3.22 The figure below shows the breakdown of dwelling sizes by number of bedrooms. The predominant size in Dorset is 3-bedrooms (40.8%) whereas in BCP it is 2- bedroom (33.7%). While the number of 3-bedroom homes in Dorset is below the national figures (41.6%) the number of 2-bedrooms in BCP is considerably above it (27.6%). Similarly, the number of 1-bedroom homes in BCP (15.5%) is above the national equivalent (11.5%).

Table 3.12 Number of bedrooms (2011)

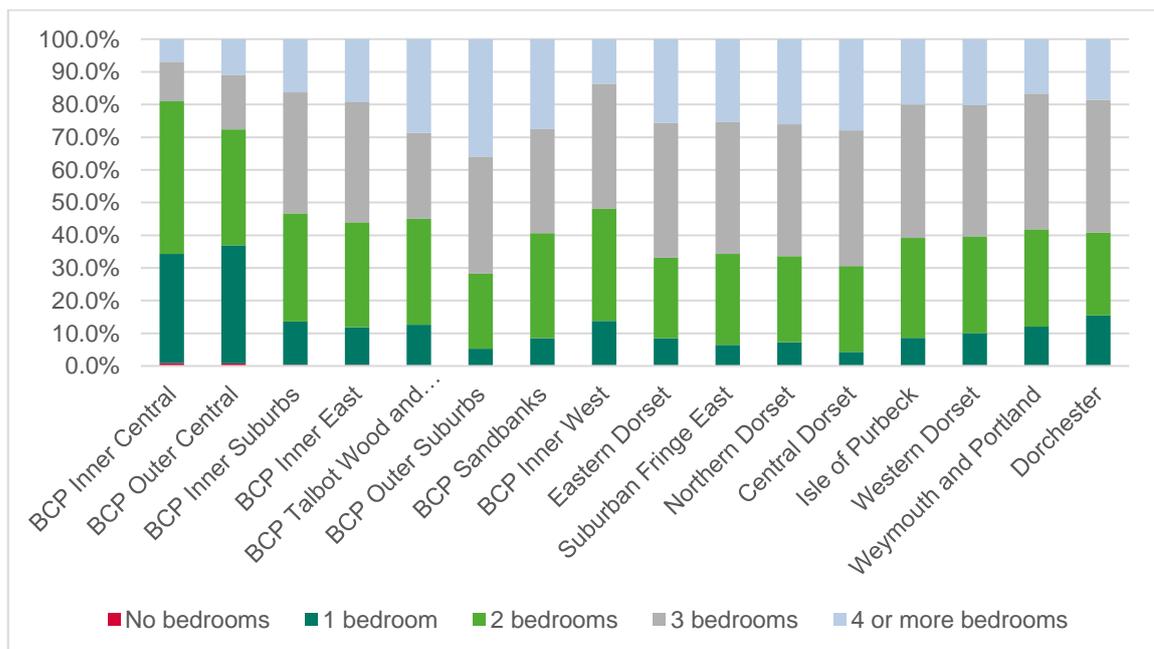


Source: ONS, Census 2011

3.23 Finally, the number of homes with four bedrooms or more is higher in Dorset (22.8%) than both the regional (21.4%) and national levels (19%).

3.24 At a sub area level, the location with the highest percentage of large homes can be found in BCP Outer Suburbs (35.9%) while in Dorset it is in Central Dorset (27.9%) both of which are above the regional and national figures.

Table 3.13 Number of bedrooms by Sub Area (2011)



Source: ONS, Census 2011

- 3.25 The highest concentration of 1-bedroom flats can be found in the BCP Outer Central Sub-Area (36.2%) while in Dorset it was Dorchester (14.2%) which is still above the national and regional comparators.
- 3.26 The highest number of bedsits can be found in BCP Inner Central sub-area (0.9%) while the BCP Outer Central is not far behind (0.8%) both of which are considerably higher than the national and regional comparators (both 0.2%).

Occupancy Level

- 3.27 The table below shows the occupancy rates of dwellings across HMA sub-areas. This compares the number of bedrooms in a home against the required number of bedrooms for the household occupying it. The required number of bedrooms is based on the age, sex, and relationship of the members of each household. A minus rating means that there are too few bedrooms (over-crowded) and a positive rating means there are more rooms than are needed (under-occupancy).

Table 3.14 Occupancy Rates (Bedroom Standard) by HMA Sub-Area

	Over-Occupied (-1 & -2 or less)	Under-Occupied (2 or more)	% Over-Occupied (-1 & -2 or less)	% Under-Occupied (2 or more)
BCP Inner Central	606	1,682	4.8%	13.5%
BCP Outer Central	991	1,812	7.5%	13.8%
BCP Inner Suburbs	2,422	15,630	4.2%	27.3%
BCP Inner East	827	11,662	2.5%	35.5%
BCP Talbot Wood and Queens	220	2,806	3.0%	38.2%
BCP Outer Suburbs	120	4,449	1.3%	49.9%
BCP Sandbanks	178	4,645	1.8%	47.3%
BCP Inner West	848	7,282	3.3%	28.5%
Eastern Dorset	292	5,559	2.3%	43.3%
Suburban Fringe East	703	17,452	1.8%	44.9%
Northern Dorset	333	8,369	1.8%	45.3%
Central Dorset	266	7,475	1.7%	48.3%
Isle of Purbeck	272	4,499	2.5%	40.8%
Western Dorset	243	5,287	1.9%	42.2%
Weymouth and Portland	888	11,014	2.9%	35.6%
Dorchester	193	3,094	2.3%	36.6%
BCP	6,212	49,968	3.7%	29.9%
Dorset	5,199	89,927	2.3%	40.5%
South West	62,349	875,297	2.8%	38.7%
England and Wales	1,062,644	8,077,085	4.5%	34.6%

Source: ONS, Census 2011

- 3.28 Around 2.3% of households in Dorset live in over-occupied dwellings while in BCP the number reaches 3.7%. Both figures are slightly lower than England and Wales (4.5%) and span the regional

figure of 2.8%. The BCP Outer Central has the highest levels of over-occupied dwellings for any sub-area (7.5%) while in Dorset it is highest in Weymouth and Portland (2.9%).

- 3.29 Conversely, under occupancy (classed here as having 2 or more spare bedrooms), is significantly higher in Dorset (40.5%) than BCP (29.9%), the South West (38.7%) and England and Wales (34.6%).
- 3.30 Levels of under-occupancy are particularly high in the BCP Outer Suburbs where almost half of the homes are under-occupied (49.9%), the BCP Sandbanks (47.3%) and Central Dorset (48.3%) Sub-Areas also have relatively high levels.

Housing Stock: Key Messages

- The total number of dwellings in BCP to 184,441 in 2020 and 195,404 in Dorset to 2021. This reflects an overall rate of growth of 0.53% per annum and 1.18% per annum respectively since the last census.
- Around 66% of households in BCP and 76% in Dorset were owner occupiers including shared ownership. In comparison the figure in the South West is 67% and in England and Wales it is 64%.
- There was a much higher percentage of households (21%) privately renting in BCP than the South West and England and Wales (15%). By comparison only 12% of households in Dorset privately rent.
- Across the study area there has been a further shift from owner occupation to privately renting since 2011, although in both tenures there has been a numerical growth.
- The percentage of detached dwellings in both BCP and Dorset was significantly higher than across the South West (29.8%) and England and Wales (22.6%). The percentage of flats in BCP was also significantly higher than the regional and national figures (19% and 21.6% respectively).
- The most common size of home in Dorset is 3-bedroom (40.8%) whereas in BCP it is 2 bedroom (33.7%). The number of 3-bedroom homes in Dorset is below the national figures (41.6%) and the number of 2-bedrooms in BCP is considerably above it (27.6%). Similarly, the number of 1-bedroom homes in BCP (15.5%) is above the national equivalent (11.5%).
- Housing stock in Dorset has significant levels of under-occupation than across wider comparator areas and there are lower levels of overcrowding.

4. HOUSING MARKET

4.1 Median house prices in the year to September 2020 were around £285,000 in BCP and £295,000 in Dorset. This is above the South West regional median (£260,000) and further above the England and Wales median (£243,000).

4.2 At the same time, lower quartile (LQ) house prices were around £218,000 in both BCP and Dorset. This is again above the equivalent values for the South West (£192,500) and further above England and Wales (£160,000). This suggests that first time buyers and low earners are likely to have difficulty buying in BCP and Dorset.

Table 4.1 Median House Price (Year to September 2020)

Area	Median	Lower Quartile
BCP	£285,000	£218,000
Dorset	£295,000	£218,550
South West	£260,000	£192,500
England and Wales	£243,000	£160,000

Source: MHCLG, 2021

4.3 Iceni analysis of Land Registry data for all of 2020 suggests that the median house price across BCP has increased to £297,500 and across Dorset has increased to £310,000. The lower quartile price has risen to £228,750 across BCP and £225,000 across Dorset. This data also allows us to look at the medians in each of the identified HMA Sub-Areas.

4.4 As shown in table 4.2, the highest median and lower quartile house prices by some margin are found in the BCP Sandbanks Sub-Area (£595,000). This reflects the super-prime market in the area. There are also relatively high house prices Suburban Fringe East (£370,000) and BCP Outer Suburbs (£421,000). This is likely to be due to the size of stock, the semi-rural and rural nature of this area but also the access to jobs and services in BCP. The BCP Inner East Sub-Area is also relatively expensive (£379,000), perhaps in part due to the coastal location.

4.5 The lowest prices, again by some margin, are found in the BCP Outer Central Sub-Area (£210,000). BCP Inner Central (£245,000) and Weymouth and Portland (£235,000). This is likely to be in part due to the high levels of flats.

4.6 Lower quartile house prices follow a similar pattern to median house prices across the different Sub-Areas. They range from £150,000 in the BCP Outer Central Sub-Area to £350,000 in the BCP Sandbanks Sub-Area.

- 4.7 The table also illustrates that the most active areas of the district in terms of the number of sales. Typically, the most activity are in the suburban and inner urban areas which have more stock. Of these the BCP Inner East, BCP Inner Suburbs, Suburban Fringe East and Weymouth and Portland Sub-Areas accounted for around half of all sales in the Study Area. It should again be noted that these reflect 2020 patterns which will be impacted by Covid.

Table 4.2 Median and Lower Quartile House Price, and Number of Transactions by Sub Area (2020)

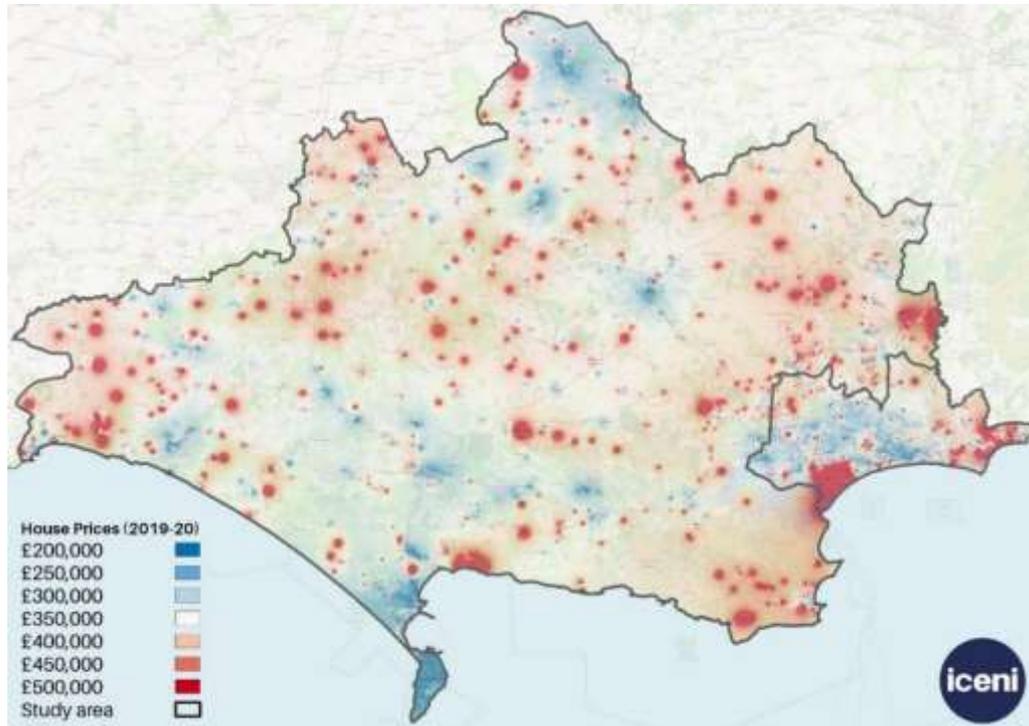
	Median	Lower Quartile	Transactions
BCP Inner Central	£244,925	£167,250	466
BCP Inner East	£379,000	£273,000	-1,146
BCP Inner Suburbs	£275,000	£228,375	1,744
BCP Inner West	£275,000	£217,750	855
BCP Outer Central	£210,000	£150,000	349
BCP Outer Suburbs	£421,000	£343,500	262
BCP Sandbanks	£595,000	£350,000	517
BCP Talbot Wood and Queens Park	£340,000	£220,000	225
Central Dorset	£320,000	£242,375	420
Dorchester	£284,500	£212,875	280
Eastern Dorset	£298,500	£228,000	305
Isle of Purbeck	£355,000	£275,000	344
Northern Dorset	£278,000	£215,000	913
Suburban Fringe East	£370,000	£287,500	1,429
Western Dorset	£320,000	£220,000	542
Weymouth and Portland	£235,000	£180,000	1,031
BCP	£297,500	£228,750	5,567
Dorset	£310,000	£225,000	5,262
Study Area	£301,000	£226,000	10,829

Source: HM Land Registry, 2021 (Those in red are the lowest values those in green are the highest values)

- 4.8 The map below shows house prices across BCP and Dorset with the Rural areas mostly showing higher values compared to the Urban Areas which is expected given the mix of homes in these areas. Although there are exceptions to this including high values in parts of BCP and low values between Weymouth and Dorchester.
- 4.9 The map below examines the cost of housing in Dorset and BCP in 2019 and 2020. The typically lower values in the urban areas reflects the size and type of homes being sold (i.e. more flats than

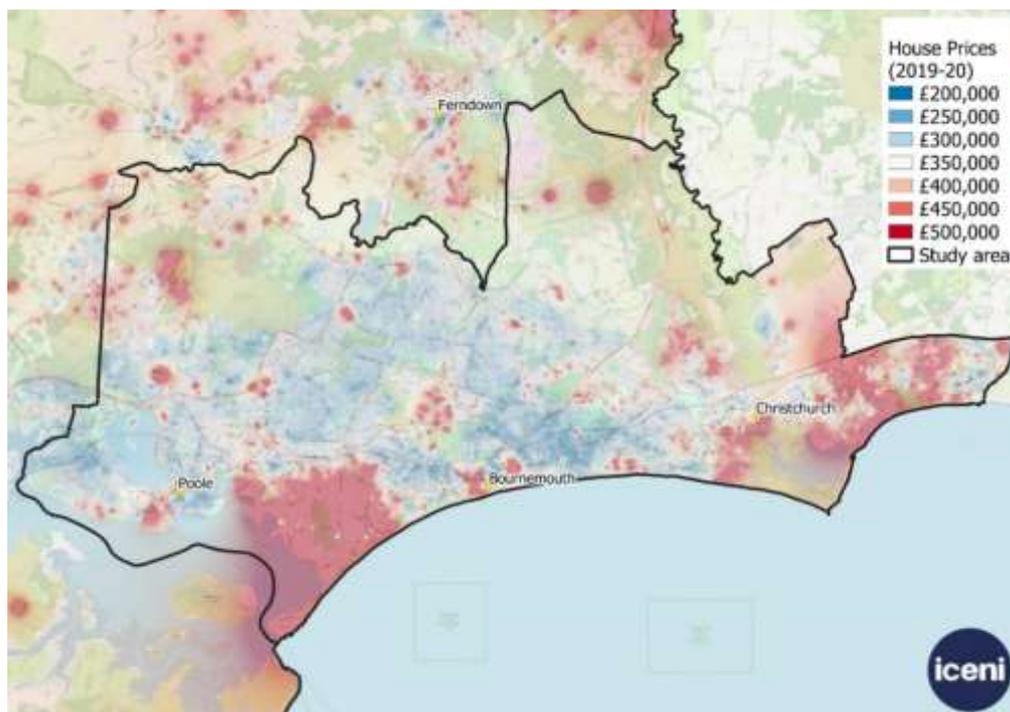
detached homes). Although Sandbanks and parts of Christchurch have extremely high values despite being an urban area. Low values can also be found in the rural parts to the north of Dorset.

Table 4.3 House Prices (2019-2020) - Dorset



Source: HM Land Registry, 2021

Table 4.4 House Prices (2019-2020) - BCP



Source: HM Land Registry, 2021

- 4.10 In the rural areas there are particularly high values around Corfe Castle, Osmington, and St Ives and St Leonards in the east of Dorset and Charmouth, and around Lyme Regis in the west of Dorset.
- 4.11 Given the impact of the housing mix on median house prices it is worthwhile examining the relative costs of housing on a like for like basis, although this does not take into account the greater space that a semi-detached house in a rural area is likely to have in comparison to one in an urban area.
- 4.12 BCP Inner Central has the highest house price in BCP for semi-detached and terraced homes and (£540,000 and £520,000 respectively) but a low median price overall. This suggests that housing stock in the area is predominantly made up of flats. BCP Sandbanks has the highest house prices overall but also for detached (£870,000) and flats (£375,000).
- 4.13 The lowest prices within BCP are found in the Inner Suburbs Sub-Area for detached (£330,000) and semi-detached (£272,000) and the Outer Central Sub-Area for Flats (£160,000) and Terraced (£239,000).

Table 4.5 Median House Price by Sub-area and Type (2020)

	Detached	Semi-detached	Terraced	Flats	Median
BCP Inner Central	£845,000	£540,000	£520,000	£234,000	£244,925
BCP Inner East	£480,000	£345,000	£297,000	£218,000	£379,000
BCP Inner Suburbs	£330,000	£272,000	£249,000	£175,000	£275,000
BCP Inner West	£357,500	£290,000	£265,000	£188,750	£275,000
BCP Outer Central	£370,000	£300,000	£239,000	£160,000	£210,000
BCP Outer Suburbs	£449,950	£346,250	£261,250	£232,500	£421,000
BCP Sandbanks	£870,000	£405,155	£475,000	£375,000	£595,000
BCP Talbot Wood and Queens Park	£538,750	£285,000	£272,000	£206,250	£340,000
Central Dorset	£417,500	£295,000	£244,750	£176,000	£320,000
Dorchester	£482,500	£327,500	£282,250	£200,000	£284,500
Eastern Dorset	£394,000	£302,500	£230,000	£99,500	£298,500
Isle of Purbeck	£505,500	£330,000	£284,000	£245,000	£355,000
Northern Dorset	£372,500	£263,000	£220,000	£133,500	£278,000
Suburban Fringe East	£438,000	£309,750	£260,000	£198,000	£370,000
Western Dorset	£438,750	£300,000	£240,000	£165,000	£320,000
Weymouth and Portland	£345,000	£254,250	£203,000	£146,750	£235,000
BCP	£410,000	£290,000	£265,000	£202,750	£297,500
Dorset	£415,000	£285,000	£235,000	£170,000	£310,000
Study Area	£412,500	£289,950	£245,000	£195,000	£301,000

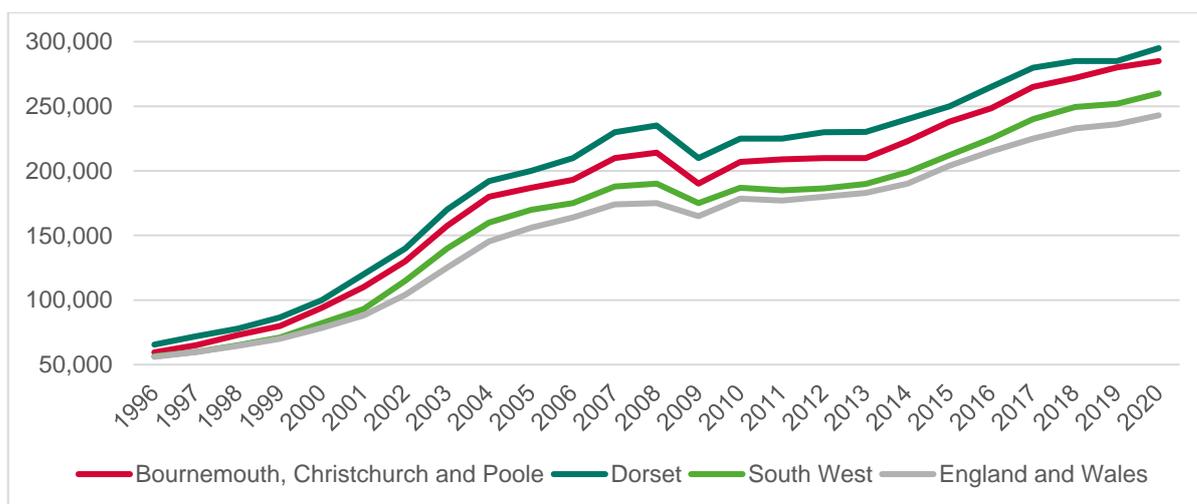
Source: HM Land Registry, 2021 (Red = lowest value areas, Green = highest value areas in each type)

- 4.14 Within Dorset the lowest values are in Weymouth and Portland for all property types aside from flats. The lowest cost flats are found in Eastern Dorset (£99,500) which is the only type and area with values less than £100,000 in the entire study area and reflects a high percentage of sales in homes exclusively for over 60s.
- 4.15 The highest values in Dorset for all individual property types are found in the Isle of Purbeck although due to the mix of housing being skewed towards larger homes the overall highest values are found in Suburban Fringe East.

House Price Change

- 4.16 Median house prices in BCP and Dorset have tracked the regional and national pattern albeit at a slightly higher level. Between the year ending September 1996 and 2008 median house prices grew especially rapidly in BCP (260%) and Dorset (259%) compared to the South West (236%) and England and Wales as a whole (213%).

Table 4.6 Median House Price Change (Year ending September 1996-2020)



Source: MHCLG, 2021

- 4.17 As illustrated, the 2008 recession saw house prices fall more sharply (by 11%) in both BCP and Dorset than across the South West (8%) and England and Wales as a whole (6%). Since 2009 prices have grown steadily – growth has been slightly faster in BCP (50%) than regionally (49%) and nationally (47%). Although, growth in Dorset has been slower at 40%.
- 4.18 The table below examines the change in house prices by sub-area over the last 5,10 and 15 years. This is shown as the Compound Annual Growth Rate (CAGR). Notably the CAGR has increased across the Study-Area between each of the three measurement periods.

- 4.19 Over the longest period, growth has ranged from 2.0% per annum in Dorchester to 4.0% per annum in Sandbanks. Looking at more recent growth there has been a greater disparity between Sub-Areas. For example, since 2015 growth in BCP Sandbanks has been 6.1% compared to just 2.8% in BCP Inner West.

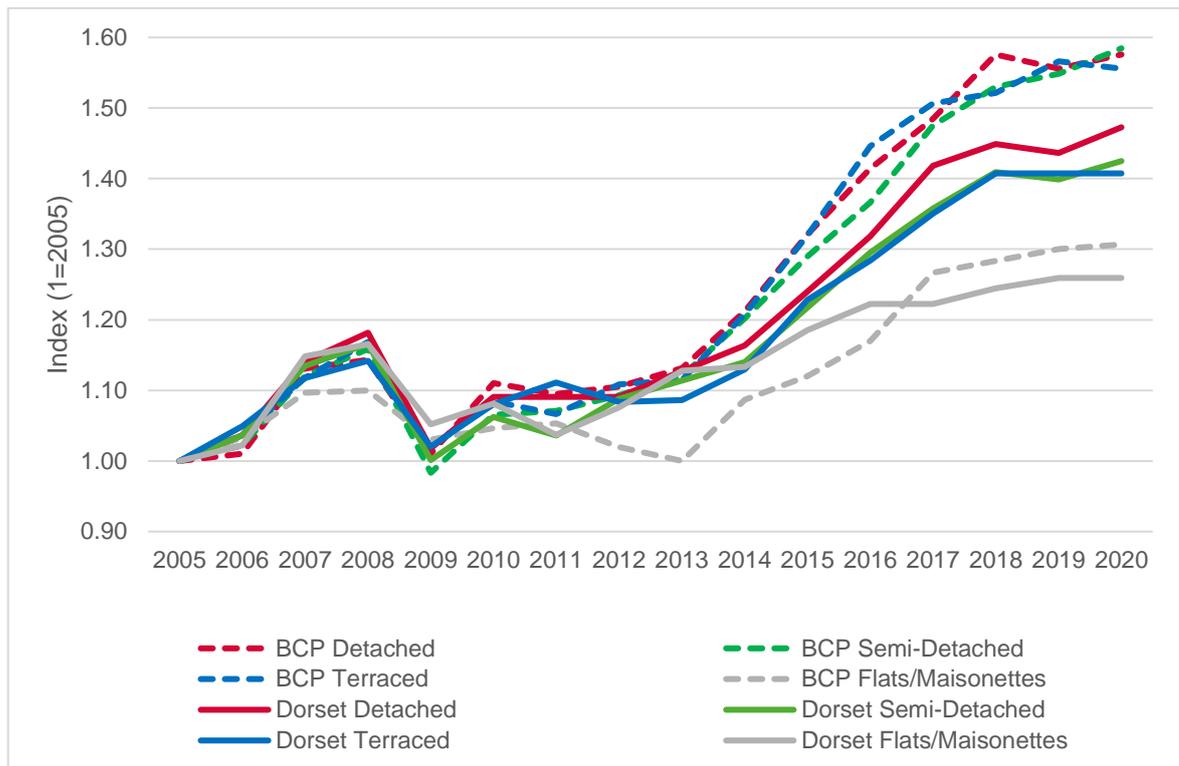
Table 4.7 Median House Price Change (Thousands) by Sub Area (2005-2020)

	2005	2010	2015	2020	CAGR Since 2005	CAGR Since 2010	CAGR Since 2015
BCP Inner Central	£173	£201	£187	£245	2.3%	2.0%	5.5%
BCP Inner East	£222	£248	£298	£379	3.6%	4.4%	5.0%
BCP Inner Suburbs	£174	£193	£228	£275	3.1%	3.6%	3.8%
BCP Inner West	£185	£195	£239	£275	2.7%	3.5%	2.8%
BCP Outer Central	£155	£157	£160	£210	2.0%	3.0%	5.6%
BCP Outer Suburbs	£250	£275	£338	£421	3.5%	4.4%	4.5%
BCP Sandbanks	£325	£350	£443	£595	4.1%	5.4%	6.1%
BCP Talbot Wood & Queens Park	£210	£235	£273	£340	3.3%	3.8%	4.5%
Central Dorset	£235	£245	£270	£320	2.1%	2.7%	3.5%
Dorchester	£210	£205	£230	£285	2.0%	3.3%	4.3%
Eastern Dorset	£185	£225	£257	£299	3.2%	2.9%	3.0%
Isle of Purbeck	£234	£264	£290	£355	2.8%	3.0%	4.1%
Northern Dorset	£186	£216	£230	£278	2.7%	2.6%	3.9%
Suburban Fringe East	£229	£250	£300	£370	3.3%	4.0%	4.3%
Western Dorset	£215	£248	£270	£320	2.7%	2.6%	3.5%
Weymouth and Portland	£165	£187	£196	£235	2.4%	2.3%	3.7%
BCP	£188	£212	£242	£298	3.1%	3.4%	4.2%
Dorset	£188	£230	£253	£310	3.4%	3.0%	4.2%
Study Area	£193	£220	£248	£301	3.0%	3.2%	3.9%

Source: HM Land Registry, Price Paid Data 2021 (Red = lowest growth areas and Green = highest growth areas)

- 4.20 Table 4.7 illustrates the change in median house price by type in both BCP and Dorset since 2005. Overall, the rate of growth in BCP has been higher than for Dorset for all types of homes. There was particularly strong growth between 2012 and 2018 in both areas with growth levelling off in the last two years.
- 4.21 In BCP the rate of price growth has been similarly high for detached, semi-detached and terraced properties. On the other hand, the rate of growth for flats/maisonettes has been much lower. Similar trends can be seen in Dorset, however, the rate of growth for detached properties has slightly outpaced that for semi-detached and terraced properties.

Table 4.8 Indexed Median House Price Change by Type (Year ending September 2005-2020)



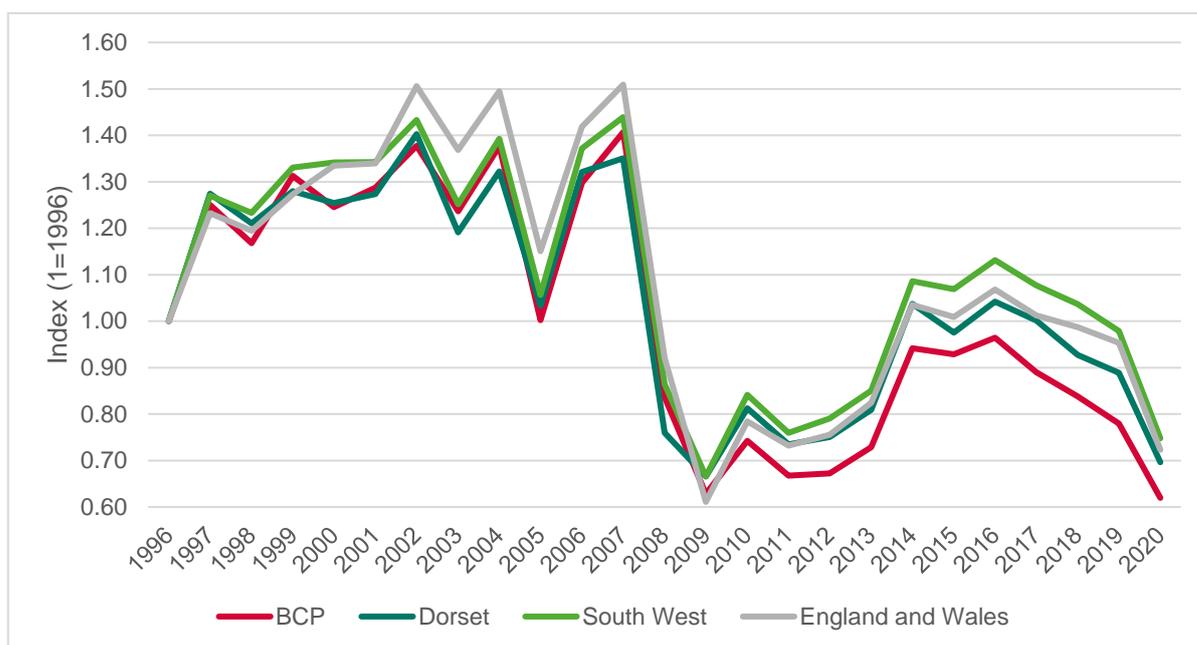
Source: ONS, Median House Prices

- 4.22 Anecdotally, it is likely that lower rates of flat price growth will continue after Covid-19 as people place even more emphasis on living space, extra rooms and gardens. Not only is this driven by an internal demand but also those moving out of London.

Transactions

- 4.23 Sales performance has been benchmarked against long-term trends to assess the relative demand for market homes for sale. The Figure below indexes annual sales over the period 1996-2020 against the number of sales in 1996.

Table 4.9 Indexed Change in Number of Transactions (Year ending September 1996 – 2020)



Source: ONS, Residential Property Sales

- 4.24 There is a similarity in trends across areas, reflecting the influence of macro-economic factors. Since the 2008 recession, there was a notable recovery up until 2014 but the number of sales has fallen since, a trend which is repeated across the country.
- 4.25 Since the recession numbers of transactions did not recover in BCP to the same extent as across Dorset and the wider comparators. The particularly weak number of sales in 2020 for both areas is related to Covid-19 and an inability to view homes to buy and sell.
- 4.26 There were around 5,427 transactions in BCP in the year ending September 2020. This was down by 36% from the post-recession peak of 8,445 in 2016. There were 5,112 transactions in Dorset in the year ending September 2020 – a 33% drop from the post-recession peak in 2016. These trends are similar across the region and country (34% and 32% respectively).

Affordability

- 4.27 We have considered the affordability of market housing by looking specifically at the relationship between house prices and incomes. We have done this by using median and lower quartile affordability ratios, with the latter being used as a proxy for entry level affordability.
- 4.28 The median affordability ratio is the ratio of median house prices to median earnings. The lower quartile affordability ratio is the ratio of lower quartile house prices to lower quartile earnings. We have focussed on workplace-based ratios which use income data from those working in the area rather than those living in the area (residence based).

- 4.29 The table below shows that, in 2020, the median house price in Dorset was 9.84 times average earnings compared to 9.76 in BCP, 8.80 in the South West and 7.69 across England and Wales as a whole. Given that mortgages are usually restricted to multiples of 4.5 times income this means that much of market housing for sale is unaffordable for many households without a sizeable deposit.

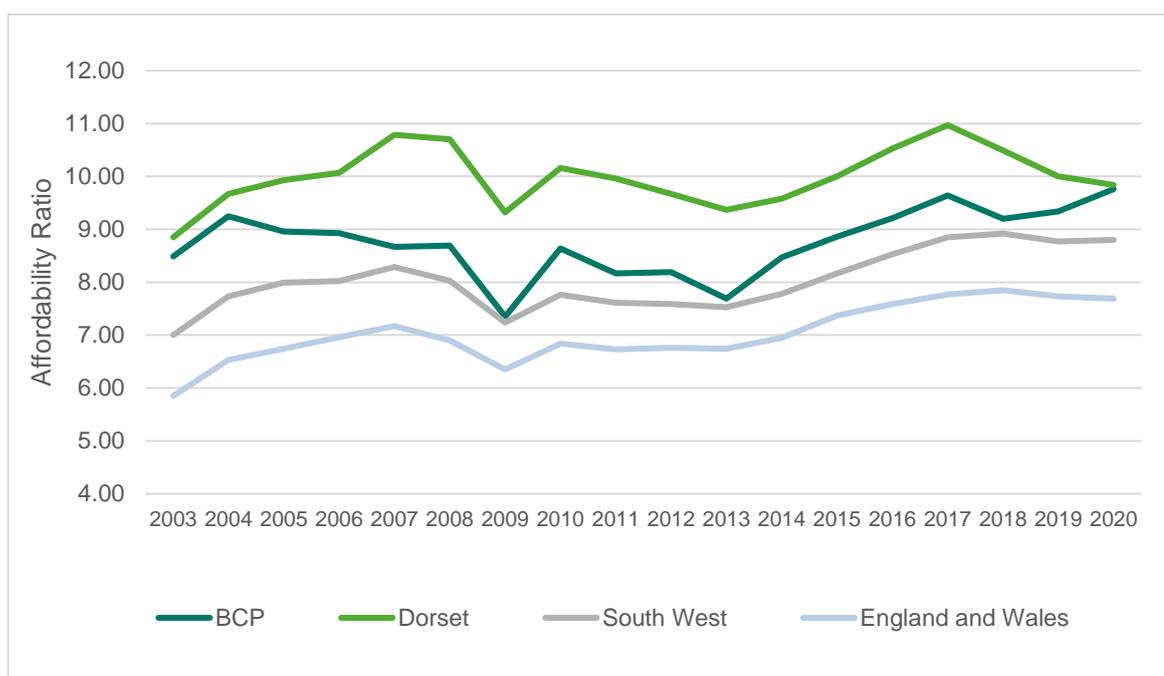
Table 4.10 Median and lower-quartile workplace-based affordability ratio (2020)

	Median	Lower quartile
Bournemouth, Christchurch and Poole	9.76	9.72
Dorset	9.84	9.80
South West	8.80	8.76
England and Wales	7.69	7.01

Source: ONS

- 4.30 In 2020, the lower-quartile affordability ratio in Dorset was 9.80 – slightly higher than in BCP (9.72) and the 8.76 across the South West region as a whole and England and Wales (7.01). This demonstrates the difficulty that first-time buyers (who typically have lower incomes) have to get on the market.
- 4.31 The figure below shows that median workplace-based housing affordability ratios in BCP and Dorset have not significantly worsened since 2003. This is aided by an improvement in Dorset from 2017. This contrasts with the national and regional figures which increased more notably and in particular since 2009.

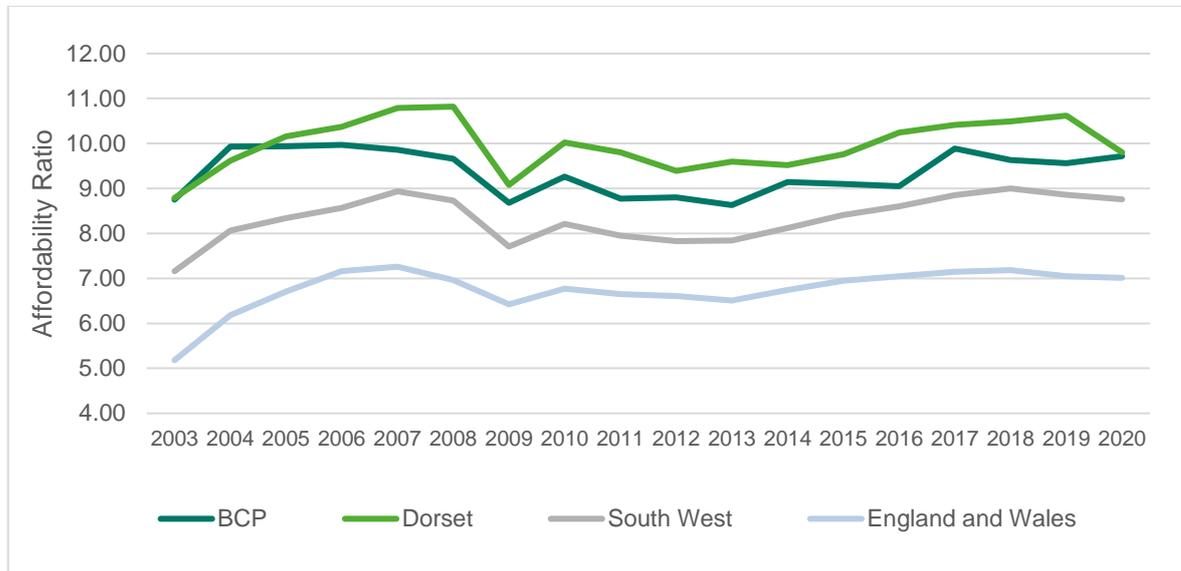
Table 4.11 Median Affordability Ratio – Workplace Based (1998 – 2020)



Source: MHCLG, Affordability Ratio, 2020

- 4.32 The figure below shows the lower quartile workplace-based housing affordability ratio. It shows that lower quartile affordability is around the same level as 2004. Again, this is in contrast to the national and regional affordability ratios which have worsened in that time.

Table 4.12 Lower Quartile Affordability Ratio – Workplace Based (1998 – 2019)



Source: MHCLG, Affordability Ratio, 2020

- 4.33 The deterioration in affordability was particularly acute between 2001 and 2008. Before which time mortgage availability and affordability meant it was relatively easy for older generations getting on the housing market.

Mortgage availability and impacts on FTB numbers

- 4.34 It is predicted that the impacts of Covid-19 on first time buyers could be severe in the short-term. In 2020 Knight Frank predicted that lenders would issue 150,000 fewer mortgages than usual (similar to the number issued in the first half of 2019)³. This is likely to occur as lenders seek lower loan to value (LTV) ratios to reduce their exposure to economic and house price downturns, meaning greater deposits are required.
- 4.35 Covid-19 had initially seen some mortgage lenders retract the width of products that they offered to ensure they were less exposed to the expected economic downturn. This saw typical LTV ratios of 90% decrease in availability with the highest LTV ratio of 80% being more common. This meant households required a 20% deposit rather than 10%, thus forcing many households out of the market.

3 <https://www.ft.com/content/a577d790-8d7e-11ea-af59-5283fc4c0cb0>

- 4.36 To bridge this LTV gap Savills⁴ expect borrowing from the “Bank of Mum and Dad” to increase over the next two years from £5 billion to over £7 billion. Savills reported that around 40% of first-time buyers had assistance from their family, however, they expected the overall value of this form of financing to fall in 2021 due to decreased activity in the market.
- 4.37 Other restrictions to the range of products being offered include a reduction in availability of long-term mortgages (longer than 25 years), although this trend pre-dates Covid-19. The lack of longer-term mortgages means that those seeking smaller repayment amounts, typically first-time buyers and those on lower incomes, have less choice in the market⁵.
- 4.38 There does appear to be some recovery from these early Covid-19 impacts. Moneyfacts analysis reported by the BBC shows that the number of mortgage products for those with a deposit of 10% have risen more than fourfold, from 44 to 197 products since summer 2020 suggesting a better outlook for first time buyers⁶. Furthermore, mortgage rates for those with a 10% deposit are getting better.
- 4.39 The widened availability of mortgage products suggests a modest increase in lender confidence, resulting in them being less risk adverse. The greater level of competition between lenders also helps keep interest rates stable. Additionally, Moneyfacts suggest that “it is likely lenders will continue to carefully manage their lending through the year”.
- 4.40 The Stamp Duty holiday for those buying homes up to £500,000 also had a small impact on keeping the FTB market afloat. This scheme is helping by offsetting the higher deposit requirement with a reduced taxation burden. That said, this only effects the few FTB’s seeking a home costing between £300,000 and £500,000 as FTB already had relief on homes valued up to £300,000.
- 4.41 Furthermore, the Stamp Duty holiday is only a short-term measure and is due to finish at the end of June 2021. This is likely to reduce the number of first-time buyers who could afford to purchase a new home beyond this period.

4 <https://www.savills.co.uk/blog/article/302871/residential-property/first-time-buyer-funding-and-the-bank-of-mum-and-dad.aspx>

5 <https://www.mortgagesolutions.co.uk/news/2021/02/08/first-time-buyers-hit-as-longest-mortgage-terms-vanish-quilter/?cmpredirect>

6 <https://www.bbc.co.uk/news/business-55736160>

Help to Buy

- 4.42 The Government's Help-to-Buy Programme provides a range of schemes which support younger households to get on the housing market (and in doing so support housing market activity). The scheme is to undergo some changes from early 2021 and the programme will now include:
- Help to Buy Equity Loan – From 2021, unlike in the past, this scheme will now be open to first time buyers only. In the South West it can be used to buy new homes (from registered housebuilders) up to a value of £349,600. However, there is no income cap. A 5% deposit is required and the Help to Buy Equity Loan lends up to 20% of the purchase price resulting in a maximum mortgage to be secured of 75% of the total price. The Help to Buy loan is interest free for the first five years. The amount you pay back is worked out as a percentage of the market value at the time you choose to repay.
 - Help to Buy: Shared Ownership – Supports part ownership of between 25% and 75% of the total home (either new build or resales) and requires ongoing rental payments on the remainder. Those with a household income of £80,000 or less are eligible for this scheme. As of 2021, the Share to Buy programme means that Shared Ownership homes will be offered with a minimum 10% share, which will greatly reduce deposit requirements, thus widening the market, although it will increase monthly mortgage/rental costs. Unlike the current system the costs of any repairs will also be covered by the landlord or housing association for the first 10 years.
 - Help to Buy ISA – This is a savings product aimed at first time buyers. The ISA boosts the amount saved by 25% with the total Government contribution capped at £3,000. The ISA can be used in combination with the Equity Loan or Shared Ownership schemes. The Help to Buy ISA closed to new accounts at midnight on 30th November 2019; however, if applications have opened prior to this, they will be able to continue saving into the account until November 2029.
- 4.43 The Help to Buy programme allows the purchase (or part purchase) of new build housing and existing stock via a re-sale of Registered Providers stock. It is funded by the Government via Homes England and then administered by regional Help to Buy Agents.
- 4.44 The Help to Buy ISA has now been replaced by the government backed Lifetime ISA. This allows those between 18 and 50 to save for a first home or later life. People can put in up to £4,000 each year, until they are 50. The government will add a 25% bonus to their savings, up to a maximum of £1,000 per year.
- 4.45 Table 4.12 shows the total number of Help to Buy Equity Loans in BCP, Dorset and across England since the onset of the scheme in 2013. It provides an indicative Help to Buy take-up rate which simply divides the number of Help to Buy equity loans by the 2019 population.

- 4.46 It can be seen that the take-up rate in BCP and Dorset is much lower than across England as a whole suggesting the Help to Buy loan scheme has not played as significant a role in supporting the local new homes market as it did elsewhere.

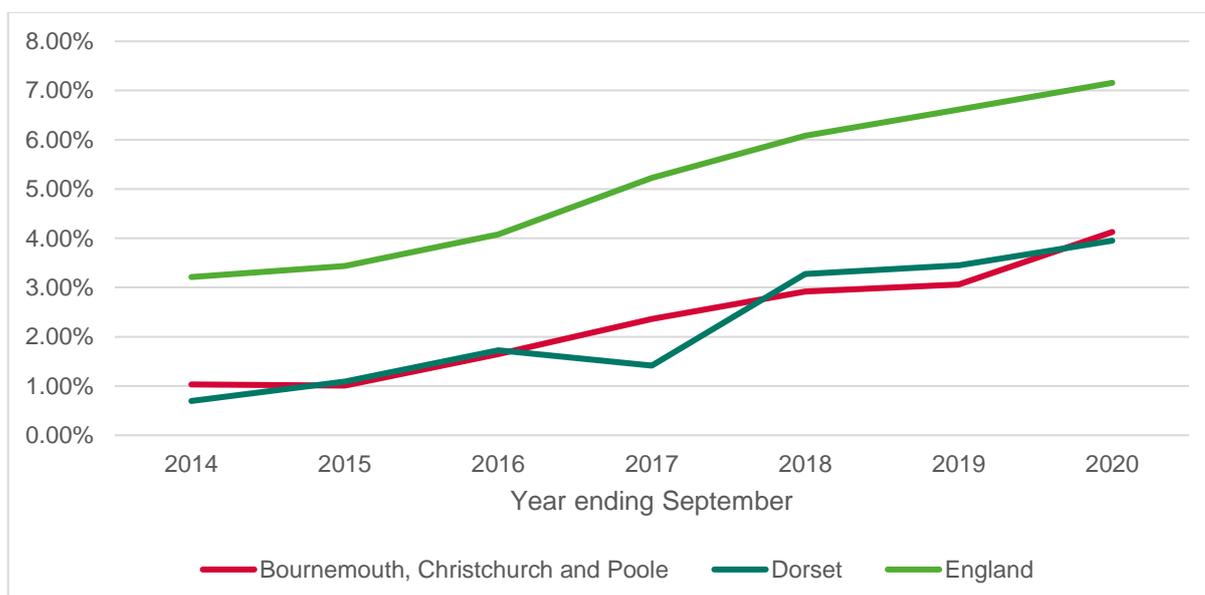
Table 4.13 Help-to-Buy equity loan take-up

	Number of Equity Loans	Number of FTB Equity Loans	Population	Indicative take-up rate	Indicative FTB take-up rate
BCP	1,142	1,004	395,331	0.29%	87%
Dorset	1,047	786	378,508	0.28%	75%
England	291,903	240,083	56,286,961	0.52%	82%

Source: MHCLG, Help to Buy Tables

- 4.47 The table also shows the number of Equity Loans taken by FTBs and indicative take-up rates. The take-up rate in Dorset (75%) is much lower than across England (82%) although in BCP the rate is higher (87%). The Help to Buy Equity Loan scheme therefore does not play as significant a role in supporting FTB's in Dorset as BCP or England as a whole.
- 4.48 Since the year ending September 2014 around 2% of all sales in BCP and Dorset were supported by a Help to Buy Equity Loan compared to 5% across England. Age structure differences may reflect lower numbers of FTBs in BCP and Dorset compared to England as a whole, as opposed to just the fact that a lower percentage of FTBs are using Help to Buy equity loans. It may also be possible that despite the scheme the homes are still too expensive for local first time buyers.
- 4.49 As the figure below shows, whilst the percentage of Help to Buy Equity Loan support has increased across BCP and Dorset it has only done so in line with the rate of growth across England as a whole.

Table 4.14 Percentage of Total Sales with HTB Loans (Year ending September 2014–2020)



Source: MHCLG, Help to Buy Tables and ONS Residential Property Sales data

- 4.50 In the year ending September 2020, there were 310 new build sales⁷⁷ in BCP. Over the same period there were 224 Help to Buy Equity Loans. Out of the 310 sales in BCP, 76 were above £349,600 (the point at which Equity Loans can no longer be sought). This suggests that the capping of the Equity Loan scheme will not significantly reduce support for new builds in BCP.
- 4.51 In Dorset, there were 497 new build sales in 2020 and over the same period 202 Help to Buy Equity Loans. Out of the 497 sales in Dorset, 260 were above £349,600 (the point at which Equity Loans can no longer be sought). If most of these sales were not bought using Equity Loans, this suggests that the capping of the Equity Loan scheme will not significantly reduce support for new builds in Dorset.
- 4.52 However, as 178 out of the 224 equity loans in BCP and 126 out of the 202 Equity Loans in Dorset provided were to FTBs this suggests that no longer allowing non-first-time buyers to access the loan will not significantly curtail support for new builds in Dorset.

Agency Consultation

- 4.53 Consultation was undertaken with estate agents to gain a deeper understanding of the sales market in BCP and Dorset, adding to and corroborating the quantitative data collected and analysed. The following agents were contacted:
- Roy Barrett Estate Agents of Drapers house, Market PI, Sturminster Newton DT10 1AS;
 - Connells Estate Agents of 3 High W St, Dorchester DT1 1UH;
 - Palmer Snell Estate Agents of 4, Adastral Square, Canford Heath, Poole, BH17 8SA;
 - Myers Estate Agents of 47 Tytherley Green, Bournemouth BH8 0PA;
 - Martin and Co Estate Agents of 192 Seabourne Rd, Bournemouth BH5 2JB;
 - Richard Godsell Estate Agents of 2 Church Street, Christchurch, BH23 1BW
 - Goadsby Estate Agents of 2 South St, Bridport, DT6 3NQ; and
 - Symonds & Sampson, 5 West St, Wimborne BH21 1JN
- 4.54 The consensus amongst the agents contacted was that the market is really strong. The Poole based agent was more emphatic than this stating that houses were 'selling like hot cakes'. The Bournemouth based agent was more focussed on sales to buy to let investors and stated that the market was 'getting better' but that there were no first-time buyers.

⁷⁷ Note the number of new build sales is taken from Land Registry Data and may not align if for example registration has been delayed.

- 4.55 The agents generally agreed that homes are not staying on the market for very long. One agent suggested that homes are getting 10-20 viewings booked as soon as they go online. One agent stated that homes generally went after the first viewing while another said they were on the market days as opposed to weeks.
- 4.56 Three of the agents stated that in general homes are on the market for just 2-3 weeks and one agent noted that last year it was longer than this (i.e. months). Although in Bournemouth the agent stated that homes are generally staying on the market for 4-6 weeks.
- 4.57 Five agents stated that asking prices were generally very close to being met, were met, or exceeded. One suggested they were typically exceeded by 5-10%. Although, a Bournemouth agent stated that asking prices were not achieved and that prices paid were generally £5-10 thousand lower – reflecting the need for buy to let investors to achieve a sufficient yield.
- 4.58 Four agents stated that sales prices were rising whilst two agents noted that prices were relatively static. It was stated that the driver of price rises was the stamp duty holiday as well as a Covid-19 induced lack of stock and increased demand from people ‘moving down’ from London.
- 4.59 Two of the agents which stated that prices were rising expected that prices would fall after the stamp duty holiday. But that hasn’t happened because of a lack of stock, however they have noticed an increasing trend of asking prices being reduced. One agent stated that house prices were static and expected that house prices are likely to remain static or fall when more homes come on the market after Covid-19 lockdown.
- 4.60 To illustrate the lack of stock one agent noted that as of September 2021 there were only 130 available properties in Dorset when there is usually three times that amount.
- 4.61 One agent noted that many vendors sold their homes to capitalise on the heated market and decided to rent until prices regulated. Others also decided to rent to ensure they didn’t lose their buyer while they continued to search for a home. As a result, rents have increased. Linked to this, one agent noted that chains had become more convoluted and that much more of their time is spent dealing with post-sales rather than selling homes.
- 4.62 None of the agents had noticed a negative impact on the market due to Covid-19 and it is clear that there has been a positive impact in terms of demand and prices (which is somewhat related to the Stamp Duty Holiday).
- 4.63 The agent in Christchurch suggested that supply has slowed with the reintroduction of Stamp Duty. However, what properties that were coming on the market tended to go quickly and in that aspect the market was still strong.

- 4.64 The Dorchester based agent stated that prices had increased by 5.5% since the onset of the Covid-19 crisis and noted lack of supply as less people are putting homes on the market. The Bournemouth based agent also noticed that some people were struggling to get mortgages due to higher deposit requirements.
- 4.65 One agent stated that there will also be a belated impact on the market due to loss of employment after the end of the furlough scheme and another stated that whilst summer was likely to be busy it would depend on 'how things look after furlough'.
- 4.66 One agent did expect a large increase in demand due to the introduction of the government 5% mortgage scheme (introduced in April 2021) and subsequent increase in FTBs. One agent noted that initially (during the pandemic), the first time buyer market slowed as resellers and retirees had priced them out. However, first time buyers have started to return.
- 4.67 When asked, 'what makes the area attractive to buyers?' the agents cited a number of factors. The two BCP agents identified the beach as a major attraction. One stated that many people come to visit and then think about purchasing.
- 4.68 Four of the agents stated that green space and nature were key attractions, specifically citing the Jurassic Coast, access to the New Forest and Areas of Outstanding Natural Beauty.
- 4.69 The Poole and Dorchester based agent cited transport links and good schools (even in villages). The Bournemouth based agent also cited good schools. The Dorchester based agent stated that villages had good services and in North Dorset good value for money was cited. In general, agents mentioned a more relaxed way of life and in some areas a rural way of life.
- 4.70 Most of the agents stated that the majority of moves they dealt with were local with the Poole based agent stating that 90% were local. The Dorchester based agent stated that 64% of moves were from out of Dorchester - many from other areas of BCP and Dorset but also those moving from out of the study area. In North Dorset there was an even mix of local and out of area moves.
- 4.71 In Bournemouth the agents perceived a lot more 'out of area' investors particularly in such areas as Southbourne and Boscombe. In Wimborne, the agent suggested that typically 50% of buyers were local and 50% were from the home counties. This increased to 70% during the pandemic but has since gone back to a 50:50 split.
- 4.72 The Christchurch agent suggested that 75% of sales were to locals or those that at least had a family connection to the area. The remaining 25% were from outside of the area and typically from London. This latter group were particularly interested in family homes.

- 4.73 Three of the agents stated that people moving to the area tended to be professionals, often moving from cities such as London. Two of the agents stated that those moving to the area were often retired.
- 4.74 The Bridport Agent said there was still demand for holiday homes (particularly in Bridport and West Bay) but that they had seen an increase in demand from people moving to the area from Birmingham and London. These were typically young professional couples who had the ability to work from anywhere.
- 4.75 They also noted that there was increased demand for bungalows from younger people who bought and extended upwards and outwards. This was not so much of an issue as there was a plentiful supply of specialist retirement accommodation.
- 4.76 Three of the agents stated that 2/3 bed homes were in greatest demand at the moment. The Bournemouth based agent specifically cited a cost bracket of £300,000-400,000 properties with three bedrooms, two bathrooms, a garden, and a driveway.
- 4.77 In Wimborne and the surrounding rural areas. the 2/3 bedroom market is slower. The highest demand is for the higher end properties (4+ bedroom) with small holdings or acreage. People are moving out of the home counties looking for a slice of the rural idyll.
- 4.78 The Dorchester based agent noted that apartments and retirement properties were in low demand, but that retirement properties will likely be in greater demand when older people feel safe to go and view them.
- 4.79 When asked if there were any particular gaps in the market the agents' responses were mixed. Two agents emphasised the lack of supply in general. In North Dorset they had a lack of 2-beds in the last 6 months. In Bournemouth the agent stated that there was a lack of one bedroom properties although this agent has a focus on buy to rent.
- 4.80 When asked what the typical buyer demographic was at the moment the estate agents provided a number of responses. Two agents stated that there was a mix. In Bournemouth it was mainly families buying a second home whereas another suggested it was mainly singles and couples.
- 4.81 Three agents stated that they were mainly dealing with previous homeowners either upsizing or downsizing. The Dorchester based agent stated that whilst they are dealing with home movers, they are also dealing with FTBs.
- 4.82 A few of the agents stated that there was significant interest from people looking to buy for holiday lets. Although, one agent noted that this did not translate into sales because taxation often made purchasing to holiday let unviable.

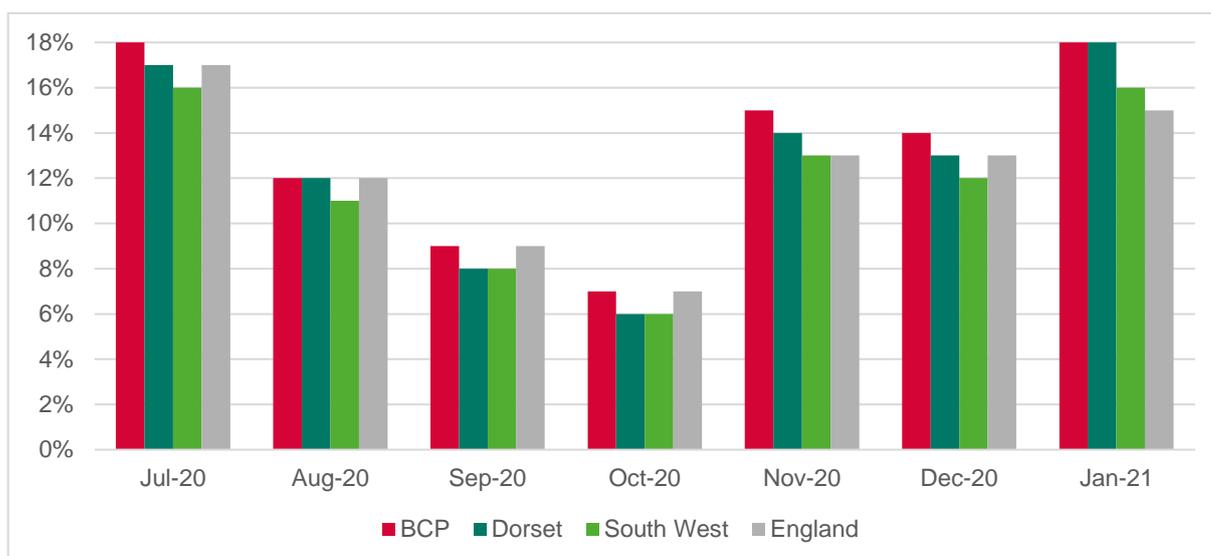
- 4.83 All agents stated that there were very few homes supported by Help to Buy. The Poole based agent stated that this was because of a lack of new builds although often new build homes are sold directly by the developer.
- 4.84 The Dorchester based agent cited the ZeroC development in Poundbury as having Help to Buy properties available but that these were 'one-beds at £300,000' (although the ZeroC site only advertises two-bed apartments) and very expensive four-beds and are lacking a mid-range offer.
- 4.85 Feedback from the agents was mixed in terms of demand for housing for the elderly. Three of the agents stated that there was not much demand including the Bournemouth agent who had quite a few assisted living properties on the books which they were struggling to sell.
- 4.86 In contrast, the Poole based agent stated that whilst they do not have any homes for the elderly themselves, they are popular in Dorset with high demand for them. One agent stated that whilst there was not much demand at the moment, they envisaged this increasing as elderly buyers started looking after lockdown.
- 4.87 One agent also noted high demand for bungalows but a distinct lack of supply.
- 4.88 In BCP the agents stated that demand for self-build was minimal and that it was greater before Covid-19. However, in Dorset the agents stated that there was good demand for self-build but that land was few and far between and it is often taken by developers making self-build 'almost impossible'.

Furlough

- 4.89 The figure below shows the percentage of eligible employments⁸ furloughed under the Coronavirus Job Retention Scheme between the end of July 2020 and January 2021. BCP and Dorset had a consistently higher take up-rate compared to the South West region.
- 4.90 The take-up rate in BCP has consistently been equal to or higher than the rate across England, with a greater difference in more recent months. Up to the end of October 2020 the take up rate in Dorset was equal to, or lower than the English average. Although, since then the take-up rate in Dorset has been higher than or equal to the national average.

⁸ An employment is defined within this release as anyone who meets the scheme criteria set out within the HMRC guidance. HMRC have applied this definition in order to manage the difficulty in separating out Office Holders (such as directors) from what are generally considered employees.

Table 4.15 % of Employment Furloughed (End of July 2020 – Jan 2021)



Source: HM Revenue and Customs, Job Retention Scheme Statistics 2021

- 4.91 The latest confirmed figures for January 2021 (provisional figures are available for February 2021, but historical data suggests this is subject to change) shows that around 18% of eligible employments were Furloughed in BCP and Dorset compared to 15% nationally. These higher rates may reflect the high rates of furloughing in the tourism sector.
- 4.92 At 18% BCP and Dorset are in the middle of the national range (9% to 26%). The lowest rates are typically found in areas with a strong agricultural economy such as South Holland and Boston, and those with the highest rates in areas with major transport hubs (Crawley (Gatwick) and Hounslow (Heathrow)).
- 4.93 The table below shows that BCP has been particularly hit by Covid-19 in terms of overall employment. It can be seen that the claimant rate (count as a % of 16-64 year olds) was similar to that of England and Wales as a whole in February 2021 but this was not the case pre-covid-19. Dorset was also badly impacted but not to the same extent and had a much lower claimant rate than England and Wales.

Table 4.16 Claimants as a % of residents aged 16-64

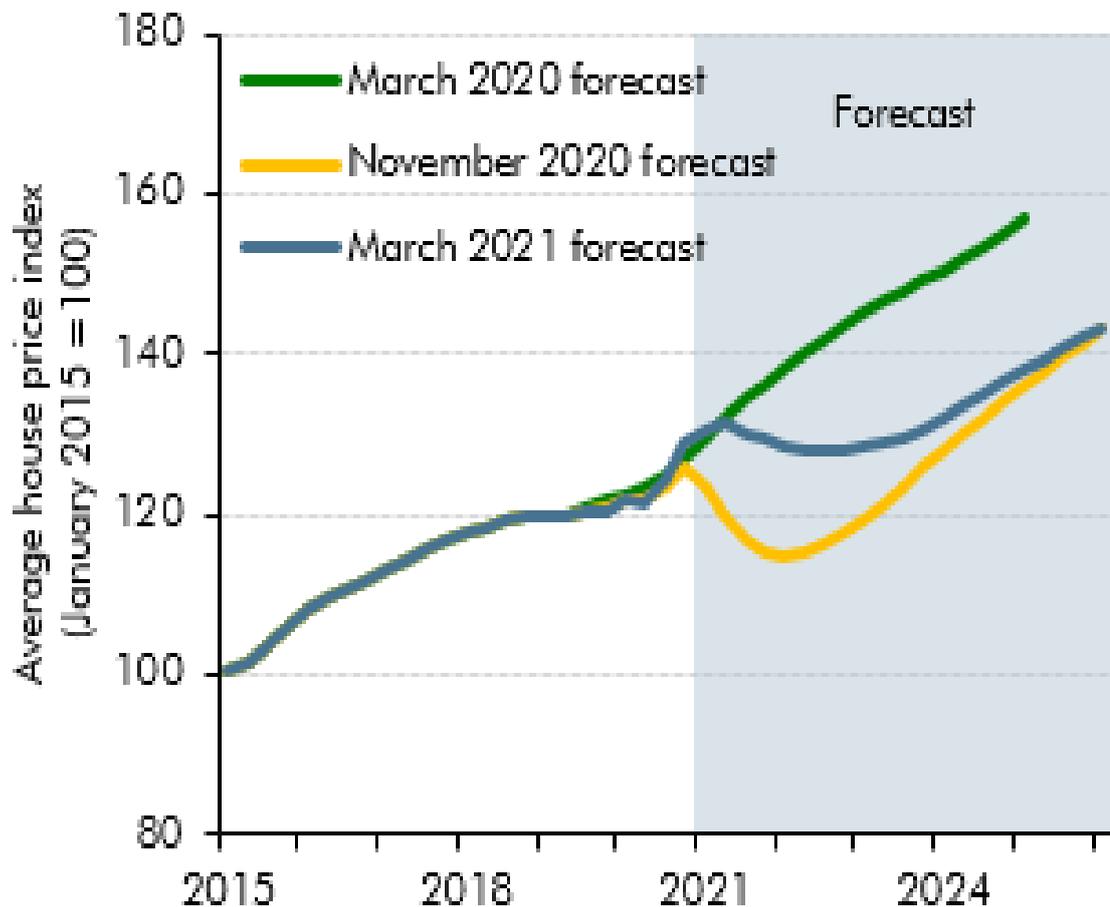
Area	Five year average Feb (2016-2020)	Feb-21	Difference
BCP	1.9	6.3	4.4
Dorset	1.2	4.6	3.4
South West	1.7	5.1	3.4
England and Wales	2.3	6.5	4.2

Source: DWP, Claimant Count 2021

Looking forward

- 4.94 The figure below shows the Office for Budget Responsibility (OBR) House Price Forecast for the UK⁹. It considers short-term indicators of house price inflation, medium term factors such as forecast real incomes; demographics; mortgage rates; and credit conditions and predicted effects of government policies.
- 4.95 As illustrated, the OBRs latest house price forecast March 2021 suggests that in the shorter term (2021 and 2022) house prices will fall due to moderating growth in new demand. That said, over the medium term the OBR forecast states that 'house price inflation will pick up to historically more typical rates that are a little higher than earnings growth, averaging 3% a year from 2023 onwards.'. The house price to earnings ratio is forecast to return to pre-Covid-19 levels by 2024.

Table 4.17 OBR house price forecast



Source: OBR (March 2021)

- 4.96 At the forecast horizon (2026) the level of house prices is similar to the November 2020. It can also be seen that the 2021 price forecast is lower than expected in March 2020 i.e. pre-Covid-19.
- 4.97 OBR expect that the extension of the Stamp Duty holiday will see transactions dip towards the end of the year as opposed to the first half of the year as previously expected. Transactions are then forecast to rise gradually back to a level consistent with longer-term average – recovering to this level by the end of 2021.
- 4.98 Alternative residential property market forecasts have been produced by Savills (March 2021)¹⁰ which are broken down by region. In 2021, these predict higher levels of growth in the South West than the UK average (5% compared to 4%).
- 4.99 Between 2022 and 2025 Savills predict lower levels of growth than the UK average. Over the 5 years to 2025 is predicted that house prices will grow by 18.7% across the South West compared to 21.8% across the UK.

¹⁰ <https://www.savills.co.uk/insight-and-opinion/research-consultancy/residential-market-forecasts.aspx>

Housing Market Signals: Key Messages

- In the year to September 2020, Median house prices in BCP (£285,000) and Dorset (£295,000) were above the South West median (£260,000) and significantly above the national median (£243,000). The highest house prices by some margin were found in the BCP Sandbanks Sub-Area. The lowest prices, again by some margin, are found in the BCP Outer Central Sub-Area.
- The cost of detached, semi-detached, and terraced homes has increased at a faster rate than flats. In Dorset, the rate of growth for detached homes has been the highest. We expect demand for detached and semi-detached homes to continue to increase and the growth in the cost of flats will slow as a result of Covid-19.
- There were around 5,427 transactions in BCP and 5,112 in the year ending September 2020. The most active areas in terms of the number of sales are suburban and inner urban areas which account for over half of all sales. This was down by 36% and 33% respectively on the 2016 post-recession peak – similar to declines which can be seen regionally and nationally.
- In 2020, the median house price in BCP was 9.76 times average earnings (higher than across all wider comparator areas) while in Dorset it was 9.84. Affordability has not significantly deteriorated in either area since 2003.
- Consultation with local estate agents suggests that demand for a home in BCP and Dorset has grown since the onset of Covid-19 due to people moving to the area but also the Stamp Duty holiday. This combined with lack of stock that meets the demand has led to a rise in prices.
- Savills forecast that house prices in the South West will grow at a slightly lower rate than the national average over the next five-years.

5. HOUSING NEED

Introduction

5.1 This section considers the level of local housing need for BCP and Dorset having due regard to the (a) the standard method and (b) circumstances which could justify planning for a higher figure over and above the standard method.

5.2 Unfortunately, some of the data used in the standard method pre-dates the creation of both BCP and Dorset Councils. In such circumstances paragraph 39 of the PPG provides the follow guidance:

“Planning policies adopted by predecessor authorities will remain part of the development plan for their area upon reorganisation, until they are replaced by adopted successor authority policies or until the fifth anniversary of reorganisation.

In the interim, authorities are reliant on strategic housing requirement policies set out in the development plans of the predecessor local authorities when decision-making, such as when determining the housing requirement for their 5-year housing land supply...

Sourcing data inputs for re-organised authorities is dependent on the geographies at which these data inputs are published. Where local authorities have recently re-organised, to form a new unitary or single-tier authority...

- *As 2014 Household Projections are used in Step 1 of the standard method, these will not be available for the new/merged authorities – so local housing need in decision-making and plan-making, should be calculated at the predecessor local authority level for steps 1 to 3 (and 4 if appropriate);*
- *If the latest affordability ratios are available at predecessor local authority level, these should be used for the affordability adjustment (Step 2). Where the latest published ratios are not available at these geographies, the latest available affordability ratio at that predecessor level should be used.*
- *The cap (Step 3) should also be applied at the predecessor authority level with each predecessor area will have their cap applied based on the status of the predecessor authorities’ strategic housing requirements. This will mean the cap is set against either local plan, or household growth as appropriate.*

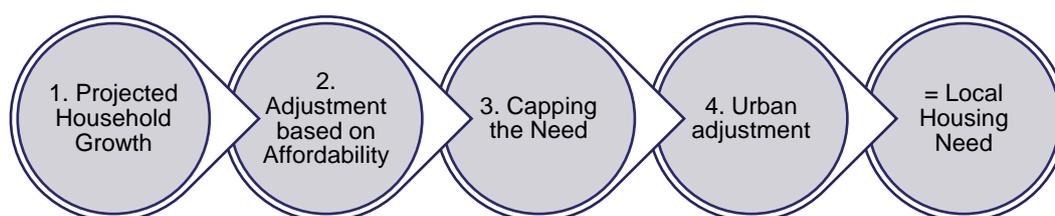
For plan-making, the new/re-organised local authority should use a local housing need for the new/merged authority area, which is at least is the sum of the local housing need of all the predecessor local authorities. Once a re-organised authority has adopted strategic housing policies covering the whole of its area, this will be used to determine the housing requirement, and the cap should then be applied on these policies.”

5.3 What this means for this for this study is the use of the predecessor authorities for Steps 1 to 3 and aggregating these to the new authorities. Step 4 is not applied in this area and is unaffected by local authority reorganisation in any case. These steps are set out below.

Housing Need and the Standard Method

- 5.4 The starting point for this is the standard methodology for calculating housing need, which is clearly set out by Government in Planning Practice Guidance. The four-step process is set out in the figure below and worked through in the following sub-sections.

Table 5.1 Overview of the Standard Method for Calculating Local Housing Need



Step One: Setting the Baseline

- 5.5 The first step in considering housing need against the standard method is to establish a demographic baseline of household growth. This baseline is drawn from the 2014-based Household Projections and should be the annual average household growth over a ten-year period, with the current year being the first year i.e. 2021 to 2031. As mentioned previously we are required to sum the growth in the predecessor authorities.
- 5.6 This results in household growth of 1,986 households per annum in BCP and 1,307 in Dorset over the ten-year period. This is shown in table 5.2.

Table 5.2 Step 1 - Household Growth, 2021 to 2031

Area	Household Numbers 2021	Household Numbers 2031	Household Growth 2021-31	Step 1 - Household growth 2021-31 PA
Bournemouth	94,673	105,832	11,159	1,116
Poole	69,046	75,167	6,121	612
Christchurch	23,329	25,910	2,581	258
BCP	187,048	206,909	19,861	1,986
East Dorset	40,006	43,253	3,247	325
North Dorset	31,753	34,392	2,639	264
Purbeck	20,689	22,010	1,321	132
West Dorset	47,954	51,922	3,968	397
Weymouth & Portland	29,888	31,783	1,895	190
Dorset	170,290	183,360	13,070	1,307

Source: ONS 2014-Based Household Projections

- 5.7 Although this figure is calculated over a ten-year period from 2021 to 2031, Paragraph 12 of the PPG states that this average household growth and the local housing need arising from it can then “be applied to the whole plan period”.
- 5.8 As a sensitivity to the main body of this report the appendices comprise a set of key outputs for each authority should the plan period be extended to 2039.
- 5.9 This report does not critically assess the 2014-based Household Projections or the Sub-National Population Projections on which they are based. This has been done in a separate sensitivity study which should be read in conjunction with this study.

Step Two: Affordability Adjustment

- 5.10 The second step of the standard method is to consider the application of an uplift on the demographic baseline, to take account of market signals (i.e. relative affordability of housing). The adjustment increases the housing need where house prices are high relative to workplace incomes. It uses the published median affordability ratios from ONS based on workplace-based median house price to median earnings ratio for the most recent year for which data is available.
- 5.11 The latest (workplace-based) affordability data relates to 2020 and was published by ONS in March 2021. These were originally only published for the current local authorities but ONS also produced a custom cut of the data to support the reporting needs for newly merged authorities¹¹. As the guidance states that “If the latest affordability ratios are available at predecessor local authority level, these should be used”, we have followed this guidance.
- 5.12 The Government’s Guidance states that for each 1% increase in the ratio of house prices to earnings, above 4, the average household growth should be increased by a quarter of a per cent, with the calculation being as follows:

$$\text{Adjustment Factor} = \frac{\text{Affordability Ratio} - 4}{4} \times 0.25$$

- 5.13 Applying this calculation to household growth in the former local authorities across Dorset and BCP results in a local housing need figure for 2,706 dwellings per annum in BCP and 1,818 in Dorset, as is shown in the Table below.

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<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/adhocs/13107housepricetoworkplacebasedearningsratioforformerlocalauthorities2019to2020>

Table 5.3 Local Housing Need, 2021-2031 – Affordability Adjustment

Area	Step 1 - Household growth 2021-31 PA	Median Affordability ratio 2020 from ONS	Affordability Uplift	Step 2 - Uncapped Need
Bournemouth	1,116	9.32	33%	1487
Poole	612	9.4	34%	819
Christchurch	258	12.8	55%	400
East Dorset	325	13.43	59%	516
North Dorset	264	8.13	26%	332
Purbeck	132	10.18	39%	183
West Dorset	397	9.82	36%	541
Weymouth & Portland	190	8.77	30%	246
BCP	1,986			2,706
Dorset	1,307			1,818

Source: ONS Household Projections and MHCLG Affordability Ratios

- 5.14 These figures are as a result of increases ranging from 26% in North Dorset to 59% in East Dorset. The effective uplift in BCP was 36% and in Dorset this was 39%. If the published figures for the BCP and Dorset were to be used the uplift would be 36% and 37% respectively.

Step Three: The Cap

- 5.15 The third step of the standard method is to consider the application of a cap on any increase and ensure that the figure which arises through the first two steps does not exceed a level which can be delivered. There are two situations where a cap is applied:
- The first is where an authority has reviewed their plan (including developing an assessment of housing need) or adopted a plan within the last five years. In this instance the need may be capped at 40% above the requirement figure set out in the plan.
 - The second situation is where plans and evidence are more than five years old. In such circumstances a cap may be applied at 40% of the higher of the projected household growth (step 1) or the housing requirement in the most recent plan, where this exists.
- 5.16 In the case of BCP and Dorset only the former local authority of Poole has housing requirement adopted within the last 5 years therefore the housing need is capped at 40% above the housing requirement in Poole with the others being capped at 40% above the higher of Step 1 or their adopted housing requirements.
- 5.17 As a further complication West Dorset and Weymouth and Portland and separately East Dorset and Christchurch had adopted joint plans which had no formal separate split for these areas. However, for monitoring purposes the housing requirement was split between Christchurch at 223 dpa, and East Dorset 343 dpa. The split for Weymouth and Portland at 170 dpa and West Dorset at 605 dpa.

- 5.18 The impact of the cap is shown in the Table below for both authorities. As demonstrated the cap is placed at 40% above the housing requirement in Poole, North Dorset, and West Dorset with all the other local authorities having a cap based on 40% their household growth. The cap is only actually applied in Christchurch and East Dorset as all other areas have a housing need lower than where the cap would be applied.
- 5.19 As shown in the table below the calculations results in a housing need of 2,667 dpa in BCP and 1,757 dpa in Dorset. This is a combined total of 4,424 dwellings per annum which is 1,131 dpa higher (34%) than the outputs of step 1.

Table 5.4 Local Housing Need – Capping the Increase

Area	Step1 – Household Growth	Step 2 - Uncapped Need	Local Plan Adoption Date	Older than 5 Years	Adopted Housing Requirement	Cap (if required)	Step 3 - Local Housing Need (capped need)
Bournemouth	1,116	1487	Oct-12	Yes	643	1,562	1,487
Poole	612	819	Nov-18	No	710	994	819
Christchurch	258	400	Apr-14	Yes	249	361	361
East Dorset	325	516	Apr-14	Yes	317	455	455
North Dorset	264	332	Jan-16	Yes	285	399	332
Purbeck	132	183	Nov-12	Yes	120	185	183
West Dorset	397	541	Oct-15	Yes	605	847	541
Weymouth & Portland	190	246	Oct-15	Yes	170	265	246
BCP	1,986	2,706					2,667
Dorset	1,307	1,818					1,757

Source: ONS Household Projections and MHCLG Affordability Ratios & Local Plans

- 5.20 This step in the calculation reduced the local housing need number in BCP from 2,706 dpa to 2,667 dpa and in Dorset from 1,818 dpa to 1,757 dpa. As paragraph 7 of the PPG states “the cap reduces the minimum number generated by the standard method but does not reduce housing need itself. Therefore, strategic policies adopted with a cap applied may require an early review and updating to ensure that any housing need above the capped level is planned for as soon as is reasonably possible” (Reference ID: 2a-007-20190220).
- 5.21 Where the minimum annual local housing need figure is subject to a cap, consideration can still be given to whether a higher level of need could realistically be delivered. This may help prevent authorities from having to undertake an early review of the relevant policies.

Step Four: Urban Uplift

- 5.22 The fourth and final step in the calculation means that the 20 largest urban areas in England are subject to a further 35% uplift. This uplift ensures that the Governments stated target of 300,000 dwellings per annum is met and that “homes are built in the right places, to make the most of existing infrastructure, and to allow people to live nearby the service they rely on, making travel patterns more sustainable.” (Paragraph: 035 Reference ID: 2a-035-20201216).
- 5.23 As neither Dorset nor BCP is listed within the top 20 urban areas in the country it is not subject to this additional uplift. **The minimum housing need therefore remains at 2,667 dpa in BCP and 1,757 dpa in Dorset.**

Exceeding the Standard Method

- 5.24 The PPG is clear that the standard method is a minimum number and that in areas such as BCP and Dorset where the cap reduces the local housing need “consideration can still be given to whether a higher level of need could realistically be delivered. This may help prevent authorities from having to undertake an early review of the relevant policies”. (Reference ID: 2a-007-20190220).
- 5.25 The PPG also sets out examples of when it might be appropriate for local authority areas to consider whether to plan for higher levels of housing need than the standard method. The examples in Paragraph 10 (Reference ID: 2a-010-20201216) include (but are not limited to):
- growth strategies for the area that are likely to be deliverable;
 - strategic infrastructure improvements; or
 - an authority agreeing to take on unmet need from neighbouring authorities.
- 5.26 There is no growth strategy in place for either BCP or Dorset and the Councils have not identified any strategic infrastructure which might drive higher levels of growth. With the exception of each other no other local authority has approached BCP and Dorset to meet their need but discussions with neighbouring authorities will need to continue as the plan’s progress.

Housing Need: Key Messages

- The four step standard method results in a minimum housing need therefore remains at 2,667 dpa in BCP and 1,757 dpa in Dorset. This can be applied across the Local Plan period from 2021 onwards. This level of housing need forms the basis of much of the analysis in the remainder of this report.
- This is a minimum need and the Councils can exceed these numbers where it is justified to do so. This is particularly the case where there is a growth strategy, significant infrastructure investment or there is unmet need from neighbouring authorities.
- However, there is no growth strategy in place for either BCP or Dorset and the Council have not identified any strategic infrastructure which might drive higher levels of growth. With the exception of each other no other local authority has approach BCP and Dorset to meet their need.

6. DEMOGRAPHIC TRENDS AND PROJECTIONS

Introduction

- 6.1 This section of the report considers demographic trends, in particular looking at past trends in population growth and future projections. The analysis draws on the 2018-based subnational population projections (SNPP) and the 2018-based household projections (SNHP) – both ONS data releases. The analysis also looks at the most recent population estimates (again from ONS) which date to mid-2019.
- 6.2 The section also considers the implications of delivering housing in-line with the Standard Method (2,667 dwellings per annum (dpa) across BCP and 1,757 dpa for Dorset). This includes understanding potential population growth and changes to population/household structures. Projections have been developed for the 2021-38 period. The projections developed are then used for other analysis in this report (such as to consider changes to the older person population and their potential needs).

Demographic Trends

- 6.3 The analysis below looks at some key statistics about demographic trends in BCP and Dorset; particularly focussing on past population growth and the reasons for changes (components of change). This information is provided to help give some context for analysis to follow. The data presented is mainly for BCP and Dorset separately, although key demographic data for sub-areas is also provided.

Population

- 6.4 As an initial background analysis, the tables below show the estimated population in each sub-area (as of 2019) and the proportion of the BCP and Dorset total this amounts to. In BCP the population is estimated to be around 395,000 with around a third of people living in the Inner Suburbs area. For Dorset, the population size is slightly smaller (379,000) with the largest area being that described as Suburban Fringe East, which makes up around a quarter of the population.

Table 6.1 Estimated population by sub-area (2019) – BCP

	Estimated population	% of population
Inner Central	27,323	6.9%
Inner East	76,468	19.3%
Inner Suburbs	139,868	35.4%
Inner West	61,212	15.5%
Outer Central	29,859	7.6%
Outer Suburbs	21,895	5.5%
Sandbanks	21,226	5.4%
TW and QP	17,480	4.4%
BCP – Total	395,331	100.0%

Source: ONS

Table 6.2 Estimated population by sub-area (2019) – Dorset

	Estimated population	% of population
Central Dorset	38,151	10.1%
Dorchester	21,438	5.7%
Eastern Dorset	32,482	8.6%
Isle of Purbeck	25,075	6.6%
Northern Dorset	62,286	16.5%
Suburban Fringe East	93,911	24.8%
Western Dorset	32,597	8.6%
Weymouth & Portland	72,568	19.2%
Dorset - Total	378,508	100.0%

Source: ONS

Age Structure

- 6.5 The table below shows the population profile of BCP and Dorset in five-year age bands compared with a range of other areas. For Dorset, the data shows a relatively old age structure in comparison with the regional and national position. The age profile of BCP is fairly similar to that seen regionally, although the impact of the student population can be seen in the 20-24 age group.

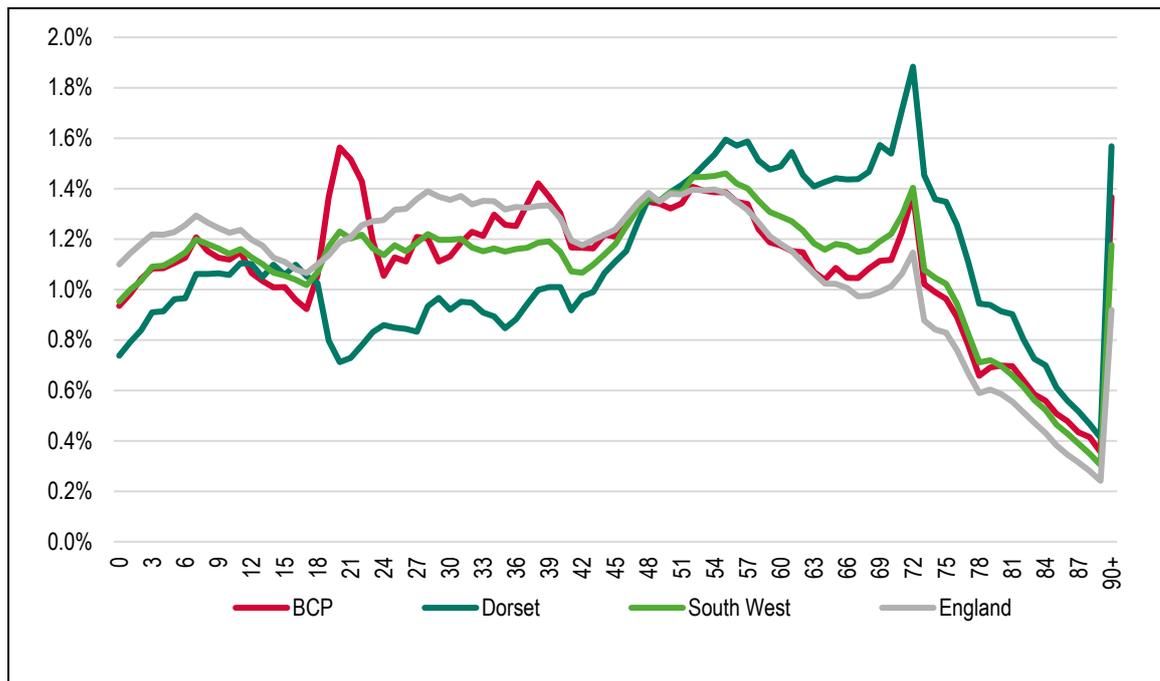
Table 6.3 Population profile (2019)

	BCP		Dorset		South	England
	Population	% of population	Population	% of population	% of population	% of population
0-4	20,275	5.1%	15,875	4.2%	5.2%	5.9%
5-9	22,609	5.7%	19,362	5.1%	5.8%	6.3%
10-14	21,251	5.4%	20,484	5.4%	5.6%	6.0%
15-19	21,019	5.3%	19,044	5.0%	5.4%	5.5%
20-24	26,699	6.8%	14,808	3.9%	5.9%	6.2%
25-29	22,766	5.8%	16,750	4.4%	5.9%	6.8%
30-34	23,944	6.1%	17,497	4.6%	5.9%	6.8%
35-39	26,235	6.6%	17,712	4.7%	5.9%	6.6%
40-44	23,781	6.0%	18,763	5.0%	5.5%	6.1%
45-49	25,610	6.5%	23,610	6.2%	6.5%	6.6%
50-54	27,073	6.8%	27,547	7.3%	7.1%	6.9%
55-59	25,696	6.5%	29,290	7.7%	6.9%	6.5%
60-64	22,076	5.6%	27,717	7.3%	6.1%	5.5%
65-69	21,251	5.4%	27,839	7.4%	5.9%	5.0%
70-74	22,680	5.7%	30,079	7.9%	6.0%	4.9%
75-79	15,741	4.0%	21,177	5.6%	4.2%	3.4%
80-84	12,563	3.2%	15,304	4.0%	3.1%	2.6%
85+	14,062	3.6%	15,650	4.1%	3.1%	2.5%
All Ages	395,331	100.0%	378,508	100.0%	100.0%	100.0%

Source: ONS

- 6.6 The differences between BCP and Dorset and other areas can more clearly be seen in the figure below. For Dorset, this identifies a relatively low proportion of the population aged up to about 50 (in most age bands) and higher proportions for age bands from about 50 upward. The figure does also show the influence of student on the population profile of BCP.

Table 6.4 Population profile (2019)



Source: ONS mid-year population estimates

- 6.7 The analysis below summarises the above information by assigning population to three broad age groups (which can generally be described as a) children (under 16), b) working-age (16 to 64) and c) pensionable age (65+)). This analysis shows that, compared with the region and national position, Dorset has a high proportion of people aged 65 and over (29%) and consequently lower proportions of both children and people of working-age.

Table 6.5 Population profile (2019) – summary age bands

	BCP		Dorset		South West	England
	Population	% of population	Population	% of population	% of population	% of population
Under	68,129	17.2%	59,725	15.8%	17.6%	19.2%
16-64	240,905	60.9%	208,734	55.1%	60.1%	62.4%
65+	86,297	21.8%	110,049	29.1%	22.3%	18.4%
All Ages	395,331	100.0%	378,508	100.0%	100.0%	100.0%

Source: ONS mid-year population estimates

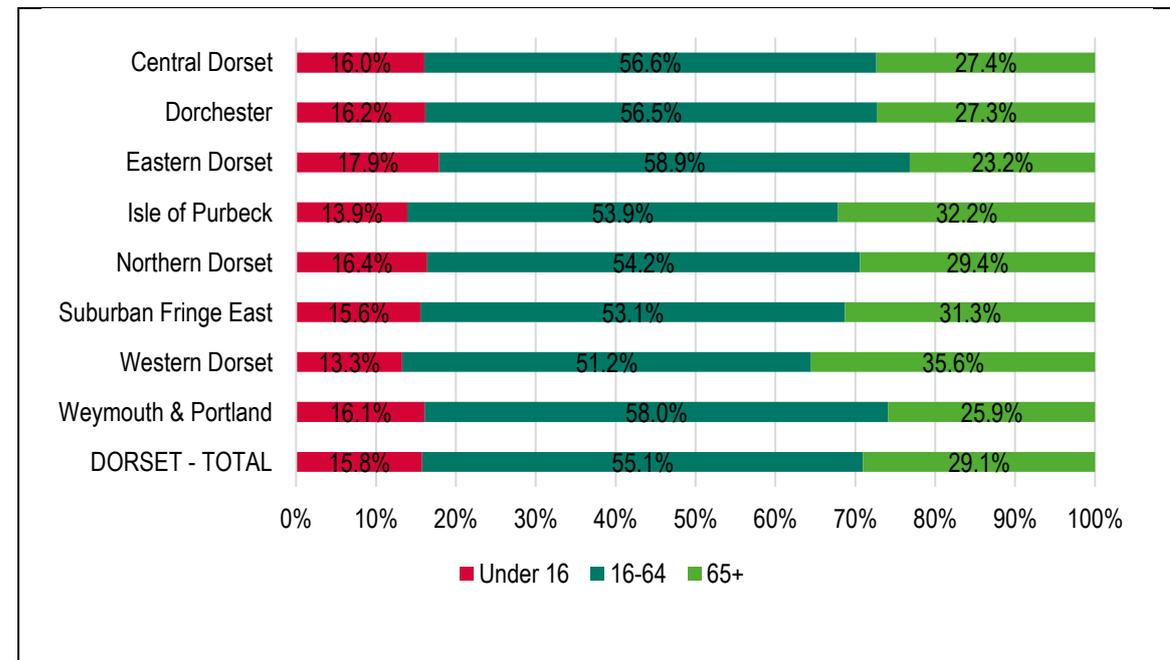
- 6.8 The figure below takes this data forward to look at some differences by sub-area. The analysis shows quite different area profiles in sub-areas of each local authority. In BCP, a high proportion of older people is notable in Sandbanks and the Outer Suburbs, with the Outer Central area only seeing 11% of people as aged 65 and over. For Dorset, the highest proportion of people aged 65 and over can be seen in the Western Dorset sub-area, with 36% of all people being aged 65+.

Table 6.6 Population profile by sub-area (2019) – BCP



Source: ONS mid-year population estimates

Table 6.7 Population profile by sub-area (2019) – Dorset



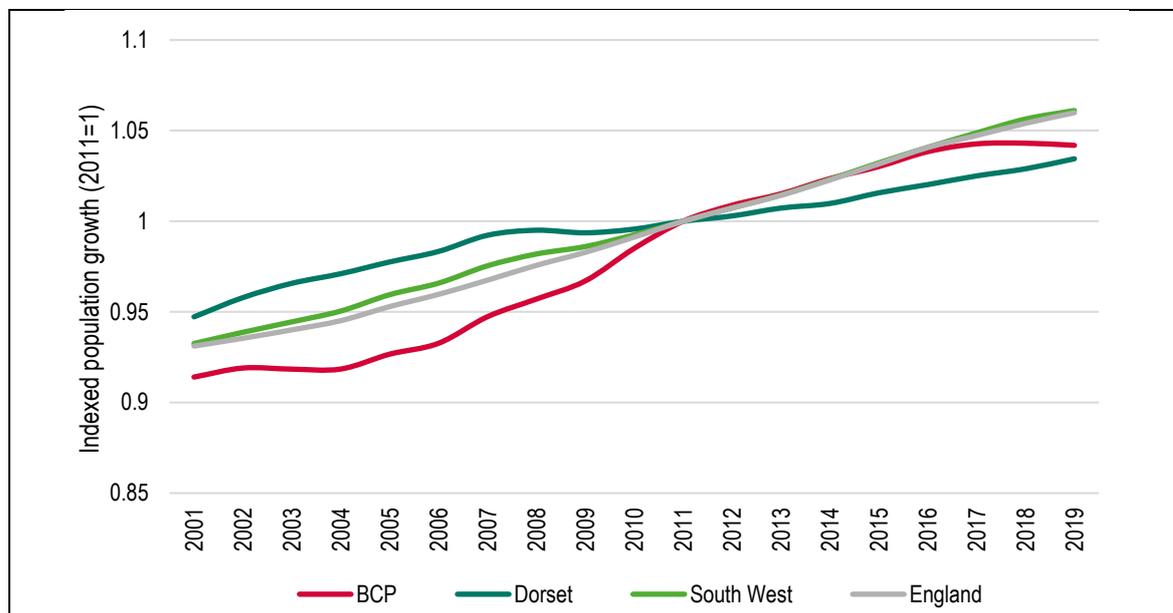
Source: ONS mid-year population estimates

Past population change

- 6.9 The figure below considers population growth in the period from 2001 to 2019 (indexed to 2011). The analysis shows over this period that the population of BCP has risen at a slightly faster rate than observed in other areas, with the opposite being true for Dorset. Since 2011, both areas have seen population growth levels slightly below those seen regionally or nationally. In 2019, it is estimated

that the population of BCP risen by 14% from 2001 levels, with a 9% increase seen in Dorset. These figures are in contrast with a 14% rise across the region and 14% nationally.

Table 6.8 Indexed population growth (2001-2019)



Source: ONS (mid-year population estimates)

- 6.10 The table below considers population change over the 8-year period to 2019 (an 8-year period being chosen as the start point of 2011 has data at a smaller area level and is likely to be fairly accurate as it draws on information in the Census). The analysis shows over the period that the population of BCP increased by 4.2% and Dorset by 3.4%; this is a relatively low level of population change and compares with increases of 6.1% in the South West and 6.0% in England.

Table 6.9 Population change (2011-19)

	Population (2011)	Population (2019)	Change	% change
BCP	379,441	395,331	15,890	4.2%
Dorset	365,897	378,508	12,611	3.4%
South West	5,300,831	5,624,696	323,865	6.1%
England	53,107,169	56,286,961	3,179,792	6.0%

Source: ONS mid-year population estimates

- 6.11 The table below shows population change by age (again for the 2011-19 period). This generally identifies the greatest increases to be in older age groups (aged 65 and over) along with some notable population increases in the 5-9 and 50-59 age groups. Both areas also saw some population declines, particularly those aged 40-44.

Table 6.10 Population change by age (2011-19) – 5-year age bands (BCP)

	Population (2011)	Population (2019)	Change	% change
0-4	20,975	20,275	-700	-3.3%
5-9	17,771	22,609	4,838	27.2%
10-14	18,782	21,251	2,469	13.1%
15-19	21,939	21,019	-920	-4.2%
20-24	27,573	26,699	-874	-3.2%
25-29	25,467	22,766	-2,701	-10.6%
30-34	25,494	23,944	-1,550	-6.1%
35-39	23,991	26,235	2,244	9.4%
40-44	26,083	23,781	-2,302	-8.8%
45-49	26,798	25,610	-1,188	-4.4%
50-54	22,963	27,073	4,110	17.9%
55-59	20,732	25,696	4,964	23.9%
60-64	23,648	22,076	-1,572	-6.6%
65-69	20,071	21,251	1,180	5.9%
70-74	16,135	22,680	6,545	40.6%
75-79	14,717	15,741	1,024	7.0%
80-84	12,672	12,563	-109	-0.9%
85+	13,630	14,062	432	3.2%
All Ages	379,441	395,331	15,890	4.2%

Source: ONS mid-year population estimates

Table 6.11 Population change by age (2011-19) – 5-year age bands (Dorset)

	Population (2011)	Population (2019)	Change	% change
0-4	17,262	15,875	-1,387	-8.0%
5-9	17,601	19,362	1,761	10.0%
10-14	20,370	20,484	114	0.6%
15-19	21,870	19,044	-2,826	-12.9%
20-24	17,420	14,808	-2,612	-15.0%
25-29	15,179	16,750	1,571	10.3%
30-34	15,956	17,497	1,541	9.7%
35-39	18,937	17,712	-1,225	-6.5%
40-44	24,278	18,763	-5,515	-22.7%
45-49	27,056	23,610	-3,446	-12.7%
50-54	25,618	27,547	1,929	7.5%
55-59	24,265	29,290	5,025	20.7%
60-64	29,346	27,717	-1,629	-5.6%
65-69	25,795	27,839	2,044	7.9%
70-74	20,211	30,079	9,868	48.8%
75-79	17,331	21,177	3,846	22.2%
80-84	13,707	15,304	1,597	11.7%
85+	13,695	15,650	1,955	14.3%
All Ages	365,897	378,508	12,611	3.4%

Source: ONS mid-year population estimates

- 6.12 This information has been summarised into three broad age bands to ease comparison. In BCP, the data shows an increase in the number of children and virtually no change in people aged 16-64. Overall, the population aged 65+ accounts for 57% of total population change seen in the 2011-19 period. For Dorset, the tables below show no change in the number of children living in the area along with a decrease in the 'working-age' population (of 3%). The key driver of population growth has therefore been in the 65 and over age group, which between 2011 and 2019 saw a population increase of about 19,300 people; this age group increasing in size by 21% over the 8-year period (compared with a 12% increase in BCP).

Table 6.12 Change in population by broad age group (2011-19) – BCP

	2011	2019	Change	% change
Under 16	61,499	68,129	6,630	10.8%
16-64	240,717	240,905	188	0.1%
65+	77,225	86,297	9,072	11.7%
Total	379,441	395,331	15,890	4.2%

Source: ONS

Table 6.13 Change in population by broad age group (2011-19) – Dorset

	2011	2019	Change	% change
Under 16	59,728	59,725	-3	0.0%
16-64	215,430	208,734	-6,696	-3.1%
65+	90,739	110,049	19,310	21.3%
Total	365,897	378,508	12,611	3.4%

Source: ONS

- 6.13 Additional analysis is provided below to look at the sub-areas. For BCP, the analysis shows an increasing population in all areas apart from the Outer Suburbs (which saw virtually no change). The highest increase in proportionate terms was seen in the Inner Central area (a 19% population increase). In Dorset, all areas saw some level of population growth (although figures were very modest in Eastern and Western Dorset). The highest level of population increase was in Dorchester, the population increasing by 13% over the 8-year period studied.

Table 6.14 Change in population (2011-19) by sub-area

	2011	2019	Change	% change
Inner Central	22,945	27,323	4,378	19.1%
Inner East	73,781	76,468	2,687	3.6%
Inner Suburbs	137,101	139,868	2,767	2.0%
Inner West	58,854	61,212	2,358	4.0%
Outer Central	27,412	29,859	2,447	8.9%
Outer Suburbs	21,956	21,895	-61	-0.3%
Sandbanks	20,374	21,226	852	4.2%
TW and QP	17,018	17,480	462	2.7%
BCP – Total	379,441	395,331	15,890	4.2%

Source: ONS

Table 6.15 Change in population (2011-19) by sub-area – Dorset

	2011	2019	Change	% change
Central Dorset	36,999	38,151	1,152	3.1%
Dorchester	19,031	21,438	2,407	12.6%
Eastern Dorset	32,338	32,482	144	0.4%
Isle of Purbeck	24,374	25,075	701	2.9%
Northern Dorset	60,193	62,286	2,093	3.5%
Suburban Fringe East	89,851	93,911	4,060	4.5%
Western Dorset	32,467	32,597	130	0.4%
Weymouth & Portland	70,644	72,568	1,924	2.7%
Dorset - Total	365,897	378,508	12,611	3.4%

Source: ONS

Components of Population Change

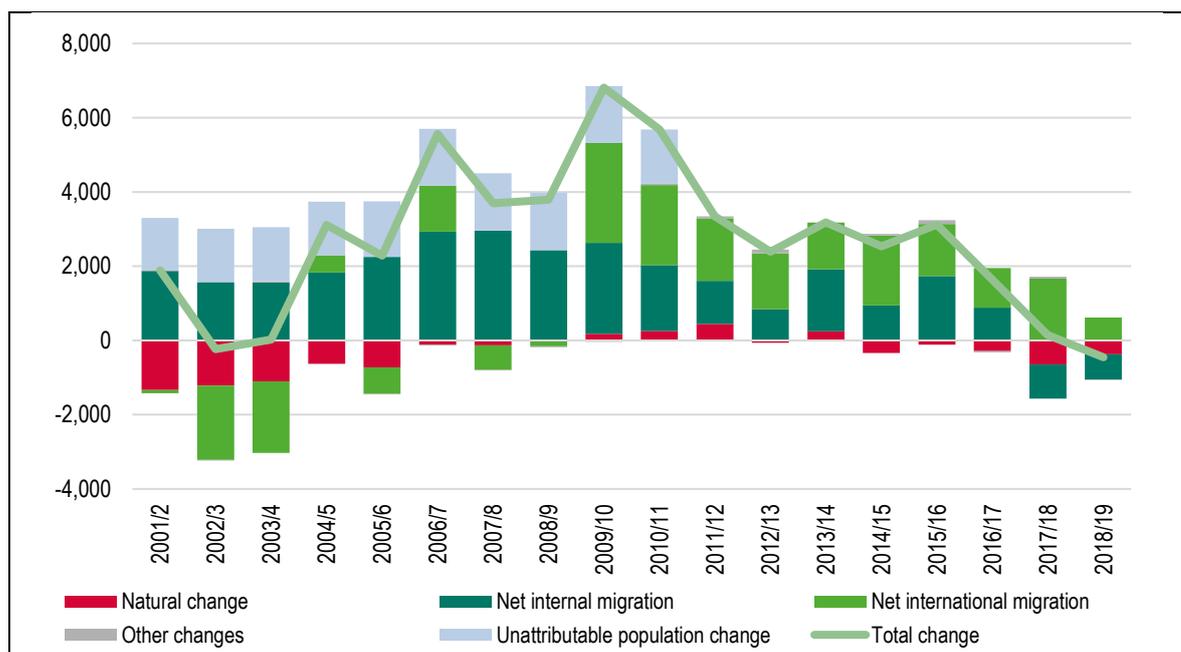
- 6.14 The tables and figures below consider the drivers of population change 2001 to 2019. The main components of change are natural change (births minus deaths), net migration (internal/domestic and international) and other changes. There is also an Unattributable Population Change (UPC) which is a correction made by ONS upon publication of Census data if population has been under- or over-estimated.
- 6.15 For BCP, the data typically shows a negative level of natural change throughout the period (i.e. more deaths than births). Internal migration has been quite variable – positive in most years but negative for the past two; the last five years for which data is available shows an average of about 400 people (net) moving to the area from other parts of the United Kingdom. International migration is also variable, although the data does suggest a positive net level for each year back to 2009/10. Over the past five years international migration has averaged about 1,300 people per annum (net).
- 6.16 For Dorset, the data shows a notable negative level of natural change throughout the period (i.e. more deaths than births). Internal migration has been positive in all years; the last five years for which data is available shows an average of about 2,700 people (net) moving to the area from other parts of the United Kingdom. International migration has also been positive in the recent past (since 2009/10). Over the past five years international migration has averaged about 500 people per annum (net).
- 6.17 The data also shows a positive level of UPC in both areas, suggesting that between 2001 and 2011, ONS may have initially underestimated population growth within population estimates (and this was corrected once Census data had been published). The UPC is particularly high in BCP, where in total over the 10-years to 2011, it appears as if ONS mid-year estimates were a total of 14,900 people different from the actual count in the 2011 Census. For Dorset, the discrepancy is a not insignificant 4,700 people in total.

Table 6.16 Components of population change, mid-2001 to mid-2019 – BCP

	Natural change	Net internal migration	Net international migration	Other changes	Other (unattributable)	Total change
2001/2	-1,331	1,875	-86	26	1,404	1,888
2002/3	-1,218	1,574	-1,999	-23	1,432	-234
2003/4	-1,100	1,560	-1,928	36	1,455	23
2004/5	-628	1,831	460	-2	1,449	3,110
2005/6	-722	2,250	-713	-24	1,494	2,285
2006/7	-114	2,934	1,239	-29	1,531	5,561
2007/8	-135	2,953	-660	-15	1,553	3,696
2008/9	-32	2,428	-128	-26	1,548	3,790
2009/10	179	2,455	2,692	-39	1,525	6,812
2010/11	258	1,773	2,158	31	1,461	5,681
2011/12	446	1,159	1,684	58	0	3,347
2012/13	-59	839	1,505	105	0	2,390
2013/14	245	1,674	1,250	11	0	3,180
2014/15	-336	943	1,888	36	0	2,531
2015/16	-117	1,738	1,400	99	0	3,120
2016/17	-282	884	1,063	-36	0	1,629
2017/18	-649	-919	1,664	50	0	146
2018/19	-370	-679	614	-18	0	-453

Source: ONS

Table 6.17 Components of population change, mid-2001 to mid-2019 – BCP



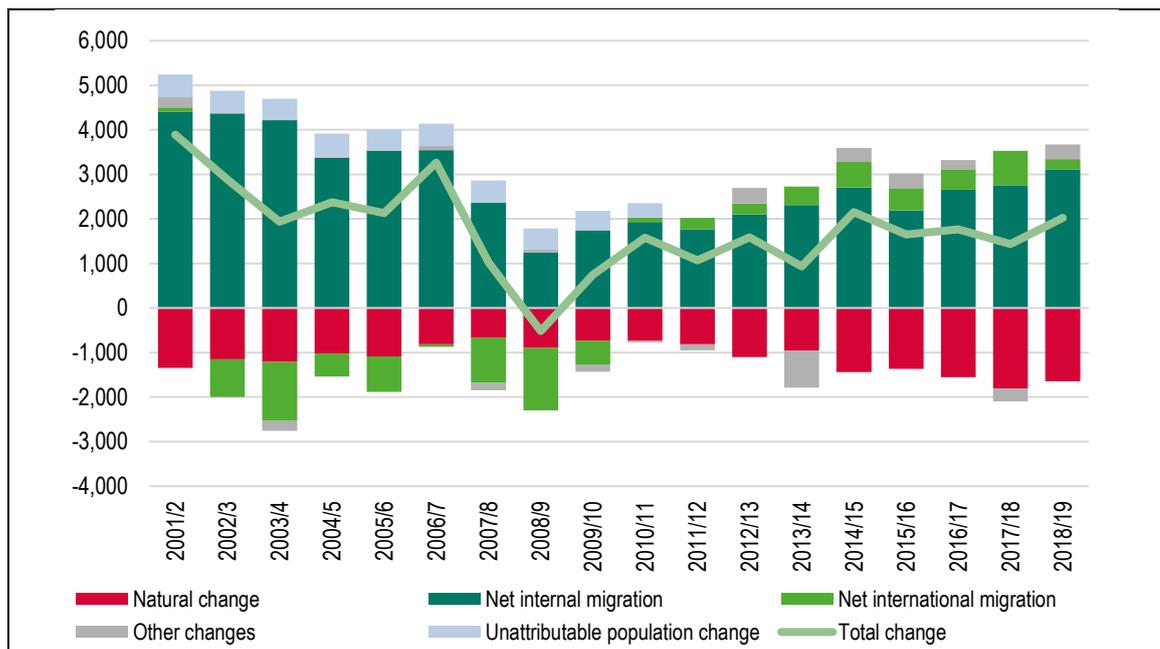
Source: ONS

Table 6.18 Components of population change, mid-2001 to mid-2019 – Dorset

	Natural change	Net internal migration	Net international migration	Other changes	Other (unattributable)	Total change
2001/2	-1,349	4,400	101	229	510	3,891
2002/3	-1,151	4,367	-847	22	489	2,880
2003/4	-1,208	4,213	-1,324	-229	486	1,938
2004/5	-1,023	3,372	-515	27	513	2,374
2005/6	-1,087	3,529	-798	10	473	2,127
2006/7	-813	3,539	-58	100	495	3,263
2007/8	-666	2,362	-1,016	-163	499	1,016
2008/9	-895	1,244	-1,407	80	460	-518
2009/10	-733	1,741	-536	-164	442	750
2010/11	-735	1,930	101	-35	319	1,580
2011/12	-817	1,763	261	-138	0	1,069
2012/13	-1,105	2,101	243	350	0	1,589
2013/14	-962	2,310	412	-830	0	930
2014/15	-1,441	2,704	575	313	0	2,151
2015/16	-1,368	2,191	497	332	0	1,652
2016/17	-1,554	2,652	463	202	0	1,763
2017/18	-1,808	2,752	779	-290	0	1,433
2018/19	-1,650	3,110	235	329	0	2,024

Source: ONS

Table 6.19 Components of population change, mid-2001 to mid-2019 – Dorset



Source: ONS

Other measures of past population growth

- 6.18 The analysis above has focussed on data from the ONS mid-year population estimates (MYE). It is possible to contrast estimates of population growth in this source with other measures – the main one being the Patient Register (PR). The table below shows estimated population growth in both the MYE and the PR – data is shown for BCP, Dorset, the South West region and England.
- 6.19 In BCP, the MYE shows population change of 4.2% in the 2011-19 period, whereas the PR is somewhat higher (at 8.0%); for Dorset the PR is also higher than the MYE, although the difference between the two is far less marked. It is notable in all the areas studied that the PR shows higher estimated growth and in fact the difference for Dorset is less notable than for other locations but for BCP the difference between the measures is greater.
- 6.20 Overall, it is difficult to draw any conclusions from this data, as on the one hand the MYE arguably under-estimates population growth for Dorset. However, the relative difference between MYE and PR estimates, when compared against the equivalent relative differences nationally and in BCP, suggesting that the difference is minimal.

Table 6.20 Comparing ONS mid-year population estimates with estimates of population from the Patient Register

		2011	2019	Change	% change
BCP	MYE	379,510	395,350	15,840	4.2%
	Patient Register	394,070	425,560	31,490	8.0%
Dorset	MYE	365,980	378,670	12,690	3.5%
	Patient Register	373,470	388,640	15,170	4.1%
South West	MYE	5300870	5624740	323,870	6.1%
	Patient Register	5476070	5857660	381,590	7.0%
England	MYE	53,107,200	56,286,990	3,179,790	6.0%
	Patient Register	55,312,750	60,288,290	4,975,540	9.0%

Source: ONS

- 6.21 On balance, it is not considered that the analysis of PR data shows anything sufficiently compelling to suggest setting aside the MYE, either in terms of current population estimates, or trend levels of growth. This analysis can therefore be mainly included for reference purposes.

2018-based Subnational Population Projections (SNPP)

- 6.22 The latest (2018-based) set of subnational population projections (SNPP) were published by ONS in March 2020 (replacing a 2016-based release). The projections provide estimates of the future population of local authorities, assuming a continuation of recent local trends in fertility, mortality and

migration which are constrained to the assumptions made for the 2018-based national population projections.

6.23 The 2018-based SNPP contain a number of assumptions that have been changed from the 2016-based version, these assumptions essentially filtering down from changes made at a national level. The key differences are:

- ONS' long-term international migration assumptions have been revised upwards to 190,000 per annum compared to 165,000 in the 2016-based projections. This is based on a 25-year average;
- The latest projections assume that women will have fewer children, with the average number of children per woman expected to be 1.78 compared to 1.84 in the 2016-based projections; and
- Life expectancy increases are less than in the 2016-based projections as a consequence of the continued limited growth in life expectancy over the last two years.

6.24 As well as providing a principal projection, ONS has developed a few variants. In all cases the projections use the same fertility and mortality rates with differences being applied in relation to migration. The key variants in terms of this assessment can be described as:

- principal projection;
- an alternative internal migration variant; and
- a 10-year migration variant.

6.25 In the principal projection, data about internal (domestic) migration uses data for the past 2-years and data about international migration from the past 5-years. The use of 2-years data for internal migration has been driven by ONS changing their methodology for recording internal moves, with this data being available from 2016 only.

6.26 The alternative internal migration variant uses data about migration from the last 5-years (2013-18), as well as also using 5-years of data for international migration. This variant is closest to replicating the methodology used in the 2016-based SNPP although it does mean for internal migration that data used is collected on a slightly different basis.

6.27 The 10-year migration variant (as the name implies) uses data about trends in migration over the past decade (2008-18). This time period is used for both internal and international migration.

6.28 The tables below show the outputs from each of these three variant scenarios. For BCP, this shows the principal projection projecting population growth of 3%, with the alternative internal migration scenario being higher than this (4%) – the 10-year trend variant is higher again (at 7%). For Dorset the trends are in the opposite direction, with the 10-year trends showing the lowest projected change and the principal projection the highest.

Table 6.21 Projected population growth (2021-2038) – BCP – 2018-based SNPP

	Population 2021	Population 2038	Change in population	% change
Principal projection	399,083	409,371	10,288	2.6%
Alternative internal mig.	400,629	417,729	17,100	4.3%
10-year trends	403,005	430,107	27,102	6.7%

Source: ONS

Table 6.22 Projected population growth (2021-2038) – Dorset – 2018-based SNPP

	Population 2021	Population 2038	Change in population	% change
Principal projection	382,105	404,122	22,017	5.8%
Alternative internal mig.	380,848	398,856	18,008	4.7%
10-year trends	379,772	393,169	13,397	3.5%

Source: ONS

- 6.29 As noted, the 2018-based SNPP has three main scenarios and rather than provide data from all three, the analysis below looks at a preferred scenario. In this case it is considered that the alternative internal migration variant is likely to be the most robust. This has been chosen as it is considered that the principal SNPP has too short a data period when looking at internal migration whilst the 10-year alternative is not thought likely to reflect recent changes and may include some influence from the economic downturn/credit crunch of 2008 (given that the 10-year period covers 2008-18).
- 6.30 The table below shows projected population growth from 2021 to 2038 (using alternative internal migration assumptions) in BCP and Dorset and a range of comparator areas. The data shows that the population of the two local authorities is projected to increase at a slower rate than seen in other locations; this will reflect the lower levels of population growth seen in the period to 2018.

Table 6.23 Projected population growth (2021-2038) – 2018-based SNPP (alternative internal migration assumptions)

	Population 2021	Population 2038	Change in population	% change
BCP	400,629	417,729	17,100	4.3%
Dorset	380,848	398,856	18,008	4.7%
South West	5,720,519	6,199,406	478,886	8.4%
England	56,989,570	60,766,253	3,776,683	6.6%

Source: ONS

- 6.31 With the overall change in the population will also come changes to the age profile. The tables below summarise findings for key (5 year) age groups. The largest growth will be in people aged 65 and over. In BCP in 2038 it is projected that there will be 115,000 people aged 65 and over. This is an

increase of 27,200 from 2021, representing growth of 31%. The population aged 85 and over is projected to increase by an even greater proportion, 48%.

- 6.32 For Dorset, there is projected to be a 33% increase in the population aged 65 and over, with the number of people aged 85+ projected to increase by 71%. Looking at the other end of the age spectrum the data for both areas shows there is projected to be a decrease in the number of children (those aged Under 15), with increases (and some decreases) shown for adult age groups.

Table 6.24 Population change 2021 to 2038 by five-year age bands – BCP (2018-based SNPP – alternative internal migration assumptions)

	Population 2021	Population 2038	Change in population	% change
Under 5	19,448	18,632	-816	-4.2%
5-9	22,570	18,766	-3,805	-16.9%
10-14	22,605	19,651	-2,954	-13.1%
15-19	22,173	23,769	1,597	7.2%
20-24	27,288	31,190	3,901	14.3%
25-29	22,018	24,162	2,145	9.7%
30-34	23,676	22,127	-1,549	-6.5%
35-39	25,253	20,940	-4,313	-17.1%
40-44	25,379	22,619	-2,761	-10.9%
45-49	24,712	24,557	-154	-0.6%
50-54	26,871	25,392	-1,479	-5.5%
55-59	27,249	26,508	-741	-2.7%
60-64	23,584	24,404	820	3.5%
65-69	21,049	26,939	5,890	28.0%
70-74	22,869	27,135	4,267	18.7%
75-79	17,639	23,064	5,425	30.8%
80-84	12,334	17,266	4,932	40.0%
85+	13,912	20,608	6,696	48.1%
Total	400,629	417,729	17,100	4.3%

Source: ONS

Table 6.25 Population change 2021 to 2038 by five-year age bands – Dorset (2018-based SNPP – alternative internal migration assumptions)

	Population 2021	Population 2038	Change in population	% change
Under 5	15,511	15,015	-497	-3.2%
5-9	18,999	16,494	-2,505	-13.2%
10-14	21,487	18,612	-2,875	-13.4%
15-19	18,697	18,553	-144	-0.8%
20-24	13,715	14,046	331	2.4%
25-29	15,973	16,342	369	2.3%
30-34	18,043	15,829	-2,215	-12.3%
35-39	17,671	16,192	-1,479	-8.4%
40-44	19,294	19,170	-124	-0.6%
45-49	21,652	21,895	243	1.1%
50-54	27,048	23,366	-3,682	-13.6%
55-59	30,134	25,598	-4,536	-15.1%
60-64	29,167	26,786	-2,381	-8.2%
65-69	27,516	33,308	5,792	21.1%
70-74	30,626	35,541	4,915	16.0%
75-79	23,669	31,242	7,572	32.0%
80-84	15,554	23,412	7,858	50.5%
85+	16,091	27,457	11,365	70.6%
Total	380,848	398,856	18,008	4.7%

Source: ONS

- 6.33 The analysis below summarises the above information by assigning population to three broad age groups (which can generally be described as a) children (under 16), b) working-age (16 to 64) and c) pensionable age (65+)). This analysis emphasises the projected increase on the population aged 65 and over, of the total projected population increase in both areas, more than 100% of the total change is projected to be in the 65 and over age group with this increase being tempered by a decline in population in the other age groups.

Table 6.26 Population change 2021 to 2038 by broad age bands – BCP (2018-based SNPP – alternative internal migration assumptions)

	Population 2021	Population 2038	Change in population	% change
Under 16	68,818	61,163	-7,655	-11.1%
16-64	244,008	241,554	-2,454	-1.0%
65 and over	87,803	115,012	27,209	31.0%
Total	400,629	417,729	17,100	4.3%

Source: ONS

Table 6.27 Population change 2021 to 2038 by broad age bands – Dorset (2018-based SNPP – alternative internal migration assumptions)

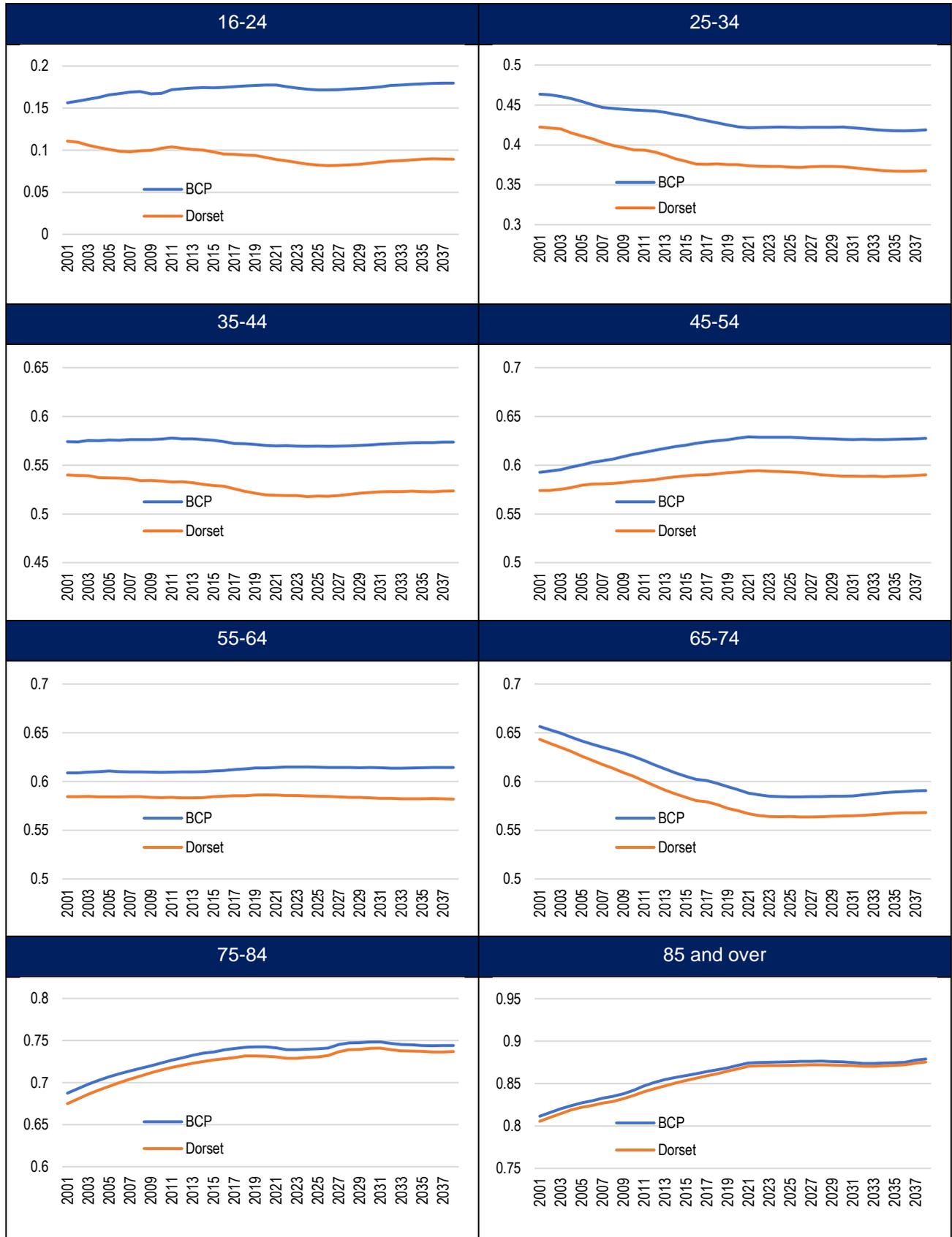
	Population 2021	Population 2038	Change in population	% change
Under 16	60,098	54,088	-6,010	-10.0%
16-64	207,294	193,809	-13,485	-6.5%
65 and over	113,457	150,959	37,503	33.1%
Total	380,848	398,856	18,008	4.7%

Source: ONS

Household Representative Rates (Household Formation)

- 6.34 Having studied the population size and age structure changes, the next step in the process is to convert this information into estimates of the number of households in the area. To do this the concept of household representative rates (HRR) is used. HRRs can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)).
- 6.35 The latest HRRs are as contained in the ONS 2018-based subnational household projections (SNHP). It would be fair to say that recent SNHP (since the 2016-based release) have come under some criticism, this is largely because they are based only on data in the 2001-11 Census period which would suggest that it builds in the suppression of household formation experienced in that time.
- 6.36 The suppression of household formation is typically attributed to affordability and/or growing diversity (larger families living together for longer). In the circumstance of affordability impacting household formation, the improvement to affordability as intended by the standard method should therefore reverse some of these trends.
- 6.37 This suppression can be seen in the figure below, and particularly for the 25-34 age group where there was a notable drop in formation rates from 2001 to 2011, and ONS are projecting this forward as far as 2021 (following which the rate is held broadly stable).
- 6.38 Given this apparent suppression, the SNHP data has been used to create a scenario where the reduction in the HRR for the 25-34 age group is reversed so that between 2021 and 2031 it returns to the level seen in 2001 (a time when this age group was arguably less constrained), similar adjustments have also been made to the 16-24 and 35-44 age groups (although the impact of this is fairly minor, particularly in BCP).

Table 6.28 Projected Household Representative Rates by age of head of household – BCP and Dorset (2018-based SNHP)



Source: Derived from ONS and CLG data

- 6.39 Therefore, rather than rejecting the 2018-based SNHP due to the potential for the projections to include a degree of suppression, the data has been used to build a scenario where the suppression is reversed. Two scenarios are modelled:
- Using 2018-based SNHP where data from the SNHP is used as published (2018-SNHP); and
 - Using the 2018-based SNHP with an adjustment to the 16-44 age groups to 'correct' for apparent suppression in household formation (2001-return).
- 6.40 An approach that improves the household formation of younger people is consistent with advice set out in Planning Practice Guidance (see paragraph 2a-006) although in reality there would need to be changes in the housing market to allow this to happen (rather than simply building more homes). For example, to allow more younger households to form, it is likely that there would need to be provision of more affordable housing, or indeed market housing that is more affordable. Therefore, whilst this assumption has been used in modelling, the likelihood of this being an outcome will depend on a range of changes happening to enable younger people to form households at the sort of rates seen historically.

Household Growth

- 6.41 The tables below show estimates of household growth with each of the two HRR scenarios in each of the two areas, the table also shows an estimate of the number of additional dwellings this might equate to. All the figures link to population growth in the 2018-based SNPP (alternative internal migration variant).
- 6.42 To convert households into dwellings the analysis includes a 3% uplift to take account of vacant homes. Specifically, the household growth figures are uplifted by 3% to provide an estimate of housing need. This figure is a fairly standard assumption when looking at vacancy rates in new stock and will allow for movement within the housing stock.
- 6.43 For BCP, the analysis shows an overall housing need for 911 dwellings per annum (dpa) across the Council area when using the 2018-based SNHP as the underlying household projection. This figure increases to 1,055 dpa with an adjustment to the formation rates of the population aged under 45. For Dorset, the housing need is 1,100 dpa using published projections, but increases to 1,276 dpa with the improvements to household representative rates.

Table 6.29 Projected housing need – range of household representative rate assumptions – BCP (linked to 2018-based SNPP)

	Households 2021	Households 2038	Change in households	Per annum	Dwellings (per annum)
2018-SNHP	176,082	191,122	15,040	885	911
2001-return	176,082	193,502	17,420	1,025	1,055

Source: Demographic projections

Table 6.30 Projected housing need – range of household representative rate assumptions – Dorset (linked to 2018-based SNPP)

	Households 2021	Households 2038	Change in households	Per annum	Dwellings (per annum)
2018-SNHP	169,921	188,078	18,156	1,068	1,100
2001-return	169,921	190,977	21,055	1,239	1,276

Source: Demographic projections

Developing a Projection linking to the Standard Method

- 6.44 Earlier in this report it has been noted that based on the Standard Method, there is a requirement in BCP to provide 45,339 homes in the 2021-38 period at an average rate of 2,667 dwellings per annum. For Dorset the figure is 29,869 at 1,757 dpa. It can be seen from the analysis above, that even by taking a fairly positive approach to HRRs there would not be the level of household growth required to fill this number of homes. Therefore, a final scenario has been developed which increases migration to the two local authorities (as well as building in the improvement to household formation discussed above) such that there is sufficient population for 2,667/1,757 additional homes each year.
- 6.45 In summary, an approach has therefore been developed that both improves household formation and increases migration to project how population and household structures might change with delivery of the Standard Method (2021-38). This approach is consistent with that set out in the PPG (2a-006).
- 6.46 Within the modelling, migration assumptions have been changed so that across the two areas the increase in households matches the housing need (including the 3% vacancy allowance). The changes to migration have been applied on a proportionate basis; the methodology assumes that the age/sex profile of both in- and out-migrants is the same as underpins the 2018-based SNPP (alternative internal migration variant) with adjustments being consistently applied to both internal (domestic) and international migration. 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%). In summary the method includes the following assumptions:

- Base population in 2019 from the latest mid-year population estimates;
- Population in 2020 estimated on basis of housing completions (i.e. what population change is likely given the number of additional homes to fill). Delivery of 1,703 dwellings in BCP has been assumed for 2019/20 along with 1,420 for Dorset;
- Population rolled forward to 2021 on the basis of the 2018-based SNPP (alternative internal migration variant);
- Household representative rates from the 2018-based SNHP with an adjustment for suppression in the 16-44 age group; and
- The migration profile (by age and sex) in the same proportions as the 2018-based SNPP (alternative internal migration variant).

- 6.47 In developing these projections, a notably higher level of population growth is derived (83,000 additional people compared with 17,100 in the SNPP as published for BCP); for Dorset the difference is less marked – 38,300 increase when linking to the Standard Method and 18,000 in the SNPP. The age structure of the two projections is also somewhat different, with projections linked to the Standard Method showing much stronger growth in what might be considered as ‘working-age’ groups in BCP.
- 6.48 While this is also the case in Dorset, for some working age groups it is slowing the decline. This arises because ONS data shows that migrants are heavily concentrated in those age groups (along with their associated children).
- 6.49 The different level of population growth in the 2018-based SNPP and when linking to the Standard Method is created by assuming there would be an increase (from a trend-based position) in the number of net in-migrants to each authority area. Were this migration to not materialise, then arguably this would mean some additional homes being vacant (alternatively the formation of households could reach unprecedented levels).
- 6.50 In reality, the analysis of past trends in migration suggests that areas could support relatively high levels of net migration, although for BCP the Standard Method projection points to average net in-migration of 5,500 people, which is higher than seen in any year in past trends. For Dorset the Standard Method projection shows average net in-migration of 4,800, which again is above that seen in any single year back to 2001/2. In any case, were the migration to not materialise, it is more likely that the development industry would stop or slow down the rate of building, rather than building homes to remain empty. Regardless, planning on the basis of an increase in net migration is something that should be monitored, particularly along with neighbouring authorities, who may in some cases also be developing housing targets that would assume an increase in migration levels.

Table 6.31 Population change 2021 to 2038 by five-year age bands – BCP (linked to delivery of 2,667 dwellings per annum)

	Population 2021	Population 2038	Change in population	% change from 2021
Under 5	19,464	24,803	5,339	27.4%
5-9	22,572	23,281	708	3.1%
10-14	22,692	22,552	-140	-0.6%
15-19	22,231	25,807	3,576	16.1%
20-24	27,011	36,563	9,552	35.4%
25-29	22,368	32,194	9,825	43.9%
30-34	23,567	30,766	7,199	30.5%
35-39	25,293	27,510	2,217	8.8%
40-44	25,501	27,677	2,176	8.5%
45-49	24,652	28,107	3,454	14.0%
50-54	26,890	28,135	1,245	4.6%
55-59	27,250	28,971	1,721	6.3%
60-64	23,548	26,218	2,670	11.3%
65-69	20,978	28,740	7,762	37.0%
70-74	22,936	28,733	5,798	25.3%
75-79	17,677	24,274	6,597	37.3%
80-84	12,335	18,053	5,718	46.4%
85+	14,029	21,649	7,620	54.3%
Total	400,995	484,032	83,037	20.7%

Source: Bespoke demographic projections

Table 6.32 Population change 2021 to 2038 by five-year age bands – Dorset (linked to delivery of 1,757 dwellings per annum)

	Population 2021	Population 2038	Change in population	% change from 2021
Under 5	15,415	16,679	1,263	8.2%
5-9	19,009	17,991	-1,018	-5.4%
10-14	21,376	19,771	-1,605	-7.5%
15-19	18,786	19,396	610	3.2%
20-24	14,319	15,385	1,066	7.4%
25-29	15,910	17,998	2,088	13.1%
30-34	18,174	17,666	-508	-2.8%
35-39	17,675	18,303	628	3.6%
40-44	19,313	20,461	1,149	5.9%
45-49	21,665	23,041	1,376	6.4%
50-54	27,055	24,357	-2,698	-10.0%
55-59	30,337	26,469	-3,868	-12.7%
60-64	29,226	27,616	-1,610	-5.5%
65-69	27,626	34,311	6,685	24.2%
70-74	30,684	36,560	5,876	19.1%
75-79	23,752	32,111	8,359	35.2%
80-84	15,627	24,012	8,385	53.7%
85+	16,064	28,152	12,088	75.2%
Total	382,014	420,278	38,265	10.0%

Source: Bespoke demographic projections

- 6.51 The tables below summarise this information into three broad age bands. This confirms that increases in the older person population are projected to be the most significant but does also show that the increase in the population aged 16-64 is notably higher in BCP and less negative in Dorset than is projected by the official projections.
- 6.52 For BCP the 2018-based SNPP suggest a decrease of 2,500 people aged 16-64 (2021-38), whereas the projection linking to the Standard Method increases this notably – to around 43,300 people).
- 6.53 For Dorset, the SNPP showed a decline of 13,500 people aged 16-64; with the Standard Method there is still a decline in this age group, but this is much lower (1,800 people in total over the 17-year period).

Table 6.33 Population change 2021 to 2038 by broad age bands – BCP (linked to delivery of 2,667 dwellings per annum)

	Population 2021	Population 2038	Change in population	% change from 2021
Under 16	68,944	75,173	6,230	9.0%
16-64	244,096	287,409	43,313	17.7%
65 and over	87,955	121,450	33,495	38.1%
Total	400,995	484,032	83,037	20.7%

Source: Demographic Projections

Table 6.34 Population change 2021 to 2038 by broad age bands – Dorset (linked to delivery of 1,757 dwellings per annum)

	Population 2021	Population 2038	Change in population	% change from 2021
Under 16	59,911	58,602	-1,310	-2.2%
16-64	208,349	206,531	-1,818	-0.9%
65 and over	113,753	155,145	41,392	36.4%
Total	382,014	420,278	38,265	10.0%

Source: Demographic Projections

- 6.54 In the remainder of this report, some of the analysis refers to this projection – i.e. linking to the Standard Method.

Demographic Trends and Projections: Key Messages

- Analysis has been undertaken to consider demographic trends, in particular looking at past trends in population growth and future projections. The analysis draws on the 2018-based subnational population projections (SNPP) and the 2018-based household projections (SNHP). The analysis also looks at the most recent population estimates (again from ONS) which date to mid-2019.
- Dorset has an older age structure, with 29% of the population estimated to be aged 65 and over in 2019 (compared to a national average of 18%); in BCP, 22% of people are aged 65+, the same as seen across the South West region. Sandbanks (BCP) and Western Dorset (Dorset) both have a particularly old population, with some 33% and 36% respectively of people aged 65 and over.
- Past population growth in BCP and Dorset has been relatively weak, over the past 8-years (since 2011) the population of BCP has grown by 4%, with 3% growth seen in Dorset; this compares with a 6% increase both regionally and nationally over the same period. Population growth in Dorset is largely driven by net internal migration (moves from one part of the country to another), whilst BCP also sees an appreciable level of international migration. Both areas (and Dorset in particular) typically see a negative level of natural change (i.e. more deaths than births) – this is related to the older age structure.
- The relatively low level of population growth can also be seen in ONS projections (which are trend based), with the 2018-based version showing lower projected changes in BCP and Dorset than other areas (including the region and nationally). Population growth is projected to be concentrated in older age groups (those aged 65 and over) – this age group being projected to increase by 31%-33% (depending on area) in the latest official projections.
- Population growth can be converted into estimates of household growth by using household representative rates (HRR). HRRs can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)). Data about HRRs is taken from ONS household projections.
- In analysing data about HRRs, it was considered that the latest (2018-based) version potentially build in some degree of suppression of household formation in younger age groups. A sensitivity model was therefore developed that sought to return the HRRs of the younger population (aged under 45) back to levels seen in 2001 (a time when suppression looks from the data to be fairly minimal).
- Using the information from the 2018-based SNPP and SNHP (along with adjustments to HRRs for younger people) a bespoke projection has been developed that links to the Standard Method (dwelling provision of 2,667 dwellings per annum (dpa) in BCP and 1,757 in Dorset). The projection considers the level of population growth and household formation that might be expected if this level of delivery is achieved (in the 2021-38 period). This projection is then used for some further analysis (e.g. in looking at older persons' needs (as the projection contains a detailed age structure)).
- This bespoke projection suggests that population growth might be expected to be higher than suggested in the latest official projections and that the age structure changes will proportionally include more people aged under 65. Overall, in the 2021-38 period, delivery in line with the Standard Method is projected to see an increase in population of 21% in BCP and 10% in Dorset. This compares with a 4% (BCP) and 5% (Dorset) increase in the population in the 2018-based SNPP.

7. AFFORDABLE HOUSING NEED

Introduction

- 7.1 This section provides an assessment of the need for affordable housing in BCP and Dorset and eight sub-areas of each. The analysis specifically considers general needs housing, with further analysis of specialist housing (e.g. for older people) being discussed later in the report.
- 7.2 The analysis follows the PPG (Sections 2a-018 to 2a-024) and provides two main outputs, linked to Annex 2 of the NPPF – this is firstly an assessment of the need for social/affordable rented housing and secondly to consider the need for affordable home ownership products.
- 7.3 The analysis also considers First Homes, a new tenure (similar to discounted market housing) being promoted by Government. Information about First Homes was set out in the Government’s consultation document ‘Changes to the current planning system’ in August 2020; with the consultation being reported on in early April 2021. In May 2021 a new PPG was published specifically dealing with First Homes¹².

Methodology Overview

- 7.4 The method for studying the need for affordable housing has been enshrined in Government practice guidance for many years, with an established approach to look at the number of households who are unable to afford market housing (to either rent or buy) – it is considered that this group will mainly be a target for rented affordable homes (social/affordable rented) and therefore the analysis looks at the need for ‘affordable housing for rent’ as set out in Annex 2 of the NPPF. The methodology for looking at the need for rented (social/affordable) housing considers the following:
- **Current affordable housing need:** an estimate of the number of households who have a need now, at the point of the assessment, based on a range of data modelled from local information – this figure is then annualised so as to meet the current need over a period of time;
 - **Projected newly forming households in need:** using demographic projections to establish gross household formation, and then applying an affordability test to estimate numbers of such households unable to afford market housing;
 - **Existing households falling into need:** based on studying past trends in the types of households who have accessed social/affordable rented housing; and
 - **Supply of affordable housing:** an estimate of the likely number of lettings that will become available from the existing social/affordable housing stock.

¹² <https://www.gov.uk/guidance/first-homes>

- 7.5 The first three bullet points above are added together to identify a gross need, from which the supply of relets of existing properties is subtracted to identify a net annual need for additional affordable housing. For the purposes of this assessment, this analysis is used to identify the overall (net) need for social/affordable rented housing.
- 7.6 This approach has traditionally been used to consider the needs of households who have not been able to afford market housing (either to buy or to rent). As the income necessary to afford to rent a home without financial support is typically lower than that needed to buy, the ability of households to afford private rents has influenced whether or not they are in need of affordable housing.
- 7.7 The NPPF and associated guidance has expanded the definition of those in affordable housing need to include households who might be able to rent without financial support but who aspire to own a home and require support to do so. The PPG includes households that “cannot afford their own homes, either to rent, or to own, where that is their aspiration” as having an affordable housing need.
- 7.8 This widened definition has been introduced by national Government to support increased access to home ownership, given evidence of declining home ownership and growth in private renting over the last 10-15 years. The PPG does not provide specific guidance on how the needs of such households should be assessed and so this study adopts a broadly consistent methodology to that identified in the PPG: considering a current need; a newly-arising need on an annual basis; existing households falling into need; and an annual estimate of supply.
- 7.9 For some of the analysis in this section it has been necessary to draw on other sources of data (applied to local information) to make estimates of the need. The approach is consistent with the PPG (Housing and economic needs assessment – see 2a-020 for example) and includes linking local Census data to national changes (as evidenced in national surveys such as the English Housing Survey).
- 7.10 Additionally, information drawn from local surveys previously undertaken by Justin Gardner Consulting across the country have been used to look at potential prevalence rates for some elements of need where comprehensive local data is lacking. This includes considering what proportion of households in the private rented sector might have a need due to potential loss of accommodation (e.g. tenancies ending) although again rates are applied to local information about the size of the sector.
- 7.11 This approach is considered to provide a reasonable view about likely local needs and is an approach that has been accepted through a range of Local Plan Examinations over the past five or more years. Our analysis of affordable housing need is therefore structured to consider the need for rented affordable housing, and separately the need for affordable home ownership. The overall need is

expressed as an annual figure, which can then be compared with likely future delivery (as required by 2a-024).

- 7.12 Whilst the need for social/affordable rented housing and affordable home ownership are analysed separately, there are a number of pieces of information that are common to both assessments. In particular, this includes an understanding of local housing costs, incomes and affordability. The sections below therefore look at these factors.

Local Prices and Rents

- 7.13 An important part of the affordable needs model is to establish the entry-level costs of housing to buy and rent. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an 'affordable housing need'. For the purposes of establishing affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes).
- 7.14 The analysis below considers the entry-level costs of housing to both buy and rent across the Council areas. The approach has been to analyse Land Registry and ONS data to establish lower quartile prices and rents. Using a lower quartile figure is consistent with the PPG and reflects the entry-level point into the market recognising that the very cheapest properties may be of sub-standard quality.
- 7.15 Data from the Land Registry for the year to September 2020 (i.e. Q4 of 2019 and Q1-Q3 of 2020) shows estimated lower quartile property prices in each local authority by dwelling type. The data shows in BCP that entry-level costs to buy are estimated to start from about £150,000 for a second-hand flat and rising to £319,000 for a detached home; for Dorset these figures are £122,000 and £325,000. Looking at the lower quartile price across all dwelling types the analysis shows a lower quartile 'average' price of existing dwellings of £215,000 in BCP and £213,000 for Dorset.
- 7.16 The analysis is also split between newly built and existing dwellings which shows higher prices for new homes (when looking at individual property types). For the purposes of analysis in this section, the focus is on the pricing of existing homes within the area.

Table 7.1 Lower quartile cost of housing to buy – year to September 2020 – BCP

	Existing dwellings	Newly built dwellings	All dwellings
Flat/maisonette	£150,000	£161,000	£150,000
Terraced	£230,000	£285,000	£230,000
Semi-detached	£255,000	£317,000	£256,000
Detached	£319,000	£339,000	£320,000
All dwellings	£215,000	£171,000	£213,000

Source: Land Registry

Table 7.2 Lower quartile cost of housing to buy – year to September 2020 – Dorset

	Existing dwellings	Newly built dwellings	All dwellings
Flat/maisonette	£122,000	£169,000	£125,000
Terraced	£186,000	£213,000	£188,000
Semi-detached	£231,000	£273,000	£233,000
Detached	£325,000	£368,000	£329,000
All dwellings	£213,000	£248,000	£215,000

Source: Land Registry

- 7.17 It is also useful to provide estimates of property prices by the number of bedrooms in a home. Analysis for this draws together Land Registry data with an internet search of prices of homes for sale (using sites such as Rightmove). In BCP, the analysis suggests a lower quartile price of about £135,000 for a 1-bedroom home, rising to £425,000 for homes with 4-bedrooms. For Dorset, prices of homes with 1- to 3-bedrooms are slightly lower than for BCP.

Table 7.3 Estimated lower quartile cost of housing to buy by size (existing dwellings) – year to September 2020 – BCP and Dorset

	BCP	Dorset
1-bedroom	£135,000	£115,000
2-bedrooms	£200,000	£180,000
3-bedrooms	£295,000	£270,000
4-bedrooms	£425,000	£425,000
All Dwellings	£215,000	£213,000

Source: Land Registry and Internet Price Search

- 7.18 A similar analysis has been carried out for private rents using ONS data – this covers a 12-month period to September 2020. For the rental data, information about dwelling sizes is provided (rather than types); the analysis shows an average lower quartile cost (across all dwelling sizes) of around £650 per month in both areas. The analysis shows costs both including and excluding room rents, although the difference is not significant.

Table 7.4 Lower Quartile Market Rents, year to September 2020 – BCP and Dorset

	BCP	Dorset
Room only	£347	£368
Studio	£480	£425
1-bedroom	£595	£525
2-bedrooms	£750	£670
3-bedrooms	£945	£800
4-bedrooms	£1,265	£1,100
All properties	£650	£645
Excluding room only	£660	£650

Source: ONS

7.19 The rental figures above have been taken from ONS data; it is however of interest for this study to see how these vary by location. The tables below show an estimate of the overall lower quartile private rent in each of the sub-areas; this is based on analysis of Rightmove data on available lettings which has then been adjusted to be consistent with the data from ONS. In some areas there was no evidence of any significant supply from the Rightmove source and so the estimates have been supplemented by analysis of the relative cost of housing (looking at purchases prices) and also an understanding of the profile of stock in the private rented sector (drawn from Census data). The overall lower quartile purchase price has also been shown (drawn directly from the Land Registry source – but also taking account of data over the last five years to help provide an estimate in smaller areas).

7.20 The analysis shows some variation in prices and rents, although it should be confirmed that in smaller areas a best estimate has been provided. Prices (and indeed rents) are estimated to be lowest in the Outer Central area of BCP and for Weymouth & Portland in Dorset. To some extent the overall averages are influenced by the mix of housing in each area, and this should be borne in mind when interpreting the figures.

Table 7.5 Lower Quartile Prices and Market Rents year to September 2020, by sub-area – BCP

	Lower quartile price (existing dwellings)	Lower Quartile rent, pcm
Inner Central	£149,000	£535
Inner East	£255,000	£755
Inner Suburbs	£220,000	£755
Inner West	£213,000	£690
Outer Central	£144,000	£475
Outer Suburbs	£322,000	£980
Sandbanks	£290,000	£850
TW and QP	£209,000	£635
BCP – Total	£215,000	£660

Source: Internet private rental cost search and Land Registry

Table 7.6 Lower Quartile Prices and Market Rents year to September 2020, by sub-area – Dorset

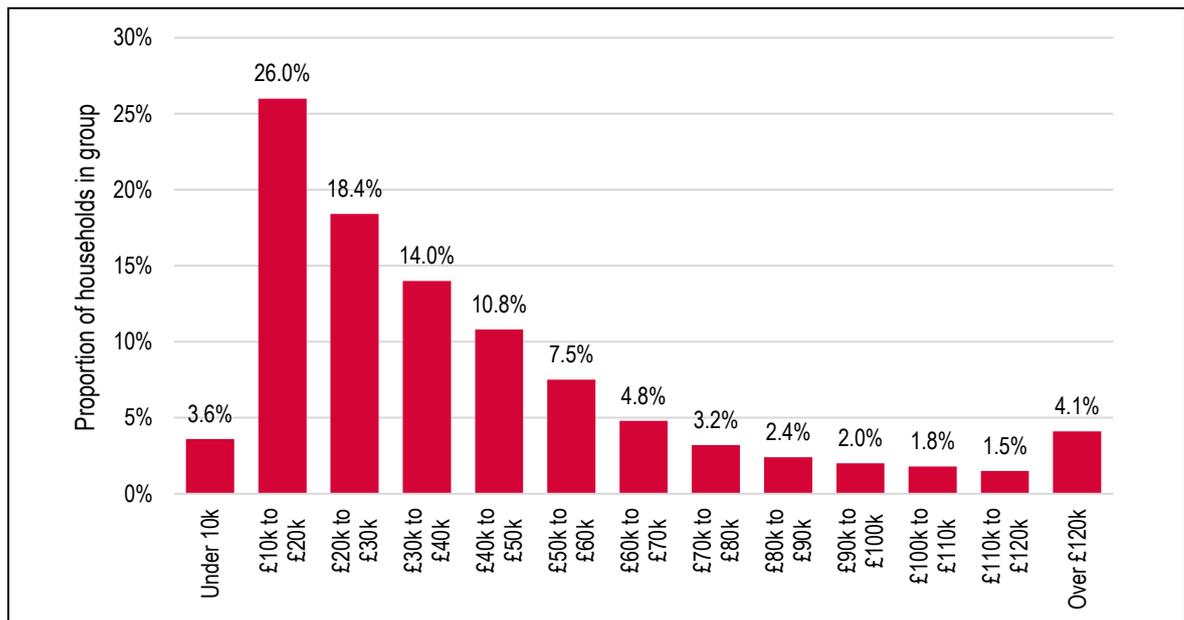
	Lower quartile price (existing dwellings)	Lower Quartile rent, pcm
Central Dorset	£237,000	£770
Dorchester	£198,000	£570
Eastern Dorset	£218,000	£695
Isle of Purbeck	£257,000	£755
Northern Dorset	£206,000	£640
Suburban Fringe East	£277,000	£800
Western Dorset	£202,000	£620
Weymouth & Portland	£170,000	£515
Dorset - Total	£213,000	£650

Source: Internet private rental cost search and Land Registry

Household Incomes

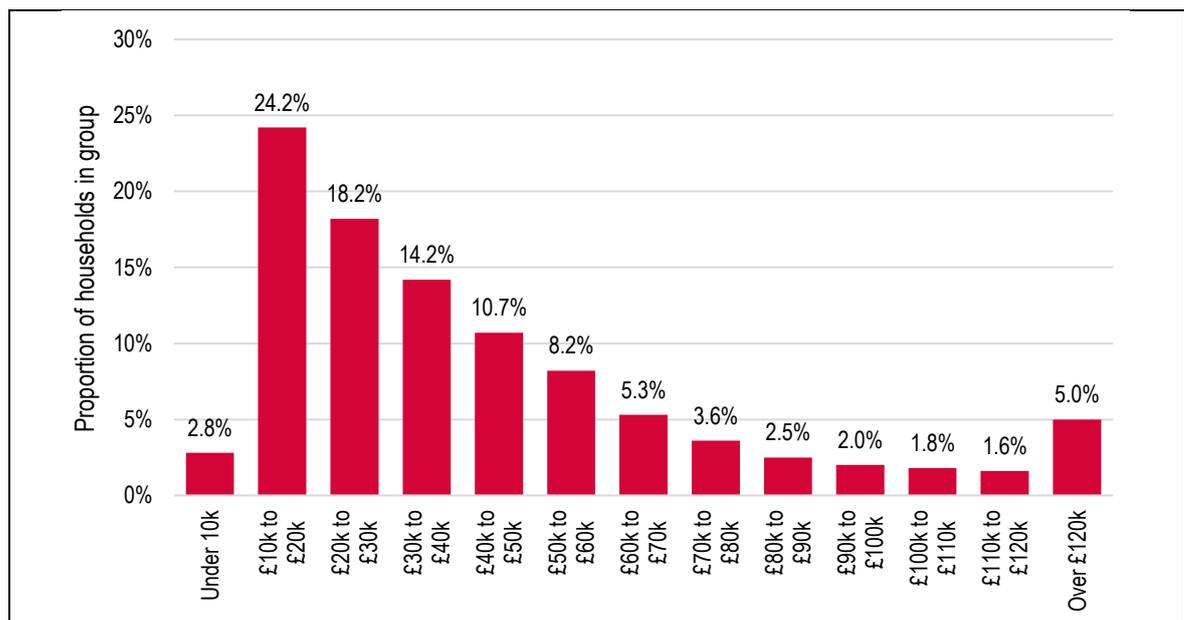
- 7.21 Following on from the assessment of local prices and rents it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability (i.e. the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy). Data about total household income has been based on ONS modelled income estimates, with additional data from the English Housing Survey (EHS) being used to provide information about the distribution of incomes.
- 7.22 Drawing all this data together constructs an income distribution for each local authority for 2020. The figures below show a similar distribution in both locations, with around a quarter of households having gross incomes below £20,000 with a further third in the range of £20,000 to £40,000. For BCP, the average (mean) income is estimated to be around £41,100, with a median income of £31,200; the lower quartile income of all households is estimated to be £18,100. In Dorset, the mean income is estimated to be around £43,500, with a median of £33,100 and a lower quartile of £19,100.

Table 7.7 Distribution of household income (2020) – BCP



Source: Derived from a range of data as discussed

Table 7.8 Distribution of household income (2020) – Dorset



Source: Derived from a range of data as discussed

- 7.23 Analysis has also been undertaken to estimate how incomes vary by sub-area, with the tables below showing the estimated median household income in each area, the table also shows the variance in incomes from the local authority average. There is some variation in the estimated incomes by area, median figures ranging from £28,600 in the Outer Central area of BCP, up to £37,100 in the Outer Suburbs of BCP. Generally, there is less variation across areas in Dorset than BCP.

Table 7.9 Estimated average (median) household income by sub-area (mid-2020 estimate) – BCP

	Median income	As a % of the authority average
Inner Central	£28,900	93%
Inner East	£31,800	102%
Inner Suburbs	£30,400	97%
Inner West	£31,600	101%
Outer Central	£28,600	92%
Outer Suburbs	£37,100	119%
Sandbanks	£35,400	114%
TW & QP	£31,700	102%
BCP - Total	£31,200	100%

Source: Derived from a range of data as discussed

Table 7.10 Estimated average (median) household income by sub-area (mid-2020 estimate) – Dorset

	Median income	As a % of the authority average
Central Dorset	£35,100	106%
Dorchester	£34,600	105%
Eastern Dorset	£35,200	106%
Isle of Purbeck	£30,700	93%
Northern Dorset	£33,000	100%
Suburban Fringe East	£34,300	104%
Western Dorset	£31,200	94%
Weymouth & Portland	£31,400	95%
Dorset - Total	£33,100	100%

Source: Derived from a range of data as discussed

Affordability Thresholds

- 7.24 To assess affordability two different measures are used; firstly to consider what income levels are likely to be needed to access private rented housing (this establishes those households in need of social/affordable rented housing) and secondly to consider what income level is needed to access owner occupation (this, along with the first test helps to identify households in the 'gap' between renting and buying). This analysis therefore brings together the data on household incomes with the estimated incomes required to access private sector housing. Additionally, different affordability tests are applied to different parts of the analysis depending on the group being studied (e.g. recognising that newly forming households are likely on average to have lower incomes than existing households).

- 7.25 A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a particular percentage of gross income. The choice of an appropriate threshold is an important aspect of the analysis – the PPG does not provide any guidance on this issue. CLG SHMA guidance prepared in 2007 suggested that 25% of income is a reasonable start point, it also noted that a different figure could be used. Analysis of current letting practice suggests that letting agents typically work on a multiple of 40%. Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40%+ (depending on household characteristics).
- 7.26 The threshold of income to be spent on housing should be set by asking the question '*what level of income is expected to be required for a household to be able to access market housing without the need for a subsidy?*' The choice of an appropriate threshold is therefore judgement based. The key consideration to understand here is that local income levels are not setting the threshold but are simply being used to assess how many can or cannot afford market housing. It is important to consider what residual income is left, after households have paid for housing.
- 7.27 At around £650 per calendar month, lower quartile rent levels in both BCP and Dorset are relatively high in comparison to those seen nationally (a lower quartile rent of £550 for England in the year to September 2020). This would suggest that the proportion of income spent on housing could be higher than the bottom end of the range (the range starting from 25%). Across England the lowest lower quartile rents are around £400 per month (Only 4% of local authorities had lower quartile rents that did not exceeding £400 per month). If these areas are considered to be at the bottom end of the range (i.e. 25% of income to be spent on housing) then this would leave a residual income of £1,200 per month. With the same residual income applied to a £650 rent, the gross household income required to afford a £650 PCM lower quartile rent would be £1,850 and so the percentage spent on housing would be 35%.
- 7.28 However, it needs to be considered that the cost of living in different areas will vary, and it is likely that areas where rents are higher will also generally have higher living costs. Therefore, a pragmatic approach to determining a reasonable proportion of income has been to take a midpoint between the bottom (25%) and the equivalent residual income figure (35% if looking at BCP/Dorset). In this example a threshold of 30% household income would therefore be considered as reasonable (with some small variances depending on housing costs in different locations).
- 7.29 In reality, many households may well spend a higher proportion of their income on housing and therefore would have less money for other living costs – for the purposes of this assessment these households would essentially be assumed as ideally having some form of subsidised rent so as to ensure a sufficient level of residual income.
- 7.30 Generally, the income required to access owner-occupied housing is higher than that required to rent and so the analysis of the need for social/affordable rented housing is based on the ability to afford

to access private rented housing. However, local house prices (and affordability) are important when looking at the need for affordable home ownership.

- 7.31 For the purposes of this assessment, the income thresholds for owner-occupation assume a household has a 10% deposit and can secure a mortgage for four and a half times their salary. These assumptions are considered to be broadly in line with typical lending practices although it is recognised that there will be differences on a case by case basis.
- 7.32 The table below shows the estimated incomes required to both buy and rent (privately) in each sub-area. This shows a notable 'gap' in most areas across the two local authorities, particularly locations with higher house prices. The information in the tables below is taken forward into further analysis in this section to look at affordable needs in different locations.

Table 7.11 Estimated Household Income Required to Buy and Privately Rent by sub-area - BCP

	To buy	To rent (privately)	Income gap
Inner Central	£29,800	£23,000	£6,800
Inner East	£51,000	£28,500	£22,500
Inner Suburbs	£44,000	£28,500	£15,500
Inner West	£42,600	£26,900	£15,700
Outer Central	£28,800	£21,400	£7,400
Outer Suburbs	£64,400	£33,600	£30,800
Sandbanks	£58,000	£30,700	£27,300
TW and QP	£41,800	£25,600	£16,200
BCP Total	£43,000	£26,200	£16,800

Source: Based on Housing Market Cost Analysis

Table 7.12 Estimated Household Income Required to Buy and Privately Rent by sub-area – Dorset

	To buy	To rent (privately)	Income gap
Central Dorset	£47,400	£28,800	£18,600
Dorchester	£39,600	£23,900	£15,700
Eastern Dorset	£43,600	£27,000	£16,600
Isle of Purbeck	£51,400	£28,500	£22,900
Northern Dorset	£41,200	£25,700	£15,500
Suburban Fringe East	£55,400	£29,500	£25,900
Western Dorset	£40,400	£25,200	£15,200
Weymouth & Portland	£34,000	£22,500	£11,500
Dorset Total	£42,600	£25,900	£16,700

Source: Based on Housing Market Cost Analysis

Need for Social/Affordable Rented Housing

- 7.34 The sections below work through the various stages of analysis to estimate the need for social/affordable housing in each sub-area. Final figures are provided as an annual need (including an allowance to deal with current need). As per 2a-024 of the PPG, this figure can then be compared with likely delivery of affordable housing.

Current Need

- 7.35 In line with PPG paragraph 2a-020, the current need for affordable housing has been based on considering the likely number of households with one or more housing problems. The table below sets out the categories in the PPG and the sources of data being used to establish numbers. The PPG also includes a category where households cannot afford to own despite it being their aspiration – this category is considered separately in this report (under the title of the need for affordable home ownership).

Table 7.13 Main sources for assessing the current unmet need for affordable housing

Need	Source	Notes
Homeless households (those in temporary accommodation)	MHCLG Statutory Homelessness data	Household in temporary accommodation at end of quarter.
Households in overcrowded housing	Census table LC4108EW	Analysis undertaken by tenure and updated by reference to national changes (from the English Housing Survey (EHS))
Concealed households	Census table LC1110EW	Number of concealed families
Existing affordable housing tenants in need	Modelled data linking to past survey analysis	Excludes overcrowded households – tenure estimates updated by reference to the EHS
Households from other tenures in need	Modelled data linking to past survey analysis	

Source: PPG [2a-020]

- 7.36 It should be noted that there may be some overlap between categories (such as overcrowding and concealed households, whereby the overcrowding would be remedied if the concealed household moved). The data available does not enable analysis to be undertaken to study the impact of this and so it is possible that the figures presented include an element of double counting (although this is likely to be small). Additionally, some of the concealed households may be older people who have moved back in with their families and might not be considered as in need.

7.37 The tables below show the initial estimate of the number of households within each local authority with a current housing need. These figures are before any 'affordability test' has been applied to assess the ability of households to meet their own housing needs; and has been termed 'the number of households in unsuitable housing'. Overall, the analysis estimates that there are currently some 15,700 households living in unsuitable housing (or without housing) in BCP and 9,900 in Dorset.

Table 7.14 Estimated Number of Households Living in Unsuitable Housing – BCP

	Homeless/ concealed households	Households in overcrowded housing	Existing affordable housing tenants in need	Households from other tenures in need	Total
Inner Central	108	866	16	624	1,614
Inner East	392	1,028	79	777	2,276
Inner Suburbs	843	3,113	191	1,537	5,684
Inner West	371	1,086	83	691	2,232
Outer Central	166	1,380	34	672	2,253
Outer Suburbs	120	142	13	163	439
Sandbanks	58	234	10	266	568
TW and QP	96	288	11	218	614
BCP – Total	2,154	8,138	437	4,950	15,679

Source: MHCLG Live Tables, Census 2011 and Data Modelling

Table 7.15 Estimated Number of Households Living in Unsuitable Housing – Dorset

	Homeless/ concealed households	Households in overcrowded housing	Existing affordable housing tenants in need	Households from other tenures in need	Total
Central Dorset	147	327	41	392	906
Dorchester	66	247	34	191	538
Eastern Dorset	139	367	43	343	892
Isle of Purbeck	139	344	31	270	784
Northern Dorset	206	556	74	602	1,439
Suburban Fringe East	416	845	74	750	2,085
Western Dorset	134	359	49	332	874
Weymouth & Portland	343	1,126	95	786	2,350
Dorset - Total	1,588	4,173	441	3,667	9,868

Source: MHCLG Live Tables, Census 2011 and Data Modelling

- 7.38 In taking this estimate forward, the data modelling next estimates housing unsuitability by tenure. From the overall number in unsuitable housing, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). The analysis also excludes 90% of owner-occupiers under the assumption (which is supported by analysis of survey data) that the vast majority will be able to afford housing once savings and equity are taken into account.
- 7.39 A final adjustment is to slightly reduce the unsuitability figures in the private rented sector to take account of student-only households – such households could technically be overcrowded/living in unsuitable housing but would be unlikely to be allocated affordable housing (student needs are essentially assumed to be transient). Once these households are removed from the analysis, the remainder are taken forward for affordability testing.
- 7.40 The tables below show it is estimated that there are around 10,100 households living in unsuitable housing (excluding current social tenants and the majority of owner-occupiers) in BCP and 5,400 in Dorset.

Table 7.16 Unsuitable Housing by Tenure and Number to Take Forward into Affordability Modelling (BCP)

	In Unsuitable Housing	Number to Take Forward for Affordability Testing
Owner-occupied	3,188	319
Affordable housing	2,285	0
Private rented	8,052	7,633
No housing (homeless/concealed)	2,154	2,154
Total	15,679	10,106

Source: MHCLG Live Tables, Census 2011 and Data Modelling

Table 7.17 Unsuitable Housing by Tenure and Number to Take Forward into Affordability Modelling (Dorset)

	In Unsuitable Housing	Number to Take Forward for Affordability Testing
Owner-occupied	2,548	255
Affordable housing	2,161	0
Private rented	3,572	3,570
No housing (homeless/concealed)	1,588	1,588
Total	9,868	5,412

Source: MHCLG Live Tables, Census 2011 and Data Modelling

- 7.41 Having established this figure, it needs to be considered that a number of these households might be able to afford market housing without the need for subsidy. To consider this, the income data has been used, with the distribution adjusted to reflect a lower average income amongst households living in unsuitable housing – for the purposes of the modelling an income distribution that reduces the average household income to 88% of the figure for all households has been used to identify the proportion of households whose needs could not be met within the market (for households currently living in housing). A lower figure of 42% has been used to apply an affordability test for the concealed/homeless households who do not currently occupy housing.
- 7.42 These two percentage figures have been based on a consideration of typical income levels of households who are in unsuitable housing (based mainly on estimates in the private rented sector) along with typical income levels of households accessing social rented housing (for those without accommodation).
- 7.43 The figures are based on analysis of the English Housing Survey (mainly looking at relative incomes of households in each of the private and social rented sectors) as well as consideration of similar information collected through household surveys across the country by Justin Gardner Consulting. These modelling assumptions are considered reasonable and have not been challenged through the Local Plan process in other locations (where the same assumptions have been used).
- 7.44 Overall, over half of households with a current need are estimated to be likely to have insufficient income to afford market housing in BCP and so the estimate of the total current need is around 5,600 households in the Council area. In Dorset, over half of households with a current need are also estimated to be likely to have insufficient income and so the need is estimated at around 3,000 households. The tables below show how this is estimated to vary by sub-area.

Table 7.18 Estimated Current Affordable Housing Need (for social/affordable rented housing)

	In unsuitable housing (taken forward for affordability test)	% Unable to Afford Market Housing (without subsidy)	Revised Gross Need (including Affordability)
Inner Central	1,347	47.7%	643
Inner East	1,328	60.6%	805
Inner Suburbs	3,240	61.6%	1,996
Inner West	1,390	57.4%	798
Outer Central	1,771	45.5%	805
Outer Suburbs	242	67.8%	164
Sandbanks	378	54.3%	206
TW and QP	409	53.8%	220
BCP – Total	10,106	55.8%	5,638

Source: CLG Live Tables, Census 2011 and Data Modelling

Table 7.19 Estimated Current Affordable Housing Need (for social/affordable rented housing)

	In unsuitable housing (taken forward for affordability test)	% Unable to Afford Market Housing (without subsidy)	Revised Gross Need (including Affordability)
Central Dorset	518	56.2%	291
Dorchester	285	46.7%	133
Eastern Dorset	499	53.2%	265
Isle of Purbeck	464	62.3%	289
Northern Dorset	806	53.0%	427
Suburban Fringe East	1,061	62.1%	658
Western Dorset	454	56.0%	254
Weymouth & Portland	1,326	49.5%	656
Dorset- Total	5,412	54.9%	2,974

Source: CLG Live Tables, Census 2011 and Data Modelling

- 7.45 The estimated figures shown above represents the number of households with a need currently. For the purposes of analysis, it is assumed that the local authorities would seek to meet this need over a period of time. Given that this report typically looks at needs in the period from 2021 to 2038, the need is annualised by dividing by 17 (to give an annual need for 332 dwellings across all areas in BCP and 175 in Dorset). This does not mean that some households would be expected to wait 17-years for housing as the need is likely to be dynamic, with households leaving the “current need” category as they are housed but with other households developing a need over time.

Newly Forming Households

- 7.46 The number of newly forming households has been estimated through demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below, 5 years previously, to provide an estimate of gross household formation.
- 7.47 The number of newly-forming households is limited to households forming who are aged under 45 – this is consistent with CLG guidance (from 2007) which notes after age 45 that headship (household formation) rates ‘plateau’. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.
- 7.48 The number of newly forming households has been estimated through demographic modelling (linked to the ONS 2018-based SNHP). This is considered to provide the best view about trend-based household formation.

- 7.49 In assessing the ability of newly forming households to afford market housing, data has been drawn from previous surveys undertaken nationally by Justin Gardner Consulting. This establishes that the average income of newly forming households is around 84% of the figure for all households. This figure is remarkably consistent across areas (and is also consistent with analysis of English Housing Survey data at a national level).
- 7.50 The analysis has therefore adjusted the overall household income data to reflect the lower average income for newly forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this it is possible to calculate the proportion of households unable to afford market housing. For the purposes of the need for social/affordable rented housing this will relate to households unable to afford to buy OR rent in the market.
- 7.51 The assessment suggests overall that around half of newly forming households will be unable to afford market housing (to rent privately) and this equates a total of 1,446 newly forming households will have a need per annum on average in BCP and 960 in Dorset – the tables below provide a breakdown by sub-area.

Table 7.20 Estimated Need for Social/Affordable Rented Housing from Newly Forming Households (per annum) – BCP

	Number of new households	% unable to afford	Annual newly forming households unable to afford to rent
Inner Central	251	47.3%	119
Inner East	472	53.4%	252
Inner Suburbs	982	55.8%	547
Inner West	415	50.8%	211
Outer Central	299	44.3%	132
Outer Suburbs	116	53.9%	62
Sandbanks	122	51.6%	63
TW and QP	124	48.0%	59
BCP – Total	2,781	52.0%	1,446

Source: Projection Modelling/Affordability Analysis

Table 7.21 Estimated Need for Social/Affordable Rented Housing from Newly Forming Households (per annum) – Dorset

	Number of new households	% unable to afford	Annual newly forming households unable to afford to rent
Central Dorset	216	48.7%	105
Dorchester	136	40.6%	55
Eastern Dorset	182	45.5%	83
Isle of Purbeck	125	55.1%	69
Northern Dorset	324	46.3%	150
Suburban Fringe East	490	51.2%	251
Western Dorset	159	48.0%	76
Weymouth & Portland	401	42.4%	170
Dorset - Total	2,033	47.2%	960

Source: Projection Modelling/Affordability Analysis

Existing Households Falling into Affordable Housing Need

- 7.52 The second element of newly arising need is existing households falling into need. To assess this, information about past lettings in social/affordable rented has been used. The assessment looked at households who have been housed in general needs housing over the past three years – this group will represent the flow of households onto the Housing Register over this period. From this, newly forming households (e.g. those currently living with family) have been discounted as well as households who have transferred from another social/affordable rented property. An affordability test has also been applied.
- 7.53 This method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says on page 46 that *‘Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless household applicants)’*.
- 7.54 Following the analysis through suggests a need arising from 277 existing households each year in BCP, with a very similar figure (of 272) for Dorset. The tables below break this down by sub-area.

Table 7.22 Estimated Need for Social/Affordable Rented Housing from Existing Households Falling into Need (per annum) – BCP

	Total Additional Need	% of Total
Inner Central	10	3.6%
Inner East	50	18.1%
Inner Suburbs	123	44.5%
Inner West	52	18.8%
Outer Central	20	7.2%
Outer Suburbs	8	3.0%
Sandbanks	7	2.4%
TW and QP	7	2.4%
BCP – Total	277	100.0%

Source: Derived from a range of sources as described in text

Table 7.23 Estimated Need for Social/Affordable Rented Housing from Existing Households Falling into Need (per annum) – Dorset

	Total Additional Need	% of Total
Central Dorset	26	9.5%
Dorchester	20	7.2%
Eastern Dorset	27	9.7%
Isle of Purbeck	20	7.5%
Northern Dorset	46	16.8%
Suburban Fringe East	48	17.4%
Western Dorset	31	11.3%
Weymouth & Portland	56	20.5%
Dorset -Total	272	100.0%

Source: Derived from a range of sources as described in text

Supply of Social/Affordable Rented Housing Through Relets

- 7.55 The future supply of affordable housing through relets is the flow of affordable housing arising from the existing stock that is available to meet future need. This focusses on the annual supply of social/affordable rent relets.
- 7.56 The Practice Guidance suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. Information

from CoRe¹³ has been used to establish past patterns of social housing turnover. The figures are for general needs lettings but exclude lettings of new properties and also exclude an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock.

- 7.57 On the basis of past trend data it has been estimated that 401 units of social/affordable rented housing are likely to become available each year for occupation by newly forming households and existing households falling into need from other tenures within BCP with a slightly higher figure (of 457 per annum) in Dorset.

Table 7.24 Analysis of Past Social/Affordable Rented Housing Supply, 2017/18 – 2019/20 (per annum) – BCP

	Total Lettings	% as Non-New Build	Lettings in Existing Stock	% Non-Transfers	Lettings to New Tenants
2017/18	694	96.7%	671	62.1%	417
2018/19	751	89.4%	671	63.6%	427
2019/20	790	83.8%	662	54.8%	363
Average	745	89.7%	668	60.0%	401

Source: CoRe/LAHS

Table 7.25 Analysis of Past Social/Affordable Rented Housing Supply, 2017/18 – 2019/20 (per annum) – Dorset

	Total Lettings	% as Non-New Build	Lettings in Existing Stock	% Non-Transfers	Lettings to New Tenants
2017/18	877	88.5%	776	60.1%	466
2018/19	994	85.3%	848	56.8%	482
2019/20	811	83.1%	674	62.8%	423
Average	894	85.7%	766	59.7%	457

Source: CoRe/LAHS

- 7.58 The tables below show the estimated supply of affordable housing from relets in each sub-area. The sub-area figures have been based on the size of the stock in each sub-area as of 2011 (Census data).

¹³ <https://core.communities.gov.uk/>

Table 7.26 Estimated supply of affordable housing from relets of existing stock by sub-area (per annum) – Dorset

	Annual supply	% of supply
Inner Central	15	3.7%
Inner East	72	18.0%
Inner Suburbs	175	43.6%
Inner West	76	19.1%
Outer Central	31	7.7%
Outer Suburbs	12	3.0%
Sandbanks	10	2.4%
TW and QP	10	2.5%
BCP – Total	401	100.0%

Source: CoRe/LAHS/Census (2011)

Table 7.27 Estimated supply of affordable housing from relets of existing stock by sub-area (per annum) – BCP

	Annual supply	% of supply
Central Dorset	42	9.3%
Dorchester	35	7.8%
Eastern Dorset	45	9.8%
Isle of Purbeck	32	7.0%
Northern Dorset	77	16.9%
Suburban Fringe East	77	16.7%
Western Dorset	51	11.1%
Weymouth & Portland	98	21.5%
Dorset - Total	457	100.0%

Source: CoRe/LAHS/Census (2011)

- 7.59 The PPG model also includes the bringing back of vacant homes into use and the pipeline of affordable housing as part of the supply calculation. These have however not been included within the modelling in this report. Firstly, there is no evidence of any substantial stock of vacant homes (over and above a level that might be expected to allow movement in the stock). Secondly, with the pipeline supply, it is not considered appropriate to include this as to net off new housing would be to fail to show the full extent of the need, although in monitoring it will be important to net off these dwellings as they are completed.

Net Need for Social/Affordable Rented Housing

7.60 The table below shows the overall calculation of affordable housing need. The analysis shows that there is a need for 1,653 dwellings per annum in BCP and 950 per annum in Dorset – an affordable need is seen in all sub-areas within both local authorities. The net need is calculated as follows:

Net Need = Current Need + Need from Newly-Forming Households + Existing Households falling into Need – Supply of Affordable Housing

Table 7.28 Estimated Need for Social/Affordable Rented Housing by sub-area (per annum)

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Inner Central	38	119	10	167	15	152
Inner East	47	252	50	349	72	277
Inner Suburbs	117	547	123	788	175	613
Inner West	47	211	52	310	76	233
Outer Central	47	132	20	200	31	169
Outer Suburbs	10	62	8	80	12	68
Sandbanks	12	63	7	82	10	72
TW and QP	13	59	7	79	10	69
BCP – Total	332	1,446	277	2,054	401	1,653

Source: Range of sources as discussed

Table 7.29 Estimated Need for Social/Affordable Rented Housing by sub-area (per annum)

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Central Dorset	17	105	26	148	42	106
Dorchester	8	55	20	83	35	47
Eastern Dorset	16	83	27	125	45	80
Isle of Purbeck	17	69	20	106	32	75
Northern Dorset	25	150	46	221	77	144
Suburban Fringe East	39	251	48	337	77	261
Western Dorset	15	76	31	122	51	71
Weymouth & Portland	39	170	56	264	98	166
Dorset – Total	175	960	272	1,407	457	950

Source: Range of sources as discussed

- 7.61 Whilst the need above is provided down to sub-area level, it should be remembered that affordable need can be met across the study area as and when opportunities arise, and so specific sub-area data should not be treated as a local target. Affordable housing is often delivered as part of larger market led developments where the level of provision is dependent on scheme viability therefore the need has to be met in an area despite it not necessarily arising there.

The Relationship Between Affordable Need and Overall Housing Need

- 7.62 The PPG encourages local authorities to consider increasing planned housing numbers where this can help to meet the identified affordable need. Specifically, the wording of the PPG [2a-024] states:

'The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the strategic plan may need to be considered where it could help deliver the required number of affordable homes'

- 7.63 However, the relationship between affordable housing need and overall housing need is complex. This was recognised in the Planning Advisory Service (PAS) Technical Advice Note of July 2015. PAS conclude that there is no arithmetical way of combining the OAN (calculated through demographic projections) and the affordable need. There are a number of reasons why the two cannot be 'arithmetically' linked.
- 7.64 Firstly, the modelling contains a category in the projection of 'existing households falling into need'; these households already have accommodation and hence if they were to move to alternative accommodation, they would release a dwelling for use by another household – there is no net need to provide additional homes. The modelling also contains 'newly forming households'; these households are a direct output from the demographic modelling and are therefore already included in the overall housing need figures.
- 7.65 This just leaves the 'current need'; much of this group will be similar to the existing households already described (in that they are already living in accommodation) although it is possible that a number will be households without housing (mainly concealed households) – these households are not included in the demographic modelling and so are arguably an additional need, although uplifts for market signals/affordability (as included in the Government's Standard Method) would be expected to deal with such households.
- 7.66 The analysis for BCP estimates an annual need for 1,653 rented affordable homes, which is notionally 62% of the minimum Local Housing Need of 2,667 dwellings per annum. For Dorset the need is notionally 54% of the Standard Method. However, as noted, caution should be exercised in trying to make a direct link between affordable need and planned delivery, with the key point being that many of those households picked up as having a need will already be living in housing and so

providing an affordable option does not lead to an overall net increase in the need for housing (as they would vacate a home to be used by someone else).

- 7.67 It is possible to investigate this in some more detail by re-running the model and excluding those already living in accommodation. This is shown in the tables below which identifies that meeting these needs would lead to an affordable need for 1,150 homes per annum in BCP and 577 per annum in Dorset. These figures are theoretical and should not be seen to be minimising the need (which is clearly acute). It does however show that there is a substantial difference in the figures when looking at overall housing shortages.
- 7.68 The analysis is arguably even more complex than this – it can be observed that the main group of households in need are newly forming households. These households are already included within demographic projections and so the demonstrating of a need for this group again should not be seen as over and above any need derived through the normal process of looking at need. Indeed, only the 105 (BCP) and 75 (Dorset) per annum shown below is in addition to demographic projections and this scale of uplift will already have been included in figures when moving from a demographic start point to an estimate of housing need using the Standard Method.

Table 7.30 Estimated Need for Affordable Housing (social/affordable rented) excluding households already in accommodation – BCP

	Excluding existing households	Including existing households
Current need	105	332
Newly forming households	1,446	1,446
Existing households falling into need	0	277
Total Gross Need	1,551	2,054
Re-let Supply	401	401
Net Need	1,150	1,653

Source: Range of data sources as described

Table 7.31 Estimated Need for Affordable Housing (social/affordable rented) excluding households already in accommodation – Dorset

	Excluding existing households	Including existing households
Current need	75	175
Newly forming households	960	960
Existing households falling into need	0	272
Total Gross Need	1,034	1,407
Re-let Supply	457	457
Net Need	577	950

Source: Range of data sources as described

- 7.69 The discussion above has already noted that the need for affordable housing does not generally lead to a need to increase overall provision (with the exception of potentially providing housing for

concealed households although this should be picked up as part of an affordability uplift). It is worth briefly thinking about how affordable need works in practice and the housing available to those unable to access market housing without Housing Benefit or Universal Credit with a housing element. In particular, the increasing role played by the Private Rented Sector (PRS) in providing housing for households who require financial support in meeting their housing needs should be recognised.

- 7.70 Whilst the Private Rented Sector (PRS) does not fall within the types of affordable housing set out in the NPPF (other than affordable private rent which is a specific tenure separate from the main 'full market' PRS), it has evidently been playing a role in meeting the needs of households who require financial support in meeting their housing need. Government recognises this, and indeed legislated through the 2011 Localism Act to allow Councils to discharge their "homelessness duty" through providing an offer of a suitable property in the PRS.
- 7.71 It is also worth reflecting on the NPPF (Annex 2) definition of affordable housing. This says: *'Affordable housing: housing for sale or rent, for those whose needs are not met by the market'* [emphasis added]. Clearly where a household is able to access suitable housing in the private rented sector (with or without Housing Benefit) it is the case that these needs are being met by the market (as within the NPPF definition). As such the role played by the private rented sector should be recognised – it is evidently part of the functioning housing market.
- 7.72 Data from the Department of Work and Pensions (DWP) has been used to look at the number of Housing Benefit supported private rented homes. As of 2021, it is estimated that there were over 22,000 benefit claimants in the private rented sector in BCP (Housing Benefit and Universal Credit with a housing entitlement) along with 10,600 in Dorset. From this, it is clear that the PRS contributes to the wider delivery of 'affordable homes' with the support of benefit claims, and further complicates any attempts to find a relationship between affordable need and overall housing need.
- 7.73 Future Local Plans are likely to support a significant increase in housing delivery in the two authorities; and through the application of policies this can be expected to result in a similar significant increase in the delivery of affordable housing. This can be expected to reduce pressure on housing those in need in the PRS. Delivery of affordable housing through planning obligations is an important, but not the only means, of delivery affordable housing; and the Councils should also work with housing providers to secure funding to support enhanced affordable housing delivery on some sites and through use of its own land assets.
- 7.74 Overall, it is difficult to link the need for affordable housing to the overall housing need; indeed, there is no justification for trying to make the link. Put simply the two do not measure the same thing and in interpreting the affordable need figure, consideration needs to be given to the fact that many households already live in housing, and do not therefore generate an overall net need for an additional home. Further issues arise as the need for affordable housing is complex and additionally

the extent of concealed and homeless households needs to be understood as well as the role played by the private rented sector.

- 7.75 Regardless of the discussion above, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the two authorities. It does need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. As noted previously, the evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

Split Between Social and Affordable Rented Housing Products.

- 7.76 The analysis above has studied the overall need for social and affordable rented housing with a focus on households who cannot afford to rent in the market. These households will therefore have a need for some form of rented housing at a cost below typical market rates. Typically, there are two main types of rented affordable accommodation (social and affordable rented) with the analysis below initially considering what a reasonable split might be between these two tenures.
- 7.77 Data about average social and affordable rents has been taken from the Regulator of Social Housing (RSH) and this is compared with lower quartile and median market rents (from ONS data). This analysis shows that social rents are lower than affordable rents; the analysis also shows that affordable rents are less than both lower quartile and median market rents.

Table 7.32 Comparison of monthly rent levels for different products – BCP (2019/20)

	Social rent	Affordable rent (AR)	Lower quartile (LQ) market rent	Median market rent	AR as % of LQ	AR as % of median
1-bedroom	£379	£500	£595	£650	84%	77%
2-bedrooms	£435	£619	£750	£825	83%	75%
3-bedrooms	£501	£733	£945	£1,050	78%	70%
4-bedrooms	£549	£857	£1,265	£1,460	68%	59%
All	£444	£617	£650	£795	95%	78%

Source: RSH and ONS

Table 7.33 Comparison of monthly rent levels for different products – Dorset (2019/20)

	Social rent	Affordable rent (AR)	Lower quartile (LQ) market rent	Median market rent	AR as % of LQ	AR as % of median
1-bedroom	£344	£457	£525	£575	87%	79%
2-bedrooms	£404	£561	£670	£725	84%	77%
3-bedrooms	£464	£665	£800	£895	83%	74%
4-bedrooms	£506	£826	£1,100	£1,250	75%	66%
All	£420	£574	£645	£750	89%	77%

Source: RSH and ONS

- 7.78 For the affordability test, a standardised average rent for each product has been used. The table below suggests that around 12%-14% of households who cannot afford to rent privately could afford an affordable rent, with a further 21%-23% being able to afford a social rent (but not an affordable one). A total of 64%-65% of households would need some degree of benefit support to be able to afford their housing (regardless of the tenure).

Table 7.34 Estimated need for affordable rented housing (% of households able to afford)

	BCP	Dorset
Afford affordable rent	14%	12%
Afford social rent	21%	23%
Need benefit support	65%	64%
All unable to afford market	100%	100%

Source: Affordability analysis

- 7.79 The finding that only 12%-14% of households can afford an affordable rent does not automatically lead to a policy conclusion on the split between the two types of housing. For example, many households who will need to access rented accommodation will be benefit dependent and as such could technically afford an affordable rent – hence a higher proportion of affordable rented housing might be appropriate – indeed the analysis does identify a substantial proportion of households as being likely to need benefit support. On the flip side, providing more social rents might enable households to return to work more easily, as a lower income would potentially be needed to afford the lower social (rather than affordable) rent.
- 7.80 There will be a series of other considerations both at a strategic level and for specific schemes. For example, there may be funding streams that are only available for a particular type of housing, and this may exist independently to any local assessment of need. Additionally, there will be the consideration of the balance between the cost of housing and the amount that can be viably provided, for example, it is likely that affordable rented housing is more viable, and therefore a greater number

of units could be provided. Finally, in considering a split between social and affordable rented housing it needs to be considered that having different tenures on the same site (at least at initial occupation) may be difficult – e.g. if tenants are paying a different rent for essentially the same size/type of property and services.

- 7.81 On this basis, it is not recommended that the Councils have a rigid policy for the split between social and affordable rented housing, although the analysis is clear that both tenures of homes are likely to be required in all areas.

Establishing a Need for Affordable Home Ownership

- 7.82 The Planning Practice Guidance confirms a widening definition of those to be considered as in affordable need; now including *'households which can afford to rent in the private rental market, but cannot afford to buy despite a preference for owning their own home'*. However, at the time of writing, there is no guidance about how the number of such households should be measured.
- 7.83 The methodology used in this report therefore draws on the current methodology, and includes an assessment of current needs, and projected need (newly forming and existing households). The key difference is that in looking at affordability an estimate of the number of households in the 'gap' between buying and renting is used. There is also the issue of establishing an estimate of the supply of affordable home ownership homes – this is considered separately below.

Gross Need for Affordable Home Ownership

- 7.84 The first part of the analysis seeks to understand what the gap between renting and buying actually means in the study area – in particular establishing the typical incomes that might be required. The information about incomes required to both buy and rent in different locations has already been provided earlier in this section and so the discussion below is a broad example.
- 7.85 Using the income distributions developed (as set out earlier in this section) along with data about price and rents, it has been estimated that of all households living in the private rented sector, around 28%-30% already have sufficient income to buy a lower quartile home, with 22%-25% falling in the rent/buy 'gap'. The final 45%-50% are estimated to have an income below which they cannot afford to rent privately (i.e. would need to spend more than the calculated threshold of their income on housing costs (30%)) although in reality it should be noted that many households will spend a higher proportion of their income on housing. These figures have been based on an assumption that incomes in the private rented sector are around 88% of the equivalent figure for all households (a proportion derived from the English Housing Survey) and are used as it is clear that affordable home ownership products are likely to be targeted at households living in or who might be expected to access this sector (e.g. newly forming households).

- 7.86 The tables below show an estimate of the proportion of households living in the private rented sector who are able to afford different housing products by sub-area. This shows a higher proportion of households in the rent/buy gap in the Outer Suburbs and Sandbanks in BCP and also Suburban Fringe East in Dorset. Lower figures can be seen in Inner Central and Outer Central (in BCP).

Table 7.35 Estimated proportion of households living in Private Rented Sector able to buy and/or rent market housing – BCP

	Can afford to buy OR rent	Can afford to rent but not buy	Cannot afford to buy OR rent
Inner Central	42%	13%	45%
Inner East	21%	28%	51%
Inner Suburbs	26%	21%	53%
Inner West	29%	22%	48%
Outer Central	43%	15%	42%
Outer Suburbs	19%	30%	52%
Sandbanks	21%	30%	49%
TW and QP	31%	24%	46%
BCP – Total	28%	22%	50%

Source: Derived from Housing Market Cost Analysis and Affordability Testing

Table 7.36 Estimated proportion of households living in Private Rented Sector able to buy and/or rent market housing – Dorset

	Can afford to buy OR rent	Can afford to rent but not buy	Cannot afford to buy OR rent
Central Dorset	29%	24%	46%
Dorchester	37%	24%	38%
Eastern Dorset	34%	23%	43%
Isle of Purbeck	20%	27%	53%
Northern Dorset	33%	23%	44%
Suburban Fringe East	21%	30%	49%
Western Dorset	31%	23%	46%
Weymouth & Portland	40%	20%	40%
Dorset - Total	30%	25%	45%

Source: Derived from Housing Market Cost Analysis and Affordability Testing

- 7.87 The finding that a significant proportion of households in the private rented sector are likely to have an income that would allow them to buy a home is also noteworthy and suggests that for many households, barriers to accessing owner-occupation are less about income/the cost of housing and more about other factors (which could for example include the lack of a deposit or difficulties obtaining a mortgage (for example due to a poor credit rating or insecure employment)). However, some

households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household's life stage (e.g. if moving locations with employment).

- 7.88 To study current need, an estimate of the number of households living in the Private Rented Sector (PRS) has been established, with the same (rent/buy gap) affordability test (as described above) then applied. The start point is the number of households living in private rented accommodation: as of the 2011 Census there were some 37,300 households living in the sector across BCP. Data from the English Housing Survey (EHS) suggests that since 2011, the number of households in the PRS has risen by about 19% - if the same proportion is relevant to BCP then the number of households in the sector would now be around 44,400. Using the same method, it is estimated that there may now be 25,900 households in the PRS in Dorset.
- 7.89 Additional data from the EHS suggests that 60% of all PRS households expect to become an owner at some point (26,600 households if applied to BCP and 15,500 for Dorset) and of these some 40% (10,600/6,200 households) would expect this to happen in the next 2-years. These figures are taken as the number of households potentially with a current need for affordable home ownership before any affordability testing.
- 7.90 As noted above, based on income it is estimated that around 22%-25% of the private rented sector sit in the gap between renting and buying (depending on location). Applying this proportion to the above figures would suggest a current need for around 2,200 affordable home ownership units in BCP and 1,500 in Dorset (127 and 87 per annum respectively if annualised over a 17-year period).
- 7.91 In projecting forward, the analysis can consider newly forming households and the remaining existing households who expect to become owners further into the future. Applying the same affordability test (albeit on a very slightly different income assumption for newly forming households) suggests an annual need from these two groups of around 913 dwellings (595 from newly forming households and 318 from existing households in the private rented sector) in BCP and 713 in Dorset.
- 7.92 Bringing together the above analysis suggests that there is a need for around 1,041 affordable home ownership homes (priced for households able to afford to rent but not buy) per annum in BCP and 800 per annum in Dorset. This is before any assessment of the potential supply of housing is considered.

**Table 7.37 Estimated Gross Need for Affordable Home Ownership by sub-area (per annum)
– BCP**

	Current need	Newly forming households	Existing households falling into need	Total Gross Need
Inner Central	13	32	32	76
Inner East	23	127	56	206
Inner Suburbs	39	201	97	337
Inner West	19	92	47	157
Outer Central	16	44	40	100
Outer Suburbs	3	33	8	45
Sandbanks	9	36	22	67
TW and QP	6	30	16	52
BCP – Total	127	595	318	1,041

Source: Range of sources as discussed

**Table 7.38 Estimated Gross Need for Affordable Home Ownership by sub-area (per annum)
– Dorset**

	Current need	Newly forming households	Existing households falling into need	Total Gross Need
Central Dorset	10	52	24	86
Dorchester	5	33	12	50
Eastern Dorset	9	42	22	73
Isle of Purbeck	8	33	19	60
Northern Dorset	14	74	34	122
Suburban Fringe East	18	144	44	205
Western Dorset	7	37	18	62
Weymouth & Portland	18	80	45	143
Dorset - Total	87	495	218	800

Source: Range of sources as discussed

Potential Supply of Housing to Meet the Affordable Home Ownership Need

- 7.93 As with the need for social/affordable rented housing, it is also necessary to consider if there is any supply of affordable home ownership products from the existing stock of housing. As with assessing the need for affordable home ownership, it is the case that at present the PPG does not include any suggestions about how the supply of housing to meet these needs should be calculated.

- 7.94 The main source is likely to be resales of products such as shared ownership and an analysis of CoRe data about resales of affordable housing shows an average of around 24 resales per annum in BCP and 33 for Dorset (based on data for the 2016-19 period). These properties would also potentially be available for these households and can be included as the potential supply.
- 7.95 The tables below therefore show an estimate of the net need for affordable home ownership. This suggests a need for around 1,017 dwellings per annum in BCP and 767 in Dorset, with a need being shown in all areas. As with the need for rented affordable housing, it should be remembered that affordable need can be met across the study area as and when opportunities arise, and so specific sub-area data should not be treated as a local target.

Table 7.39 Estimated Need for Affordable Home Ownership by sub-area (per annum) – BCP

	Total Gross Need	LCHO supply	Net need
Inner Central	76	3	73
Inner East	206	4	202
Inner Suburbs	337	8	329
Inner West	157	5	152
Outer Central	100	2	98
Outer Suburbs	45	1	44
Sandbanks	67	0	67
TW and QP	52	0	52
BCP – Total	1,041	24	1,017

Source: Range of sources as discussed

Table 7.40 Estimated Need for Affordable Home Ownership by sub-area (per annum) – Dorset

	Total Gross Need	LCHO supply	Net need
Central Dorset	86	5	81
Dorchester	50	3	48
Eastern Dorset	73	2	71
Isle of Purbeck	60	2	58
Northern Dorset	122	6	115
Suburban Fringe East	205	5	200
Western Dorset	62	4	58
Weymouth & Portland	143	6	137
Dorset – Total	800	33	767

Source: Range of sources as discussed

An Alternative view of the Supply of Affordable Home Ownership Properties

- 7.96 The analysis above has looked at the supply of resales of affordable housing. However, it should be noted that the analysis to consider need looks at households unable to afford a lower quartile property price. By definition, a quarter of all homes sold will be priced at or below a lower quartile level. According to the Land Registry, in BCP there were a total of 5,220 resales (i.e. excluding newly built homes) in the last year (year to September 2020) and therefore around 1,305 would be priced below the lower quartile. This is 1,305 homes that would potentially be affordable to the target group for affordable home ownership products and is a potential supply that is well in excess of the level of need calculated. For Dorset, there were 4,768 sales with 1,192 at or below the lower quartile (again more than the assessed level of need).
- 7.97 If a further supply of dwellings below lower quartile were taken from the estimated need, then it would be suggested that there is actually a surplus of affordable home ownership properties (of around 288 per annum in BCP and 425 in Dorset). These figures should be treated as theoretical, not least because it is the case that market housing is not allocated in the same way as social/affordable rented homes (i.e. anyone is able to buy a home as long as they can afford it and it is possible that a number of lower quartile homes would be sold to households able to afford more, or potentially to investment buyers). However, it is clear that looking at a wider definition of supply does make it difficult to conclude what the need for affordable home ownership is (and indeed if there is one).

Implications of the Analysis

- 7.98 Given the analysis above, it would be reasonable to conclude that there is a need to provide housing under the definition of 'affordable home ownership' – although this conclusion is based on only considering supply from resales of affordable housing (notably shared ownership). If supply estimates are expanded to include market housing for sale below a lower quartile price then the need for AHO is less clear-cut.
- 7.99 Regardless, it does seem that there are many households in BCP and Dorset who are being excluded from the owner-occupied sector. This can be seen by analysis of tenure change, which saw the number of households living in private rented accommodation increasing by 90% from 2001 to 2011 in BCP and 52% in Dorset (with the likelihood that there have been further increases since). Over the same period, the number of owners with a mortgage dropped by 10% (BCP) and 11% (Dorset). That said, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household's life stage (e.g. if moving locations with employment).
- 7.100 On this basis, and as previously noted, it seems likely in BCP and Dorset that access to owner-occupation is being restricted by access to capital (e.g. for deposits, stamp duty, legal costs) as well

as potentially some mortgage restrictions (e.g. where employment is temporary) rather than just being due to the cost of housing to buy.

- 7.101 The February 2019 NPPF (updated in July 2021) gave a clear direction that 10% of all new housing (on larger sites) should be for affordable home ownership (in other words, if in a development of 100 homes 20 would be affordable then 10 would be affordable home ownership, equating to 50% of the affordable supply) and it is now the case that policy compliant planning applications would be expected to deliver a minimum of 25% affordable housing as First Homes (as a proportion of the total affordable housing), with Councils being able to specify the requirement for any remaining affordable housing (subject to at least 10% of all housing being for AHO).
- 7.102 It is not clear at this stage whether there is any scope to challenge the 'minimum of 25%', nor what role other tenures of affordable home ownership (such as shared ownership) might play. It is possible that provision of First Homes could squeeze out other forms of Low Cost Home Ownership (LCHO) such as shared ownership, although it is likely that there will still be a role for this type of housing given typically lower deposit requirements.
- 7.103 Regardless of this there are clearly many households in the gap between renting and buying, they in some cases will be able to afford homes below lower quartile housing costs. That said, it is important to recognise that some households will have insufficient savings to be able to afford to buy a home on the open market (particularly in terms of the ability to afford a deposit) and low-cost home ownership homes – and shared ownership homes in particular – will therefore continue to play a role in supporting some households in this respect.
- 7.104 The evidence points to a clear and acute need for rented affordable housing for lower income households, and it is important that a supply of rented affordable housing is maintained to meet the needs of this group including those to which the authority has a statutory housing duty. Such housing is notably cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments).
- 7.105 There will also be a role for AHO on any 100% affordable housing schemes that may come forward (as well as through Section 106). Including a mix of both rented and intermediate homes to buy would make such schemes more viable, as well as enabling a range of tenures and therefore potential client groups to access housing.
- 7.106 In addition, it should also be noted that the finding of a 'need' for affordable home ownership does not have any impact on the overall need for housing. It seems clear that this group of households are simply seeking to move households from one tenure to another (in this case from private renting to owner-occupation); there is therefore no net change in the total number of households, or the number of homes required.

How Much Should Affordable Home Ownership Homes Cost?

- 7.107 The analysis and discussion above suggest that there are a number of households likely to fall under the PPG definition of needing affordable home ownership (including First Homes) – i.e. in the gap between renting and buying – but that the complexity of accurately quantifying the supply of low-cost housing to buy makes it difficult to fully quantify this need. However, given the NPPF, the Councils are likely to need to consider some additional homes on larger sites as some form of affordable home ownership (AHO).
- 7.108 The analysis below focusses on the cost of discounted market sale (which would include First Homes) to make them genuinely affordable before moving on to consider shared ownership (in this case suggestions are made about the equity shares likely to be affordable and whether these shares are likely to be offered). It is considered that First Homes and shared ownership are likely to be the main affordable home ownership tenures moving forward although it is accepted that there may be some delivery of other products. This section also provides some comments about Rent to Buy housing.
- 7.109 The analysis is important for the Councils to ensure that any affordable home ownership is sold at a price that is genuinely affordable for the intended target group – for example there is no point in discounting a new market home by 30% if the price still remains above that for which a reasonable home can already be bought in the open market.

Discounted Market Sales Housing (focussing on First Homes)

- 7.110 In May 2021, MHCLG published a new Planning Practice Guidance (PPG) regarding First Homes¹⁴. The key parts of this guidance in relation to this report are set out below:

First Homes are a specific kind of discounted market sale housing and should be considered to meet the definition of ‘affordable housing’ for planning purposes. Specifically, First Homes are discounted market sale units which:

- a) must be discounted by a minimum of 30% against the market value;*
- b) are sold to a person or persons meeting the First Homes eligibility criteria (see below);*
- c) on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and,*
- d) after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London).*

¹⁴ <https://www.gov.uk/guidance/first-homes>

First Homes are the government's preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations.

- 7.111 In terms of eligibility criteria, a purchaser should be a first-time buyer with a combined annual household income not exceeding £80,000 (or £90,000 in Greater London) and a mortgage needs to fund a minimum of 50% of the discounted purchase price. Local authorities can set their own eligibility criteria, which could for example involve lower income caps, a local connection test, or criteria based on employment status. Regarding discounts, a First Home must be sold at least 30% below the open market value. However, local authorities do have the discretion to require a higher minimum discount of either 40% or 50% (if they can demonstrate a need for this).
- 7.112 As noted above, the problem with having a percentage discount is that it is possible in some locations or types of property that such a discount still means that the discounted housing is more expensive than that typically available in the open market. This is often the case as new build housing itself attracts a premium.
- 7.113 The preferred approach in this report is to set out a series of purchase costs for different sizes of accommodation which ensure these products are affordable for the intended group. These purchase costs are based on current lower quartile rental prices, a consideration of the income required to access the private rented sector, and then an estimation of what property price this level of income might support (assuming a 10% deposit and a 4.5 times mortgage multiple). Below is an example of a calculation based on a 2-bedroom home in BCP:
- Previous analysis has shown that the lower quartile rent for a 2-bedroom home in BCP is £750 per month;
 - On the basis of a household spending no more than 30% of their income on housing, a household would need an income of around £2,500 per month to afford (£750/0.3) or £30,000 per annum (rounded); and
 - With an income of £30,000, it is estimated that a household could afford to buy a home for around £150,000. This is based on assuming a 10% deposit (mortgage for 90% of value) and a four and a half times mortgage multiple – calculated as $£30,000 \times 4.5 / 0.9$.
- 7.114 Therefore, the suggested purchase price to allow First Homes/discounted home ownership to be affordable for households in the rent/buy gap in BCP is £150,000. This figure is essentially the equivalent price that is affordable to a household who can just about afford to rent privately. In reality, there will be a range of incomes in the rent/buy gap and so some households could afford a higher price; however, setting all homes at a higher price would mean that some households will still be unable to afford.
- 7.115 On this basis, it is considered reasonable to look at the cost of First Homes as a range, from the equivalent private rent figure up to a midpoint of the cost of open market purchase (for a 2-bedroom home this is £200,000) and the relevant private rented figure. The use of a midpoint would mean that

only around half of households in the rent/buy gap could afford, and therefore any housing provided at such a cost would need to also be supplemented by an equivalent number at a lower cost (which might include other tenures such as shared ownership).

- 7.116 The tables below therefore set out a suggested purchase price for affordable home ownership/First Homes in each area. The table also shows an estimated Open Market Value (OMV) and the level of discount likely to be required to achieve affordability. It should be noted that the First Homes Guidance caps homes under this scheme at £250,000 for the first sale.
- 7.117 The OMV is based on taking the estimated lower quartile price by size and adding 15% (which is the typically newbuild premium seen nationally). It should be noted that the discounts are based on the OMV as estimated, in reality the OMV might be quite different for specific schemes and therefore the percentage discount would not be applicable.
- 7.118 For example, if the OMV for a 2-bedroom home in BCP was actually £300,000 (rather than the modelled £230,000 (which is the estimated price of an existing home (£200,000 plus a 15% newbuild premium)) then the discount would be in the range of 42% and 50%. It is therefore the affordable price rather than the discount that should be focused on when determining affordability.
- 7.119 On the basis of the specific assumptions used, the analysis points to a discount of around 30% for 1- and 2-bedroom homes and a figure of around 40% for larger (3+-bedroom) properties. Given that a single discount figure is likely to be needed for plan making purposes it is suggested that a 30% discount is reasonable, with the expectation that most First Homes will be 2-bedroom. Given there is a cap of £250,000 on the purchase price, it seems unlikely that 4+ bedroom homes could be provided as First Homes in either area.

Table 7.41 Affordable home ownership prices – data for year to September 2020 – BCP

	Affordable Price	Estimated newbuild OMV	Discount required
1-bedroom	£118,700-£126,900	£155,250	18%-24%
2-bedrooms	£149,700-£174,800	£230,000	24%-35%
3-bedrooms	£188,600-£241,800	£339,250	29%-44%
4+-bedrooms	£252,400-£338,700	£488,750	31%-48%

Source: Derived from a range of sources as described

Table 7.42 Affordable home ownership prices – data for year to September 2020 – Dorset

	Affordable Price	Estimated newbuild OMV	Discount required
1-bedroom	£105,100-£110,000	£132,250	17%-21%
2-bedrooms	£134,100-£157,000	£207,000	24%-35%
3-bedrooms	£160,100-£215,100	£310,500	31%-48%
4+-bedrooms	£220,100-£322,600	£488,750	34%-55%

Source: Derived from a range of sources as described

- 7.120 The PPG on First Homes is new and interpretations are emerging. However, the expectation is that a single discount applicable to all homes is preferred to ensure simplicity and for clarity to the development industry.
- 7.121 For most new homes in both Dorset and BCP a discount of 30% would be sufficient to make them affordable. However, for larger homes this would not be the case and a larger discount may be necessary. In all likelihood only a very small number of First Homes are likely to be 3 and 4+ bedrooms (particularly given the cap of £250,000 outside London) and in adopting a greater discount for all homes it potentially reduces the overall supply of affordable housing (to buy and to rent) as this would be less viable.
- 7.122 Therefore, the Council will need to decide whether higher discounts should be applied to ensure a supply of affordable larger first homes or that lower discounts are applied to ensure the greatest number of first homes are delivered.
- 7.123 In any case should larger first homes be delivered, they would automatically be capped at £250,000 outside London, therefore even applying a blanket 30% discount would still mean in some cases a greater discount once the cap is applied. Although in such circumstances it would be unlikely that the delivery of such homes would occur.

Shared Ownership

- 7.124 Whilst the Government has a clear focus on First Homes, they also see a continued role for Shared Ownership, launching a 'New Model for Shared Ownership' in early 2021 (following a 2020 consultation)¹⁵ – this includes a number of proposals, with the main one for the purposes of this assessment being the reduction of the minimum initial share from 25% to 10%. A key advantage of shared ownership over other tenures is that a lower deposit is likely to be required than for full or

¹⁵ <https://www.gov.uk/government/consultations/new-model-for-shared-ownership-technical-consultation/new-model-for-shared-ownership-technical-consultation>

discounted purchase. Additionally, the rental part of the cost will be subsidised by a Registered Provider and therefore keeps monthly outgoings down.

7.125 For the purposes of the analysis in this report it is considered that for shared ownership to be affordable, total outgoings should not exceed that needed to rent privately.

7.126 Because shared ownership is based on buying part of a property, it is the case that the sale will need to be at open market value. Where there is a large gap between the typical incomes required to buy or rent, it may be the case that lower equity shares are needed for homes to be affordable (at the level of renting privately). The analysis below therefore seeks to estimate the typical equity share that might be affordable for different sizes of property with any share lower than 10% likely to be unavailable. The key assumptions used in the analysis are:

- OMV at LQ price plus 15% (reflecting likelihood that newbuild homes will have a premium attached and that they may well be priced above a LQ level) – it should be noted that this is an assumption for modelling purposes and consideration will need to be given to the OMV of any specific product;
- 10% deposit on the equity share;
- Rent at 2.75% pa on unsold equity;
- Repayment mortgage over 25-years at 4%;
- Service charge of £100 per month for flatted development (assumed to be 1- and 2-bedroom homes); and
- It is also assumed that shared ownership would be priced for households sitting towards the bottom end of the rent/buy gap and so the calculations assume that total outgoings should be no higher than the equivalent private rent (lower quartile) cost for that size of property.

7.127 The tables below show that to make shared ownership affordable, equity shares of around 36%-37% could work for 1-bedroom homes and around 20% for 2-bedrooms (and 3-bedrooms in BCP). Lower shares are likely to be required for larger homes (with 4-bedrooms the analysis suggests a share of just 12% in BCP and a negative figure in Dorset). This suggests it may be very difficult to make shared ownership 'work' in Dorset.

7.128 It should also be noted that the analysis below is predicated on a particular set of assumptions (notably about likely OMV). In reality costs do vary across the area and will vary from site to site. Therefore, this analysis should be seen as indicative with specific schemes being tested individually to determine if the product being offered is genuinely (or reasonably) affordable.

7.129 In policy terms, whilst the analysis has provided an indication of the equity shares possibly required by size, the key figure is actually the total cost per month (and how this compares with the costs to access private rented housing). For example, whilst the tables suggest a 22% equity share for 2-bedroom homes in BCP, this is based on a specific set of assumptions. Were a scheme to come

forward with a 22% share, but a total cost in excess of £750 per month, then it would be clear that a lower share is likely to be required to make the home genuinely affordable. Hence the actual share can only be calculated on a scheme-by-scheme basis. Any policy position should ideally seek to ensure that outgoings are no more than can reasonably be achieved in the private rented sector, rather than necessarily seeking a specific equity share.

Table 7.43 Estimated Affordable Equity Share by Size – BCP

	1-Bedroom	2-Bedrooms	3-Bedrooms	4-Bedrooms
OMV	£155,250	£230,000	£339,250	£488,750
Share	36%	22%	20%	12%
Equity Bought	£56,511	£49,910	£68,189	£58,894
Mortgage Needed	£50,860	£44,919	£61,370	£53,005
Monthly Cost of Mortgage	£269	£237	£324	£280
Retained Equity	£98,739	£180,090	£271,061	£429,856
Monthly Rent on Retained Equity	£226	£413	£621	£985
Service Charge per month	£100	£100	£0	£0
Total Cost per month	£595	£750	£945	£1,265

Source: Data based on Housing Market Cost Analysis

Table 7.44 Estimated Affordable Equity Share by Size – Dorset

	1-Bedroom	2-Bedrooms	3-Bedrooms	4-Bedrooms
OMV	£132,250	£207,000	£310,500	£488,750
Share	37%	19%	12%	-2%
Equity Bought	£49,462	£38,916	£36,018	-£8,309
Mortgage Needed	£44,515	£35,024	£32,416	-£7,478
Monthly Cost of Mortgage	£235	£185	£171	-£39
Retained Equity	£82,789	£168,084	£274,482	£497,059
Monthly Rent on Retained Equity	£190	£385	£629	£1,139
Service Charge per month	£100	£100	£0	£0
Total Cost per month	£525	£670	£800	£1,100

Source: Data based on Housing Market Cost Analysis

- 7.130 In Dorset, some examples of recent shared ownership schemes do demonstrate the potential difficulty in making homes genuinely affordable (i.e. with outgoings similar to the private rented sector). Three examples were considered (a 2-bed house in West Stafford, a 2-bed flat in Wimborne and a 3-bed house in Stalbridge).
- 7.131 In all cases outgoings would be estimated to be around £800-£850 a month (with equity shares in the range of 30%-45%) and would therefore cost more than accessing an equivalent sized private rented home. It should however be noted that this is a small sample of sales and prices will vary across areas and depending on the equity share.

Rent to Buy

- 7.132 A further affordable option is Rent to Buy; this is a government scheme designed to ease the transition from renting to buying the same home. Initially (typically five years) the newly built home will be provided at the equivalent of an affordable rent (approximately 20% below the market rate). The expectation is that the discount provided in that first five years is saved in order to put towards a deposit on the purchase of the same property. Rent to Buy can be advantageous for some households as it allows for a smaller 'step' to be taken on to the home ownership ladder.
- 7.133 At the end of the five-year period, depending on the scheme, the property is either sold as a shared ownership product or to be purchased outright as a full market property. If the occupant is not able to do either of these then the property is vacated.
- 7.134 To access this tenure, it effectively requires the same income threshold for the initial phase as a market rental property although the cost of accommodation will be that of affordable rent. The lower than market rent will allow the household to save for a deposit for the eventual shared ownership or market property. In considering the affordability of rent-to-buy schemes there is a direct read across to the income required to access affordable home ownership (including shared ownership), it should therefore be treated as part of the affordable home ownership products suggested by the NPPF.

Essential Local Workers

- 7.135 Annex 2 of the NPPF also includes the needs of essential local workers '*Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provided a subsidised route to home ownership and/or is for essential local workers)*' [emphasis added]. Essential local workers are defined as '*Public sector employees who provide frontline services in areas including health, education and community safety – such as NHS staff, teachers, police, firefighters and military personnel, social care and childcare workers*'.
- 7.136 To give an indication of the number of essential workers in BCP and Dorset analysis has been undertaken looking at Standard Industrial Classification 2007 (SIC) categories – this shows

employment sectors based on industry, and for the purposes of this analysis the public administration, education and health industries have been used to represent 'essential workers'. The analysis shows that around 27% of resident workers are considered 'essential workers' in BCP, with a higher figure of 31% in Dorset – for BCP this proportion is slightly lower than seen in other locations with the figure for Dorset being slightly higher.

Table 7.45 Number and proportion of essential workers in a range of areas

	BCP		Dorset		South West	England
	Resident workers	% of workers	Resident workers	% of workers	% of workers	% of workers
Agriculture, energy and water	2,189	1.2%	6,671	3.9%	3.3%	2.3%
Manufacturing	15,956	8.7%	16,046	9.3%	9.1%	8.9%
Construction	14,591	8.0%	15,200	8.8%	8.0%	7.7%
Distribution, hotels and restaurants	43,257	23.7%	37,133	21.6%	22.4%	21.5%
Transport and communication	13,648	7.5%	9,893	5.7%	7.3%	9.1%
Financial, Real Estate, Professional and Administration	34,363	18.8%	23,914	13.9%	15.5%	17.5%
Public administration, education and health	48,894	26.8%	54,028	31.4%	29.6%	28.2%
Other	9,516	5.2%	9,400	5.5%	4.8%	5.0%
All industries	182,414	100.0%	172,285	100.0%	100.0%	100.0%

Source: 2011 Census

- 7.137 The tables below show how the number of essential workers varies across sub-areas. In BCP, the analysis shows no substantial variation in the proportion of essential workers, varying from 23% in Inner Central up to 30% in the Outer Suburbs. For Dorset, there are greater variations, from 27% in the Suburban Fringe East, up to 43% in Dorchester.

Table 7.46 Number and proportion of essential workers by sub-area – BCP

	Resident essential workers	% of workers in area	% of resident workers
Inner Central	2,764	22.7%	5.7%
Inner East	9,656	29.3%	19.7%
Inner Suburbs	17,086	25.7%	34.9%
Inner West	8,050	27.4%	16.5%
Outer Central	3,560	25.4%	7.3%
Outer Suburbs	3,014	29.8%	6.2%
Sandbanks	2,467	27.9%	5.0%
TW and QP	2,297	27.1%	4.7%
BCP – Total	48,894	26.8%	100.0%

Source: 2011 Census

Table 7.47 Number and proportion of essential workers by sub-area – Dorset

	Resident essential workers	% of workers in area	% of resident workers
Central Dorset	6,308	34.5%	11.7%
Dorchester	3,948	42.7%	7.3%
Eastern Dorset	5,959	35.6%	11.0%
Isle of Purbeck	3,185	28.3%	5.9%
Northern Dorset	8,077	28.8%	14.9%
Suburban Fringe East	11,357	27.4%	21.0%
Western Dorset	3,654	25.3%	6.8%
Weymouth & Portland	11,540	35.2%	21.4%
Dorset - Total	54,028	31.4%	100.0%

Source: 2011 Census

7.138 The 2011 Census also enables analysis to be conducted as to the tenure of workers by industry. It can be seen that essential workers see a fairly average profile, with similar levels of owner-occupation, social renting and private renting as is seen across each local authority.

Table 7.48 Housing tenure by industry of employment (2011) – BCP

	Owner-occupied	Social rented	Private rented
Agriculture, energy and water	68%	10%	23%
Manufacturing	70%	6%	24%
Construction	73%	7%	20%
Distribution, hotels and restaurants	54%	10%	36%
Transport and communication	69%	6%	25%
Financial, Real Estate, Professional and Administration	67%	5%	28%
Public administration, education and health	68%	8%	25%
Other	60%	7%	33%
All industries	65%	7%	27%

Source: 2011 Census

Table 7.49 Housing tenure by industry of employment (2011) – Dorset

	Owner-occupied	Social rented	Private rented
Agriculture, energy and water	62%	9%	29%
Manufacturing	74%	9%	17%
Construction	73%	10%	17%
Distribution, hotels and restaurants	63%	13%	24%
Transport and communication	76%	9%	15%
Financial, Real Estate, Professional and Administration	77%	7%	16%
Public administration, education and health	73%	8%	19%
Other	65%	10%	25%
All industries	71%	9%	20%

Source: 2011 Census

- 7.139 It is also possible to consider the affordability of housing for essential workers by considering local salaries. An online assessment of local jobs (across Dorset) for nurses, firefighters, teachers, police officers and childcare was undertaken in May 2021. This showed a range of salaries, typically in the range of about £20,000 to £30,000 per annum. The average salary was around £25,000 although it does need to be noted that there are a variety of roles with a range of salaries in these professions depending on level of expertise and experience.
- 7.140 With a salary of £25,000, an individual might be able to buy a home for around £125,000 (based on a 10% deposit and 4.5 times mortgage multiple) and with two salaries at this level would be able to afford around £250,000. This latter figure would allow the household to afford to buy a lower quartile home across much of the two local authorities, but the single income would make home ownership difficult, and this population could be a potential target for affordable home ownership products.
- 7.141 Overall, the analysis does not point towards there being a particular and specific need for affordable housing for essential workers. Such workers make up a similar part of the workforce as is the case in many areas and households are as likely to be owner-occupiers than many other industry groups. However, on the basis of local incomes (notably for single income essential workers), access to the owner-occupied sector may be restricted by income and it may be appropriate to consider whether or not some affordable properties should be set aside for essential local workers.

Implications of Covid-19

- 7.142 Much of the data accessed and used in this report pre-dates the Covid-19 Emergency. Whilst it is currently too early to know what the full impact of Covid-19 will be on the housing market, it will be important for outcomes to be monitored and consideration given to any short- or long-term consequences for a range of groups. It does however seem likely that there will be a specific impact

on the need for affordable housing particularly in the short-term and below is a short discussion of possible outcomes.

7.143 Emerging post-covid patterns garnered from local agents include:

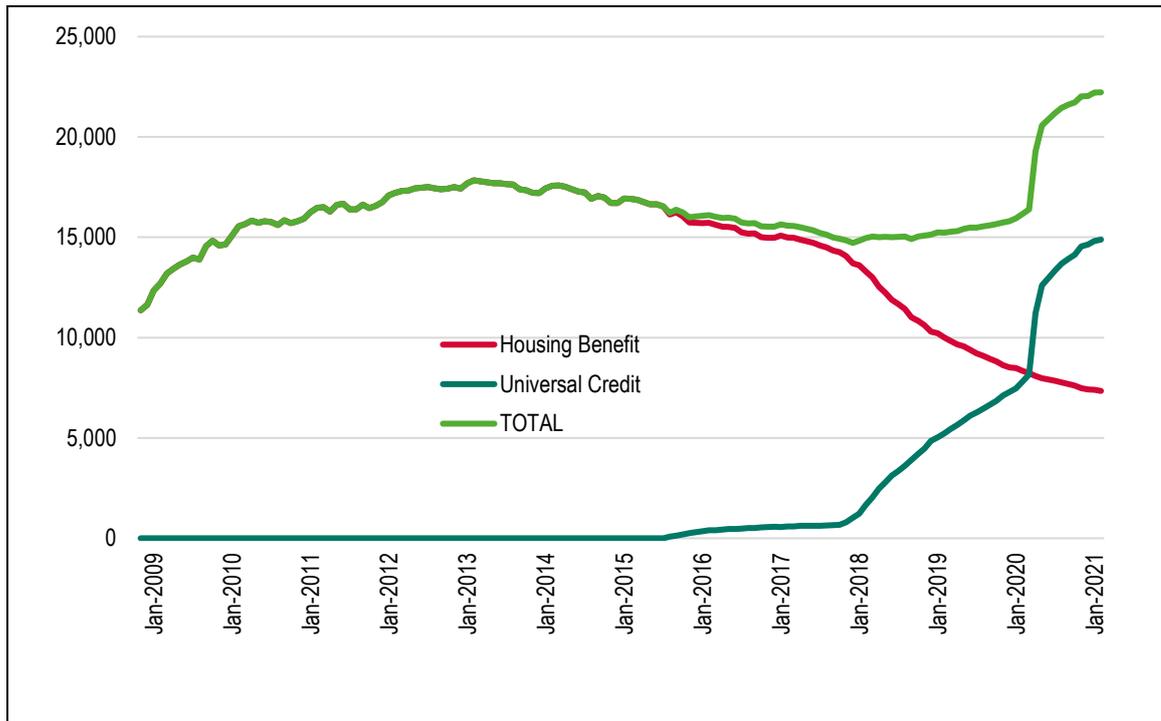
- An increased demand for 'rural' properties for those wishing to move out of urban areas;
- Increased demand for housing with a garden or access to outside space; and
- Increased demand for homes with additional bedroom/study office space to enable working from home.

7.144 It seems almost inevitable that one impact of Covid-19 will be to see an increased need for affordable housing. Unemployment has been rising and can be expected to rise further as the furlough scheme is reduced/removed. This will make it difficult for many households to afford their housing and would lead them to need to seek a housing solution through the local authority or Registered Providers.

7.145 There is already some evidence of the impact of Covid-19 on housing need, with data from the Department of Work and Pensions showing the number of Housing Benefit (or Universal Credit with a housing element) claimants in the private rented sector in BCP increased from 16,200 in February 2020, up to 22,200 in February 2021 – an increase of around 37%. In Dorset, the number of claimants rose from 7,900 to 10,600 over the same period (a 34% increase). All of this points to an impact of Covid-19 being to see increased pressure on affordable housing.

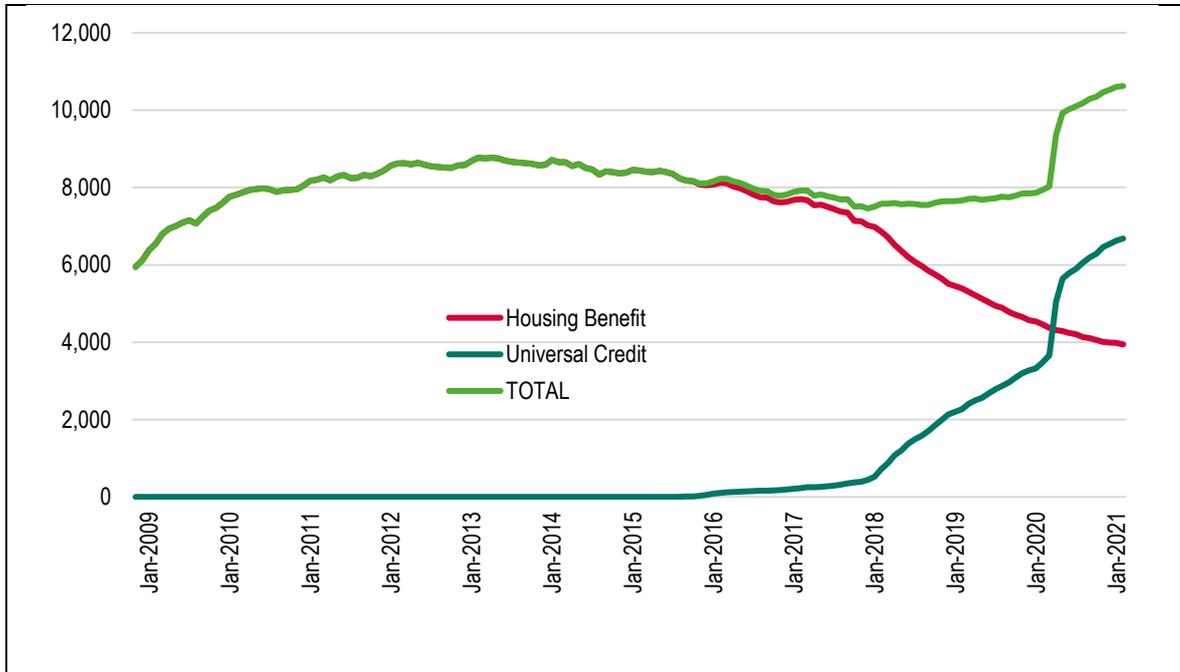
7.146 There may also be an increase in evictions once the covid ban lapsed (at the end of May 2021), however the latest data on this from the Ministry of Justice only covers the period to June 21 and this does not show any return to pre-pandemic levels in either mortgage repossessions or landlord possessions although there is a small spike in the latter in the latest data.

Table 7.50 Number of Housing Benefit claimants in the private rented sector – BCP



Source: Department of Work and Pensions

Table 7.51 Number of Housing Benefit claimants in the private rented sector – Dorset



Source: Department of Work and Pensions

Affordable Housing Need: Key Messages

- Analysis has been undertaken to estimate the need for affordable housing in the 2021-38 period. The analysis is split between a need for social/affordable rented accommodation based on households unable to buy or rent in the market and the need for affordable home ownership (AHO) –for those who can afford to rent privately but cannot afford to buy a home.
- The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at rented needs, consideration is given to estimates of the supply of social/affordable rented housing. For AHO, consideration is given to the potential supply of resales of low-cost home ownership properties (such as shared ownership).
- When looking at rented needs, the analysis suggests a need for 1,653 affordable homes per annum in BCP and 950 in Dorset; the Councils are therefore justified in seeking to secure additional affordable housing. There is also a need shown in all parts of both areas.
- Despite the level of need being high, it is not considered that this would point to any requirement for the Councils to increase the Local Plan housing requirement above that suggested by the Standard Method. The link between affordable need and overall need (of all tenures) is complex and in trying to make a link it must be remembered that many of those picked up as having an affordable need are already in housing (and therefore do not generate a net additional need for a home). Additionally, most of the affordable need is already part of the demographic projections which are used to drive the Standard Method and so any additional provision would be double counting.
- The analysis suggests that there will be a need for both social and affordable rented housing – the latter will be suitable particularly for households who are close to being able to afford to rent privately and also for some households who claim full Housing Benefit. On this basis, it is not recommended that the Councils has a rigid policy for the split between social and affordable rented housing, although the analysis is clear that both tenures of homes are likely to be required.
- When looking at the need for AHO products, the analysis suggests a need for 1,017 per annum in BCP and 767 in Dorset. The need is lower than for rented housing. In interpreting this figure, it should be noted that there could be additional supply from resales of market homes (below a lower quartile price) which arguably would mean there is a more limited need for AHO.
- Analysis does suggest many households in BCP and Dorset who are being excluded from the owner-occupied sector (as evidenced by reductions in owners with a mortgage and increases in the size of the private rented sector). This suggests that a key issue in the study area is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy.
- The study also considers different types of AHO (notably First Homes and shared ownership) as each will have a role to play – shared ownership is likely to be suitable for households with more marginal affordability (those only just able to afford to privately rent) as it has the advantage of a lower deposit and subsidised rent.
- In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Councils will need to consider the relative levels of need and also viability issues (recognising for example that providing AHO may be more viable and may therefore allow more units to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options).
- Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the area. It does need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

8. PRIVATE RENTAL SECTOR

Introduction

- 8.1 This chapter of the report examines the private rental market in BCP and Dorset and compares this to regional and national equivalents. Where possible we examine these across different sizes and of homes.

Context

- 8.2 The private rented sector (PRS) has been the key growth sector in the housing market for the last 15 years and now makes up just over 20% of all UK households. Since 2011, the private rented sector has been the second largest housing tenure in England behind owner-occupation, overtaking social housing.
- 8.3 In the context of the sector's growth over the last 20 years and a national housing shortage, successive Governments have looked to the private rented sector to play a greater role in providing more new build housing and have sought to encourage "Build to Rent" development.
- 8.4 The NPPF¹⁶ also requires authorities to assess and reflect the needs of those people who rent their homes. The Build-to-Rent sector is one which we would describe as relatively 'embryonic' outside London and the major cities. Although in BCP it appears more advanced than most.
- 8.5 It has developed over the last few years to a position where there are now a range of schemes in London, and schemes coming forwards in other core cities, but in many other areas there has been limited provision to date.
- 8.6 Within BCP and Bournemouth specifically there has been some build to rent activity. Berry Court on St Peters Road has recently been completed and comprises a scheme of 113 flats. There is also another site of 46 units at the former car park on St Stephens Road which has recently been completed.
- 8.7 The former Winter Gardens on Exeter Rd has recently been consented for 352 flats and other commercial uses, but development has not yet started.

16 National Planning Policy Framework (paragraph 61, February 2019)

- 8.8 In addition, a proposal for 320 flats and some office space at Waverley House on Holdenhurst Road is currently at pre-application stage. A similar sized development at Holdenhurst Road has also sought permission.
- 8.9 Combined, these sites will make a sizeable difference to the local area as they are in relatively close proximity. This should be managed carefully as traditional built to rent developments can contribute to a transient population which can affect community cohesion.
- 8.10 There are no applications for build to rent developments in Dorset.

Government-led Publications on Build to Rent

- 8.11 In August 2012, The Montague Review¹⁷ was published; having been commissioned by Government to consider the potential for attracting large-scale institutional investment in building new homes for private rent – a model of investment, which is much more prevalent in other countries, and in some niche markets in the UK, like student housing. The Review author Sir Adrian Montague was clear that:
- “there is real potential for investment in large scale developments of purpose-built rented housing to grow and to be viable. This type of development can bring in new money, give a boost to housing supply, and provide more choice for tenants, particularly those who may be renting long term. And there is research which suggests that the lack of high quality private rented accommodation can put a brake on the wider growth of economic activity” (our emphasis)
- 8.12 Following the publication of the Montague Review, the Government launched several initiatives aimed at ‘kick starting’ the private rented sector and the development of purpose-built long-term market rental housing schemes i.e. Build to Rent.
- 8.13 The Government set up the Private Rented Sector Taskforce (“PRS Taskforce”) and a £1bn Build to Rent fund in line with the recommendations of the Montague Review. In March 2015, *A Build to Rent Guide for Local Authorities*¹⁸ was also prepared and published by Government which noted the following upfront:

17 Review of the barriers to institutional investment in private rented homes (DCLG, August 2012)

18 Accelerating housing supply and increasing tenant choice in the private rented sector: A Build to Rent Guide for Local Authorities (DCLG, March 2015)

“The £1bn Build to Rent Fund, Private Rented Sector Debt Guarantee Scheme and Private Rented Sector Taskforce have stimulated considerable interest in the sector”.

8.14 The Guide was published to support local authorities to, in turn, support Build to Rent. The benefits set out in the Guide centred on three key areas which are summarised below:

- (1) **Supporting the local community** – the Government made clear that the development of new Build to Rent housing can help 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”. The Government also said that successful schemes will retain their tenants for longer and maximise occupancy levels as Build to Rent investment is an income focused business model. In order to achieve this, investors will strive to provide for their tenants, and this is key reason why they want to create truly sustainable communities;
- (2) **Supporting local growth** – the Government said that Build to Rent development can help increase housing supply, particularly on large, multiple phased sites as it can be built alongside build for sale and affordable housing. The Government also highlighted that Build to Rent has the potential to increase the speed of housing delivery and placemaking as the market absorption rate for private rented sector is higher than build for sale; and
- (3) **Financial** – the Government said that some local authorities can become directly involved in provision in some instances, given the potential to generate income or capital receipts.

8.15 The Build to Rent Guide also deals directly with design and construction, noting that good design and high-quality construction are key components of the Build to Rent model. In the Government’s own words, “Investors will want to know that their Build to Rent schemes will appeal to their target customers over the long-term and be truly sustainable”. It is also highlighted that “Build to Rent can also offer opportunities for innovative forms of construction, such as build off-site”.

8.16 In concluding, the Build to Rent Guide summarised Build to Rent as a product in simple terms, noting:

“Build to Rent housing can help to fix the country’s broken housing market by providing another source of good quality housing supply which can also accelerate the speed of housing delivery”

8.17 The Government has since continued to seek to support and promote growth of the sector - most prominently through Government’s Housing White Paper, “Fixing Our Broken Housing Market¹⁹” which brought a number of the key messages together.

8.18 The foreword in the Housing White Paper acknowledged that Britain’s housing market is broken, housing is increasingly unaffordable for both buyers and renters, and as a result more homes are

¹⁹ [Fixing our broken housing market \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/614417/fixing-our-broken-housing-market.pdf) (MHCLG 2017)

needed, of the type people want to live in, in the places they want to live. As part of a wider package, one of the measures put forward in order to achieve this was diversifying the housing market:

“we will diversify the housing market, opening it up to smaller builders and those who embrace innovative and efficient methods. We will encourage housing associations and local authorities to build more, and we will work to attract new investors into residential development including homes for rent” (our emphasis)

8.19 Under diversifying the market, the Government said that they want to encourage more institutional investors into housing, including for building more homes for private rent, and encourage family-friendly tenancies as well as a range of different products, highlighting explicitly that:

“Alongside affordable homes, we need more good quality privately rented homes. This sector has doubled over the last decade, but rising rents suggest that demand is still growing. Following the 2012 review of barriers to institutional investment in the private rented sector, the government’s Private Rented Sector Task Force made major early in-roads to establish the “Build to Rent” model in the UK, and to stimulate initial investor interest. The Government has supported this through the £3.5 billion Private Rented Sector Housing Guarantee Scheme, and the £1bn Build to Rent Fund” (our emphasis)

8.20 The Housing White Paper makes clear that the Government want to build on the above – the initiatives, support, and encouragement – to attract new investment into large-scale scale housing which is purpose-built for market rent i.e. Build to Rent. This will, the Government state, drive up overall housing supply, and increase choice and standards for people living in privately rented homes. Drawing on references from earlier work, the Government note that these developments tend to be built out more quickly, adopt modern methods of construction and help regenerate local economies by attracting a skilled labour force.

8.21 The Government also acknowledge in the Housing White Paper that Build to Rent development has the potential to provide more stable rented accommodation for families particularly as access to ownership has become more challenging.

8.22 In line with the clear strength of commitment from the Government on building more homes for rent, a consultation was launched alongside the Housing White Paper focussed on supporting more Build to Rent developments through measures including:

- incorporating a change to the Framework so authorities know they should plan proactively for Build to Rent where there is a need; and

- ensuring that family-friendly tenancies of three or more years are available for those tenants that want them on schemes that benefit from the changes.

8.23 It is therefore clear from the successive announcements, reviews, initiatives and package of measures proposed that Government policy is to support and encourage growth of the private rented sector and particularly Build to Rent development as a product; in order to deliver quality rental accommodation and boost housing supply; meet demand of the private rented market and deliver quality placemaking.

Technical Research, Market Insight & Manifestos

8.24 The Urban Land Institute (ULI) published the first edition of its Build to Rent (BtR) Guide in April 2014 at a time where there was still, in the words of the ULI, “a significant amount of market scepticism as to whether the nascent private rented sector in the UK was really going to succeed”.

8.25 The first edition of the Guide was initiated by the Government’s PRS Taskforce – as referenced above – in order to address the design, management and construction of the buildings. The Guide underlined, according to the Government, that “Build to Rent schemes can offer additional amenities and make use of space both inside and outside the buildings to create a sense of place and community”.

8.26 Following the publication of the first edition of the Guide, Build to Rent institutional investment began to increase significantly; whilst the British Property Federation (BPF) launched its Build to Rent Manifesto in October 2015; acknowledging it as a new emerging asset class at the time. The BPF made it clear that:

“The primary motivation of investors is to keep their buildings fully-occupied with satisfied tenants. That means offering longer tenancies, other flexibilities (to personalise the home for example), good onsite amenities, and good transport links for easy commuting”.

8.27 Building on the benefits of the building themselves, the BPF also noted that some communities are ‘haemorrhaging their young talent because there are no obvious housing options for them’. The BPF highlights that most private renters are under 35 years of age and have no dependents; so are unlikely to get social housing. This is an important point – Build-to-Rent development will provide high quality housing for households who are not able to access social housing stock in many instances.

8.28 Importantly, the Manifesto was also clear that:

“As long-term investors Build to Rent providers’ only interest is in creating ‘places’ that thrive. Their investments will gain or lose value depending on their wider environment. They

therefore have a huge motivation to ensure that not only their developments work well, but also the neighbourhood and services that surround them.” (*Our emphasis*)

- 8.29 In other words, the BPF highlighted that providers have no incentive to leave homes empty; and it is in the interests of that provider to ensure the units are of a notably higher standard so they can be let quicker; and pensioners and other investors can therefore derive their income. Echoing the thoughts of the Government in its Guide for Local Authorities in 2015, the benefits of the BPF’s Manifesto clearly align with the priorities of the Council’s Housing Strategy around achieving a high standard of new homes and communities; improving housing conditions and promoting health and wellbeing.
- 8.30 The BPF also highlighted that the sector is working with local authorities and other partners in other ways. The BPF states that it is generating income for local authorities; so rather than selling their land for instant receipts, councils can lease the land to a Build to Rent provider, derive long-term income from their share of rents, and retain ultimate ownership of their land.
- 8.31 Once the Build to Rent concept began to gain traction, the ULI published the second edition of its Build to Rent Guide: “A Best Practice Guide” which moved from proving the Build to Rent concept could work in the UK, to demonstrating true best practice in a UK context. The second edition of the Guide defined Build to Rent schemes as 100 or more units which are:
- “purposefully designed and built with the customer in mind. It is anticipated that they will typically incorporate dedicated staff (potentially on-site) with a strong management ethos based on maximising the customer experience, together with a level of on-site amenity befitting the size of the development. Irrespective of the overall package of amenities, the creation of a community feel, and positive customer experience is the underlying philosophy of any successful Build to Rent scheme”
- 8.32 This is important, highlighting once more that the Build to Rent concept is not simply about increasing housing delivery and diversifying the market – this is a by-product – it is about delivering mixed and balanced communities, high quality private rented sector accommodation and opportunities for all parts of society in housing need. Notably, at the time of the second edition of the Guide, there were 30,000 Build to Rent homes in the development pipeline with 8,000 completions.
- 8.33 Turning to the present and the latest market insight on Build to Rent as it begins to mature and strengthen as a development sector, the Savills UK Build to Rent Market Update²⁰ for Q1 2021 states

²⁰ https://www.savills.co.uk/research_articles/229130/306754-0

that the market now had 57,700 completed units, 36,000 under construction and 94,700 in the development pipeline, a total of 188,500 units.

- 8.34 Previous editions of the report noted that around 88% of the operational stock was in city centre flats but there had been a slight shift towards “housing led, family targeted”, Build to Rent schemes in suburban locations. This was on the belief that there is a wider PRS market for houses (63%) than for flats.
- 8.35 The Savills work also noted that the sector had bounced back from a Covid-19 related slowdown. They also noted new entrants into the sector seeking longer term investment.

Profile of Build to Rent Tenants

- 8.36 The Build to Rent sector is an emerging sector and there is very little data about who and why people occupy such homes. However, there have been a number of surveys which have sought to profile this group. These are summarised below.
- 8.37 The British Property Federation, London First and the UK Apartment Association (UKAA) recently published (February 2021) a report²¹ profiling those who live in built to rent accommodation in London, which makes up the bulk of the market (47%).
- 8.38 Around 62% of residents were aged between 25 and 34 compared with 47% in the wider PRS market. Of the remaining residents 17% were aged between 16 and 24 and 13% were aged 35-44. In both cases these were below the corresponding value for the wider PRS market.
- 8.39 The survey identified that incomes are similar to those in PRS accommodation with 43% earning less than £32,000 and 29% earning between £32,000 and £47,000. Typically, BtR residents spend between 29% and 35% of their income on accommodation. This compares to 29% to 32% in the wider PRS market, demonstrating a willingness to pay slightly more for accommodation.
- 8.40 The lower income value (£32,000) would put this group in the lowest 40% of earners in London which would have an equivalent value of around £26,400 in BCP and £27,100 in Dorset. The upper value (£47,000) would be around the 60th percentile which would equate to around £33,500 in BCP and £33,100 in Dorset.

²¹https://buildtorent.files.wordpress.com/2021/01/who-lives-in-build-to-rent-1.pdf?mc_cid=624df5d223&mc_eid=e05cc2220b

- 8.41 The report noted that BtR had comparable levels of affordability for single people but was notably more affordable for couples and sharers. This is perhaps reflected in the higher incidence of Couples within the BtR sector in comparison to the wider PRS.
- 8.42 The Savills UK Build to Rent Market Update Q1 2021 also profiled renters by different locations. It notes that BtR residents tended to be aged between 26 and 40 and the majority are single occupants.
- 8.43 That said outside of London the sector attracts a slightly younger tenant profile with more than half aged under 30. This is because homes in London are so highly priced that people live in BtR longer.
- 8.44 It also added that extra working space may be needed to attract young, professional sharers. The core group of renters outside of London valued convenience and favoured apartments in vibrant locations that place them close to both their jobs and nightlife. A central location is therefore crucial. This would suggest that Central Bournemouth would be the most desirable location within the study area.
- 8.45 The Savills analysis also identified that half of tenants in BtR accommodation move from within a 5-mile radius.

Size of rental sector

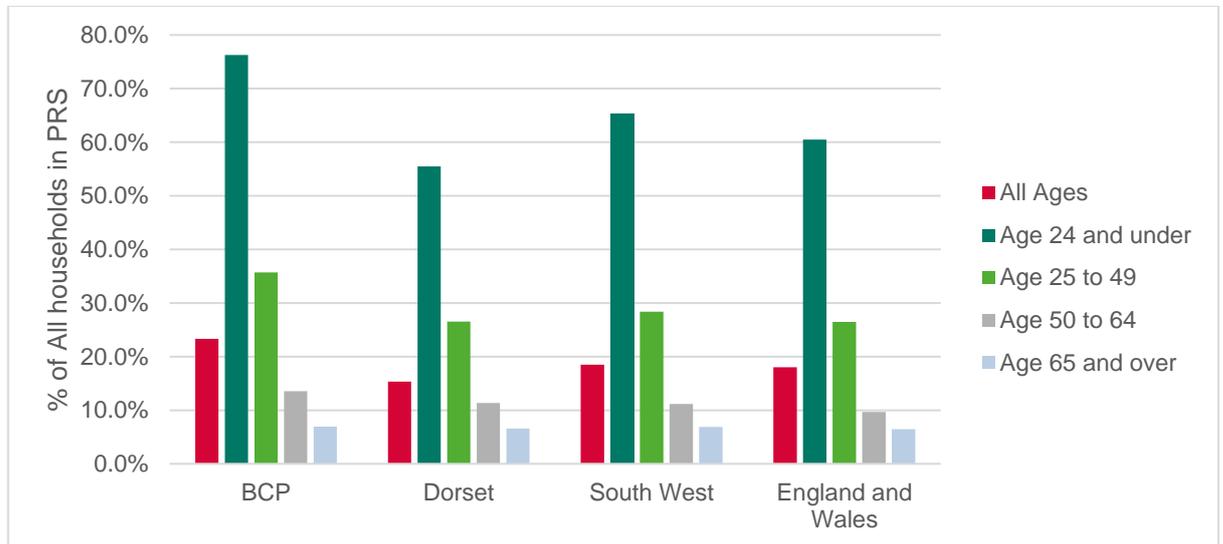
- 8.46 At the time of the last Census (2011) around 22.3% of households in BCP and 13.7% of households in Dorset were privately renting indicating that BCP is higher than the regional average of 17.1% and the national average of 16.7% whereas Dorset is below both.
- 8.47 More recent, but less detailed information shows that a high proportion of BCP's and Dorset's housing stock is privately owned (89.7% and 88.1% respectively) compared to the national average of 82.6% (this includes private rental). The latest unofficial ONS estimates²² suggest that the PRS accounts for around 23.9% of the housing stock in BCP and 17.7% in Dorset – similar to levels in 2011. The number of privately rented dwellings in BCP has increased by 15.6% since 2012 compared to an increase of just 2.9% in Dorset.
- 8.48 The figure below shows that based on 2011 Census data, the age group with the highest proportion of households in the PRS is 24 and under as is the case both nationally and regionally. In BCP, a greater proportion of this age group rent than the regional and national averages, unlike in Dorset.

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<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/subnationaldwellingstockbytenureestimates> (This is unofficial data which has a relatively high error margin).

- 8.49 In contrast, the proportion of 50 to 64s and 65 and overs renting in Dorset is similar to the regional and national averages. In BCP, the proportion of 50 to 64s renting is slightly above the regional and national averages.

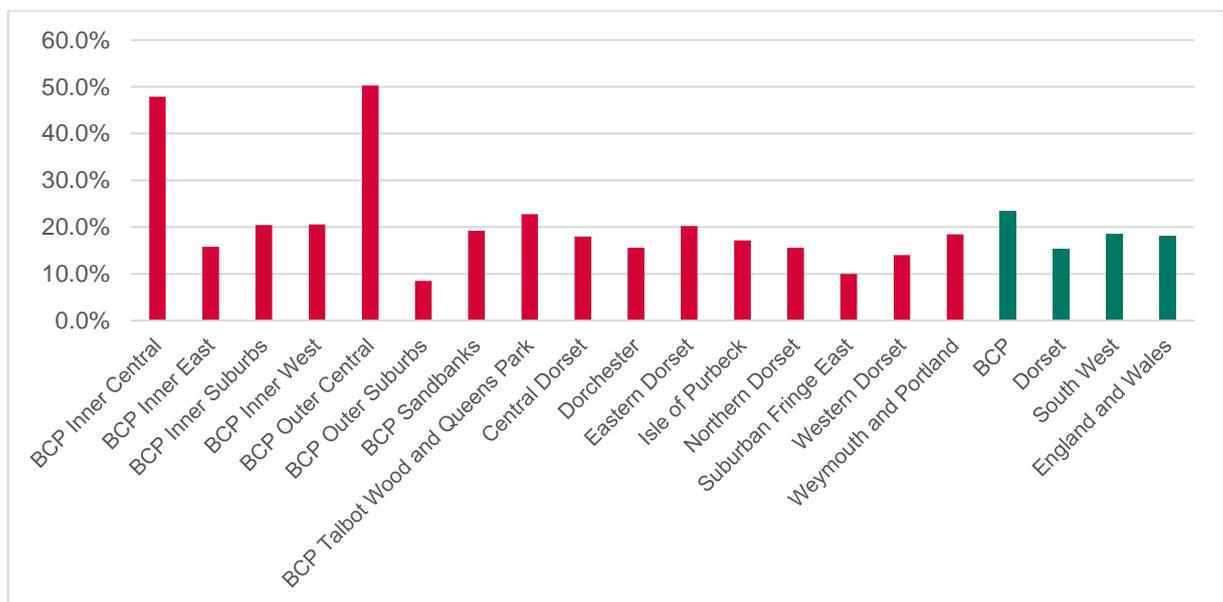
Table 8.1 Proportion of Households in PRS by Age of Household Reference Person (2011)



Source: ONS, Census 2011

- 8.50 The proportion of households in the PRS has been broken down by Sub-Area as shown in the figure below. A high proportion of households in BCP Inner Central (47.9%) and BCP Outer Central (50.3%) are in the PRS compared to the average for BCP (23.3%). Conversely, BCP Outer Suburbs (8.5%) has a relatively small PRS.

Table 8.2 Proportion of Households in PRS by Sub-Area (2011)



Source: ONS, Census 2011

- 8.51 The Eastern Dorset sub area (20.3%) has the highest percentage of households in the PRS in Dorset whereas the Suburban Fringe East sub area (10%) has the lowest. This compares to the Dorset figure of 15.3%.

Rental Costs

- 8.52 The figure below shows the median rental price in BCP and Dorset and comparator areas. Renting in BCP (£795 per calendar month) and Dorset (£750 pcm) is relatively expensive compared to the South West and England as a whole (both £725). This is also the case for entry level (lower quartile) rental prices which are particularly high when compared to the English average.

Table 8.3 Median and Lower Quartile Rental Cost (Year to September 2020)

	Median	Lower Quartile
Bournemouth, Christchurch and Poole	£795	£650
Dorset	£750	£645
South West	£725	£600
England	£725	£550

Source: ONS Private Rental Market Statistics

- 8.53 The table below shows the median rent by property size in terms of number of bedrooms. In BCP 4-bedroom rental properties are particularly expensive when compared to the regional and national averages. The rental price in BCP comes closer to the regional and national average as the property size decreases and rooms and studios are below the national average.

Table 8.4 Median Monthly Rent by Size (year to Sept 2020)



Source: ONS Rental Market Statistics

8.54 The figures below indicate how median rental prices vary across BCP based on data from Rightmove. As this is just a point in time sample will reflect what is on sale at that given time. Due to the limited number of rental properties available in certain Sub-Areas some data points are more unreliable than other – the sample size has been included at the base of the columns to highlight these Sub-Areas. Furthermore, the rental prices in BCP and Dorset have been presented in separate figures because Rightmove data suggests the difference in median rents between the two districts is far larger than the ONS data suggests. Therefore, it would not be appropriate to make comparisons between the districts based on the Rightmove data.

8.55 The figure below shows that the BCP Inner Suburbs Sub-Area is the only Sub-Area with higher median rents than BCP as a whole which is likely to be due to the fact that it has a large volume of relatively expensive rental stock. On the other hand, five Sub-Areas have a median rental value of £200 pcm below that of BCP as a whole. BCP Outer Central has the lowest median rental price of £688 pcm.

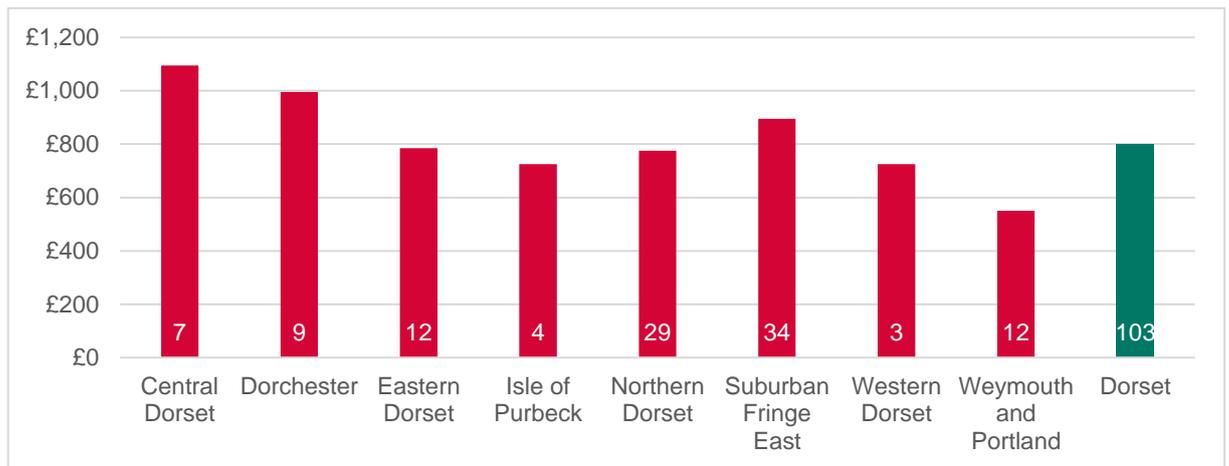
Table 8.5 Median Rent (pcm) by Sub-Area - BCP



Source: Rightmove search (14th April 2021)

8.56 The figure below shows that the Central Dorset (£1,095 pcm) and Dorchester (£995 pcm) Sub-Areas are the most expensive places to rent in Dorset. Weymouth and Portland is by far the cheapest Sub-Area to rent which a median price of just £550 pcm.

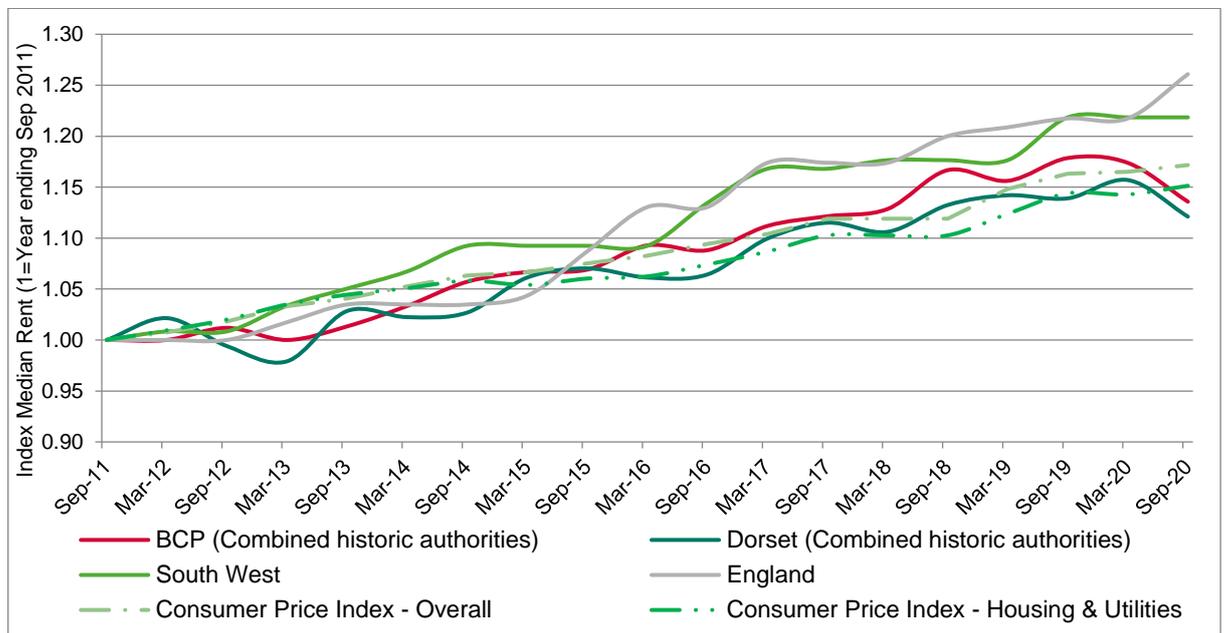
Table 8.6 Median Rent (pcm) by Sub-Area - Dorset



Source: Rightmove search (14th April 2021)

8.57 The figure below shows that median rents²³ in BCP and Dorset have increased by 13.6% and 12.1% respectively between 2011 and 2018. This is a far slower rate than across both the South West (21.8%) and England as a whole (26.1%). Rental prices have until very recently outstripped the rate of inflation for 'housing and utilities' in general meaning that they are now relatively more affordable.

Table 8.7 Indexed Median Rents (Year ending Sept 2011- Sept 2020)

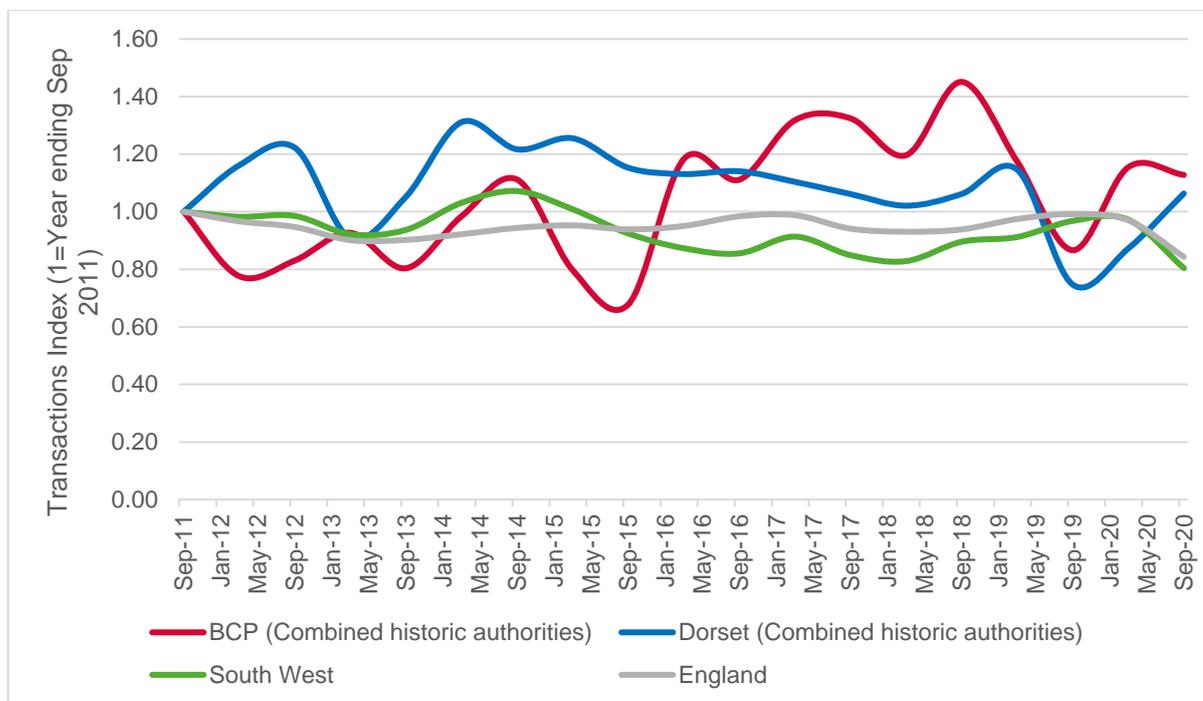


Source: VOA Rental Market Statistics

²³ As medians are only available for historic districts which make up BCP and Dorset, the 'median' is the mean of the median values for each historic district.

- 8.58 As the figure below illustrates the level of rental activity in BCP and to a lesser extent Dorset is highly variable. Since 2011, the rental market in BCP and Dorset has experienced a slight growth whereas across both the South West and England there has been a slight decline.

Table 8.8 Indexed Number of Rental Transactions (Year ending Sep 2011-2020)



Source: VOA Rental Market Statistics

Scale of Future Demand for BtR Accommodation

- 8.59 As established by the British Property Federation (BPF) report, the current focus of Build to Rent development is in the major cities. This would immediately suggest that there is limited scope for investment in Dorset but more so in BCP and specifically in Bournemouth.
- 8.60 The BPF report identified that around 62% of BtR residents were aged between 25 and 34, 17% were aged between 16 and 24 and 13% aged 35-44 (see 8.38). In examining the population of the study area, the largest population in their 20s and 30s can be found in BCP. This would therefore reiterate the areas attractiveness to BtR developers.

Table 8.9 Mid-Year Population Estimate (2019)

	0-19	20-29	30-39	40+	Total	20-39
BCP	85,154	49,465	50,179	210,533	395,331	99,644
Dorset	74,765	31,558	35,209	236,976	378,508	66,767
Total	159,919	81,023	85,388	447,509	773,839	166,411

Source: ONS, MYE 2019

- 8.61 The population projections linked to the standard method show that the population in the BCP aged 20 to 39 will increase by a significant 28,793 people. This is an increase of around 29.3%. In contrast the population aged 20-39 in Dorset is only expected to increase 3,274 by 5.0%.
- 8.62 This is a clear demonstration that the typical build to rent occupier group is expected to expand significantly in BCP while in Dorset that is not the case. This is also reflected in the level of activity in the sector within BCP.

Table 8.10 Population Projections for BCP and Dorset linked to Standard Method

AGE GROUP	BCP				Dorset			
	2019	2043	Change 19-43	% Change 19-43	2019	2043	Change 19-43	% Change 19-43
20-24	27,011	36,563	9,552	35.4%	14,319	15,385	1,066	7.4%
25-29	22,368	32,194	9,825	43.9%	15,910	17,998	2,088	13.1%
30-34	23,567	30,766	7,199	30.5%	18,174	17,666	-508	-2.8%
35-39	25,293	27,510	2,217	8.8%	17,675	18,303	628	3.6%
All ages	400,995	484,032	83,037	20.7%	382,014	420,278	38,265	10.0%
Total 20-39	98,239	127,033	28,793	29.3%	66,078	69,352	3,274	5.0%

Source: Demographic Projections

- 8.63 It should be recognised that not all of these households will seek rental accommodation as those able to afford to buy are likely to do so. Furthermore, others will not be able to afford to rent. Those which are already renting privately are the target group and if they are prepared to pay a premium to benefit from the additional services and professional management that the BtR sector provides.
- 8.64 As analysis set out elsewhere in this report illustrates, there is a notable gap (just short of £17,000) between the income required for a median rent and to buy at lower quartile resale values. The population within these benchmark income values have been chosen as the market for BtR, as this market is more akin to a premium rental product and it is likely that those who can afford to buy will do so.

BtR as an Affordable Housing Product

- 8.65 There is also an opportunity for the BtR sector to assist with the delivery of affordable housing. The need for this was considered earlier in this report. This would come in two forms either as affordable private rent via developer contributions on market schemes or development of 100% affordable sites.
- 8.66 It is possible that Rent to Buy developments would help reduce the numbers of households waiting for appropriate housing and free up limited affordable housing resources to target households with higher priority needs. BtR would also enable registered providers to diversify their stock and deliver more affordable housing of all tenures.

- 8.67 This would be achieved through a combination of a secure affordable rented period (whichever is the lower of 80% of open market rent, including any service charge, or Local Housing Allowance), giving residents time to save, and a 10% gifted deposit to enable tenants to buy their own home in 5, 10, 15 or 20 years.
- 8.68 Given the challenges of accessing a deposit which shared ownership and to a greater degree first homes do not resolve then BtR may be a suitable alternative. This would allow those requiring affordable housing to build up savings.
- 8.69 The Council should take a proactive approach to welcoming the delivery of the wider range of affordable tenures set out in the revised NPPF to encourage a more diverse housing stock and to improve the ability of all developers to deliver an appropriate and higher quantum of affordable housing.
- 8.70 Any such scheme should be treated on its merits and be located in suitable locations. Applications proposing BtR Developments should also be supported by a demand assessment, produced by the developers. This should establishing the scale of demand for such accommodation in the settlement where the proposed development would take place.

Private rental market in BCP and Dorset– Key Messages

- The PRS comprises around 22.3% of households in BCP and 13.7% of households in Dorset. BCP has a higher level of PRS than the Region and Country while there in Dorset there is a lower level.
- Renting in both BCP and Dorset is relatively more expensive than both the South West and England as whole. However, rental price growth over the last 10 years has been lower than both the South West and National growth.
- Levels of private renting is particularly high amongst young people in BCP the levels of which are higher than the national and regional average. This is in contrast to Dorset where private renting within the younger population is lower than the national and regional average.
- The population projections linked to the standard method show that the population in aged 20-39 in BCP will increase by a significant 28,793 people. This is an increase of around 29.3%. In contrast the population aged 20-39 in Dorset is only expected to increase 3,274 by 5.0%.
- This is a clear demonstration that the typical build to rent occupier group is expected to expand significantly in BCP while in Dorset that is not the case. This is also reflected in the level of activity in the sector within BCP.
- Our high-level analysis suggests that there could be a notable level of interest in BtR products in BCP based on the income gap between renting and buying and the age profile of the BtR target market.

9. FAMILY HOUSEHOLDS AND THE APPROPRIATE MIX OF HOUSING

Introduction

- 9.1 This section considers the appropriate mix of housing across the study area, with a particular focus on the sizes of homes required in different tenure groups. This section looks at a range of statistics in relation to families (generally described as households with dependent children) before moving on to look at how the numbers are projected to change moving forward. The analysis considers the mix of housing across the whole of BCP and Dorset (covering all household groups and tenures); before providing some commentary about how this might vary across different sub-areas.

Background data

- 9.2 The number of families in BCP (defined for the purpose of this assessment as any household which contains at least one dependent child) totalled 40,400 as of the 2011 Census, accounting for 24% of households; for Dorset the proportion of households was also 24%. These proportions are lower than seen across the region and well below national averages.

Table 9.1 Households with dependent children (2011)

		Married couple	Cohabiting couple	Lone parent	Other households	All other households	Total	Total with dependent children
BCP	No.	21,610	5,922	9,192	3,690	126,965	167,379	40,414
	%	12.9%	3.5%	5.5%	2.2%	75.9%	100.0%	24.1%
Dorset	No.	22,315	5,589	7,614	2,574	120,646	158,738	38,092
	%	14.1%	3.5%	4.8%	1.6%	76.0%	100.0%	24.0%
North West	%	14.7%	3.9%	5.9%	1.9%	73.6%	100.0%	26.4%
England	%	15.3%	4.0%	7.1%	2.6%	70.9%	100.0%	29.1%

Source: Census (2011)

- 9.3 The tables below show the same information for sub-areas. The analysis shows relatively few family households in the Inner Central area of BCP, with the highest proportions being seen in the Inner Suburbs (of BCP) and Eastern Dorset (in Dorset).

Table 9.2 Households with dependent children (2011) – BCP

	Married couple	Cohabiting couple	Lone parent	Other households	All other households	Total	Total with dependent children
Inner Central	5.0%	1.7%	2.6%	1.0%	89.8%	100.0%	10.2%
Inner East	13.6%	3.2%	4.5%	2.0%	76.7%	100.0%	23.3%
Inner Suburbs	13.9%	4.4%	6.8%	2.7%	72.2%	100.0%	27.8%
Inner West	14.1%	3.9%	6.1%	2.3%	73.6%	100.0%	26.4%
Outer Central	9.1%	4.0%	7.2%	2.5%	77.2%	100.0%	22.8%
Outer Suburbs	18.4%	2.4%	4.0%	1.9%	73.3%	100.0%	26.7%
Sandbanks	12.1%	2.0%	3.4%	1.2%	81.4%	100.0%	18.6%
TW and QP	13.0%	2.7%	3.9%	2.2%	78.3%	100.0%	21.7%
BCP – Total	12.9%	3.5%	5.5%	2.2%	75.9%	100.0%	24.1%

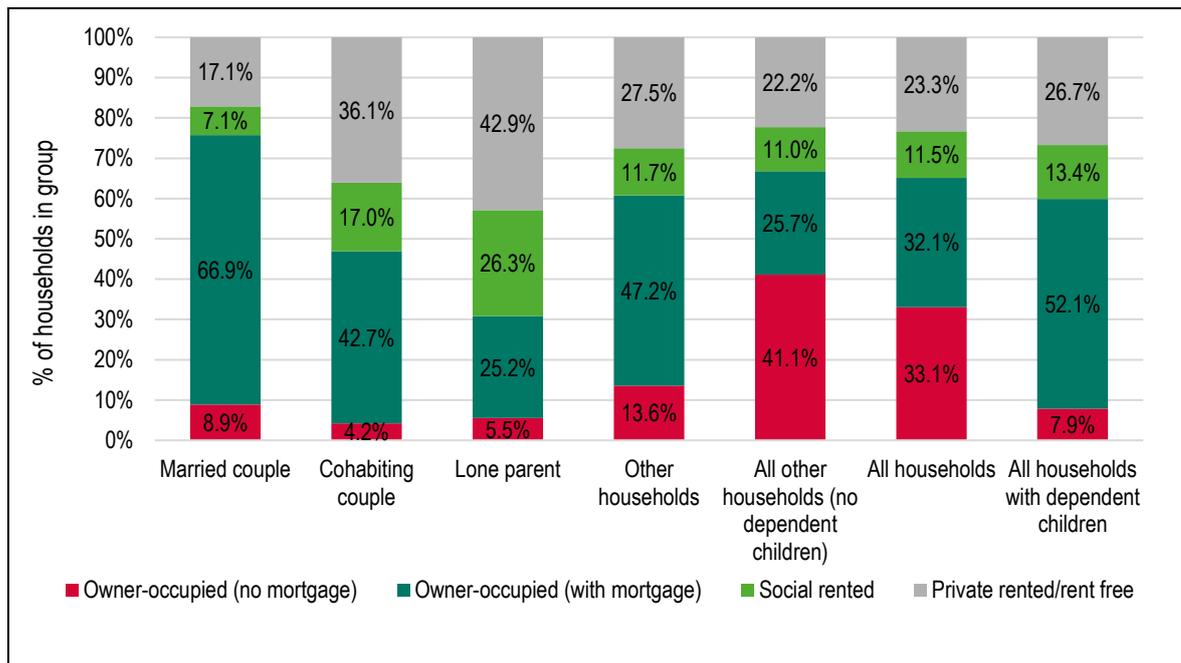
Source: Census (2011)

Table 9.3 Households with dependent children (2011) – Dorset

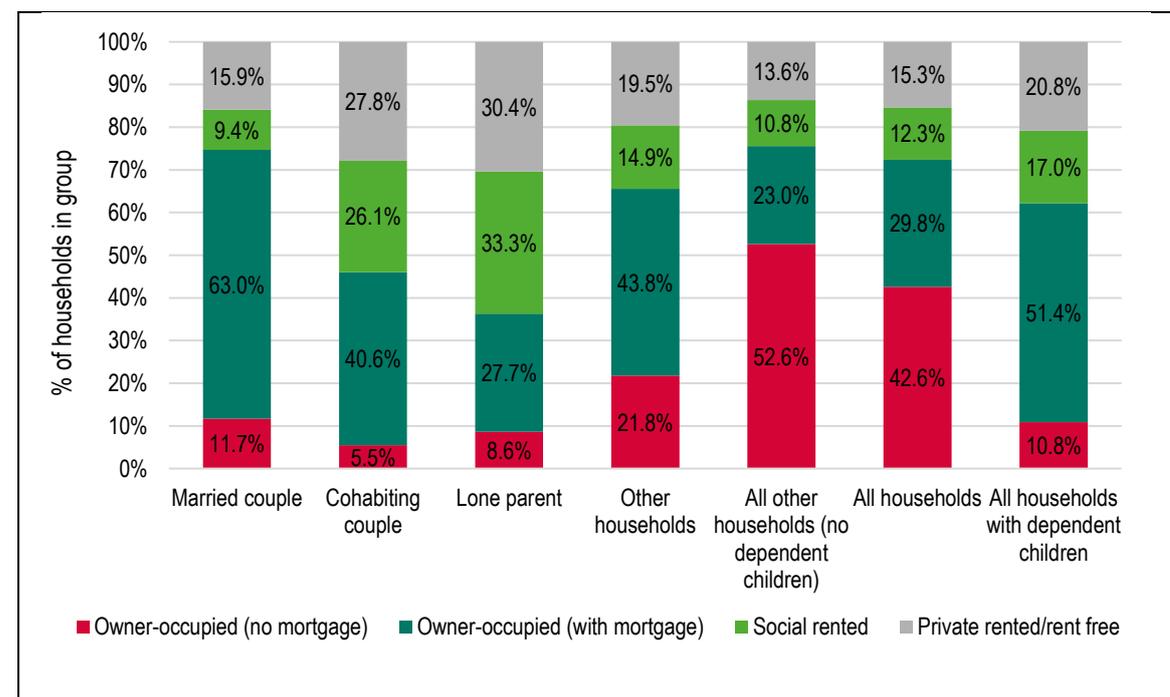
	Married couple	Cohabiting couple	Lone parent	Other households	All other households	Total	Total with dependent children
Central Dorset	16.2%	3.4%	4.0%	1.5%	74.9%	100.0%	25.1%
Dorchester	14.5%	3.7%	5.8%	1.3%	74.7%	100.0%	25.3%
Eastern Dorset	18.0%	3.5%	4.4%	1.8%	72.3%	100.0%	27.7%
Isle of Purbeck	11.7%	3.2%	4.1%	1.8%	79.3%	100.0%	20.7%
Northern Dorset	14.4%	3.4%	4.3%	1.4%	76.5%	100.0%	23.5%
Suburban Fringe East	15.0%	3.0%	4.3%	1.6%	76.1%	100.0%	23.9%
Western Dorset	10.7%	3.5%	4.3%	1.4%	80.1%	100.0%	19.9%
Weymouth & Portland	12.3%	4.5%	6.6%	2.0%	74.8%	100.0%	25.2%
Dorset - Total	14.1%	3.5%	4.8%	1.6%	76.0%	100.0%	24.0%

Source: Census (2011)

- 9.4 The figures below show the current tenure of households with dependent children. There are some considerable differences by household type with lone parents having a very high proportion living in the social rented sector and private rented accommodation. Only 31% of lone parent households in BCP are owner-occupiers compared with 76% of married couples with children. For Dorset, these figures are 36% and 75% respectively.

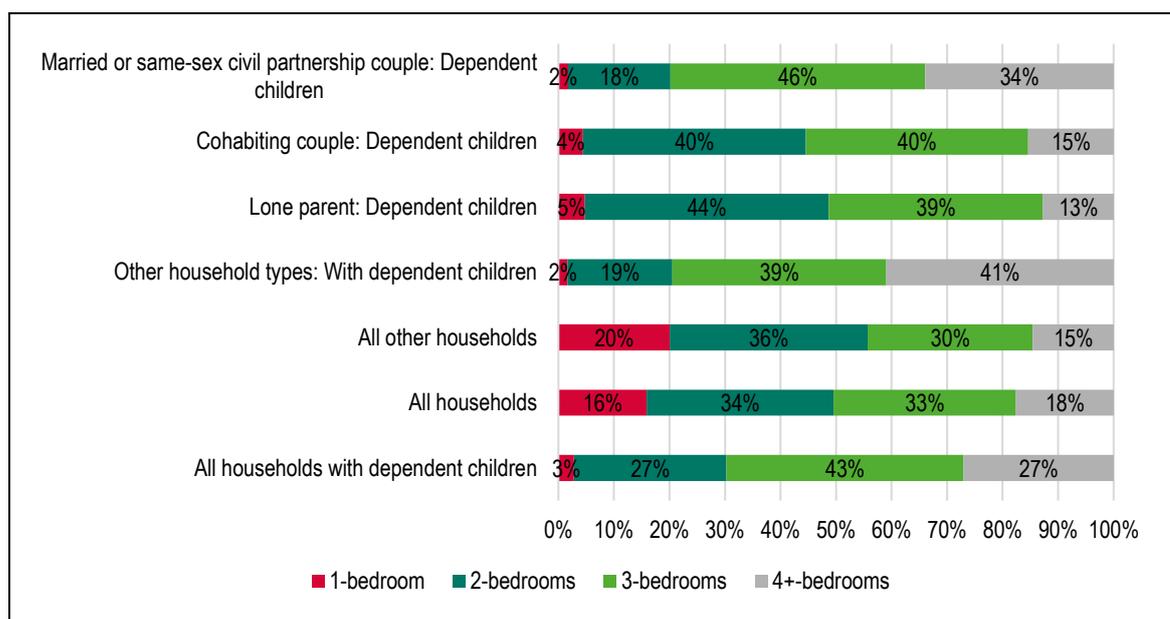
Table 9.4 Tenure of households with dependent children – BCP

Source: Census (2011)

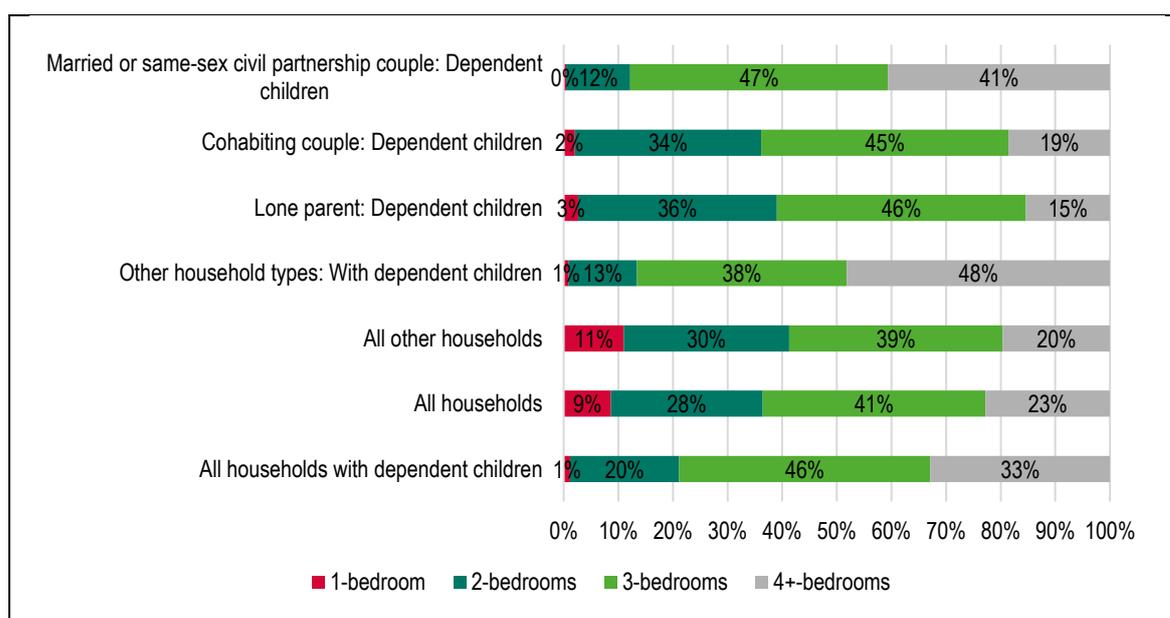
Table 9.5 Tenure of households with dependent children – Dorset

Source: Census (2011)

9.5 The figures below show the number of bedrooms for family households at the point of the 2011 Census. The analysis shows the differences between married, cohabiting, and lone parent families. Across both areas, the tendency is for family households to occupy 3-bedroom housing with varying degrees of 2- and 4+-bedroom properties depending on the household composition. The data also, unsurprisingly, highlights the small level of 1-bed stock occupied by families across the board. As a result, we could expect continued demand for 3+-bedroom homes.

Table 9.6 Number of Bedrooms by Family Household Type, 2011 – BCP

Source: 2011 Census

Table 9.7 Number of Bedrooms by Family Household Type, 2011 – Dorset

Source: 2011 Census

- 9.6 Delivery of family sized housing remains a requirement in both urban and rural locations. This includes providing family housing in the widest possible choice and mix of housing locations including town centres, and through the sustainable expansion of rural and smaller settlements (particularly helping to support economic and social vitality).
- 9.7 It is important to deliver a range of housing sizes and to actively promote this through appropriate planning policies and consideration of the operation of the market. There may still be limitations as to the affordability of larger properties in the context of continued growth in sales prices evident across the study area in recent years.

- 9.8 In more rural areas, the opportunity to broaden and secure a choice and mix of family sized accommodation alongside smaller accommodation should be explored to diversify the market and provide for local housing demand. Whilst in towns, subject to the availability of land, the provision of family-sized accommodation should be supported.

The Mix of Housing

- 9.9 A model has been developed that starts with the current profile of housing in terms of size (bedrooms) and tenure. Within the data, information is available about the age of households and the typical sizes of homes they occupy. By using demographic projections linked to the local housing need calculated through the standard method, it is possible to see which age groups are expected to change in number, and by how much.
- 9.10 On the assumption that occupancy patterns for each age group (within each tenure) remain the same, it is therefore possible to assess the profile of housing needed over the assessment period to 2038 (from 2021).
- 9.11 An important starting point is to understand the current balance of housing in the area. The table below profiles the sizes of homes in different tenure groups. In BCP, the analysis typically shows a profile of slightly smaller dwellings (across all tenures) whilst Dorset shows a profile close to the regional average (which in turn is typically larger homes than seen nationally). Observations about the current mix feed into conclusions about future mix later in this section.

Table 9.8 Number of Bedrooms by Tenure, 2011

		BCP	Dorset	South West	England
Owner-occupied	1-bedroom	6%	3%	4%	4%
	2-bedrooms	31%	24%	23%	23%
	3-bedrooms	40%	44%	46%	48%
	4+-bedrooms	23%	28%	28%	25%
	Total	100%	100%	100%	100%
Social rented	1-bedroom	41%	29%	30%	31%
	2-bedrooms	31%	37%	36%	34%
	3-bedrooms	23%	31%	30%	31%
	4+-bedrooms	4%	3%	4%	4%
	Total	100%	100%	100%	100%
Private rented	1-bedroom	30%	17%	23%	23%
	2-bedrooms	42%	38%	38%	39%
	3-bedrooms	18%	33%	28%	28%
	4+-bedrooms	10%	12%	11%	10%
	Total	100%	100%	100%	100%

Source: 2011 Census

Overview of Methodology

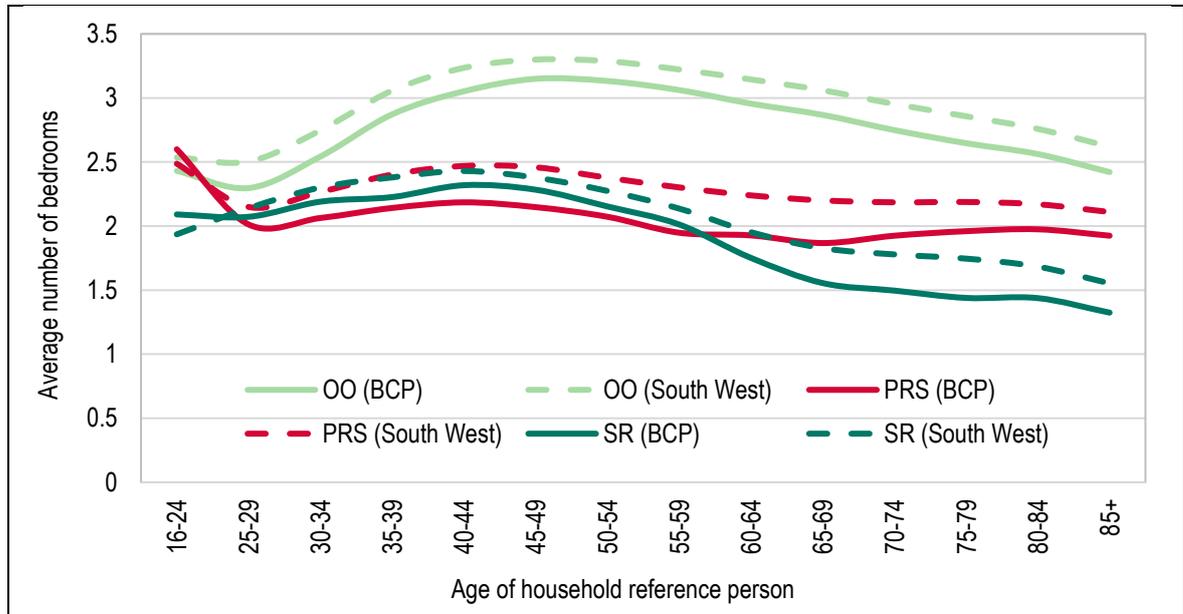
- 9.12 The method to consider future housing mix looks at the ages of the Household Reference Persons and how these are projected to change over time. The sub-sections to follow describe some of the key analysis.

Understanding how Households Occupy Homes

- 9.13 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector, households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.
- 9.14 The size of housing which households occupy relates more to their wealth and age than the number of people they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a 4-bedroom home as long as they can afford it, and hence projecting an increase in single person households does not automatically translate into a need for smaller units.
- 9.15 That said, issues of supply can also impact occupancy patterns, for example it may be that a supply of additional smaller bungalows (say 2-bedrooms) would encourage older people to downsize but in the absence of such accommodation these households remain living in their larger accommodation.
- 9.16 The issue of choice is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) where households are allocated properties which reflect the size of the household, although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to under-occupy housing (e.g. those who can afford to pay the spare room subsidy ('bedroom tax')).
- 9.17 The approach used is to interrogate information derived in the projections about the number of household reference persons (HRPs) in each age group and apply this to the profile of housing within these groups. The data for this analysis has been formed from a commissioned table by ONS (Table CT0621 which provides relevant data for all local authorities in England and Wales from the 2011 Census).
- 9.18 The figures below show an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group for BCP/Dorset and the South West. In the owner-occupied sector the average size of accommodation rises over time to typically reach a peak around the age of 45-50; a similar pattern (but with smaller dwelling sizes and an earlier peak) is seen in both the

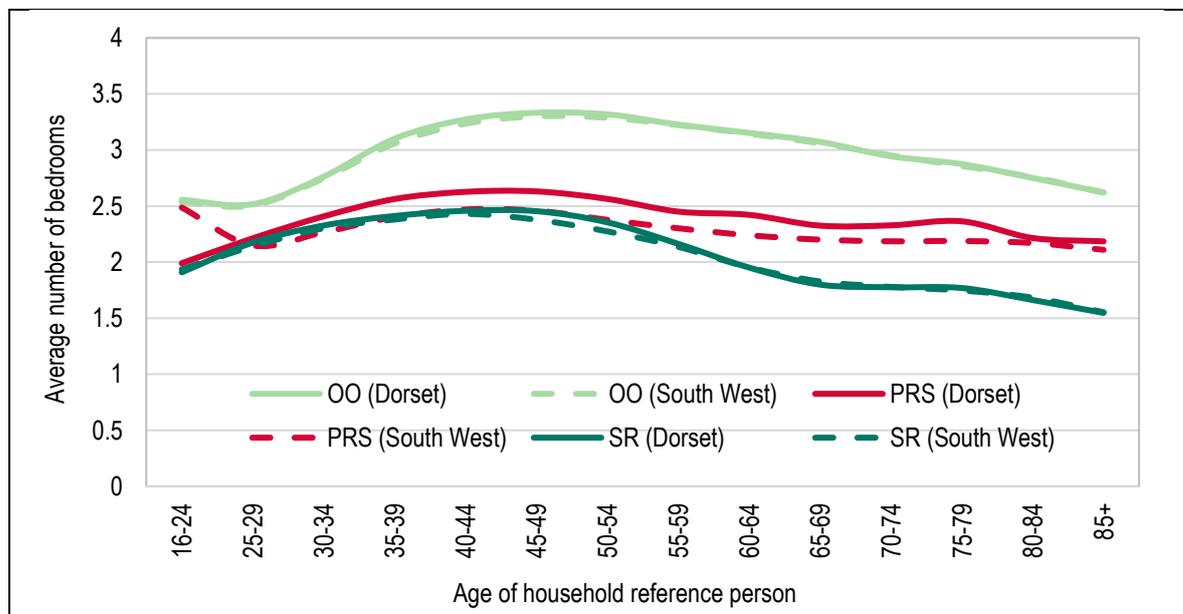
social and private rented sector. After peaking, the average dwelling size decreases – as typically some households downsize as they get older. For BCP, the analysis shows that households (of any given age) typically occupy smaller homes than is seen across the region, whilst the regional data shows a similar pattern to that seen for Dorset.

Table 9.9 Average Bedrooms by Age and Tenure in BCP and the South West



Source: Derived from ONS Commissioned Table CT0621

Table 9.10 Average Bedrooms by Age and Tenure in Dorset and the South West



Source: Derived from ONS Commissioned Table CT0621

9.19 Replicating the existing occupancy patterns at a local level would however result in the conclusions being skewed by the existing housing profile – this is particularly the case in the social rented sector. On this basis a further model has been developed that applies regional occupancy assumptions for

the South West region. Assumptions are applied to the projected changes in Household Reference Person by age discussed below.

9.20 The analysis has been used to derive outputs for three broad categories. These are:

- **market housing** – which is taken to follow the occupancy profiles in the owner-occupied sector;
- **affordable home ownership** – which is taken to follow the occupancy profile in the private rented sector (this is seen as reasonable as the Government’s desired growth in home ownership looks to be largely driven by a wish to see households move out of private renting); and
- **rented affordable housing** – which is taken to follow the occupancy profile in the social rented sector. The affordable sector in the analysis to follow would include social and affordable rented housing.

Changes to Households by Age

9.21 The tables below present the projected change in households by age of household reference person, this clearly shows particularly strong growth as being expected in older age groups (and to some extent some younger age groups e.g. those aged up to 49). In Dorset, households headed by someone aged 50-64 are projected to see a decrease in household numbers.

Table 9.11 Projected Change in Household by Age of HRP in BCP

	2021	2038	Change in Households	% Change
16-24	7,541	9,527	1,986	26.3%
25-29	7,959	13,047	5,089	63.9%
30-34	11,137	16,098	4,961	44.5%
35-39	13,746	15,874	2,127	15.5%
40-44	14,973	16,321	1,348	9.0%
45-49	15,209	17,386	2,178	14.3%
50-54	17,025	17,728	703	4.1%
55-59	17,133	18,231	1,099	6.4%
60-64	13,912	15,584	1,672	12.0%
65-69	11,410	15,793	4,384	38.4%
70-74	14,233	18,000	3,768	26.5%
75-79	12,127	16,673	4,546	37.5%
80-84	9,432	13,825	4,392	46.6%
85 & over	10,364	16,130	5,766	55.6%
Total	176,199	220,218	44,018	25.0%

Source: Bespoke Demographic Projections for this study

Table 9.12 Projected Change in Household by Age of HRP in Dorset

	2021	2038	Change in Households	% Change
16-24	2,389	3,235	845	35.4%
25-29	4,814	6,373	1,559	32.4%
30-34	7,673	8,324	651	8.5%
35-39	8,557	9,465	909	10.6%
40-44	10,440	11,148	707	6.8%
45-49	12,520	13,281	760	6.1%
50-54	16,206	14,511	-1,695	-10.5%
55-59	18,210	15,728	-2,481	-13.6%
60-64	16,553	15,625	-928	-5.6%
65-69	14,444	17,958	3,513	24.3%
70-74	18,497	22,180	3,683	19.9%
75-79	16,070	21,801	5,731	35.7%
80-84	12,078	18,634	6,556	54.3%
85 & over	12,052	21,241	9,189	76.2%
Total	170,504	199,503	28,999	17.0%

Source: Demographic Projections

Modelled Outputs

- 9.22 By following the methodology set out above and drawing on the sources shown, a series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures at a local authority level. Two tables are provided, considering both local and regional occupancy patterns. The data linking to local occupancy will to some extent reflect the role and function of the local area, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different sizes/tenures of homes when considered in a wider context.
- 9.23 The analysis for rented affordable housing can also draw on data from the local authority Housing Register with regards to the profile of need. The data has been taken from the Local Authority Housing Statistics ("LAHS") and shows a pattern of need in both areas which is focussed on 1- and 2-bedroom homes but also showing approaching a quarter of households as requiring 3+- bedroom homes.

Table 9.13 Size of Social/Affordable Rented Housing – Housing Register Information – BCP and Dorset

	BCP		Dorset	
	Number of households	% of households	Number of households	% of households
1-bedroom	2,707	53%	3,060	55%
2-bedrooms	1,264	25%	1,334	24%
3-bedrooms	869	17%	829	15%
4+-bedrooms	308	6%	313	6%
Total	5,148	100%	5,536	100%

Source: Local Authority Housing Statistics, 2020

- 9.24 The tables below show the modelled outputs of need by dwelling size in the three broad tenures. Tables link to local and regional occupancy patterns with a further table combining the outputs from the two models. In BCP it is notable when linking to regional occupancy patterns that size requirements are typically larger – this will reflect the observation that dwelling sizes in the area are relatively small. For Dorset, differences between the models are less notable, although it is the case that in the market sector the analysis shows a lower need for 4+-bedroom homes, this will be due to the fact that projections moving forward show fewer younger households and fewer households with dependent children (who might be expected to be living in larger dwellings).

Modelled Outputs for BCP

Table 9.14 Modelled Mix of Housing by Size and Tenure in BCP (linked to local occupancy patterns)

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	7%	37%	38%	18%
Affordable home ownership	30%	43%	17%	9%
Affordable housing (rented)	46%	30%	21%	4%

Sources: Housing Market Model

Table 9.15 Modelled Mix of Housing by Size and Tenure in BCP (linked to regional occupancy patterns)

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	28%	45%	22%
Affordable home ownership	24%	39%	27%	11%
Affordable housing (rented)	33%	36%	27%	3%

Sources: Housing Market Model

Table 9.16 Modelled Mix of Housing by Size and Tenure in BCP (combining methodologies)

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	6%	33%	42%	20%
Affordable home ownership	27%	41%	22%	10%
Affordable housing (rented)	39%	33%	24%	3%

Sources: Housing Market Model

Modelled Outputs for Dorset

Table 9.17 Modelled Mix of Housing by Size and Tenure in Dorset (linked to local occupancy patterns)

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	36%	43%	15%
Affordable home ownership	19%	41%	31%	10%
Affordable housing (rented)	36%	37%	24%	3%

Sources: Housing Market Model

Table 9.18 Modelled Mix of Housing by Size and Tenure in Dorset (linked to regional occupancy patterns)

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	6%	34%	45%	15%
Affordable home ownership	24%	39%	27%	10%
Affordable housing (rented)	40%	34%	24%	2%

Sources: Housing Market Model

Table 9.19 Modelled Mix of Housing by Size and Tenure in Dorset (combining methodologies)

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	35%	44%	15%
Affordable home ownership	21%	40%	29%	10%
Affordable housing (rented)	38%	35%	24%	2%

Sources: Housing Market Model

Indicative Targets for Different Sizes of Properties by Tenure across BCP/Dorset**Social/Affordable Rented Housing**

- 9.25 Bringing together the above, a number of factors are recognised. This includes recognising that it is unlikely that all affordable housing needs will be met and that it is likely that households with a need for larger homes will have greater priority (as they are more likely to contain children). That said,

there is also a possible need for 1-bedroom social housing arising due to homelessness (typically homeless households are more likely to be younger single people).

- 9.26 The conclusions also consider the Housing Register, but recognises that this will be based on a strict determination of need using the bedroom standard; there will be some households able to afford a slightly larger home or who can claim benefits for a larger home than they strictly need (i.e. are not caught by the spare room subsidy ('bedroom tax') – this will include older person households).
- 9.27 In taking account of the modelled outputs, the Housing Register, and the discussion above, it is suggested that the following mix of social/affordable rented housing (which is close to the modelled outputs) would be appropriate:

Social/Affordable Rent	BCP	Dorset
1-bedroom:	35%	35%
2-bedrooms:	35%	35%
3-bedrooms:	25%	25%
4+-bedrooms:	5%	5%

Affordable Home Ownership

- 9.28 In the affordable home ownership and market sectors a profile of housing that closely matches the outputs of the modelling is suggested. It is considered that the provision of affordable home ownership should be more explicitly focused on delivering smaller family housing for younger households. Based on this analysis, it is suggested that the following mix of affordable home ownership would be appropriate:

Affordable Home Ownership	BCP	Dorset
1-bedroom:	25%	20%
2-bedrooms:	40%	40%
3-bedrooms:	25%	30%
4+-bedrooms:	10%	10%

Market Housing

- 9.29 Finally, in the market sector (market sale and PRS), a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile (as well as observations about the current mix when compared with other locations). This sees a slightly larger

recommended profile compared with other tenure groups. The following mix of market housing is suggested:

Market Housing	BCP	Dorset
1-bedroom:	5%	5%
2-bedrooms:	35%	35%
3-bedrooms:	40%	45%
4+-bedrooms:	20%	15%

- 9.30 Although the analysis has quantified this on the basis of the market modelling and an understanding of the current housing market, it does not necessarily follow that such prescriptive figures should be included in the plan making process (although it will be useful to include an indication of the broad mix to be sought across the study area) – demand can change over time linked to macro-economic factors and local supply. Policy aspirations could also influence the mix sought.
- 9.31 Whilst this report does not suggest that highly prescriptive figures necessarily need to be included within Local Plans, it is the case that the figures can be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area.
- 9.32 The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites, and the Councils should expect justification for a housing mix on such sites which significantly differs from that modelled herein. Site location and area character are also, however, relevant considerations for the appropriate mix of market housing on individual development sites.

Smaller-area Housing Mix

- 9.33 The analysis above has focussed on overall local authority-wide needs; given differences between locations it is however worth considering the potential mix at a smaller-area level. The tables below show the profile of housing by tenure for the sub-areas. The analysis shows a few features, including the high proportion of smaller market homes in the Inner Central area of BCP and a high proportion of 4+-bedroom homes in the Outer Suburbs. In Dorset, Central and Eastern Dorset both see high proportions of homes with 4+-bedrooms.

Table 9.20 Number of Bedrooms by Tenure, 2011 – sub-areas – BCP

		Inner Central	Inner East	Inner Suburbs	Inner West	Outer Central	Outer Suburbs	Sandbanks	TW and QP	BCP - TOTAL
Owner-occupied	1-bedroom	18%	5%	6%	6%	16%	2%	4%	5%	6%
	2-bedrooms	54%	29%	31%	31%	38%	21%	27%	28%	31%
	3-bedrooms	17%	42%	44%	46%	28%	37%	35%	31%	40%
	4+-bedrooms	11%	24%	19%	18%	18%	40%	33%	36%	23%
	Total	100%	100%	100%	100%	100%	100%	100%	100%	100%
Social rented	1-bedroom	69%	43%	36%	39%	56%	45%	46%	48%	41%
	2-bedrooms	24%	30%	33%	33%	30%	28%	30%	30%	31%
	3-bedrooms	5%	24%	26%	24%	11%	24%	19%	18%	23%
	4+-bedrooms	2%	3%	5%	4%	3%	2%	5%	3%	4%
	Total	100%	100%	100%	100%	100%	100%	100%	100%	100%
Private rented	1-bedroom	45%	24%	23%	21%	49%	11%	16%	26%	30%
	2-bedrooms	43%	46%	39%	47%	35%	37%	52%	46%	42%
	3-bedrooms	8%	23%	22%	25%	9%	36%	22%	15%	18%
	4+-bedrooms	4%	8%	16%	6%	7%	16%	11%	14%	10%
	Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: 2011 Census

Table 9.21 Number of Bedrooms by Tenure, 2011 – sub-areas – Dorset

		Central Dorset	Dorchester	Eastern Dorset	Isle of Purbeck	Northern Dorset	Sub-urban Fringe East	Western Dorset	Weymouth & Portland	DORSET - TOTAL
Owner-occupied	1-bedroom	1%	6%	3%	4%	2%	3%	4%	4%	3%
	2-bedrooms	22%	22%	20%	27%	22%	25%	26%	26%	24%
	3-bedrooms	42%	46%	43%	44%	43%	42%	44%	48%	44%
	4+-bedrooms	35%	25%	34%	25%	32%	29%	27%	22%	28%
	Total	100%	100%	100%	100%	100%	100%	100%	100%	100%
Social rented	1-bedroom	17%	39%	28%	25%	28%	29%	32%	31%	29%
	2-bedrooms	46%	26%	37%	39%	35%	40%	36%	35%	37%
	3-bedrooms	33%	32%	31%	31%	33%	28%	30%	30%	31%
	4+-bedrooms	3%	3%	4%	6%	4%	3%	2%	4%	3%
	Total	100%	100%	100%	100%	100%	100%	100%	100%	100%
Private rented	1-bedroom	7%	27%	12%	17%	15%	15%	18%	26%	17%
	2-bedrooms	31%	38%	31%	40%	38%	41%	41%	41%	38%
	3-bedrooms	44%	27%	42%	33%	34%	33%	31%	25%	33%
	4+-bedrooms	18%	8%	15%	10%	13%	12%	10%	8%	12%
	Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: 2011 Census

- 9.34 A modelling exercise has then been carried out using the same methodology as for authority-wide data (but with some additional assumptions due to data availability) with the tables below showing the estimated mix of housing by tenure in each location.

Market housing

- 9.35 Focussing on the market sector, and consistent with the analysis of current profiles, the analysis typically shows a need for larger homes outside of the Inner and Outer Central areas of BCP, with less variation being seen across the sub-areas of Dorset. Whilst the modelling does point to some differences, it is not considered sufficiently clear-cut that this would suggest a different mix of housing at a sub-area level. If developments were provided in-line with the suggested mix in this report (authority-wide), then over time there would be some degree of balancing the stock across areas, whilst still recognising the general role and function of different locations.

Table 9.22 Modelled size requirement by sub-area – market housing – BCP

	1-bedroom	2-bedrooms	3-bedrooms	4+ bedrooms
Inner Central	13%	44%	30%	13%
Inner East	5%	33%	43%	20%
Inner Suburbs	6%	32%	44%	18%
Inner West	6%	32%	45%	17%
Outer Central	11%	34%	36%	19%
Outer Suburbs	4%	29%	40%	28%
Sandbanks	5%	32%	39%	24%
TW and QP	5%	31%	37%	27%
BCP – Total	6%	33%	42%	20%

Source: Housing Market Model

Table 9.23 Modelled size requirement by sub-area – market housing – Dorset

	1-bedroom	2-bedrooms	3-bedrooms	4+ bedrooms
Central Dorset	4%	34%	44%	18%
Dorchester	7%	35%	45%	13%
Eastern Dorset	5%	32%	44%	18%
Isle of Purbeck	6%	37%	44%	13%
Northern Dorset	5%	34%	44%	17%
Suburban Fringe East	5%	36%	43%	16%
Western Dorset	5%	36%	44%	14%
Weymouth & Portland	6%	36%	46%	12%
Dorset - Total	5%	35%	44%	15%

Source: Housing Market Model

Affordable home ownership

- 9.36 The table below shows estimates of mix for affordable home ownership. There are again differences between locations, although most areas show a particular focus on the need for 2- and 3-bedroom homes. Again, it is not clear-cut that the data points to the need for a mix of housing which is substantially different locally than would be suggested by the authority-wide analysis.

Table 9.24 Modelled size requirement by sub-area – affordable home ownership – BCP

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Inner Central	34%	42%	15%	9%
Inner East	24%	43%	25%	8%
Inner Suburbs	23%	40%	23%	14%
Inner West	22%	44%	26%	7%
Outer Central	36%	38%	17%	10%
Outer Suburbs	18%	38%	32%	12%
Sandbanks	20%	46%	25%	9%
TW and QP	25%	43%	20%	12%
BCP – TOTAL	27%	41%	22%	10%

Source: Housing Market Model

Table 9.25 Modelled size requirement by sub-area – affordable home ownership – Dorset

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Central Dorset	16%	36%	35%	13%
Dorchester	26%	40%	25%	8%
Eastern Dorset	18%	36%	34%	12%
Isle of Purbeck	21%	40%	30%	9%
Northern Dorset	20%	39%	30%	11%
Suburban Fringe East	20%	41%	29%	10%
Western Dorset	22%	41%	28%	9%
Weymouth & Portland	26%	42%	24%	8%
Dorset – TOTAL	21%	40%	29%	10%

Source: Housing Market Model

Social/Affordable Rented

- 9.37 In the social/affordable rented sector, the differences between areas are arguably fairly slight. Within areas there may however be a case for considering different profiles (e.g. young single people without access to a car might be most suited to living in towns and therefore see a higher need for 1-bedroom homes). That said, overall, it is considered that broadly the same mix could be applied across each authority (in line with the authority-wide mix previously suggested).
- 9.38 Regarding the need for social/affordable rented housing, it should be noted that the analysis above for sub-areas does not take account of any information from the Housing Register. It is possible at any point in time that the register will be able to provide additional data about a suitable mix of rented housing and this should be considered at the relevant time for any specific applications.

Table 9.26 Modelled size requirement by sub-area – social/affordable rented – BCP

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Inner Central	50%	33%	14%	3%
Inner East	44%	30%	23%	2%
Inner Suburbs	35%	35%	26%	4%
Inner West	38%	34%	25%	3%
Outer Central	39%	36%	21%	4%
Outer Suburbs	48%	28%	22%	2%
Sandbanks	48%	30%	19%	3%
TW and QP	43%	32%	22%	3%
BCP – TOTAL	39%	33%	24%	3%

Source: Housing Market Model

Table 9.27 Modelled size requirement by sub-area – social/affordable rented – Dorset

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Central Dorset	31%	40%	27%	3%
Dorchester	43%	31%	24%	2%
Eastern Dorset	34%	36%	26%	3%
Isle of Purbeck	37%	36%	24%	3%
Northern Dorset	39%	34%	24%	3%
Suburban Fringe East	39%	36%	22%	2%
Western Dorset	43%	34%	22%	1%
Weymouth & Portland	38%	36%	24%	3%
Dorset – TOTAL	38%	35%	24%	2%

Source: Housing Market Model

Sub-area conclusions

9.39 Overall, the analysis does not suggest that a substantially different mix should be proposed for smaller areas although there may be a case on a site-by-site basis, or at a specific point in time for some minor adjustments. This is summarised below:

- a) Whilst there are differences in the stock profile in different locations this should not necessarily be seen as indicating particular surpluses or shortfalls of particular types and sizes of homes;
- b) As well as looking at the stock, an understanding of the role and function of areas is important. For example, higher priced rural areas are typically sought by wealthier families and therefore such areas would be expected to provide a greater proportion of larger homes;
- c) That said, some of these areas will have very few small/cheaper stock and so consideration needs to be given to diversifying the stock;
- d) The location/quality of sites will also have an impact on the mix of housing. For example, brownfield sites in the centre of towns may be more suited to flatted development (as well as recognising the point above about role and function) whereas a rural site on the edge of

- an existing village may be more appropriate for family housing. Other considerations (such as proximity to public transport) may impact on a reasonable mix at a local level;
- e) Overall, it is suggested that Councils should broadly seek the same mix of housing in all locations but would be flexible to a different mix where specific local characteristics suggest. The Councils should also monitor what is being built to ensure that a reasonable mix is provided in a settlement overall. For example, if a recent housing site has provided nothing but 4+-bedroom 'executive' homes, then it could be expected that the next site to come along might provide a mix which includes more homes for younger/smaller family households and childless couples.
 - f) Additionally, in the affordable sector it may be the case that Housing Register data for a smaller area identifies a shortage of housing of a particular size/type which could lead to the mix of housing being altered from the overall suggested requirement.

Built-form

- 9.40 A final issue is a discussion of the need/demand for different built forms of homes. In particular this discussion focusses on bungalows and the need for flats vs. houses.

Bungalows

- 9.41 The sources used for analysis in this report make it difficult to quantify a need/demand for bungalows in the study area as Census data (which is used to look at occupancy profiles) does not separately identify this type of accommodation. Data from the Valuation Office Agency (VOA) does provide estimates of the number of bungalows (by bedrooms) although no tenure split is available.
- 9.42 The tables below show a notable proportion of homes in both BCP and Dorset are bungalows (15% of all flats and houses in BCP and 20% in Dorset) compared to 9% nationally. Over half of these having 2-bedrooms in BCP and 85% having 2- or 3-bedrooms in Dorset.

Table 9.28 Number of dwellings by property type and number of bedrooms (March 2020) – BCP

	Number of bedrooms					All
	1	2	3	4+	Not Known	
Bungalow	1,630	14,860	8,570	1,810	20	26,880
Flat/Maisonette	28,550	35,400	6,270	1,760	760	72,740
Terraced house	760	6,740	10,910	1,850	20	20,280
Semi-detached house	90	5,210	17,550	2,600	20	25,470
Detached house	70	1,770	18,910	18,290	90	39,130
All flats/houses	31,100	63,980	62,210	26,310	910	184,500
Annexe	-	-	-	-	-	330
Other	-	-	-	-	-	700
Unknown	-	-	-	-	-	1,330
All properties	-	-	-	-	-	186,870

Source: Valuation Office Agency

Table 9.29 Number of dwellings by property type and number of bedrooms (March 2020) – Dorset

	Number of bedrooms					All
	1	2	3	4+	Not Known	
Bungalow	2,130	14,970	14,820	2,980	160	35,050
Flat/Maisonette	11,950	14,700	1,850	350	340	29,190
Terraced house	1,100	13,000	20,220	3,720	130	38,170
Semi-detached house	360	5,360	20,900	3,960	170	30,750
Detached house	150	2,610	15,480	22,490	310	41,040
All flats/houses	15,690	50,640	73,270	33,500	1,110	174,200
Annexe	-	-	-	-	-	910
Other	-	-	-	-	-	2,420
Unknown	-	-	-	-	-	2,430
All properties	-	-	-	-	-	179,950

Source: Valuation Office Agency

- 9.43 In general, discussions with local estate agents (discussions nationally) find that there is a demand for bungalows and in addition, analysis of survey data (in other locations) points to a high demand for bungalows (from people aged 65 and over in particular).
- 9.44 Bungalows are often the first choice for older people seeking suitable accommodation in later life and there is generally a high demand for such accommodation when it becomes available (this is different from specialist accommodation for older people which would have some degree of care or support).

- 9.45 As a new build option, bungalows are often not supported by either house builders or planners (due to potential plot sizes and their generally low densities). There may, however, be instances where bungalows are the most suitable house type for a particular site; for example, to overcome objections about dwellings overlooking existing dwellings or preserving sight lines.
- 9.46 There is also the possibility of a wider need/demand for retirement accommodation. Retirement apartments can prove very popular if they are well located in terms of access to facilities and services, and environmentally attractive (e.g. have a good view). Although, some potential purchasers may find high service charges unacceptable or unaffordable and new build units may not retain their value on re-sale.
- 9.47 Overall, the Council should consider the potential role of bungalows as part of the future mix of housing. Such housing may be particularly attractive to older owner-occupiers (many of whom are equity-rich) which may assist in encouraging households to downsize. However, the downside to providing bungalows is that they are relatively land intensive.
- 9.48 Bungalows are likely to see a particular need and demand in the market sector and also for rented affordable housing (for older people as discussed in the next section of the report). Bungalows are likely to particularly focus on 2-bedroom homes, including in the affordable sector where such housing may encourage households to move from larger 'family-sized' accommodation (with 3+-bedrooms).

Flats vs. Houses

- 9.49 Although there are some 1-bedroom houses and 3-bedroom flats, it is considered that the key discussion on built-form will be for 2-bedroom accommodation, where it might be expected that there would be a combination of both flats and houses. At a national level, 81% of all 1-bedroom homes are flats, 35% of 2-bedroom homes and just 4% of homes with 3-bedrooms.
- 9.50 The table below shows (for 2-bedroom accommodation) the proportion of homes by tenure that are classified as a flat, maisonette or apartment in BCP, Dorset and England. In BCP the analysis shows a high proportion of flats (54% of all 2-bedroom homes) and this would point to many 2-bedroom homes in the future also being flats. The analysis also shows a higher proportion of flats in the social and private rented sectors (around three-quarters of 2-bedroom homes in the PRS are flats). For Dorset, the proportion of flats is somewhat lower and would point to a greater proportion of houses within this size category; again there is a higher proportion of flats in the two rented sectors.

Table 9.30 Proportion of 2-bedroom homes that are a flat, maisonette or apartment (by tenure)

	BCP	Dorset	England
Owner-occupied	43%	18%	21%
Social rented	53%	43%	48%
Private rented	78%	41%	50%
All (2-bedroom)	54%	27%	35%

Source: 2011 Census

- 9.51 As noted, this analysis would suggest that most 2-bedroom homes in BCP might be expected to be built as flats, with the opposite being true for Dorset. Any decisions will still have to take account of site characteristics, which in some cases might point towards a particular type of development as being most appropriate. The analysis would suggest that the affordable sector might be expected to see a higher proportion of flats than for market housing, although it is still the case that houses are likely to make up the majority of the need in this sector in Dorset.

Family Households and the Appropriate Mix of Housing: Key Messages

- The proportion of households with dependent children is below the regional and national average. There is a modest projected increase in the number of households with dependent children in Dorset – increasing by 4% (1,400 more households) but a notable increase for BCP (increasing by 10,900 – 28%). This is when linking projections to the Standard Method.
- 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. The analysis linked to long-term (17-year) demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population:

BCP	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	35%	40%	20%
Affordable home ownership	25%	40%	25%	10%
Affordable housing (rented)	35%	35%	25%	5%
Dorset	1-bedroom	2-bedrooms	3-bedrooms	4+ -bedrooms
Market	5%	35%	45%	15%
Affordable home ownership	20%	40%	30%	10%
Affordable housing (rented)	35%	35%	25%	5%

- The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bed properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing in each area (by tenure) and also the size requirements shown on the Housing Register.
- The mix identified above could inform strategic policies although a flexible approach should be adopted. For example, in some areas Registered Providers find difficulties selling 1-bedroom affordable home ownership homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation. Additionally, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.
- Based on the evidence, it is expected that the focus of new market housing provision will be on 2- and 3-bed properties. Continued demand for family housing can be expected from newly forming households. There may also be some demand for medium-sized properties (2- and 3-beds) from older households downsizing and looking to release equity in existing homes, but still retaining flexibility for friends and family to come and stay.
- Analysis also considered the mix of housing at a smaller-area level. Whilst there were some differences between areas (most notably the Inner and Outer Central parts of BCP), it is not considered that they are substantial enough to suggest a notably different mix of housing as being needed in different areas. That said, the mix on any specific site could be influenced by site characteristics, and also any localised evidence of need, such as that from the modelling in this report or information drawn from the Housing Register.

10. THE NEEDS OF OLDER PEOPLE AND PEOPLE WITH DISABILITIES

Introduction

- 10.1 This section studies the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. It responds to Planning Practice Guidance on *Housing for Older and Disabled People* published by Government in June 2019. It includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).

Understanding the Implications of Demographic Changes

- 10.2 The population of older persons is increasing, driven by demographic changes including increasing life expectancy (although this has recently stalled). This is a key driver of the need for housing which is capable of meeting the needs of older persons.

Current Population of Older People

- 10.3 The table below provides baseline population data about older persons in the two local authorities and compares this with other areas. The population data has been taken from the published 2019 ONS mid-year population estimates (MYE). The table shows that BCP has a broadly similar age structure to that seen across the region but that Dorset has a notably older age structure (older people for the purposes of this report generally considered to be people aged 65 and over). As of 2019, it is estimated that 22% of the population of BCP and 29% in Dorset, this compares with 22% regionally and 18% nationally.

Table 10.1 Older Persons Population, 2019

	BCP	Dorset	South West	England
Under 65	78.2%	70.9%	77.7%	81.6%
65-74	11.1%	15.3%	11.9%	9.9%
75-84	7.2%	9.6%	7.3%	6.0%
85+	3.6%	4.1%	3.1%	2.5%
Total	100.0%	100.0%	100.0%	100.0%
Total 65+	21.8%	29.1%	22.3%	18.4%
Total 75+	10.7%	13.8%	10.4%	8.5%

Source: ONS Mid-Year Population Estimates

- 10.4 The tables below show the same information for sub-areas, this shows some notable variations in the proportion of people aged 65 and over, ranging from 11% in the Outer Central area of BCP, up to 36% of the population in Western Dorset.

Table 10.2 Older Persons Population, 2019 – BCP sub-areas

	Under 65	65-74	75-84	85+	Total	Total 65+	Total 75+
Inner Central	80.4%	8.9%	6.2%	4.5%	100.0%	19.6%	10.7%
Inner East	71.2%	14.3%	9.6%	4.9%	100.0%	28.8%	14.5%
Inner Suburbs	82.2%	9.6%	5.8%	2.5%	100.0%	17.8%	8.2%
Inner West	79.1%	10.8%	6.8%	3.2%	100.0%	20.9%	10.0%
Outer Central	88.6%	6.6%	3.3%	1.5%	100.0%	11.4%	4.8%
Outer Suburbs	68.9%	15.1%	10.5%	5.5%	100.0%	31.1%	16.0%
Sandbanks	66.7%	15.0%	11.7%	6.6%	100.0%	33.3%	18.3%
TW and QP	77.6%	11.8%	7.1%	3.5%	100.0%	22.4%	10.6%
BCP – TOTAL	78.2%	11.1%	7.2%	3.6%	100.0%	21.8%	10.7%

Source: ONS Mid-Year Population Estimates

Table 10.3 Older Persons Population, 2019 – Dorset sub-areas

	Under 65	65-74	75-84	85+	Total	Total 65+	Total 75+
Central Dorset	72.6%	15.7%	8.6%	3.1%	100.0%	27.4%	11.7%
Dorchester	72.7%	12.9%	9.4%	5.0%	100.0%	27.3%	14.5%
Eastern Dorset	76.8%	13.3%	7.2%	2.8%	100.0%	23.2%	10.0%
Isle of Purbeck	67.8%	17.1%	10.5%	4.5%	100.0%	32.2%	15.1%
Northern Dorset	70.6%	15.1%	9.9%	4.4%	100.0%	29.4%	14.3%
Suburban Fringe East	68.7%	15.6%	10.9%	4.8%	100.0%	31.3%	15.7%
Western Dorset	64.4%	18.9%	11.7%	5.0%	100.0%	35.6%	16.7%
Weymouth & Portland	74.1%	14.3%	8.2%	3.4%	100.0%	25.9%	11.6%
Dorset – TOTAL	70.9%	15.3%	9.6%	4.1%	100.0%	29.1%	13.8%

Source: ONS Mid-Year Population Estimates

Projected Future Change in the Population of Older People

- 10.5 Population projections can next be used to provide an indication of how the number of older persons might change in the future with the tables below showing that both BCP and Dorset are projected to see a notable increase in the older person population (projections based on the Standard Method).
- 10.6 In BCP, the total number of people aged 65 and over projected to increase by 38% over the 17-years to 2038. This compares with overall population growth of 21% and an increase in the Under 65

population of 16%. In total population terms, the projections show an increase in the population aged 65 and over of 33,500 people. This is against a backdrop of an overall increase of 83,000 – population growth of people aged 65 and over therefore accounts for 40% of the total projected population change.

- 10.7 In Dorset, the total number of people aged 65 and over is projected to increase by 36% over the 17-years to 2038. This compares with overall population growth of 10% and a small decrease in the under 65 population of 1%. The projections show an increase in the population aged 65 and over of 41,400 people. This is against a backdrop of an overall increase of 38,300 – population growth of people aged 65 and over therefore accounts for over 100% of the total projected population change.

Table 10.4 Projected Change in Population of Older Persons, 2021 to 2038 – BCP (based on Standard Method housing need)

	2021	2038	Change in population	% change
Under 65	313,040	362,582	49,542	15.8%
65-74	43,914	57,474	13,560	30.9%
75-84	30,012	42,327	12,315	41.0%
85+	14,029	21,649	7,620	54.3%
Total	400,995	484,032	83,037	20.7%
Total 65+	87,955	121,450	33,495	38.1%
Total 75+	44,041	63,976	19,935	45.3%

Source: Demographic Projections

Table 10.5 Projected Change in Population of Older Persons, 2021 to 2038 – Dorset (based on Standard Method housing need)

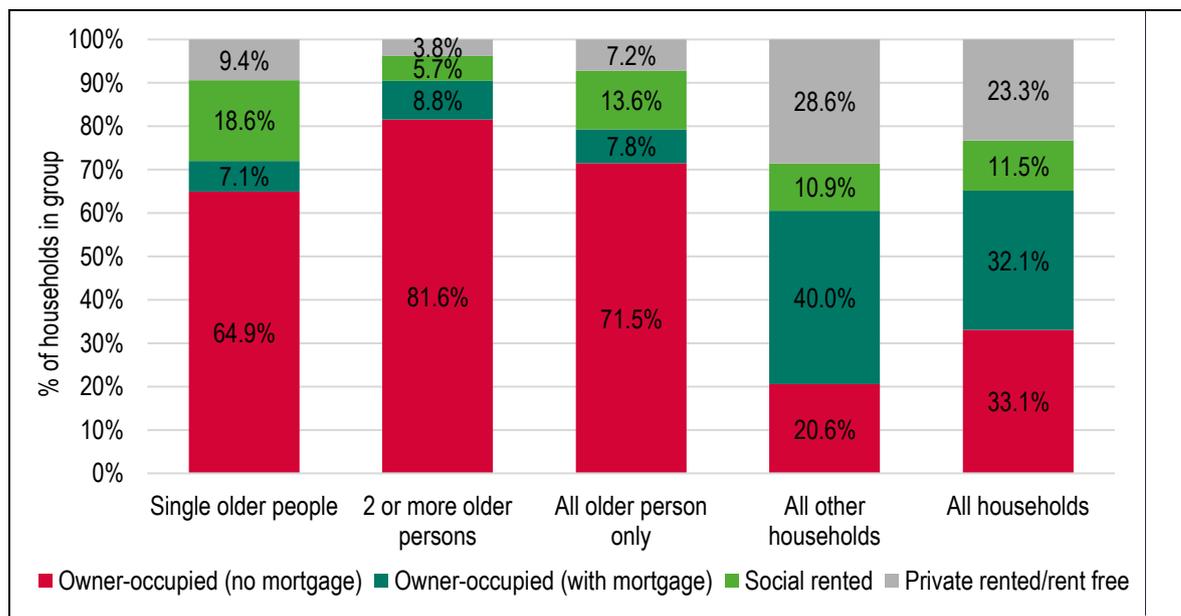
	2021	2038	Change in population	% change
Under 65	268,260	265,133	-3,127	-1.2%
65-74	58,311	70,871	12,560	21.5%
75-84	39,379	56,123	16,744	42.5%
85+	16,064	28,152	12,088	75.2%
Total	382,014	420,278	38,265	10.0%
Total 65+	113,753	155,145	41,392	36.4%
Total 75+	55,443	84,275	28,832	52.0%

Source: Demographic Projections

Characteristics of Older Person Households

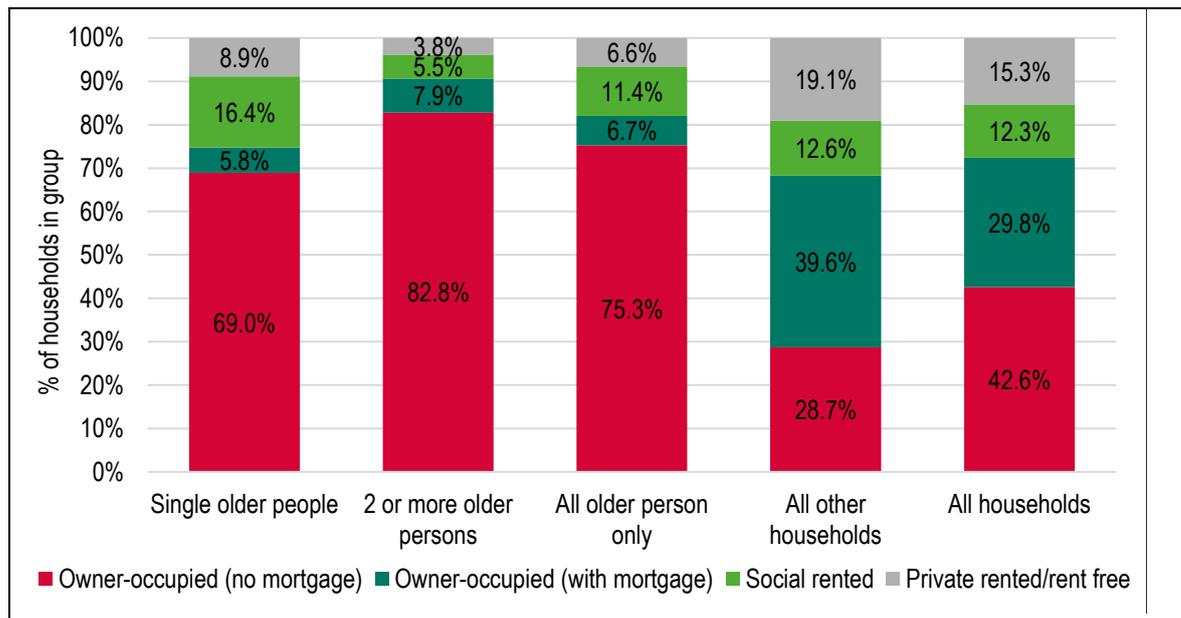
- 10.8 The tenures in which older persons currently live provides a useful indication of the potential tenure profile of demand for new-build development.
- 10.9 The figures below show the tenure of older person households. The data has been split between single older person households and those with two or more older people (which will largely be couples). The data shows that the majority of older persons households are owner occupiers (79% in BCP and 82% in Dorset), and indeed most are owner occupiers with no mortgage and thus may have significant equity which can be put towards the purchase of a new home. Some 14% of older persons households across BCP live in the social rented sector along with 11% in Dorset. The proportion of older person households living in the private rented sector is relatively low (about 7%).
- 10.10 There are also notable differences for different types of older person households with single older people having a much lower level of owner-occupation than larger older person households – this group also has a much higher proportion living in the social rented sector.

Table 10.6 Tenure of Older Persons Households in BCP, 2011



Source: 2011 Census

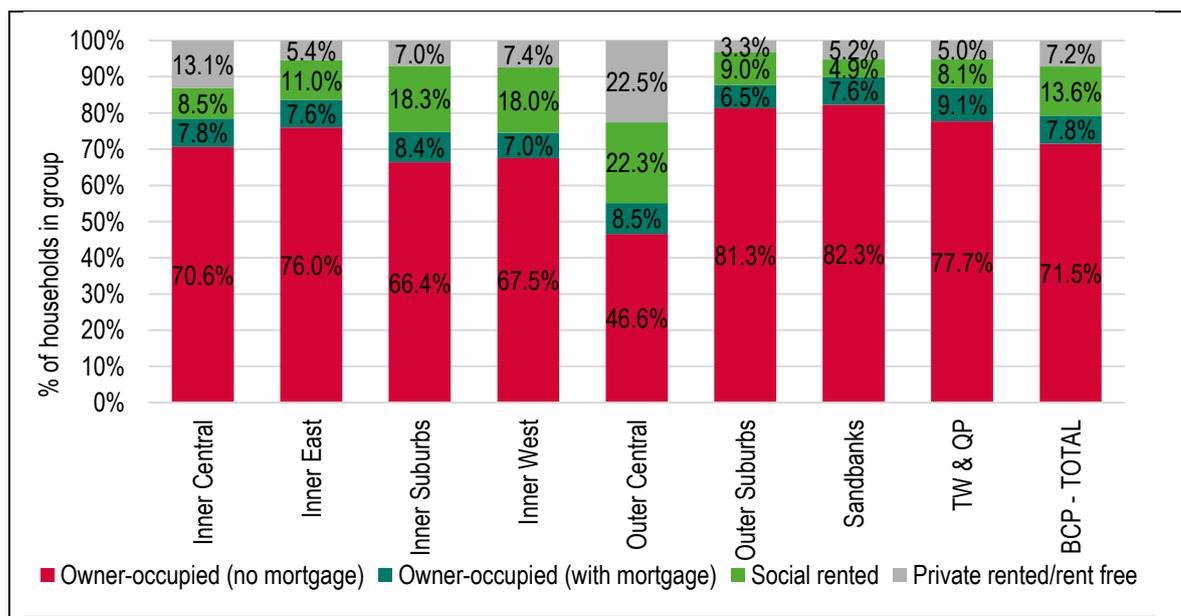
Table 10.7 Tenure of Older Persons Households in Dorset, 2011



Source: 2011 Census

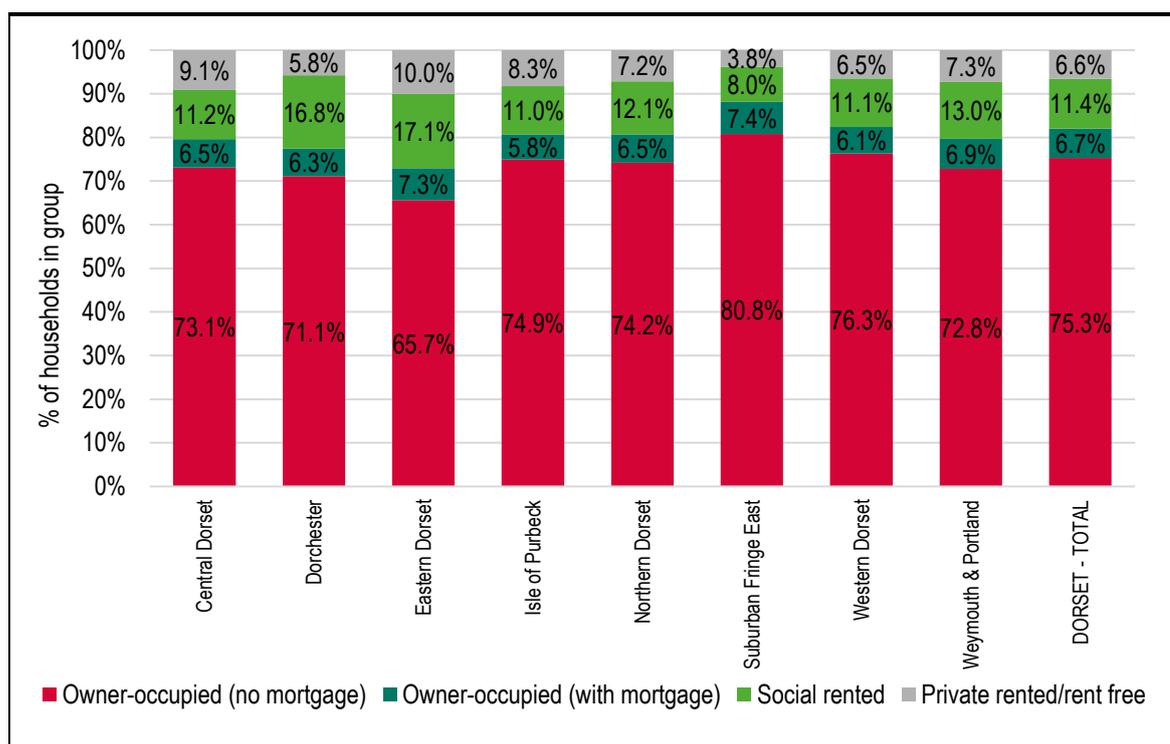
- 10.11 The figures below show the same information for sub-areas – the data is provided for all older person households. The data shows that the tenure profile of older person households varies notably across the study area; a key observation is the low level of owner-occupation amongst older people in the Outer Central area of BCP – this area does however have a relatively low proportion of older people in the population.

Table 10.8 Tenure of Older Persons Households in BCP, 2011



Source: 2011 Census

Table 10.9 Tenure of Older Persons Households in Dorset, 2011



Source: 2011 Census

Prevalence of Disabilities

- 10.12 The table below shows the proportion of people with a long-term health problem or disability (LTHPD) drawn from 2011 Census data, and the proportion of households where at least one person has a LTHPD. The data suggests that some 33% of households in BCP and 35% in Dorset contain someone with a LTHPD. These figures are similar to that seen across the region and also close to the national average (though slightly higher for Dorset). The figures for the population with a LTHPD again show a similar pattern in comparison with other areas (an estimated 19% of the population of BCP and 20% in Dorset having a LTHPD).

Table 10.10 Households and People with a Long-Term Health Problem or Disability, 2011

	Households Containing Someone with a Health Problem		Population with a Health Problem	
	No.	%	No.	%
BCP	55,650	33.2%	72,055	19.0%
Dorset	55,511	35.0%	72,167	19.8%
South West	750,077	33.1%	973,696	18.4%
England	7,217,905	32.7%	9,352,586	17.6%

Source: 2011 Census

- 10.13 The analysis also shows some differences between different parts of the study area, with Inner East (in BCP) and the Isle of Purbeck/Weymouth & Portland seeing a higher proportion of the population and households with a LTHPD, the lowest proportion of the population is seen in Eastern Dorset.

Table 10.11 Households and People with a Long-Term Health Problem or Disability, 2011 – sub-areas – BCP

	Households Containing Someone with a Health Problem		Population with a Health Problem	
	No.	%	No.	%
Inner Central	3,398	27.2%	4,391	19.1%
Inner East	11,982	36.5%	15,668	21.3%
Inner Suburbs	19,560	34.2%	24,954	18.2%
Inner West	8,570	33.5%	10,938	18.7%
Outer Central	3,946	30.1%	5,124	18.7%
Outer Suburbs	3,039	34.1%	4,015	18.3%
Sandbanks	2,994	30.5%	4,061	19.9%
TW and QP	2,161	29.4%	2,904	17.1%
BCP – Total	55,650	33.2%	72,055	19.0%

Source: 2011 Census

Table 10.12 Households and People with a Long-Term Health Problem or Disability, 2011 – sub-areas – Dorset

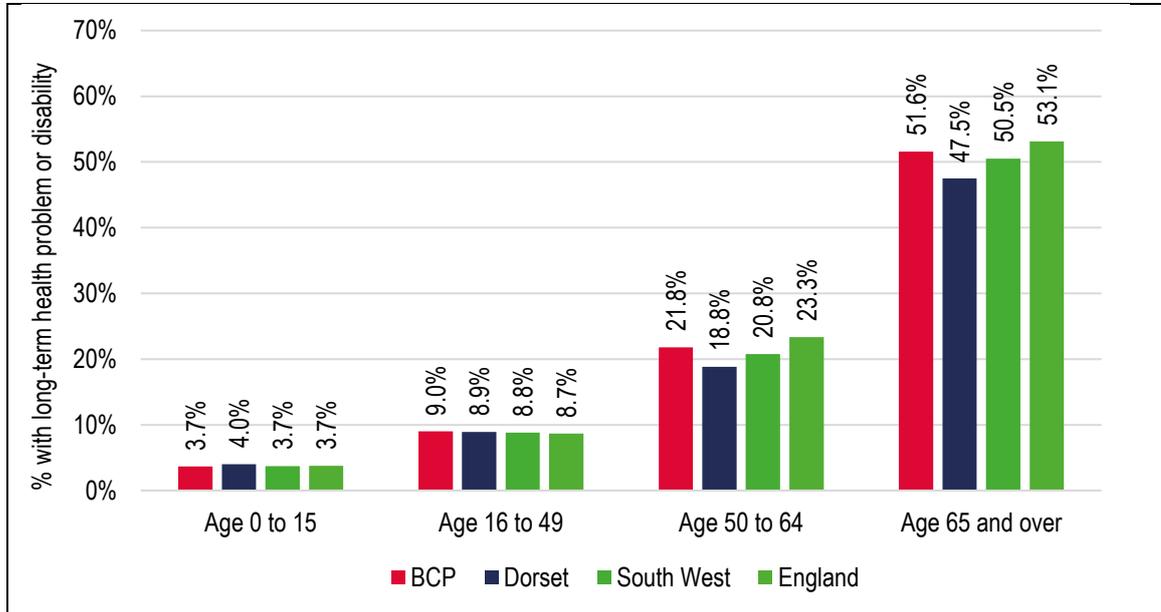
	Households Containing Someone with a Health Problem		Population with a Health Problem	
	No.	%	No.	%
Central Dorset	4,999	32.3%	6,414	17.4%
Dorchester	2,926	34.6%	3,908	20.5%
Eastern Dorset	3,937	30.7%	5,106	16.0%
Isle of Purbeck	4,127	37.5%	5,275	21.6%
Northern Dorset	8,618	33.3%	11,172	18.6%
Suburban Fringe East	13,646	35.1%	17,801	19.8%
Western Dorset	5,670	37.2%	7,258	22.3%
Weymouth & Portland	11,588	37.5%	15,233	21.6%
Dorset - Total	55,511	35.0%	72,167	19.8%

Source: 2011 Census

- 10.14 It is likely that the age profile will impact upon the numbers of people with a LTHPD, as older people tend to be more likely to have a LTHPD. The figure below shows the age bands of people with a LTHPD. It is clear from this analysis that those people in the oldest age bands are more likely to have

a LTHPD. The analysis also typically shows lower levels of LTHPD in each age band within BCP and Dorset (Dorset in particular) when compared with the national position.

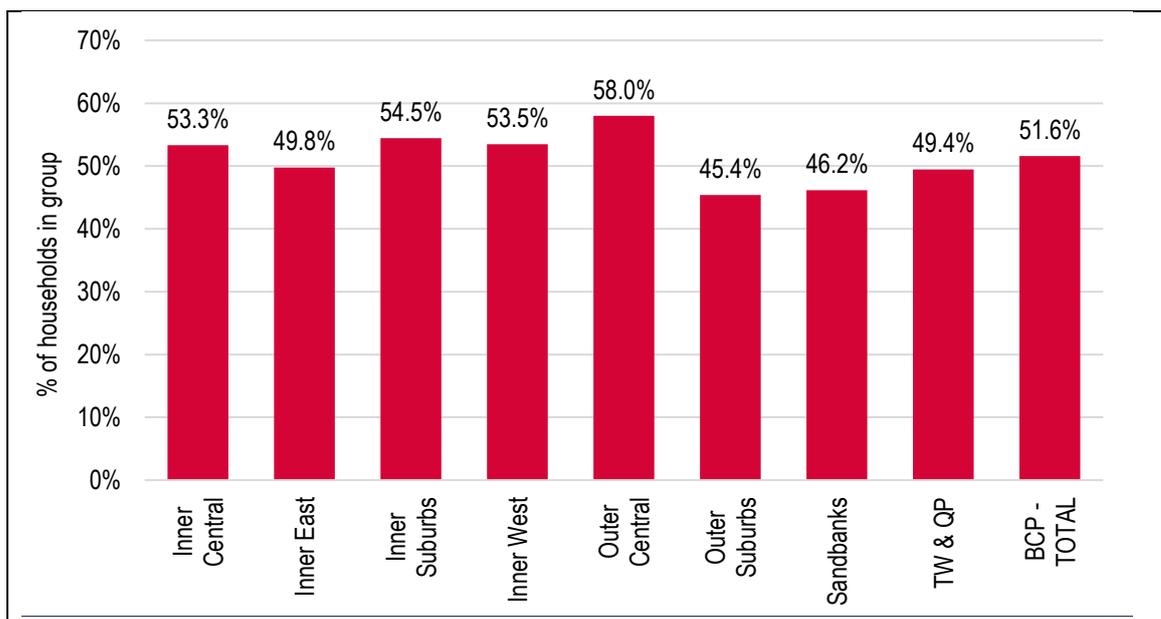
Table 10.13 Population with Long-Term Health Problem or Disability by Age



Source: 2011 Census

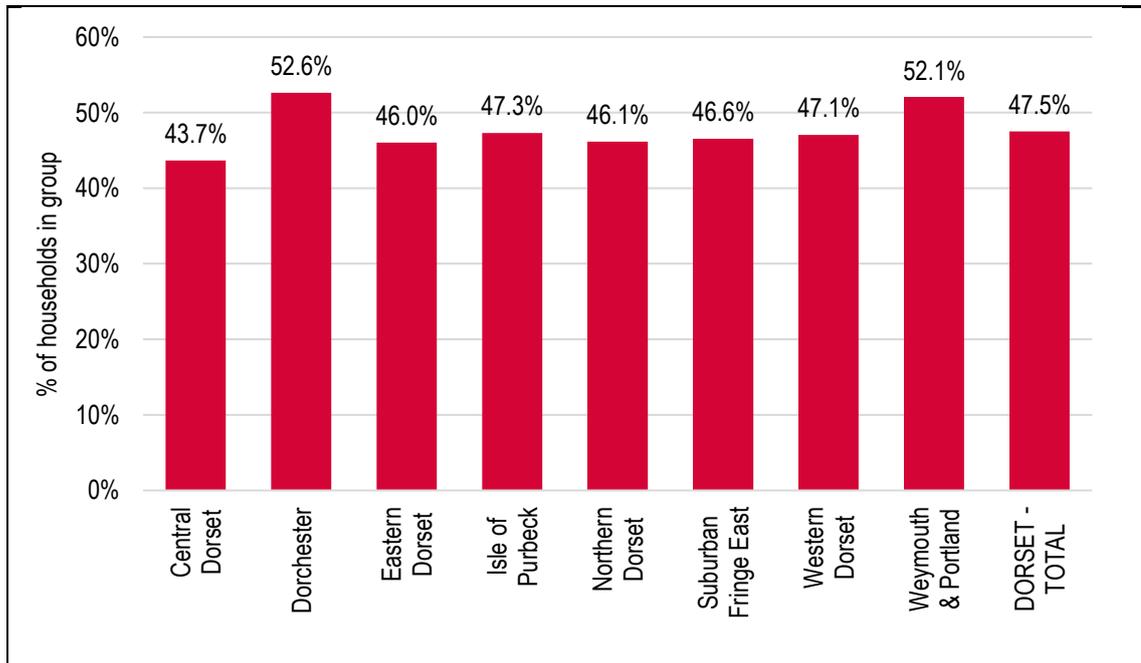
10.15 The figures below show the proportion of the population aged 65 and over with a LTHPD by sub-area. This shows some notable differences, from 44% of the population in Central Dorset, up to 58% in the Outer Central area of BCP.

Table 10.14 Proportion of population aged 65 and over with a Long-Term Health Problem or Disability – BCP



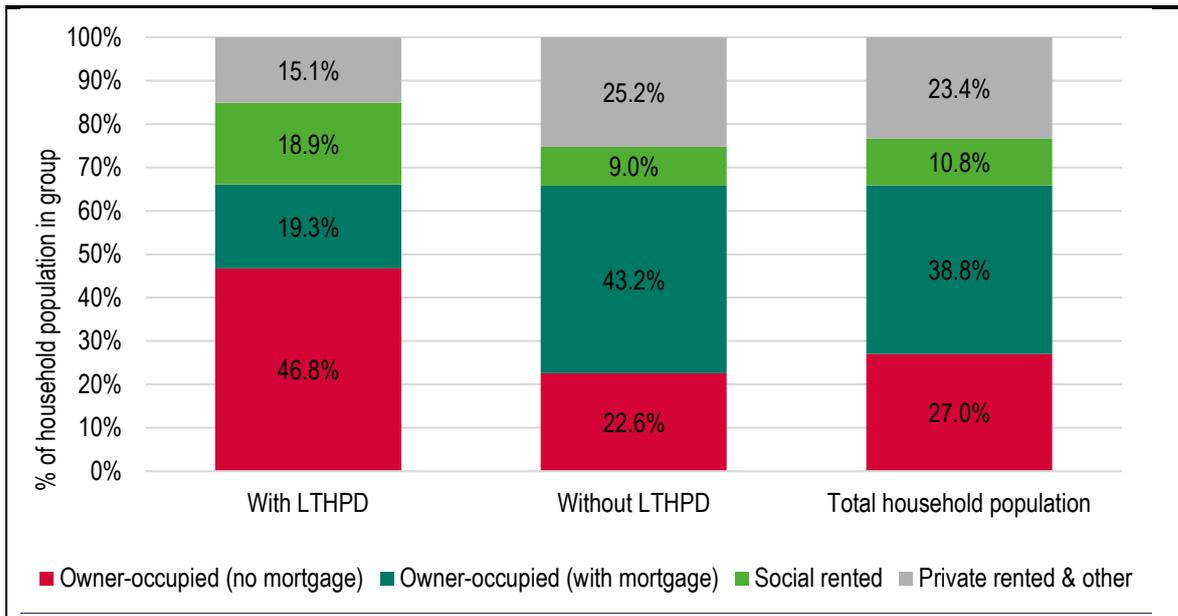
Source: 2011 Census

Table 10.15 Proportion of population aged 65 and over with a Long-Term Health Problem or Disability – Dorset

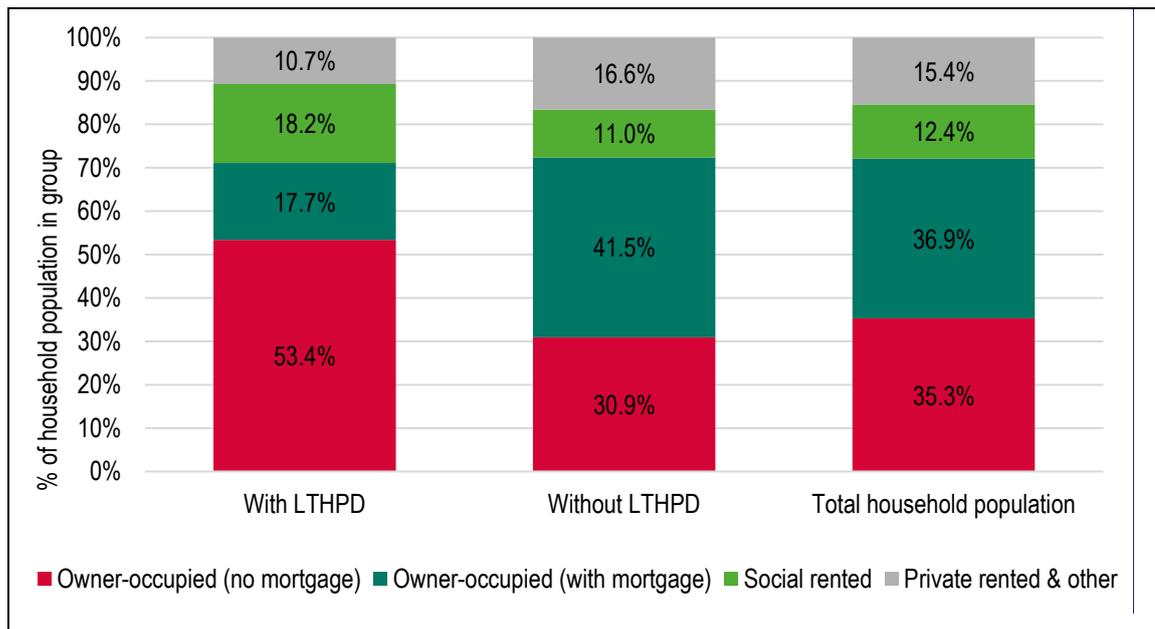


Source: 2011 Census

- 10.16 The figures below show the tenures of people with a LTHPD – it should be noted that the data is for 'population living in households' rather than 'households'. The analysis clearly shows that people with a LTHPD are more likely to live in social rented housing or are also more likely to be outright owners (this will be linked to the age profile of the population with a disability).
- 10.17 Given that typically the lowest incomes are found in the social rented sector, and to a lesser extent for outright owners (many of whom are retired), the analysis would suggest that the population/households with a disability are likely to be relatively disadvantaged when compared to the rest of the population in terms of income levels and therefore the ability to afford goods and services (as well as to access the housing market in many instances).

Table 10.16 Tenure of People with LTHPD vs those without a LTHPD, 2011 – BCP

Source: 2011 Census

Table 10.17 Tenure of People with LTHPD vs those without a LTHPD, 2011 – Dorset

Source: 2011 Census

- 10.18 In addition, data taken from the same source as above suggests in BCP that 32% of all people living in the social rented sector have a LTHPD, compared with 17% of people in other tenures. For Dorset, these figures are 28% and 18% respectively.

Health Related Population Projections

- 10.19 The incidence of a range of health conditions is an important component in understanding the potential need for care or support for a growing older population.
- 10.20 The analysis undertaken covers both younger and older age groups and draws on prevalence rates from the PANSI (Projecting Adult Needs and Service Information) and POPPI (Projecting Older People Population Information) websites. Adjustments have been made to take account of the age specific health/disabilities previously shown. In all cases the analysis links to estimates of population growth based on the Standard Method (2021-38).
- 10.21 Of particular note are the large increases in the number of older people with dementia (increasing by 45% from 2021 to 2038 in BCP and 54% in Dorset) and mobility problems (42% increase in BCP and 47% in Dorset over the same period). 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 (and indeed negative for many groups in Dorset). When related back to the total projected change to the population, the increase of 6,900 people aged 65+ with a mobility problem represents 8% of total projected population growth in BCP but a much higher proportion (8,800 or 23%) is seen in Dorset.
- 10.22 It should be noted that there will be an overlap between categories (i.e. some people will have both dementia and mobility problems). Hence the numbers for each of the illnesses/disabilities should not be added together to arrive at a total.

Table 10.18 Projected Changes to Population with a Range of Disabilities – BCP

Disability	Age Range	2021	2038	Change	% Change
Dementia	65+	6,446	9,378	2,932	45.5%
Mobility problems	65+	16,467	23,383	6,916	42.0%
Autistic Spectrum Disorders	18-64	2,381	2,813	432	18.1%
	65+	795	1,119	324	40.8%
Learning Disabilities	15-64	6,064	7,155	1,091	18.0%
	65+	1,777	2,441	664	37.4%
Challenging behaviour	15-64	111	131	20	17.6%
Impaired mobility	16-64	13,092	14,454	1,363	10.4%

Source: POPPI/PANSI and Demographic Projections

Table 10.19 Projected Changes to Population with a Range of Disabilities – Dorset

Disability	Age Range	2021	2038	Change	% Change
Dementia	65+	7,260	11,190	3,930	54.1%
Mobility problems	65+	18,917	27,729	8,812	46.6%
Autistic Spectrum Disorders	18-64	1,867	1,843	-24	-1.3%
	65+	962	1,327	365	38.0%
Learning Disabilities	15-64	4,838	4,810	-28	-0.6%
	65+	2,121	2,869	748	35.3%
Challenging behaviour	15-64	90	89	-1	-0.8%
Impaired mobility	16-64	12,458	11,789	-669	-5.4%

Source: POPPI/PANSI and Demographic Projections

- 10.23 Invariably, there will be a combination of those with disabilities and long-term health problems that continue to live at home with family, those who chose to live independently with the possibility of incorporating adaptations into their homes and those who choose to move into supported housing.
- 10.24 The projected change shown in the number of people with disabilities provides clear evidence to justify delivering as much 'accessible and adaptable' homes as defined in Part M4(2) of Building Regulations as is possible, subject to viability and site suitability across all tenures.
- 10.25 The Council should ensure that the viability of doing so is also tested as part of drawing together its evidence base although the cost of meeting this standard is unlikely to have any significant impact on viability and would potentially provide a greater number of homes that will allow households to remain in the same property for longer.
- 10.26 The PPG for Housing for Older and Disabled People [63-006] refers only to specialist housing for older people; however, clearly the local authority should support specialist housing schemes for younger adults which come forward across the plan area.
- 10.27 The analysis suggests that there is likely to be some increase in the number of younger and working aged people (generally those aged 16/18 to 64) with a disability across the study area (particularly in BCP). There are a range of disabilities that are likely to require some degree of support, or potentially some form of specialised housing solution.
- 10.28 This report does not seek to be specific about the exact number of units that need to be provided for different groups, nor where such accommodation should be located; it is the case that some types of specialist accommodation might have a wide catchment and would be suitable for clients from outside of the study area (it is also possible that some people in the area would be placed in accommodation elsewhere).

Need for Specialist Accommodation for Older Persons

- 10.29 Given the ageing population and higher levels of disability and health problems amongst older people, there is likely to be an increased requirement for specialist housing options moving forward. The box below shows the different types of older persons housing which are considered.

Definitions of Different Types of Older Persons' Accommodation

Age-restricted general market housing: This type of housing is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens, but does not include support or care services.

Retirement living or sheltered housing (housing with support): This usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services, but provides some support to enable residents to live independently. This can include 24-hour on-site assistance (alarm) and a warden or house manager.

Extra care housing or housing-with-care (housing with care): This usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24-hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.

Residential care homes and nursing homes (care bedspaces): These have individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

Source: Planning Practice Guidance [63-010]

- 10.30 The need for specialist housing for older persons is typically modelled by applying prevalence rates to current and projected population changes and considering the level of existing supply. There is no standard methodology for assessing the housing and care needs of older people. The current and future demand for elderly care is influenced by a host of factors including the balance between demand and supply in any given area and social, political, regulatory and financial issues. Additionally, the extent to which new homes are built to accessible and adaptable standards may over time have an impact on specialist demand (given that older people often want to remain at home rather than move to care) – this will need to be monitored.
- 10.31 There are a number of 'models' for considering older persons' needs, but they all essentially work in the same way. The model results are particularly sensitive to the prevalence rates applied, which are typically calculated as a proportion of people aged over 75 who could be expected to live in different

forms of specialist housing. Whilst the population aged 75 and over is used in the modelling, the estimates of need would include people of all ages.

- 10.32 Whilst there are no definitive rates, the PPG [63-004] notes that *'the future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector, for example SHOP@ for Older People Analysis Tool'*. The PPG does not specifically mention any other tools and therefore seems to be indicating that SHOP@ would be a good starting point for analysis. Since the PPG was published the Housing Learning and Information Network (Housing LIN) has removed the Shop@ online toolkit although the base prevalence rates for different levels of care and tenure used for analysis are known (see table below).
- 10.33 The SHOP@ tool was originally based on data in a 2008 report (More Choice Greater Voice) and in 2011 a further suggested set of rates were published (rates which were repeated in a 2012 publications). In 2016, Housing LIN published a review document which noted that the 2008 rates are 'outdated' but also noting that the rates from 2011/12 were 'not substantiated'. The 2016 review document therefore set out a series of proposals for new rates to be taken forward onto the Housing LIN website. Whilst the 2016 review rates do not appear to have ever led to an update of the website, it does appear from reviewing work by Housing LIN over the past couple of years as if it is these rates which typically inform their own analysis (subject to evidence based localised adjustments).
- 10.34 Therefore, this study uses data in the 2016 review as the start point for analysis with prevalence rates being used alongside demographic projections to provide an indication of the potential level of additional specialist housing that might be required for older people in the future.
- 10.35 For clarity, the table below shows the base prevalence rates set out in the various documents described above. For the analysis in this report the age-restricted and retirement/sheltered demand have been merged into a single category (housing with support) with the middle of the range shown for housing with care forming the base position for analysis.

Table 10.20 Comparison of national baseline prevalence rates from a number of tools and publications

Type/Rate	SHOP@ (2008) ²⁴	Housing in Later Life (2012) ²⁵	2016 Housing LIN Review
Age-restricted general market housing	-	-	25
Retirement living or sheltered housing (housing with support)	125	180	100
Extra care housing or housing-with-care (housing with care)	45	65	30-40 (‘proactive range’)
Residential care homes	65	(no figure apart from 6 for dementia)	40
Nursing homes (care bedspaces), including dementia	45		45

Source: Range of sources as identified

10.36 As noted, this report uses the 2016 Review figures as a starting point. However, it is clear that:

- The prevalence rates used should be assessed taking account of an authority’s strategy for delivering specialist housing for older people. The degree for instance which the Councils want to require extra care housing as an alternative to residential care provision would influence the relative balance of need between these two housing types; and
- The Housing LIN model has been influenced by existing levels of provision and their view on what future level of provision might be reasonable taking account of how the market is developing, funding availability etc. There is a degree to which the model and assumptions within it may not fully capture the growing recent private sector interest and involvement in the sector.

10.37 Rather than simply taking the base prevalence rates, an initial adjustment has been made to reflect the relative health of the local older person population. This has been based on Census data about

²⁴ Based on the More Choice Greater Voice publication of 2008 (https://www.housinglin.org.uk/assets/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf). It should be noted that although these rates are from 2008, they are the same rates as were being used in the online toolkit when it was taken offline in 2019.

²⁵ https://www.housinglin.org.uk/assets/Resources/Housing/Support_materials/Toolkit/Housing_in_Later_Life_Toolkit.pdf

the proportion of the population aged 65 and over who have a long-term health problem or disability (LTHPD) compared with the England average. In both BCP and Dorset, the data shows slightly better health in the older person population and so the prevalence rates used have been decreased slightly (by an average of about 3% in BCP and 11% in Dorset) – these figures are based on comparing the proportion of people aged 65 and over with a LTHPD in BCP/Dorset (51.6%/47.5%) with the equivalent figure for England (53.1%).

- 10.38 A second local adjustment has been to estimate a tenure split for the housing with support and housing with care categories. This again draws on suggestions in the 2016 Review which suggests that less deprived local authorities could expect a higher proportion of their specialist housing to be in the market sector. Using 2019 Index of Multiple Deprivation (IMD) data, the analysis suggests Dorset is the 197th most deprived local authority in England (out of 317). This suggests a slightly greater proportion of market housing than for an authority in the middle of the range; BCP is the 166th most deprived and so sits pretty much in the middle of the range. To be clear this is market housing within the categories described above (e.g. housing with support and housing with care).
- 10.39 The tables below show estimated needs for different types of housing linked to the Standard Method based population projections. The analysis is separated into the various different types and tenures although it should be recognised that there could be some overlap between categories (i.e. some households might be suited to more than one type of accommodation). Overall, the analysis suggests that there will be a notable need for both housing with support and housing with care (in both market and affordable sectors), as well as some additional nursing and residential care bedspaces.

Table 10.21 Specialist Housing Need using adjusted SHOP@Review Assumptions, 2021-38 – BCP

		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall/surplus (-ve)	Additional demand to 2038	Shortfall/surplus by 2038
Housing with support	Market	54	3,178	2,382	-796	1,078	282
	Affordable	67	4,069	2,965	-1,104	1,342	239
Total (housing with support)		121	7,247	5,347	-1,900	2,420	520
Housing with care	Market	17	299	765	466	346	813
	Affordable	17	243	732	489	331	820
Total (housing with care)		34	542	1,497	955	678	1,633
Residential care bedspaces		39	1,831	1,711	-120	774	655
Nursing care bedspaces		44	2,072	1,925	-147	871	724
Total bedspaces		83	3,903	3,636	-267	1,646	1,379

Source: Derived from Demographic Projections and Housing LIN/EAC

Table 10.22 Specialist Housing Need using adjusted SHOP@Review Assumptions, 2021-38 – Dorset

		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall/surplus (-ve)	Additional demand to 2038	Shortfall/surplus by 2038
Housing with support	Market	55	2,603	3,046	443	1,584	2,027
	Affordable	57	4,199	3,151	-1,048	1,638	590
Total (housing with support)		112	6,802	6,196	-606	3,222	2,617
Housing with care	Market	18	556	972	416	505	921
	Affordable	14	276	763	487	397	884
Total (housing with care)		31	832	1,735	903	902	1,805
Residential care bedspaces		36	2,069	1,983	-86	1,031	945
Nursing care bedspaces		40	1,567	2,231	664	1,160	1,824
Total bedspaces		76	3,636	4,214	578	2,191	2,769

Source: Derived from Demographic Projections and Housing LIN/EAC

- 10.40 In BCP, it can be seen by 2038 there is an estimated need for 2,153 additional dwellings with support or care. In addition, there is a need for 1,379 additional nursing and residential care bedspaces. Typically for bedspaces it is conventional to convert to dwellings using a standard multiplier (1.80 bedspaces per dwelling for older persons accommodation) and this would therefore equate to around 766 dwellings. In total, the older persons analysis therefore points towards a need for around 2,919 units over the 2021-38 period. With potential delivery of 45,339 homes using the Standard Method, this equates to some 6% of all homes needing to be some form of specialist accommodation for older people – the need in BCP looks to be particularly for extra-care housing in both the market and affordable sectors.
- 10.41 In Dorset, it can be seen by 2038 there is an estimated need for 4,422 additional dwellings with support or care. In addition, there is a need for 2,769 additional nursing and residential care bedspaces (equating to around 1,538 dwellings). In total, the older persons analysis therefore points towards a need for around 5,960 units over the 2021-38 period. With potential delivery of 29,869 homes using the Standard Method, this equates to some 20% of all homes needing to be some form of specialist accommodation for older people – the need in Dorset looks to be for all types and tenures of specialist housing.
- 10.42 The provision of a choice of attractive housing options to older households is a component of achieving good housing mix. The availability of such housing options for the growing older population may enable some older households to downsize from homes which no longer meet their housing needs or are expensive to run. The availability of housing options which are accessible to older people will also provide the opportunity for older households to 'rightsize' which can help improve their quality of life.

- 10.43 It should also be noted that within any category of need there may be a range of products. For example, many market extra-care schemes are towards the 'top-end' of the market and may have significant service charges (due to the level and quality of facilities and services). Such homes may therefore only be affordable to a small proportion of the potential market, and it will be important for the Councils to seek a range of products that will be accessible to a wider number of households if needs are to be met.
- 10.44 Finally, it should be recognised that there is a level of fluidity between the demand for each product with extra supply in housing with early help and prevention (such as M4(2) compliance or age-restricted accommodation) would delay and reduce the demand for housing with support and care. Similarly, a greater supply of housing with support and care would delay and reduce the demand for more resource intensive residential and nursing care spaces.

Older Persons' Housing, Planning Use Classes and Affordable Housing Policies

- 10.45 The issue of use classes and affordable housing generally arises in respect of extra care/ assisted living development schemes. The Planning Practice Guidance defines extra care housing or housing with care as follows:

"This usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24 hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses". - Paragraph: 010 Reference ID: 63-010-20190626

- 10.46 There is a degree to which different terms can be used for this type of development inter-changeably, with reference sometimes made to extra care, assisted living, continuing care retirement communities, or retirement villages. Accommodation units typically include sleeping and living accommodation, bathrooms and kitchens; and have their own front door. Properties having their own front doors is not however determinative of use.
- 10.47 The distinguishing features of housing with care is the provision of personal care through an agency registered with the Care Quality Commission, and the inclusion of extensive facilities and communal space within these forms of development, which distinguish them from blocks of retirement flats.

Use Classes

- 10.48 Use classes are defined in the Town and Country Planning (Use Classes) Order 1987. Use Class C2: Residential Institutions is defined as “*use for the provision of residential accommodation and care to people in need of care (other than a use within class C3 (dwelling houses)).*” C3 (dwelling houses) are defined as “*use as a dwelling house (whether or not as a sole or main residence) a) by a single person or by people living together as a family; or b) by no more than 6 residents living together as a single household (including a household where care is provided for residents)*”.
- 10.49 Care is defined in the Use Class Order as meaning “personal care for people in need of such care by reason of old age, disablement, past or present dependence on alcohol or drugs or past or present mental disorder, and in class C2 also includes the personal care of children and medical care and treatment”.
- 10.50 Personal care has been defined in Regulations²⁶ as “the provision of personal care for persons who, by reasons of old age, illness or disability are unable to provide it for themselves, and which is provided in a place where those persons are living at the time the care is provided”.
- 10.51 Government has released new Planning Practice Guidance of *Housing for Older and Disabled People* in June 2019. In respect of Use Classes, Para 63-014 therein states that:
- “It is for a local planning authority to consider into which use class a particular development may fall. When determining whether a development for specialist housing for older people falls within C2 (Residential Institutions) or C3 (Dwelling house) of the Use Classes Order, consideration could, for example, be given to the level of care and scale of communal facilities provided.”*
- 10.52 The relevant factors identified herein are the level of care which is provided, and the scale of communal facilities. It is notable that no reference is made to whether units of accommodation have separate front doors. This is consistent with the Use Class Order, where it is the ongoing provision of care which is the distinguishing feature within the C2 definition. In a C2 use, the provision of care is an essential and ongoing characteristic of the development and would normally be secured as such through the S106 Agreement.
- 10.53 A range of appeal decisions have addressed issues relating to how to define the use class of a development. These are fact specific, and there is a need to consider the particular nature of the

²⁶ Schedule 1 of the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010.

scheme. What arises from this, is that schemes which have been accepted as a C2 use commonly demonstrate the following characteristics:

- Occupation restricted to people (at least one within a household) in need of personal care, with an obligation for such residents to subscribe to a minimum care package. Whilst there has been debate about the minimum level of care to which residents must sign-up to, it is considered that this should not be determinative given that a) residents' care needs would typically change over time, and in most cases increase; and b) for those without a care need the relative costs associated with the care package would be off-putting.
- Provision of access to a range of communal areas and facilities, typically beyond that of simply a communal lounge, with the access to these facilities typically reflected in the service charge.

NPPF Policies on Affordable Housing

10.54 Use Class on its own need not be determinative on whether affordable housing provision could be applied. In all cases we are dealing with residential accommodation. But nor is there a clear policy basis for seeking affordable housing provision or contributions from a C2 use in the absence of a development plan policy which seeks to do so.

10.55 The 2019 NPPF sets out in Para 34 that Plans should set out the contributions expected from development, including levels of affordable housing. Such policies should not undermine the deliverability of the Plan. Para 62 states that where a need for affordable housing is identified, planning policies should specify the type of affordable housing required and expect it to be met on-site unless off-site provision or a financial contribution can be robustly justified; and the agreed approach contributes to the objective of creating mixed and balanced communities.

10.56 Para 63 states that affordable housing should not be sought from residential developments that are not major developments. Para 64 sets out that specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students) are exempt from the requirement for 10% of homes (as part of the affordable housing contribution) to be for affordable home ownership. But neither of these paragraphs set out that certain types of specialist accommodation for older persons are exempt from affordable housing contributions.

10.57 The implication for BCP and Dorset is that:

- The ability to seek affordable housing contributions from a C2 use at the current time (2021) is influenced by how its current development plan policies were constructed and evidenced; and
- If policies in a new development plan are appropriately crafted and supported by the necessary evidence on need and viability, affordable housing contributions could be sought from a C2 use through policies in a new Local Plan.

10.58 Within the local plan, it would be possible to craft a policy in such a way that affordable housing could be sought on extra care housing from both C2 and C3 use classes and it should be noted that in July 2020 the High Court rejected claims that 'extra care' housing should not contribute affordable homes because it falls outside C3 use (CO/4682/2019).

10.59 It is important to recognise that the viability of extra care housing will differ from general mixed tenure development schemes, and there are practical issues associated with how mixed tenure schemes may operate.

Viability

10.60 There are a number of features of a typical extra care housing scheme which can result in substantively different viability characteristics relative to general housing. In particular:

- Schemes typically include a significant level of communal space and on-site facilities, such that the floorspace of individual units might equate to 65% of the total floorspace, compared to 100% for a scheme of houses and perhaps 85% for typical flatted development. There is a significant proportion of space from which value is not generated through sales (although individual units may be smaller);
- Higher construction and fit out-costs as schemes need to achieve higher accessibility requirements and often include lifts, specially adapted bathrooms, treatment rooms etc. In many instances, developers need to employ third party building contractors and are also not able to secure the same economies of scale as the larger volume housebuilders; and
- Sales rates are also typically slower for extra care schemes, not least as older residents are less likely to buy 'off plan'. The combination of this and the limited ability to phase flatted schemes to sales rates can result in higher finance costs for a development.

10.61 There are a number of implications arising from this. Firstly, there is a need for viability evidence to specifically test and consider what level of affordable housing could be applied to different forms of older persons accommodation, potentially making a distinction between general market housing; retirement living/sheltered housing; and extra care/housing with care. It may well be that a differential and lower affordable housing policy is justified for housing with care.

10.62 Secondly, developers of extra care schemes can struggle to secure land when competing against mainstream housebuilders or strategic land promoters. One way of dealing with this is to allocate sites specifically for specialist older persons housing, and this may be something that the Councils wish to consider through the preparation of new Local Plans. There could be benefits of doing this through achieving relatively high-density development of land at accessible locations, and in doing so, releasing larger family housing elsewhere as residents move out.

Practical Issues

- 10.63 In considering policies for affordable housing provision on housing with care schemes, there is one further factor which warrants consideration relating to the practicalities of mixed-tenure schemes. The market for extra care development schemes is currently focused particularly on providers at the affordable and higher ends of the market, with limited providers currently delivering within the 'mid-market.' At the higher ends of the market, the level of facilities and services/support available can be significant, and the management model is often to recharge this through service charges.
- 10.64 Whilst recognising the benefits associated with mixed income/tenure development, in considering whether mixed tenure schemes can work it is important to consider the degree to which service charges will be affordable to those on lower incomes and whether Registered Providers will want or be able to support access to the range of services/facilities on site. In a range of instances, this has meant that authorities have accepted off-site contributions to affordable housing provision.

Wheelchair User Housing

- 10.65 Information about the need for housing for wheelchair users is difficult to obtain, particularly at a local level and estimates of need produced in this report draw on data from the English Housing Survey (EHS) which provides a range of relevant data, but often for different time periods. The EHS data used includes the age structure of wheelchair users, information about the work needed to make homes 'visitable' for wheelchair users and data about wheelchair users by tenure.
- 10.66 The analysis below sets out estimates of the number of wheelchair users in each local authority; this has been based on estimating prevalence rates from the 2011-12 EHS (Annex Table 6.11) combined with Census data. At the time, the EHS showed there were 184,000 households with a wheelchair user and the oldest person in the household was aged under 60; the 2011 Census showed around 41.2 million people aged under 60 and therefore a base prevalence rate of 0.004 has been calculated for this group – essentially for every 1,000 people aged under 60 there are around 4 wheelchair user households. The table below shows data for a full range of age groups; it should be noted that whilst the prevalence rates mix households and population, they will provide a reasonable estimate of the number of wheelchair user households.

Table 10.23 Baseline prevalence rates by age used to estimate wheelchair user households

	Number of wheelchair user households	Population	Prevalence (per 1,000 population)
under 60 years	184,000	41,215,000	4
60 - 74 years	205,000	7,754,000	26
75 - 84 years	191,000	2,944,000	65
85 years or over	146,000	1,193,000	122

Source: Derived from EHS (2011-12) and 2011 Census

- 10.67 The analysis also considers the relative health of the population of BCP and Dorset. For this, data has been taken from the 2011 Census for the household population with 'day to day activities limited a lot' by their disability. The table below shows this information by age in BCP/Dorset and England, and shows the adjustment made to reflect differences in health between the areas. Due to the age band used in the Census, there has been some degree of adjustment for the under 60 and 60-74 age groups. The data shows lower levels of disability for most age groups in BCP/Dorset, pointing to a slightly lower than average proportion of wheelchair user households.

Table 10.24 Proportion of people with day to day activities limited a lot (by age) – 2011 – BCP

	% of age group with day to day activities limited a lot		BCP as % of England	Prevalence rate (per 1,000 population)
	BCP	England		
under 60 years	4.0%	4.2%	97.1%	4
60-74 years	11.4%	13.9%	81.5%	22
75-84 years	24.1%	29.1%	82.7%	56
85 years or over	47.4%	52.3%	90.5%	132

Source: 2011 Census

Table 10.25 Proportion of people with day to day activities limited a lot (by age) – 2011 – Dorset

	% of age group with day to day activities limited a lot		BCP as % of England	Prevalence rate (per 1,000 population)
	BCP	England		
under 60 years	3.8%	4.2%	91.7%	4
60-74 years	9.4%	13.9%	67.8%	18
75-84 years	22.0%	29.1%	75.7%	51
85 years or over	46.4%	52.3%	88.7%	130

Source: 2011 Census

- 10.68 The local prevalence rate data can be brought together with information about the population age structure and how this is likely to change moving forward. For BCP, the data estimates a total of 5,909 wheelchair user households in 2021, and that this will rise to 7,994 by 2038 (an increase of 2,085). For Dorset, the current number of wheelchair users is put at 6,315 in 2021, increasing to 8,695 by 2038.

Table 10.26 Estimated number of wheelchair user households (2021-38) – BCP

	Prevalence rate (per 1,000 population)	Population 2021	Population 2038	Wheelchair user households (2021)	Wheelchair user households (2038)
under 60 years	4	285,619	332,491	1,258	1,465
60 - 74 years	22	67,011	83,241	1,459	1,813
75 - 84 years	56	29,077	40,980	1,624	2,288
85 years or over	132	11,850	18,349	1,568	2,429
TOTAL		393,556	475,062	5,909	7,994

Source: Derived from a range of sources

Table 10.27 Estimated number of wheelchair user households (2021-38) – Dorset

	Prevalence rate (per 1,000 population)	Population 2021	Population 2038	Wheelchair user households (2021)	Wheelchair user households (2038)
under 60 years	4	233,447	231,929	971	964
60 - 74 years	18	87,177	98,127	1,578	1,776
75 - 84 years	51	38,516	54,855	1,970	2,806
85 years or over	130	13,847	24,269	1,796	3,148
TOTAL		372,987	409,181	6,315	8,694

Source: Derived from a range of sources

- 10.69 The finding of an estimated current number of wheelchair user households does not indicate how many homes might be needed for this group – some households will be living in a home that is suitable for wheelchair use, whilst others may need improvements to accommodation, or a move to an alternative home.
- 10.70 Data from the EHS (2014-15) shows that of the 814,000 wheelchair user households, some 200,000 live in a home that would either be problematic or not feasible to make fully 'visitable' – this is around 25% of wheelchair user households. Applying this to the current number of wheelchair user households and adding the additional number projected forward suggests a need for 3,500 additional wheelchair user homes in the 2021-38 period in BCP and 3,900 in Dorset – this equates to 8%-13% of all housing need (as set out in the table below).

Table 10.28 Estimated need for wheelchair user homes, 2021-2038

	Current need	Projected need (2021-38)	Total current and future need	Housing need (2021-38)	% of Housing Need
BCP	1,452	2,085	3,537	45,339	7.8%
Dorset	1,552	2,379	3,931	29,869	13.2%

Source: Derived from a range of sources

- 10.71 Furthermore, information in the EHS (for 2017/18) also provides national data about wheelchair users by tenure. This showed that, at that time, around 7.1% of social tenants were wheelchair users, compared with 2.7% of market households (owner-occupiers and private renters). Applying these national figures to the demographic change and need (as shown above) it is possible to estimate the potential need by tenure, as shown in the table below. This shows a need for 6%-10% of market homes to be M4(3) along with 16%-27% of affordable.

Table 10.29 Estimated need for wheelchair user homes by tenure, 2021-2038

	Market	Affordable
BCP	6%	16%
Dorset	10%	27%

Source: Derived from demographic projections and EHS prevalence rates

- 10.72 To meet the identified need, the Council could seek up to 10% of all new market homes to be M4(3) compliant and around a quarter in the affordable sector. These figures reflect that not all sites would be able to deliver homes of this type. In the market sector these homes would be M4(3)A (adaptable) and M4(3)B (accessible) for affordable housing.
- 10.73 As with M4(2) homes it may not be possible for some schemes to be built to these higher standards due to built-form, topography, flooding etc. Furthermore, provision of this type of property may in some cases challenge the viability of delivery given the reasonably high build out costs (see table below).
- 10.74 It is worth noting that the Government is currently consulting on changes to the way the needs of people with disabilities and wheelchair users are planned for as a result of concerns that in the drive to achieve housing numbers, the delivery of housing that suits the needs of the households (in particular those with disabilities) is being compromised on viability grounds²⁷.
- 10.75 One of the policy options tabled in this document is to remove M4(1) altogether, so that all new homes will have to at least have the accessible and adaptable features of an M4(2) home. M4(3) would apply where there is a local planning policy in place in which a need has been identified and evidenced. This is consistent with the evidence presented in this report, although the trade-off identified in the consultation paper between viability and the need to deliver sufficient numbers of market homes to meet general housing needs is unavoidable.

²⁷ Raising accessibility standards for new homes, a consultation paper, page 10

- 10.76 The viability challenge is particularly relevant for M4(3)(B) standards. These make properties accessible from the moment they are built and involve high additional costs that could in some cases challenge the feasibility of delivering all or any of a policy target. The table below sets out the additional construction costs associated with these standards for different size of homes.

Table 10.30 Access Cost Summary

	1-Bed Apartment	2-Bed Apartment	2-Bed Terrace	3-Bed Semi	4-Bed Semi
M4(2)	£940	£907	£523	£521	£520
M4(3)(A) – Adaptable	£7,607	£7,891	£9,754	£10,307	£10,568
M4(3)(B) – Accessible	£7,764	£8,048	£22,238	£22,791	£23,052

Source: EC Harris, 2014

- 10.77 Although, local authorities only have the right to request M4(3)(B) accessible compliance from homes for which they have nomination rights. They can, however, request M4(3)(A) adaptable compliance from the wider (market) housing stock.
- 10.78 A further option for the Council would be to consider seeking a higher contribution, where it is viable to do so, from those homes to which they have nomination rights. This would address any under delivery from other schemes (including schemes due to their size e.g. less than 10 units or 1,000 square metres) but also recognise the fact that there is a higher prevalence for wheelchair use within social rent tenures. This should be considered when setting policy.

Impact of Covid-19

- 10.79 It is worth briefly reflecting on the potential impact of Covid-19 on the need for older persons specialist housing. Whilst it is too early to know the full impact of Covid-19, it is certainly the case that deaths in care environments have been well publicised and this could potentially see a reduced demand for this type of accommodation in the short term. Conversely, there may well be increased demand for other forms of specialist accommodation for older people such as sheltered, enhanced sheltered and extra-care as people seek to avoid isolation or generally loneliness.
- 10.80 Another factor by well be that the increased number of deaths amongst the older person population (in both care environments and the general population) could reduce the number of older people, and particularly those with the worst health/vulnerability who might have been expected to move into an extra-care/residential care environment.
- 10.81 Hence it is possible that the need/demand for specialist housing for older people (particularly in a communal environment) will change, at least in the short term, as well as a reduced number of people in the age cohorts who might be expected to move to it. However, it is still too early to draw conclusions and there is insufficient data to fully understand the overall impact of Covid-19.

The Needs of Older Persons & Those with Disabilities: Key Messages

- A range of data sources and statistics have been accessed to consider the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. The analysis responds to Planning Practice Guidance on *Housing for Older and Disabled People* published by Government in June 2019 and includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).
- The data shows in general that BCP has a similar age structure and similar levels of disability compared with the national average whilst Dorset has an older age structure (and lower age-specific rates of disability in a regional/national context). The older person population is projected to increase notably in the future and an ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2021-38 period include:
 - Linked to the standard method a 38% (BCP) and 36% (Dorset) increase in the population aged 65+ (potentially accounting for in excess of 100% of total population growth in Dorset (40% of growth in BCP);
 - A 45%-54% increase in the number of people aged 65+ with dementia and a 42%-47% increase in those aged 65+ with mobility problems;
 - A need for around 500 housing units with support (sheltered/retirement housing) in BCP (2021-38) and 2,600 units in Dorset (mainly in the market sector in Dorset);
 - A need for around 1,600 additional housing units with care (e.g. extra-care) in BCP and 1,800 in Dorset – split roughly equally between market and affordable homes;
 - A need for an additional 1,379 residential and nursing care bedspaces in BCP and 2,769 in Dorset; and
 - A need for around 3,500 (BCP) and 3,900 (Dorset) dwellings to be for wheelchair users (meeting technical standard M4(3)).
- This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. Given the evidence, the Councils could consider (as a starting point) requiring all dwellings (in all tenures) to meet the M4(2) standards (which are similar to the Lifetime Homes Standards) and 10%-15% of homes meeting M4(3) – wheelchair user dwellings (a higher proportion in the affordable sector).
- Where the authority has nomination rights M4(3) would be wheelchair accessible dwellings (constructed for immediate occupation) and in the market sector they should be wheelchair user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user). It should however be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.
- The Councils should also consider if a different approach is prudent for market housing and affordable homes, recognising that Registered Providers may already build to higher standards, and that households in the affordable sector are more likely to have some form of disability.
- In seeking M4(2) compliant homes, the Council should also be mindful that such homes could be considered as 'homes for life' and would be suitable for any occupant, regardless of whether or not they have a disability at the time of initial occupation.
- In framing policies for the provision of specialist older persons accommodation, the Councils will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this, the viability of provision). There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure given the way care and support services are paid for.

11. THE NEEDS OF OTHER GROUPS

Introduction

- 11.1 This section assesses the need for self- and custom-build development and other specific groups that might have a specific housing requirement.

Self-Build Register

- 11.2 The Self-Build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) provides a legal definition of 'self-build and custom housebuilding' where individuals or associations of individuals (or persons working with or for individuals or associations of individuals) build houses to be occupied as homes for those individuals.
- 11.3 The Housing and Planning Act 2016 formally introduced the 'Right to Build'. This 2016 Act under the 'duty to grant planning permissions etc,' section placed a legal duty on the relevant authority to grant enough planning permissions to meet the demand for self-build housing as identified through its register in each base period²⁸.
- 11.4 Paragraph 61 of the NPPF sets out that within the context of the standard method, 'the size, type, and tenure of housing needed for different groups in the community' should be assessed and reflected in planning policies 'including, but not limited to... people wishing to commission or build their homes²⁶'.

- 11.5 Footnote 26 states that

'Under section 1 of the Self-Build and Custom Housebuilding Act 2015, local authorities are required to keep a register of those seeking to acquire serviced plots in the area for their own self-build and custom house building. They are also subject to duties under sections 2 and 2A of the Act to have regard to this and to give enough suitable development permissions to meet the identified demand. Self and custom-build properties could provide market or affordable housing.'

- 11.6 Paragraph 3 of the PPG concerning the housing need of different groups describes how the needs of those wanting to self-build and custom housebuilders can be assessed:

'Most local planning authorities (including all district councils and National Park Authorities) are now required to keep a register of individuals and associations of individuals who are seeking to acquire

²⁸ With the exception of the first base period which ran from 1st of April 2016 to the 30th of October 2016 each subsequent base period has lasted 1 year. There have therefore been 5 base periods since the 1st of April 2016.

serviced plots of land in their area to build their own home. The Self-build and Custom Housebuilding (Register) Regulations 2016 set out these requirements. For further details, see guidance on self-build and custom housebuilding registers.

To obtain a robust assessment of demand for this type of housing in their area, local planning authorities should assess and review the data held on registers. This assessment can be supplemented with the use of existing secondary data sources such as building plot search websites, 'Need-a-Plot' information available from the Self-Build Portal and enquiries for building plots from local estate agents.'

11.7 At paragraph 23 to 28 and paragraph 14 in relation to self and custom build PPG sets out the two self-build and custom housebuilding land duties i.e. the 'duty to grant planning permission etc' and the 'duty as regards registers' (Reference ID: 57-023-201760728).

11.8 Paragraphs 23 and 24 relate to the duty to grant planning permission etc. and states that all local planning 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.

The first base period begins on the day on which the register (which meets the requirement of the 2015 Act) is established and ends on 30 October 2016. Each subsequent base period is the period of 12 months beginning immediately after the end of the previous base period. Subsequent base periods will therefore run from 31 October to 30 October each year.

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

Local Authority Custom and Self-Build Registers

11.9 In line with the PPG, the starting point for understanding demand for custom and self-build plots is the registers managed by the Councils. Entries have been divided across each of the base periods recorded since 2016 in order to project forward an estimation of future need.

Table 11.1 Indicative demand for custom and self-build plots based on past trends

	BCP	Dorset
To October 2016	12	106
2016 - 2017	92	155
2017-2018	59	167
2018-2019	37	171
2019-2020	50	204
Current List	250	803
Annual Average (4.5 base periods)	56	178

Source: Local Authority Custom and Self Build Housing Registers

- 11.10 The table shows that on average 56 individuals enter the register per base period in BCP and 178 per base period in Dorset. The level in Dorset is slightly tempered by the introduction of a part 1 and part 2 register which significantly reduced demand.
- 11.11 The register gives an indication of the scale of future need. Moving forward, the Councils will need to ensure that the actual number of entries on the register at the end of each base period is equivalent to number of plots of land that are permitted within 3 years.
- 11.12 However, these tables are based on the aggregate need from each of the former authorities in BCP and in the first three periods in Dorset. In many cases households will have registered in more than one register thus potentially exaggerating the need.
- 11.13 Within BCP the majority of the demand originated in Poole while in Dorset the largest demand was in West Dorset and to a lesser degree North Dorset.
- 11.14 The registers also provide an indication of where potential residents would like to live. Within Christchurch the most popular area (except for “anywhere”) were Highcliffe and Mundeford. Southbourne, Westbourne and Boscombe were the most popular location in Bournemouth.
- 11.15 Where this information is available (Poole) the vast majority of demand is for 3- and 4- bedroom detached houses. Around one third of the demand is for affordable housing. The largest group have a budget of over £400,000.

Data from Secondary Sources

- 11.16 It is important to highlight that when considering demand in the context of the local authority’s self-build register; an Ipsos Mori poll²⁹ undertaken for the National Custom and Self-Build Association

²⁹ ‘Survey of Self Build Intentions 2016’ – this survey questioned nearly 2,000 people about their self-build ambition and activity

(“NaCSBA”) in 2016 found that only one in eight people interested in self-build were aware of the introduction of Right to Build Registers in England.

- 11.17 As a result, the number of expressions of interest on a local authority’s self-build register may substantially underestimate demand. However, there are limited publicly available sources of demand beyond the Councils’ register.
- 11.18 In order to better understand the data from the Councils’ own register, we have looked to secondary source as recommended by the PPG, which is data from NaCSBA - the National Custom and Self-Build Association – so that we can understand how demand in BCP and Dorset sits in context.
- 11.19 In November 2018, NaCSBA used a Freedom of Information request to 336 English councils that found that 40,000 people had signed up to Right to Build registers, but that ‘there was a postcode lottery of activity’. The data was drawn from registers on 30th October 2018 and 310 Councils responded.
- 11.20 The data shows that there is demand from 223 persons per 100,000 in Dorset and 37 persons per 100,000 in BCP. The table below compares the scale of demand against the 2020 population estimates to arrive at an estimated scale of demand for self and custom build homes in the study area. As shown the scale of demand ranges from 147 in BCP to 847 in Dorset.

Table 11.2 Potential Demand for Self and Custom Build Housing in BCP and Dorset (2020)

	Scale of Demand per 100,000 population	2020 Population	Scale of Demand
BCP	37	397,000	147
Dorset	223	379,800	847

Source: Based NACSBA data and MYE

- 11.21 If this level of need is to be addressed over a three year period (as the guidance allows for a three year period for need to be met) it would equate to a need for around 49 plots per annum in BCP and 282 in Dorset. While this is a lower need in BCP it is notably higher than the numbers on the custom and self-build registers in Dorset show (average of 178 per annum).

Local Authority Response

- 11.22 Paragraph 25 of the PPG (Reference ID: 57-025-201760728) provides guidance on how Councils can help support self and custom build by increasing the number of suitable planning permissions. It encourages Councils to undertake several tasks including:

- developing policies in their Local Plan for self-build and custom housebuilding;

- using their own land if available and suitable for self-build and custom housebuilding and marketing it to those on the register;
- engaging with landowners who own sites that are suitable for housing and 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 custom build developers to maximise opportunities for self-build and custom housebuilding.

11.23 Several local authorities have implemented a Local Plan policy, for example:

- South Cambridgeshire Council – On all sites of 20 or more dwellings, and in each phase of strategic sites, developers will supply dwelling plots for sale to self and custom builders. Where plots have been made available and appropriately marketed for at least 12 months and have not been sold, the plot(s) may either remain on the market or be built out by the developer.
- Teignbridge District Council - 5% of plots on development sites of more than 20 dwellings with plots marketed for a minimum of 12 months.
- Mid Devon District Council - 5% of plots on development sites of more than 20 dwellings.
- Torbay Council - 5% of plots on development sites of more than 30 dwellings.
- East Cambridgeshire District Council - 5% of plots on development sites of more than 100 dwellings.
- Stroud District Council - 2% of plots on strategic housing sites.

11.24 Other local authorities have developed a policy of encouragement without defining exact percentages. For example, North Tyneside Council and Daventry District Council will ‘encourage’, rather than require, a proportion of plots to be set aside on sites of over 200 and 500 units respectively.

11.25 As a first step, the local authorities should seek to adopt a general “encourage” policy for all sites but also implement a further policy on strategic sites. The exact level should be determined in reference to the number and capacity of strategic sites and the overall local need as identified on the register. This should also take into account the committed supply, need for other types of housing (including affordable housing need) and viability.

Role of Larger Sites

11.26 There is the potential for larger development schemes to provide serviced plots for custom-build development, and for these sites, with support, to help to drive forward delivery rates. The Independent review of build-out³⁰ by Sir Oliver Letwin (2018) was undertaken to identify the cause

³⁰ <https://www.gov.uk/government/publications/independent-review-of-build-out-final-report>

of the significant gap between housing completions and the amount of land allocated or permitted on large sites in areas of high housing demand.

- 11.27 Section 3 of the Letwin Review looks at increasing diversity and a new planning framework for large sites (over 1,500 houses). Letwin recommends that the Government should adopt a new set of planning rules that apply to large sites in areas of high housing demand that would require their outline planning permission to include for 'housing diversification' to be a 'reserved matter' in line with new secondary legislation.
- 11.28 If the Councils are proposing to allocate sites that are suited to the provision of self-build plots, we would recommend they consider seeking plots which are available for self and custom build plots. The threshold for such sites should be made at a point where demand is being met without over-burdening every site and subject to viability.
- 11.29 It is also possible for Custom and Self-Build schemes to be large sites in their own right. An example of this can be seen at the Graven Hill development in Bicester, Oxfordshire. This is the largest custom build scheme nationally with proposals for over 2,000 custom-built homes. The site has been acquired by Cherwell District Council from the MOD and a development company has been set up.
- 11.30 There is a dedicated web site³¹ that provides all the information required for people that would like to build their own home in the Graven Hill area. Various formats of delivery are envisaged, from the construction of the shell through to the ability of occupants to tailor the finish.

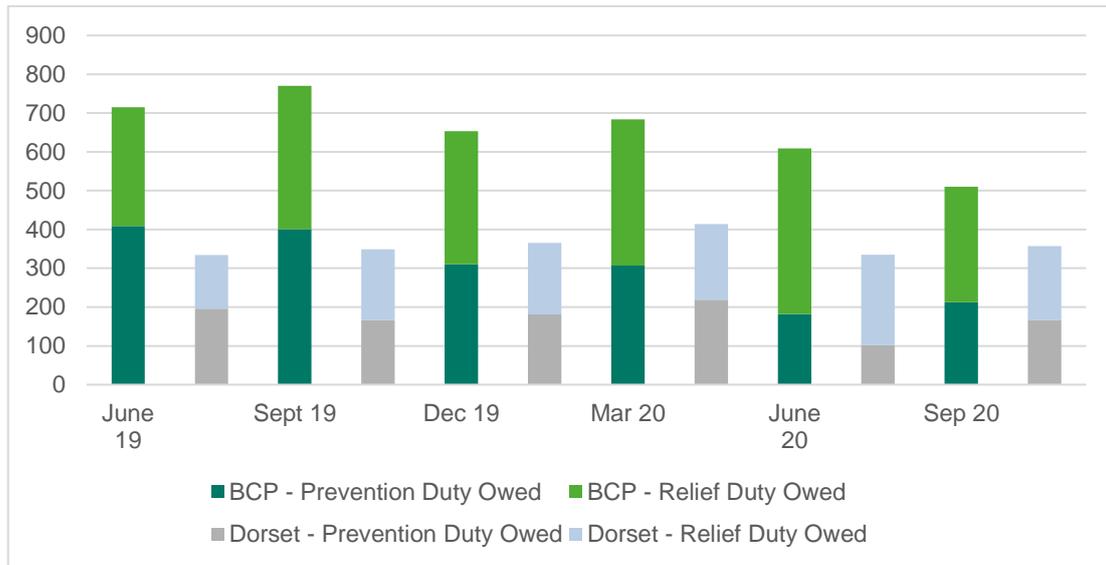
Homeless Households and Other Groups Requiring Supported Housing

- 11.31 We have only examined short term trends in homelessness to tie in with the changes brought about by the homelessness reduction act. The data we have used comes from quarterly data produced by DLUHC since June 2018. There is also limited data as a result of local authority reorganisation.
- 11.32 As the table below illustrates the number of households that are required a homeless prevention or relief duty varies from year on year. In BCP the average number of households owed a duty is 657 per annum of which 46% required a prevention duty³² and 54% a relief duty. In Dorset the average number of households owed a duty is 359 per annum of which 48% required a prevention duty and 52% a relief duty.

³¹ <https://gravenhill.co.uk/>

³² The Prevention Duty requires local authorities to take reasonable steps to prevent any eligible applicant from becoming homeless, regardless of priority need status, intentionality and whether they have a local connection. The Relief Duty requires local authorities to take reasonable steps to help secure accommodation for any eligible person who is homeless

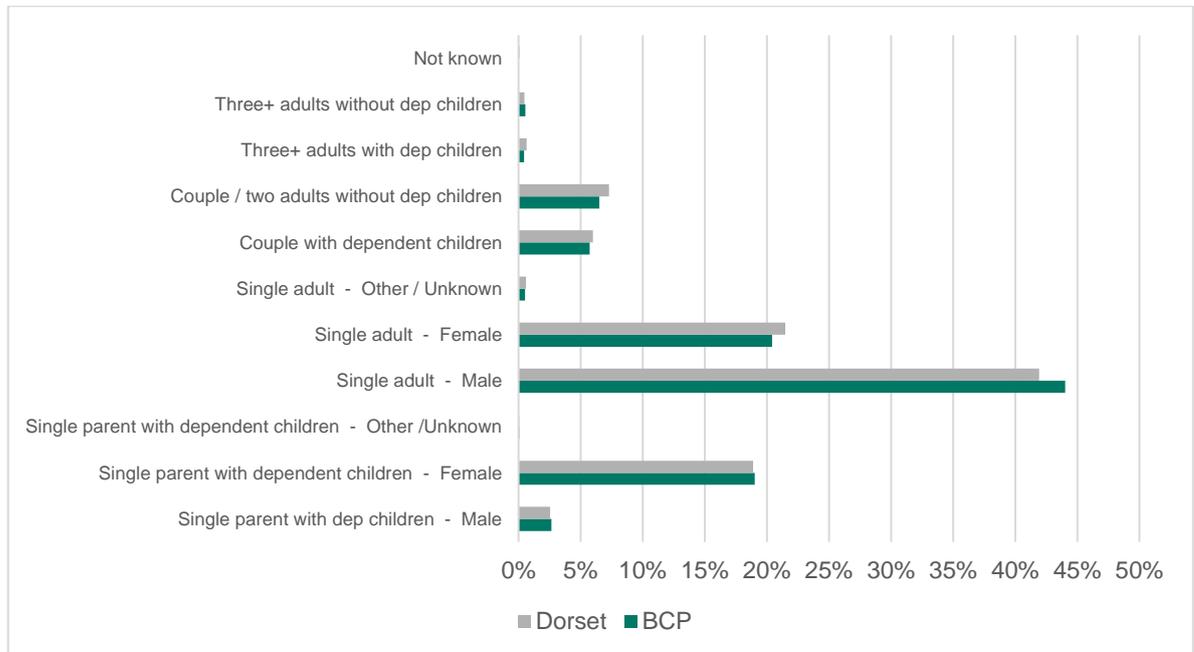
Table 11.3 Relief and Prevention Cases by Quarter



Source: MHCLG, 2021

11.33 There are a number of significant household types which are owed a prevention or relief duty. These are, Single Males (44% in BCP and 42% in Dorset), Female Single Parents (19% in BCP and Dorset) and Single Females (20% in BCP and 21% in Dorset). Around 22% of households has dependent children.

Table 11.4 Household Type of those owed a Prevention or Relief Duty (Since June 2018)

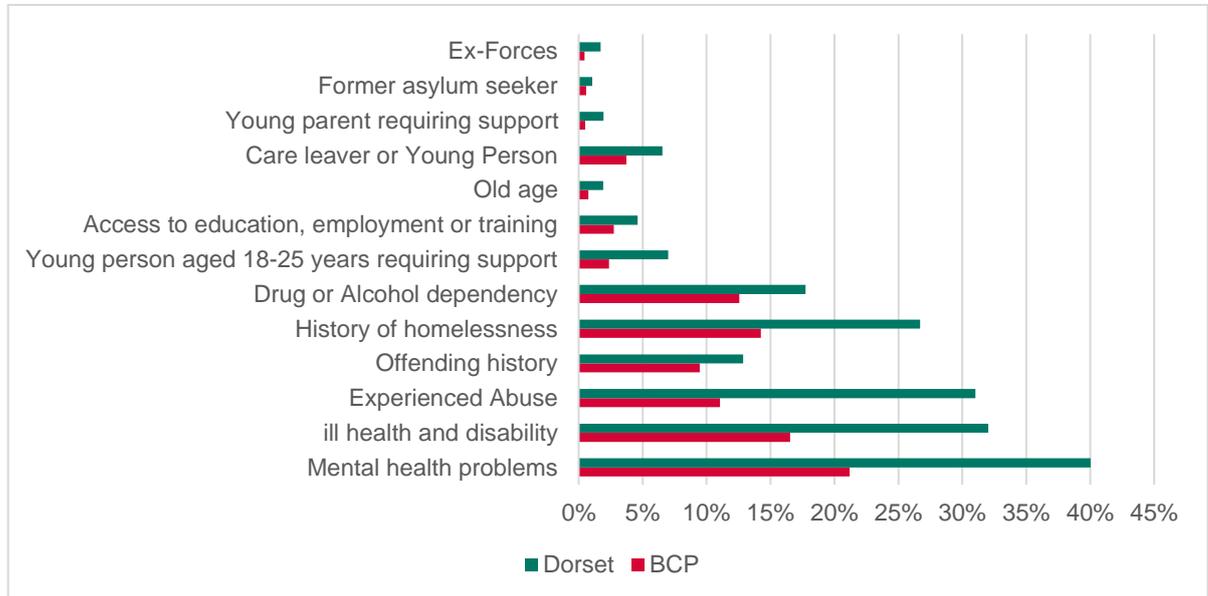


Source: MHCLG, 2021

11.34 The reason support needs of households owed a prevention or relief duty are myriad and often multiple (hence the numbers below do not add to 100%). The most common support need is those

with a mental health issue of which around a 40% in Dorset and 21% in BCP of those owed a duty suffer. Around a 32% in Dorset and 17% in BCP had a physical disability or suffered from ill health.

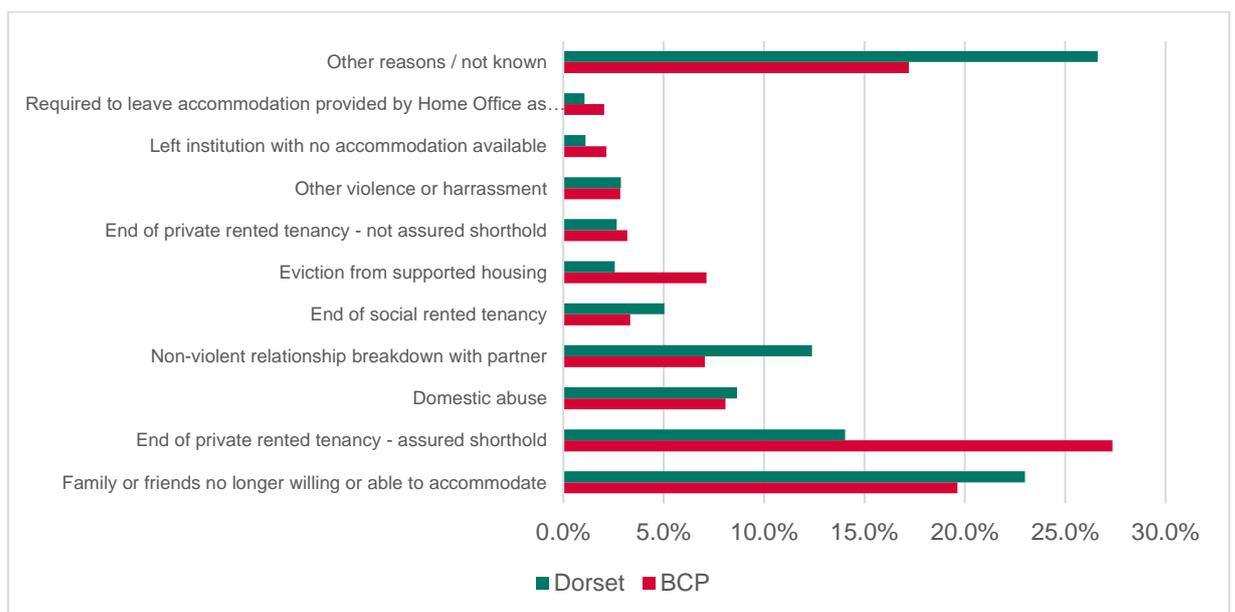
Table 11.5 Support needs of households owed a prevention or relief duty (Since June 2019)



Source: MHCLG, 2021

11.35 Around 20% of households in BCP and 23% in Dorset who are owed a duty said that the reason for loss of last settled home was because their friends and family no longer willing or able to accommodate them. A further 12.4% in Dorset and 7.1% in BCP was because of a breakdown in relationship (non-violent) while 8% in both areas was due to domestic abuse.

Table 11.6 Reason for loss of last settled home for households owed a duty (Since June 2019)



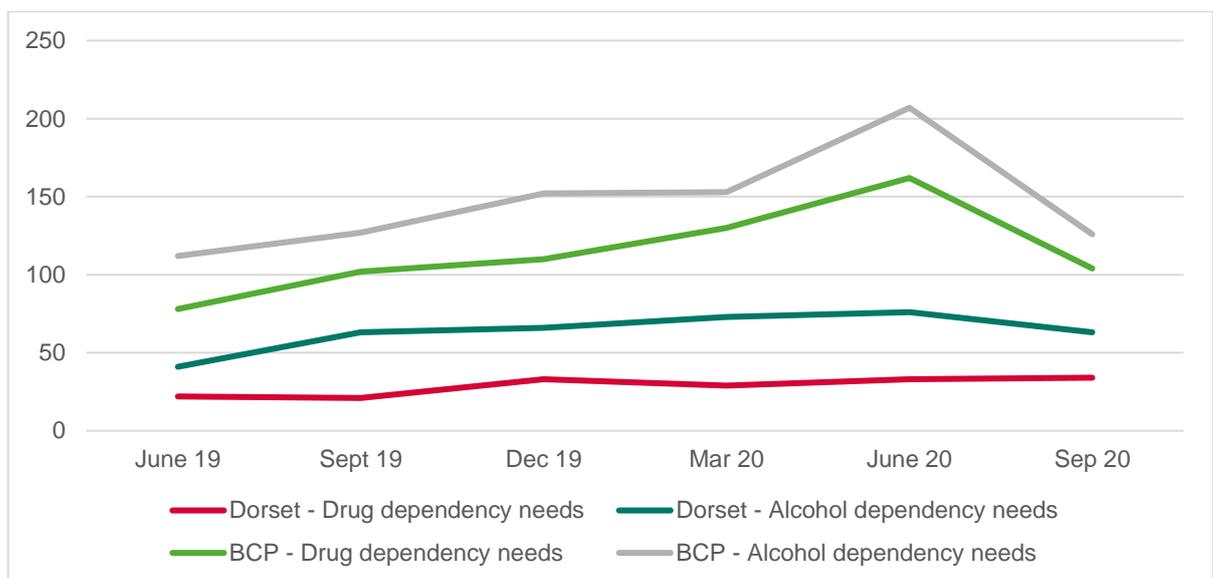
Source: MHCLG, 2021

- 11.36 Around 27% of those owed a duty in BCP and 14% in Dorset was due to the end of their private tenancy (assured and non-assured shorthold) and 3.3% in BCP and 5% in Dorset was due to the end of social rental tenancy. This is likely to decrease during Covid-19 due to an eviction ban but then accelerate due to pent up demand after May when this ban finishes.
- 11.37 As noted previously in this report the latest data on this from the Ministry of Justice only covers the period to June 21. This does not show any return to pre-pandemic levels in either mortgage repossessions or landlord possessions although there is a small spike in the latter.

People recovering from drug or alcohol dependence

- 11.38 Of those owed a duty 13% in BCP and 18% in Dorset had a drug or alcohol dependence issue. In total 877 households since 2019 have been owed a duty and required a drug or alcohol support need. As the table below illustrates, the numbers have fluctuated although over the last year there has been an upward trend although the latest data show some return to normal levels.

Table 11.7 Households owed a duty with drug or alcohol dependence (Since June 2018)

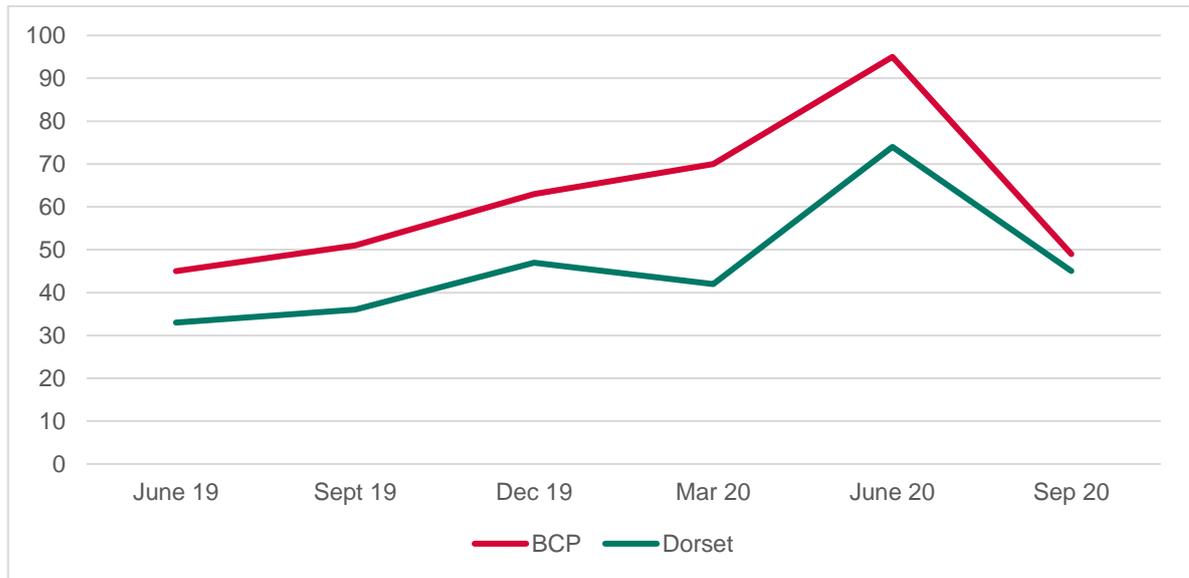


Source: MHCLG, 2021

People in Contact with the Criminal Justice System

- 11.39 Of those owed a duty 9% in BCP and 13% in Dorset had an offending history, this was a total of 650 household. As the table below illustrates the numbers have fluctuated although over the last year there has been a downward trend.

Table 11.8 Households owed a duty with drug or alcohol dependence (Since June 2019)

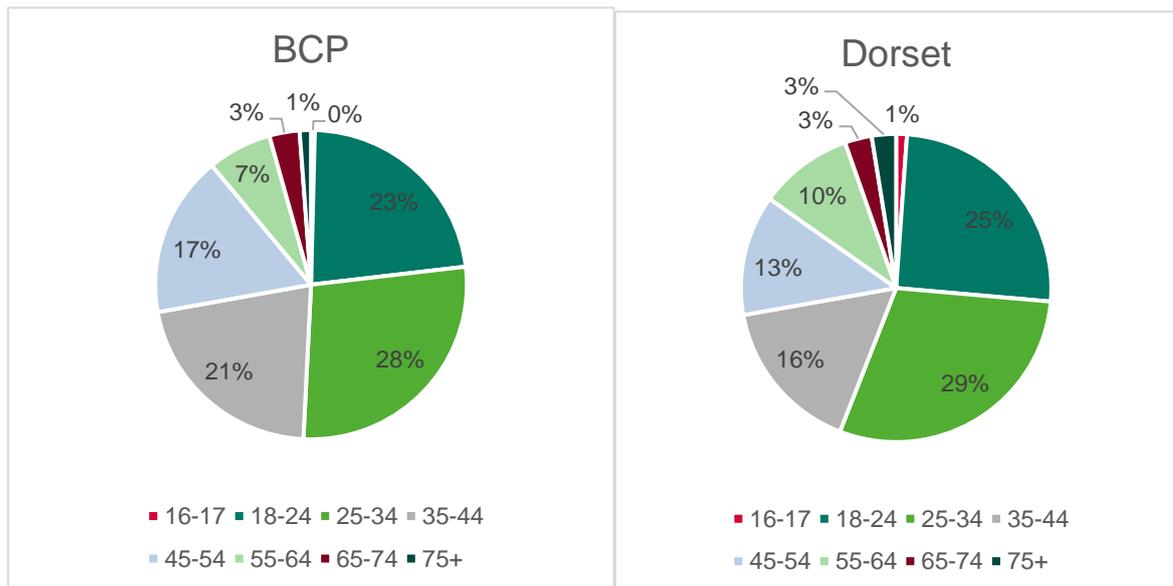


Source: MHCLG, 2021

Young people with a support need

11.40 As illustrated in the figure below the 25-34 and 18-24 age groups comprise around 50% of all those owed a prevention or relief duty in BCP and 55% in Dorset. Only around 4% in BCP and 6% in Dorset of those that were owed a duty were of a retirement age.

Table 11.9 Age Profile of those owed a prevention or relief duty (Since June 2019)



Source: MHCLG, 2021

11.41 The Councils should monitor these trends and respond to any upwards spikes. They should also work with a range of agencies to ensure there is a flexible and responsive supply of accommodation. These agencies include:

- Adult Social Care teams
- Clinical Commissioning Groups (CCGs)
- Registered providers
- Other local partners

Discussion with Dorset Council

11.42 Different policies from predecessor authorities have affected the number of people on the register in each area. Weymouth has by far the high level of need in Dorset. They have had difficulties securing new housing as the development boundary was tightly drawn to the town. However, this might not be an issue now they are a single local authority.

11.43 The Council have experienced occasional a difficulty in filling some older supported/sheltered housing flats which have no lifts. They have explored mixing these flats with other users but it difficult to achieve. Sheltered housing is still being let n Dorset although it is managed by registered providers so the Council do not have absolute control of the supply.

11.44 There are also some vacancies within the isolated communities. This is particularly the case with sheltered accommodation. So much so the Council have reduced the age limit to encourage occupation. Although it may occasionally take a while to let some of the sheltered properties, they do all eventually become occupied. In Purbeck there are particular issues with low demand for sheltered studio flats.

11.45 In relation to rural housing need there is very little stock in some settlements which means people do not bother joining the housing register.

11.46 Furthermore, some villages have sustainability problems particularly in West Dorset and Purbeck and are encouraging the development of affordable housing to attract a younger population. The current rural exception site policy allows for 100% affordable developments³³ only as large as the identified need. This tends to draw on the housing register and/or a housing needs survey.

³³ In Purbeck there can be some cross-subsidy but most be values.

Developers are also encouraged to engage with the Town and Parish councils to identify the need. Dorset has also seen a rise in Community Land Trusts.

- 11.47 The Council are working with the RPs to build in additional older persons accommodation in the North of Dorset around Gillingham. The particular focus of the Council is working towards an additional supply of extra care accommodation.
- 11.48 In relation to the mix of housing the Council have a few larger families on the housing register that that are having difficulty rehoming. This is due to an historical undersupply of 4- and 5-bedroom social let homes which was exacerbated by many family sized homes being lost through right to buy.
- 11.49 This would further justify the move away from the modelled need for 2% 4-bedrooms to the recommended 5% for 4 bedrooms.
- 11.50 Further evidence is also provided by bidding data. For example, the number of households bidding for 2- and 3-bedroom homes is far higher than those bidding for 1-bedroom homes. This could perhaps be due the fact that houses are more popular and 1-beds are typically flats.
- 11.51 Another consideration on the scale of affordable housing need is that while the calculations are based on accessing PRS anecdotally, there is not much PRS stock, particularly in the rural areas, so households find it difficult to form.
- 11.52 Additionally while there is a notable supply of PRS in Weymouth it can be of poor quality. Again this means that people would have difficulty forming a household.
- 11.53 There is also an unmet need for adapted properties across Dorset.
- 11.54 The number of Homeless households has increased of late particularly as a result of the Covid “everybody in” programme. This has highlighted the lack of suitable accommodation and an over reliance on B&B accommodation. Weymouth in particular suffers from homeless households.
- 11.55 The Council have been acquiring properties and pods (located in Weymouth park and ride) to address the increased demand. They have also used youth hostels for single people but that will end once the hostel reopens.
- 11.56 A charitable organisation used a converted bus called the “bus shelter” to temporarily house rough sleepers but covid meant this could not happen and the Council found alternative accommodation for the residents. The Bus Shelter organisation is leading on the project to provide pods which will provide temporary accommodation and support for the same client group.

- 11.57 The Council are seeking to build or buy more temporary accommodation for single people although they will need to continue to use B&Bs for families. There is also a caravan park in Swanage for families and single people.
- 11.58 A policy within Dorset Council ensures that those in temporary accommodation move into an emergency banding and are given preference for housing after 6 months.
- 11.59 There is a significant overlap in the group presenting themselves as homeless and those with a drug and alcohol dependencies. The Council do have some supported accommodation, particularly in Weymouth.
- 11.60 The levels of support provided depends on position on the traffic light system the service users are placed with most receiving higher levels of need. This ranges from floating support and weekly visits or drop-in support for those termed as “green” while “red” support would get hostel accommodation with onsite support or housing first which would have daily visit. Formal support includes sobriety support, resettlement and employment support.
- 11.61 Those with experience with Criminal justice system is less of an issue than previously simply because they have fewer prison than they used to and thus fewer people leaving them. There is still one prison in Portland and the Council are putting in steps to provide additional support this group. Again, there is some overlap with those presenting themselves as homeless.
- 11.62 Care leavers receive support from the Council social work team but not directly from housing. The social workers provide assistance with applications for housing. A number of care leavers have also sought shared ownership accommodation.

Discussion with BCP Council

- 11.63 There is potential for the Council to utilise their existing stock more effectively. Part of the reason for this is a lack of consistency in the commissioning and access to Sheltered and Extra Care accommodation across the three former local authorities.
- 11.64 For example, some sheltered accommodation is being filled by 55-year-olds that is working full time and who do not require the warden assisted accommodation they have. There is also extra care accommodation that is filled with people who could easily be in sheltered accommodation.
- 11.65 This has occurred and there is no assessment of need to enter sheltered accommodation the only criteria was their age. People were able to bid on these homes if they met the age criteria. Because the sites are in good condition with gardens and are generally a better environment than general

needs stock, which is also in low supply, they became quite popular. The Council recognise that they should be prioritising people with higher needs to be in sheltered.

- 11.66 There was also pressure from RPs to fill the void in some of the Extra Care stock. As a result, some people with low care or support needs were placed in the extra care stock. This is not the best use of this type of accommodation and is also more costly.
- 11.67 The Council recognise that there is a to review of the stock older people's accommodation including how these are managed at let. They are also looking to increase the supply of extra care to reduce the demand for care bed spaces.
- 11.68 There is also the potential that some of the sheltered accommodation will need to be reduced to age restricted accommodation as funding streams for wardens has disappeared.
- 11.69 The Council also receive complaints that in some age restricted accommodation tenants with care needs are unable to participate in the social aspects of the communal living space and that is to everyone's detriment.
- 11.70 The Council noted that they have difficulty in providing specialist accommodation that is wheelchair accessible accommodation. This might impact on the build standard of future specialist housing provision.
- 11.71 In relation to specific needs, there is a known demand for detached homes for people with severe autism. This group can generate noises it causes difficulty sharing an entrance. As a result, they sometimes get given accessible accommodation as they are bigger plots, but they do not actually need the accessibility aspects. Consequently, they are taking up provision for wheelchair accommodation that they do not need.
- 11.72 Homelessness in BCP is concentrated in Bournemouth (rather than Poole or Christchurch) but the team deals with it across the district.
- 11.73 The Council expecting a huge Covid impact once there is an end to evictions and furlough. In particular they expect large numbers of homeless presentations.
- 11.74 The Council currently find it difficult to secure move on accommodation as there is a lack of affordable accommodation in PRS. The Council are building up their Temporary Accommodation Portfolio through purchasing homes and Seascope homes, (the Council's wholly owned development company) are providing a proportion of their homes.

- 11.75 There is no accommodation dedicated to those with Drug and Alcohol dependencies. Most will come through the homeless hostels which provide stabilising support. For those in recovery or coming out of recovery there is a dry accommodation which can be accessed. This type of accommodation is limited and those accessing it have difficulty moving on due to lack of affordable rental accommodation. Some will move on to supported housing for mental health assistance which just delays the need for move on space.
- 11.76 Those with a support need do not necessarily need to come through the homelessness route as the housing team also provide this access and are in the same team. Those with experience of the criminal justice system, typically present themselves as homeless but they typically know about them before they are released. They will sometimes have other issues such as mental health and drug and alcohol dependencies.
- 11.77 Those in high-risk categories go into a homeless hostel which has 24hr support. Those in Temporary Accommodation get additional support.
- 11.78 The level of support given to services varies depending on their need. It ranges from making eye contact to buying food it also includes sorting out benefits and debt support while for others it includes teaching them basic living skills such as laundry or cooking.
- 11.79 Support workers also look at positive longer-term things such as voluntary work and ensuring people have the right ID for lettings when moving on. The Council also provide financial support loans for deposits and first months' rent. But only if they can afford to live in that accommodation.
- 11.80 The Care leavers strategy is to provide accommodation, but the expectation is not being met due to a lack of property. They are given gold band status to bid for properties when they are ready to move in.
- 11.81 The Council manage lettings of new build schemes to ensure new accommodation is not overburdened with a high number of people requiring support. In addition, some supported housing providers are required to provide some level of support.
- 11.82 The Council Housing Officers' key recommendation would be to fully review the current housing stock and how it is used.

Students

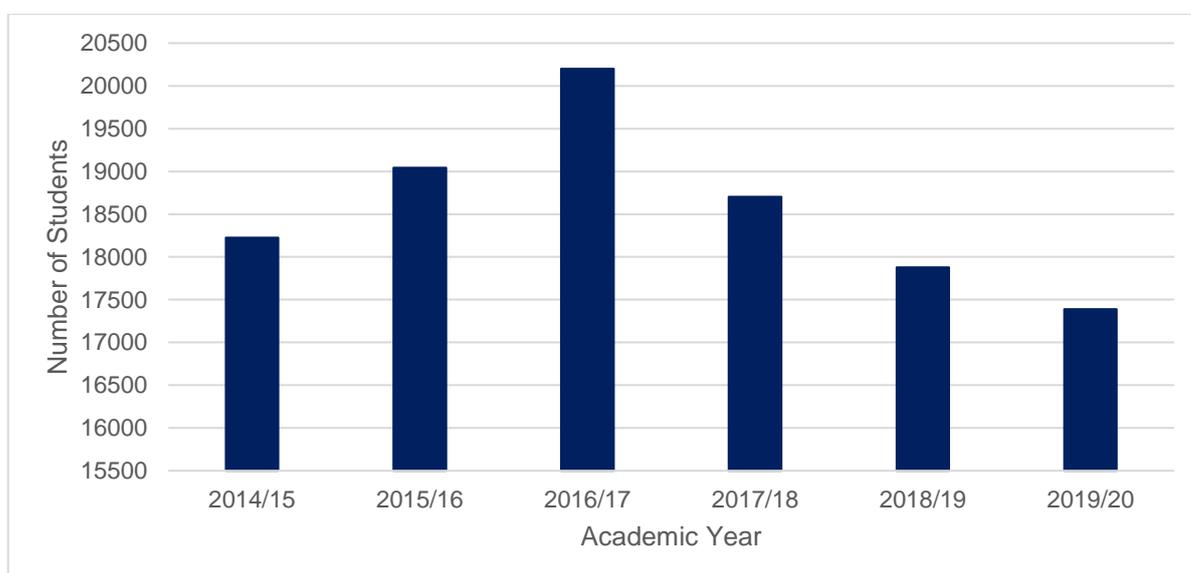
- 11.83 Dorset and specifically BCP is home to three higher education establishments: Bournemouth University, Arts University Bournemouth (AUB) and AECC University College (AECC). We have examined the profile of students at each of these alongside their aspirations for growth.

11.84 There are other providers of further education such as Kingston Maurward College in Dorchester and Bournemouth and Poole College. However, such institutions do not feature in the data provided by the Higher Education Statistics Authority (HESA). In addition, they tend to provide education for local residents, most of whom still live at their parental home. As such there is limited impact on the wider housing stock.

Bournemouth University

11.85 Bournemouth University currently has just under 17,390 students, the student roll is the lowest it has been in the previous five years as illustrated in the figure below. Of the 2019/2020 student intake 79.9% are Undergraduates and 20.1% are Postgraduates. Approximately 85% are UK students with the remaining 4% from other EU countries and 11% from outside the EU.

Table 11.10 Number of Students at Bournemouth University



Source: HEMA (2020)

11.86 The University currently offers guaranteed accommodation for all under-graduate new entrants if they apply before a certain deadline as it has 3,400 bed spaces. This portfolio is made up of several purpose-built student accommodation sites owned and managed by their private accommodation partners.

11.87 Bournemouth University has three campuses, Talbot on the border with Poole, Lansdowne in Bournemouth City Centre and Chapelgate in Christchurch. Talbot Campus is the main campus, it offers a range of facilities such as the library, the Student Centre, sports facilities and several eating establishments. Student halls of residence, known as Student Village, is within close proximity to the campus.

- 11.88 The accommodation at the Talbot campus in Poole is not as popular with students as it does not have the cache of Bournemouth nor does it have access to the facilities of the Lansdowne Campus, although the University does run a bus between the campuses.
- 11.89 The Lansdowne Campus is located a few minutes' walk from the centre of Bournemouth, this campus also contains a range of halls of residence. The Executive Business Centre (EBC), which provides a teaching space for an abundance of the postgraduate courses is also located on this campus.
- 11.90 International students who come to study a pathway course before beginning their main degree will also be based on Lansdowne Campus, in the Bournemouth University International College facility. This building has been designed as a learning environment, but also features accommodation and social spaces for students.
- 11.91 Bournemouth University Students also reside in Unilet Accommodation which is university-managed shared housing and is another option for first-year students. These are privately owned properties that are fully furnished and designed for student lets. The University also has accessible rooms in many of its residences.
- 11.92 After their first year, it is common for students to then move into accommodation in the private sector. The private sector is made up of HMO type properties in and around Winton and Charminster.
- 11.93 There are also several private purpose-built student accommodation (PBSA) providers in the Lansdowne area who offer accommodation for any student, regardless of their year of study. Bournemouth University has its own student lettings service called LettingsBU, which contracts with these private landlords/providers to advertise and let their rooms. This accounts for a very small percentage of the rooms available with the majority of these private rooms let on the open market by the private purpose-built student accommodation providers themselves and/or the many private letting agents.
- 11.94 For undergraduate students the typical price point for an en-suite room with a contract length of 42 weeks is £148-£150 per week. A studio usually occupied by international post graduate students costs £170-£175 per week with bills included. HMOs cost approximately £115-£125 ppw but bills are not included.
- 11.95 The University suggested price sensitivity is not prominent within student population and therefore students are opting to reside in the more expensive PBSA accommodation for longer than just their first-year study.

Growth Aspirations

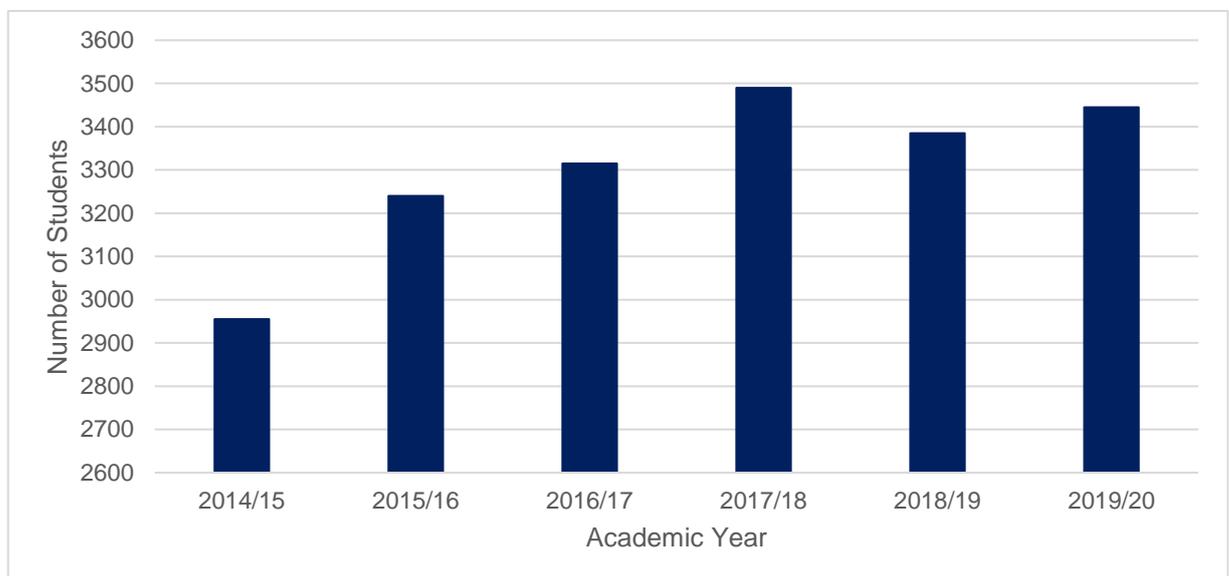
- 11.96 The University is expecting the number of students to increase to between 17,000-18,000 in the next few years. This is a return to historic levels as such the University will be able to provide accommodation in halls of residence for all first year and international students.
- 11.97 They previously experienced a 40% drop off in EU students but expect there to be some recovery as a post study work visas encouraging more international students. This will be particularly popular with Indian and Nigerian nationals.
- 11.98 There is also a demographic factor as around 40% of the student roll is from within 40 miles of the University and 80% within 100 miles including London. Both these areas have a large cohort becoming student age over the next few years.
- 11.99 The University confirmed there are enough student bedspaces within Bournemouth to meet the demand from the expected increase in student population and therefore no significant development is needed to accommodate their additional students. It is also the case that more students are choosing to live with their parents.
- 11.100 There are empty bed spaces within BCP and therefore students have more choice in terms of accommodation, this in turns is driving up the standard of accommodation to attract more students, particularly in the HMO student rental market.
- 11.101 There has been a shift away from second- and particularly third-year students occupying HMOs and they are now preferring to stay in PBSA accommodation due to the benefits such as high-speed internet, gyms, sky terrace and concierge service. As the PBSA is also generally of a higher quality than the HMOs it attracts a higher price however this generally does not deter students from staying in this type of accommodation for the duration of their studies.
- 11.102 As a result of the popularity of PBSA, HMO landlords are finding it increasingly difficult to rent out their properties to students, and therefore are renting the properties out to non-students. A longer-term result of this trend is landlords choosing to sell their properties which could result in HMOs being repurposed for family housing.
- 11.103 To encourage further release of general housing currently being used as HMOs due consideration should be given to increasing the number of PBSA in the BCP. However, this should be at a sustainable level and not concentrated in a single location. The University also encourages ongoing engagement with them in relation to the student housing needs within the District.

11.104 The Council policy of requiring commercial floorspace alongside PBSA helps ensure vibrancy but with a deteriorating office market it might make it difficult to attract developers if they are only building office space that will lie empty. The Council may wish to reconsider this if only in the short term.

Arts University Bournemouth (AUB)

11.105 AUB has approximately 3,600 students, this figure is marginally lower than the number of students in the academic year 2017/18 which saw the highest number of students attend the University in the past five years. Of the 2019/2020 student intake 94.9% are Undergraduates and 5.1% are Postgraduates. Approximately 83% are UK students with the remaining 7% from other EU countries and 10% from outside the EU.

Table 11.11 Number of Students at Arts University Bournemouth



Source: HEMA Data (2020)

11.106 AUB's campus is located within the Wallisdown area of Bournemouth, within walking distance of the town centre. AUB offers accommodation for first-year undergraduates in a range of halls of residence located on campus and in the Lansdowne area of Bournemouth.

11.107 The university offers 1,131 rooms in halls, 678 on their own campus and Madeira Road halls, and the remainder via a rental agreement with Home Park halls. Second- and third-year students live in private rented accommodation, with an increasing number opting to stay in halls throughout their studies and living in private halls.

11.108 'Campus Halls' opened in 2021, it contains 299 rooms arranged over three blocks, with a mixture of rooms in cluster flats and self-contained studios. 'Home Park Halls' are located approximately 3 miles south east of the AUB Campus in Boscombe and accommodate foundation, first-year undergraduate and postgraduate students.

- 11.109 The halls offer a total of 437 rooms and 17 studios. All rooms are single occupancy and there is a choice of 5, 6 or 7 bed cluster flats as well as studios. 'Maderia Road' Halls are located slightly east of Bournemouth Town Centre and approximately 2.5 miles south east of AUB Campus. The Halls offer a total of 374 rooms and 4 studios for first-year undergraduate and postgraduate students.
- 11.110 As with the University of Bournemouth many students in second- and third-year undergraduates and postgraduates live in private rented accommodation. 'StudentPad' is the official AUB accommodation website and provides students with access to all student accommodation registered with AUB by local landlords who have been accredited by a national association.

Growth Aspirations

- 11.111 AUB has plans for moderate growth in the number of students, but not significant increases, these students would be accommodated within the existing halls of residence provision, so the impact on the wider housing market will be minimal.
- 11.112 The University has noticed an immediate impact of Covid-19 on the number of international students attending the University, however the longer-term demand from international students to attend the University appears strong. The University further suggested there has been no significant impact of Covid-19 on the number of domestic students.
- 11.113 Further to this Brexit has had a limited impact on the number of students at AUB as less EU students tend to study there.

AECC University College (AECC)

- 11.114 The AECC University College is located within the Pokesdown area of BCP, it has approximately 850 students. Currently 60- 70 students from AECC reside in the halls of residence 'Lulworth House' each year, a referral agreement with Lulworth Student Company is in place, these students are usually first-year undergraduate students.
- 11.115 Lulworth House is located approximately 2 miles west of the AECC campus. The majority of the students live in private rented accommodation, AECC provide a list on their websites to enable student to find this private sector accommodation.

Growth Aspirations

- 11.116 AECC have aspirations to grow both their undergraduate and postgraduate courses although their new courses in development are weighted towards the post-graduate provision. The University recognises that it would be beneficial to have University owned accommodation.

- 11.117 Internal discussions have taken place within the University regarding the benefit of having a hall of residence in Boscombe High Street as it would contribute significantly to the regeneration of the area. Although there are no firm plans are in place to develop this.
- 11.118 The University are prudently planning for fewer EU students going forward due to the implications of Brexit, their EU applications for the academic year starting in September 2021 are slightly lower when compared to last year. Although, the University considers the greatest impact of Brexit was for more EU students to commence study prior to the end of 2020 so it saw a 'pre-Brexit boost'.
- 11.119 AECC reported it has not seen a difference in the number of applications as result of Covid-19.
- 11.120 Overall the three higher education providers in BCP are only considering modest if any growth. Where growth is identified there is also an aspiration to deliver additional student accommodation. This means that the impact of additional student demand on the wider housing market is negligible.

Service Families

- 11.121 MOD statistics report that there are 900 military personnel in BCP and 90 civilian personnel. The total number of personnel has been relatively stable since 2021. The majority are Royal Navy or Royal Marine personnel although there is also army and RAF present.
- 11.122 There is an even larger military presence in Dorset with 1,900 military personnel and 580 civilian personnel. The current total of 2,480 is a significant reduction from 2012 when 3,340 military and civilian personnel were located in Dorset. The vast majority are in the army although there is also a naval and RAF presence.
- 11.123 The true scale of future demand for from MOD personnel is unknown and it will depend on what the MOD will do with their facilities both here and abroad.
- 11.124 Annex 2 of the NPPF identifies Military Personnel as Essential Key Workers. As such, accommodation specifically comes under the definition of affordable housing. Depending on their incomes this group will already be accounted for within the affordable housing need and will largely not be additional to it.
- 11.125 The Planning Practice Guidance for First Homes also allows local authorities to set out their own criteria for accessing such housing. One such criteria could be a key worker requirement which would include service personnel. The local authority may wish to consider such criteria given the scale of the MOD service personnel in Dorset. This was also noted as an opportunity by the Council's Armed Forces Covenant officer who was consulted in the production of this report.

- 11.126 Over time there has been a significant reduction in married quarters, which has meant demand moving to the wider housing market and particularly the rental market for those relocating to Dorset for the first time and on a temporary basis. However, for most serving personnel there is accommodation on or around the base.
- 11.127 The more acute and pressing issues is finding accommodation for those transitioning out of the military. There is an anecdotal need for all tenures and types of homes including for family housing (2,3,4 bedrooms) to buy, but the need is predominantly for social and affordable rent.
- 11.128 Because this group is leaving service they do not need to be located near to base but near employment centres. As such the greatest demand is for housing in BCP and around Weymouth/Dorchester.
- 11.129 The MOD covenant officer believes that First Homes could play a part in meeting this demand as it would provide a discounted route to home ownership.
- 11.130 While there are issues with homeless veterans, the scale of this need is potentially overstated. One of reason for this perception is that some beggars portray themselves as veterans when often they are not.
- 11.131 The Council have a homeless shelter for veterans in BCP which has six beds and is yet to be at capacity despite working with the YMCA and the street charities to promote this unit. This would therefore suggest that the scale of need is not great.
- 11.132 The Royal Marines based in Hamworthy in BCP have been arranging the evacuation of Afghan natives who previously collaborated with them. Although they have refugee status the Royal Marines still want them to continue to work with them in a variety of roles.
- 11.133 Dorset and BCP Councils have given them the same status as any other armed forces veterans under the covenant. The Allocation of Housing (Qualification Criteria for Armed Forces) (England) Regulations ensure that Service personnel (including bereaved spouses or civil partners) are allowed to establish a 'local connection' with the area in which they are serving or have served.
- 11.134 This means that ex-service personnel would not suffer disadvantage from any 'residence' criteria chosen by the Local Authority in their allocations policy. Furthermore, any ex-armed forces personnel with mental health issues who present themselves to the Councils as homeless would be assisted as a vulnerable group and will be given priority need for housing.

- 11.135 However, the biggest issue is finding suitable accommodation for these refugees and, in particular, larger, affordable homes for some large families. As a result, the wider delivery of affordable homes will help address this need.
- 11.136 As previously set out in the report the Council should therefore seek as much affordable housing as viability allows. The local councils have also signed up to the armed forces covenant and are active participants in the covenant board.
- 11.137 The Councils should also maintain dialogue with the MoD to ensure that large influxes, like those seen in Wiltshire (where armed forces families pulling out of Germany and Cyprus were relocated there at short notice) are identified quickly to allow the Council more time to address it.
- 11.138 In response to this challenge, Wiltshire Council are delivering in excess of £1Bn spend both in developing facilities within the camps and delivery of military (family) homes “outside the wire”, additional school places, road improvement and ecological mitigation in the Salisbury Plain area. They also continue to work with the MOD Estates disposal programme to enable new housing and employment opportunities.
- 11.139 The MOD do not provide much direct support on housing to those leaving the forces but do in relation to getting work. The Council are trying to address this through pivoting their jobs fair to incorporate information on making a home in Dorset. This will include providing support about finding a home, GP, school etc.

The Needs of Other Groups: Key Messages

- On average 56 individuals enter the self and custom build register per base period in BCP and 178 in Dorset. This gives an indication of the scale of future need. Moving forward, the Councils will need to ensure that the actual number of entries on the register at the end of each base period is equivalent to the number of plots of land that are permitted within 3 years.
- As a first step, the Councils may wish to adopt a general “encourage” policy for all sites but also implement a further policy on strategic sites. The exact level should be determined in reference to the number and capacity of strategic sites and the overall local need as identified on the register. This should also take into account the committed supply, need for other types of housing (including affordable housing need) and viability.
- The average number of households presenting themselves as homeless who are owed a duty is 656 per annum in BCP of which 46% required a prevention duty and 54% a relief duty. In Dorset the average number of households who are owed a duty is 359 per annum of which 48% required a prevention duty and 52% a relief duty.
- The majority seeking assistance are from single person households which require smaller homes and the Councils should consider ensuring a supply of smaller affordable homes to meet this need.
- Many of those presenting as homeless also have a support need. The Council should continue to work with the relevant bodies to ensure proper support is provided and monitor the situation for any rapid changes (For example, an increase in homelessness once the eviction amnesty is finished).
- There is unlikely to be any significant additional demand from students and that which is likely to arise will be met with additional purpose-built student accommodation.
- There is significant service (or ex-service) personnel in the study area although this appears to be falling. The Councils have a duty to ensure such households are not disadvantaged when seeking affordable housing. The Councils may also wish to consider prioritising this group for first homes.

12. SUMMARY AND CONCLUSIONS

- 12.1 The purpose of the document is to examine the future need for housing in BCP and Dorset and their sub areas. As well as the overall need the report examines the affordable housing need and makes recommendations on the mix of housing and the need for specific groups.

HMA

- 12.2 The main recommendations look at the need for the two local authorities but where necessary we have also made recommendations for sub-areas. These sub-areas are based principally on price difference. Overall, the two local authorities act as standalone housing market areas although there is an element of overlap between the two.

Housing Stock

- 12.3 The total number of dwellings in BCP to 184,507 and 181,739 in Dorset in 2021. This reflects an overall rate of growth of 0.59% per annum and 0.63% per annum respectively since the last census.
- 12.4 Around 66% of households in BCP and 76% in Dorset were owner occupiers including shared ownership. In comparison the figure in the South West is 67% and in England and Wales it is 64%.
- 12.5 There was a much higher percentage of households (21%) privately renting in BCP than the South West and England and Wales (15%). By comparison only 12% of households in Dorset privately rent.
- 12.6 Across the study area there has been a further shift from owner occupation to privately renting since 2011 although in both tenures there has been a numerical growth.
- 12.7 The percentage of detached dwellings in both BCP and Dorset was significantly higher than across the South West (29.8%) and England and Wales (22.6%). The percentage of flats in BCP was also significantly higher than the regional and national figures (19% and 21.6% respectively).
- 12.8 The most common size of home in Dorset is 3-bedrooms (40.8%) whereas in BCP it is 2- bedroom (33.7%). The number of 3-bedroom homes in Dorset is below the national figures (41.6%) and the number of 2-bedrooms in BCP is considerably above it (27.6%). Similarly, the number of 1-bedroom homes in BCP (15.5%) is above the national equivalent (11.5%).
- 12.9 Housing stock in Dorset has significant levels of under-occupation than across wider comparator areas and there are lower levels of overcrowding.

Housing Market

- 12.10 In the year to September 2020, Median house prices in BCP (£285,000) and Dorset (£295,000) were above the South West median (£260,000) and significantly above the national median (£243,000). The highest house prices by some margin were found in the BCP Sandbanks Sub-Area. The lowest prices, again by some margin, are found in the BCP Outer Central Sub-Area.
- 12.11 The cost of detached, semi-detached and terraced homes have increased at a faster rate than flats. In Dorset, the rate of growth for detached homes has been the highest. We expect demand for detached and semi-detached homes to continue to increase and the growth in the cost of flats will slow as a result of Covid-19.
- 12.12 There were around 5,427 transactions in BCP and 5,112 in Dorset in the year ending September 2020. The most active areas in terms of the number of sales are suburban and inner urban areas which account for over half of all sales. This was down by 36% and 33% respectively on the 2016 post-recession peak – similar to the declines seen regionally and nationally.
- 12.13 In 2020, the median house price in BCP was 9.76 times average earnings (higher than across all wider comparator areas) while in Dorset it was 9.84. Affordability has not significantly deteriorated in either area since 2003.
- 12.14 Consultation with local estate agents suggests that demand for a home in BCP and Dorset has grown since the onset of Covid-19 due to people moving to the area but also the Stamp Duty holiday. This combined with lack of stock has led to a rise in prices.
- 12.15 Savills forecast that house prices in the South West will grow at a slightly lower rate than the national average over the next five-years.

Housing Need

- 12.16 The four-step standard method results in a minimum housing need therefore remains at 2,667 dpa in BCP and 1,757 dpa in Dorset. This can be applied across the Local Plan period from 2021 onwards. This level of housing need forms the basis of much of the analysis in the remainder of this report.
- 12.17 This is a minimum need and Councils are guided towards considering a higher number where there is a growth strategy, significant infrastructure investment or there is unmet need from neighbouring authorities.
- 12.18 There is no growth strategy in place for either BCP or Dorset and the Council have not identified any strategic infrastructure which might drive higher levels of growth. With the exception of each other,

no other local authority has approach BCP and Dorset to meet their need and the two authorities are working closely together on this issue.

Demographic Trends and Projections

- 12.19 Analysis has been undertaken to consider demographic trends, in particular looking at past trends in population growth and future projections. The analysis draws on the 2018-based subnational population projections (SNPP) and the 2018-based household projections (SNHP). The analysis also looks at the most recent population estimates (again from ONS) which date to mid-2019.
- 12.20 Dorset has an older age structure, with 29% of the population estimated to be aged 65 and over in 2019 (compared to a national average of 18%); in BCP, 22% of people are aged 65 and over, the same as seen across the South West region. Sandbanks (BCP) and Western Dorset (Dorset) both have a particularly old population, with some 33% and 36% respectively aged 65 and over.
- 12.21 Past population growth in BCP and Dorset has been relatively weak. Over the past 8-years (since 2011) the population of BCP has grown by 4%, with 3% growth seen in Dorset; this compares with a 6% increase both regionally and nationally over the same period. Population growth in Dorset is largely driven by net internal migration (moves from one part of the country to another), whilst BCP also sees an appreciable level of international migration. Both areas (and Dorset in particular) typically see a negative level of natural change (i.e. more deaths than births) – this is related to the older age structure.
- 12.22 The relatively low level of population growth can also be seen in ONS projections (which are trend based), with the 2018-based version showing lower projected changes in BCP and Dorset than other areas (including the region and nationally). Population growth is projected to be concentrated in older age groups (those aged 65 and over) – this age group being projected to increase by 31%-33% (depending on area) in the latest official projections.
- 12.23 Population growth can be converted into estimates of household growth by using household representative rates (HRR). HRRs can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)). Data about HRRs is taken from ONS household projections.
- 12.24 In analysing data about HRRs, it was considered that the latest (2018-based) version potentially built in some degree of suppression of household formation in younger age groups. A sensitivity model was therefore developed that sought to return the HRRs of the younger population (aged under 45) back to levels seen in 2001 (a time when suppression looks from the data to be fairly minimal).

- 12.25 Using the information from the 2018-based SNPP and SNHP (along with adjustments to HRRs for younger people) a bespoke projection has been developed that links to the Standard Method (dwelling provision of 2,667 dwellings per annum (dpa) in BCP and 1,757 in Dorset). The projection considers the level of population growth and household formation that might be expected if this level of delivery is achieved (in the 2021-38 period). This projection is then used for some further analysis (e.g. in looking at older persons' needs (as the projection contains a detailed age structure)).
- 12.26 This bespoke projection suggests that population growth might be expected to be higher than suggested in the latest official projections and that the age structure changes will proportionally include more people aged under 65.
- 12.27 Overall, in the 2021-38 period, delivery in line with the Standard Method is projected to see an increase in the total population of 21% in BCP and 10% in Dorset. This compares with a 4% (BCP) and 5% (Dorset) increase in the total population in the 2018-based SNPP.

Affordable Housing Need

- 12.28 Analysis has been undertaken to estimate the need for affordable housing in the 2021-38 period. The analysis is split between a need for social/affordable rented accommodation based on households unable to buy or rent in the market and the need for affordable home ownership (AHO) –for those who can afford to rent privately but cannot afford to buy a home.
- 12.29 The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at rented needs, consideration is given to estimates of the supply of social/affordable rented housing. For AHO, consideration is given to the potential supply of resales of low-cost home ownership properties (such as shared ownership).
- 12.30 When looking at rented needs, the analysis suggests a need for 1,653 affordable homes per annum in BCP and 950 in Dorset; the Councils are therefore justified in seeking to secure additional affordable housing. There is also a need shown in all parts of both areas.
- 12.31 Despite the level of need being high, it is not considered that this would point to any requirement for the Councils to increase the Local Plan housing requirement above that suggested by the Standard Method. The link between affordable need and overall need (of all tenures) is complex and it must be remembered that many of those picked up as having an affordable need are already in housing (and therefore do not generate a net additional need for a home). Additionally, most of the affordable need is already part of the demographic projections which are used to derive the Standard Method and so any additional provision would be double counting.

- 12.32 The analysis suggests that there will be a need for both social and affordable rented housing – the latter will be suitable particularly for households who are close to being able to afford to rent privately and also for some households who claim full Housing Benefit. On this basis, it is not recommended that the Councils have a rigid policy for the split between social and affordable rented housing, although the analysis is clear that both tenures of homes are likely to be required.
- 12.33 When looking at the need for AHO products, the analysis suggests a need for 1,017 per annum in BCP and 767 in Dorset. The need is lower than for rented housing. In interpreting this figure, it should be noted that there could be additional supply from resales of market homes (below a lower quartile price) which arguably would mean there is a more limited need for AHO.
- 12.34 Analysis does suggest many households in BCP and Dorset are being excluded from the owner-occupied sector (as evidenced by reductions in owners with a mortgage and increases in the size of the private rented sector). This suggests that a key issue in the study area is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than only the cost of housing to buy.
- 12.35 The study also considers different types of AHO (notably First Homes and shared ownership) as each will have a role to play – shared ownership is likely to be suitable for households with more marginal affordability (those only just able to afford to privately rent) as it has the advantage of a lower deposit and subsidised rent.
- 12.36 In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Councils will need to consider the relative levels of need and also viability issues (recognising for example that providing AHO may be more viable and may therefore allow more units to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options).
- 12.37 Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the area. It does need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

Private Rental Sector

- 12.38 The PRS comprises around 22.3% of households in BCP and 13.7% of households in Dorset. BCP has a higher level of PRS than the Region and Country while in Dorset there is a lower level.

- 12.39 Renting in both BCP and Dorset is relatively more expensive than both the South West and England as whole. However, rental price growth over the last 10 years has been lower than both the South West and National growth.
- 12.40 Levels of private renting is particularly high amongst young people in BCP the levels of which are higher than the national and regional average. This is in contrast to Dorset where private renting within the younger population is lower than the national and regional average.
- 12.41 The population projections linked to the standard method show that the population in the BCP area aged 20 to 39 will increase by a significant 28,793 people. This is an increase of around 29.3%. In contrast the population aged 20-39 in Dorset is only expected to increase 3,274 by 5.0%.
- 12.42 This is a clear demonstration that the typical build to rent occupier group is expected to expand significantly in BCP while in Dorset that is not the case. This is also reflected in the level of activity in the sector within BCP.
- 12.43 Our high-level analysis suggests that there could a notable level of interest in BTR products in the BCP based on the income gap between renting and buying and the age profile of the BTR target market.

Housing Mix

- 12.44 The proportion of households with dependent children is below the regional and national average. Projecting forward there is expected to be a modest increase in the number of households with dependent children in Dorset – increasing by 4% (1,400 more households) but a notable increase for BCP (increasing by 10,900 – 28%). This is when linking projections to the Standard Method.
- 12.45 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. The analysis linked to long-term (17-year) demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population:

BCP	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	35%	40%	20%
Affordable home ownership	25%	40%	25%	10%
Affordable housing (rented)	35%	35%	25%	5%
Dorset	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	35%	45%	15%
Affordable home ownership	20%	40%	30%	10%
Affordable housing (rented)	35%	35%	25%	5%

- 12.46 The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bed properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing in each area (by tenure) and also the size requirements shown on the Housing Register.
- 12.47 The mix identified above could inform strategic policies although a flexible approach should be adopted. For example, in some areas Registered Providers find difficulties selling 1-bedroom affordable home ownership homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation. Additionally, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.
- 12.48 Based on the evidence, it is expected that the focus of new market housing provision will be on 2- and 3-bed properties. Continued demand for family housing can be expected from newly forming households. There may also be some demand for medium-sized properties (2- and 3-beds) from older households downsizing and looking to release equity in existing homes, but still retaining flexibility for friends and family to come and stay.
- 12.49 Analysis also considered the mix of housing at a smaller-area level. Whilst there were some differences between areas (most notably the Inner and Outer Central parts of BCP), it is not considered that they are substantial enough to suggest a notably different mix of housing as being needed in different areas. That said, the mix on any specific site could be influenced by site characteristics, and also any localised evidence of need, such as that from the modelling in this report or information drawn from the Housing Register.

Older People and those with Disabilities

- 12.50 A range of data sources and statistics have been accessed to consider the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. The analysis responds to Planning Practice Guidance on Housing for Older and Disabled People published by Government in June 2019 and includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).
- 12.51 The data shows in general that BCP has a similar age structure and similar levels of disability compared with the national average whilst Dorset has an older age structure (and lower age-specific rates of disability in a regional/national context). The older person population is projected to increase notably in the future and an ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2021-38 period include:
- A 38% (BCP) and 36% (Dorset) increase in the population aged 65+ (potentially accounting for in excess of 100% of total population growth in Dorset (40% of growth in BCP);
 - A 45%-54% increase in the number of people aged 65+ with dementia and a 42%-47% increase in those aged 65+ with mobility problems in the study area;
 - A need for around 500 housing units with support (sheltered/retirement housing) in BCP (2021-38) and 2,600 units in Dorset (mainly in the market sector in Dorset);
 - A need for around 1,600 additional housing units with care (e.g. extra-care) in BCP and 1,800 in Dorset – split roughly equally between market and affordable homes;
 - A need for an additional 1,379 residential and nursing care bedspaces in BCP and 2,769 in Dorset; and
 - A need for around 3,500 (BCP) and 3,900 (Dorset) dwellings to be for wheelchair users (meeting technical standard M4(3)).
- 12.52 This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. Given the evidence, the Councils could consider (as a start point) requiring all dwellings (in all tenures) to meet the M4(2) standards (which are similar to the Lifetime Homes Standards) and 10%-15% of homes meeting M4(3) – wheelchair user dwellings (a higher proportion in the affordable sector).

- 12.53 Where the authority has nomination rights M4(3) would be wheelchair accessible dwellings (constructed for immediate occupation) and in the market sector they should be wheelchair user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user). It should be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.
- 12.54 The Councils should also consider if a different approach is prudent for market housing and affordable homes, recognising that Registered Providers may already build to higher standards, and that households in the affordable sector are more likely to have some form of disability.
- 12.55 In seeking M4(2) compliant homes, the Council should also be mindful that such homes could be considered as 'homes for life' and would be suitable for any occupant, regardless of whether or not they have a disability at the time of initial occupation.
- 12.56 In framing policies for the provision of specialist older persons accommodation, the Councils will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this the viability of provision). There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure given the way care and support services are paid for.

Other Groups

- 12.57 On average 56 individuals enter the self and custom build register per base period in BCP and 178 in Dorset. This gives an indication of the scale of future need. Although data from NaCSBA suggests a much higher demand could be established in Dorset. Moving forward, the Councils will need to ensure that the actual number of entries on the register at the end of each base period is equivalent to the number of plots of land that are permitted within 3 years.
- 12.58 As a first step, the Councils could seek to adopt a general "encourage" policy for all sites but could also implement a further policy on strategic sites. The exact level should be determined in reference to the number and capacity of strategic sites and the overall local need as identified on the register. This should also consider the committed supply, need for other types of housing (including affordable housing need) and viability.
- 12.59 The average number of households presenting themselves as homeless who are owed a duty is 656 per annum in BCP of which 46% required a prevention duty and 54% a relief duty. In Dorset the average number of households who are owed a duty is 359 per annum of which 48% required a prevention duty and 52% a relief duty.

- 12.60 The majority seeking assistance are from single person households which require smaller homes and the Councils should consider ensuring a supply of smaller affordable homes to meet this need.
- 12.61 Many of those presenting as homeless also have a support need. The Council should continue to work with the relevant bodies to ensure proper support is provided and monitor the situation for any rapid changes (for example, an increase in homelessness once the eviction amnesty is finished).
- 12.62 There is unlikely to be any significant additional demand from students and that which is likely to arise will be met with additional purpose-built student accommodation.
- 12.63 There is significant service (or ex-service) personnel in the study area although this appears to be falling. The Councils have a duty to ensure such households are not disadvantaged when seeking affordable housing. The Councils may also wish to consider prioritising this group for first homes.

A1. SENSITIVITY TO 2039

The main body of this report looks at a range of issues for the 2021-38 period. This period was chosen as reflecting the most likely Plan periods at the start of the project. However, it is noted that Plan periods can change and that this could be driven by the need to have at least 15-years of plan post adoption. If plans are adopted in 2023, then 15-years would take it to 2038. However, any delay (say to 2024) would potentially mean extending the end of the plan.

With this in mind, this appendix provides a series of tables where data is rolled forward for a further year. Not all analysis needs to be rolled forward (for example data about prices, rents and incomes is as of now and has not been projected forward) and it should be noted that adding an additional year to the data does not change any of the conclusions of the report.

Demographic Trends and Projections

The series of tables below show information from Section 6 of the report (where this would be changed by adding an extra year). This is mainly in relation to projections where a further Standard Method based projection has been developed by adding an additional year of housing delivery (at 2,667 in BCP and 1,757 in Dorset).

Table 12.1 Projected population growth (2021-2039) – BCP – 2018-based SNPP

	Population 2021	Population 2039	Change in population	% change
Principal projection	399,083	409,650	10,566	2.6%
Alternative internal mig.	400,629	418,323	17,694	4.4%
10-year trends	403,005	431,235	28,230	7.0%

Source: ONS

Table 12.2 Projected population growth (2021-2039) – Dorset – 2019-based SNPP

	Population 2021	Population 2039	Change in population	% change
Principal projection	382,105	405,099	22,994	6.0%
Alternative internal mig.	380,848	399,685	18,836	4.9%
10-year trends	379,773	393,821	14,049	3.7%

Source: ONS

Table 12.3 Projected population growth (2021-2039) – 2018-based SNPP (alternative internal migration assumptions)

	Population 2021	Population 2039	Change in population	% change
BCP	400,629	418,323	17,694	4.4%
Dorset	380,848	399,685	18,836	4.9%
South West	5,720,519	6,222,125	501,606	8.8%
England	56,989,570	60,961,805	3,972,235	7.0%

Source: ONS

Table 12.4 Population change 2021 to 2039 by five-year age bands – BCP (2018-based SNPP – alternative internal migration assumptions)

	Population 2021	Population 2039	Change in population	% change
Under 5	19,448	18,806	-642	-3.3%
5-9	22,570	18,847	-3,723	-16.5%
10-14	22,605	19,600	-3,004	-13.3%
15-19	22,173	23,604	1,432	6.5%
20-24	27,288	30,611	3,323	12.2%
25-29	22,018	24,233	2,215	10.1%
30-34	23,676	22,634	-1,042	-4.4%
35-39	25,253	20,862	-4,391	-17.4%
40-44	25,379	22,367	-3,012	-11.9%
45-49	24,712	24,459	-253	-1.0%
50-54	26,871	25,287	-1,584	-5.9%
55-59	27,249	26,406	-843	-3.1%
60-64	23,584	24,669	1,085	4.6%
65-69	21,049	26,555	5,506	26.2%
70-74	22,869	27,002	4,134	18.1%
75-79	17,639	23,851	6,212	35.2%
80-84	12,334	17,698	5,364	43.5%
85+	13,912	20,832	6,920	49.7%
BCP - Total	400,629	418,323	17,694	4.4%

Source: ONS

Table 12.5 Population change 2021 to 2039 by five-year age bands – Dorset (2018-based SNPP – alternative internal migration assumptions)

	Population 2021	Population 2039	Change in population	% change
Under 5	15,511	15,143	-368	-2.4%
5-9	18,999	16,540	-2,459	-12.9%
10-14	21,487	18,567	-2,920	-13.6%
15-19	18,697	18,450	-247	-1.3%
20-24	13,715	13,846	130	1.0%
25-29	15,973	16,387	414	2.6%
30-34	18,043	16,167	-1,877	-10.4%
35-39	17,671	16,064	-1,607	-9.1%
40-44	19,294	18,956	-338	-1.8%
45-49	21,652	21,711	59	0.3%
50-54	27,048	23,648	-3,400	-12.6%
55-59	30,134	25,517	-4,617	-15.3%
60-64	29,167	26,837	-2,329	-8.0%
65-69	27,516	32,543	5,027	18.3%
70-74	30,626	35,314	4,688	15.3%
75-79	23,669	32,192	8,522	36.0%
80-84	15,554	24,021	8,467	54.4%
85+	16,091	27,782	11,691	72.7%
Dorset - Total	380,848	399,685	18,836	4.9%

Source: ONS

Table 12.6 Population change 2021 to 2039 by broad age bands – BCP (2018-based SNPP – alternative internal migration assumptions)

	Population 2021	Population 2039	Change in population	% change
Under 16	68,818	61,350	-7,468	-10.9%
16-64	244,008	241,035	-2,973	-1.2%
65 and over	87,803	115,938	28,135	32.0%
BCP - Total	400,629	418,323	17,694	4.4%

Source: ONS

Table 12.7 Population change 2021 to 2039 by broad age bands – Dorset (2018-based SNPP – alternative internal migration assumptions)

	Population 2021	Population 2039	Change in population	% change
Under 16	60,098	54,208	-5,889	-9.8%
16-64	207,294	193,624	-13,670	-6.6%
65 and over	113,457	151,852	38,396	33.8%
Dorset - Total	380,848	399,685	18,836	4.9%

Source: ONS

Table 12.8 Projected housing need – range of household representative rate assumptions – BCP (linked to 2018-based SNPP)

	Households 2021	Households 2039	Change in households	Per annum	Dwellings (per annum)
2018-SNHP	176,082	191,789	15,707	873	899
2001-return	176,082	194,204	18,122	1,007	1,037

Source: Demographic projections

Table 12.9 Projected housing need – range of household representative rate assumptions – Dorset (linked to 2018-based SNPP)

	Households 2021	Households 2039	Change in households	Per annum	Dwellings (per annum)
2018-SNHP	169,921	188,889	18,968	1,054	1,085
2001-return	169,921	191,795	21,873	1,215	1,252

Source: Demographic projections

Table 12.10 Population change 2021 to 2039 by five-year age bands – BCP (linked to delivery of 2,667 dwellings per annum)

	Population 2021	Population 2039	Change in population	% change from 2021
Under 5	19,464	25,419	5,954	30.6%
5-9	22,572	23,838	1,266	5.6%
10-14	22,692	22,894	202	0.9%
15-19	22,231	25,973	3,741	16.8%
20-24	27,011	35,979	8,968	33.2%
25-29	22,368	32,399	10,030	44.8%
30-34	23,567	31,579	8,013	34.0%
35-39	25,293	28,324	3,031	12.0%
40-44	25,501	27,798	2,297	9.0%
45-49	24,652	28,461	3,809	15.5%
50-54	26,890	28,204	1,314	4.9%
55-59	27,250	29,023	1,773	6.5%
60-64	23,548	26,706	3,158	13.4%
65-69	20,978	28,429	7,451	35.5%
70-74	22,936	28,731	5,795	25.3%
75-79	17,677	25,171	7,494	42.4%
80-84	12,335	18,574	6,238	50.6%
85+	14,029	21,947	7,918	56.4%
BCP - Total	400,995	489,448	88,453	22.1%

Source: Bespoke demographic projections

Table 12.11 Population change 2021 to 2039 by five-year age bands – Dorset (linked to delivery of 1,757 dwellings per annum)

	Population 2021	Population 2039	Change in population	% change from 2021
Under 5	15,415	16,946	1,531	9.9%
5-9	19,009	18,201	-808	-4.3%
10-14	21,376	19,890	-1,486	-7.0%
15-19	18,786	19,534	748	4.0%
20-24	14,319	15,160	841	5.9%
25-29	15,910	18,248	2,338	14.7%
30-34	18,174	18,169	-4	0.0%
35-39	17,675	18,210	535	3.0%
40-44	19,313	20,593	1,281	6.6%
45-49	21,665	22,963	1,298	6.0%
50-54	27,055	24,792	-2,264	-8.4%
55-59	30,337	26,445	-3,893	-12.8%
60-64	29,226	27,769	-1,457	-5.0%
65-69	27,626	33,657	6,030	21.8%
70-74	30,684	36,345	5,661	18.4%
75-79	23,752	33,228	9,476	39.9%
80-84	15,627	24,687	9,061	58.0%
85+	16,064	28,554	12,490	77.7%
Dorset - Total	382,014	423,391	41,377	10.8%

Source: Bespoke demographic projections

Table 12.12 Population change 2021 to 2039 by broad age bands – BCP (linked to delivery of 2,667 dwellings per annum)

	Population 2021	Population 2039	Change in population	% change from 2021
Under 16	68,944	76,734	7,790	11.3%
16-64	244,096	289,863	45,767	18.7%
65 and over	87,955	122,851	34,896	39.7%
BCP - Total	400,995	489,448	88,453	22.1%

Source: Demographic Projections

Table 12.13 Population change 2021 to 2039 by broad age bands – Dorset (linked to delivery of 1,757 dwellings per annum)

	Population 2021	Population 2039	Change in population	% change from 2021
Under 16	59,911	59,220	-691	-1.2%
16-64	208,349	207,701	-649	-0.3%
65 and over	113,753	156,471	42,717	37.6%
Dorset - Total	382,014	423,391	41,377	10.8%

Source: Demographic Projections

Affordable Housing Need

With affordable housing, there is really very little difference to the figures. However, adding an extra year does very slightly change the annual estimate of newly-forming households, whilst to annualise the need an 18-year period is taken rather than 17-years. The tables below revise the findings for the 2021-39 period, and it should again be stressed that there are no changes to conclusions as a result of adding an extra year.

Table 12.14 Estimated Need for Social/Affordable Rented Housing by sub-area (per annum)

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Inner Central	36	120	10	166	15	151
Inner East	45	252	50	347	72	275
Inner Suburbs	111	549	123	783	175	608
Inner West	44	212	52	308	76	232
Outer Central	45	133	20	198	31	167
Outer Suburbs	9	62	8	80	12	68
Sandbanks	11	63	7	81	10	72
TW and QP	12	59	7	78	10	68
BCP – Total	313	1,451	277	2,041	401	1,640

Source: Range of sources as discussed

Table 12.15 Estimated Need for Social/Affordable Rented Housing by sub-area (per annum)

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Central Dorset	16	105	26	147	42	105
Dorchester	7	55	20	83	35	47
Eastern Dorset	15	83	27	124	45	79
Isle of Purbeck	16	69	20	105	32	74
Northern Dorset	24	150	46	220	77	143
Suburban Fringe East	37	251	48	335	77	259
Western Dorset	14	76	31	121	51	71
Weymouth & Portland	36	171	56	263	98	165
Dorset - Total	165	961	272	1,399	457	942

Source: Range of sources as discussed

Table 12.16 Estimated Need for Affordable Home Ownership by sub-area (per annum) – BCP

	Total Gross Need	LCHO supply	Net need
Inner Central	74	3	71
Inner East	202	4	198
Inner Suburbs	330	8	322
Inner West	154	5	149
Outer Central	97	2	95
Outer Suburbs	44	1	44
Sandbanks	65	0	65
TW and QP	51	0	51
BCP – Total	1,018	24	994

Source: Range of sources as discussed

Table 12.17 Estimated Need for Affordable Home Ownership by sub-area (per annum) – Dorset

	Total Gross Need	LCHO supply	Net need
Central Dorset	84	5	79
Dorchester	50	3	47
Eastern Dorset	71	2	69
Isle of Purbeck	59	2	56
Northern Dorset	119	6	113
Suburban Fringe East	202	5	196
Western Dorset	60	4	57
Weymouth & Portland	140	6	134
Dorset - Total	784	33	751

Source: Range of sources as discussed

Housing Mix

Again, with the mix of housing, adding an extra year makes very little difference to the findings and has no impact on conclusions. Indeed, the modelling of mix does not change at all with the inclusion of an extra year of data.

Table 12.18 Projected Change in Household by Age of HRP in BCP

	2021	2039	Change in Households	% Change
16-24	7,541	9,386	1,845	24.5%
25-29	7,959	13,134	5,176	65.0%
30-34	11,137	16,532	5,395	48.4%
35-39	13,746	16,324	2,578	18.8%
40-44	14,973	16,399	1,425	9.5%
45-49	15,209	17,608	2,400	15.8%
50-54	17,025	17,820	795	4.7%
55-59	17,133	18,223	1,090	6.4%
60-64	13,912	15,882	1,970	14.2%
65-69	11,410	15,620	4,210	36.9%
70-74	14,233	18,007	3,774	26.5%
75-79	12,127	17,297	5,170	42.6%
80-84	9,432	14,232	4,800	50.9%
85 & over	10,364	16,341	5,978	57.7%
Total	176,199	222,807	46,607	26.5%

Source: Bespoke Demographic Projections for this study

Table 12.19 Projected Change in Household by Age of HRP in Dorset

	2021	2039	Change in Households	% Change
16-24	2,389	3,194	805	33.7%
25-29	4,814	6,461	1,647	34.2%
30-34	7,673	8,561	889	11.6%
35-39	8,557	9,430	873	10.2%
40-44	10,440	11,215	774	7.4%
45-49	12,520	13,243	723	5.8%
50-54	16,206	14,783	-1,422	-8.8%
55-59	18,210	15,679	-2,531	-13.9%
60-64	16,553	15,720	-832	-5.0%
65-69	14,444	17,620	3,176	22.0%
70-74	18,497	22,044	3,546	19.2%
75-79	16,070	22,554	6,484	40.3%
80-84	12,078	19,176	7,097	58.8%
85 & over	12,052	21,528	9,476	78.6%
Total	170,504	201,208	30,704	18.0%

Source: Bespoke Demographic Projections for this study

Table 12.20 Modelled Mix of Housing by Size and Tenure in BCP (combining methodologies)

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	6%	33%	42%	20%
Affordable home ownership	27%	41%	22%	10%
Affordable housing (rented)	39%	33%	24%	3%

Sources: Housing Market Model

Table 12.21 Modelled Mix of Housing by Size and Tenure in Dorset (combining methodologies)

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	35%	44%	15%
Affordable home ownership	21%	40%	29%	10%
Affordable housing (rented)	38%	35%	24%	2%

Sources: Housing Market Model

Older People and People with Disabilities

The final set of figures updated is in relation to older people and people with disabilities. As with other analysis the differences from adding an additional year are not great but the tables do show some very small shifts in numbers and estimates of need/disability.

Table 12.22 Projected Change in Population of Older Persons, 2021 to 2039 – BCP (based on Standard Method housing need)

	2021	2039	Change in population	% change
Under 65	313,040	366,597	53,557	17.1%
65-74	43,914	57,159	13,246	30.2%
75-84	30,012	43,744	13,732	45.8%
85+	14,029	21,947	7,918	56.4%
Total	400,995	489,448	88,453	22.1%
Total 65+	87,955	122,851	34,896	39.7%
Total 75+	44,041	65,691	21,650	49.2%

Source: Demographic Projections

Table 12.23 Projected Change in Population of Older Persons, 2021 to 2039 – Dorset (based on Standard Method housing need)

	2021	2039	Change in population	% change
Under 65	268,260	266,920	-1,340	-0.5%
65-74	58,311	70,002	11,691	20.0%
75-84	39,379	57,915	18,536	47.1%
85+	16,064	28,554	12,490	77.7%
Total	382,014	423,391	41,377	10.8%
Total 65+	113,753	156,471	42,717	37.6%
Total 75+	55,443	86,469	31,026	56.0%

Source: Demographic Projections

Table 12.24 Projected Changes to Population with a Range of Disabilities – BCP

Disability	Age Range	2021	2039	Change	% Change
Dementia	65+	6,446	9,560	3,114	48.3%
Mobility problems	65+	16,467	23,744	7,277	44.2%
Autistic Spectrum Disorders	18-64	2,381	2,838	457	19.2%
	65+	795	1,132	338	42.5%
Learning Disabilities	15-64	6,064	7,214	1,150	19.0%
	65+	1,777	2,468	691	38.9%
Challenging behaviour	15-64	111	132	21	18.6%
Impaired mobility	16-64	13,092	14,603	1,511	11.5%

Source: POPPI/PANSI and Demographic Projections

Table 12.25 Projected Changes to Population with a Range of Disabilities – Dorset

Disability	Age Range	2021	2039	Change	% Change
Dementia	65+	7,260	11,398	4,138	57.0%
Mobility problems	65+	18,917	28,118	9,201	48.6%
Autistic Spectrum Disorders	18-64	1,867	1,854	-14	-0.7%
	65+	962	1,339	377	39.2%
Learning Disabilities	15-64	4,838	4,837	-1	0.0%
	65+	2,121	2,892	771	36.3%
Challenging behaviour	15-64	90	90	0	-0.3%
Impaired mobility	16-64	12,458	11,830	-628	-5.0%

Source: POPPI/PANSI and Demographic Projections

Table 12.26 Specialist Housing Need using adjusted SHOP@Review Assumptions, 2021-39 – BCP

		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall/surplus (-ve)	Additional demand to 2039	Shortfall/surplus by 2039
Housing with support	Market	54	3,178	2,382	-796	1,171	374
	Affordable	67	4,069	2,965	-1,104	1,458	354
Total (housing with support)		121	7,247	5,347	-1,900	2,629	729
Housing with care	Market	17	299	765	466	376	842
	Affordable	17	243	732	489	360	849
Total (housing with care)		34	542	1,497	955	736	1,691
Residential care bedspaces		39	1,831	1,711	-120	841	721
Nursing care bedspaces		44	2,072	1,925	-147	946	799
Total bedspaces		83	3,903	3,636	-267	1,787	1,520

Source: Derived from Demographic Projections and Housing LIN/EAC

Table 12.27 Specialist Housing Need using adjusted SHOP@Review Assumptions, 2021-39 – Dorset

		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall/surplus (-ve)	Additional demand to 2039	Shortfall/surplus by 2039
Housing with support	Market	55	2,603	3,046	443	1,704	2,147
	Affordable	57	4,199	3,151	-1,048	1,763	715
Total (housing with support)		112	6,802	6,196	-606	3,468	2,862
Housing with care	Market	18	556	972	416	544	960
	Affordable	14	276	763	487	427	914
Total (housing with care)		31	832	1,735	903	971	1,874
Residential care bedspaces		36	2,069	1,983	-86	1,110	1,023
Nursing care bedspaces		40	1,567	2,231	664	1,248	1,912
Total bedspaces		76	3,636	4,214	578	2,358	2,936

Source: Derived from Demographic Projections and Housing LIN/EAC

Table 12.28 Estimated number of wheelchair user households (2021-39) – BCP

	Prevalence rate (per 1,000 population)	Population 2021	Population 2039	Wheelchair user households (2021)	Wheelchair user households (2039)
under 60 years	4	285,619	336,018	1,258	1,480
60 - 74 years	22	67,011	83,415	1,459	1,816
75 - 84 years	56	29,077	42,355	1,624	2,365
85 years or over	132	11,850	18,580	1,568	2,459
Total		393,556	480,367	5,909	8,121

Source: Derived from a range of sources

Table 12.29 Estimated number of wheelchair user households (2021-39) – Dorset

	Prevalence rate (per 1,000 population)	Population 2021	Population 2039	Wheelchair user households (2021)	Wheelchair user households (2039)
under 60 years	4	233,447	233,564	971	971
60 - 74 years	18	87,177	97,411	1,578	1,763
75 - 84 years	51	38,516	56,609	1,970	2,895
85 years or over	130	13,847	24,586	1,796	3,189
Total		372,987	412,170	6,315	8,819

Source: Derived from a range of sources

Table 12.30 Estimated need for wheelchair user homes, 2021-2039

	Current need	Projected need (2021-39)	Total current and future need	Housing need (2021-39)	% of Housing Need
BCP	1,452	2,211	3,663	48,006	7.6%
Dorset	1,552	2,504	4,056	31,626	12.8%

Source: Derived from a range of sources

Table 12.31 Estimated need for wheelchair user homes by tenure, 2021-2039

	Market	Affordable
BCP	6%	16%
Dorset	10%	26%

Source: Derived from demographic projections and EHS prevalence rates