

# Knightsford Parish

Housing Needs Assessment (HNA)

October 2022

## Quality information

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**List of acronyms used in the text:**

DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
HMA	Housing Market Area
HNA	Housing Needs Assessment
HRF	Housing Requirement Figure (the total number of homes the NA is expected to plan for, usually supplied by LPAs)
HLIN	Housing Learning and Improvement Network
HNE	CPRE Dorset Housing Needs Evidence Report (2020)
HRP	Household Reference Person
LA	Local Authority
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LPA	Local Planning Authority
LSOA	Lower Super Output Area
MSOA	Middle Super Output Area
NA	Neighbourhood (Plan) Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
NPSG	Knightsford Parish Neighbourhood Plan Steering Group
OA	Output Area
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHMA	Strategic Housing Market Assessment

# 1. Executive Summary

## Tenure and Affordability

1. Beginning with housing tenures, 72% of Knightsford's dwellings are in market ownership. This percentage is slightly higher than the ownership mix for West Dorset (69%), and much higher than the ownership mix than England (63%). Market rent tenures account for 15% of the Parish's total tenure mix – this is a similar level to both the District (14%) and Nation (17%). Knightsford has a notably small offering of dwellings in affordable tenures, with Social Rent and Shared Ownership tenures accounting for 8% and 1%, respectively, of the Parish's tenure mix. The proportion in Shared Ownership tenures is consistent across all three geographies, however, Knightsford has a lower proportion of dwellings on Social Rent tenures compared to both West Dorset (14%) and England (17%).
2. Turning to the tenures in the three sub-areas, Tincleton & Woodsford and West Knighton have rates of market home ownership closely aligned with the wider District (68% and 70%, respectively), while West Stafford has a much higher proportion of market ownership tenures (78%). The data also shows that the majority of Knightsford's affordable tenures (Shared Ownership and Social Rent) are found in West Knighton and West Stafford. Tincleton & Woodsford make up the lack of affordable tenures with a relatively larger proportion of dwellings on private rent tenures compared to the other parishes. The overall averages for the parishes therefore disguise a large degree of variation between the individual parishes.
3. Knightsford has clear affordability issues, and consequently has become a challenging area to get onto the market ownership property ladder. This is exemplified by calculations which suggest that households earning average income in the area are unable to access even entry-level market ownership tenures. Market rent also has affordability issues in Knightsford, with average earning households only able to afford entry-level (one-bedroom) market rents.
4. An offering of Affordable Housing tenures will be necessary in Knightsford to bring housing to attainable prices for many households of varying home ownership/renting aspirations:
  - Whilst First Homes offers sizable discounts on home ownership, the tenure is not considered affordable for average income households in the area at all discounts based on LA median new build prices. The 50% discount would be the most appropriate in the area, given that it brings the cost of ownership to the most affordable levels of the three, however, based on LA median house prices, the 50% discount would still require average households to sacrifice more of their salary than what is considered 'affordable' in our calculations. Affordability for average households can be achieved with the 50% First Homes discount if the new builds were smaller/denser dwellings, based on affordability calculations using the LA lower quartile prices.
  - A minimum share of 10% of all new housing, and 25% of all new affordable housing, is required to be delivered on First Homes tenures. Given the relative

unaffordability of this tenure, it is recommended that the minimum number of units of First Homes tenures are offered.

- Shared Ownership at 10% equity is the cheapest and only way that home ownership can become attainable for average earning households. Shared Ownership at 25% and 50% are both considered unaffordable for average earning households, however the 25% equity has similar affordability thresholds to 50% First Homes discount, which, as previously discussed, may be suitable for average income households who can stretch their budget. Therefore, ideally the 10% and (to a lesser extent) 25% equity options should be sought on future developments.
  - A small offering of Rent to Buy will provide value to households who lack sufficient deposits rather than sufficient incomes.
  - Social Rent tenures are vital for average earning households and below. This is especially the case for households on two lower quartile income earners, who without these discounts would likely be priced out of the area. Unfortunately, the affordable/social rent tenures are not considered affordable for single lower quartile earners.
5. According to Dorset Council data, there are currently nine applicants on the housing register in Knightsford. Over the NP period, our calculations suggest that a further seven households will fall into affordable renting need. Overall, this creates a demand for 16 households over the NP period. However, based on the assumption that there will be a turnover of one social rented unit per year, the majority of this need could be satisfied by the end of the NP period. Our calculations, therefore, suggest that only one additional unit in social/affordable rent tenures is needed in Knightsford. In contrast, it is estimated that 47 households are expected to be in potential demand of Affordable Housing ownership options.
  6. A 40% ownership to 60% rent split is suggested for new Affordable Housing in Knightsford to strike a balance between providing housing for those with the most acute needs (households seeking affordable rented tenures) whilst also addressing the affordability issues and larger scale of demand associated with market ownership. In ideal conditions, a much higher proportion of ownership tenures would be recommended due to the high number of households calculated to be in need; however, given their relative unaffordability, and the likelihood that developments will be small in nature in the Parish, it is recommended that a higher weighting is allocated to affordable/social rents.
  7. Knightsford has not been allocated a housing delivery target in the current or emerging Local Plan, however, a modest development which includes affordable/social rent tenures would likely satisfy the affordable renting need in the Parish. In contrast, given the scale of potential demand for affordable ownership, it is unlikely that the need will be satisfied by the end of the NP period.
  8. Pro-rating the HNE annual need figure for West Dorset, and projecting it over the NP period, would give Knightsford a total delivery target of eight units. Based on the Local Plan policy that requires 35% of new housing to be affordable, and the 40% ownership to 60% rent recommendations in this report, it could be expected that two units would

be delivered in social/affordable rents and one unit would be delivered on affordable ownership tenure in Knightsford over the NP period. It is important to emphasise that Knightsford does not have a housing delivery target; therefore, the pro-rated HNE figure of eight (or the two 'alternative scenarios') should not be considered a definitive delivery target.

9. Finally, responses from the 2022 residents survey indicate that the parishes of West Knighton and West Stafford were the two areas that returned the most responses that indicated a need for affordable dwellings. Therefore, it may be appropriate to focus the delivery of affordable units in these areas if priority needs to be given.

## Type and Size

10. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.
11. Beginning with housing type, Knightsford's housing mix is weighted towards the less dense housing types, with detached (49%) and semi-detached (33%) accounting for most of the Parish's stock. Consequently, the proportion of terrace and flats are much lower in Knightsford, making up 16% and 2%, respectively, of the area's total stock. The high proportion of less dense housing is not consistent with the district and nation's housing type mixes, which have more balanced proportions of different housing types. The most notable difference between Knightsford's type mix and the wider geographies is the proportion of flats in the areas; only 2% of the Parish's stock is flats, whereas for West Dorset the figure is 15% and for England the figure is 21%.
12. Looking at the sub-areas' housing type mixes, Tincleton & Woodsford and West Stafford are fairly similar, with no housing type deviating by more than 4% between the two sub-areas. West Knighton, on the other hand, has significant differences compared to the other two sub-areas, having around double the percentage of semi-detached units, and consequently, smaller percentages of all other housing types.
13. Although there is an obvious weighting in favour of less dense housing in Knightsford, its current type mix is relatively well placed to serve its needs, given the small size of its population and its position within the wider district. However, there certainly is room to increase the proportion of terraced and flats in the Parish to offer a broader range of housing types if considered appropriate to local character. This is especially relevant to the sub-area of West Knighton Parish.
14. Moving on to the size of homes, this chapter finds that Knightsford's size mix is weighted towards intermediate- to larger-sized dwellings, with around 80% of the Parish's total stock having three or more bedrooms. This is consistent with the Parish's type mix, which has a low number of flats (which tend to have fewer bedrooms than other housing types).



Sub-area analysis reveals that these trends are replicated across the Parish, with no sub-area deviating too much from each other's mix.

15. As with most areas in the UK, Knightsford's population is slowly ageing. The ageing population is, however, expected to increase into the future, with Knightsford's household age bands at 65-and-over expected to grow around 72% by 2037 - this would mean that the 65-and-over age band will surpass the 35-54 households age band as the most common in the Parish. The only other household age band expected to experience growth is 55-64 (+5%). The age bands of 35-54 and younger are all projected to experience no growth or decline by 2037.
16. The current stock of four- and five-or-more-bedroom dwellings would appear to meet Knightsford's future needs based on modelling that analyses population change and the existing dwelling stock. To achieve Knightsford's 'ideal' dwelling mix by 2037, future housing development might focus all of its delivery towards smaller to intermediate units (especially two-bedroom units) to increase the variety of sizes available in the local housing stock. However, as it is never advisable to restrict future housing delivery to selected size categories only, it is recommended that Knightsford's future housing delivery leans towards providing smaller sized housing but is balanced by a moderate allocation of larger units where appropriate.
17. These conclusions are supported by the Knightsford Parish Residents Survey (2022), which indicates that there is a current need for a range of dwelling sizes in the Parish, but also strong support for new dwellings in the area to target younger households (which usually are smaller in size). Based on responses to the survey, the parish of West Knighton may be the most appropriate for smaller homes, given the support from local people and the fact that there are currently no one-bedroom dwellings or flats in the parish. The Survey returned a mixed reception to housing developments in Tincton and West Stafford, however, those that did support housing developments highlighted the need for housing types/sizes targeted at younger households. In contrast, the parish of Woodsford returned low demand for any housing development, with 100% of the comments from Question 17 being against housing developments.

## **Specialist Housing for Older People**

18. There are eight specialist housing units for older people in (and adjacent to) Knightsford. It can, therefore, be understood that the current provision of specialist accommodation for individuals aged 75 or over in the Parish is 90 per 1,000 of the 75+ population (a common measure of specialist housing supply).
19. This chapter determines that future development of specialist units will be needed to serve arising future need, with population growth in Knightsford expected to be driven by the older population age bands (a theme that was also identified in the 'Type and Size' chapter). Specifically, the number of 75+ individuals in the Parish is expected to double by 2039, and account for around seven more percentage points of the total population compared to current levels. Without development of specialist units in Knightsford, it is likely that those in need will be forced to move out of the area.

20. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupies in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
21. These two methods of estimating the future need in Knightsford produce a range of 24 to 20 specialist accommodation units that might be required during the NP period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here. The 20 to 24 range can be considered to be an aspirational target range, should NPSG want to focus on this particular need group.
22. Regarding the tenure of new specialist housing units, the NP may not be able set the proportion that should be affordable, and therefore the tenure split should align with the relevant Local Plan (see 'Planning policy context' section).
23. In addition to seeking specialist supply through Knightsford's Local Plan housing delivery targets, another avenue open to NPSG is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. This idea is already being considered by the emerging Local Plan, which if adopted in its current form, expects that at least '20% of all dwellings across all tenures should be provided at the Accessible and Adaptable Dwellings standard as established through building regulations unless robust justification is provided to explain why this cannot be achieved on site', as outlined in Policy HOUS1.
24. Other avenues to meet need demands include the adaptation of existing properties through grant schemes and other means (though it is acknowledged that neighbourhood plans may have limited influence over changes to the existing stock).
25. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
  - so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
  - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
  - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
26. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or NAs from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
27. It is considered that Knightsford's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility

criteria and the considerations of cost-effectiveness above. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from Knightsford entirely within the Neighbourhood Area boundaries, it is recommended it could be provided in a 'hub and spoke' model. In the case of Knightsford, Dorchester is considered to have potential to accommodate the specialist housing need arising from the NA (i.e. to be the hub in the hub-and-spoke model) – NPSG have noted that this trend is already occurring for elderly residents in Woodsford. If this were to take place, then the number of specialist dwellings to be provided and the overall dwellings target for the NA itself would not overlap.

28. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

## **Second Homes and Holiday Lets**

29. There are 30 dwellings with no usual residents in Knightsford. It is estimated that 3 of the 30 dwellings are holiday lets, and the remaining 27 dwellings are second homes.
30. There are a limited number of data sources available that are relevant to second homes and holiday lets. Therefore, 2011 Census data is considered the most accurate and comprehensive secondary source for this indicator. An up-to-date snapshot is imminent, with the results of the 2021 Census to be published in the coming months.
31. There may be scope to reflect the results of the upcoming 2021 Census in any potential policy in this subject by making its provisions conditional on an established threshold of second home ownership or rate of increase.
32. Based on the limited evidence within this report, a second homes policy may be appropriate in Knightsford if historical rates of second home/holiday let ownership grew from the 2011 baseline (around 7% in 2011) into the present day.

## 2. Context

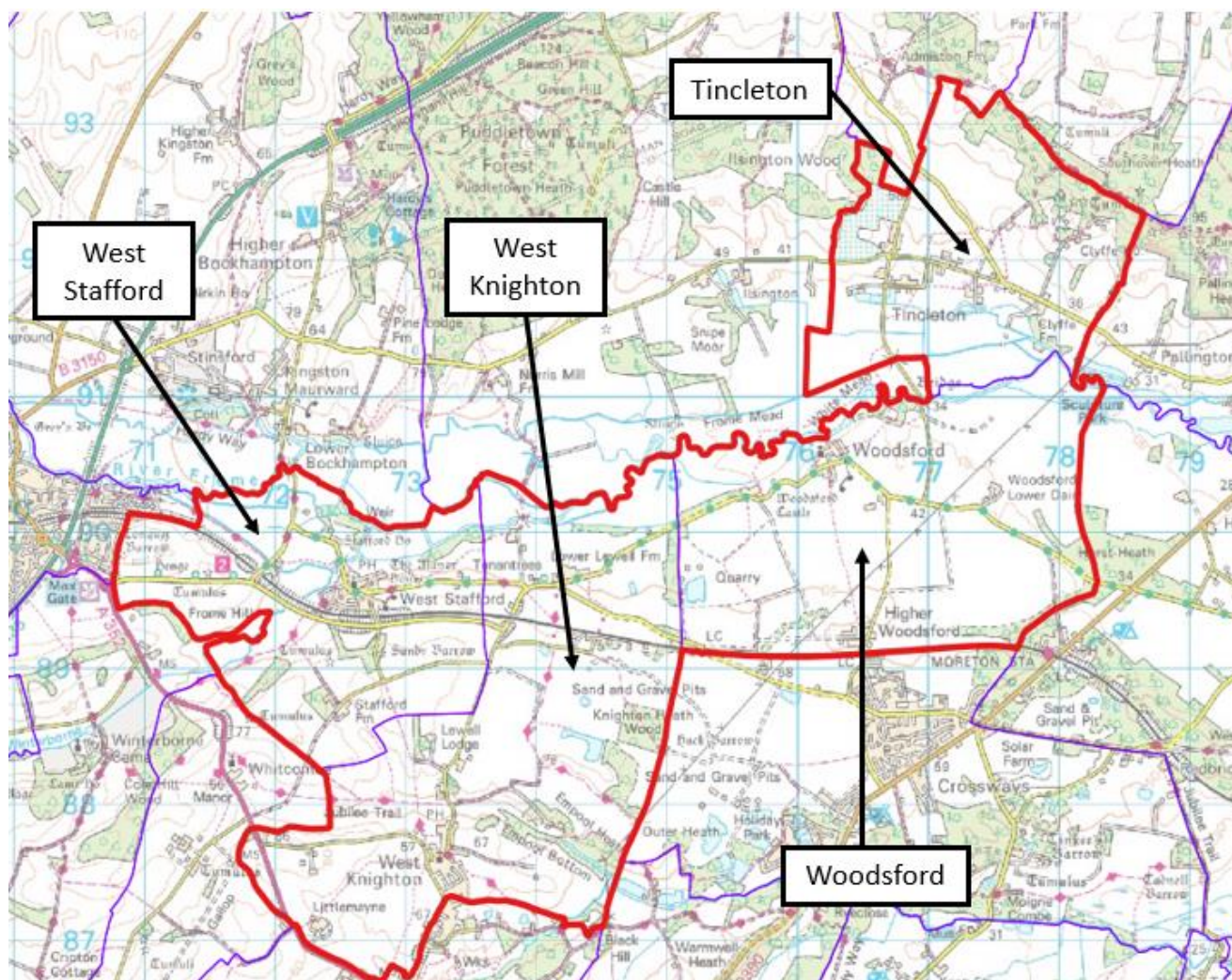
### Local context

33. Knightsford is a Neighbourhood Area (NA) located east of Dorchester, in the unitary authority area of Dorset, South West England. The NA boundary is formed by combining the total area of four parishes: Tincleton, West Knighton, West Stafford, and Woodsford. The NA was designated in July 2021.

34. For the purposes of this HNA, the proposed Neighbourhood Plan (NP) period starts in 2022 and extends to 2037, therefore comprising a planning period of 15 years. The evidence supplied in this report will look forward to the end date of 2037, but where possible will also provide annualised figures which can be extrapolated to a different term if the NP period changes.

35. A map of the NP area appears below in Figure 2-1.

**Figure 2-1: Map of the Knightsford Neighbourhood Area<sup>1</sup>**



Source: Knightsford Group Parish Council. AECOM labels. Red line = Knightsford boundary. Purple lines = parish boundaries.

<sup>1</sup> Available [here](#).

36. As mentioned earlier, Knightsford is formed of four parishes. Although considered a collective with regards to the NA, these parishes all have their own unique identity and characteristics.
37. Beginning with the western-most parish, and the closest to the nearby county town of Dorchester, West Stafford Parish is located in a rural area with one village, of which it shares the same name. The village of West Stafford has an inn, a village hall, B&Bs, and a church dating back to the 15th century. The Parish is known for its strong connections to the celebrated poet and novelist Thomas Hardy.
38. Neighbouring West Stafford on its south and eastern border is the parish of West Knighton. The Parish contains the hamlet of Lewell to the north, and the village of West Knighton to the south. The Parish's amenities are all situated in the village – home to an inn, a church, and 7 holiday cottages. West Knighton village also has a small play area, and Broadmayne First School is located adjacent to the parish boundary. A small section of the Parish falls in the Dorset Area of Outstanding Natural Beauty. Finally, the Parish is home to 'Silverlake' - a disused quarry site which has outline planning permission to build 1,000 holiday homes.
39. To the east of West Knighton Parish lies Woodsford Parish. Woodsford Parish is home to three settlements; West Woodsford, East Woodsford and Higher Woodsford. Amenities in the Parish are limited to just a church. Woodsford Parish has a quarry, located south of the Village. Finally, Woodsford Parish is home to Woodsford Castle, a Grade I listed fortified manor house.
40. Finally, to the north of Woodsford Parish is Tincleton Parish, which like all three other parishes, shares its name with the main settlement of the Parish. Tincleton Parish has relatively more amenities when compared to the other parishes, being home to several B&Bs/holiday cottages, a gallery, a church, a farming education site, Tincleton Lifestyle Centre, and watercress beds.
41. The NP will seek to propose general policies for Knightsford but will also provide bespoke advice for the four parishes, where appropriate. Therefore, the primary unit of analysis for this study will be Knightsford as a whole, but key datasets will be disaggregated to these four parishes where possible and useful.
42. For Census purposes, the NA is made up, like the rest of England, of statistical units called Output Areas (OAs). The NP area equates to the following OAs, which have been used throughout as a statistical proxy for the NA boundary and which can be interrogated for data from both the 2001 and the 2011 Censuses:
  - E00104163 (forming the total area of Tincleton and Woodsford parishes)
  - E00103964 (forming the total area of West Knighton)
  - E00103965 (forming the total area of West Stafford)
43. As noted above, the data for the parishes of Tincleton and Woodsford have been combined in the 2011 Census; consequently, it is not possible to differentiate between these two parishes. This report, therefore, is only able to disaggregate Knightsford into three sub-areas (rather than parishes) when analysing 2011 Census data - Tincleton &

Woodsford, West Knighton, and West Stafford.

44. It is also worth noting that the 2011 Census data considers Knightsford's local authority to be West Dorset, rather than Dorset, as the 2011 Census pre-dates the change of local authority.
45. The 2011 Census found that the NA had a total of 902 residents, formed into 386 households, occupying 416 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country; its mid-2020 population estimate for Knightsford is 950 – indicating population growth of around 5% (48 individuals) since 2011. It is worth noting that this figure is an estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.
46. Dorset Council have provided data on the new homes that have been registered in the parish between 2011-2021. The net number of new homes built in that time (after any that were demolished or replaced are deducted) is 15 (with a further 8 units marked as 'under construction'). This rate of house building is well aligned with the estimated population growth of 48. Adding the net completions figure and 'under construction' figure to the 2011 Census starting point produces an updated estimate for total number of dwellings in the parish of 439 in 2022.
47. These totals are summarised in Table 2-1 below, where they are also broken down to the three sub-areas based on the 2011 Census OAs. An update for each sub-area's population has also been provided, based on ONS mid-year population estimates.
48. It is interesting to observe that new construction since 2011 has not been distributed evenly across the sub-areas, with most of the developments being located in West Knighton and West Stafford. The remaining sub-area, Tingleton & Woodsford, only had two additional dwellings. This is particularly noteworthy as Tingleton & Woodsford was the sub-area that has seen the highest estimated actual and percentage population growth since 2011.



**Table 2-1: Dwellings and population, sub-areas, 2011 - 2021**

	Tincleton & Woodsford		West Knighton		West Stafford		Total
Number of dwellings (2011) (Census)	105		165		146		416
Number of new dwellings (2011-2021) (Figures provided by Dorset Council)	2		10 (8 of the 10 are marked as 'under construction' in 2021)		11		23
<b>Number of dwellings (2022 total)</b>	<b>107</b>		<b>175</b>		<b>157</b>		<b>439</b>
Population (2011) (Census)	236		375		291		902
Population estimate (2020) (ONS)	272		370		308		950
<b>Estimated population growth (2011-2020)</b>	<b>+36</b>	<b>15%</b>	<b>- 5</b>	<b>- 1%</b>	<b>17</b>	<b>+6%</b>	<b>n/a</b>

Source: ONS 2011, Dorset Council Completions data, AECOM Calculations, ONS mid-year estimates

## The Housing Market Area Context

49. Whilst this HNA focuses on Knightsford it is important to keep in mind that neighbourhoods are not self-contained housing market areas (HMAs). HMAs are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because HMAs are inherently linked to the labour market, employment patterns and travel to work areas. Knightsford sat in the former HMA of Weymouth & Portland and West Dorset.<sup>2</sup> However, due to the size of Dorset (Knightsford's new local authority), it can be considered an HMA on its own.<sup>3</sup> This means that when households in this authority move home, the vast majority move within this geography. The housing market area also has links to other neighbouring areas, including the Bournemouth, Christchurch and Poole unitary authority area.
50. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Knightsford, are closely linked to other areas. In the case of Knightsford, changes in need or demand in settlements nearby is likely to impact on the neighbourhood. For example, housing developments in the nearby county town of Dorchester may accommodate housing need from Knightsford.
51. In summary, Knightsford functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (Dorset), it is therefore useful to think about the *role* of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. NPs can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood play within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

<sup>2</sup> Weymouth & Portland and West Dorset Councils Strategic Housing Market Report: Part 1 (2014)

<sup>3</sup> Dorset and BCP Local Housing Needs Assessment (2021)

## Planning policy context

52. NPs are required to be in general conformity with adopted strategic local policies.<sup>4</sup> In the case of Knightsford, the relevant adopted and emerging Local Plan for West Dorset / Dorset consists of:

- The adopted **West Dorset, Weymouth and Portland Local Plan** (2011-2031). Adopted in 2015, the local plan sets out the vision, objectives, and planning framework for development in the area until 2031.
- The emerging **Dorset Council Local Plan**. The report was published for Regulation 18 Consultation on the 18 January 2021, as a new local plan for the whole of Dorset. Adoption is expected in Winter 2023.

### Policies in the adopted local plan

53. Table 2-1 below summarises adopted Local Plan policies that are relevant to housing need and delivery in Knightsford.

**Table 2-1: Summary of relevant adopted policies in the West Dorset, Weymouth and Portland Local Plan (2011-2031)**

Policy	Provisions
SUS2 – Distribution of Development	<p>Knightsford does not have a defined development boundary; therefore, development will be strictly controlled.</p> <p>Housing developments will be restricted to:</p> <ul style="list-style-type: none"> <li>• alterations and extensions to existing buildings in line with their current lawful use, including their subdivision or replacement;</li> <li>• affordable housing;</li> <li>• rural workers' housing;</li> <li>• open market housing through the re-use of existing rural buildings; and</li> <li>• specific allocations in a development plan document and associated landscape and infrastructure requirements.</li> </ul>

<sup>4</sup> A description of the Basic Conditions of Neighbourhood Planning is available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>



Policy	Provisions
SUS5 – Neighbourhood Development Plans	<p>Neighbourhood Development Plans should:</p> <ul style="list-style-type: none"> <li>• show how they are contributing towards the strategic objectives of this plan and be in general conformity with its strategic approach;</li> <li>• clearly set out how they will promote sustainable development in their area at the same level or over and above that which would otherwise be delivered through the local plan;</li> <li>• have due regard to information on local need for new homes, jobs and facilities, for their plan area and any outlying areas which they may serve; and</li> <li>• demonstrate that they are credible, justifiable and achievable. This can be assisted by involving landowners, developers and service providers in their preparation.</li> </ul>
HOUS1 – Affordable Housing	<p>Where open market housing is proposed affordable housing will be sought, unless the proposal is for replacement or subdivision of an existing home. The level of affordable housing required reflects the viability of development land in the local area and will be 35% in West Dorset.</p> <p>In most cases, where one or more affordable homes are being provided, these should be provided on the open market site. Financial contributions towards the provision of affordable housing will be required for any shortfall that cannot be delivered on the site.</p> <p>Within any affordable housing provision, the councils will seek the inclusion of a minimum of 70% social / affordable rent and a maximum of 30% intermediate affordable housing, unless identified local needs indicate that alternative provision would be appropriate.</p> <p>The type, size and mix of affordable housing will be expected to address the identified and prioritised housing needs of the area and should be proportionate to the scale and mix of market housing, resulting in a balanced community of housing...</p> <p>Where there is an identified local need for specially designed affordable housing to cater for disabled people with particular needs, or affordable housing that can be easily adapted to meet a variety of such needs, developments should prioritise provision of this accommodation.</p>

<b>Policy</b>	<b>Provisions</b>
HOUS2 – Affordable Housing Exception Sites	<p>Small scale sites for affordable housing adjoining settlements may be permitted provided that:</p> <ul style="list-style-type: none"> <li>• the council is satisfied that the proposal is capable of meeting an identified, current, local need within the town, local parish or group of parishes, which cannot otherwise be met;</li> <li>• the scheme is of a character, scale and design appropriate to the location; and</li> <li>• there are secure arrangements to ensure that the benefits of affordable housing will be enjoyed by subsequent as well as initial occupiers.</li> </ul>
HOUS3 – Open Market Housing Mix	<p>Wherever possible, residential developments should include a mix in the size, type and affordability of dwellings proposed, taking into account the current range of house types and sizes and likely demand in view of the changing demographics in that locality.</p>
HOUS5 – Residential Care Accommodation	<p>This policy sets out requirements for new care accommodation and major extensions to existing residential care homes. Note that care homes usually fall under Use Class C2 Residential Institutions and are thus not part of a housing needs assessment, which generally covers the need for Use Class C3 (private dwellings) only. There is no policy within the adopted plan on C3 older persons housing.</p>

Policy	Provisions
<p>HOUS6 – Other residential development outside defined development boundaries</p>	<p>The extension of an existing lawful dwelling-house located outside the defined development boundaries will be permitted provided that the extension is subordinate in scale and proportions to the original dwelling, and does not harm the character of the locality or its landscape setting.</p> <p>The replacement of an existing lawful dwelling-house located outside the defined development boundaries will be permitted on a one-for-one basis, provided that:</p> <ul style="list-style-type: none"> <li>• the new building can be accommodated within the existing curtilage;</li> <li>• the new building is not significantly larger than the original and does not detract from the character and appearance of the locality or its landscape setting.</li> </ul> <p>The subdivision of an existing home, located outside the defined development boundaries, will be permitted provided that:</p> <ul style="list-style-type: none"> <li>• the development can be accommodated within the existing building;</li> <li>• the resulting changes are compatible with the character of the area.</li> </ul> <p>New housing for rural workers (full-time workers in agriculture, horticulture, and other rural businesses), located outside the defined development boundaries, will be permitted provided that it can be demonstrated that there is an essential need for a worker to live at or near their place of work.</p> <p>Extensions to existing residential gardens will only be permitted where they:</p> <ul style="list-style-type: none"> <li>• reflect and/or reinforce existing plot and boundary patterns in the locality;</li> <li>• avoid an uncharacteristic urban extension into the open countryside; will not harm visual amenities or the rural character of the area; and</li> <li>• include appropriate landscaping proposals</li> </ul>
<p>ENV12 – The Design and Positioning of Buildings</p>	<p>The council will work with stakeholders and the local community to develop an approach for adaptable and accessible homes in accordance with the latest government guidance.</p>

Source: West Dorset, Weymouth and Portland Local Plan (2011-2031)

## Policies in the emerging local plan

54. Table 2-2 below summarises emerging Local Plan policies that are relevant to housing need and delivery in Knightsford.

55. The following documents are most relevant to Knightsford:

- Dorset Council Local Plan Options Consultation document - **Volume 1 - Strategy and Topics (January 2021)**
- Dorset Council Local Plan Options Consultation document - **Volume 2 - Central Dorset (January 2021)**

**Table 2-2: Summary of relevant emerging policies in the emerging Dorset Council Local Plan**

<b>Policy</b>	<b>Provisions</b>
Para 2.3.13	Knightsford falls within Tier 4 of the settlement hierarchy - Villages without 'Local Plan Development Boundaries' or villages included within (washed over by) the Green Belt.
Draft Policy DEV3: Growth in the central Dorset functional area	In the central Dorset functional area (which includes Knightsford), housing growth will be delivered: <ul style="list-style-type: none"> <li>- at the county town of Dorchester, including through major urban extensions at Poundbury and North of Dorchester;</li> <li>- at the major coastal resort of Weymouth, including through town centre regeneration and a major urban extension at Littlemoor;</li> <li>- through regeneration within the settlements on Portland;</li> <li>- through the significant expansion of the town of Chickerell and the larger village of Crossways / Moreton Station and the smaller-scale expansion of the larger villages of Charminster and Puddletown; and</li> <li>- through windfall and infilling within existing settlements defined by local plan or neighbourhood plan development boundaries.</li> </ul>
Draft Policy DEV1: The housing requirement and the need for employment land in Dorset	In the period 2021 to 2038 provision is made for a deliverable supply of housing land to accommodate a minimum of 30,481 dwellings, which will be delivered at a minimum average annual rate of 1,793 dwellings per annum.

Policy	Provisions
Para 2.7.13-14	Neighbourhood plan sites are specific sites (including allocations) that have been identified for development in a 'made' or very well-advanced neighbourhood plan. The housing supply from allocations in neighbourhood plans are included in this category. Allocations in future neighbourhood plans will also contribute to this source of housing supply. On 01 April 2019, it was estimated that there was a supply of 737 net additional homes from neighbourhood plan sites.
Draft Policy DEV9: Neighbourhood plans	Neighbourhood plans should be prepared to positively contribute to the local plan vision and strategic priorities and be in general conformity with its strategic policies; to identify the infrastructure needed to support development; and to ensure that the policies and proposals are deliverable. Where provision is made for housing, the housing requirement figure for a neighbourhood plan area, set out in appendix 2, should be met and where possible exceeded (see below).
Draft Policy HOUS2: Affordable housing, Part I	Housing on major sites (that is of 10 or more dwellings) and sites of 5 to 9 net additional dwellings in 'designated rural areas' will contribute to the provision of affordable housing.
Draft Policy HOUS2: Affordable housing, Part II and Figure 4.2 Proportions of affordable housing requirements in the 3 zones	In Zone 2, which includes Knightsford, there is a stated affordable housing requirement of 35%.  The exact affordable housing percentages to be sought within each zone will be fixed through a detailed assessment of development viability within each area (Figure 4.2). Figure 4.2 states a target of 30-40% of the total number of dwellings on sites in Zone 2, referring back to Policy HOUS2.
Draft Policy HOUS2: Affordable housing, Part V	The affordable homes should be provided at a maximum of 30% (but not less than 10%) affordable home ownership products; a minimum of 30% social rent; and a minimum of 40% affordable rent.
Draft Policy HOUS2: Affordable housing, Part VI	The type, size and mix of affordable housing on a development site should help to address the identified and prioritised affordable housing needs in the local area, resulting in a balanced community.

<b>Policy</b>	<b>Provisions</b>
Draft Policy HOUS3: Affordable housing exception sites	<p>An affordable housing exception scheme will be permitted if:</p> <ul style="list-style-type: none"> <li>• it is adjoining an existing settlement;</li> <li>• the proposal is capable of meeting an identified local need for affordable housing within the settlement, parish or group of parishes where the scheme is located, including within the Green Belt, which cannot otherwise be met;</li> <li>• the character, scale and design of the scheme is appropriate to the location and size of the existing settlement; and</li> <li>• there are secure arrangements to ensure the homes remain affordable in perpetuity.</li> </ul>
Draft Policy HOUS4: Specialist purpose built accommodation	<p>Proposals for specialist purpose-built accommodation will be supported where they:</p> <ul style="list-style-type: none"> <li>• respond to an identified need in the immediate area; and</li> <li>• provide a range of tenures.</li> </ul> <p>(Please note there is also a separate policy HOUS5 for complex dementia and nursing care, but this is not applicable to Use Class C3 housing which is the subject of this HNA)</p>

*Source: Dorset Council Local Plan Options Consultation document – ‘Volume 1 - Strategy and Topics’ and ‘Volume 2 - Central Dorset’ (January 2021)*

## Quantity of housing to provide

56. The NPPF 2021 (paragraphs 66 and 67) requires Local Authorities to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the NP period. However, Knightsford has not been provided with an allocation figure in the adopted or emerging Local Plan. Dorset Council have advised NPSG that Knightsford is not expected to contribute to the overall county housing target above what may be expected through some modest windfall development (such as through the conversions of rural buildings). As no specific figure has been provided, for the purposes of this HNA, Knightsford is considered to have a delivery target of 0 dwellings, however, it is likely that small-scale development will still take place.

## 3. Approach

### Research Questions

57. The following research questions were formulated at the outset of the research through discussion with the Knightsford Neighbourhood Plan Steering Group (NPSG). They serve to direct the research and provide the structure for the HNA.

### Tenure and Affordability

58. The NPSG would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
59. This evidence will allow Knightsford to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

***RQ1: What quantity and tenures of Affordable Housing should be planned for over the Neighbourhood Plan period?***

### Type and Size

60. The NPSG is seeking to determine what size and type of housing would be best suited to the local community. Evidence on this point will help to shape future development so that it better reflects what residents need.
61. The aim of this research question is to provide the NPSG with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.
62. While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.
63. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

***RQ 2: What type (terrace, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?***

## Specialist Housing for Older People

64. This chapter supplements the demographic evidence relating to Type and Size, including the potential demand for downsizing, to consider the quantity and characteristics of need for housing for older people with some form of additional care.

***RQ 3: What provision should be made for specialist housing for older people over the Neighbourhood Plan period?***

## Second Homes and Holiday Lets

65. The NPSG have expressed concern towards the number of second homes and holiday lets within the area. It may be that a rising number of second homes and holiday lets in the area is having an impact on housing affordability as well as the vitality and economic resilience of the local community.

66. This chapter of the HNA will review the evidence relating to the presence and growth of second home ownership in Knightsford and draw out any relevant connections to the affordability conclusions made in the preceding chapter and other considerations.

***RQ 4: What is the scale and potential impact of the second homes and holiday lets sector on the Knightsford housing market, and how might this be addressed through policy?***

## Relevant Data

67. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the Neighbourhood Plan level and is locally specific. This includes data from the 2011 Census and a range of other data sources, including:

- ONS population and household projections for future years;
- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from Home.co.uk;
- CPRE Dorset Housing Needs Evidence Report 2020;
- Knightsford Neighbourhood Plan – Summer 2022 Residents Survey;
- Dorset and BCP Local Housing Needs Assessment (2021);
- Weymouth & Portland and West Dorset Councils 2014 Strategic Housing Market Report Part 1;
- West Dorset and Weymouth & Portland Councils Strategic Housing Market Assessment 2014 (Part 2); and
- Local Authority housing waiting list data.



68. More recent data sources for the population and existing housing stock will be used wherever possible in this report. However, Census datasets providing, for example, the breakdown of households (as opposed to individuals) by age and the tenure of dwellings, cannot be accurately brought up to date in this way. Such patterns are instead generally assumed to persist to the present day.

## 4. RQ 1: Tenure, Affordability and the Need for Affordable Housing

***RQ 1: What Affordable Housing (e.g. social housing, affordable rented, Shared Ownership, discounted market sale, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?***

### Introduction

69. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.
70. Tenure refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and Shared Ownership). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF. A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
71. The definition of Affordable Housing set out in the NPPF 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. As part of this effort, the Government has recently introduced a new product called First Homes.<sup>5</sup>
72. Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:
- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
  - The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
  - After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;

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<sup>5</sup> The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

- Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers;
- They will be subject to legal restrictions ensuring the discount is retained for future occupants, and renting out or sub-letting will not normally be permitted;
- In addition to setting the discount level, local authorities and neighbourhood planning groups can apply additional criteria, such as a lower income cap, local connection test or prioritisation for key workers through adopted plans, emerging policy or Supplementary Planning Documents; and
- 25% of all homes delivered through section 106 developer contributions on sites enabled through the planning process should be sold as First Homes. In simpler terms, 25% of all subsidised Affordable Housing on mainstream housing developments should be First Homes. This is likely to mean that First Homes will take the place of Shared Ownership housing in many circumstances, and in some cases may also displace social or affordable rented homes.

## Current tenure profile

73. The current tenure profile is a key feature of the NA. Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.
74. Table 4-1 presents data on tenure in Knightsford compared with West Dorset and England from the 2011 Census (which is the most recent available source of this information).
75. Firstly, the data in Table 4-1 shows that the majority of Knightsford's dwellings are in ownership tenures, at 72% - a percentage that is slightly higher than the District mix (69%), and much higher than the National mix (63%).
76. Knightsford has a small offering of dwellings on Social Rent and Shared Ownership tenures (the two Affordable Housing tenures in the table), featuring in proportions of 8% and 1%, respectively. The proportion in Shared Ownership tenures is consistent across all three geographies, however, Knightsford has a notably lower proportion of dwellings on Social Rent tenures compared to both West Dorset and England.
77. The rate of households in private rented accommodation in Knightsford is 15% - this figure falls in-between the equivalent proportion for the District (14%) and the Nation (17%), although the difference between all three geographies is minor.
78. Dorset Council's completions data (June 2022) did not provide a tenure breakdown of the 23 housing new dwellings in Knightsford since 2011, however due to the low number of additional dwellings, the overall tenure mix of Knightsford is unlikely to have dramatically changed since 2011.

79. There is no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, it is interesting to observe the change recorded between the 2001 and 2011 Census: in Knightsford the private rented sector expanded by only 21% in that period, a rate of growth that was smaller than both the District (+68%) and the Nation (+82%).

**Table 4-1: Tenure (households) in Knightsford, 2011**

Tenure	Knightsford	West Dorset	England
Owned	72.3%	69.4%	63.3%
Shared Ownership	0.8%	0.8%	0.8%
Social Rent	8.3%	13.9%	17.7%
Private rented	15.0%	13.7%	16.8%

Sources: Census 2011, AECOM Calculations

80. Table 4-2 provides the same information for the three sub-areas, revealing that the parishes of Tincleton & Woodsford and West Knighton have rates of home ownership closely aligned with the wider District, while West Stafford has a much higher proportion of dwellings in ownership tenures compared to all other geographies in both tables. Table 4-2 also shows that the majority of Knightsford's affordable tenures (Shared Ownership and Social Rent) are found in West Knighton and West Stafford. Tincleton & Woodsford makes up for the lack of affordable tenures with a larger proportion of dwellings on private rent tenures compared to the other sub-areas. The overall averages for Knightsford therefore disguise a large degree of variation between sub-areas.

**Table 4-2: Tenure (households) in Knightsford, 2011**

Tenure	Tincleton & Woodsford	West Knighton	West Stafford
Owned	68.4%	69.7%	78.2%
Shared Ownership	0.0%	1.3%	0.8%
Social Rent	1.0%	12.3%	9.0%
Private rented	28.6%	12.3%	8.3%

Sources: Census 2011, AECOM Calculations

## Affordability

### House prices

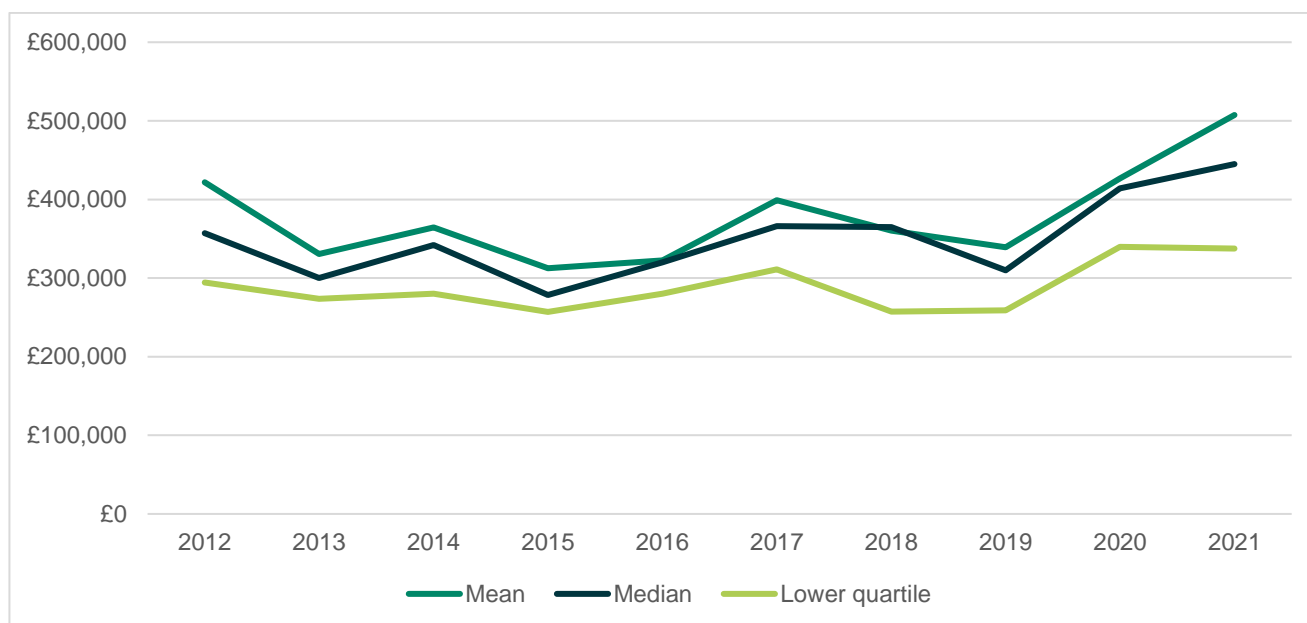
81. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.

82. Figure 4-1 below looks at the change in mean (the average), median (the middle value), and lower quartile (the value below which the lowest 25% of values fall) for house prices

in Knightsford. Between 2012-2019, a high degree of fluctuation in house prices has been experienced across the recorded values. After 2019, however, both the mean and median house price has risen year-on-year – aligning with national trends of high property value appreciation (likely influenced by changing housing market demands triggered by the COVID-19 pandemic and a period of stamp duty relief). The growth experienced in recent years has pushed the 2021 mean house price to £507,444, the median to £445,000, and the lower quartile to £337,500. Overall, this means that all the recorded measurements have risen since 2012 by 20%, 25%, and 15%, respectively.

83. The fluctuations in the figure can likely be explained by the low number of house sales in Knightsford in each year; the housing market’s figures are, therefore, likely to be influenced by dwelling size, condition, location and other characteristics, alongside general market conditions.

**Figure 4-1: House prices by quartile in Knightsford, 2012-2021**



Source: Land Registry PPD

84. Table 4-3 outlines the number of dwelling sales per year in Knightsford, split by dwelling type, for the period 2012-2021. This is complimented by Table 4-4, which breaks down house prices by type and presents their median prices over the same period.

85. Knightsford is a relatively small NA and, therefore, has a low number of housing sales. As a consequence, some dwelling types do not have a complete data set.

86. Finally, it is worth bearing in mind that even the dwelling types with a complete data set have relatively low number of sales, and therefore, are likely to still be affected by the features such as size, condition, location when making comparisons across the years.

**Table 4-3: Number of dwelling sales by type in Knightsford, 2012-2021**

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Detached	4	5	4	5	4	5	8	7	6	8
Semi-detached	0	4	2	2	4	5	6	0	1	2
Terraced	2	2	2	1	1	3	0	7	3	5
Flats	0	0	1	0	0	0	0	0	0	1
<b>All Types</b>	<b>12</b>	<b>11</b>	<b>9</b>	<b>8</b>	<b>9</b>	<b>13</b>	<b>14</b>	<b>14</b>	<b>10</b>	<b>16</b>

Source: Land Registry PPD

87. The two housing types that do have a complete dataset for the observed period are detached and terraced. The median value of these two types experienced similar and modest growth, increasing by 20% and 15%, respectively.
88. Comparing the earliest (2013) and latest (2021) data for semi-detached houses indicates that this house type experienced a higher rate of median growth than detached and terraced, rising by 50%.
89. There is not enough sales data for flats to make a fair estimate for their median growth.
90. Again, it should be noted that the same caveats discussed in relation to Figure 4-1 still apply when interpreting Table 4-4, with dwelling size and other characteristics specific to individual units potentially influencing the growth rates of individual housing types.

**Table 4-4: Median house prices by type in Knightsford, 2012-2021**

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth (2012-2021)
Detached	£389,000	£300,000	£424,975	£280,000	£321,500	£410,000	£391,500	£395,000	£440,250	£525,000	20.3%
Semi-detached	-	£285,000	£305,000	£311,500	£330,000	£387,500	£267,500	-	£328,000	£428,500	-
Terraced	£264,250	£320,000	£314,475	£230,300	£190,000	£260,000	-	£258,000	£375,000	£305,000	14.6%
Flats	-	-	£170,000	-	-	-	-	-	-	£292,500	-
<b>All Types</b>	<b>£357,000</b>	<b>£300,000</b>	<b>£341,950</b>	<b>£278,500</b>	<b>£320,000</b>	<b>£366,250</b>	<b>£365,000</b>	<b>£310,000</b>	<b>£414,000</b>	<b>£445,000</b>	

Source: Land Registry PPD

## Income

91. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.
92. The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average total household income before housing costs locally was £43,700 in 2018. A map of the area (covering a wide, predominantly rural area, directly south of Dorchester) to which this data applies is provided in Appendix A.
93. The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While

this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. Dorset's gross individual lower quartile annual earnings were £14,530 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £29,060.

94. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

## **Affordability Thresholds**

95. To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.
96. AECOM has determined thresholds for the income required in Knightsford to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix A.
97. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although different approaches are sometimes taken and a case can be made for alternatives.
98. The mortgage multiplier is particularly variable, with multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants. The percentage of income to be spent on rent also varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption. While larger mortgages and higher rents may be feasible for individuals, this creates vulnerability to changing economic circumstances and may not be a possibility for many people with the most acute housing needs. Different assumptions would, however, alter the picture of affordability that emerges here. This is another reason to interpret the findings with a degree of flexibility.
99. Table 4-5 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income-required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that

households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.

100. The same information is presented as a graph in Figure 4-2 on a subsequent page, with selected measures from the table presented for clarity.

**Table 4-5: Affordability thresholds in Knightsford (income required, £)**

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? (£43,700)	Affordable on LQ earnings (single earner)? (£14,530)	Affordable on LQ earnings (two earners)? (£29,060)
<b>Market Housing</b>						
Median House Price	£400,500	-	£114,429	No	No	No
LA New Build Median House Price	£326,696		£93,342	No	No	No
LQ/Entry-level House Price	£303,750	-	£86,786	No	No	No
Average Market Rent	-	£17,640	£58,800	No	No	No
Entry-level Market Rent	-	£11,700	£39,000	Yes	No	No
<b>Affordable Home Ownership</b>						
First Homes (-30%)	£228,687	-	£65,339	No	No	No
First Homes (-40%)	£196,017	-	£56,005	No	No	No
First Homes (-50%)	£163,348	-	£46,671	No	No	No
Shared Ownership (50%)	£163,348	£4,537	£61,796	No	No	No
Shared Ownership (25%)	£81,674	£6,806	£46,023	No	No	No
Shared Ownership (10%)	£32,670	£8,167	£36,559	Yes	No	No
<b>Affordable Rented Housing</b>						
Affordable Rent	-	£6,864	£22,857	Yes	No	Yes
Social Rent	-	£5,252	£17,489	Yes	No	Yes

Source: AECOM Calculations

101. Before considering each tenure category in turn, it is important to stress that these affordability thresholds have been calculated to give a sufficiently robust indication of the costs of various tenures to inform NP policy choices. These figures rely on existing data and assumptions, and it is not possible to estimate every possible permutation. The income figures also disguise a large degree of variation. For simplicity the analysis below speaks in terms of tenure products being 'affordable' or 'not affordable' for different groups, but individual circumstances and the location, condition and other factors of specific properties in each category have a large impact. These conclusions should therefore be interpreted flexibly.

### Market housing for purchase and rent

102. Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit



of a higher-than-average income, is likely to remain out of reach to most households who do not benefit from having a large deposit. The median house price would require an annual income nearly three times higher than the current average.

103. Private renting is generally only affordable to higher-than-average earners. Average earning households can afford entry-level rent, however, will also be limited by the low stock of units available at entry-level rented prices. Households made up of two lower quartile earners cannot afford any of the given market rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

### **Affordable home ownership**

104. There is a large range of household incomes in Knightsford that may allow households to afford private rent but not home ownership. They are typically earning between around £39,000 per year (at which point entry-level rents become affordable) and £86,786 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and Shared Ownership.

105. First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.

106. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Table 4-5 presents that none of the discount levels will bring LA new build median house prices (the proxy for new build entry-level housing in the NA) to within affordable levels for average earners. The discount at 50% does bring the cost of ownership to within affordable levels to households earning slightly above the average income, or households on average incomes but are willing to sacrifice more of their salary.

107. Because there is no data for the cost of a typical First Home at the NA level due to a lack of data on new build entry-level house prices, it is worth considering the discounts required for different price benchmarks. Table 4-6 shows the discount required for First Homes to be affordable to the three income groups if new builds in the NA cost the same as NA median, LA median new build (used as the proxy in Table 4-5), LA median lower quartile build and NA entry-level house prices. As Table 4-6 demonstrates, ownership for median-priced dwellings would be out of reach for households on affordable tenures, even with the maximum 50% First Homes discount. However, if new builds in Knightsford were priced at the same level as entry-level dwellings or as LA lower quartile new builds, a 50% First Homes discount would bring the cost to within affordable levels for average earning households.

**Table 4-6: Discount on sale price required for households to afford First Homes**

House price benchmark	Mean household income	Single LQ earner	Dual LQ earning household
NA Median house price	62%	87%	75%
LA New build median house price	53%	84%	69%
LA New build lower quartile house price	50%	83%	67%
NA Entry-level house price	50%	83%	67%

Source: Land Registry PPD; ONS MSOA total household income

108. Shared Ownership appears to be slightly more affordable than First Homes but is broadly accessible to the same groups. Government has recently announced that the minimum equity share for Shared Ownership will fall to 10% of the property value.<sup>6</sup> In fact, Shared Ownership at 10% is the only ownership tenure that is considered affordable to average earning households in Knightsford. However, while the income threshold for a 10% equity Shared Ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as Shared Ownership at higher equity shares and First Homes) for those who can afford them.

109. The transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised, meaning that monthly costs for occupants will remain relatively high and the build-up of equity will be relatively slow. This product would therefore only be a realistic route to full ownership for households prepared to take a long-term view.

110. The income required to access Rent to Buy, a product designed to allow residents to transition from renting to ownership by allowing a discount on the market rent to be used to save a deposit, is assumed to be the same as that required to afford market rents. On that basis, First Homes and Shared Ownership are generally less affordable options (except Shared Ownership at the 10% discount).

111. These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.

- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
- Shared Ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
- Shared Ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service

<sup>6</sup> The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.

- Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

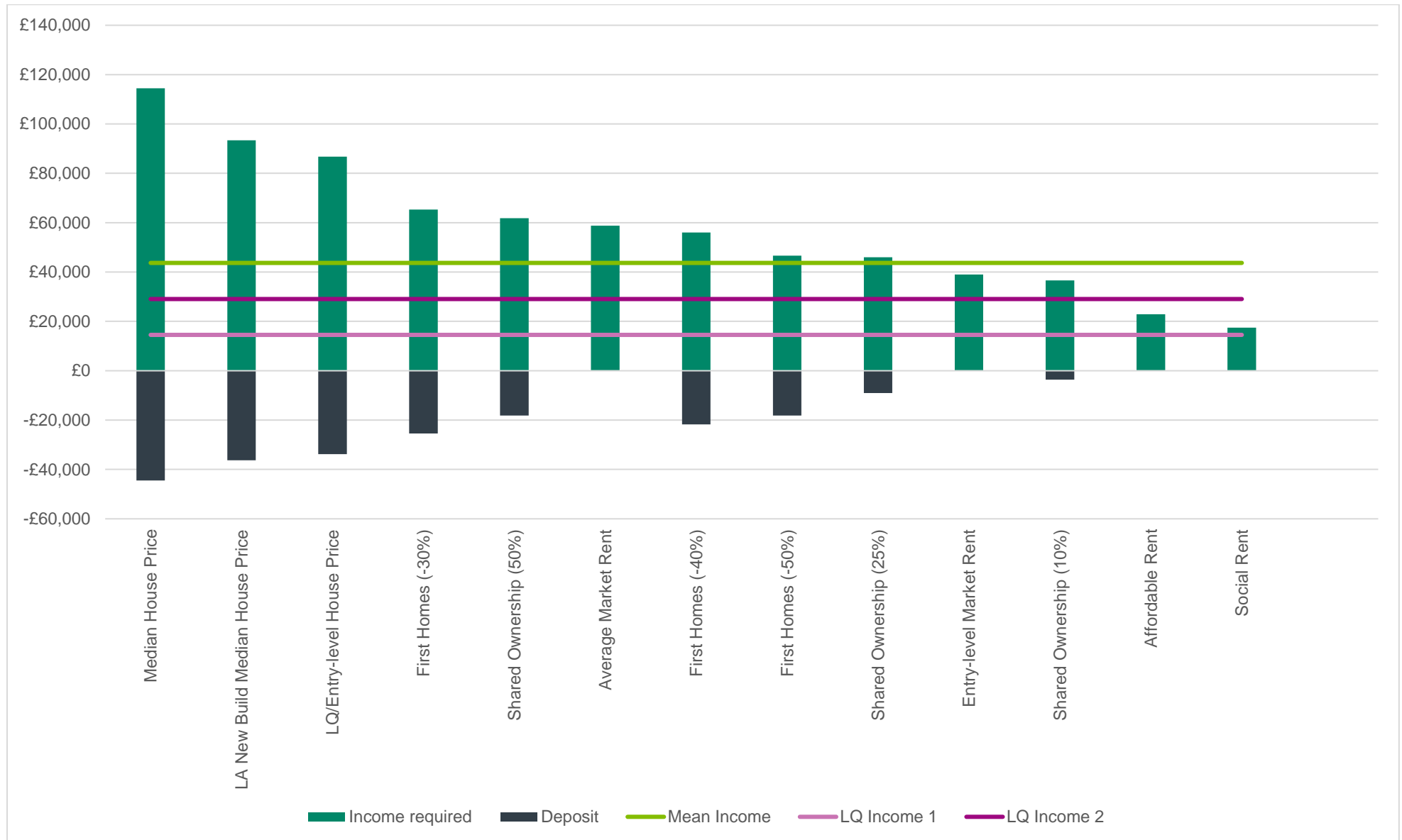
112. In conclusion, all of these products would provide value to different segments of the local population, with Shared Ownership at 10% and (to a lesser extent) 25% equity share potentially allowing average earning households to get a foot on the housing ladder, while Rent to Buy is helpful to those with little or no savings for a deposit, and First Homes (at 50% discount) may provide a better long-term investment to those who can afford to access it.

### **Affordable rented housing**

113. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered, including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.

114. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Knightsford as the only option for a large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This mean that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

**Figure 4-2: Affordability thresholds in Knightsford, income required (additional cost of deposit in black)**



Source: AECOM Calculations

## Affordable housing- quantity needed

115. A Strategic Housing Needs Assessment (SHMA) for Weymouth & Portland and West Dorset Councils was produced in 2014; although useful for a general guide, this report can be considered relatively dated. A more recent Housing Needs Evidence (HNE) report for Dorset has been produced in 2020. This HNE will be used as the starting point for understanding the need for affordable housing in Knightsford. This study estimates the need for housing in the District based on analysis of the Council's waiting list and analysis of other data sets in line with Planning Practice Guidance at the time.
116. The HNE identifies a need for 570 units for West Dorset for the period of 2020-2030 (an average of 57 units per annum). When the HNE figures are pro-rated to Knightsford based on its fair share of the population, this equates to 0.5 units per annum, or 8 homes if this target is carried forward over the NP period (2022-2037). The Local Plan policy HOUS1 states that 35% of new housing in Knightsford should be affordable; therefore, an estimated need of three affordable units could be expected in Knightsford over the NP period.
117. However, pro-rating District level estimates of affordable housing need to rural areas presents problems in practice. The District level figures are likely to represent higher needs in the urban areas of the District where there is a large social housing stock and larger numbers of households living in the PRS on housing benefit. Both of these factors tend to generate higher needs. By contrast, in rural parishes like Knightsford, the lack of social housing means there is no need generated from households already living in the sector. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing). This means it is difficult to identify need for affordable rented housing within Knightsford.
118. In Table 4-9 we have calculated, using PPG as a starting point,<sup>7</sup> an estimate of the total need for affordable rented housing in Knightsford over the NP period. It should, however, be noted that the accuracy of the findings generated by the model is only as strong as the evidence we have available to us. For example, Census 2011 data is increasingly out-of-date. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out here are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.
119. It should also be noted that figures in Table 4-9 are largely dependent on information provided by Dorset Council in its capacity as manager of the local housing waiting list.
120. On December 1<sup>st</sup> 2021, Dorset Council started a new housing register for affordable renting need in the area. Previous applicants were invited to reapply

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<sup>7</sup> Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

to the new register, however, Dorset Council have noted that many applications are still awaiting verification. Table 4-7 presents the confirmed number of applicants currently on the new register (as of June 2022); however, based on the caveats discussed, they may be considered an underestimate for the current need.

**Table 4-7: Housing Need in Knightsford**

<b>March 2022 - Knightsford Bedrooms needed</b>	<b>Current number of applicants - Dorset Homechoice</b>
1 Bed	6
2 Bed	1
3 Bed	1
4 Bed	0
5-or-more Bed	1
<b>Total</b>	<b>9</b>

Source: Dorset Council

121. Based on the Council's waiting list, it is apparent that need is focussed towards the smaller-sized dwellings, with two thirds of the current need being for one-bedroom dwellings.
122. A 2022 survey of Knightsford residents indicates that the assumption of an underestimate in Table 4-7 is justified. Question 7 in the survey asked residents if they needed homes for rent or ownership on affordable tenures. The responses to this question, presented in Table 4-8, indicate that local need may indeed be greater than the 9 households presented in the Council's figures.
123. It should also be noted that Table 4-8 only presents need figures for the individual households who returned the survey (those who ticked the 'my household [is in need]' box). This is worth noting as the survey also offered an option to record if respondents knew 'friends' or 'others' in need of affordable housing, however, Table 4-8 does not present this data. The reason for this is that there a degree of uncertainty in the figures, arising from: firstly, as the data is likely to be based on speculation, rather than definitive needs; secondly, because there may be a degree of overlap between responses (e.g. four respondents may know of the same household that is in need and tick the 'friends' box – this would return a need figure of four, whereas the actual need figure would be one).
124. It should also be noted that the results of the survey may also be negatively impacted by the fact that the survey was returned by individuals (rather than households), thus, creating potential for overlap between residents of the same household returning a survey. Additionally, the response rate for individuals under 50 years old was low, and therefore, may not be representative of the most in need of affordable housing.

**Table 4-8: Knightsford Parish Survey – need to rent / buy a home at ‘an affordable price’**

	Tinkleton	West Knighton	West Stafford	Woodsford	Total
<i>‘Needing a home <b>to rent</b> at an affordable price’ - ‘My household’ responses only</i>	1	3	4	3	<b>11</b>
<i>‘Needing a home <b>to buy</b> at an affordable price’ – ‘My household’ responses only</i>	3	8	9	3	<b>23</b>

Source: *Knightsford Neighbourhood Plan – Summer 2022 Residents Survey*

125. Table 4-9 will still use Dorset Council’s figure of nine households currently in need, however, Table 4-8 demonstrates that this may be an underestimate.
126. In addition to the nine households currently on the housing register, Table 4-9 suggests that, over the NP period, seven additional households in the NA will fall into need, producing total need for affordable rented homes of 16. A modest rate of turnover of affordable rented units will satisfy most of Knightsford’s arising need; therefore, the calculations in Table 4-9 suggest that there will be a total need for one new affordable rented home over the NP period. This calculation assumes that the re-stock figures will be suitable for those in need.

**Table 4-9: Estimate of need for Affordable Housing for rent in Knightsford**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current households in need	9.0	Data provided by Dorset Council (June 2022)
1.2 Per annum	<b>0.6</b>	Step 1.1 divided by the plan period to produce an annualised figure.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	55.1	DLUHC 2018-based household projections for the LA between start and end of plan period. % increase applied to NA.
2.2 Proportion of new households unable to rent in the market	13.0%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in NA.
2.2.1 Current number of social renters in parish	34.2	2011 Census social rented occupancy + LA % increase.
2.2.2 Number of private renters on housing benefits	13.3	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	7.1	Step 2.1 x Step 2.2.
2.4 Per annum	<b>0.5</b>	Step 2.3 divided by plan period.
<b>STAGE 3: TURNOVER OF AFFORDABLE HOUSING</b>		
3.1 Supply of social/affordable re-lets (including transfers) %	3.0%	Assumed proportion of stock re-let each year.
3.2 Supply of social/affordable re-lets (including transfers)	1.0	Step 3.1 x NA social rented stock (2.2.1).
<b>NET SHORTFALL (OR SURPLUS) OF RENTED UNITS</b>		
Overall shortfall (or surplus) per annum	0.0	Step 1.2 + Step 2.4 - Step 3.2
Overall shortfall (or surplus) over the plan period	<b>0.7</b>	(Step 1.1 + Step 2.3) - Step 3.2 * plan period

Source: AECOM model, using Census 2011, English Housing Survey 2018, DLUHC 2018 based household projections and net additions to affordable housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency. Figures may not sum due to rounding.

127. Turning now to Affordable Housing providing a route to home ownership, Table 4-10 estimates the potential demand in Knightsford. This model aims to estimate the number of households who might wish to own their own home but cannot afford to – the ‘can rent, can’t buy’ group described in the previous section. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.

128. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This assumption is based on consistent results for surveys and polls at the national level which demonstrate that most households



(typically 80% or more) aspire to home ownership.<sup>8</sup> No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.

129. The result of the calculation is 3 households per annum who may be interested in affordable home ownership (or 47 for the entirety of the NP period).
130. Again, this assumes a rate of turnover in the existing stock will satisfy some need, though this is extremely minimal because of the lack of Shared Ownership in the NA currently.
131. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

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<sup>8</sup> <http://www.ipsos-mori-generations.com/housing.html>

**Table 4-10: Estimate of the potential demand for affordable housing for sale in Knightsford**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current number of renters in parish	70.7	Census 2011 number of renters x national % increase to 2018.
1.2 Percentage renters on housing benefit in LA	18.8%	% of renters in 2018 on housing benefit.
1.3 Number of renters on housing benefits in parish	13.3	Step 1.1 x Step 1.2.
1.4 Current need (households)	43.0	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. <sup>9</sup>
1.5 Per annum	<b>2.9</b>	Step 1.4 divided by plan period.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	55.1	LA household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	10.9%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	6.0	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	<b>0.5</b>	Step 2.3 divided by plan period.
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of affordable housing	4.5	Number of Shared Ownership homes in parish (Census 2011 + LA new build to 2018/19 pro rated to NA).
3.2 Supply - intermediate resales	0.2	Step 3.1 x 5% (assumed rate of re-sale).
<b>NET SHORTFALL (OR SURPLUS) PER ANNUM</b>		
Overall shortfall (or surplus) per annum	3.1	(Step 1.5 + Step 2.4) - Step 3.2.
Overall shortfall (or surplus) over the plan period	<b>46.6</b>	(Step 1.4 + Step 2.3) - Step 3.2 * number of years to end of plan period

Source: AECOM model, using Census 2011, English Housing Survey 2018, DLUHC 2018 based household projections and net additions to affordable housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency.

132. There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).

<sup>9</sup> The assumption of approximately 25% preferring to rent and 75% preferring to buy is AECOM's judgement, based on national level polls which consistently reveal that most households who prefer home ownership eg <http://www.ipsos-mori-generations.com/housing.html> and informed by our experience across numerous neighbourhood level HNAs. The assumption is based on the fact that some households choose to rent at certain stages in their life (e.g. when young, when needing flexibility in employment market, or when new migrants move into an area). While most households prefer the added security and independence of owning their own home, private renting is nevertheless a tenure of choice at a certain points in many households' journey through the housing market. The actual percentage of preference will differ between areas, being higher in large metropolitan areas with younger households and more new migrants, but lower in other areas. 25% is used as a reasonable proxy and for consistency across HNAs and similar assumptions are used in some larger scale assessments such as LHNA's and SHMA's. If the neighbourhood planning group feel this is not an appropriate assumption in their particular locality they could use the results of a local residents survey to refine or confirm this calculation.

133. It is also important to remember that even after the NP is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the neighbourhood planning group.

## Affordable Housing policy guidance

134. Dorset's adopted policy on Affordable Housing, HOUS1, requires 35% of all new housing to be affordable, however, it is unlikely that this target has been achieved in Knightsford in the past.
135. The overall proportion of housing that must be affordable is not an area of policy that a NP can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
136. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is also specified in Policy HOUS1. The Policy expects the affordable housing delivery in Knightsford to be 70% affordable rented tenures and 30% affordable ownership tenures, *'unless identified local needs indicate that alternative provision would be appropriate'*.
137. The HNA can supply more localised evidence, and this section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Knightsford specifically.
138. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:

- A. **Evidence of need for Affordable Housing:** This study estimates that Knightsford requires roughly one unit of affordable rented housing and 47 units of affordable home ownership over the NP period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.

The relationship between these figures suggests that almost 100% of Affordable Housing should be in affordable ownership tenures. However, these figures are not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.

- B. **Can Affordable Housing needs be met in full?** How far the more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of overall housing delivery expected.

Knightsford does not have an overall housing delivery target, however, it would be reasonable to assume that affordable renting need will be

accommodated with a modest addition of affordable housing in the Parish. The need for units in affordable ownership tenures is less likely to be fully satisfied by the end of the NP period.

- C. **Government policy (e.g. NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in Dorset, where 35% of all housing should be affordable, 29% of Affordable Housing should be for affordable ownership. This does comply with the guideline tenure split sought in the Local Plan.

There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA there is no evidence that meeting the 10% threshold in Knightsford would prejudice the provision of much needed affordable rented homes/ delivery 10% or more of homes as affordable home ownership would impact on the ability to deliver social/affordable rented homes.

- D. **Local Plan policy:** As noted above, the adopted Local Plan seeks a tenure split of 70% affordable rented tenures and 30% affordable ownership tenures, '*unless identified local needs indicate that alternative provision would be appropriate*'. The 70% rent to 30% ownership split is carried forward into the emerging Local Plan.

- E. **First Homes policy:** the Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.

This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. However, this is not an issue in Dorset.

National policy dictates that after the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the relevant Local Plan, with any remaining units allocated to other tenure products in the relative proportions set out in the Local Plan.

AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. If this was done in Dorset, the remaining 75% of the affordable housing provision would then be apportioned 70% to affordable rent and 30% to affordable home ownership. If this approach is taken, all other things being equal, it would reduce the provision of rented forms of affordable housing since it would effectively protect the provision of other forms of affordable home ownership alongside First Homes. Some LPAs are considering this approach because of the existing business models of

registered providers which have relied on Shared Ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.

This guidance generally applies to district-level policy, and there may still be potential for a neighbourhood plan tenure mix to deviate from how the other tenures are rebalanced if appropriate.

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
- G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood planning group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
- H. **Existing tenure mix in Knightsford:** According to the 2011 Census data, Knightsford is dominated by private ownership tenures, accounting for approximately 72% of the total tenure mix. The next most common tenure type is private rent, at 15%. These are followed by smaller proportions of Social Rent (8%) and Shared Ownership (1%) (the tenure mix for Knightsford's parishes is presented earlier in this report, in Table 4-2). The proportion of dwellings in Social Rent tenures is particularly low when compared to the wider geographies' tenure mixes.
- Overall, due to the low proportion of dwellings in any form of affordable tenure, provision of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.
- I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels.
- J. **Wider policy objectives:** the neighbourhood planning group may wish to take account of broader policy objectives for Knightsford and/or the wider district. These could include, but are not restricted to, policies to attract younger households, families or working-aged people to the NA. These wider considerations may influence the mix of Affordable Housing provided.

139. On the basis of the considerations above, Table 4-11 proposes an indicative tenure mix of 60% rent to 40% ownership mix for new Affordable Housing in Knightsford. As will be explained in the forthcoming paragraphs, this

recommended split represents a compromise between offering units to those most in need in Knightsford (renting), whilst also attempting to offer at least one route to ownership that can be attainable to average income households.

140. Firstly, the 60% renting allocation has been recommended so that Knightsford prioritises delivering affordable units to those with the most acute needs. Knightsford currently has a minimum of nine households in need of affordable rented housing, who without a turnover of affordable renting units or the delivery of new affordable renting units, may not be able to live in the area. Rather than hope that these households in need are accommodated through re-lets (which may take many years), priority has been given to the delivery of affordable rents in the area. This is especially important given that Knightsford is a small area and has strict development policies towards development. It is, therefore, unlikely that a large volume of housing will be delivered in the NA.
141. The 40% allocation to affordable ownership represents a 10% boost for ownership when compared to the Local Plan's recommendations. The primary influences behind the 40% affordable ownership allocation are the affordability thresholds for the affordable ownership products. On one hand, as demonstrated in Table 4-5, First Homes at the maximum discount is only affordable for average income households at the 50% discount if those households are willing to sacrifice a greater proportion of their salary (which is not ideal) or if the First Homes units are smaller/denser than the LA median new build. Shared Ownership at 10% equity, on the other hand, falls within affordability thresholds for average households. Whilst this tenure may be considered the least popular affordable ownership tenure (as the equity is the lowest of all), based on the affordability thresholds, it may be the most appropriate for Knightsford. Shared Ownership, therefore, represents a more accessible route to home ownership than First Homes, with the added bonus that the product that is more likely to be accepted by developers.
142. Ideally, Shared Ownership would account for the majority of the affordable ownership tenures in the affordable split, however, the mandated 25% of affordable homes needing to be First Homes limits what can be achieved with the split in attempts to balance the need for rent vs ownership, as well as First Homes vs Shared Ownership. Whilst renting takes overall priority, Shared Ownership offers the next most appropriate affordable tenure in the area. Therefore, First Homes has been assigned its minimum allocation of 25%, and has been accompanied by a 10% allocation of Shared Ownership and 5% allocation of Rent to Buy.
143. In summary, a 60% rent to 40% ownership split would help address the most important affordability issues in the area by placing priority on dwellings for those with the most acute needs (renting), whilst also attempting to make ownership options as accessible as possible in the context of the small size of the Parish and mandated legislation. Discussion with the LPA in development of any NP policy is essential in this respect.

144. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J above, and in particular the views and objectives of the community.
145. Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with Dorset to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
146. Another option when developing NP policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

**Table 4-11: Indicative tenure split (Affordable Housing)**

<b>Tenure</b>	<b>Indicative mix</b>	<b>Considerations and uncertainties</b>
<b>Routes to home ownership, of which</b>	<b>40%</b>	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared Ownership	10%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on Shared Ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	5%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
<b>Affordable Housing for rent, of which</b>	<b>60%</b>	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

147. Table 4-12 summarises Knightsford's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the NP period. This

exercise simply applies the pro-rated HNE report figure for Knightsford, and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced.

148. Table 4-12 also offers alternative housing delivery scenarios, where a greater number of houses are delivered in the NA.

149. It is important to emphasise that Knightsford does not have a housing delivery target; therefore, the pro-rated HNE figure of eight (or the two 'alternative scenarios') should not be considered a definitive delivery target. The scenarios presented in Table 4-12 are hypothetical, and the outcomes in practice may differ, either because of measures taken in the NP (e.g. if the group plan for other quantities of housing), or if the group decide to influence the tenure mix in other ways, or as a result of site-specific constraints.

**Table 4-12: Estimated delivery of Affordable Housing in Knightsford**

Step in Estimation		HNE Scenario (Low)	Alternative Scenario 1 (Medium)	Alternative Scenario 2 (High)
A	Potential total housing delivery over NP period	8	25	100
B	Affordable housing quota (%) in LPA's Local Plan	35%	35%	35%
C	Potential total Affordable Housing in NA (A x B)	3	9	35
D	Rented % (e.g. social/ affordable rented)	60%	60%	60%
E	Rented number (C x D)	2	5	21
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	40%	40%	40%
G	Affordable home ownership number (C x F)	1	4	14

Source: AECOM estimate based on LPA's affordable housing policies, AECOM's indicative tenure mix

## Conclusions- Tenure and Affordability

150. Beginning with housing tenures, this chapter finds that 72% of Knightsford's dwellings are in market ownership tenures. This percentage is slightly higher than the ownership mix for West Dorset (69%), and much higher than the ownership mix than England (63%). Market rent tenures account for 15% of the Parish's total tenure mix – this is a similar level to both the District (14%) and Nation (17%). Knightsford has a notably small offering of dwellings in affordable tenures, with Social Rent and Shared Ownership tenures featuring accounting for 8% and 1%, respectively, of the Parish's tenure mix. The proportion in Shared Ownership tenures is consistent across all three geographies, however,



Knightsford has a lower proportion of dwellings on Social Rent tenures compared to both West Dorset (14%) and England (17%).

151. Turning to the tenures in the three sub-areas, Tincleton & Woodsford and West Knighton have rates of market home ownership closely aligned with the wider District (68% and 70%, respectively), while West Stafford has a much higher proportion of market ownership tenures (78%). The data also shows that the majority of Knightsford's affordable tenures (Shared Ownership and Social Rent) are found in West Knighton and West Stafford. Tincleton & Woodsford make up the lack of affordable tenures with a relatively larger proportion of dwellings on private rent tenures compared to the other parishes. The overall averages for the parishes therefore disguise a large degree of variation between the individual parishes.
152. Knightsford has clear affordability issues, and consequently has become a challenging area to get onto the market ownership property ladder. This is exemplified by calculations which suggest that households earning average income in the area are unable to access even entry-level market ownership tenures. This issue has likely been made worse by scarcity of housing stock appearing on the market, and rising housing costs in the Parish (with the median house price rising 25% between 2012-2021). Market rent also has affordability issues in Knightsford, with average earning households only able to afford entry-level (one-bedroom) market rents.
153. An offering of Affordable Housing tenures will be necessary in Knightsford to bring housing to attainable prices for many households of varying home ownership/renting aspirations:
  - Whilst First Homes offers sizable discounts on home ownership, the tenure is not considered affordable for average income households in the area at all discounts based on LA median new build prices. The 50% discount would be the most appropriate in the area, given that it brings the cost of ownership to the most affordable levels of the three, however, based on LA median house prices, the 50% discount would still require average households to sacrifice more of their salary than what is considered 'affordable' in our calculations. Affordability for average households can be achieved with the 50% First Homes discount if the new builds were smaller/denser dwellings, based on affordability calculations using the LA lower quartile prices.
  - A minimum share of 10% of all new housing, and 25% of all new affordable housing, is required to be delivered on First Homes tenures. Given the relative unaffordability of this tenure, it is recommended that the minimum number of units of First Homes tenures are offered.
  - Shared Ownership at 10% equity is the cheapest and only way that home ownership can become attainable for average earning households. Shared Ownership at 25% and 50% are both considered unaffordable for average earning households, however the 25% equity has similar affordability thresholds to 50% First Homes discount, which, as previously discussed, may be suitable for average income households who can stretch their budget. Therefore, ideally the 10% and

(to a lesser extent) 25% equity options should be sought on future developments.

- A small offering of Rent to Buy will provide value to households who lack sufficient deposits rather than sufficient incomes.
- Social Rent tenures are vital for average earning households and below. This is especially the case for households on two lower quartile income earners, who without these discounts would likely be priced out of the area. Unfortunately, the affordable/social rent tenures are not considered affordable for single lower quartile earners.

154. According to Dorset Council data, there are currently nine applicants on the housing register in Knightsford. Over the NP period, our calculations suggest that a further seven households will fall into affordable renting need. Overall, this creates a demand for 16 households over the NP period. However, based on the assumption that there will be a turnover of one social rented unit per year, the majority of this need could be satisfied by the end of the NP period. Our calculations, therefore, suggest that only one additional unit in social/affordable rent tenures is needed in Knightsford. In contrast, it is estimated that 47 households are expected to be in potential demand of Affordable Housing ownership options.

155. A 40% ownership to 60% rent split is suggested for new Affordable Housing in Knightsford to strike a balance between providing housing for those with the most acute needs (households seeking affordable rented tenures) whilst also addressing the affordability issues and larger scale of demand associated with market ownership. In ideal conditions, a much higher proportion of ownership tenures would be recommended due to the high number of households calculated to be in need; however, given their relative unaffordability, and the likelihood that developments will be small in nature in the Parish, it is recommended that a higher weighting is allocated to affordable/social rents.

156. Knightsford has not been allocated a housing delivery allocation in the current or emerging Local Plan, however, a modest development which includes affordable/social rent tenures would likely satisfy the affordable renting need in the Parish. In contrast, given the scale of potential demand for affordable ownership, it is unlikely that the need will be satisfied by the end of the NP period.

157. Pro-rating the HNE annual need figure for West Dorset, and projecting it over the NP period, would give Knightsford a total delivery target of eight units. Based on the Local Plan policy that requires 35% of new housing to be affordable, and the 40% ownership to 60% rent recommendations in this report, it could be expected that two units would be delivered in social/affordable rents and one unit would be delivered on affordable ownership tenure in Knightsford over the NP period. It is important to emphasise that Knightsford does not have a housing delivery target; therefore, the pro-rated HNE figure of eight (or the two 'alternative scenarios') should not be considered a definitive delivery target.

158. Finally, responses from the 2022 residents survey indicate that the parishes of West Knighton and West Stafford were the two areas that returned the most

responses that indicated a need for affordable dwellings. Therefore, it may be appropriate to focus the delivery of affordable units in these areas if priority needs to be given.

## 5. RQ 2: Type and Size

***RQ 2: What type (terrace, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?***

### Introduction

159. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Knightsford in terms of type and size, as well as some of the population characteristics that tend to influence housing needs. From this, it is possible to develop an understanding of what sort of housing would be appropriate going forward.
160. It is worth emphasising that this evidence assumes that existing demographic and occupation patterns will persist into the future. It can therefore be thought of as the baseline or default scenario, into which the community may wish to intervene – for example to attract a different or more balanced demographic. The recommendations in this chapter, particularly the final suggested size mix, are a starting point that may be adjusted in light of other community objectives and primary evidence.

### Existing types and sizes

#### Background and definitions

161. Before beginning to explore issues of dwelling type and size, it is important to note that the demand for housing by size and type tends to be determined primarily by wealth – with those having more buying power choosing to occupy larger homes, and often preferring detached properties to denser types, such as flats.
162. This study is concerned primarily with need rather than demand. Need for homes of different sizes is chiefly determined by the number of people occupying the home. In the strict sense, there is no ‘need’ for dwellings of any particular type, other than the specific needs of those with certain disabilities for level access properties, for example.
163. The best proxy for the number of people in a household is age or ‘life stage’, with younger and then older households tending to have one or two people, and those in between these poles more likely to have larger families including children. Life stage is therefore a main indicator considered here for the size of housing needed. But it is worth pointing out that wealth is also correlated with age, so it is not possible to attain a pure view of what is needed from the secondary data alone.
164. It is also useful to clarify the terminology around dwellings and households. Dwellings are counted in the Census by combining address information with Census returns on whether people’s accommodation is self-contained. As such,

all dwellings are classified as either shared or unshared dwellings. Households are groups of people who live together as a coherent unit (such as a family), and a dwelling is shared where there is more than one household occupying it (e.g. two families or a group of individual students). Hence, there is usually a different number of households and dwellings in any given area. The number of dwellings can also exceed that of households in areas with large numbers of holiday or second homes.

165. Table 2-1 offers an updated set of figures for the quantity of dwellings in Knightsford and its parishes. These have been calculated by combining the 2011 Census figures with completion figures provided by Dorset Council. The data provided by Dorset Council did not include the type or size for each new dwelling; therefore, it is not possible to update the 2011 Census data for these characteristics. However, given that development within the NA has been very limited since 2011, it can be inferred that the dwelling type and size profile for Knightsford and its parishes in the 2011 Census do not deviate to any great degree from the actual figures in the present day.

## Dwelling type

166. Table 5-1 presents the recorded dwelling type mix in Knightsford using 2011 Census data. It shows that detached properties dominate Knightsford's housing type mix, with just under half (49%) of all properties falling under this type category. The second most common housing type was semi-detached (33%), followed by the two denser housing types of terraced (16%) and flats (2%).

**Table 5-1: Accommodation type, Knightsford, 2011**

Dwelling type	2011 (Census)	
Flat	8	2%
Terraced	65	16%
Semi-detached	137	33%
Detached	203	49%
<b>Total</b>	<b>416</b>	<b>100%</b>

Source: ONS 2011, AECOM Calculations

167. To understand the mix further, it is useful to look at the percentage breakdown of accommodation types, and compare these to the wider district and country, provided in Table 5-2.
168. The data shows that the characteristics discussed in relation to Knightsford's housing type profile in Table 5-1 are not replicated across the wider geographies' type profiles. Firstly, the dominance of detached and semi-detached houses in Knightsford is much greater when compared to the District and Nation. The heavy weighting of these less dense housing types in Knightsford means that the proportions of terraced and flats are lower than the two wider geographies – this is especially apparent regarding the low proportion of flats.

**Table 5-2: Accommodation type, Knightsford, 2011**

Dwelling type		Knightsford	West Dorset	England
Whole house or bungalow	Detached	48.8%	37.0%	22.4%
	Semi-detached	32.9%	24.1%	31.2%
	Terraced	15.6%	22.6%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	0.5%	11.4%	16.4%
	Parts of a converted or shared house	1.2%	2.7%	3.8%
	In commercial building	0.2%	1.2%	1.0%

Source: ONS 2011, AECOM Calculations

169. Table 5-3 provides a breakdown for each of the sub-areas using 2011 Census data. It reveals that Tincton & Woodsford and West Stafford have fairly similar mixes, with no housing type deviating by more than 4% between the two sub-areas. West Knighton, on the other hand, has significant differences compared to the other two sub-areas, having around double the percentage of semi-detached units, and consequently, smaller percentages of all other housing types.

**Table 5-3: Accommodation type, sub-areas, 2011**

Dwelling type	Tincton & Woodsford		West Knighton		West Stafford	
Flat	5	5%	0	0%	3	2%
Terrace	19	18%	15	9%	31	21%
Semi-detached	22	21%	79	48%	36	25%
Detached	57	55%	70	43%	76	52%

Source: ONS 2011, AECOM Calculations

## Dwelling size

170. Table 5-4 presents the recorded dwelling bedroom size mix in Knightsford using 2011 Census data.

171. The most common dwelling size in Knightsford is three-bedroom (182 units). From three-bedrooms, there is a significant step down towards the next most common dwelling sizes, with the second and third most common being four-bedroom (94 units) and two-bedroom (76 units). After another step down in frequency, the least common dwelling types are five-or-more-bedrooms (31 units), one-bedroom (3 units) and no bedrooms (zero units). In summary, Knightsford's size mix is concentrated towards intermediate- to larger-sized dwellings, with progressively fewer units as sizes increase/decrease from three-bedrooms sizes.

172. When compared to the two wider geographies, Knightsford's size mix is significantly larger than West Dorset and England. This is demonstrated by the Parish having higher proportions of units of three-or-more-bedrooms than both

geographies, as well as smaller proportions of two-bedroom-or-fewer units.

**Table 5-4: Number of bedrooms in household spaces in Knightsford, 2011**

Bedrooms	Knightsford		West Dorset		England	
	Count	Percentage	Count	Percentage	Count	Percentage
All categories: no. of bedrooms	386	100.0%	44,386	100.0%	22,063,368	100.0%
0	0	0.0%	59	0.1%	54,938	0.2%
1	3	0.8%	4,013	9.0%	2,593,893	11.8%
2	76	19.7%	11,930	26.9%	6,145,083	27.9%
3	182	47.2%	18,256	41.1%	9,088,213	41.2%
4	94	24.4%	7,514	16.9%	3,166,531	14.4%
5 or more	31	8.0%	2,614	5.9%	1,014,710	4.6%

Source: ONS 2011, AECOM Calculations

173. Table 5-5, again reverting to 2011 Census figures, compares the mix in the three sub-areas. There are fewer major divergences in terms of size than there were by type. It can, therefore, be concluded that housing size mix is consistent across the Parish.

**Table 5-5: Dwelling size (bedrooms), sub-areas, 2011**

Number of bedrooms	Tincleton & Woodsford		West Knighton		West Stafford	
	Count	Percentage	Count	Percentage	Count	Percentage
1	3	3%	0	0%	0	0%
2	23	23%	28	18%	25	19%
3	40	41%	75	48%	67	50%
4	23	23%	42	27%	29	22%
5+	9	9%	10	6%	12	9%

Source: ONS 2011, AECOM Calculations

## Age and household composition

174. Having established the current stock profile of Knightsford and identified recent changes to it, the evidence gathered below examines the composition and age structure of households living in the NA. Many of these indicators have a bearing on what housing might be needed in future years.

### Age structure

175. Table 5-6 shows the most recent estimated age structure of the NA population, alongside 2011 Census figures.

176. The trend observed in Table 5-6 shows that between 2011-2020 the proportion of the three youngest age bands in Knightsford (0-15, 16-24, and 25-44) declined. The proportion of the 45-64 age band remained the same. Finally, the remaining older age bands all increased their share in the overall age mix. The same trends are also applicable to the actual numbers for each age category. Overall, these are signs of an ageing population.

177. Between 2011 and 2020, Knightsford's total population grew by approximately 5%.

178. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2020 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data.

179. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2020 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.

**Table 5-6: Age structure of Knightsford population, 2011 and 2020**

Age group	2011 (Census)		2020 (ONS, estimated)	
	Count	Percentage	Count	Percentage
0-15	127	14.1%	132	13.9%
16-24	74	8.2%	55	5.8%
25-44	159	17.6%	148	15.6%
45-64	335	37.1%	353	37.2%
65-84	189	21.0%	237	24.9%
85 and over	18	2.0%	25	2.6%
<b>Total</b>	<b>902</b>		<b>950</b>	

Source: ONS 2011, ONS mid-2020 population estimates, AECOM Calculations

180. For context, it is useful to look at the parish population structure alongside that of the District and Country. Figure 5-1 (using 2011 Census data) shows that Knightsford's population is older than England. It also shows that the Parish's population in 2011 had a uniquely high proportion of individuals in the 'middle-aged' category (45-64) (37%) - to a degree that, when compared to West Dorset's population, all other age categories have higher proportions in the District's population mix.



**Figure 5-1: Age structure, various geographies, 2011**



Source: ONS 2011, AECOM Calculations

181. Also reverting to 2011 Census data, Table 5-7 provides a breakdown of age profile by sub-area. The two areas of Tincleton & Woodsford and West Knighton have very similar age structures, with no age category deviating by more than three percentage points. West Stafford, although still similar, does have a slightly older population – owing to a lower proportion of individuals in the 0-15 and 25-44 categories. All three sub-areas share a commonality, with the highest proportioned category being 45-64.

**Table 5-7: Age structure of sub-area populations, 2011**

Age group	Tincleton & Woodsford		West Knighton		West Stafford	
0-15	39	17%	60	16%	28	10%
16-24	19	8%	29	8%	26	9%
25-44	47	20%	68	18%	44	15%
45-64	87	37%	126	34%	122	42%
65-84	43	18%	82	22%	64	22%
85 and over	1	0%	10	3%	7	2%

Source: ONS 2011, AECOM Calculations

## Household composition

182. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.
183. Table 5-8 reveals that the majority of households within all three geographies fall into the 'one family only' category, accounting for at least 60% of the total mix. The second most common household category in all three geographies was 'one person household'. Finally, 'other household types' was the smallest category for all geographies. Whilst these results offer an insight to the general trend, further detail can be gained from further interrogating the household sub-categories.
184. Comparing Knightsford and West Dorset's sub-categories reveals that the two areas have similar household composition mixes. The only two sub-categories that deviate more than three percentage points of each other are 'one person households-aged 65 and over' and 'one family only – with no children'. There is an eight percentage point swing between these two sub-categories, with Knightsford having a greater proportion of 'one family only – with no children' and a smaller proportion of 'one person households-aged 65 and over'.
185. England has a greater proportion of its household composition mix in both of the 'one person households' sub-categories – indicating that there are (proportionally) more single households across all age bands in the Nation than in Knightsford. The 'one family only' sub-categories reveal that families in England are younger than in Knightsford, as the 'with dependent children' category was the only family sub-category that was higher in England's mix.
186. Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. While the data is quite old at this point, it is interesting to observe that this category grew by 10% between 2001 and 2011 in the parish – in line with the district and national average.

**Table 5-8: Household composition, Knightsford, 2011**

Household composition		Knightsford	West Dorset	England
<b>One person household</b>	<b>Total</b>	21.5%	31.9%	30.2%
	Aged 65 and over	9.8%	17.6%	12.4%
	Other	11.7%	14.3%	17.9%
<b>One family only</b>	<b>Total</b>	73.1%	63.5%	61.8%
	All aged 65 and over	14.0%	13.9%	8.1%
	With no children	27.5%	20.4%	17.6%
	With dependent children	21.8%	21.1%	26.5%
	With non-dependent children <sup>10</sup>	9.8%	8.2%	9.6%
<b>Other household types</b>	<b>Total</b>	5.4%	4.6%	8.0%

Source: ONS 2011, AECOM Calculations

## Occupancy ratings

187. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A person is considered to under-occupy their home when there are more bedrooms in their home than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.

<sup>10</sup> Refers to households containing children who are older than 18 e.g students or young working people living at home.

188. The occupancy rating data, presented in Table 5-9, reveals an overall trend of underoccupancy in Knightsford, with around 91% of households having at least one unused bedroom. The 'Family 65+' and 'Family under 65 – no children' households are most likely to have a +2-occupancy rating in Knightsford. These statistics point towards the possibility that larger housing within the Parish is being occupied by the people with the most wealth and/or by older people who have remained within family homes after children have moved out to smaller properties.

**Table 5-9: Occupancy rating by age in Knightsford, 2011**

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	85.2%	14.8%	0.0%	0.0%
Single person 65+	68.4%	31.6%	0.0%	0.0%
Family under 65 - no children	78.3%	21.7%	0.0%	0.0%
Family under 65 - dependent children	28.6%	47.6%	21.4%	2.4%
Family under 65 - adult children	26.3%	47.4%	23.7%	2.6%
Single person under 65	62.2%	31.1%	6.7%	0.0%
All households	<b>59%</b>	<b>32%</b>	<b>9%</b>	<b>1%</b>

Source: ONS 2011, AECOM Calculations

## Dwelling mix determined by life-stage modelling

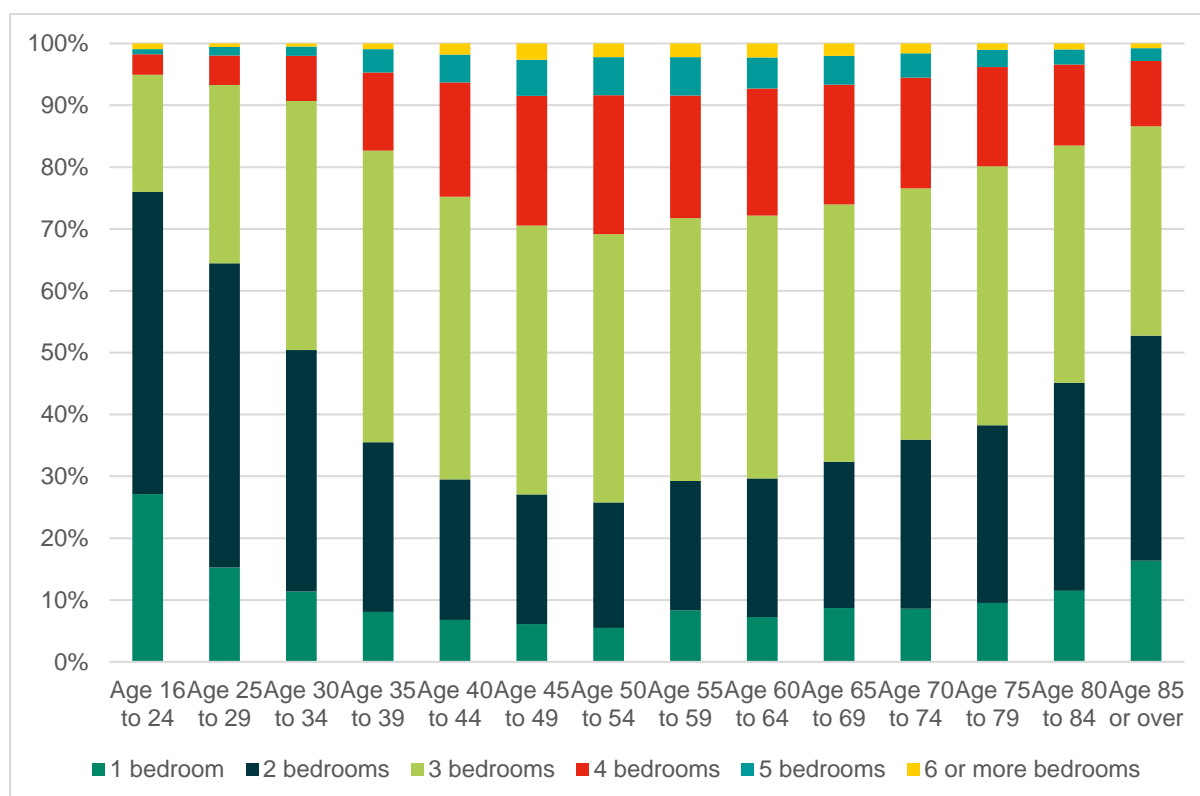
### Suggested future dwelling size mix

189. As noted above, there is a strong link between the life stage of a household and the size of dwelling that household can be expected to need. The final part of this chapter presents the results of a model that aims to estimate the dwelling size needs of the parish at the end of the Neighbourhood Plan period. The steps involved in this model are not presented in full, but can be summarised – along with the underpinning assumptions and some limitations – as follows:

- The starting point is the age distribution of Knightsford households in 2011.
  - The life stage of a household is determined by the age of the household reference person (HRP), a more modern term for the head of household.
  - As noted above, household life stages are not estimated annually, so the older Census data must be used.
- This life stage data is then projected forward to the end of the Plan period by applying the growth rates for each household age group as suggested by the latest household projections. This allows for an estimate of how the parish population might evolve in future.
  - ONS household projections are produced every two years but are only available at Local Authority level. The growth rates are therefore applied to the 2011 starting household age profile of the NA.

- Next, we turn to a Census dataset that shows the occupation patterns or preferences of each household life stage (e.g. what proportion of households aged under 24 tend to live in 1 bedroom homes as opposed to 2, 3 or 4 bedroom homes). This data is mapped to the distribution of the projected NA population for each life stage and each dwelling size category to form a picture of what mix of homes might be appropriate in future.
    - This occupation data is again only available at Local Authority scale, so it does risk embedding any unusual characteristics present in the area.
    - The model also assumes that today's occupation patterns persist into the future, which is not a given, particularly with the change in preferences for home working space and other features arising from the Covid-19 pandemic. However, there is no better indication of what those patterns might look like. It is considered more appropriate to adjust the end mix that results from this model to reflect such trends than to build further speculative assumptions into the model.
  - Finally, this 'ideal' future mix of dwelling sizes can be compared to the current stock of housing in the NA. From this we can identify how future development might best fill the gaps.
    - The 2011 dwelling size mix is used for consistency, so any imbalances in new development since then may justify adjustments to the final results.
190. It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more or less space than they 'need'. It also does not anticipate changes in how people may wish to occupy their homes in response to social and technological change.
191. The approach therefore embeds existing patterns of occupancy which may or may not be desirable. As such, it is appropriate for the result of this model to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is considered entirely appropriate for the purpose of drafting neighbourhood plan policy.
192. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.
193. The first, given as Figure 5-2, sets out the relationship between household life stage and dwelling size for Dorset in 2011. This shows how the youngest households occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

**Figure 5-2: Age of household reference person by dwelling size in Dorset, 2011**



Source: ONS 2011, AECOM Calculations

194. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Knightsford households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-10 makes clear that population growth can be expected to be driven by the oldest households, with the ‘65 and over’ household age bracket expected to increase 72% by 2039.

195. The only other household age bracket expected to experience growth is 55-64, but only by 5%. All other age brackets are expected to remain around the same levels or decline.

196. Overall, it is expected that the future housing need in Knightsford will need to accommodate the area’s growing elderly and young adult population. Based on these projections alone, it may, therefore, be appropriate to focus on intermediate to smaller-sized dwellings for reasons such as practicality (for older households who may be looking to downsize).

**Table 5-10: Projected distribution of households by age of HRP, Knightsford**

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	3	17	134	107	125
2039	2	17	118	113	215
% change 2011-2039	-37%	-1%	-12%	5%	72%

Source: AECOM Calculations

197. The final result of this exercise is presented in Table 5-11. The model, which analyses population change and the existing dwelling stock, suggests that Knightsford's 'ideal' dwelling size mix by 2037 might be achieved by attaching a high level of priority to the delivery of small- to mid-sized dwellings (three-or-fewer-bedrooms). Specifically, Table 5-11 recommends that most new dwellings should have one or two bedrooms, in proportions of approximately 41% and 49%, respectively. The remaining allocation (11%) is recommended to be assigned to three-bedroom dwellings. The model expects that Knightsford's current stock of four- and five-or-bedroom dwellings will exceed future need for those dwelling sizes, and therefore recommends that no new dwellings of those sizes are built.
198. However, whilst those projections represent the 'ideal' scenario, the results are not necessarily practical. It is never advisable to restrict future housing delivery to selected size categories only. The result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It is a starting point for thinking about how best to address the more nuanced needs of the future population.
199. That said, an emphasis on smaller sized housing is still recommended in Knightsford. One reason for this is that preceding chapter found that affordability to be a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets. Providing smaller homes with fewer bedrooms would help to address this situation. In addition, to best meet the needs of the large cohort of older households expected to be present by the end of the NP period, it should be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms.
200. That said, it may not be realistic to expect growing families to be able to afford the larger detached homes that are currently under-occupied in the Parish. Reducing the issue of dwelling size to a number of bedrooms is potentially unhelpful in this case. There may be a strong justification to continue supplying larger homes despite their abundance because a different kind of larger home is needed to accommodate growing families with less buying power. This is too speculative to quantify in a percentage size mix, but is among the good reasons not to inhibit any size of dwelling entirely.
201. More generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given

to smaller homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

**Table 5-11: Suggested dwelling size mix to 2037, Knightsford**

Number of bedrooms	Current mix (2011)	Target mix (2039)	Balance of new housing to reach target mix
1 bedroom	0.8%	9.0%	40.9%
2 bedrooms	19.7%	26.3%	48.5%
3 bedrooms	47.2%	41.3%	10.6%
4 bedrooms	24.4%	17.4%	0.0%
5 or more bedrooms	8.0%	6.0%	0.0%

Source: AECOM Calculations

202. For comparison, Figure 5-3 presents the calculated dwelling size need to 2039 in the wider 'Central Dorset' defined in the 2021 LHNA for 'Central Dorset' (the brown area in Figure 5-4). Before beginning the comparison, it is worth being aware that the methods used in this HNA and the LHNA to calculate the future dwelling size need figures are slightly different.

203. Compared to the wider area, our calculations suggest that Knightsford's dwelling size need is more heavily concentrated in smaller bedroom sizes (one and two-bedroom), whereas in 'Central Dorset' priority is expected to be given to smaller/medium-sized dwellings (two and three-bedroom). In addition, whilst Knightsford is not expected to require any more dwellings of four-or-more-bedrooms, the wider area is expected to need a small proportion of its future housing stock in these larger dwelling sizes.

**Figure 5-3: Dwelling size mix to 2038, split by tenure, 'Central Dorset'**

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%

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%

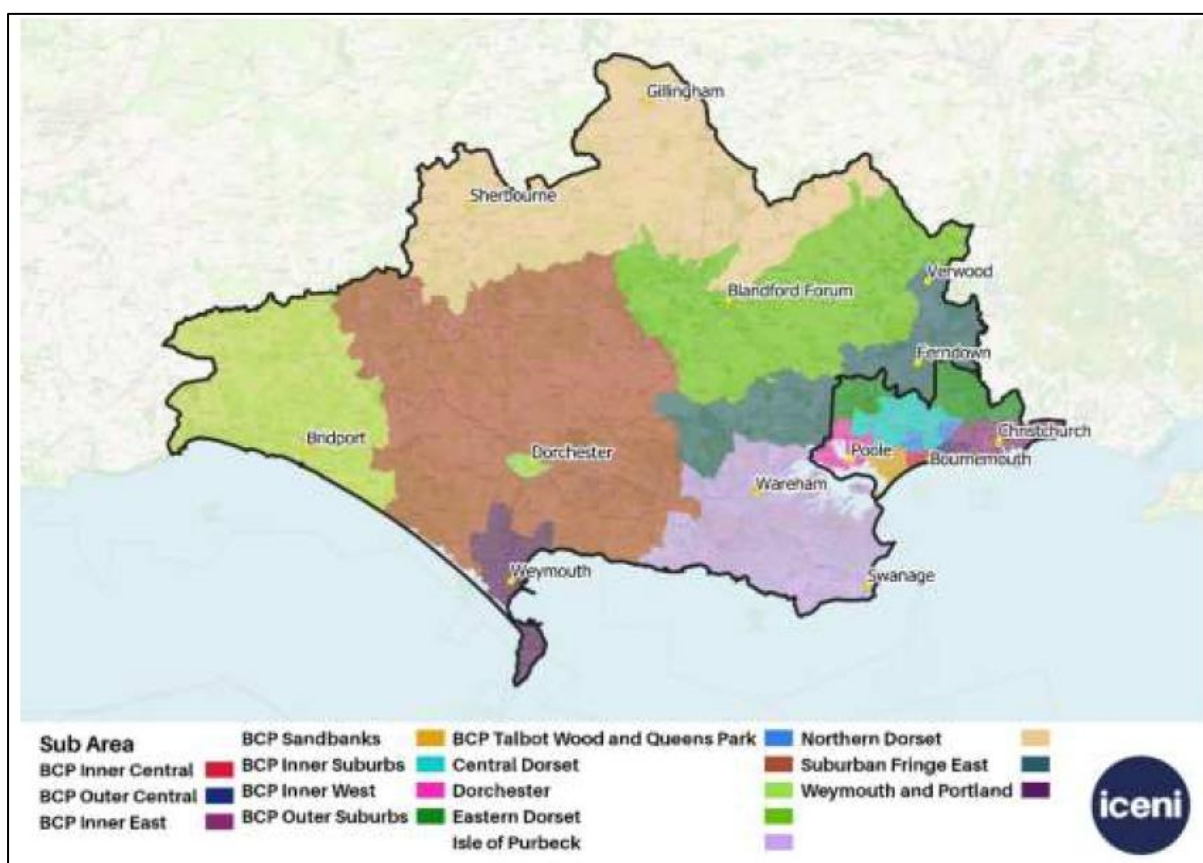
  

Table 9.27 Modelled size requirement by sub-area – social/affordable rented – Dorset				
	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Central Dorset	31%	40%	27%	3%

Source: 2021 LHNA



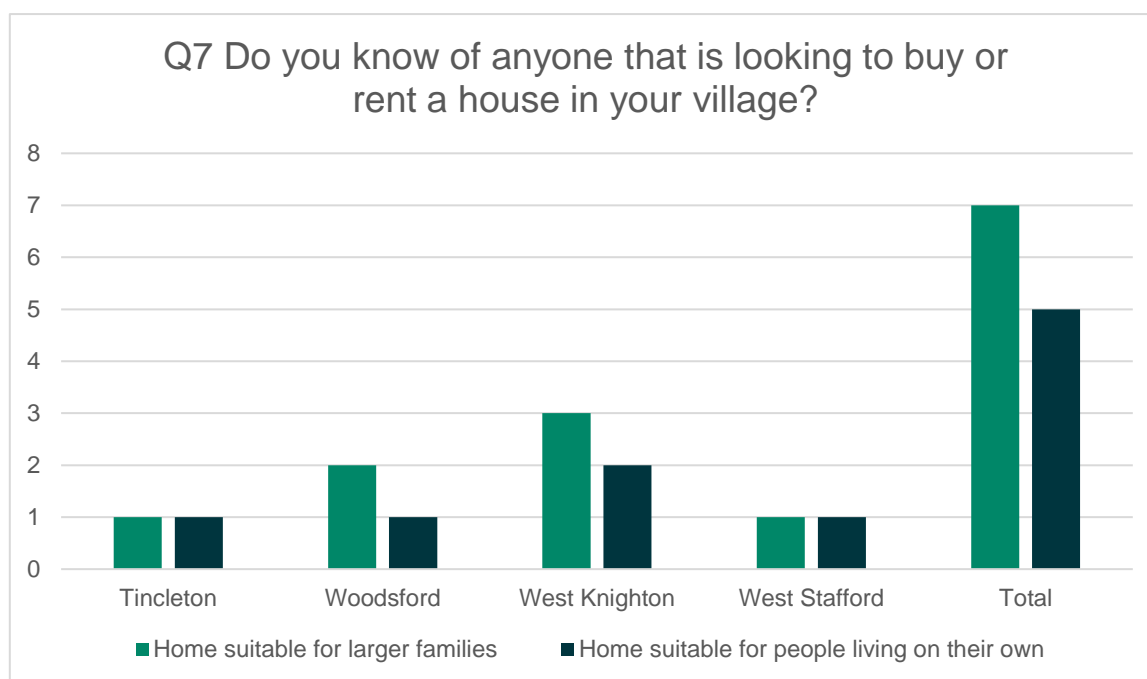
**Figure 5-4: Dorset ‘sub areas’ used in the Dorset Local Housing Needs Assessment 2021**



### Additional Information - Knightsford Parish Residents Survey (2022)

- 204. The Knightsford Parish Residents Survey (2022) offers useful insights into what dwelling sizes are perceived to be in need for the existing population of Knightsford.
- 205. Focussing on only the ‘my household’ responses, Figure 5-5 displays responses to Question 7 (*‘Do you know of anyone that is looking to buy or rent a house in your village?’*). The data demonstrates that there are a range of size needs across the three sub-areas/ four parishes. This supports the caveats above that suggest future housing delivery should not exclude larger housing sizes.
- 206. It is also useful to note that the parish of West Knighton returned the most responses for needs of both smaller and larger dwellings (although, this was a Parish with a higher number of responses).

**Figure 5-5: Current dwelling size need in Knightsford**



Source: Knightsford Parish Residents Survey (2022)

207. The survey also offered participants to leave a comment to add further detail to their responses in Question 7. The relevant responses are summarised in Table 5-3.

208. Few additional comments were submitted, however, those that were left revealed an overall theme of support for suitable housing for young households (usually smaller units) and units on affordable tenures.

**Table 5-12: Dwelling type need in Knightsford**

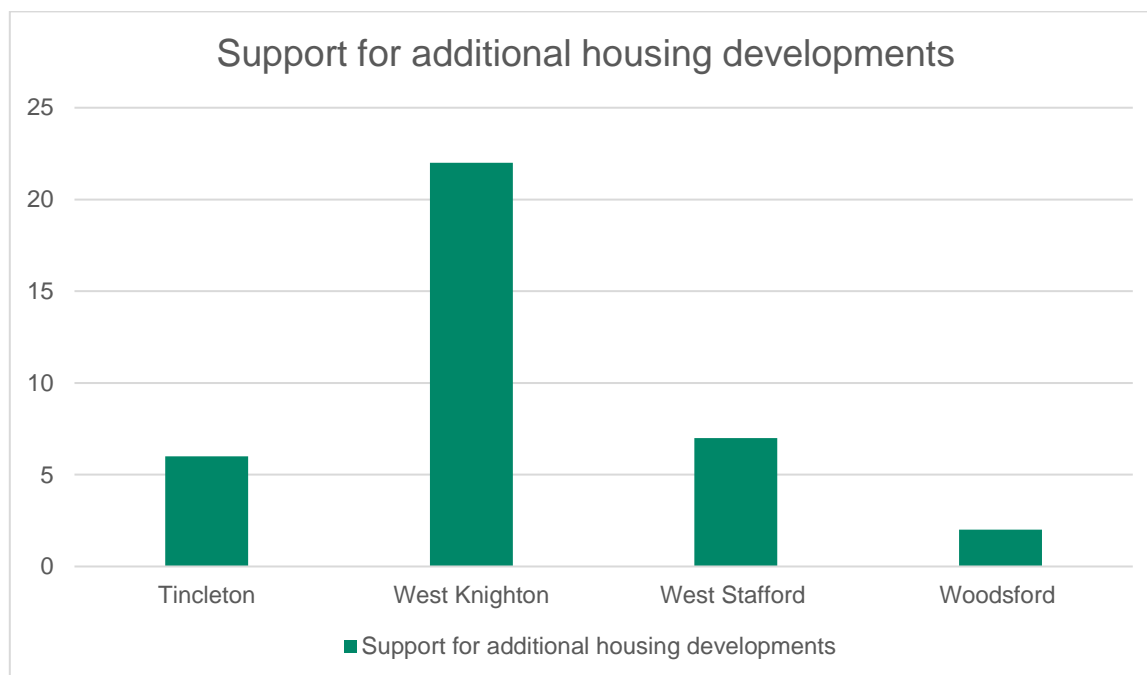
Responses
'a few more social housing bungalows say no more than 6 may be good and 6 social housing / affordable shared ownership homes but no more 2nd homes'
'Affordable housing for younger teenagers/ adults about to leave home or return from uni etc'
'We need the villages to grow with attractive, <b>comparable properties using infill and allowing young people to be included not excluded</b> '
'We know of several young families that would love to move to Tincleton, who's children would go to Puddletown schools only a mile away, but who don't want to live in a built up large town. <b>There is not the supply in Tincleton.</b> We run a business in Tincleton and have outgrown our own family home but cannot move elsewhere due to our business. We feel very trapped by the this. The village is never going to grow and thrive if we don't support young families.'
'There are family members who need a <b>4 bedroomed house to rent, or affordable for buy</b> '

Source: Knightsford Parish Residents Survey (2022)

209. Moving on, Question 16 in the survey asked participants 'What type of development, if any, would you like to encourage that is not coming forward at the moment?'. The responses to Question 16, again, indicate a degree of

support for housing developments in all the parishes. As was the case in Question 7, the greatest number of responses came from the parish of West Knighton. When the 'housing responses' are analysed proportionally to the total number of responses submitted in each Parish, both Tingleton and West Knighton returned the highest support for housing developments, at 75% and 71% of responses, respectively. West Stafford and Woodsford returned a lower proportion of 'housing responses', at 25% and 22%, respectively.

**Table 5-13: Support for housing development, Knightsford parishes**



Source: Knightsford Parish Residents Survey (2022)

210. When offered the chance to add further detail to their responses to Question 16, respondents offered the following quotes in Table 5-14.
211. Overall, the additional comments indicate support for a modest allocation of additional housing developments that are small in size and targeted at the younger population. However, it should also be noted that not all comments were positive towards the idea of any new developments (housing or other) in the area (especially at Woodsford, where no positive comments were received). Following the trends of previous results, the responses from West Knighton's residents were the most positive towards the idea of new housing developments.

**Table 5-14: Additional comments from respondents to Question 16**

Qualitative responses to Q17	Positive (Green) /Negative (Red)	Response
Tincton		'Suitable , comparable housing using infill and plots on the edge of the village - this village is just becoming a 'pass through' village for more and more cars leaving the Dorchester by pass conjection or travelling to schools .'
		'It is important not to add to the existing building provision if the village is to maintain its character and environment'
		'None, the infrastructure through our village cannot support any increase in traffic.'
		'None'
		'I would support a small degree of housing development within the current footprint of the village to provide opportunities for younger families to experience a rural life. Any development should be proportional to the size of the village at present and should leverage existing infrastructure in Knightsford rather than develop new facilities which could overwhelm our small community by encouraging users to travel from outside our neighbourhood.'
		'If you put business and commercial above housing then you are not supporting the locals that live here. It will be for business who live outside the area and come into it to make money. Housing, and business of people within the village has to take priority'
		'Use existing infil and gardens sensibly to provide housing as required everywhere'
		'None'
West Knighton		'Sustainable, affordable, energy efficient housing'
		'Affordable homes, for families especially those who have grown up in the village'
		'SMALL AMOUNT'
		'Affordable housing like housing association'
		'Playing field, additional residential properties. No more holiday lets please.'

		'Affordable housing especially targeted for youngest folk who now cannot afford to rent or buy in the parish'
West Stafford		'Small affordable family homes designed with space to extend them as the family grows.'
		'Affordable housing'
		'For retired people. 2 bedrooms - retirement mini village so families could buy out larger properties but we could stay in the village.'
		'No more housing development. Bus route re-establishment.'
		'Small scale housing only. Also for local people (younger people and those with young families) at low cost.'
		'None of the above'
		'None of the above. We chose to live in a small village. We will destroy the beauty of Dorset if development is not managed/limited.'
		'None'
		'None'
		'Affordable housing for the young.'
		'No further development required other than small scale utilisation of unused farm buildings'
		'none of the above - we do not need any developments'
		'None'
		'None'
Woodsford		'None of the above as the services are not adequate and the roads would not take more people using them.'
		'No development'
		'No further building'

Source: Knightsford Parish Residents Survey (2022)

## Conclusions- Type and Size

212. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the

- NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.
213. Beginning with housing type, this chapter finds that Knightsford's housing mix is weighted towards the less dense housing types, with detached (49%) and semi-detached (33%) accounting for most of the Parish's stock. Consequently, the proportion of terrace and flats are much lower in Knightsford, making up 16% and 2%, respectively, of the area's total stock. The high proportion of less dense housing is not consistent with the district and nation's housing type mixes, which have more balanced proportions of different housing types. The most notable difference between Knightsford's type mix and the wider geographies is the proportion of flats in the areas; only 2% of the Parish's stock is flats, whereas for West Dorset the figure is 15% and for England the figure is 21%.
214. Looking at the sub-areas' housing type mixes, Tincleton & Woodsford and West Stafford are fairly similar, with no housing type deviating by more than 4% between the two sub-areas. West Knighton, on the other hand, has significant differences compared to the other two sub-areas, having around double the percentage of semi-detached units, and consequently, smaller percentages of all other housing types.
215. Although there is an obvious weighting in favour of less dense housing in Knightsford, its current type mix is relatively well placed to serve its needs, given the small size of its population and its position within the wider district. However, there certainly is room to increase the proportion of terraced and flats in the Parish to offer a broader range of housing types if considered appropriate to local character. This is especially relevant to the sub-area of West Knighton Parish.
216. Moving on to the size of homes, this chapter finds that Knightsford's size mix is weighted towards intermediate- to larger-sized dwellings, with around 80% of the Parish's total stock having three or more bedrooms. This is consistent with the Parish's type mix, which has a low number of flats (which tend to have fewer bedrooms than other housing types). Sub-area analysis reveals that these trends are replicated across the Parish, with no sub-area deviating too much from each other's mix.
217. As with most areas in the UK, Knightsford's population is slowly ageing. The ageing population is, however, expected to increase into the future, with Knightsford's household age bands at 65-and-over expected to grow around 72% by 2037 - this would mean that the 65-and-over age band will surpass the 35-54 households age band as the most common in the Parish. The only other household age band expected to experience growth is 55-64 (+5%). The age bands of 35-54 and younger are all projected to experience no growth or decline by 2037.
218. The current stock of four- and five-or-more-bedroom dwellings would appear to meet Knightsford's future needs based on modelling that analyses population

change and the existing dwelling stock. To achieve Knightsford's 'ideal' dwelling mix by 2037, future housing development might focus all of its delivery towards smaller to intermediate units (especially two-bedroom units) to increase the variety of sizes available in the local housing stock. However, as it is never advisable to restrict future housing delivery to selected size categories only, it is recommended that Knightsford's future housing delivery leans towards providing smaller sized housing but is balanced by a moderate allocation of larger units where appropriate.

219. These conclusions are supported by the Knightsford Parish Residents Survey (2022), which indicates that there is a current need for a range of dwelling sizes in the Parish, but also strong support for new dwellings in the area to target younger households (which usually are smaller in size). Based on responses to the survey, the parish of West Knighton may be the most appropriate for smaller homes, given the support from local people and the fact that there are currently no one-bedroom dwellings or flats in the parish. The Survey returned a mixed reception to housing developments in Tincton and West Stafford, however, those that did support housing developments highlighted the need for housing types/sizes targeted at younger households. In contrast, the parish of Woodsford returned low demand for any housing development, with 100% of the comments from Question 17 being against housing developments.

## 6. RQ 3: Specialist housing for older people

***RQ 3: What provision should be made for specialist housing for older and disabled people over the Neighbourhood Plan period?***

### Introduction

220. This chapter considers in detail the specialist housing needs of older and disabled people in Knightsford. The level of care associated with specialist housing products can vary widely, and is broadly categorised, in descending order from highest to lowest care level, as follows

- Specialist schemes that have 24-hour onsite care and support, typically including onsite catering (e.g. extra care, flexicare, and enhanced care);
- Specialist housing that is designed with the relevant group in mind. This may be suitable for receiving care or support, but this is not typically provided onsite or at all times of day (e.g. sheltered housing); and
- Mainstream housing that is adapted or capable of adaptation so that the inhabitant can live independently and care or support can be provided in the home.

221. People experience ageing differently. Much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age while others may need support and care much earlier in their lives. Some will be interested in moving to a suitable home closer to services while for others ageing independently in place will be key to their wellbeing.

222. Because of the wide variation in the level of support needed, as well as the financial capabilities of those affected, the estimates of need presented here should be viewed with caution – as an idea of the broad scale of potential need rather than an obligatory target that must be met.

223. The specialist housing needs of older people (75+) are assessed below using two methods. The first is a tenure-led projection, based on rates of mobility limitation among this age group and the tenure of housing they currently occupy. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network (HLIN) Strategic Housing for Older People (SHOP) tool,<sup>11</sup> which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.

224. It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline

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<sup>11</sup> Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>



as opposed to the projected new households which form the baseline for estimating housing need overall.<sup>12</sup>

225. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).<sup>13</sup> Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for the elderly) are not within the scope of this research. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required.

## Current supply of specialist housing for older people

226. When determining a final target for the need for specialist dwellings, it is necessary first to take account of current supply. Information on the current stock is collated manually using the search function on the Elderly Accommodation Counsel's Website: <http://www.housingcare.org>.

227. Table 6-1 counts a total of eight units of specialist accommodation in the NA at present, all of which are on social rent tenures (available for those in financial need). There are an additional 19 units of specialist accommodation outside, but adjacent to, the NA boundary in Broadmayne.

228. ONS 2020 population estimates suggest that there are currently around 89 individuals aged 75 or over in Knightsford. This suggests that current provision is in the region of 90 units per 1,000 of the 75+ population (a common measure of specialist housing supply).

**Table 6-1: Existing specialist housing for the elderly in Knightsford**

	Name	Description	Dwellings	Tenure	Type
1	Barton Close	Retirement Housing	8	Rent (Social Landlord)	Bungalows
2	Beech Close / Woodlands* (adjacent to/on Parish boundary)	Retirement Housing	19	Rent (Social Landlord)	Flats and bungalows

Source: <http://www.housingcare.org>.

## Tenure-led projections

229. Turning to determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across West Dorset, as this is the most recent and smallest geography for which tenure by age bracket data is available.

<sup>12</sup> See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

<sup>13</sup> For a full description of Planning Use Classes, please refer to [https://www.planningportal.co.uk/info/200130/common\\_projects/9/change\\_of\\_use](https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use)

230. The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the NP period to 2037. It is assumed that those currently occupying their own home will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.

231. According to Table 6-2, most households within the 55-75 age bracket outright own their homes, at a proportion of 60%. A further 20% of households own their home through mortgages/ Shared Ownership schemes. This leaves 21% of households in the 55-75 age bracket having a renting tenure, of whom the vast majority rent from a social landlord.

**Table 6-2: Tenure of households aged 55-75 in West Dorset, 2011**

All owned	Owned outright	Owned (mortgage) or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
<b>79.3%</b>	59.7%	19.6%	<b>20.7%</b>	11.0%	8.4%	1.4%

Source: Census 2011

232. The next step is to project how the overall number of older people in Knightsford is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for West Dorset at the end of the NP period. The figure must be extrapolated from the Local Authority level data because such projections are not available at neighbourhood level. The results are set out in Table 6-3.

233. The data in Table 6-3 reinforces conclusions made throughout this report that suggest that the future population of Knightsford will grow older towards the end of the NP period. The number of individuals aged 75+ is expected to double in size between 2011 and 2037 and take up a larger share of the population mix, increasing by seven percentage points.

**Table 6-3: Modelled projection of elderly population in Knightsford by end of Plan period**

Age group	2011		2037	
	Knightsford (Census)	West Dorset (Census)	Knightsford (AECOM Calculations)	West Dorset (ONS SNPP 2018)
All ages	<b>902</b>	99,264	<b>1,033</b>	113,633
75+	<b>85</b>	13,177	<b>165</b>	25,621
%	<b>9.4%</b>	13.3%	<b>16.0%</b>	22.5%

Source: ONS SNPP 2020, AECOM Calculations

234. A key assumption for the next stages of the calculation is that the older people living in the NA currently are already suitably accommodated, either because they occupy the existing stock of specialist accommodation, have made appropriate adaptations to their own homes or do not require support or

adaptations. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without evidence from a household survey (which itself may not give a complete picture).

235. The people whose needs are the focus of the subsequent analysis are therefore the additional 80 individuals expected to join the 75+ age group by the end of the NP period. This figure should also be converted into households with reference to the average number of people per household with a life stage of 75+ in West Dorset in 2011 (the smallest and most recent dataset to capture households). In 2011 there were 13,177 individuals aged 75+ and 9,315 households headed by a person in that age group. The average household size is therefore 1.4, and the projected growth of 80 people in Knightsford can be estimated to be formed into around 57 households.

236. The next step is to multiply this figure by the percentages of 55–75-year-olds occupying each tenure (shown in the table above). This is set out in Table 6-4. This provides a breakdown of which tenures those households are likely to need.

**Table 6-4: Projected tenure of households aged 75+ in Knightsford to the end of the Plan period**

<b>Owned</b>	<b>Owned outright</b>	<b>Owned (mortgage) or Shared Ownership</b>	<b>All rented</b>	<b>Social rented</b>	<b>Private rented</b>	<b>Living rent free</b>
<b>45</b>	34	11	<b>12</b>	6	5	1

Source: Census 2011, ONS SNPP 2020, AECOM Calculations

237. Next, rates of disability by tenure are considered. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs they may find that the only suitable and affordable option to them is available in the social rented sector. Table 6-5 presents this data for Knightsford from the 2011 Census. Note that the closest proxy for the 75+ age group in the Census is the 65+ age group.

**Table 6-5: Tenure and mobility limitations of those aged 65+ in Knightsford, 2011**

Tenure	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
<b>All categories</b>	<b>34</b>	<b>16.4%</b>	<b>55</b>	<b>26.6%</b>	<b>118</b>	<b>57.0%</b>
<b><i>Owned Total</i></b>	<b>20</b>	<b>12.6%</b>	<b>40</b>	<b>25.2%</b>	<b>99</b>	<b>62.3%</b>
Owned outright	17	11.9%	39	27.3%	87	60.8%
Owned (mortgage) or Shared Ownership	3	18.8%	1	6.3%	12	75.0%
<b><i>Rented Total</i></b>	<b>14</b>	<b>29.2%</b>	<b>15</b>	<b>31.3%</b>	<b>19</b>	<b>39.6%</b>
Social rented	11	39.3%	9	32.1%	8	28.6%
Private rented or living rent free	3	15.0%	6	30.0%	11	55.0%

Source: DC3408EW Health status

238. It is now possible to multiply the projected number of 75+ households occupying each tenure by the rates of mobility limitation for that tenure to arrive at the final tenure-led estimate for specialist housing needs. The number of households falling into potential need for specialist accommodation over the NP period is 24.

239. These findings are set out in the table, based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

**Table 6-6: AECOM estimate of specialist housing need in Knightsford by the end of the Plan period**

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	Multiply the number of people across all rented tenures (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	Multiply the number of people across all owner-occupied housing by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	<b>9</b>
	3	6	
Adaptations, sheltered, or retirement living	Multiply the number of people across all rented housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	Multiply the number of people across all owned housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	<b>15</b>
	4	11	
<b>Total</b>	<b>7</b>	<b>17</b>	<b>24</b>

Source: Census 2011, AECOM Calculations

## Housing LIN-recommended provision

240. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the most simple and widely used models estimating for the housing needs of older people. Table 6-7 reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP) toolkit. The table serves as a guide to the numbers of specialist dwellings for older people that should be provided given the increase in their numbers over the NP period, and how these should be split into the different tenures.

241. It is worth highlighting that the HLIN model suggests that the level of unmet demand for specialist housing for older people of all kinds is approximately 251 units per 1,000 of the population aged 75+.

**Table 6-7: Recommended provision of specialist housing for older people from the SHOP toolkit**

FORM OF PROVISION	ESTIMATE OF DEMAND PER THOUSAND OF THE RELEVANT 75+ POPULATION
Conventional sheltered housing to rent	60
Leasehold sheltered housing	120
Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) <sup>36</sup>	20
Extra care housing for rent	15
Extra care housing for sale	30
Housing based provision for dementia	6

Source: Housing LIN SHOP Toolkit

242. As Table 6-8 shows, Knightsford is forecast to see an increase of 80 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent =  $60 \times 0.08 = 5$
- Leasehold sheltered housing =  $120 \times 0.08 = 10$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) =  $20 \times 0.08 = 2$
- Extra care housing for rent =  $15 \times 0.08 = 1$
- Extra care housing for sale =  $30 \times 0.08 = 2$
- Housing based provision for dementia =  $6 \times 0.08 = 0$

243. This produces an overall total of 20 specialist dwellings which might be required by the end of the NP period.

244. Table 6-8 sets out the HLIN recommendations in the same format as Table 6-6. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates.

**Table 6-8: HLIN estimate of specialist housing need in Knightsford by the end of the Plan period**

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia	Includes: enhanced sheltered housing for sale + extra care housing for sale	<b>6</b>
	2	3	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	<b>14</b>
	5	10	
<b>Total</b>	<b>7</b>	<b>13</b>	<b>20</b>

Source: Housing LIN, AECOM calculations. Due to rounding, the totals may not align with the table values.

## Conclusions- Specialist Housing for Older People

245. There are eight specialist housing units for older people in (and adjacent to) Knightsford. It can, therefore, be understood that the current provision of specialist accommodation for individuals aged 75 or over in the Parish is 90 per 1,000 of the 75+ population (a common measure of specialist housing supply).
246. This chapter determines that future development of specialist units will be needed to serve arising future need, with population growth in Knightsford expected to be driven by the older population age bands (a theme that was also identified in the 'Type and Size' chapter). Specifically, the number of 75+ individuals in the Parish is expected to double by 2039, and account for around seven more percentage points of the total population compared to current levels. Without development of specialist units in Knightsford, it is likely that those in need will be forced to move out of the area.
247. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
248. These two methods of estimating the future need in Knightsford produce a range of 24 to 20 specialist accommodation units that might be required during the NP period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here. The 20 to 24 range can be considered to be an aspirational target range, should NPSG want to focus on this particular need group.

249. Regarding the tenure of new specialist housing units, the NP may not be able to set the proportion that should be affordable, and therefore the tenure split should align with the relevant Local Plan (see 'Planning policy context' section).
250. In addition to seeking specialist supply through Knightsford's Local Plan housing delivery targets, another avenue open to NPSG is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. This idea is already being considered by the emerging Local Plan, which if adopted in its current form, expects that at least '20% of all dwellings across all tenures should be provided at the Accessible and Adaptable Dwellings standard as established through building regulations unless robust justification is provided to explain why this cannot be achieved on site', as outlined in Policy HOUS1.
251. Other avenues to meet need demands include the adaptation of existing properties through grant schemes and other means (though it is acknowledged that neighbourhood plans may have limited influence over changes to the existing stock).
252. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
- so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
  - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
  - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
253. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or NAs from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
254. It is considered that Knightsford's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from Knightsford entirely within the Neighbourhood Area boundaries, it is recommended it could be provided in a 'hub and spoke' model. In the case of Knightsford, Dorchester is considered to have potential to accommodate the specialist housing need arising from the NA (i.e. to be the hub in the hub-and-spoke model) – NPSG have noted that this trend is already occurring for elderly residents in Woodsford. If this were to take place, then the number of specialist dwellings to be provided and the overall dwellings target for the NA itself would not overlap.



255. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

## 7. RQ4: Second Homes and Holiday Lets

***RQ 4: What is the scale and potential impact of the second home and holiday lets sector on the Knightsford housing market, and how might this be addressed through policy?***

### Introduction

256. NP policies controlling second home ownership are typically evidenced by demonstrating a high or rapidly increasing rate of second home and holiday lets ownership within a context of acute affordability challenges and/or serious constraints on the availability of housing overall.
257. For the purposes of this report, 'second homes' refers to dwellings used as a second residence for personal use, whereas 'holiday lets' refers to dwellings that are specifically let out and may be classified as businesses for tax purposes depending on the number of days let out. Both have no usual residents and, therefore, are collectively referred to as 'Dwellings with no usual household residents'.
258. The existence of second homes and holiday lets is not necessarily a problem in and of itself. It becomes a problem when it creates intense competition for local home buyers (or renters), inflates prices, or reduces the resident population to the extent that local services, employment, and community vitality are impacted.
259. Knightsford clearly exhibits these wider challenges, with severe affordability issues as demonstrated in earlier chapters, a limited number of suitable sites, high land values, and an attractive second home / tourism offering. NPSG have raised concerns about the number of second homes and holiday lets throughout the Parish.
260. This chapter of the HNA gathers the limited available data on the rate of second home and holiday let ownership in Knightsford that may be used to support policy decisions in this area.

### Existing and Emerging Local Plan Policy

261. Within the adopted Local Plan there is no reference to any second home or holiday let ownership restrictions. There is, however, a local connection policy relevant to the construction of new dwellings in Affordable Housing tenures on exception sites. The following passage is taken from paragraph 5.2.10 in the adopted Local Plan:

*'...because this is an exception, it is important that it is in response to a clearly identified need arising from a local community, which cannot otherwise be met. Future occupancy will also be prioritised for people with a local*

*connection (for example those living or working in the local area, or with close family in that area).'*

262. The same message is also brought forward in the 'Options Consultation document - Volume 1 - Strategy and Topics' document for the emerging Local Plan.

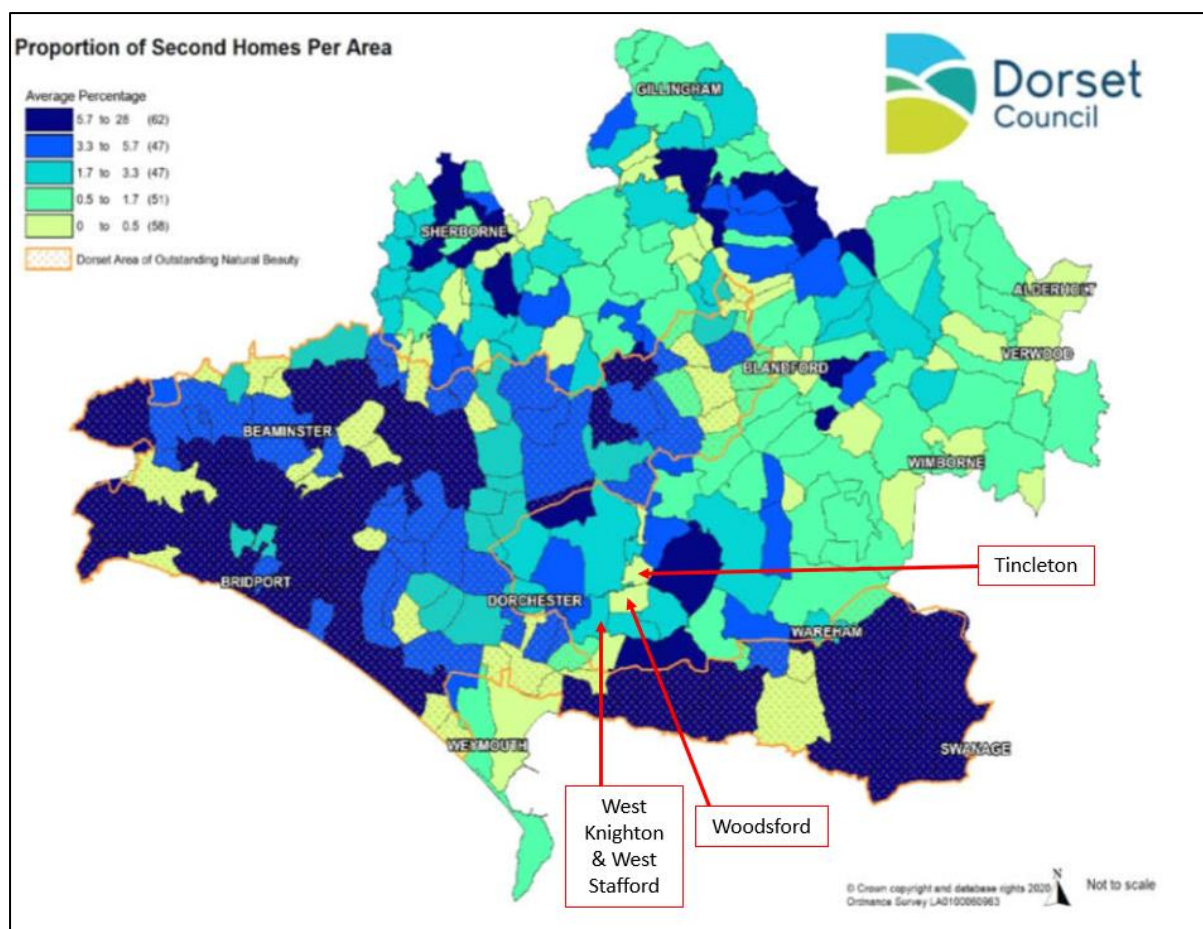
263. The emerging Local Plan draft document also acknowledges the high rate of second home ownership across the district, and discusses its impact on local house prices, spend in the local economy, school rolls, and village life. Regarding the possibility of including a second homes/ local connection policy in the emerging Local Plan, the document highlights that:

*'...A local plan policy covering the whole of Dorset would not therefore be appropriate. Where there are high levels of second home ownership, it may be appropriate for a neighbourhood plan to introduce a 'principal residence' policy or an equivalent mechanism that might help to address concerns.'*

264. The document, however, also notes that there may be negative effects to introducing 'principal residence' policies (such as the policy only working to move demand from one neighbourhood area to another). Therefore, careful consideration needs to be given when debating if such a policy is appropriate.

265. A map is provided in the same document (see Figure 6-1), presenting the proportion of second homes in the total dwelling stock of areas across Dorset (this is based on Council Tax and Electoral Roll data, however the year this data is from is not mentioned in the report). It shows that some parishes within Knightsford have a higher rate of second home ownership than others, with West Knighton and West Stafford falling within the 1.7- 3.3% band, and Tincleton and Woodsford both falling in the 0 – 0.5% band. The overall trend presented on the map, however, is that Knightsford seems to have a relatively lower proportion of second homes compared to its neighbouring areas. Based on this map alone, it may be concluded that Knightsford may not need a 'principal residence' policy.

**Figure 6-1: Proportion of Second Homes Per Area in Dorset**



Source: Dorset Council. January 2021. Local Plan Options Consultation document - Volume 1 - Strategy and Topics. Labels added by AECOM.

## Second Homes and Holiday Lets Data

266. Knightsford contained 386 households and 416 dwellings in the 2011 Census, implying that there were 30 dwellings (or ‘household spaces’) with no usual resident household. Therefore, 7% of dwellings had no usual residents – a broad estimate for the proportion of second homes and holiday lets in the area. For comparison, the rate across West Dorset was 10%, and for England the rate was 4%.

267. Whilst the 2011 Census is becoming increasingly out of date, it is a useful indicator towards the general trend that the rate of dwellings that had no usual resident household is heading in Knightsford. Using the same method as above, the 2001 Census reveals that around 6% of dwellings in Knightsford had no usual resident household. Therefore, between 2001 and 2011 there has been a one-percentage-point increase in the proportion of dwellings with no usual resident household in Knightsford.

268. Using other datasets (including the proportion of properties paying business rates instead of council tax), the number of dwellings that had no usual resident household can be split into second homes and holiday lets. This data is correct to the time of writing but has several limitations:

- Most importantly, it only gives an indication of the number of commercially rented units. A holiday let needs to be available for rent 140 days of the year to reach the threshold for business rates. So only the third subcategory of second / holiday homes below would be captured:
    - Second homes that are never rented and only used by the owner.
    - Second homes used by the owner primarily, but also available to rent for part of the year (under 140 days) or rented out informally.
    - Holiday lets with a stronger commercial purpose, available to rent more than 140 days per year.
  - It is likely that the holiday homes counted in the business rates data would also be captured as dwellings with no usual residents in the Census, since owners of second homes including those rented out for holiday lets are obliged to fill out a census return.<sup>14</sup> This indicator is therefore only useful for context and for any indication it may give of growth over time.
  - This data is only provided for medium and lower super output areas (MSOAs and LSOAs); however, as noted in the Context chapter, Knightsford is composed of only 'output areas' (OAs). Knightsford NA is covered by two LSOAs (E01020505 - West Dorset 011A and E01020538 - West Dorset 011C), however the data for these two LSOAs also covers the neighbouring villages of Broadmayne and Crossways. This section, therefore, must rely on pro-rated data to generate an estimate for Knightsford alone.
269. Combining the data for LSOAs West Dorset 011A and West Dorset 011C reveals that they had 1,706 dwellings in 2011. Knightsford had 416 dwellings in 2011. Therefore, around 24% of dwellings in the two LSOAs fall within Knightsford.
270. There are 30 premises with an 'other' business use (any premises not used as retail, office, or industry) in 2011 in the two LSOAs (this figure has remained the same up to the latest year available - 2020). Pro-rating this to Knightsford, based on the proportion of dwellings in the two LSOAs, generates an estimate of seven premises in Knightsford that have an 'other' business purpose (24% of 30).
271. The 'other' sector covers a variety of business uses (see Figure 6-2) and its makeup will vary according to the nature of the location.
272. Across West Dorset in 2020, there were 2,430 rateable premises in the 'other' sector, of which 890 were category '131 holiday homes (self-catering)'. That is 37% of 'other' premises.
273. It can be estimated that 37% of the nine 'other' units in Knightsford are holiday lets, equating to three properties.
274. Census data combined with up-to-date Dorset Council completions data, suggests that there are around 439 dwellings in Knightsford. Based on this figure, three dwellings used as holiday lets represent <1% of all dwellings in Knightsford.

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<sup>14</sup> See current guidance for the 2011 Census at <https://census.gov.uk/help/types-of-household-or-accommodation/second-homes-holiday-lets-and-empty-properties/i-have-a-second-property>.

**Figure 6-2: ONS definitions of 'other' business use categories**

Sector	Sub-sector
Retail	Financial and Professional Services
	Shops
Office	Offices
Industry	General Industrial
	Storage & Distribution
	Other
Other	Assembly and Leisure
	Education
	Health
	Hotels, Guest & Boarding, Self-Catering etc.
	Non Residential Institutions
	Offices*
	Other
	Retail
	Residential Institutions
	Storage & Distribution
	Transport
	Utilities

\* These are offices that are part of a specialist property, and so have been attributed to "Other" sector rather than the "Office" sector.

Source: ONS

275. Table 6-9 summarises the data above and records the estimated number of second homes and holiday lets in Knightsford.

276. Overall, there are 30 dwellings in Knightsford that do not have a usual resident household. Our calculations estimate that three dwellings in Knightsford are used as holiday lets. An estimate for the number of second homes in the area can be gained from subtracting the three dwellings from the 30 figure, revealing a total of 27 dwellings used as second homes.

**Table 6-9: Estimated number of second homes and holiday lets in Knightsford**

	Estimated number of dwellings	Percentage of Total Dwellings
<b>Dwellings with no usual household residents (total)</b>	<b>30</b>	<b>7%</b>
Holiday lets	3	1%
Second homes	27	6%

Source: AECOM calculations using 2011 Census and SHDC figures

277. This estimate requires a caveat. The number of second homes in **Error! Reference source not found.** may incorporate a number of dwellings that are let out for a number of days below business rates threshold.

## Policy Considerations

278. It is worth further emphasising that any principal residence policy explored in the NP should be justified with reference to the evidence supplied in the affordability chapter of this HNA in addition to the limited information reviewed directly above.

279. The affordability evidence establishes a clear context of poor and worsening affordability in Knightsford that prevents local people from moving to homes better suited to their needs within the neighbourhood.
280. It is not possible to establish a clear causal link between second home/holiday let ownership and the affordability issues demonstrated elsewhere without up-to-date information on the recent growth of second home/holiday let ownership. However, the circumstantial evidence may be sufficient to justify a preventative policy response that takes newer data into account.
281. One option to make any potential policy as evidence-led as possible might be to make it conditional on the forthcoming 2021 Census data. Census data is currently the most accurate indicator of second home/holiday let ownership, and extremely up-to-date Census information is forthcoming.
282. It is possible to apply principal residence restrictions to development in Knightsford if, in the 2021 Census, a certain proportion of housing that is not usually occupied is exceeded, or if a certain rate of increase is observed on the 2011 figures. What those thresholds might be should be determined with reference to the evidence underpinning adopted policies in nearby or similar neighbourhood plans.
283. It might also be helpful to create further flexibility by referring to other up-to-date information in addition to the latest Census in case council tax reporting data starts providing second homes information or any other useful source appears in the meantime.

## **Knightsford Parish Residents Survey (2022) Findings**

284. Question 8 in the Knightsford Parish Residents Survey (2022) asked residents '*Do you think we should encourage or discourage having more... more holiday cottages and second homes... in your village?*'. The overwhelming response to the question was 'discourage', coming in at 85% of all responses. A further 9% responded 'don't know', leaving a remaining proportion of 6% having responded 'encourage'.
285. These responses clearly indicate that the prospect of additional holiday/second homes being built in the area would not be received well by the Parish's residents. This fact may be useful to support NPSG, should they want to include a local connection policy in their new NP.

## **Conclusion - Second Homes and Holiday Lets**

286. This section of the HNA considers the current extent of second home and holiday let ownership in Knightsford. It finds that there are 30 dwellings with no usual residents in Knightsford. It is estimated that 3 of the 30 dwellings are holiday lets, and the remaining 27 dwellings are second homes.
287. There are a limited number of data sources available that are relevant to second homes and holiday lets. Therefore, 2011 Census data is considered the most accurate and comprehensive secondary source for this indicator. An up-to-date

snapshot is imminent, with the results of the 2021 Census to be published in the coming months.

288. There may be scope to reflect the results of the upcoming 2021 Census in any potential policy in this subject by making its provisions conditional on an established threshold of second home ownership or rate of increase.
289. Based on the limited evidence within this report, a second homes policy may be appropriate in Knightsford if historical rates of second home/holiday let ownership grew from the 2011 baseline (around 7% in 2011) into the present day.



## 8. Next Steps

### Recommendations for next steps

291. This Neighbourhood Plan housing needs assessment aims to provide Knightsford with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with Dorset Council with a view to agreeing and formulating draft housing policies, bearing the following in mind:

- All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
- The views of Dorset Council;
- The views of local residents;
- The views of other relevant local stakeholders, including housing developers and estate agents; and
- The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Dorset Council.

292. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.

293. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Dorset Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

294. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

# Appendix A : Calculation of Affordability Thresholds

## A.1 Assessment geography

295. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Area. Such data is available at MSOA level but not at the level of Neighbourhood Areas.

296. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Area. In the case of Knightsford, it is considered that MSOA E02004279 is the closest realistic proxy for the NA boundary when looking at income data, and as such, this is the assessment geography that has been selected. A map of E02004279 appears in Figure A-1.

**Figure A-1: MSOA E02004279 used as a best-fit geographical proxy for the Neighbourhood Area**



Source: ONS

## A.2 Market housing

297. Market housing is not subsidised and tends to be primarily accessible to people on higher incomes.

298. To determine affordability in market housing, this assessment considers two primary indicators: income thresholds, which denote the maximum share of a

family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

## **i) Market sales**

299. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.
300. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Knightsford, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.
301. The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2021) = £445,000;
  - Purchase deposit at 10% of value = £44,500;
  - Value of dwelling for mortgage purposes = £400,500;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £114,429.
302. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile in 2021 was £303,750, and the purchase threshold is therefore £86,786.
303. Finally, it is worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records no sales of new build properties in the NA in 2021. As there is no data for the NA, the sales data for new builds in Dorset has been used as a proxy. In this case, the median price for a new build has been estimated to cost £362,995 (based on 91 sales in Dorset in 2021).

## **ii) Private Rented Sector (PRS)**

304. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.
305. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are

willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.

306. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Area. The best available data is derived from properties available for rent within the DT2 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.
307. According to [home.co.uk](https://www.home.co.uk), there were 11 properties for rent at the time of search in May 2021, with an average monthly rent of £1,470. There were four two-bed properties listed, with an average price of £975 per calendar month.
308. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
- Annual rent = £975 x 12 = £11,700;
  - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £39,000.
309. The calculation is repeated for the overall average to give an income threshold of £58,800.

## A.3 Affordable Housing

310. There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2021: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. More recently, a new product called First Homes has been introduced in 2021. Each of the affordable housing tenures are considered below.

### i) Social rent

311. Rents in socially rented properties reflect a formula based on property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on the lowest incomes and is subject to strict eligibility criteria.
312. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so must act as a proxy for Knightsford. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Dorset in the Table A-1.

313. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

**Table A-1: Social rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£87.00	£96.00	£110.00	£121.00	£101.00
Annual average	£4,524	£4,992	£5,720	£6,292	£5,252
Income needed	<b>£15,065</b>	<b>£16,623</b>	<b>£19,048</b>	<b>£20,952</b>	<b>£17,489</b>

Source: Homes England, AECOM Calculations

## ii) Affordable rent

314. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).

315. Even an 80% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.

316. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Dorset. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.

317. Comparing this result with the average two-bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 59% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

**Table A-2: Affordable rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£104.00	£130.00	£154.00	£194.00	£132.00
Annual average	£5,408	£6,760	£8,008	£10,088	£6,864
Income needed	<b>£18,009</b>	<b>£22,511</b>	<b>£26,667</b>	<b>£33,593</b>	<b>£22,857</b>

Source: Homes England, AECOM Calculations

### **iii) Affordable home ownership**

318. Affordable home ownership tenures include products for sale and rent provided at a cost above social rent, but below market levels. The three most widely available are discounted market housing (a subset of which is the new First Homes product), Shared Ownership, and Rent to Buy. These are considered in turn below.
319. In paragraph 65 of the NPPF 2021, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.” The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

#### **First Homes**

320. Whether to treat discounted market housing as affordable or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to buy market housing.
321. The starting point for these calculations is therefore the median cost of new build housing in Dorset, assuming new build prices across the wider area reflect the likely cost in Knightsford, noted above of £362,995.
322. For the minimum discount of 30% the purchase threshold can be calculated as follows:
- Value of a new home (LA median) = £362,995;
  - Discounted by 30% = £254,097;
  - Purchase deposit at 10% of value = £25,410;
  - Value of dwelling for mortgage purposes = £228,687;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £65,339.
323. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 40% and 50% discounted First Homes. This would require an income threshold of £56,005 and £46,671, respectively.
324. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.
325. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a two-bedroom home (assuming 70 sq. m and a build cost of £1,500 per sq. m) would be around £105,000. This

cost excludes any land value or developer profit. This would not appear to be an issue in Knightsford.

### **Shared Ownership**

326. Shared Ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), and paying rent on the share retained by the provider. Shared Ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.
327. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.
328. To determine the affordability of Shared Ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
329. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £362,995 is £90,749;
  - A 10% deposit of £9,075 is deducted, leaving a mortgage value of £81,674;
  - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £23,335;
  - Rent is charged on the remaining 75% Shared Ownership equity, i.e. the unsold value of £272,246;
  - The estimated annual rent at 2.5% of the unsold value is £6,806;
  - This requires an income of £22,687 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
  - The total income required is £46,023 (£23,335 plus £22,687).
330. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £36,559 and £61,796 respectively.
331. The data shows that Shared Ownership options at 10%, 25%, and 50% equity are all below the £80,000 income threshold cap.

### **Rent to Buy**

332. Rent to Buy is a relatively new and less common tenure, which through subsidy allows the occupant to save a portion of their rent, which is intended to be used to build up a deposit to eventually purchase the home. It is therefore estimated to cost the same as private rents – the difference being that the occupant builds up savings with a portion of the rent.

### **Help to Buy (Equity Loan)**

333. The Help to Buy Equity Loan is not an affordable housing tenure but allows households to afford market housing through a loan provided by the government. With a Help to Buy Equity Loan the government lends up to 20% (40% in London) of the cost of a newly built home. The household must pay a deposit of 5% or more and arrange a mortgage of 25% or more to make up the rest. Buyers are not charged interest on the 20% loan for the first five years of owning the home.

334. It is important to note that this product widens access to market housing but does not provide an affordable home in perpetuity.



# Appendix B : Housing Needs Assessment Glossary

## **Adoption**

This refers to the final confirmation of a local plan by a local planning authority.

## **Affordability**

The terms 'affordability' and 'affordable housing' have different meanings. 'Affordability' is a measure of whether housing may be afforded by certain groups of households. 'Affordable housing' refers to particular products outside the main housing market.

## **Affordability Ratio**

Assessing affordability involves comparing housing costs against the ability to pay. The ratio between lower quartile house prices and the lower quartile income or earnings can be used to assess the relative affordability of housing. The Ministry for Housing, Community and Local Governments publishes quarterly the ratio of lower quartile house price to lower quartile earnings by local authority (LQAR) as well as median house price to median earnings by local authority (MAR) e.g. income = £25,000, house price = £200,000. House price: income ratio = £200,000/£25,000 = 8, (the house price is 8 times income).

## **Affordable Housing (NPPF Definition)**

Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

b) Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

c) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes Shared Ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value)

and Rent to Buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

### **Affordable rented housing**

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods<sup>15</sup>.

### **Age-Restricted General Market Housing**

A type of housing which 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.

### **Annual Monitoring Report**

A report submitted to the Government by local planning authorities assessing progress with and the effectiveness of a Local Development Framework.

### **Basic Conditions**

The Basic Conditions are the legal tests that are considered at the examination stage of neighbourhood development plans. They need to be met before a plan can progress to referendum.

### **Backlog need**

The backlog need constitutes those households who are eligible for Affordable Housing, on account of homelessness, over-crowding, concealment or affordability, but who are yet to be offered a home suited to their needs.

### **Bedroom Standard<sup>16</sup>**

The bedroom standard is a measure of occupancy (whether a property is overcrowded or under-occupied, based on the number of bedrooms in a property and the type of household in residence). The Census overcrowding data is based on occupancy rating (overcrowding by number of rooms not including bathrooms and hallways). This tends to produce higher levels of overcrowding/ under occupation. A detailed definition of the standard is given in the Glossary of the EHS Household Report.

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<sup>15</sup> The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

<sup>16</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

## **Co-living**

Co-living denotes people who do not have family ties sharing either a self-contained dwelling (i.e., a 'house share') or new development akin to student housing in which people have a bedroom and bathroom to themselves, but share living and kitchen space with others. In co-living schemes each individual represents a separate 'household'.

## **Community Led Housing/Community Land Trusts**

Housing development, provision and management that is led by the community is very often driven by a need to secure affordable housing for local people in the belief that housing that comes through the planning system may be neither the right tenure or price-point to be attractive or affordable to local people. The principal forms of community-led models include cooperatives, co-housing communities, self-help housing, community self-build housing, collective custom-build housing, and community land trusts. By bringing forward development which is owned by the community, the community is able to set rents and/or mortgage payments at a rate that it feels is appropriate. The Government has a range of support programmes for people interested in bringing forward community led housing.

## **Community Right to Build Order<sup>17</sup>**

A community right to build order is a special kind of neighbourhood development order, granting planning permission for small community development schemes, such as housing or new community facilities. Local community organisations that meet certain requirements or parish/town councils are able to prepare community right to build orders.

## **Concealed Families (Census definition)<sup>18</sup>**

The 2011 Census defined a concealed family as one with young adults living with a partner and/or child/children in the same household as their parents, older couples living with an adult child and their family or unrelated families sharing a household. A single person cannot be a concealed family; therefore one elderly parent living with their adult child and family or an adult child returning to the parental home is not a concealed family; the latter are reported in an ONS analysis on increasing numbers of young adults living with parents.

## **Equity Loans/Shared Equity**

An equity loan which acts as a second charge on a property. For example, a household buys a £200,000 property with a 10% equity loan (£20,000). They pay a small amount for the loan and when the property is sold e.g. for £250,000 the lender receives 10% of the sale cost (£25,000). Some equity loans were available for the purchase of existing stock. The current scheme is to assist people to buy new build.

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<sup>17</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>18</sup> See [http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776\\_350282.pdf](http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf)

## **Extra Care Housing or Housing-With-Care**

Housing which 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 included in retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.

## **Fair Share**

'Fair share' is an approach to determining housing need within a given geographical area based on a proportional split according to the size of the area, the number of homes in it, or its population.

## **First Homes**

First Homes is another form of discounted market housing which will provide a discount of at least 30% on the price of new homes, introduced in 2021. These homes are available to first time buyers as a priority but other households will be eligible depending on agreed criteria. New developments will be required to provide 25% of Affordable Housing as First Homes. A more detailed explanation of First Homes and its implications is provided in the main body of the HNA.

## **Habitable Rooms**

The number of habitable rooms in a home is the total number of rooms, excluding bathrooms, toilets and halls.

## **Household Reference Person (HRP)**

The concept of a Household Reference Person (HRP) was introduced in the 2001 Census (in common with other government surveys in 2001/2) to replace the traditional concept of the head of the household. HRPs provide an individual person within a household to act as a reference point for producing further derived statistics and for characterising a whole household according to characteristics of the chosen reference person.

## **Housing Market Area**

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. It might be the case that housing market areas overlap.

The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate.

## **Housing Needs**

There is no official definition of housing need in either the National Planning Policy Framework or the National Planning Practice Guidance. Clearly, individuals have their own housing needs. The process of understanding housing needs at a population scale is undertaken via the preparation of a Strategic Housing Market Assessment (see below).

## **Housing Needs Assessment**

A Housing Needs Assessment (HNA) is an assessment of housing needs at the Neighbourhood Area level.

## **Housing Products**

Housing products simply refers to different types of housing as they are produced by developers of various kinds (including councils and housing associations). Housing products usually refers to specific tenures and types of new build housing.

## **Housing Size (Census Definition)**

Housing size can be referred to either in terms of the number of bedrooms in a home (a bedroom is defined as any room that was intended to be used as a bedroom when the property was built, any rooms permanently converted for use as bedrooms); or in terms of the number of rooms, excluding bathrooms, toilets halls or landings, or rooms that can only be used for storage. All other rooms, for example, kitchens, living rooms, bedrooms, utility rooms, studies and conservatories are counted. If two rooms have been converted into one they are counted as one room. Rooms shared between more than one household, for example a shared kitchen, are not counted.

## **Housing Type (Census Definition)**

This refers to the type of accommodation used or available for use by an individual household (i.e. detached, semi-detached, terraced including end of terraced, and flats). Flats are broken down into those in a purpose-built block of flats, in parts of a converted or shared house, or in a commercial building.

## **Housing Tenure (Census Definition)**

Tenure provides information about whether a household rents or owns the accommodation that it occupies and, if rented, combines this with information about the type of landlord who owns or manages the accommodation.

## **Income Threshold**

Income thresholds are derived as a result of the annualisation of the monthly rental cost and then asserting this cost should not exceed 35% of annual household income.

## **Intercensal Period**

This means the period between the last two Censuses, i.e. between years 2001 and 2011.

## **Intermediate Housing**

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (Shared Ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing. Homes that do not meet the above definition of affordable housing, such as 'low-cost market' housing, may not be considered as affordable housing for planning purposes.

## **Life Stage modelling**

Life Stage modelling is forecasting need for dwellings of different sizes by the end of the Plan period on the basis of changes in the distribution of household types and key age brackets (life stages) within the NA. Given the shared behavioural patterns associated with these metrics, they provide a helpful way of understanding and predicting future community need. This data is not available at neighbourhood level so LPA level data is employed on the basis of the NA falling within its defined Housing Market Area.

## **Life-time Homes**

Dwellings constructed to make them more flexible, convenient adaptable and accessible than most 'normal' houses, usually according to the Lifetime Homes Standard, 16 design criteria that can be applied to new homes at minimal cost: <http://www.lifetimehomes.org.uk/>.

## **Life-time Neighbourhoods**

Lifetime neighbourhoods extend the principles of Lifetime Homes into the wider neighbourhood to ensure the public realm is designed in such a way to be as inclusive as possible and designed to address the needs of older people, for example providing more greenery and more walkable, better connected places.

## **Local Development Order**

An Order made by a local planning authority (under the Town and Country Planning Act 1990) that grants planning permission for a specific development proposal or classes of development.

## **Local Enterprise Partnership**

A body, designated by the Secretary of State for Communities and Local Government, established for the purpose of creating or improving the conditions for economic growth in an area.

## **Local housing need (NPPF definition)**

The number of homes identified as being needed through the application of the standard method set out in national planning guidance (or, in the context of preparing strategic policies only, this may be calculated using a justified alternative approach as provided for in paragraph 60 of this Framework).

## **Local Planning Authority**

The public authority whose duty it is to carry out specific planning functions for a particular area. All references to local planning authority apply to the District Council, London Borough Council, County Council, Broads Authority, National Park Authority or the Greater London Authority, to the extent appropriate to their responsibilities.

## **Local Plan**

This is the plan for the future development of the local area, drawn up by the local planning authority in consultation with the community. In law this is described as the development plan documents adopted under the Planning and Compulsory Purchase Act 2004. Current core strategies or other planning policies form part of the Local Plan and are known as 'Development Plan Documents' (DPDs).

## **Lower Quartile**

The bottom 25% value, i.e. of all the properties sold, 25% were cheaper than this value and 75% were more expensive. The lower quartile price is used as an entry level price and is the recommended level used to evaluate affordability; for example for first time buyers.

## **Lower Quartile Affordability Ratio**

The Lower Quartile Affordability Ratio reflects the relationship between Lower Quartile Household Incomes and Lower Quartile House Prices, and is a key indicator of affordability of market housing for people on relatively low incomes.

## **Market Housing**

Market housing is housing which is built by developers (which may be private companies or housing associations, or Private Registered Providers), for the purposes of sale (or rent) on the open market.

## **Mean (Average)**

The mean or the average is, mathematically, the sum of all values divided by the total number of values. This is the more commonly used "average" measure as it includes all values, unlike the median.

## **Median**

The middle value, i.e. of all the properties sold, half were cheaper and half were more expensive. This is sometimes used instead of the mean average as it is not subject to skew by very large or very small statistical outliers.

## **Median Affordability Ratio**

The Lower Quartile Affordability Ratio reflects the relationship between Median Household Incomes and Median House Prices and is a key indicator of affordability of market housing for people on middle-range incomes.

## **Mortgage Ratio**

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years<sup>19</sup>, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

## **Neighbourhood Development Order (NDO)**

An NDO will grant planning permission for a particular type of development in a particular area. This could be either a particular development, or a particular class of development (for example retail or housing). A number of types of development will be excluded from NDOs, however. These are minerals and waste development, types of development that, regardless of scale, always need Environmental Impact Assessment, and Nationally Significant Infrastructure Projects.

## **Neighbourhood plan**

A plan prepared by a Parish or Town Council or Neighbourhood Forum for a particular neighbourhood area (made under the Planning and Compulsory Purchase Act 2004).

## **Older People**

People over retirement age, including the active, newly-retired through to the very frail elderly, whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs.

## **Output Area/Lower Super Output Area/Middle Super Output Area**

An output area is the lowest level of geography for publishing statistics, and is the core geography from which statistics for other geographies are built. Output areas were created for England and Wales from the 2001 Census data, by grouping a number of households and populations together so that each output area's population is roughly the same. 175,434 output areas were created from the 2001 Census data, each containing a minimum of 100 persons with an average of 300 persons. Lower Super Output Areas consist of higher geographies of between 1,000-1,500 persons (made up of a number of individual Output Areas) and Middle Super Output Areas are higher than this, containing between 5,000 and 7,200 people, and made up of individual Lower Layer Super Output Areas. Some statistics are only available down to Middle Layer Super Output Area level, meaning that they are not available for individual Output Areas or parishes.

## **Overcrowding**

There is no single agreed definition of overcrowding, however, utilising the Government's bedroom standard, overcrowding is deemed to be in households where there is more than one person in the household per room (excluding kitchens, bathrooms, halls and storage areas). As such, a home with one bedroom and one

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<sup>19</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>



living room and one kitchen would be deemed overcrowded if three adults were living there.

### **Planning Condition**

A condition imposed on a grant of planning permission (in accordance with the Town and Country Planning Act 1990) or a condition included in a Local Development Order or Neighbourhood Development Order.

### **Planning Obligation**

A legally enforceable obligation entered into under section 106 of the Town and Country Planning Act 1990 to mitigate the impacts of a development proposal.

### **Purchase Threshold**

Purchase thresholds are calculated by netting 10% off the entry house price to reflect purchase deposit. The resulting cost is divided by 4 to reflect the standard household income requirement to access mortgage products.

### **Proportionate and Robust Evidence**

Proportionate and robust evidence is evidence which is deemed appropriate in scale, scope and depth for the purposes of neighbourhood planning, sufficient so as to meet the Basic Conditions, as well as robust enough to withstand legal challenge. It is referred to a number of times in the PPG and its definition and interpretation relies on the judgement of professionals such as Neighbourhood Plan Examiners.

### **Private Rented**

The Census tenure private rented includes a range of different living situations in practice, such as private rented/ other including households living “rent free”. Around 20% of the private rented sector are in this category, which will have included some benefit claimants whose housing benefit at the time was paid directly to their landlord. This could mean people whose rent is paid by their employer, including some people in the armed forces. Some housing association tenants may also have been counted as living in the private rented sector because of confusion about what a housing association is.

### **Retirement Living or Sheltered Housing**

Housing for older people which 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.

### **Residential Care Homes and Nursing Homes**

Housing for older people comprising of 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.

## **Rightsizing**

Households who wish to move into a property that is a more appropriate size for their needs can be said to be rightsizing. This is often used to refer to older households who may be living in large family homes but whose children have left, and who intend to rightsize to a smaller dwelling. The popularity of this trend is debatable as ties to existing communities and the home itself may outweigh issues of space. Other factors, including wealth, health, status and family circumstance also need to be taken into consideration, and it should not be assumed that all older households in large dwellings wish to rightsize.

## **Rural Exception Sites**

Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. Small numbers of market homes may be allowed at the local authority's discretion, for example where essential to enable the delivery of affordable dwellings without grant funding.

## **Shared Ownership**

Housing where a purchaser part buys and part rents from a housing association or local authority. Typical purchase share is between 25% and 75% (though this was lowered in 2021 to a minimum of 10%), and buyers are encouraged to buy the largest share they can afford. Generally applies to new build properties, but re-sales occasionally become available. There may be an opportunity to rent at intermediate rent level before purchasing a share in order to save/increase the deposit level

## **Sheltered Housing<sup>20</sup>**

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bed roomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also

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<sup>20</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

### **Strategic Housing Land Availability Assessment**

A Strategic Housing Land Availability Assessment (SHLAA) is a document prepared by one or more local planning authorities to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the Plan period. SHLAAs are sometimes also called LAAs (Land Availability Assessments) or HELAAs (Housing and Economic Land Availability Assessments) so as to integrate the need to balance assessed housing and economic needs as described below.

### **Strategic Housing Market Assessment (NPPF Definition)**

A Strategic Housing Market Assessment (SHMA) is a document prepared by one or more local planning authorities to assess their housing needs under the 2012 version of the NPPF, usually across administrative boundaries to encompass the whole housing market area. The NPPF makes clear that SHMAs should identify the scale and mix of housing and the range of tenures the local population is likely to need over the Plan period. Sometimes SHMAs are combined with Economic Development Needs Assessments to create documents known as HEDNAs (Housing and Economic Development Needs Assessments).

### **Specialist Housing for the Elderly**

Specialist housing for the elderly, sometimes known as specialist accommodation for the elderly, encompasses a wide range of housing types specifically aimed at older people, which may often be restricted to those in certain older age groups (usually 55+ or 65+). This could include residential institutions, sometimes known as care homes, sheltered housing, extra care housing, retirement housing and a range of other potential types of housing which has been designed and built to serve the needs of older people, including often providing care or other additional services. This housing can be provided in a range of tenures (often on a rented or leasehold basis).

### **Social Rented Housing**

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.<sup>21</sup>

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<sup>21</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

