

Housing needs background paper - Sturminster Newton

The building of new housing has the potential to contribute significantly to the achievement of the vision for Sturminster Newton.

This housing needs report brings together key evidence from a variety of existing local and national data and information from the two community consultative events in 2014. These were then used to draw some conclusions about the amount and type of housing that would be most appropriate for Sturminster Newton.

The paper was initially drafted in August 2015 to inform the Autumn 2015 consultation, and was circulated to the District Council and Spectrum as the main local affordable housing provider for feedback. Feedback received has been used in finalizing this report, which included some sources of more recent housing evidence.

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MAIN CONCLUSIONS

- The adopted Local Plan proposed number of new houses (at least 376 homes to be built for the remaining period from 2016 to 2031) exceeds the projected growth of the existing population based on the latest population projections. However this level of growth is not unreasonable, particularly given past build rates, the national shortage of housing and Local Plan strategy of concentrating development at the main towns. It is lower than the level of growth witnessed in the previous 15 year period but should effectively halt and reverse the relatively recent downwards trend in housebuilding.
- The population could rise by much as 800 people if the number of homes proposed in the adopted plan are built (compared to a projected based increase of 450 people).
- The latest (untested) strategic housing market assessment, if applied at a local level, suggest the Local Plan target for Sturminster Newton could be increased to around 457 dwellings.
- There is a need to consider whether the growth in population will be balanced by growth in infrastructure and local employment.
- The needs of migrant workers in the area is difficult to predict with any certainty, and there is no current indication that the housing levels provided needs to change to accommodate this demand.
- At the present time 5% of the population has health problems that affect their ability to work or live an independent lifestyle. This proportion is likely to increase with the rising number of older people, and new homes should be designed to cater for at least the current level of need. Although this may justifying requiring a proportion of homes at the higher optional standards possible through Building Regulations, tested through the Local Plan Review
- Housing type has to be carefully determined to ensure an appropriate mix of ages and social levels is represented in the community. In particular, the opportunity should be taken to consider encourage designs that would be appropriate for an increase in people who have health problems that affect their ability to live an independent lifestyle, and also providing housing types to encourage more incomers in the 20-50 age group who can help

support growth in the local economy, to balance the expected growth in the retirement age population.

- High quality homes are more likely to attract wealthy achievers. These households, particularly in the younger age brackets, can increase levels of local spending and create more job opportunities in the area, and are therefore desirable to be included in the overall mix. There is, on paper, more large family homes than needed. However such homes make up a relatively small proportion of the overall housing stock and new homes of this type may have a potential role in attracting high-income families to relocate to the area. Certain sites may lend themselves more readily to this type of aspirational housing.
- Although many open market homes are under-occupied (in terms of people / bedroom space) this appears to be due to choice and the spaciousness that larger, more flexible accommodation offers. If smaller properties are to be made more attractive, these factors need to be taken into account in their design.
- The level of affordable housing proposed is slightly lower than that achieved over the previous decade. It will continue to play an important role in the housing mix. Due to viability it is unlikely that all needs will be met through affordable housing provided at social or affordable rents, and the private rental market will therefore also continue to play a role in this respect. The dominance of low paid employment locally and the needs of the elderly suggest that one and two bedded units, should be a priority in the affordable sector
- At the present time 5% of the population has health problems that affect their ability to work or live an independent lifestyle. This proportion is likely to increase with the rising number of older people, and new homes should be designed to cater for at least the current level of need. This may justify requiring a proportion of the higher optional standards possible through Building Regulations. There is a desire for accommodation that delivers the benefits of bungalows to suit all income types.

Overview - population and housing growth

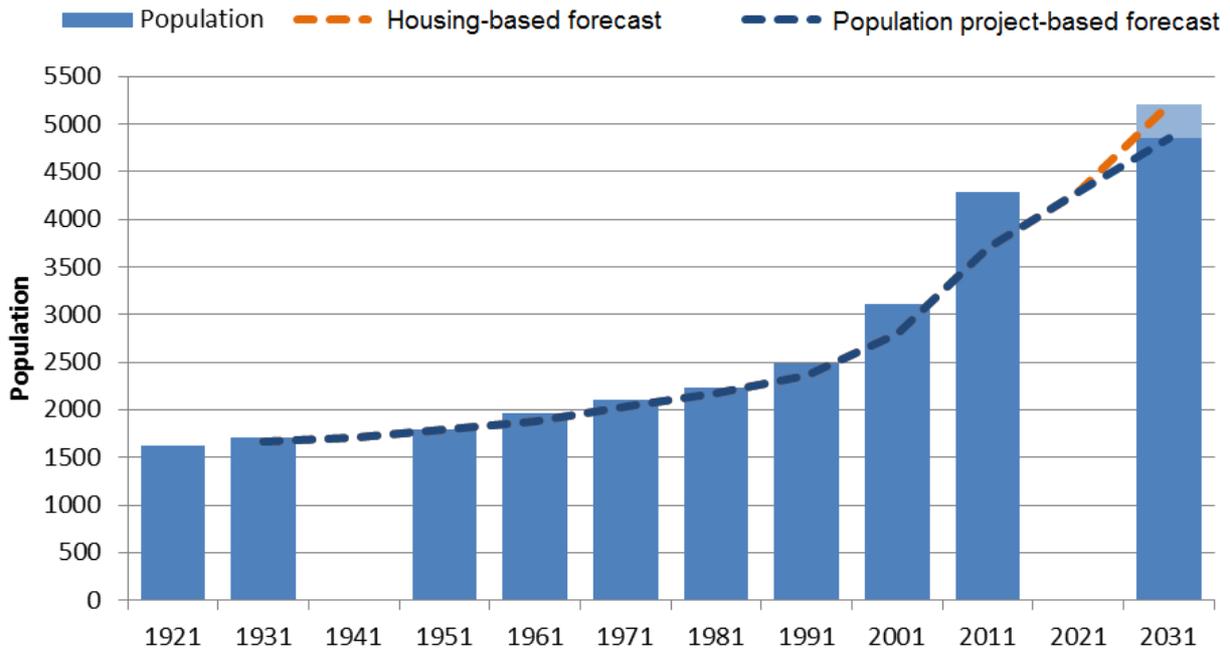
The population of Sturminster Newton grew slowly and steadily throughout much of the last century, up to 1981, after which it increased more rapidly, particularly in the 1990s (with a 25% increase) and the last decade (which saw a 38% growth in population). The 2011 Census recorded a population of 4,292 people (of which 4,272 were usual residents). The latest population estimate is 4,407 (2014 mid year population estimate, ONS).

The population of Sturminster Newton parish might be expected to rise in line with the rest of North Dorset. Based on ONS Population Projections 2012 this equated to a modest increase of 6.2% (2014-31), the more recent (2014-based) projections forecast a slightly higher growth rate of 10.1%. This equates to 270 to 450 people (depending on the forecast used) bringing the total population to about 4,850 (or 4,680 using the 2012 projections that underpin the adopted Local Plan).

The 2011 Census records 2,016 dwellings in Sturminster Newton. The latest monitoring records published by the District Council (January 2017) show that a further 19 dwellings have been built (up to March 2016), bring this total to 2,035. The adopted Local Plan for North Dorset requires that Sturminster build at least 395 new houses between 2011 and 2031, leaving a residual requirement of at least 376 homes (from March 2016). This equates to an average of 25 houses to be built per year for the remaining 15 years up to 2031. About 25% of these (ie 5 or 6 a year) should be affordable housing.

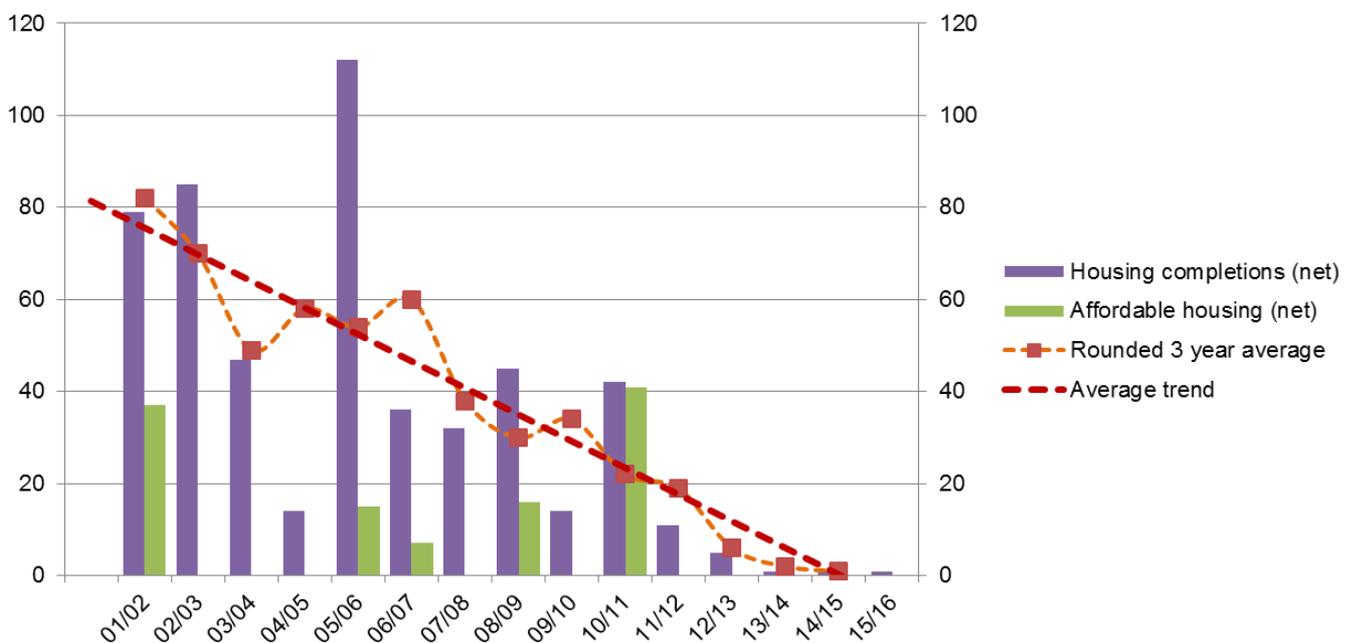
The planned growth would be an increase of 18.4% in available units. This is considerably higher than is needed to accommodate the expected increase in population, and has been influenced by the Local Plan strategy to concentrate development in the main towns. Based on the average household size of 2.12 (2011 Census), this would suggest a future population of about 5,200 (an increase of around 800 people) if average occupancy rates remain largely unchanged.

As there is a national shortage of housing stock this provides a compelling reason to accept higher levels of house building than may be suggested by population projections alone.



In terms of historic completions, data on house completions for the 15 year period back to the year 2001 shows an average (mean) annual growth in housing of 35 dwellings a year (36 median average), with this fluctuating from a high of 112 (2005/6) to a low of 1 (for each of the last 3 years). There has generally been a downward trend in completions over this period. Affordable housing has comprised 22% of completions in total, averaging 8 new affordable homes each year over the same period.

There has been a marked decreased in housebuilding in the last 5 years, with only 4 dwellings / year built on average.



Feedback from the Neighbourhood Plan November 2014 public consultation showed that people were broadly in agreement with the growth in housing proposed for the town but felt that this should mirror projected needs in the current population. Respondents were also clear that they did not support any housing over proposed Local Plan levels, and were concerned that housing growth might outstrip employment opportunities (November Consultation Report, Matrix 2015).

The Local Plan commenced a review in March 2016. Housing need projections have been updated (Eastern Dorset 2015 Strategic Housing Market Assessment, North Dorset District

Summary, G L Hearn 2015), and in respect of the annual housing need the finding is that this should rise from 285 to 330 dwellings per annum. This figure is untested, has a high element of 'economic growth' based housing within its make-up (accounting for almost a third of its total) and no decision as yet has been taken on the strategic distribution of such growth. However, in the absence of any other information, the best assumption that can be made is that there may be a requirement to increase the amount of housing by an equivalent amount (though this does not factor in any local considerations specific to Sturminster Newton). Applying a 'pro rata' uplift of $(330-285)/285 = 15.8\%$ to the local (minimum) target of 395 would equate to an additional 62 new dwellings.

Key conclusions:

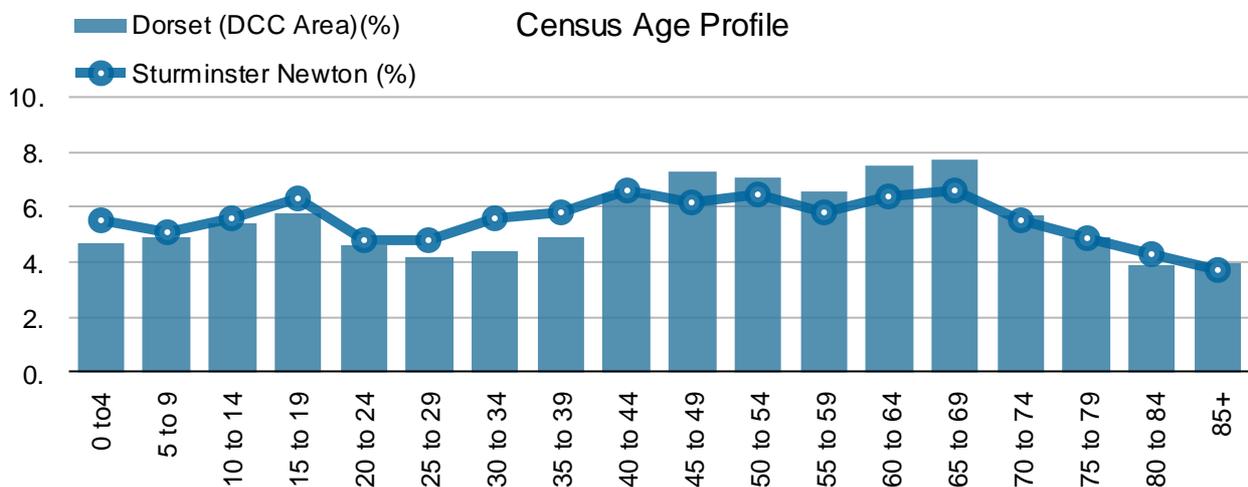
- The adopted Local Plan proposed number of new houses (at least 376 homes to be built for the remaining period from 2016 to 2031) exceeds the projected growth of the existing population based on the latest population projections
- This level of housing to 2031 is not unreasonable, particularly given past build rates, the national shortage of housing and Local Plan strategy of concentrating development at the main towns. It is lower than the level of growth witnessed in the previous 15 year period but should effectively halt and reverse the relatively recent downwards trend in housebuilding.
- The population could rise by much as 800 people if all the proposed homes are built (compared to a projected based increase of 450 people).
- The level of affordable housing proposed is slightly lower than that achieved over the previous 15 years.
- There is a need to consider whether the growth in population will be balanced by growth in infrastructure and local employment.
- The latest (untested) strategic housing market assessment, if applied at a local level, suggest the Local Plan target for Sturminster Newton could be increased to around 457 dwellings.

Make-up of Households

The type of new housing needed locally will be influenced by the type of residents likely to be living in the area, in terms of their age, health, income and household formation.

Age & Health

According to the 2011 census, more than half (56%) of local people are aged 40 years or more. This is broadly in line with Dorset (DCC area) and slightly higher than the national average. The over 65s make up 25% of the local population, and there have been significant increases already experienced in the over 90s, a sector which has risen by 40% in the last ten years.



Dorset has the highest life expectancy of any county in the UK averaging at 84.5 for people born in 2014 (ONS Sub-national Population Projections 2014). The percentage of older residents may increase further, as people live longer and because of an influx of retirees who choose to move to the town from the rural surrounds or from out of County to have close access to facilities and sheltered housing.

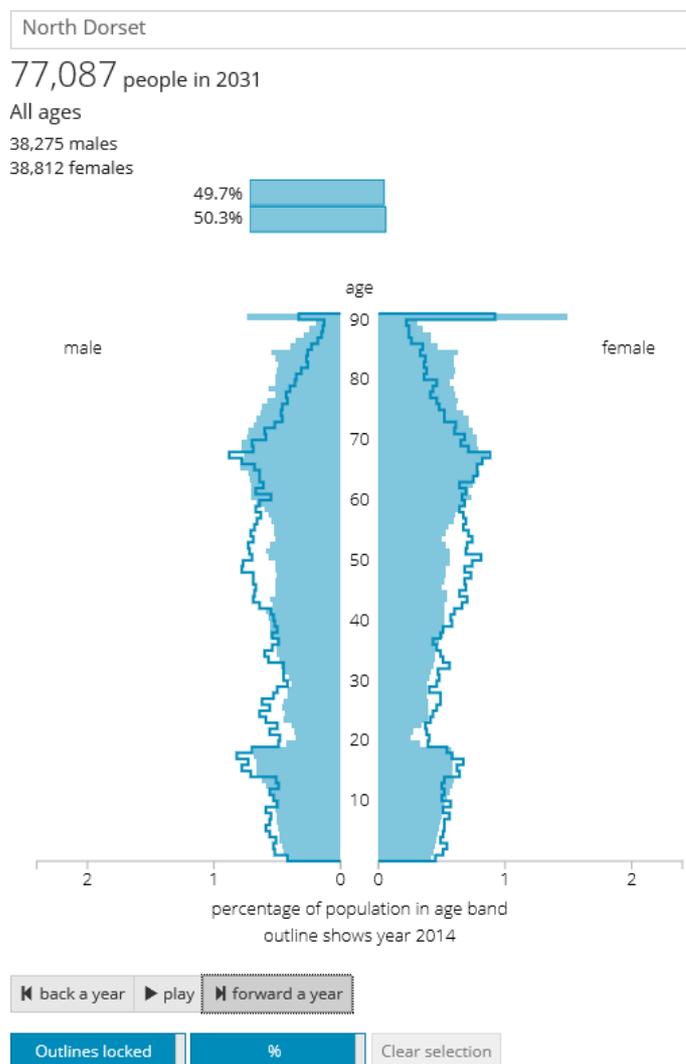
The existing population profile and forecasts suggest that there is likely to be a net loss of working age people across North Dorset as a whole in the period to 2021 (North Dorset Economic and Labour Market. DCC 2013). However the arrival of migrant workers may have somewhat swelled the percentage of young working adults in Sturminster Newton. What little data there is suggests that the number of people that have moved to live here from the rest of Europe has increased significantly in the last few years, many employed in local businesses. In 2011 people from EU (outside of the UK and Ireland) accounted for 3.6% of the population in Sturminster Newton (compared to 2.9% across North Dorset as a whole), with many (2.6%) being from the newer EU accession countries. ONS Neighbourhood Statistics (2011) showing arrivals in the UK for the population of Sturminster Newton, shows a spike in immigration in 2007-9 when 68 people living in the parish arrived in the UK, whilst by 2010-11 this had reduced to 23 which has been around average for the preceding 15 years. Whether migrant workers will become a larger proportion of the local population in the longer term will depend on many factors such as national migration policies as well as the availability of local employment of the type undertaken by this group. If migrant workers choose to settle here, this could, but may not necessarily, have an impact on housing demand.

During the November 2014 Consultation residents expressed the view that a community comprising a mixed range of housing types was desirable (November Consultation Report, Matrix 2015). The Neighbourhood Plan has some potential to affect the mix of new housing subject to meeting affordable housing policy requirements (discussed in the following section).

Just over 80% of Sturminster Newton residents enjoy good or very good health (2011 Census) whilst less than 5% are limited by bad or very bad health which affects their ability to work or live an independent lifestyle. If we accept that the percentage of residents who are over 65 is set to increase, those with bad health prospects and in particular mobility issues, might also increase.

The 2015 SHMA considers the need for supported (care home) accommodation, and suggests 15% of the projected need would be for specialist housing for older people, not including registered care homes (which fall under the C2 use class).

Building Regulations require that reasonable provision is made for most people (including wheelchair users), to approach and enter new housing and to access habitable rooms and sanitary facilities (WC) on the entrance storey. As part of the review of housing standards, these have been updated to allow more stringent optional standards that require the building to be adaptable for increased accessibility and functionality (category 2 – M4(2)) or suitable for wheelchair user housing (category 3 –



Source: 2014-based Subnational Population Projections, ONS

M4(3)). These optional standards can only be introduced through planning policy where there is sufficient evidence of local need and where the viability of development is not compromised, and tested through a Local Plan examination.

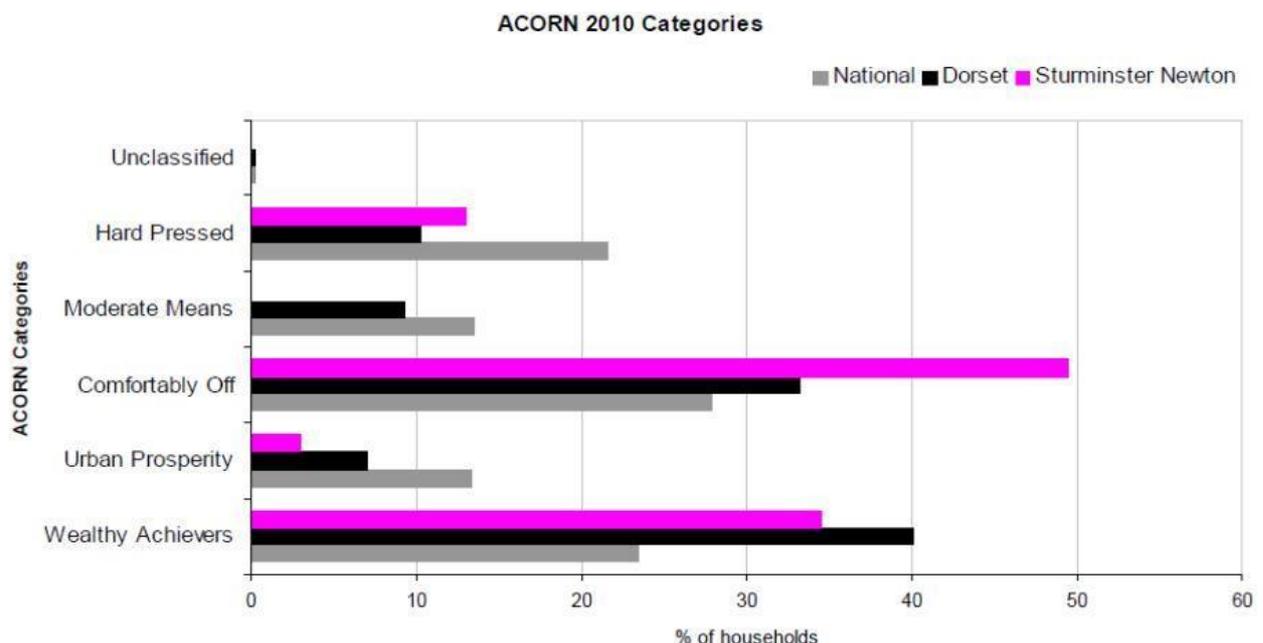
Key conclusions:

- At the present time 5% of the population has health problems that affect their ability to work or live an independent lifestyle. This proportion is likely to increase with the rising number of older people, and new homes should be designed to cater for at least the current level of need. Although this may justifying requiring a proportion of homes at the higher optional standards possible through Building Regulations, tested through the Local Plan Review
- The needs of migrant workers in the area is difficult to predict with any certainty, and there is no current indication that the housing levels provided needs to change to accommodate this demand.
- Housing type has to be carefully determined to ensure an appropriate mix of ages and social levels is represented in the community. In particular, the opportunity should be taken to consider providing housing types to encourage more incomers in the 20-50 age group who can help support growth in the local economy, to balance the expected growth in the retirement age population.

Income and affordability

Sturminster Newton is one of the more deprived areas within North Dorset (in the 2015 Index of Multiple Deprivation North Dorset 004E covering the town of Sturminster Newton scores above all other areas in North Dorset, with the exception of Blandford Old Town). But it is much more affluent than some others parts of Dorset, and would be considered 'average' nationally.

Category	% of households		
	Sturminster Newton	Dorset	National
Wealthy Achievers	34.5	40.1	23.4
Urban Prosperity	3.0	7.1	13.3
Comfortably Off	49.5	33.2	27.9
Moderate Means	-	9.2	13.5
Hard Pressed	13.0	10.2	21.6
Unclassified	-	0.2	0.2



Profile of Sturminster Newton based on ACORN 2010 data, Dorset County Council, 2011) shows half (49%) of the population are considered to be ‘comfortably off’ and a third (34.5%) are ‘wealthy achievers’. In both cases this is above the national average and the average for Dorset and gives the impression of an affluent area. A more detailed analysis shows that within these two groups there is a high percentage of older residents - 30% of the population are ‘affluent greys’ and 10% are ‘prudent pensioners’. There is a significantly high proportion (17.7%) of those ‘starting out’ who are nevertheless ‘comfortably off’ as are 14.5% of ‘settled suburban’ families.

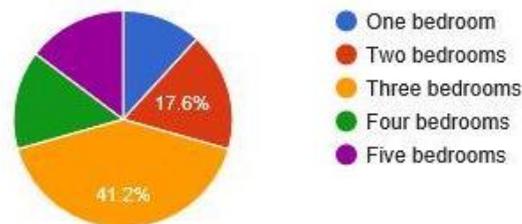
The one in seven residents (13%) who are ‘hard pressed’ reflects the figures for benefits claimants and deprivation. 15.5% of residents are on benefits but unemployment (those on Job seekers allowance) has been relatively low for many years at consistently under 1.8% (Sturminster Parish profile, dorsetforyou). Close to 74% of people of working age are actually in work, higher than the national average. Hard pressed households are largely single people or families.

In summary the socio economic profile of Sturminster Newton is polarised into those who are comfortably off and more - a group dominated by older residents - and those who are relatively poor by North Dorset levels. There are very few people in the middle ground between these two groups.

Although unemployment is relatively low at around 5%, wages in North Dorset are well below the national average. The gross annual pay for employees for Sturminster Newton (as part of the Shaftesbury and Blandford Forum Travel to Work Area) is estimated as around £17,500, which is lower than the average for England (which is over £22,000) estimated in the ONS 2014 Annual Survey of Hours and Earnings. This compares to an average house price paid of just over £270,000 (Zoopla 5 year average, January 2017). Statistics from home.co.uk (January 2017)

illustrate the typical spread of house prices by property types, with very few sold at prices of less than £100,000.

Property Prices in Sturminster Newton by Number of Bedrooms



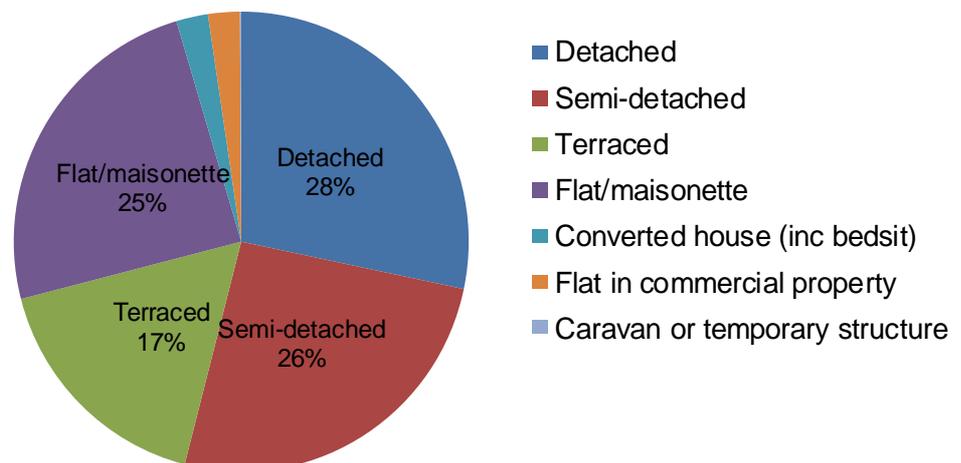
The average house price is higher than the national average but somewhat lower than other areas in North Dorset. The housing market in Dorset is characterised by a high house price to income ratio where those in local

	No. of properties	Average price	Median price	Average ToM
One bedroom	4	£91,725	£88,450	96 days
Two bedrooms	6	£220,733	£224,975	80 days
Three bedrooms	14	£276,054	£249,975	173 days
Four bedrooms	5	£418,980	£450,000	121 days
Five bedrooms	5	£706,990	£599,950	40 days

employment struggle to pay for housing, whilst incomers and those who work out of the area find open market housing relatively more affordable.

The 2011 shows that two in three homes (66% - 1,259) are owner occupied, the remainder split largely between

social rented (17.4% - 333) and private rented (14.1% - 271). There are very few shared ownership properties (1.4% - 27). There is a reasonable range of detached, semi-detached, terraced and flatted accommodation.



The actual need for affordable homes required for North Dorset has been assessed as being 146 homes per annum (2015 SHMA), which is lower than the previous assessment. Build targets for affordable housing vary across the four main towns, with 25% of the total number of dwellings to be built in Sturminster expected to be affordable. Across the district as a whole the type of affordable housing is expected to be mainly rentable housing provided through a registered housing provider (such as Spectrum) – this should account for 70 to 85% of all new affordable homes, with the remainder as shared equity starter homes or other forms of ‘intermediate’ housing.

The previous Strategic Housing Market Analysis (JG Consulting 2011), which looked in greater depth at the existing provision, noted that the number of social rented dwellings in Sturminster Newton was already comparatively high. Both this and the 2015 reports suggest most of the need is for 1 and 2 bedroom homes, and the current policy requirement is for 60%.

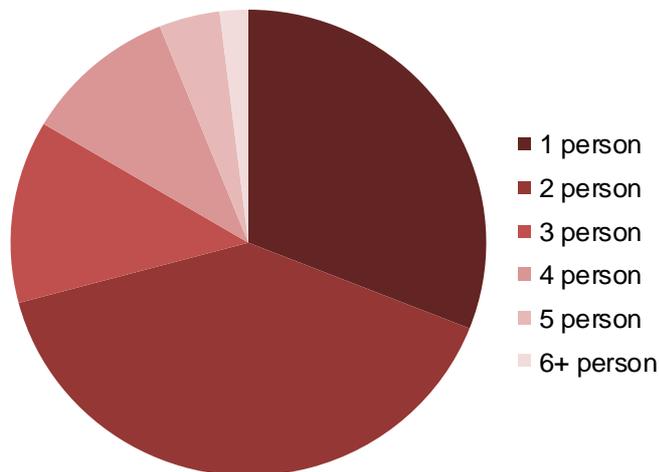
As of July 2015 there were 77 applicants on the Housing Register who wish to be housed there and had a local connection to Sturminster Newton parish, and a further 40 who expressed a wish to be housed in the general area (ie those villages who might look to Sturminster Newton for their day to day needs). The vast majority (just over 80%) required a 1 or 2 bedroom property.

Key conclusions:

- Affordable housing will continue to play an important role in the housing mix. It is unlikely that all needs will be met through affordable housing provided as social or affordable rents, and the private rental market will therefore also continue to play a role in this respect, with a particular emphasis on smaller (1 and 2 bedroom) properties in this respect.
- High quality family homes will be more likely to attract achievers and those closer to the peak of their income potential to settle here. They can increase levels of local spending and create more job opportunities in the area, and therefore should be included in the overall mix. Certain sites may lend themselves more readily to this type of aspirational housing.

Household size and formation

The average size of households in Sturminster Newton is 2.12 people (2011 Census).

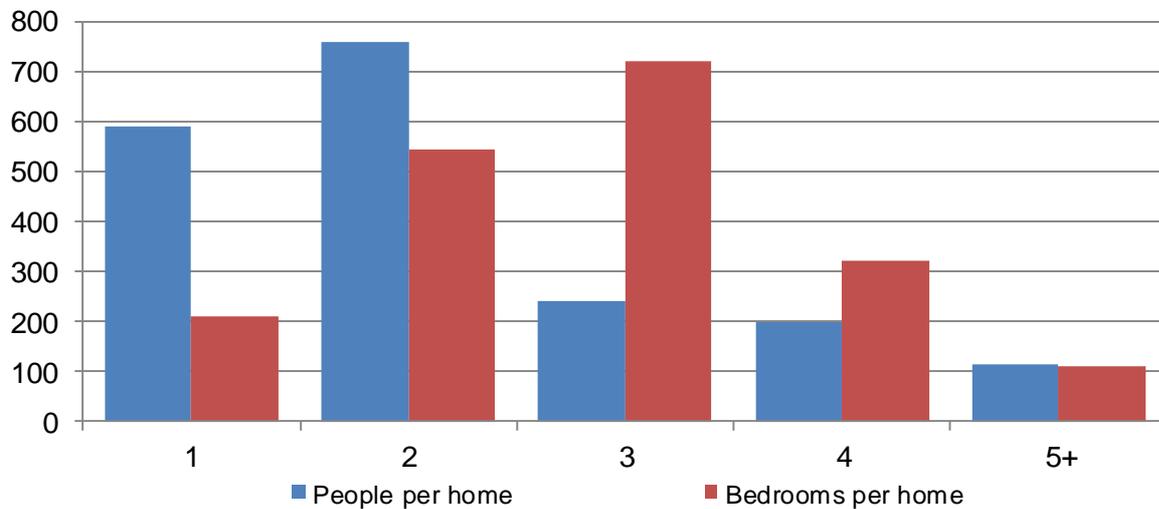


Most households are either 1 or 2 people in size (making up 71% of all households). Large households of 5 or more people only account for 6% of households.

1 person aged 65 and over	16.8%
1 person aged under 65	14.2%
1 adult and 1 or more children	4.0%
2 adults (65+) and no children	18.2%
2 adults (16 to 64) and no children	19.4%
2 adults and one or two children	11.2%
2 adults and 3 or more children	2.8%
3 + adults and 1 or more children	4.5%
3 + adults and no children	9.0%

‘Family households’ of one or two adults with children make up less than a quarter (22%) of all households. Small households with older people (65 or older) are in greater numbers, making up approximately 35% of all households. About 1.2% of houses are second homes (2014 Council tax register). The general vacancy rate (which includes homes that may be temporarily vacant for other reasons) is around 5% (2011 Census).

Most homes have 2 or 3 bedrooms (accounting for 28% and 38% of the housing stock respectively). Comparing the number of bedrooms per home to the number of people per home, it is clear that many one and two person households must be occupying larger (3 bedroom) homes. This may well be due to the flexibility and space additional bedrooms provide over and above what is used on a daily basis.



Discussions with local estate agents (undertaken by Neighbourhood Plan group volunteers in 2015) indicate that bungalows and character properties remain popular, both of which are in demand by older residents. Bungalows in particular are emblematic of low density and future proofed accommodation which is desired by older people. The benefits of single level living and bathrooms in particular, that accommodate those who are less active are desired. Older people also want some outside recreational space and room to park a car. 3 bedroom properties are generally in demand and there was felt to be a need for housing priced under £200k for first time buyers. Agents felt that buyers preferred not to be located near to social housing and that high quality housing always sold. Whilst self-build had not been mentioned by agents or residents at consultations, there is proposed legislation designed to encourage this kind of development, the details of which are still emerging.

The desire for 3 bedroom homes is also reflected in the latest strategic housing market analysis (2015) which estimates the requirement is primarily for 2 and 3 bedroom homes.

Table 11: Estimated dwelling requirement by number of bedrooms (2013 to 2033) – Market Sector

Area	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
North Dorset	4.2%	37.6%	42.5%	15.7%
Eastern Dorset	9.8%	42.6%	36.1%	11.4%

Based on discussions with local accommodation agents (2015) the migrant workers are thought to initially reside in family sized accommodation with multiple occupancy, often owned or supported by employers.

Respondents at the November public consultation generally mirrored the views of the estate agents and called for more bungalows and 3 bedrooomed houses. There was also support for 40% of affordable housing which was at that time the target set by North Dorset District Council and included housing for the elderly together with other kinds of rented, social and low value dwellings. Again the desire for a mixed community accommodating all income levels is relevant here. (November Consultation Report. Matrix 2015).

Key conclusions:

- The dominance of low paid employment locally and the needs of the elderly suggest that one and two bedded units, should be a priority in the affordable sector

- Although many open market homes are under-occupied (in terms of people / bedroom space) this appears to be due to choice and the spaciousness that larger, more flexible accommodation offers. If smaller properties are to be made more attractive, these factors need to be taken into account in their design.
- There is a desire for accommodation that delivers the benefits of bungalows to suit all income types.
- There is on paper more large family homes than needed (statistically two in five home are under-occupied by a factor of 2 or more bedrooms). However large family homes make up a relatively small proportion of the overall housing stock and new homes of this type may have a potential role in attracting high-income families to relocate to the area.