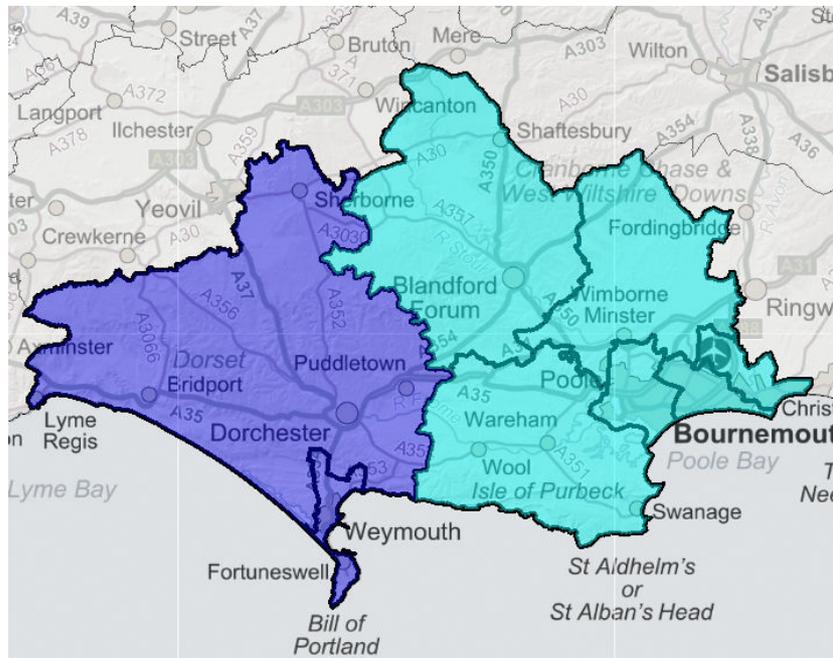




DORSET SURVEY OF HOUSING NEED AND DEMAND

Local Authority report for:

EAST DORSET DISTRICT COUNCIL



June 2008



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Table of Contents

Executive summary	1
SECTION A: CONTEXT	19
1. Introduction	21
2. Data collection	25
3. Population and household mobility	29
4. The local housing market.....	39
5. Key survey findings.....	45
SECTION B: HOUSING NEED	57
6. Guidance	59
7. Current need	61
8. Future need.....	69
SECTION C: CHARACTERISTICS OF HOUSING MARKET.....	77
9. Household mobility	79
10. Financial information	87
11. Balancing Housing Markets.....	95
SECTION D: PARTICULAR GROUPS	101
12. The needs of particular groups	103
SECTION E: IMPLICATIONS OF THE ANALYSIS.....	127
13. Housing markets gaps and how to fill them	129
14. Updating.....	145

Glossary	151
Appendix A1 Ward level data	161
Appendix A2 Supporting information.....	183
Appendix A3 Balancing Housing Markets analysis.....	187
Appendix A4 Inference of housing need at ward level.....	191
Appendix A5 Survey questionnaire	195

Executive summary

Introduction

- S1. This Survey of Housing Need and Demand forms part of a wider Housing Market Assessment being conducted by a partnership involving all nine local authorities in Bournemouth, Poole and Dorset, as well as a number of other stakeholders. The broad aim of this project was to provide the primary research at household level to understand the need and demand for different forms of housing. Ultimately the findings from this study will be fed into the wider SHMA research and used to evidence revised, local, affordable housing policies and strategies.
- S2. Where relevant the report follows Government advice given in PPS3: Housing (Nov 2006) and its Practice Guidance (published in March and August 2007). The former provides the formal requirements for assessment, and the latter provides detailed suggestions as to how to produce the requirements. The report therefore provides policy relevant outputs which can sensibly be translated into a range of strategies and will be an important input to both the RSS and LDF process.
- S3. In particular this report concentrates on the need for affordable housing and the supply and demand for housing across all tenure groups. Essentially it provides the three key requirements of PPS3 (para 22): which are to provide the market/affordable split, and the type and amount of affordable housing required (along with the types of household requiring market housing).

Data collection

- S4. A major part of the study process was the completion of the primary data collection via postal questionnaires with local households. In total 3,489 households took part in the survey. The questionnaire covered a wide range of issues including questions about:
- Current housing circumstances
 - Past moves
 - Future housing intentions
 - The requirements of newly forming households
 - Income levels

- S5. Information from the questionnaire survey was used throughout the report (along with secondary information) to make estimates about the future housing requirements in the District. The number of responses provided sufficient data to allow complete, accurate and detailed analysis of needs across the District.
- S6. Overall the survey estimated that there are around 37,600 households in the District, of these around 85% are currently owner-occupiers with 8% living in the social rented sector and around 7% in the private rented sector.

Table S1 Number of households in each tenure group				
Tenure	Total number of households	% of households	Number of returns	% of returns
Owner-occupied (no mortgage)	18,344	48.8%	1,809	51.8%
Owner-occupied (with mortgage)	13,504	35.9%	1,172	33.6%
RSL	3,135	8.3%	272	7.8%
Private rented	2,617	7.0%	236	6.8%
TOTAL	37,600	100.0%	3,489	100.0%

Source: East Dorset HNDS Fordham Research 2007

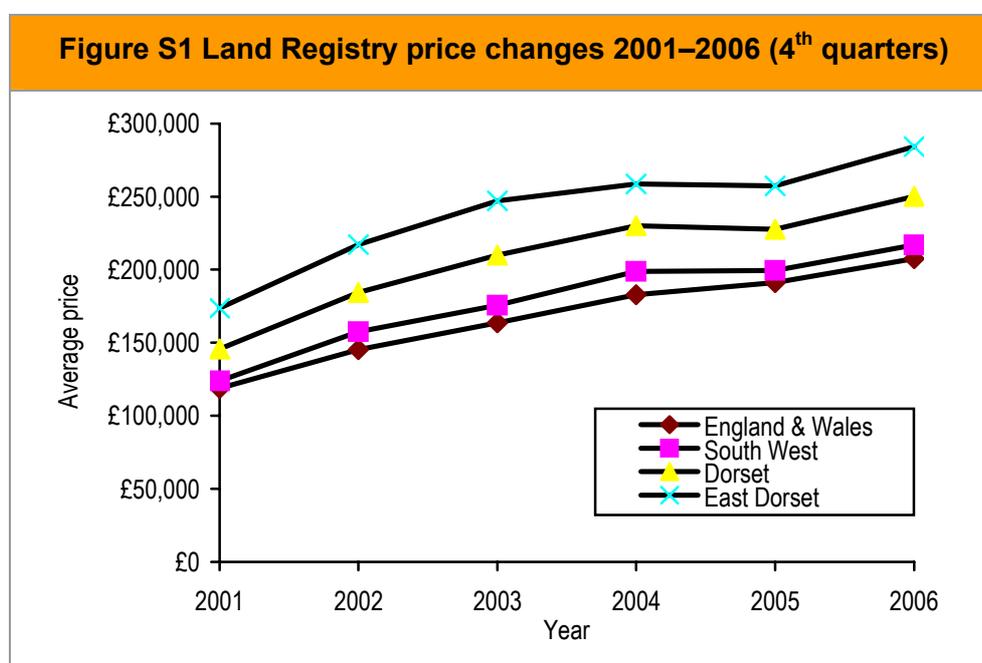
Population and household mobility

- S7. Dorset has a moderate level of self-containment (60.3%) with a substantial net inflow of people. According to the 2001 Census, a total of 30,994 people moved into Dorset from domestic sources, 10,314 more households moved into Dorset than moved out.
- S8. New Forest has the largest gross in and outflows with Dorset, other noticeable flows are from South Somerset and Salisbury. It is also notable that people from west London Boroughs show distinct flows to the county: London has a long tradition of radial migration movements outwards from it.
- S9. East Dorset shows a low level of self containment compared with other districts. 43.3% of households that have moved in the last two years have actually moved within the District. In the main households moving into East Dorset come from either outside Dorset, Bournemouth or Poole, with households in East Dorset looking at moving generally intend to move outside of Dorset or into Poole.

- S10. There is a strong net in-migration to the county, especially through Bournemouth. The working status profile suggests that in-migrant households are more likely to be retired, with out-migrant households more likely to be in employment. This would again accord with the overall attractiveness of the county, and the relative lack of major centres of employment, making it a net retirement location.

The Local Housing Market

- S11. A key part of the project was an assessment of the local housing market. Information was drawn from a range of sources including the Land Registry, internet searches and face-to-face interviews with local estate and letting agents. Separate and detailed reports for the whole of Dorset have been completed: in this report we provide the key findings in relation to East Dorset.
- S12. Latest Land Registry data suggests that the average property price in East Dorset (at £284,263) is around 37% higher than the average for England and Wales and well above the average for the whole of Dorset (around £250,000). The rate of increase in property prices in the District over the past few years has been significant, information from the Land Registry shows that between the 4th Quarter of 2001 and the 4th quarter of 2006 average property prices in East Dorset rose by 63.7% - this is slightly below the average increase for both England and Wales and Dorset as a whole.



- S13. A survey of local estate and letting agents identified estimates of the minimum costs of housing to both buy and rent in the District across set of four sub-markets. Overall, the

survey suggested that prices started at around £142,000 for a one-bedroom property up to £318,000 for four-bedrooms. Entry-level weekly rents varied from £133 (one-bed) to £254 (four-beds).

Table S2 Entry-level market costs in East Dorset (to buy)					
Property size	Ferndown	Wimborne Minster	Verwood	Corfe Mullen	Average
1 bedroom	-	-	-	-	£142,000
2 bedrooms	£204,000	£176,000	£171,000	£171,000	£190,000
3 bedrooms	£256,000	£242,000	£237,000	£214,000	£243,000
4 bedrooms	£342,000	£313,000	£285,000	£304,000	£318,000

Source: East Dorset HNDS Fordham Research 2007

Table S3 Entry-level market costs in East Dorset (to rent)					
Property size	Ferndown	Wimborne Minster	Verwood	Corfe Mullen	Average
1 bedroom	-	-	-	-	£133
2 bedrooms	£157	£147	£156	-	£153
3 bedrooms	£198	£190	-	£196	£196
4 bedrooms	-	-	-	-	£254

Source: East Dorset HNDS Fordham Research 2007

- S14. The information about minimum prices and rents was used along with financial information collected in the survey to make estimates of households' ability to afford market housing (without the need for subsidy).

Key Survey Findings

- S15. Using data from the household survey it is possible to provide a detailed picture of the profile of local households and their dwellings. The nature of the current stock is an important consideration in identifying gaps in the market and for providing information about potential future requirements. Below we highlight some key findings from the household survey:

- In total 61.6% of households live in detached houses or bungalows, whilst only 9.9% live in flatted accommodation. Households living in rented housing are more likely to live in flats whilst those in owner-occupation are more likely to live in detached houses than other tenures
- Over a third of all households are 'pensioner-only' and just under a fifth contain children. Lone parent households were found to be concentrated in the rented sectors

- Analysis of household moves in the last two years shows that private rented tenants are the most mobile. An estimated 41.1% of private renters had moved home in the past two years, compared to only 18.2% of social renters and 13.2% of owner-occupiers. There were more moves recorded within tenures than between them
- Car ownership data suggests that there is an average of 1.49 cars per household in the District. There are however large differences by tenure with owner-occupiers (with mortgage) having an average of 1.88 cars per household. Over a third of all households in social rented accommodation have no use of a car or van
- The population of East Dorset is predominantly White and survey data suggests that less than 1% of households are non-White
- The level of overcrowding recorded in East Dorset at 1.0% is lower than the national average
- The proportion of employed household heads varied significantly across the tenures. Some 82.0% of households buying with a mortgage are headed by an employed person compared to 55.7% in the private rented sector and 32.8% for social tenants
- Households in the private rented sector and those buying with a mortgage have the highest housing costs, households in the social rented sector the lowest

Future Movers

- S16. Another important aspect of the survey (in relation to future demand for housing) was an assessment of households who need or are likely to move home in the future. The study looked at the future aspirations and expectations of both existing households and potential newly forming households.
- S17. The table below shows that around 15.9% of existing households need or are likely to move home in the next two years. Households in the private rented sector are most likely to be future movers although over half of all moving households are currently owner-occupiers.

Table S4 Households who need or are likely to move in next two years by tenure			
Tenure	Number who need/likely to move	Total number of households	% need/likely to move
Owner-occupied (no mortgage)	1,814	18,344	9.9%
Owner-occupied (with mortgage)	2,351	13,504	17.4%
Social rented	735	3,135	23.4%
Private rented	1,074	2,617	41.1%
Total	5,975	37,600	15.9%

Source: East Dorset HNDS Fordham Research 2007

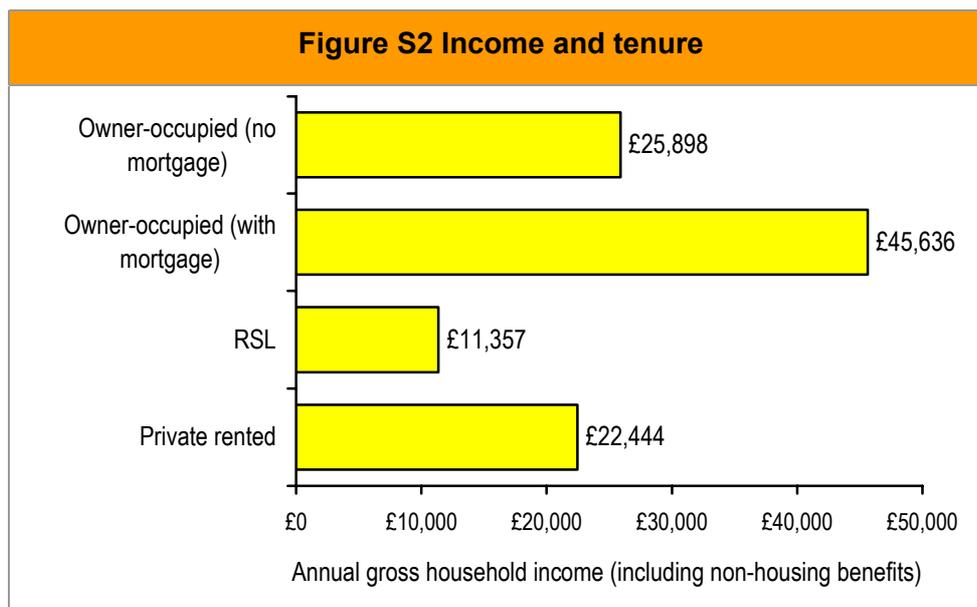
S18. In addition to the 5,975 existing households who need or are likely to move the survey estimates that around 2,356 households who need or are likely to form from households currently resident in the District over the next two years. Other key findings in relation to these moving households include:

- Some 62.3% of these households would like to remain in East Dorset although a slightly smaller proportion expect to
- Significantly more moving households would like owner-occupied accommodation than expect it (this finding is particularly notable for newly forming households). Similarly more moving households would like a detached home than expect it

Financial Information

S19. A key part of the housing needs and demand survey is an assessment of the financial situation of households. Data was therefore collected in the survey looking at a range of financial information (including incomes, savings and equity).

S20. Survey results for household income in East Dorset estimate the average (mean) gross household income level to be £31,534 per annum. The median income is noticeably lower than the mean (at £24,436 per annum). There were, however, wide variations by tenure; with households living in social rented housing having particularly low income levels.



Source: East Dorset HNDS Fordham Research 2007

S21. The survey also collected data about households' savings and equity levels. It is estimated that the median level of savings for all households is around £9,000 whilst the median equity level is £256,185.

Housing Need - background

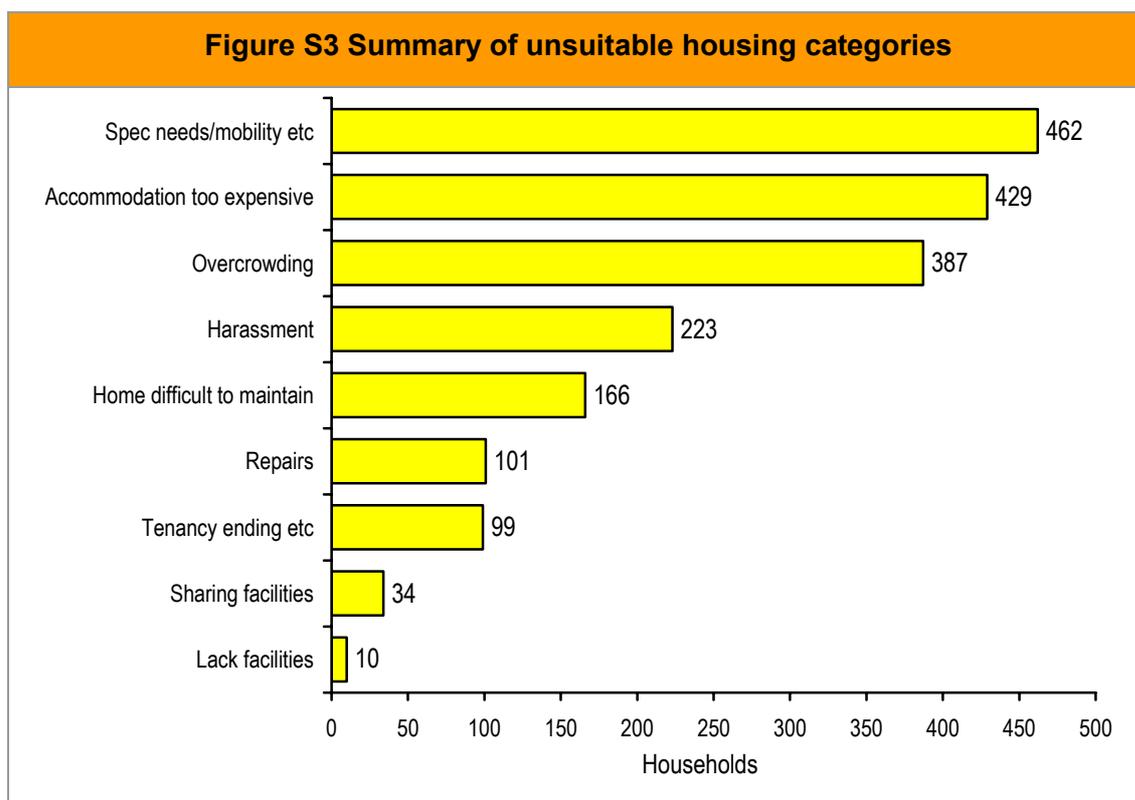
S22. A key part of the study was to look at affordable housing requirements. To do this the report has closely followed guidance set out by CLG ('Strategic Housing Market Assessments: Practice Guide' March 2007). The Guide sets out methods for looking at both the backlog of need and future need and in this report both have been addressed separately.

S23. In broad terms the assessment of need (which takes account of both the need for and supply of affordable housing) can be split into the following four categories for analysis:

- Current (backlog) need
- Available stock to offset need
- Newly arising (future) need
- Future supply of affordable units

Current need

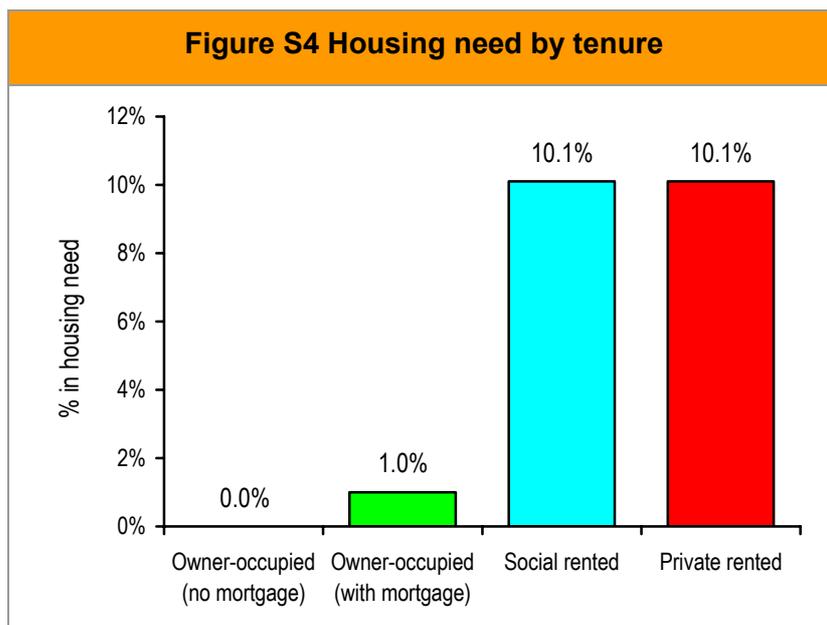
S24. Survey data suggests that around 1,552 households in the District are currently living in unsuitable housing - the main reason being 'special needs and/or mobility problems', followed by 'accommodation too expensive.'



Source: East Dorset HNDS Fordham Research 2007

- S25. The number of households in unsuitable housing whose needs could be met within their own accommodation were then considered (i.e. in-situ solutions). Overall, it was estimated that 1,071 of the 1,552 households would need to move home to find a solution to the unsuitability.

- S26. Of these 1,071 households, an estimated 66% cannot afford a suitable solution in the housing market without some form of subsidy and are hence considered to be in housing need (711 households). Households in the private rented and social rented sectors were most likely to be in housing need.



Source: East Dorset HNDS Fordham Research 2007

- S27. There were no homeless households who would not have been picked up by the household-based survey; there are therefore a total of 711 households in backlog need.
- S28. It is estimated that at the time of the survey there was a current stock of affordable housing of around 325 which could be used to meet this need (including dwellings becoming available as households in the social rented sector move to different dwellings). Hence it was estimated that the net backlog of need for affordable housing is around 386 units (711-325). Annualised over 5 years (as recommended in the Practice Guidance) this becomes 77 households (386/5).

Future need

- S29. The future need for affordable housing has been based on survey information about past household behaviour in terms of moves to different accommodation. The future need for affordable housing is split into two categories:
- New households formation (× proportion unable to buy or rent in market)
 - Existing households falling into need
- S30. The data suggests that on an annual basis there will be 179 newly forming households requiring affordable housing and a further 346 existing households. The total future need for affordable housing is therefore estimated to be 525 units per annum.

S31. The supply of affordable housing to meet this need has also been estimated from past trend data. This data suggests that the current stock of affordable housing is likely to provide around 162 units (161 social rented and 1 intermediate units (i.e. shared ownership)). Hence it is estimated that the net annual need for additional affordable housing is in the region of 440 units (77+525-162).

Balancing Housing Markets

S32. The previous analysis looked at the need for affordable housing in isolation. However, as mentioned it is the case that there is a significant overlap between affordable housing and market housing (e.g. with the private rented sector). Therefore a further analysis has been carried out which looks at future demands across the whole housing market.

S33. The 'Balancing Housing Markets' (BHM) assessment looks at the whole local housing market, considering the extent to which supply and demand are 'balanced' across tenure and property size. It works at the simplest level by establishing the likely demand for housing of particular types by the expected supply arising from vacancies in the existing stock so as to provide a broad indication of the shortages (and in some cases surpluses) of particular types of dwelling.

S34. The BHM model is not a purely technical assessment of housing requirements and combines a technical assessment of certain aspects (e.g. affordability) with a reasoned judgement about how exactly the housing market operates (e.g. the fact that the private rented sector is often used to meet some affordable needs through the use of Housing Benefit).

S35. In addition the model looks at both household's aspirations and their expectations to provide an indication of the most likely housing solution in the particular market. The model is essentially based upon the stated move expectations of the respondents, which have had the 'aspiration' element removed by asking about them first. The questionnaire says '*what would you like*', and then '*what would you expect*'. Although these do not contain a formal means test (in other words no arithmetic check has been made to see whether they can afford their stated preference) our experience suggests that expectations are quite reliable as a guide. Indeed 'expectations' of households planning to move are likely in some ways to be more reliable than a formal means test, as no questionnaire survey can expect to discover all means of finance available to households. The stated expectations do, therefore, contain an implicit means test.

S36. The expectations should therefore be regarded as moves which, if suitable supply of housing is available, are capable of being fulfilled. Thus the BHM analysis, which seeks to reconcile the 'demands' of movers with the supply of vacant dwellings, works by repeated iterations through the stock, taking account of what properties would be made vacant by moves, and then matching them with the sizes/types of dwelling stated by expected movers. The table below shows the overall results of the BHM analysis.

Table S5 Balancing Housing Markets results for East Dorset (per annum)					
Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	-4	104	57	46	203
Private rented	34	-13	-7	-23	-8
Intermediate	8	45	0	10	63
Social rented	15	37	28	39	117
TOTAL	52	173	78	72	375

Source: East Dorset HNDS Fordham Research 2007

- S37. The table shows that overall there is expected to be a greater demand for housing than the current stock of housing can meet. Overall, across all tenures there is an apparent shortfall of 375 dwellings per annum (excess demand over supply) of which 48% is for affordable housing. The above table also looks at demand shortfall and surpluses by tenure and it is worthwhile to briefly describe the findings in each of these groups.
- S38. There are two comments to make on the general interpretation of this table:

- a. **Private rented sector.** Where the figures show a surplus they do not imply that there will be empty rented flats. What the figures imply is that even viewed in terms of expectations, most people do not want the private rented sector. Viewed through the perspective of 'aspirations' very few want it. Many more expect it, but yet more will be obliged in practice to accept it. Household expectations are a realistic way to view the future market, but nothing is certain about the future, and as we have a much more detailed database on stock supply and turnover than any household is likely to have, this analysis can establish the 'true' position on overall supply and demand. A surplus shown for a particular size of private rented dwelling will only very rarely result in vacant private rented stock. In practice some households expecting to buy may be frustrated in achieving this. Such households will end up in private rented accommodation thus creating an overall demand for the sector. Similarly, but at the other end of the financial capacity range, some households only able to afford social rented housing will be unable to secure it as expected, and will enter the private rented sector on Housing Benefit.

- b. **Social rented vs intermediate housing.** Since there is only a very limited supply of intermediate housing at present, the 'expectations' of households are not often directed towards this tenure. As a result we have taken those aspiring to something more than social renting and applied a means test to them. In this respect, the general approach to the BHM of using expectations is replaced by analysis of the ability to afford. Thus the numbers of households indicated to be in the intermediate band are those unable to afford market housing, but who can afford the mid-point of the intermediate range. The mid-point is taken because it represents the 'average' weekly cost of intermediate housing types.

S39. The following examines the results.

Housing tenure outcomes

Owner-occupation

S40. In the owner-occupied sector there is an apparent shortfall of 203 units per annum (54%) of the overall shortfall. The majority of this shortfall is for two-bedroom units although excess demand is also shown for three and four-bedroom homes. There is an apparent (small) surplus of one-bedroom homes in the owner-occupied sector.

Private rented sector

S41. Overall the private rented sector appears to be roughly in balance. The potential demand for this type of accommodation is roughly in line with the overall supply. However, by size of dwelling we find that there are potential shortages of one-bedroom homes and surpluses of all other sizes of accommodation.

Intermediate housing

S42. The requirement for intermediate housing makes up around 17% of the net shortfall of housing in the District. The main shortfall is for two-bedroom homes. However it should be borne in mind that the results may not reflect households' actual ability to pay for this type of accommodation.

Social rented housing

S43. The shortage of social rented housing makes up around 31% of the total shortfall of housing in the District. The net need for units is spread across all sizes of accommodation.

Mix of new market housing

S44. PPS3 (para 22) requires, in the second of its three key outputs from SHMAs, indication of the likely profile of households requiring market housing, by the typology set out below. The tabulation covers all of (historic) Dorset as the comparisons between areas can be helpful.

S45. The following table shows the gross demand by four types of household. They do not overlap, so that if a household consists of 2 pensioners it is listed as 'older persons' and not also as 'multi-adult'.

Table S5 Gross demand for market housing (per annum by household type)

<i>Area</i>	<i>Older persons</i>	<i>Single non-pensioner</i>	<i>Multi adult</i>	<i>Households with children</i>	<i>TOTAL</i>
Bournemouth	930 15.8%	1,477 25.1%	2,375 40.3%	1,111 18.9%	5,892 100.0%
Christchurch	482 30.5%	245 15.5%	545 34.5%	310 19.6%	1,582 100.0%
East Dorset	594 22.5%	299 11.3%	1,018 38.5%	733 27.7%	2,643 100.0%
North Dorset	403 20.4%	299 15.1%	772 39.0%	505 25.5%	1,980 100.0%
Poole	663 15.9%	778 18.7%	1,832 44.0%	889 21.4%	4,162 100.0%
Purbeck	158 13.0%	162 13.4%	530 43.7%	363 29.9%	1,213 100.0%
West Dorset	712 25.5%	462 16.6%	946 33.9%	670 24.0%	2,790 100.0%
Weymouth & Portland	310 17.7%	382 21.8%	581 33.1%	482 27.4%	1,756 100.0%
DORSET	4,252 19.3%	4,104 18.6%	8,599 39.1%	5,063 23.0%	22,018 100.0%
Bournemouth/Poole HMA	3,230 18.5%	3,260 18.7%	7,072 40.5%	3,911 22.4%	17,472 100.0%
Dorchester/Weymouth HMA	1,022 22.5%	844 18.6%	1,527 33.6%	1,152 25.3%	4,546 100.0%
DORSET	4,252 19.3%	4,104 18.6%	8,599 39.1%	5,063 23.0%	22,018 100.0%

Source: This appears as Table 13.6 of the main text

S46. The results show a range of patterns, summarised below:

- i) About 40% of the gross demand is from multi-adult households (Dorset wide). It is the biggest group in all the districts, although the average for the Dorchester/Weymouth HMA is a bit lower: a third rather than 40%.
- ii) The next biggest group is households with children, at county and both HMA levels, although this pattern varies slightly among the districts. The exception is Bournemouth, where the gross demand is higher for 'single non-pensioner' than for families, although both areas of demand are substantial.

- iii) The demand from single-non pensioners is joint third with older persons. This may seem odd, given that household projections show increasing numbers of single people. However a single person household, whether pensioner or not, can arise through the death or departure of a spouse, without any house move at all. That helps to explain this finding.
- iv) The gross demand from older persons is about a fifth, at the county level, but a bit higher in the Dorchester/Weymouth HMA than in the Bournemouth/Poole one. By far the highest demand figure from older persons is in Christchurch, which entirely agrees with the character of that borough as being highly attractive to older people.

S47. The outputs shown here fulfil the requirement of the middle part of Para 22 of PPS3.

The Needs of Particular Groups

S48. In addition to the main analyses of housing need and housing need the study addressed particular client groups that may have specific housing requirements. Although such groups do not necessarily represent households in need as defined by the CLG Guide, it is important for the Council to have information on them in order to inform specific policies and service provision.

S49. For example, the frail elderly may not be in housing need in the sense of not being able to afford market housing, but many of them are liable to require extra care in the future, whether directly, or via aids and adaptations in the home. Key findings from analysis of a range of different groups include:

- There are an estimated 6,975 households in the East Dorset area with one or more members in an identified special needs group, which represents 18.6% of all households. These households were most likely to state a requirement for more support services
- Well over a third of households in East Dorset contain only older people (37.1%). These are almost all comprised of one or two persons, however over half reside in accommodation with three or more bedrooms. Within the social rented sector there are 73 older person households living in properties with at least three-bedrooms indicating an opportunity to reduce under-occupation
- The survey estimates that 3,487 households in East Dorset are headed by a key worker. Key worker households are more likely than average to be resident in owner-occupation. They also record higher average incomes than other households in employment

- East Dorset District is largely urban although around a quarter of households live in areas described as rural. There were some noticeable differences between households living in urban and rural areas; notably, households in rural areas typically showed higher levels of income and savings and a greater availability of cars/vans. Such households were however more likely to express problems with the adequacy of public transport

Implications for affordable housing policy

- S50. Affordable housing policy, based on rigorous Housing Needs Assessment, has been an important part of housing strategy and planning policy ever since 1991. However no Government body has provided any clear mechanism for establishing an affordable housing target.
- S51. Following the CLG Guidance the net annual housing need in East Dorset is estimated to be 440. This represents an index of 12 (the average for 350 or so Fordham Research studies of this kind is about 16, so that it is significant but not high).
- S52. In reality a number of households are likely to find solutions in the private sector (e.g. by spending a greater proportion of their income on housing than is recommended by the Guidance) and the requirement for affordable housing will be lower, although still much higher than what is likely to be possible to achieve.
- S53. Due to the lack of instruction from Government, targets are set by the prevailing practice: what other councils with similar levels of housing need have proposed, and after examination by Planning Inspectors, adopted. The RSS Panel report for the South West suggested a minimum target of 35%. Clearly the situation in East Dorset is more serious than the minimum. Other authorities with a high level of need are pursuing targets of 50%. These are subject to 'deliverability' as specified in PPS3.
- S54. PPS3 also requires this target to be split between intermediate and social rented housing. We have studied the requirement for intermediate housing through the balancing housing markets (BHM) model. This model suggests that around 25% of all additional affordable housing should be intermediate housing (i.e. priced around midway between social rents and the entry-level cost of private sector housing (generally private rented housing)).
- S55. However there is little housing that can be truly labelled 'intermediate': for example shared ownership is typically more expensive than market entry and is therefore 'low cost market' housing in practice. There is scope in East Dorset for a Housing Corporation product called 'intermediate rent': this could meet some 15% of East Dorset's annual need. Hence this would appear to indicate a more appropriate target for the intermediate band.

- S56. The final chapter presents a set of weekly costs for different sizes and tenures of housing which, if updated according to the instructions provided, will ensure that newbuild housing fits whatever tenure/size descriptions are in accordance with future policies.

SECTION A: CONTEXT

This section summarises the Brief for the study and provides the context of information used to generate the analysis which follows

1. Introduction

Introduction

- 1.1 This Survey of Housing Need and Demand forms part of a wider Strategic Housing Market Assessment being conducted by a partnership involving all nine local authorities in Bournemouth, Poole and Dorset, as well as a number of other stakeholders. The broad aim of this project was to provide the primary research at household level to understand the need and demand for different forms of housing. Ultimately the findings from this study will be fed into the wider SHMA research and used to evidence revised, local, affordable housing policies and strategies.
- 1.2 This report presents the results for the East Dorset District. Equivalent reports have been produced for the seven other authority areas within Dorset.
- 1.3 The following table summarises key terms used in this report.

Table 1.1 Key terms used in the Reports

<i>Key term or reference</i>	<i>Acronym</i>
Housing need/demand study	HNDS
Strategic Housing Market Assessment	SHMA
Housing market area	HMA
Planning Policy Statement 3: Housing (Nov 2006)	PPS3
Practice Guidance on PPS3 (March and August 2007)	The Guide
Local Development Framework	LDF
Regional Spatial Strategy	RSS

Source: Fordham Research 2007

The Dorset-wide Strategic Housing Market Assessment

- 1.4 The Dorset-wide SHMA is already well advanced and a number of documents have been produced along with a series of consultation days (facilitated by the County Council). The main aims of the SHMA can be summarised as being to:
- Analyse primary and secondary data to produce a detailed understanding of the local housing market and sub-markets in the sub-region
 - Enable the development of strategic views on the need and demand for both market and affordable housing across the County

- Provide evidence to support both RSS and LDF policies to enable the development of mixed and balanced communities
- Inform decisions about housing requirements in areas with different characteristics (e.g. urban vs. rural areas)
- Identify the particular situation of different groups of the population (e.g. key workers, households with disabilities and older persons)
- Provide an understanding of the linkages between the housing market and the local economy

1.5 Whilst this project does not cover all of the key areas highlighted for the SHMA the data collected and analysed will provide an important source of information for many of the bullet points mentioned above.

Key outputs from this document

- 1.6 This document is designed to provide information in relation to many of the key outputs required for the Dorset-wide SHMA. In particular the survey outputs look at household and dwelling characteristics (putting these in a regional and national context), households' current financial circumstances (e.g. income, savings, equity) and future housing demands (from both current and new households).
- 1.7 This report also assesses current prices and rents in the local area (this topic is subject to a separate report) to help provide a background to the affordability of local housing.
- 1.8 Key outputs from the report also include an assessment of the need for affordable housing and a separate analysis of imbalances in the housing stock (comparing housing supply and demand across all sectors (i.e. affordable and market).
- 1.9 Finally, the report studies the particular situation of a range of specific household groups (such as special needs households and key workers).
- 1.10 Where possible, all information has been provided at ward level to assist in the understanding of differences in the local housing market and to potentially inform policies for different parts of the District and housing market area.

Government Guidance

- 1.11 Although this report is only providing information which is to feed into the Dorset-wide SHMA it is important to briefly summarise key points from Government Guidance which are relevant to this assessment. These documents are of particular importance:

- Planning Policy Statement 3 (Housing) – PPS3 (November 2006)
- Strategic Housing Market Assessments Practice Guidance – The Guide (March 2007)

1.12 PPS3 sets out a number of key definitions relevant to this project (including affordable housing, intermediate housing and housing need). In addition the PPS is clear about the outputs required from a Strategic Housing Market Assessment. Paragraph 22 of PPS3 summarises the requirements nicely:

Based upon the findings of the Strategic Housing Market Assessment and other local evidence, Local Planning Authorities should set out in Local Development Documents

- *The likely overall proportions of households that require market or affordable housing*
- *The likely profile of household types requiring market housing*
- *The size and type of affordable housing required*

1.13 The Guide provides details about the whole process of conducting a Strategic Housing Market Assessment. Whilst much of this information is not relevant to this project there are a number of areas within Guidance which are important for this particular study. The most important aspect of the Guide for this study is the information about measuring housing need.

1.14 The Guide sets out a series of steps to be followed when assessing affordable housing requirements and also sets out some key definitions for particular aspects of analysis (such as the measurement of housing suitability and a detailed discussion of measuring affordability).

1.15 As far as is possible (and relevant) this project has sought to follow the requirements of both PPS3 and The Guide.

Summary

1.16 This report details the findings of a survey of housing need and demand carried out across Dorset. The results of this survey will be fed into the Dorset-wide Strategic Housing Market Assessment work. This report presents the findings for East Dorset District.

1.17 In particular this report concentrates on the need for affordable housing and the supply and demand for housing across all tenure groups.

- 1.18 Where relevant the report follows Government advice given in PPS3 and The Guide and therefore provides policy relevant outputs which can sensibly be translated into a range of strategies and will be an important input to both the RSS and LDF process.

2. Data collection

Introduction

- 2.1 The primary data was collected using postal questionnaires. The same questionnaire was distributed across the whole of Dorset to ensure the results produced are comparable. A copy of the questionnaire is provided in Appendix A5. The sample for the survey was drawn, at random, from the Council Tax Register covering all areas and tenures groups in the District.
- 2.2 In total 3,489 postal questionnaires were returned. The number of responses provides sufficient data to allow complete, accurate and detailed analysis of needs across the District and down to ward level. The sample size of 3,489 gives a maximum margin of error District-wide of 1.6% at the 95% confidence interval.
- 2.3 Although the response represents only a small percentage of the total household population, this does not undermine the validity of the survey as paragraph 18 of Strategic Housing Market Assessment Practice Guidance Annex C states:

A common misconception when sampling is that it should be based on a certain percentage of the population being studied. In fact, it is the total number of cases sampled which is important. As the number of cases increase, the results become more reliable but at a decreasing rate...Approximately 1500 responses should allow a reasonable level of analysis for a local authority area.

- 2.4 Prior to analysis, data must be weighted in order to take account of any measurable bias. The procedure for doing this to the main dataset is presented in the following section.

Base household figures and weighting procedures

- 2.5 Firstly, the total number of households is estimated. This is necessary in order to gross up the data to represent the entire household population. A number of different sources were consulted, primarily the Council's Housing Strategy Statistical Appendix (HSSA) (2006), the Council Tax Register and CLG household projection information. Using this information, it is estimated that the number of households resident in the District at the time of the survey was 37,600.

2.6 The table below shows an estimate of the current tenure split in East Dorset along with the sample achieved in each group. The data shows that around 85% of households were owner occupiers with 8% in the social rented sector and the remaining 7% in the private rented sector. The private rented sector includes those living in tied accommodation and those living in accommodation owned by relatives or friends.

Table 2.1 Number of households in each tenure group				
Tenure	Total number of households	% of households	Number of returns	% of returns
Owner-occupied (no mortgage)	18,344	48.8%	1,809	51.8%
Owner-occupied (with mortgage)	13,504	35.9%	1,172	33.6%
RSL	3,135	8.3%	272	7.8%
Private rented	2,617	7.0%	236	6.8%
TOTAL	37,600	100.0%	3,489	100.0%

Source: East Dorset HNDS Fordham Research 2007

2.7 Survey data was weighted to match the suggested tenure profile shown above. An important aspect of preparing data for analysis is ‘weighting’ it. As can be seen from the table above, social survey responses never exactly match the estimated population totals. As a result it is necessary to ‘rebalance’ the data to correctly represent the population being analysed via weighting. Weighting is recognised by the Strategic Housing Market Assessment Guidance as being a way of compensating for low response amongst certain groups. Although response rates were lower amongst certain groups of the population (private rented in the table above) the application of a sophisticated weighting process, as has been used in this survey, removes any bias.

2.8 In keeping with this discussion it is necessary to ‘rebalance’ the data to correctly represent the population being analysed. Data was also weighted to be in line with the estimated number of households in each of various groups:

- Twenty-four wards
- Council Tax Band
- Number of people in household
- Household type
- Accommodation type
- Car ownership

2.9 Further information on this process is presented in Appendix A2.

Rounding

- 2.10 Figures presented in the analytical text and tables of this report have been rounded and discrepancies may occur between the sums of the component items and totals. Percentages are calculated prior to rounding and therefore discrepancies may also exist between these percentages and those calculated from the rounded figures.

Summary

- 2.11 This Survey of Housing Need and Demand in East Dorset is based on primary survey data collected via a postal questionnaire from 3,489 households. The survey data was grossed up to an estimated total of 37,600 households and weighted according to key characteristics so as to be representative of the District's household population.

3. Population and household mobility

Introduction

- 3.1 This chapter helps to set the scene for the study by providing context on people's mobility. Further analysis of household mobility will be found in the context of turnover rates in Chapter 5, and in terms of tenure and future movement in Chapter 9. This introductory chapter is intended to provide context.
- 3.2 The analysis begins with 2001 Census information (based on people not households), firstly showing the relationship of Dorset with the outside world, and then the dynamics of movement within Dorset. This is followed by a parallel analysis within Dorset using the primary data. This cannot of course provide the wider focus outside the (historic) county as it was limited to Dorset, but can provide extra insights, for example through future movement plans.

Movements of population between Dorset and the outside world: Census

- 3.3 The tables below show the overall migration statistics for Dorset, taken from the 2001 census. The selection of places outside Dorset is based on examination of the locations most frequently involved in movements of population into and out of the county.
- 3.4 The net inflow from domestic sources in Dorset is a significant one. 10,314 more people coming into Dorset from within the UK than we find leaving to elsewhere in the UK will have a significant impact upon the housing market. A total of 4,240 people arrived from international sources in the year before the Census; however since outflows are not recorded from the UK, no net figure can be calculated.
- 3.5 Dorset has a moderate level of self-containment in terms of migration; there were more people moving into homes in Dorset from within the borough (60.3%) as there were from outside the borough (39.7%).

Table 3.1 Dorset: Total Migration, Domestic and International			
	Inflow	Outflow	Net Flow
Domestic	30,994	20,680	10,314
International	4,240	?	?
TOTAL	35,234	?	?
Internal Flow	53,624	53,624	n/a
Self-containment	60.3%	(72.2%)	n/a

Source: 2001 Census

- 3.6 Table 3.1 is not a complete count of all migrating households, as the analyses excludes partly moving households, defined by NOMIS as including households where no household member had a usual address one year ago. The inflow also excludes households who previously did not have a usual address and did not live within the area.
- 3.7 The table below provides a more detailed view of the inflows and outflows to/from Dorset (from local authorities outside of Dorset). A large selection of areas has been included, from both authorities neighbouring the study area and from authorities further afield. International moves have been excluded from the table.
- 3.8 New Forest in Hampshire records the largest gross in and outflows with Dorset. New Forest borders both East Dorset and Christchurch. In terms of net migration Test Valley shows the largest inflow to Dorset, with Southampton recorded as taking the largest outflow. To the west and north of the county there are relatively large flows between South Somerset and Dorset and smaller flows between East Devon and Dorset, in both cases these result in net out- migration from the County.

Table 3.2 Dorset Migration Data (LA's outside of the study area)

	Into Dorset	Out of Dorset	Net Migration
Basingstoke and Deane	280	138	142
Birmingham	211	207	4
Bristol, City of	284	299	-15
Ealing	212	109	103
East Devon	262	302	-40
Eastleigh	195	145	50
Hillingdon	247	107	140
Hounslow	249	115	134
Isle of Wight	218	213	5
New Forest	1,394	1,267	127
Plymouth	198	262	-64
Portsmouth	239	234	5
Richmond upon Thames	192	89	103
Salisbury	725	725	0
South Somerset	941	1,035	-94
Southampton	427	570	-143
Test Valley	329	127	202
Wandsworth	206	234	-28
Winchester	283	282	1
Wokingham	229	96	133

Source: 2001 Census

Movements within Dorset: Census

- 3.9 This analysis will continue with further analysis of Census data, looking at the movements to and within Dorset (from the year previous to Census day 2001). We have then conducted the same analysis using more recent data from the household survey. Of particular interest may be the final two tables in this section where we analyse expected future movers for households in each of the districts.

Table 3.3 Movement to and within Dorset (people) (Census)

Current location	Previous location									TOTAL
	Bourne-mouth	Christ-church	East Dorset	Poole	Pur-beck	North Dorset	West Dorset	Weymouth & Portland	Outside Dorset	
Bournemouth	12,594	679	667	1,954	140	104	93	73	10,377	26,681
Christchurch	776	1,919	96	115	21	17	15	0	1,796	4,755
East Dorset	695	105	3,082	878	137	118	34	36	3,128	8,213
Poole	1,831	115	712	7,494	475	116	78	71	5,106	15,998
Purbeck	156	3	117	435	2,148	55	99	46	2,115	5,174
North Dorset	131	6	170	148	83	3,222	172	59	4,809	8,800
West Dorset	63	12	70	104	164	264	4,915	525	4,803	10,920
Weymouth & Portland	41	3	21	42	59	48	584	4,419	3,100	8,317
TOTAL	16,287	2,842	4,935	11,170	3,227	3,944	5,990	5,229	35,234	88,858

Source: 2001 Census

Table 3.4 Movement to and within Dorset (row percentages) (Census)

Current location	Previous location									TOTAL
	Bourne-mouth	Christ-church	East Dorset	Poole	Pur-beck	North Dorset	West Dorset	Weymouth & Portland	Outside Dorset	
Bournemouth	47.2%	2.5%	2.5%	7.3%	0.5%	0.4%	0.3%	0.3%	38.9%	100.0%
Christchurch	16.3%	40.4%	2.0%	2.4%	0.4%	0.4%	0.3%	0.0%	37.8%	100.0%
East Dorset	8.5%	1.3%	37.5%	10.7%	1.7%	1.4%	0.4%	0.4%	38.1%	100.0%
Poole	11.4%	0.7%	4.5%	46.8%	3.0%	0.7%	0.5%	0.4%	31.9%	100.0%
Purbeck	3.0%	0.1%	2.3%	8.4%	41.5%	1.1%	1.9%	0.9%	40.9%	100.0%
North Dorset	1.5%	0.1%	1.9%	1.7%	0.9%	36.6%	2.0%	0.7%	54.6%	100.0%
West Dorset	0.6%	0.1%	0.6%	1.0%	1.5%	2.4%	45.0%	4.8%	44.0%	100.0%
Weymouth & Portland	0.5%	0.0%	0.3%	0.5%	0.7%	0.6%	7.0%	53.1%	37.3%	100.0%
TOTAL	18.3%	3.2%	5.6%	12.6%	3.6%	4.4%	6.7%	5.9%	39.7%	100.0%

Source: 2001 Census

3.10 The tables above show varying levels of self containment for each of the districts. More than half of the moves from Weymouth and Portland are from within the District whereas just over a third of the moves into North Dorset come from within the District. It is interesting to note the large number, and proportion, of people moving into Dorset from outside the area, 35,234 (39.7% of all movers). Bournemouth has a high level of self containment but because of its size is the most likely destination for people moving in from outside, nearly 30% of people moving into Dorset move to Bournemouth.

Movements within Dorset: survey based

3.11 The tables below show the movement patterns for households who have moved to their current accommodation within the past two years (from survey data). The following figures are based on households, unlike the Census data above, which is numbers of people.

3.12 These again are displayed in gross numbers and percentages of all moves. The gross numbers for the following tables are not comparable with the census tables from above as these figures are based over a two year period and are based on households as opposed to population. However it is interesting to compare the percentage tables when considering potential changes since the 2001 Census.

Table 3.5 Household movement to and within Dorset (households) (Survey)

Current location	Previous location									TOTAL
	Bourne-mouth	Christ-church	East Dorset	Poole	Pur-beck	North Dorset	West Dorset	Weymouth & Portland	Outside Dorset	
Bournemouth	11,925	661	531	1,040	122	151	0	0	4,716	19,146
Christchurch	514	1,604	43	109	54	0	29	0	1,270	3,622
East Dorset	635	191	2,537	531	50	150	43	0	1,727	5,864
Poole	1,064	232	614	6,371	368	101	85	30	2,752	11,617
Purbeck	123	11	71	367	1,816	46	109	22	995	3,559
North Dorset	87	15	224	193	126	3,162	159	33	2,185	6,184
West Dorset	104	38	34	41	92	251	4,081	507	2,935	8,083
Weymouth & Portland	37	14	36	57	17	14	360	3,953	1,301	5,788
TOTAL	14,490	2,765	4,089	8,709	2,645	3,877	4,865	4,545	17,880	63,864

Source: East Dorset HNDS Fordham Research 2007

Table 3.6 Household movement to and within Dorset (row percentages) (Survey)

Current location	Previous location									TOTAL
	Bourne-mouth	Christ-church	East Dorset	Poole	Pur-beck	North Dorset	West Dorset	Weymouth & Portland	Outside Dorset	
Bournemouth	62.3%	3.5%	2.8%	5.4%	0.6%	0.8%	0.0%	0.0%	24.6%	100.0%
Christchurch	14.2%	44.3%	1.2%	3.0%	1.5%	0.0%	0.8%	0.0%	35.1%	100.0%
East Dorset	10.8%	3.3%	43.3%	9.1%	0.9%	2.6%	0.7%	0.0%	29.4%	100.0%
Poole	9.2%	2.0%	5.3%	54.8%	3.2%	0.9%	0.7%	0.3%	23.7%	100.0%
Purbeck	3.4%	0.3%	2.0%	10.3%	51.0%	1.3%	3.1%	0.6%	27.9%	100.0%
North Dorset	1.4%	0.2%	3.6%	3.1%	2.0%	51.1%	2.6%	0.5%	35.3%	100.0%
West Dorset	1.3%	0.5%	0.4%	0.5%	1.1%	3.1%	50.5%	6.3%	36.3%	100.0%
Weymouth & Portland	0.6%	0.2%	0.6%	1.0%	0.3%	0.2%	6.2%	68.3%	22.5%	100.0%
TOTAL	22.7%	4.3%	6.4%	13.6%	4.1%	6.1%	7.6%	7.1%	28.0%	100.0%

Source: East Dorset HNDS Fordham Research 2007

3.13 The first thing that is noticeable in the percentage table above, when compared with the internal movements recorded in 2001 by the Census is how much higher they are. The ‘within district’ historic movements from the survey are about 10% higher across the many districts in Dorset. This suggests a degree of systematic change, which may have to do with the higher prices that now prevail.

3.14 Similar to the reported in-migration for people shown by Census data, household data from the survey shows a substantial proportion of households moving into Dorset from outside the area. 17,880 households accounting for 28% of all moves have come from outside of the study area.

3.15 For the sake of comparability, the following table shows the census data household position compared with the 2007 survey data equivalents:

Table 3.7 % Self containment by Local Authority				
Local Authority	2001 census - population	2001 census - households	2007 HNS - households	Difference between 2001 households and 2007 HNS
Bournemouth	47.2	55.2	62.3	7.1
Poole	41.5	52.3	51.0	-1.3
Christchurch	40.4	44.0	44.3	0.3
East Dorset	37.5	40.6	43.3	2.7
North Dorset	46.8	46.3	54.8	8.5
Purbeck	36.6	45.9	51.1	5.2
West Dorset	45.0	48.9	50.5	1.6
Weymouth and Portland	53.1	59.6	68.3	8.7

Source: East Dorset HNDS Fordham Research 2007: combined 2001 census and survey data

3.16 The margins of accuracy are naturally smaller for the census than for the survey, but on the face of these figures self-containment would appear to have risen in Weymouth and Portland, North Dorset and Bournemouth, and to a lesser extent Purbeck. The other differences are not large enough to be regarded as meaningful given the sample size difference.

3.17 East Dorset has a low level of self containment in comparison with other districts, just 43.3% of all households in Christchurch that have moved in the last two years have actually moved within the District (this is the lowest proportion out of all the districts). In the main households are moving into East Dorset from either outside of the Dorset area (29.4%) or from Bournemouth (10.8%) or Poole (9.1%).

Future expected movement patterns: survey based

3.18 The tables below show the expected future moves of households moving in the next two years.

Table 3.8 Future household movement from and within Dorset (households) (Survey)

Current location	Future location									TOTAL
	Bourne-mouth	Christ-church	East Dorset	Poole	Pur-beck	North Dorset	West Dorset	Weymouth & Portland	Outside Dorset	
Bournemouth	13,158	463	248	1,982	180	321	121	0	2,934	19,407
Christchurch	382	2,360	90	54	29	0	55	0	501	3,470
East Dorset	257	109	3,418	544	138	135	100	14	1,260	5,975
Poole	802	99	583	8,459	130	125	24	33	1,699	11,953
Purbeck	51	16	60	424	2,136	68	129	17	498	3,399
North Dorset	101	49	145	201	57	3,148	160	49	1,204	5,113
West Dorset	71	7	31	86	53	156	5,047	255	1,328	7,034
Weymouth & Portland	15	9	68	38	37	52	501	4,003	725	5,448
TOTAL	14,838	3,112	4,643	11,787	2,761	4,003	6,135	4,371	10,148	61,799

Source: East Dorset HNDS Fordham Research 2007

Table 3.9 Future household movement from and within Dorset (row percentages) (Survey)

Current location	Future location									TOTAL
	Bourne-mouth	Christ-church	East Dorset	Poole	Pur-beck	North Dorset	West Dorset	Weymouth & Portland	Outside Dorset	
Bournemouth	67.8%	2.4%	1.3%	10.2%	0.9%	1.7%	0.6%	0.0%	15.1%	100.0%
Christchurch	11.0%	68.0%	2.6%	1.6%	0.8%	0.0%	1.6%	0.0%	14.4%	100.0%
East Dorset	4.3%	1.8%	57.2%	9.1%	2.3%	2.3%	1.7%	0.2%	21.1%	100.0%
Poole	6.7%	0.8%	4.9%	70.8%	1.1%	1.0%	0.2%	0.3%	14.2%	100.0%
Purbeck	1.5%	0.5%	1.8%	12.5%	62.8%	2.0%	3.8%	0.5%	14.6%	100.0%
North Dorset	2.0%	0.9%	2.8%	3.9%	1.1%	61.6%	3.1%	1.0%	23.5%	100.0%
West Dorset	1.0%	0.1%	0.4%	1.2%	0.8%	2.2%	71.8%	3.6%	18.9%	100.0%
Weymouth & Portland	0.3%	0.2%	1.2%	0.7%	0.7%	0.9%	9.2%	73.5%	13.3%	100.0%
TOTAL	24.0%	5.0%	7.5%	19.1%	4.5%	6.5%	9.9%	7.1%	16.4%	100.0%

Source: East Dorset HNDS Fordham Research 2007

3.19 As can be seen from the percentage table immediately above, this shows higher levels of internal movement within the districts, just like the past survey based moves, and distinctly higher than the census 2001 figures.

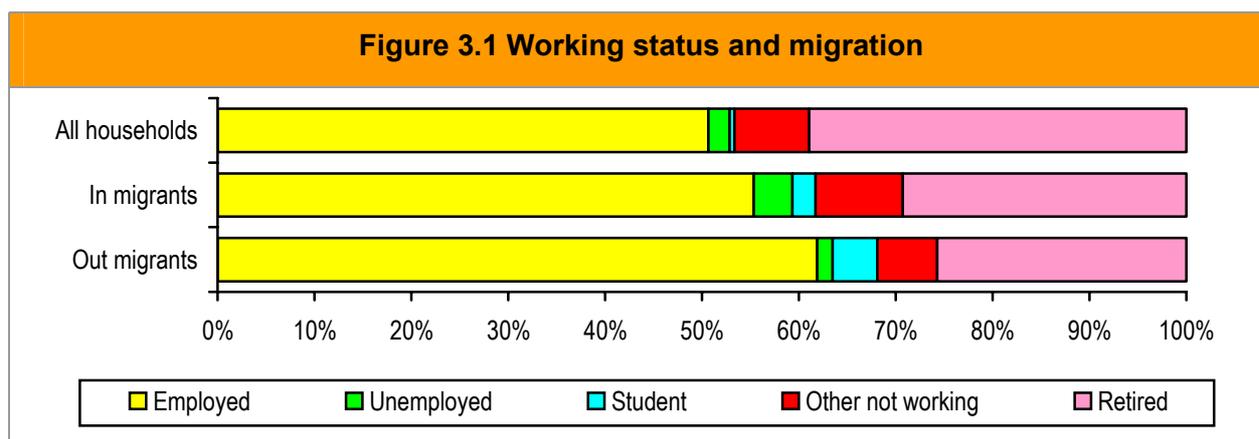
- 3.20 Of the 61,799 households that expect to move in the next two years just 16.4% expect to move outside of Dorset, compared to 28.0% who have moved into Dorset from outside the area in the previous two years. If you were to look at taking a net figure from the gross inflow and expected gross outflow it comes to 7,732 households coming into Dorset over a two year period. Although we are not comparing like with like in this situation and it is too simplistic to rely upon this as an accurate number, it is however informative and of interest.
- 3.21 It is also interesting to note that generally higher proportions of households expect to move within their district than actually achieve it. For example of all households in Christchurch that moved within the last two years into another Dorset authority, just 58.0% moved into a dwelling in Christchurch (the majority of the remainder moved to Bournemouth). When looking at households in Christchurch looking to move in the next two years within Dorset, we find that 79.5% expect to move within Christchurch.
- 3.22 When comparing all districts East Dorset shows the lowest proportion of households who expect to move within the same area. 57.2% of moving households in East Dorset expect to move within the District whereas 73.5% of households in Weymouth and Portland expect to stay in the area.

Working status and migration (survey)

- 3.23 The table and figure below show the working status (in numbers and percentages) of in-migrant households (households who have moved into the area in the previous two years) and out-migrant households (households looking to move in the next two years), these are shown against the working status of survey respondents existing in the area.

Table 3.10 Working status and migration			
Working status (survey respondent)	All households	In migrants	Out migrants
Employed	160,178	9,907	6,278
Unemployed	7,004	716	159
Student	1,669	421	471
Retired	123,177	5,231	2,612
Other not working	24,518	1,604	627
Total	316,545	17,880	10,148

Source: East Dorset HNDS Fordham Research 2007



Source: East Dorset HNDS Fordham Research 2007

- 3.24 It is interesting to note the differences between the in-migrant and out-migrant households in terms of working status. Out migrant households tend to be employed, whereas in-migrant households have a higher proportion of retired households. Although the differences are not very large, the results would suggest that the in-migrants into Dorset are often wealthy households, retired or looking to retire.

Summary

- 3.25 Dorset has a moderate level of self-containment (60.3%) with a substantial net inflow of people. According to the 2001 Census, a total of 30,994 people moved into Dorset from domestic sources, 10,314 more households moved into Dorset than moved out.
- 3.26 New Forest has the largest gross in and outflows with Dorset. Other noticeable flows are from South Somerset and Salisbury. It is also notable that people from west London Boroughs show distinct flows to the county: London has a long tradition of radial migration movements outwards from it.
- 3.27 East Dorset shows a low level of self containment compared with other districts. 43.3% of households that have moved in the last two years have actually moved within the District. In the main households moving into East Dorset come from either outside Dorset, Bournemouth or Poole, with households in East Dorset looking at moving generally intend to move outside of Dorset or into Poole.
- 3.28 There is a strong net in-migration to the county, especially through Bournemouth. The working status profile suggests that in-migrant households are more likely to be retired, with out-migrant households more likely to be in employment. This would again accord with the overall attractiveness of the county, and the relative lack of major centres of employment, making it a net retirement location.

4. The local housing market

Introduction

- 4.1 This chapter uses information extracted from the supplementary report on the Dorset housing market to briefly describe the housing market in East Dorset. It uses data from the Land Registry to compare the East Dorset area with the sub-regional market and summarises information from a survey of estate and letting agents on the entry-level costs to the market.

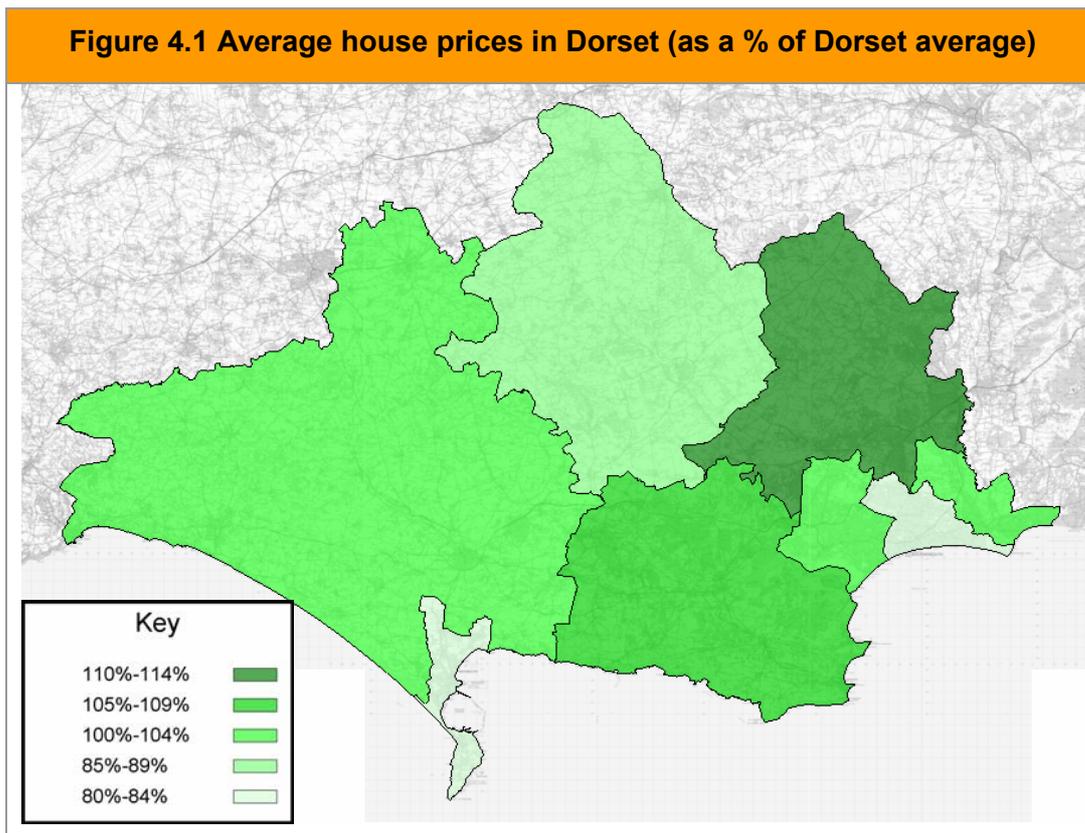
Sub-regional market position

- 4.2 The table below shows average prices in the fourth quarter of 2006 for each of England and Wales, the South West, Dorset and East Dorset. The table shows that average prices in East Dorset are 136.9% of the average for England & Wales and also higher than the average for the South West and Dorset.

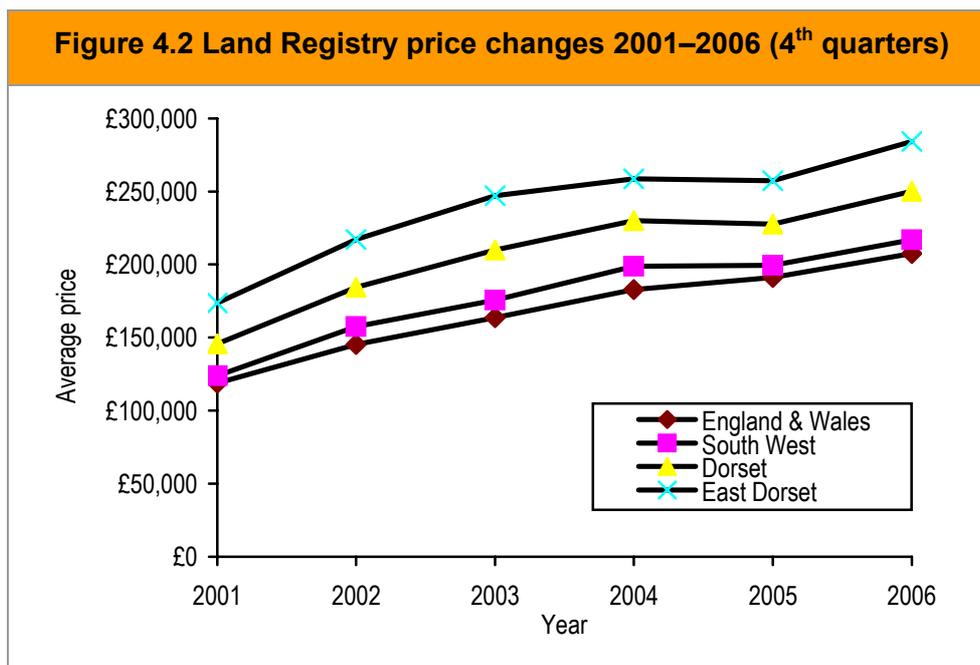
Table 4.1 Land Registry average prices (4th quarter 2006)		
Area	Average price	As % of E & W
England & Wales	£207,573	100.0%
South West	£216,998	104.5%
Dorset	£250,092	120.5%
East Dorset	£284,263	136.9%

Source: Land Registry – 2006

- 4.3 The figure below shows the average property price in each Local Authority area in Dorset as a percentage of the average property price in Dorset as a whole. This clearly shows the areas of high and low property prices. The figure shows that East Dorset records the highest average property prices in the County.



- 4.4 The figure below shows how the average house prices in East Dorset have changed since 2001 compared with the averages for Dorset, the South West and England and Wales. The data shows that East Dorset recorded a below average increase in property prices at 63.7% compared to 71.6% for Dorset, 75.1% for the South West and 74.7% across England and Wales.
- 4.5 The figure shows that average property prices in East Dorset have been consistently higher than the average property prices for the whole of Dorset and in turn significantly above the averages for the South West and England & Wales as a whole.



Source: Land Registry

- 4.6 The information presented so far suggests that average property prices in East Dorset are relatively high for the County and the market appears buoyant, however it is important to ensure that this is not a result of a different profile of properties being sold. The table below therefore shows average house prices of Dorset and East Dorset by dwelling type.
- 4.7 The table indicates that average prices for each dwelling type are only slightly higher in East Dorset than for Dorset as a whole. This suggests that the overall average price found from Land Registry is heavily influenced by the distribution of dwellings sold. The table clearly shows this with over three-fifths of all sales being of detached properties (compared with a Dorset-wide figure of 39.8%). In addition the data shows relatively low levels of sales of terraced properties and flats/maisonettes – these property types are typically the cheapest in any given local authority area.

Table 4.2 Land Registry average prices and sales (4th quarter 2006)

Dwelling type	Dorset		East Dorset	
	Average price	% of sales	Average price	% of sales
Detached	£332,595	36.4%	£339,756	60.2%
Semi-detached	£212,888	17.4%	£226,002	13.1%
Terraced	£190,365	18.2%	£192,225	13.0%
Flat/maisonette	£175,772	27.9%	£183,198	13.7%
All dwellings	£242,037	100.0%	£284,263	100.0%

Source: Land Registry

Entry-level market costs

- 4.8 Interviews were conducted with estate and letting agents across the County to gain more information on the main characteristics of the housing market. Most estate agents believed that the three main East Dorset housing markets of Verwood, Ferndown and Wimborne are all self-contained housing markets. The East Dorset housing market was described as 'buoyant'. One reason is that the area has particularly good transport links to London. Verwood was described as a mixed housing market area generally containing professionals with people relocating from Southampton, Poole and Salisbury.
- 4.9 Estate agents described Fernwood as a self-contained housing market with few links to neighbouring markets. It was also described as a very mixed market although there are not many first-time buyers and it is composed of mainly retired people or semi-retired people who commute to places such as Reading or London. Wimborne's housing market was described as displaying similar characteristics i.e. as a self-contained area with good schools. According to one estate agent, there is a shortage of 2-3 bedroom family houses although the market is 'picking up'. Similarly, there is some buy-to-let although the market price is limited to around £200,000. Importantly, all estate agents stated that decreasing affordability is squeezing out first-time buyers. Finally, there is a limited supply (and choice) of properties in the private rented sector.
- 4.10 A more extensive discussion of the estate agents views is presented in the supplementary housing market report.
- 4.11 The table below shows the cost of entry-level market housing in East Dorset as derived from discussions with estate and letting agents. The entry-level cost equates the cheapest cost of housing in good repair of which there is a reasonable supply.
- 4.12 It should be noted that the availability of one-bedroom homes in all locations within the District is rather limited. Where one-bedroom homes were found to be for sale these were often retirement homes. Whilst such dwellings were typically priced below other similarly sized dwellings it is clear that such accommodation will not be available to a large proportion of households. Hence these dwellings are not included within the figures. An estimated average entry-level price for one-bedroom homes has been included in the table below based on the limited information available across the District.

Table 4.3 Entry-level market costs in East Dorset (to buy)

Property size	Ferndown	Wimborne Minster	Verwood	Corfe Mullen	Average
1 bedroom	-	-	-	-	£142,000
2 bedrooms	£204,000	£176,000	£171,000	£171,000	£190,000
3 bedrooms	£256,000	£242,000	£237,000	£214,000	£243,000
4 bedrooms	£342,000	£313,000	£285,000	£304,000	£318,000

Source: Survey of estate and letting agents 2006

- 4.13 In the case of private renting the availability of data was even more limited than that on purchases prices. Figures are included in the table below where a reasonable estimate can be made. The overall average is based on the data available across the whole of the District.

Table 4.4 Entry-level market costs in East Dorset (to rent)

Property size	Ferndown	Wimborne Minster	Verwood	Corfe Mullen	Average
1 bedroom	-	-	-	-	£133
2 bedrooms	£157	£147	£156	-	£153
3 bedrooms	£198	£190	-	£196	£196
4 bedrooms	-	-	-	-	£254

Source: Survey of estate and letting agents 2006

- 4.14 The table shows that estimated entry-level prices ranged from £142,000 for a one-bedroom property up to £318,000 for four-bedrooms. Entry-level weekly rents varied from £133 (one-bed) to £254 (four-beds). These entry-level prices are used to assess whether or not a household is able to access the housing market as described in Chapter 13.

Affordable housing

- 4.15 To complete the housing cost profile in the local market it is appropriate to present information on the cost of social rented housing. The cost of social rented properties by dwelling size can be obtained from CORE and these are presented in the table below. As can be seen the costs are significantly below those for private rented housing indicating a significant potential gap between the social rented and market sectors.

Table 4.5 Social rented costs in East Dorset

Property size	Social rent costs (per week)
1 bedroom	£62
2 bedrooms	£73
3+ bedrooms	£87

Source: CORE data

Summary

- 4.16 Information from the Land Registry indicates average property prices in East Dorset are significantly higher than the average for England and Wales (and indeed Dorset as a whole and the South West region). This finding is however significantly influenced by the profile of dwellings being sold in the area (sales dominated by detached homes).
- 4.17 Interviews with estate and letting agents established the cost of entry-level accommodation in the District. It was found that entry-level prices ranged from £142,000 for a one-bedroom property (very limited supply) up to £318,000 for four-bedrooms. Entry-level weekly rents varied from £133 (one-bed) to £254 (four-beds).

5. Key survey findings

Introduction

- 5.1 This chapter sets out some of the main findings from the survey of local households. Throughout the analysis tabulations are made along with tenure. Where possible figures are compared with information at a national and regional level from the Survey of English Housing (SEH).

Type of housing

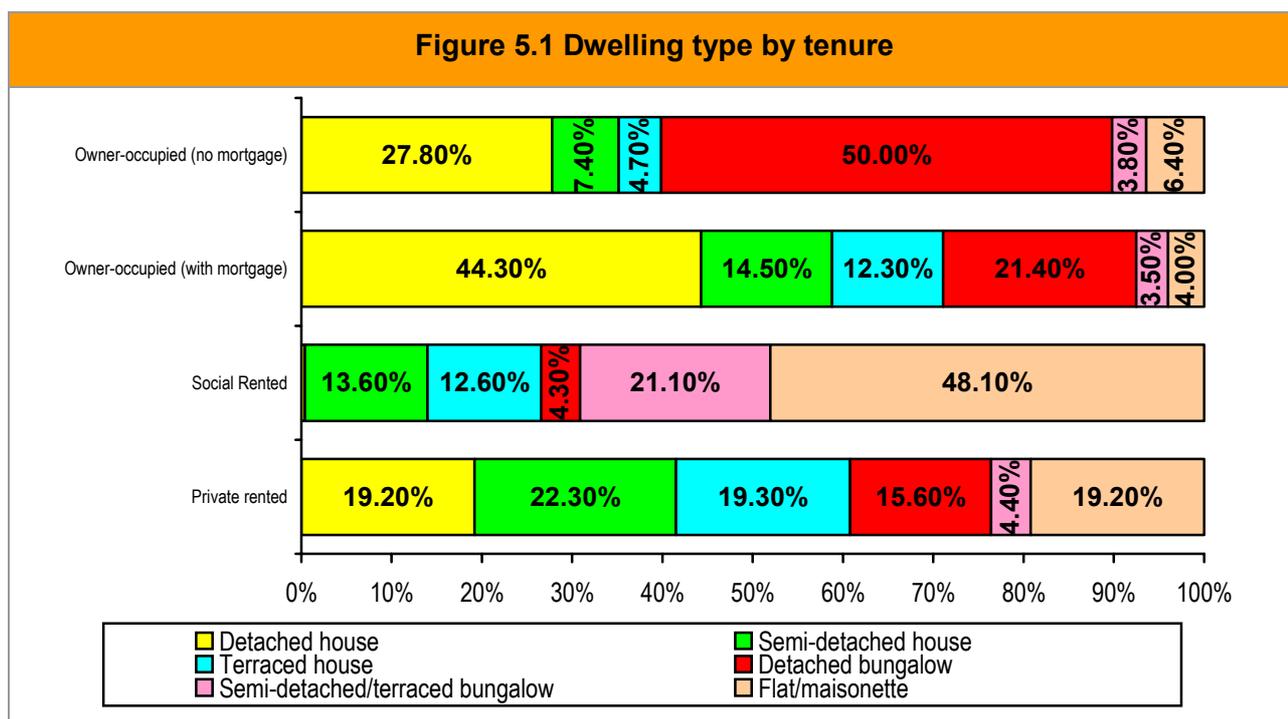
- 5.2 The table below shows current accommodation types in the District. The table shows that a large proportion of households live in detached houses or bungalows (61.6%) whilst relatively few live in flatted accommodation (9.9%). The latest SEH suggests that nationally around 17% of households live in flats whilst the figure for the South West region is around 12%.

Table 5.1 Dwelling type		
Dwelling type	Number of households	% of households
Detached house	11,603	30.9%
Semi detached house	4,325	11.5%
Terraced house	3,424	9.1%
Detached bungalow	11,533	30.7%
Semi or terraced bungalow	1,936	5.1%
Purpose-built flat	3,262	8.7%
Converted flat or shared house	250	0.7%
Flat in commercial building	200	0.5%
Caravan or temporary	1,067	2.8%
TOTAL	37,600	100.0%

Note: In this analysis 'caravan' and 'mobile home' are taken to be the same

Source: East Dorset HNDS Fordham Research 2007

- 5.3 By tenure a clear trend emerges with households living in owner occupation particularly likely to live in houses/bungalows and particularly likely to be in detached homes. There are relatively few detached homes outside of the owner-occupied tenure group. The social and private rented sectors have a high proportion of flats/maisonettes. For the purposes of this analysis the three flat categories have been merged into one whilst mobile homes are merged with detached bungalows.



Source: East Dorset HNDS Fordham Research 2007

Household type and size

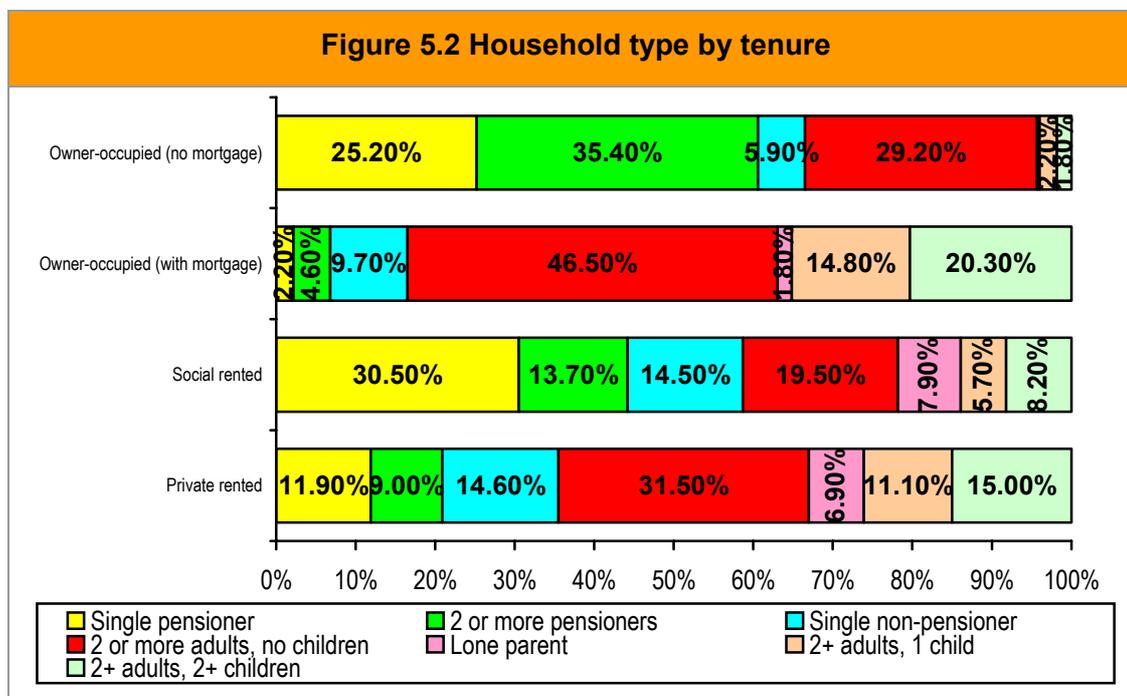
5.4 The table below shows the household type breakdown in the District. The survey estimates that over a third (37.1%) of households are pensioner only and that under a fifth (19.5%) of households contain children. Around 2% of households are lone parent households. Direct comparisons with the SEH are not possible for household types due to the different definitions used, however 2001 Census data suggests that nationally around 24% of households were pensioner only with an equivalent figure of 27% in the South West region.

Table 5.2 Household type

Household type	Number of households	% of households
Single pensioner	6,180	16.4%
2 or more pensioners	7,783	20.7%
Single non-pensioner	3,229	8.6%
2 or more adults, no children	13,083	34.8%
Lone parent	728	1.9%
2+ adults, 1 child	2,879	7.7%
2+ adults, 2+ children	3,719	9.9%
TOTAL	37,600	100.0%

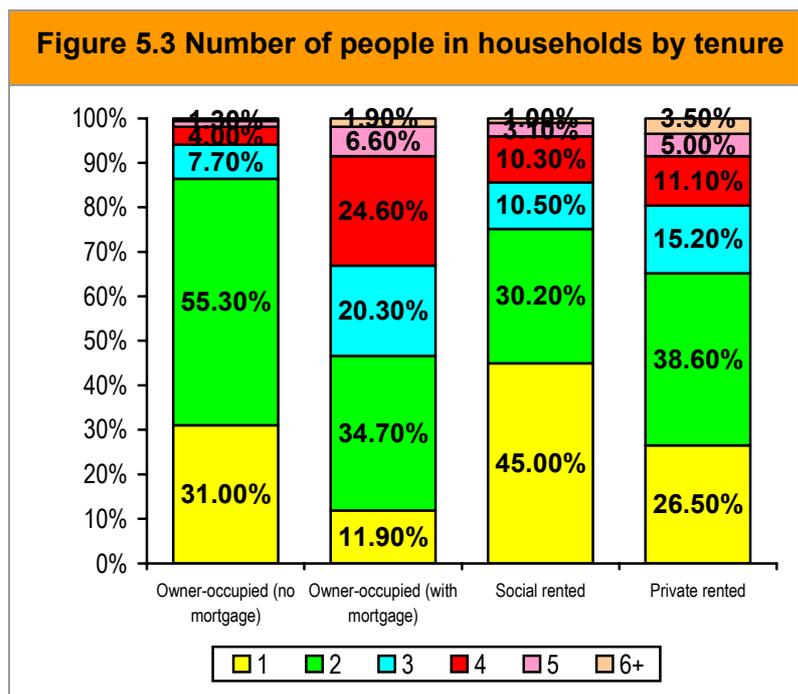
Source: East Dorset HNDS Fordham Research 2007

- 5.5 The figure below shows household type by tenure. As with dwelling type there are clear differences between the tenure groups. The owner-occupied (no mortgage) sector contains a large proportion of pensioner households whilst lone parent households appear to be concentrated in the social and private rented sectors. The owner-occupied (with mortgage) sector has the largest proportion of households with children.



Source: East Dorset HNDS Fordham Research 2007

- 5.6 The average household size in East Dorset was estimated from the survey to be 2.3. This figure is below the most recent national estimates of around 2.4 persons per household. By tenure the largest households were those buying with a mortgage (average 2.9) whilst the smallest were outright owners (average 1.9). The figure below shows the number of people in households by tenure.



Source: East Dorset HNDS Fordham Research 2007

5.7 One-person households were more common than households of any other size amongst social renters. Amongst owner-occupiers and private renters, two-person households were the most common. An estimated 44.9% of owners with a mortgage are three or four person households compared with around 12% of outright owners and 21% of social housing tenants. These differences tend to reflect the large proportion of older persons in the social sector and the greater concentration of people with families who are owner-occupiers repaying a mortgage.

Length of residence and recent movers

5.8 At the time of the survey an estimated 5,864 households (15.6%) had been resident at their current address for less than two years. This figure is noticeably lower than the most recent SEH data which suggests that 10% of households at a point in time will have been resident at their address for less than one year.

5.9 Of the households moving in the past two years, 18% are private renters, 72% owner-occupiers and 10% in the social rented sector. An estimated 41.1% of private renters had moved home in the past two years, compared to only 18.2% of social renters and 13.2% of owner-occupiers. Private tenants are therefore much more mobile than social renters or owner-occupiers.

- 5.10 Nearly two-thirds of all households have lived in their home for more than five years. In the case of outright owners, over three-quarters (77.3%) have lived in their home for more than five years – this compares with only 39.0% of private tenants.

Table 5.3 Length of residence of household by tenure					
Tenure	Length of residence				Total
	Less than 1 year	1 to 2 years	3 to 5 years	Over 5 years	
Owner-occupied (no mortgage)	1,056	701	2,411	14,176	18,344
Owner-occupied (with mortgage)	1,246	1,212	3,111	7,934	13,504
Social rented	286	285	760	1,804	3,135
Private rented	578	498	521	1,020	2,617
Total	3,166	2,697	6,803	24,933	37,600
Owner-occupied (no mortgage)	5.8%	3.8%	13.1%	77.3%	100.0%
Owner-occupied (with mortgage)	9.2%	9.0%	23.0%	58.8%	100.0%
Social rented	9.1%	9.1%	24.2%	57.5%	100.0%
Private rented	22.1%	19.0%	19.9%	39.0%	100.0%
Total	8.4%	7.2%	18.1%	66.3%	100.0%

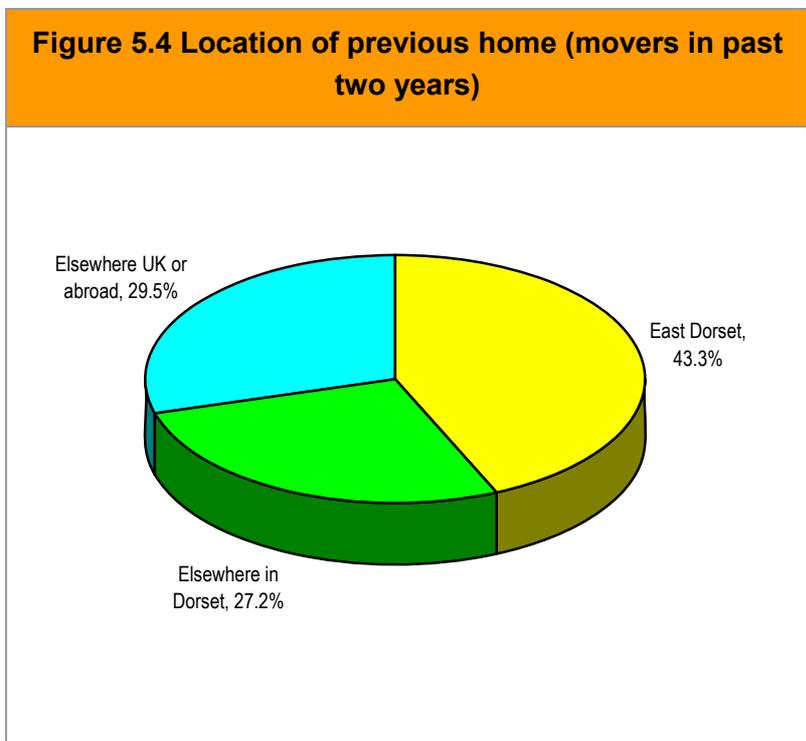
Source: East Dorset HNDS Fordham Research 2007

- 5.11 In terms of tenure mobility, the most common types of move were from one owner-occupied property to another (3,498 households) followed by moves within the private rented sector. There was also a fair degree of movement within the social rented sector. Overall, movement within sectors was more common than movement between them.
- 5.12 Around 26% of all moves involved the private rented sector – households moving into it, out of it or within it – showing how important the sector is in providing mobility in the housing market. The private rented sector shows the highest turnover of any tenure in most local authorities: it is the ‘gateway’ to other tenures. Overall it is estimated that only around 7% of all households currently live in the private rented sector: this is a very low figure: the national average is about 12%.
- 5.13 Around 40% of newly-formed households moved into owner-occupation and a further 34% into private rented accommodation. Therefore around 26% of newly forming households moved into a socially rented dwelling (a figure slightly higher than the national average of around 23%).

Table 5.4 Previous tenure by current tenure (households moving in past two years)					
Tenure	Previous tenure				Total
	Newly formed household	Owner-occupied	Social rented	Private rented	
Owner-occupied (no mortgage)	36	1,661	0	60	1,757
Owner-occupied (with mortgage)	259	1,837	11	352	2,459
Social rented	195	58	253	64	571
Private rented	255	287	9	526	1,076
Total	745	3,844	273	1,001	5,864
Owner-occupied (no mortgage)	2.1%	94.5%	0.0%	3.4%	100.0%
Owner-occupied (with mortgage)	10.5%	74.7%	0.4%	14.3%	100.0%
Social rented	34.2%	10.2%	44.4%	11.3%	100.0%
Private rented	23.7%	26.7%	0.8%	48.8%	100.0%
Total	12.7%	65.6%	4.7%	17.1%	100.0%

Source: East Dorset HNDS Fordham Research 2007

5.14 It is also possible to look at the previous locations of households who have moved home in the past two year – this is shown in the figure below. The figure shows a considerable amount of in-migration into the District. In total, over a half of all moves made were by households previously living outside the District (56.7%).



Source: East Dorset HNDS Fordham Research 2007

- 5.15 It is therefore of interest to look briefly at the characteristics of households moving into the District. The table below shows the tenures secured by in-migrant households and a broad household type profile (older and non-older persons). These figures are contrasted with figures for households moving with the District.

Table 5.5 Tenure and household characteristics of in-migrant households				
Tenure	Total moves	% of moves from outside District	% of older person in-migrants	% of older person internal movers
Owner-occupied (no mortgage)	1,757	67.1%	67.8%	73.2%
Owner-occupied (with mortgage)	2,459	54.7%	8.9%	9.6%
Social rented	571	22.0%	55.8%	34.1%
Private rented	1,076	62.8%	16.2%	14.0%
Total	5,864	56.7%	33.0%	29.1%

Source: East Dorset HNDS Fordham Research 2007

- 5.16 The table shows some interesting findings. Of the owner-occupiers (no mortgage) who moved to their dwelling in the past two years around two-thirds (67.1%) were previously resident outside the District, this compares with only 22.0% of social tenants. The data also shows that around two-thirds (67.8%) of in-migrant outright owners contain an older person. Overall, 33.0% of all in-migrant households contain an older person, compared with only 29.1% of internal movers. These findings would suggest that a high proportion of households are moving to the area for retirement purposes.

Car ownership

- 5.17 A further question asked in the survey was car ownership/availability. Although not directly linked to housing, this is a useful variable as it can provide some indication of wealth. The table below shows the number of cars households have available for use by tenure.
- 5.18 Over a third (37.2%) of all households in social rented housing have no access to a car or van, this compares with only 1.7% of owner-occupied (with mortgage) households. The average household has 1.49 cars/vans; this figure varies from 0.82 in the social rented sector to 1.88 for owner-occupiers with a mortgage.

Table 5.6 Car ownership and tenure					
Tenure	Number of cars/vans available for use				Average number of cars/vans
	0	1	2	3+	
Owner-occupied (no mortgage)	10.3%	52.3%	29.0%	8.5%	1.36
Owner-occupied (with mortgage)	1.7%	26.4%	54.2%	17.7%	1.88
Social rented	37.2%	46.1%	13.9%	2.7%	0.82
Private rented	14.6%	50.2%	29.5%	5.7%	1.26
TOTAL	9.7%	42.3%	36.8%	11.1%	1.49

Source: East Dorset HNDS Fordham Research 2007

Ethnicity

- 5.19 The population of East Dorset is predominantly White and survey data suggests that less than 1% of households are non-White (survey respondent or their partner non-White). This figure is broadly in-line with 2001 Census estimates and suggests that BME groups are adequately represented in the sample.
- 5.20 As only 20 survey forms were returned from non-White households it is not statistically possible to conduct any detailed analysis of such households. However, the data that does exist does show some trends which might be expected – namely that non-White households are more likely to live in rented housing, are generally larger and are less likely than White households to contain older persons.

Overcrowding and under-occupation

- 5.21 Levels of overcrowding are measured using the 'bedroom standard' (see Glossary for definition). Essentially this is the difference between the number of bedrooms needed to avoid undesirable sharing and the number of bedrooms actually available to the household. Using the same standard it is also possible to study under-occupation – in this study it is assumed that any household with more than one spare bedroom is under-occupying their dwelling.
- 5.22 The table below shows a comparison between the numbers of bedrooms in each home against the number of bedrooms required for all households.

Table 5.7 Overcrowding and under-occupation					
Number of bedrooms required	Number of bedrooms in home				TOTAL
	1	2	3	4+	
1 bedroom	2,055	8,731	10,074	4,032	24,892
2 bedrooms	25	1,300	3,680	3,159	8,164
3 bedrooms	0	164	1,709	2,177	4,050
4+ bedrooms	0	0	177	316	493
TOTAL	2,080	10,195	15,640	9,685	37,600

KEY: Overcrowded households Under-occupied households

Note: The bottom two cells of the 4+ bedroom column contain some households that are either overcrowded or under-occupied – for example they may require three-bedrooms but live in a five bedroom property or may require a five bedroom property but are currently occupying a four-bedroom property.

Source: East Dorset HNDS Fordham Research 2007

5.23 The estimated number of overcrowded and under-occupied households is as follows:

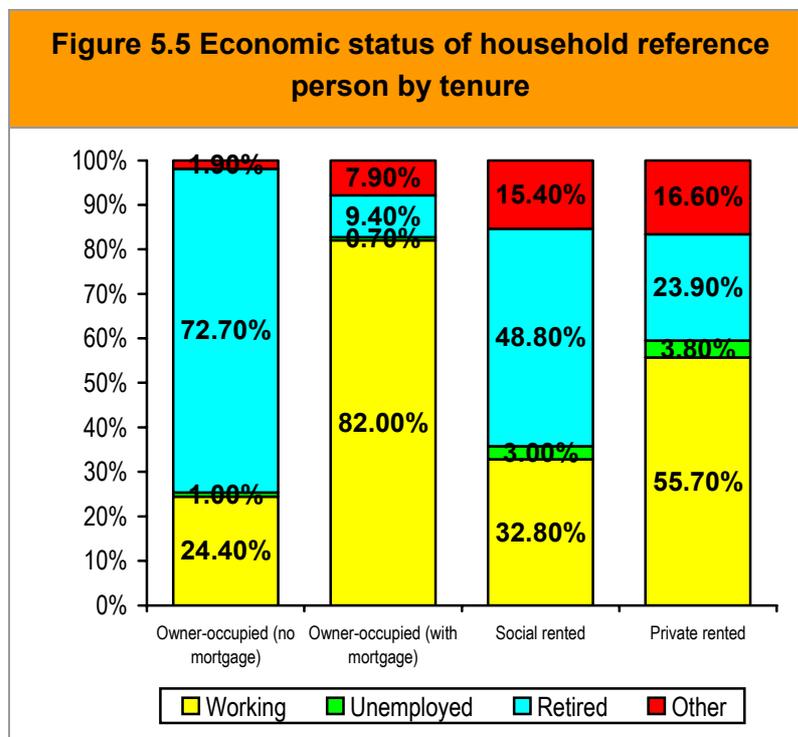
- **Overcrowded:** 1.0% of households = 387 households
- **Under-occupied:** 47.4% of households = 17,808 households

5.24 The latest SEH data on overcrowding suggests that nationally around 2.5% of households are overcrowded with the figure for the South West being 1.6%. The sample size of overcrowded households is relatively small and so further detailed analysis is not possible. However the data does suggest that overcrowded households are more likely to be living in rented accommodation (both social and private rented) and that the majority of overcrowded households state a need or likelihood of moving home over the next two years.

Economic status

5.25 For the purpose of analysis the status of the survey respondent is taken to represent the household reference person. At the time of the survey, 82.0% of those buying with a mortgage were working. For private renters the figure was 55.7%, and for social renters the percentage was 32.8%. For outright owners, only 24.4% were working and 72.7% were retired. Overall, some 44.6% of household reference persons were retired with the lowest percentage for households buying with a mortgage.

5.26 The figure below summarises economic status by tenure. Although direct comparisons are not possible with the SEH (due to a different definition of household reference person) the main trends shown by tenure are in line with the situation nationally.



Source: East Dorset HNDS Fordham Research 2007

5.27 Around a quarter of the ‘other’ category were renting in the social rented sector and the percentage of persons who are economically inactive but not retired is higher than for all other households. This finding is reflected by a high proportion of people in the social rented sector who have classified themselves as permanently sick or disabled (4% of social tenants). Around 1% of all other tenure groups together are classified as sick/disabled.

Housing costs

5.28 The survey asked a series of questions about how much households currently pay for their housing. The table below shows estimates of the amount of rent/mortgage paid by households by tenure (figures exclude households where there are no housing costs such as outright owners and some households in tied accommodation).

5.29 The table shows that households in the private rented sector and those buying with a mortgage have the highest housing costs. The average private tenant pays £133 per week, compared with £73 for social housing tenants.

Table 5.8 Housing costs by tenure				
Weekly housing cost	Owner-occupied (with mortgage)	Social rented	Private rented	TOTAL
Under £30	6.2%	13.9%	6.0%	7.5%
£30-£59	8.8%	11.1%	6.3%	8.9%
£60-£89	9.8%	52.7%	6.1%	16.4%
£90-£119	13.8%	18.8%	19.4%	15.3%
£120-£149	13.9%	0.9%	26.6%	13.3%
£150-£179	11.2%	0.5%	17.7%	10.3%
£180-£209	10.7%	0.5%	9.0%	8.8%
£210-£239	7.1%	0.0%	4.5%	5.6%
£240-£269	6.0%	0.5%	0.6%	4.4%
£270 or more	12.5%	1.1%	3.8%	9.6%
TOTAL	100.0%	100.0%	100.0%	100.0%
Average cost	£153	£73	£133	£137

Source: East Dorset HNDS Fordham Research 2007

Summary

5.30 The household survey collected a significant amount of data about the resident household population. Some of the main findings were:

- In total 61.6% of households live in detached houses or bungalows, whilst only 9.9% live in flatted accommodation. Households living in rented housing are more likely to live in flats whilst those in owner-occupation are more likely to live in detached houses than other tenures
- Over a third of all households are 'pensioner-only' and just under a fifth contain children. Lone parent households were found to be concentrated in the rented sectors
- Analysis of household moves in the last two years shows that private rented tenants are the most mobile. An estimated 41.1% of private renters had moved home in the past two years, compared to only 18.2% of social renters and 13.2% of owner-occupiers. There were more moves recorded within tenures than between them
- Car ownership data suggests that there is an average of 1.49 cars per household in the District. There are however large differences by tenure with owner-occupiers (with mortgage) having an average of 1.88 cars per household. Over a third of all households in social rented accommodation have no use of a car or van
- The population of East Dorset is predominantly White and survey data suggests that less than 1% of households are non-White
- The level of overcrowding recorded in East Dorset at 1.0% is lower than the national average

- The proportion of employed household heads varied significantly across the tenures. Some 82.0% of households buying with a mortgage are headed by an employed person compared to 55.7% in the private rented sector and 32.8% for social tenants
- Households in the private rented sector and those buying with a mortgage have the highest housing costs, households in the social rented sector the lowest

SECTION B: HOUSING NEED

6. Guidance

Introduction

- 6.1 The two chapters following this one study the need for affordable housing in the District (both in terms of a backlog of need and likely future needs). This initial chapter sets out some key definitions which are central to both of the following chapters. Where appropriate definitions have been drawn from the CLG 'Strategic Housing Market Assessment Guidance' of March 2007 and PPS3.

Housing need

- 6.2 Housing need is defined as the number of households who lack their own housing or who live in unsuitable housing and who cannot afford to meet their housing needs in the market.
- 6.3 In this assessment we have fully followed the Guide's definition of unsuitable housing. In addition we have considered those types of unsuitability which will require a move to a different dwelling prior to applying the affordability test.

Newly arising need

- 6.4 Newly arising (or future) need is a measure of the number of households who are expected to have an affordable housing need at some point in the future (measured annually). In this assessment we have used survey data about past household moves (along with affordability) to estimate future needs. In line with the Guide we have split future needs into two groups – newly forming households and existing households.
- 6.5 An estimate of the likely future supply of affordable housing is also made (drawing on secondary data sources about past lettings). The future supply of affordable housing is subtracted from the future need to make an assessment of the net future need for affordable housing. In this report we have also estimated the likely supply of Housing Benefit supported private rented housing so as to provide an alternative output regarding suggested future provision.

Affordability

6.6 Affordability is assessed using survey data regarding the full range of financial information available along with an estimate of a household's size requirements and the cost of suitable market housing (to either buy or rent). Separate tests are applied for home ownership and private renting and are summarised below (both tests are fully in line with the advice given in the Guide):

- **Assessing whether a household can afford home ownership** - A household is considered able to afford to buy a home if it costs 3.5 times the gross household income for a single earner household or 2.9 times the gross household income for dual-income households. Allowance is also made for any access to capital that can be used towards home ownership (e.g. savings or equity).
- **Assessing whether a household can afford market renting** - A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than 25% of gross income.

Affordable housing

6.7 Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should be at a cost which is below the costs of housing typically available in the open market and be available at a sub-market price in perpetuity (although there are some exceptions to this such as the Right-to-Acquire).

Summary

6.8 A key element of this report is an assessment of both current and future affordable housing needs. There are a number of definitions which are central to making estimates of need (such as definitions of housing need, affordability and affordable housing). All definitions used in this report are consistent with Guidance given in the CLG 'Strategic Housing Market Assessment Guidance' of March 2007 and PPS3 and the following two chapters look at the analysis of housing need.

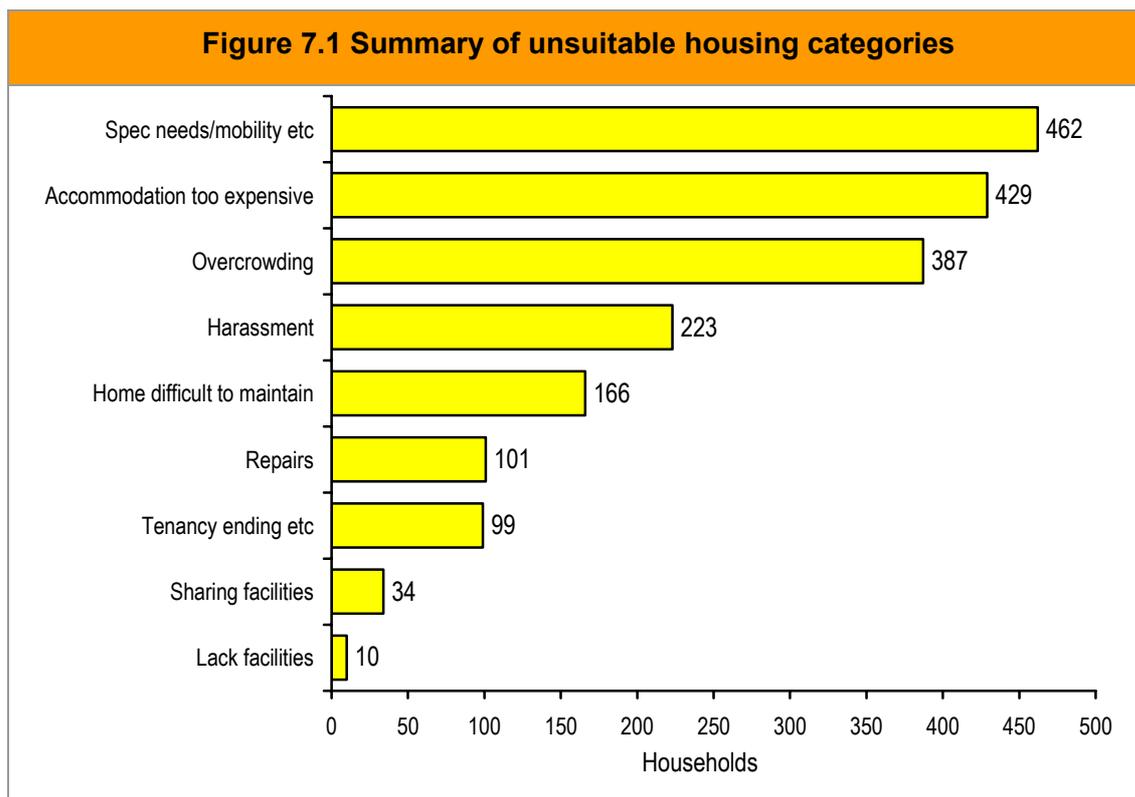
7. Current need

Introduction

- 7.1 This chapter of the report assesses the first two stages of the needs assessment model – Current Need. This begins with an assessment of housing suitability and affordability and also considers homeless households before arriving at a total current need estimate (gross). An assessment of the stock available to offset this need follows, which then enables the net current need estimate to be calculated.

Unsuitable housing

- 7.2 A key element of housing need is an assessment of the suitability of a household's current housing. The CLG Guide sets out a series of nine criteria for unsuitable housing - which has been followed in this report. It is estimated that a total of 1,552 households are living in unsuitable housing. This represents 4.1% of all households in the District.
- 7.3 The figure below shows a summary of the numbers of households living in unsuitable housing (ordered by the number of households in each category). It should be noted that the overall total number of reasons for unsuitability shown in the figure will be greater than the total number of households with unsuitability, as some households have more than one reason for unsuitability.
- 7.4 The main reason for unsuitable housing is 'special needs and/or mobility problems', followed by 'accommodation too expensive'.



Source: East Dorset HNDS Fordham Research 2007

7.5 The table below shows unsuitable housing by tenure. The patterns emerging suggest that households living in rented accommodation are more likely to be in unsuitable housing than owner-occupiers. Some 13.5% of households in private rented accommodation and 14.9% of households in the social rented sector are estimated to be living in unsuitable housing. This compares with 2.0% and 2.8% of households in owner-occupied (no mortgage) and owner-occupied (with mortgage) tenures respectively.

Table 7.1 Unsuitable housing and tenure

Tenure	Unsuitable housing				
	In unsuitable housing	Not in unsuitable housing	Number of h'holds in District	% of total h'holds in unsuitable housing	% of those in unsuitable housing
Owner-occupied (no mortgage)	360	17,984	18,344	2.0%	23.2%
Owner-occupied (with mortgage)	372	13,132	13,504	2.8%	23.9%
Social rented	467	2,668	3,135	14.9%	30.1%
Private rented	353	2,264	2,617	13.5%	22.8%
TOTAL	1,552	36,048	37,600	4.1%	100.0%

Source: East Dorset HNDS Fordham Research 2007

'In-situ' solutions

- 7.6 The survey has highlighted that 1,552 households are in unsuitable housing. However it is most probable that some of the unsuitability can be resolved in the households' current accommodation. Households living in housing deemed unsuitable for the following reasons were not considered to have an in-situ solution: end of tenancy, accommodation too expensive, overcrowding, sharing facilities, harassment.
- 7.7 The survey data therefore estimates that of the 1,552 households in unsuitable housing, 1,071 (or 69.0%) do not have an in-situ solution and therefore require a move to alternative accommodation.

Affordability

- 7.8 Using the affordability methodology set out in the previous chapter it is estimated that there are 711 existing households that cannot afford market housing and are living in unsuitable housing (and require a move to alternative accommodation). This represents 1.9% of all existing households in the District.
- 7.9 The table below shows the tenure of the 711 households currently estimated to be in housing need. The results show that private and social tenants are most likely to be in housing need – 10.1% of each of these tenure groups are in housing need. Of all households in need, 44.5% currently live in social rented accommodation and 37.1% in private rented housing.

Table 7.2 Housing need and tenure					
Tenure	Housing need				
	In need	Not in need	Number of h'holds in District	% of total h'holds in need	% of those in need
Owner-occupied (no mortgage)	0	18,344	18,344	0.0%	0.0%
Owner-occupied (with mortgage)	131	13,373	13,504	1.0%	18.4%
Social rented	317	2,818	3,135	10.1%	44.5%
Private rented	264	2,353	2,617	10.1%	37.1%
TOTAL	711	36,889	37,600	1.9%	100.0%

Source: East Dorset HNDS Fordham Research 2007

7.10 For the purposes of the Housing Needs Assessment, households considered to be in housing need have been split into two categories: current occupiers of affordable housing in need (this includes occupiers of social rented and shared ownership accommodation), and households from other tenures in need. Some 317 households fall into the former category and 394 into the latter category.

Homeless households

7.11 The Housing Needs Assessment is a ‘snapshot’ survey that assesses housing need at a particular point in time. There will, in addition to the existing households in need, be some homeless households who were in need at the time of the survey and should also be included within any assessment of backlog need.

7.12 Such households will include those in temporary accommodation which would not have formed part of the survey sampling frame (i.e. in an address not registered on the residential Council Tax Register). In East Dorset the number of such cases is low and the 2006 HSSA suggested as of April 2006 that no households were living in bed and breakfast style accommodation.

Total current need

7.13 The table below summarises the first stage of the overall assessment of housing need as set out by the CLG. The data shows that there are an estimated 711 households in need.

Table 7.3 Backlog of housing need		
Step	Notes	Output
1.1 Homeless households and those in temporary accommodation		0
1.2 Overcrowding and concealed households	Two steps	711
1.3 Other groups	taken together	
1.4 equals Total current housing need (gross)	1.1+1.2+1.3	711

Source: East Dorset HNDS Fordham Research 2007

Available stock to offset need

7.14 The next stage in the backlog considers the stock available to offset the current need. This includes stock from current occupiers of affordable housing in need, surplus stock from vacant properties and committed supply of new affordable units. Units to be taken out of management are removed from the calculation.

- 7.15 Firstly, it is important when considering net need levels to discount households already living in affordable housing. This is because the movement of such households within affordable housing will have an overall nil effect in terms of housing need. The figure to be used in this section is therefore 317 (as presented earlier in this chapter).

Surplus stock

- 7.16 A certain level of vacant dwellings is normal as this allows for transfers and for work on properties to be carried out. The CLG Guide suggests that if the vacancy rate in the affordable stock is in excess of 3% then these should be considered as surplus stock which can be included within the supply to offset needs. East Dorset records a vacancy rate in the social rented sector of less than 1%; therefore no adjustment needs to be made to the figures.

Committed supply of new affordable units

- 7.17 The CLG Guide recommends that this part of the assessment includes 'new social rented and intermediate housing which are committed to be built over the period of the assessment'. Ideally we would take HSSA data showing the number of planned and proposed affordable units for the period 2006-2008 as a guide to new provision. However, this information is not available on the HSSA for East Dorset. Hence we have used figures for new provision over the previous two years as a guide.
- 7.18 Overall the 2006 HSSA data suggests that 8 additional affordable dwellings were provided for the two year period to 2006.

Units to be taken out of management

- 7.19 The Guide states that this stage 'involves estimating the numbers of social rented or intermediate units that will be taken out of management'. The main component of this step will be properties which are expected to be demolished (or replacement schemes that lead to net losses of stock). At the time of reporting the proposed number of affordable dwellings expected to be 'taken out of management' in the future was unknown and hence a figure of zero has been used in this step of the model.

Total available stock to offset need

7.20 Having been through a number of detailed stages in order to assess the total available stock to offset need in the District we shall now bring together all pieces of data to complete this part of the needs assessment. The data (in the table below) shows that there are an estimated 325 properties available to offset the current need.

Table 7.4 Current supply of affordable housing

Step	Notes	Output
3.1 Affordable dwellings occupied by households in need		317
3.2 Surplus stock		0
3.3 Committed supply of affordable housing		8
3.4 Units to be taken out of management		0
3.5 Total affordable housing stock available	3.1+3.2+3.3+3.4	325

Source: East Dorset HNDS Fordham Research 2007

Total backlog need

7.21 In the table above it is estimated that there is a current need to provide 711 units of affordable housing to meet the backlog of need. Current sources are estimated to be able to provide 325 of these units leaving an estimated shortfall of around 386 units of affordable housing.

Summary

7.22 Survey data suggests that around 1,552 households in the District are currently living in unsuitable housing. In addition, it was estimated that 1,071 of the 1,552 households would need to move home to find a solution to the unsuitability.

7.23 Of these 1,071 households, an estimated 66% cannot afford a suitable solution in the housing market without some form of subsidy and are hence considered to be in housing need (711 households). Households in the private and social rented sectors were most likely to be in housing need.

7.24 HSSA data suggested that there were no additional homeless households (those in temporary accommodation which would not have formed part of the survey sample frame) and hence the total backlog need is estimated at 711 households.

- 7.25 It is estimated that at the time of the survey there was a current stock of affordable housing of around 325 which could be used to meet this need (including dwellings becoming available as households in the social rented sector move to different dwellings). Hence it was estimated that the net backlog of need for affordable housing is around 386 units (711-325).

8. Future need

Introduction

8.1 In addition to the current needs discussed so far in this report there is also future need. This is split, as per CLG Guidance, into two main categories. These are as follows:

- New households formation (× proportion unable to buy or rent in market)
- Existing households falling into need

8.2 There will be a flow of affordable housing to meet this need. Calculation of the future supply of affordable units follows this analysis; this consists of the annual supply of social re-lets and intermediate housing. The following sections deal with these points in detail.

New household formation

8.3 The estimate of the number of newly forming households in need of affordable housing is based on an assessment of households that have formed over the past two years. Such an approach is preferred to studying households likely future intentions as it provides more detailed information on the characteristics of these households contributing to this element of newly arising need.

8.4 The table below shows details of the derivation of new household formation. The table begins by establishing the number of newly forming households over the past two years – an affordability test is then applied.

Table 8.1 Derivation of newly arising need from new household formation		
Aspect of calculation	Number	Sub-total
Number of households moving in past two years	5,864	
Minus households NOT forming in previous move	-5,119	745
Times proportion unable to afford	47.9%	
ESTIMATE OF NEWLY ARISING NEED	357	
ANNUAL ESTIMATE OF NEWLY ARISING NEED	179	

Source: East Dorset HNDS Fordham Research 2007

8.5 The table above shows that an estimated 745 households are newly formed within the District over the past two years (373 per annum). Of these it is estimated that 179 (per annum) are unable to afford market housing without some form of subsidy – this represents the annual estimate of the number of newly forming households falling into need.

Existing households falling into need

8.6 This is an estimate of the number of existing households who will fall into housing need over the next two years (and then annualised). The basic information for this is households who have moved home within the last two years and affordability. A household will fall into need if it has to move home and is unable to afford to do this within the private sector (examples of such a move will be because of the end of a tenancy agreement). A household unable to afford market rent prices but moving to private rented accommodation may have to either claim Housing Benefit or spend more than a quarter of their gross income on housing, which is considered unaffordable (or indeed a combination of both).

8.7 Households previously living with parents, relatives or friends are excluded as these will double-count with the newly forming households already considered in the previous table. The data also excludes moves between social rented properties. Households falling into need in the social rented sector have their needs met through a transfer to another social rented property, hence releasing a social rented property for someone else in need. The number of households falling into need in the social rented sector should therefore, over a period of time, roughly equal the supply of ‘transfers’ and so the additional needs arising from within the social rented stock will be net zero.

8.8 The table below shows the derivation of existing households falling into need.

Table 8.2 Derivation of Newly Arising Need from existing households		
Aspect of calculation	Number	Sub-total
Number of households moving in past two years		5,864
Minus households forming in previous move	-745	5,118
Minus households transferring within affordable housing	-183	4,935
Times proportion unable to afford		14.0%
ESTIMATE OF NEWLY ARISING NEED		692
ANNUAL ESTIMATE OF NEWLY ARISING NEED		346

Source: East Dorset HNDS Fordham Research 2007

- 8.9 The table above shows that a total of 4,935 existing households are considered as potentially in need (2,468 per annum). Using the standard affordability test for existing households it is estimated that 14.0% of these households cannot afford market housing. Therefore our estimate of the number of households falling into need excluding transfers is 692 households ($4,935 \times 0.14$) over the two-year period. Annualised this is 346 households per annum.

Total newly arising need

- 8.10 The data from each of the above sources can now be put into the needs assessment table below. It indicates that additional need will arise from a total of 672 households per annum.

Table 8.3 Future need (per annum)		
Step	Notes	Output
2.1 New household formation (gross per year)		373
2.2 Proportion of new households unable to buy or rent in the market	Leaves 179	47.9%
2.3 Existing households falling into need		346
2.4 Total newly arising housing need (gross per year)	2.1x2.2+2.3	525

Source: East Dorset HNDS Fordham Research 2007

The future supply of social rented housing

- 8.11 The table below shows an estimate of the supply of lettings from RSL stock (excluding RSL to RSL transfers) over the past two years, using HSSA data. The average for the two-year period is 161 per annum.

Table 8.4 Analysis of past housing supply – (RSL sector)			
	2004/5	2005/6	Average
HSSA data	189	133	161

Source: East Dorset HNDS Fordham Research 2007

Intermediate supply

- 8.12 In most local authorities the amount of intermediate housing (mostly shared ownership) available in the stock is fairly limited (as is the case in East Dorset). However, it is still important to consider to what extent the current supply may be able to help those in need of affordable housing.

8.13 Therefore we include an estimate of the number of shared ownership units that become available each year. Based on survey data it is estimated that around one unit of shared ownership housing will become available to meet housing needs from the existing stock of such housing.

Total future supply

8.14 The total future supply is estimated to be 162, comprised of 161 units of social re-lets and one unit of shared ownership. This is shown in the below table.

Table 8.5 Future supply of affordable housing (per annum)		
Step	Notes	Output
3.6 Annual supply of social re-lets (net)		161
3.7 Annual supply of intermediate housing available for re-let or resale at sub-market levels		1
3.8 Annual supply of affordable housing	4.1+4.2	162

Source: East Dorset HNDS Fordham Research 2007

Net annual need estimate

8.15 The table below shows how all of these 16 steps fit into the overall needs assessment model.

Table 8.6 Housing needs assessment model for East Dorset

Stage and step in calculation	Notes	Output
STAGE 1: CURRENT NEED (Gross)		
1.1 Homeless households and those in temporary accommodation		0
1.2 Overcrowding and concealed households	Two steps taken together	711
1.3 Other groups		
1.4 equals Total current housing need (gross)	1.1+1.2+1.3	711
STAGE 2: FUTURE NEED		
2.1 New household formation (gross per year)		373
2.2 Proportion of new households unable to buy or rent in the market		47.9%
2.3 Existing households falling into need		346
2.4 Total newly arising housing need (gross per year)	(2.1x2.2)+2.3	525
STAGE 3: AFFORDABLE HOUSING SUPPLY		
3.1 Affordable dwellings occupied by households in need		317
3.2 Surplus stock		0
3.3 Committed supply of affordable housing		8
3.4 Units to be taken out of management		0
3.5 Total affordable housing stock available	3.1+3.2+3.3-3.4	325
3.6 Annual supply of social re-lets (net)		161
3.7 Annual supply of intermediate housing available for re-let or resale at sub-market levels		1
3.8 Annual supply of affordable housing	3.6+3.7	162

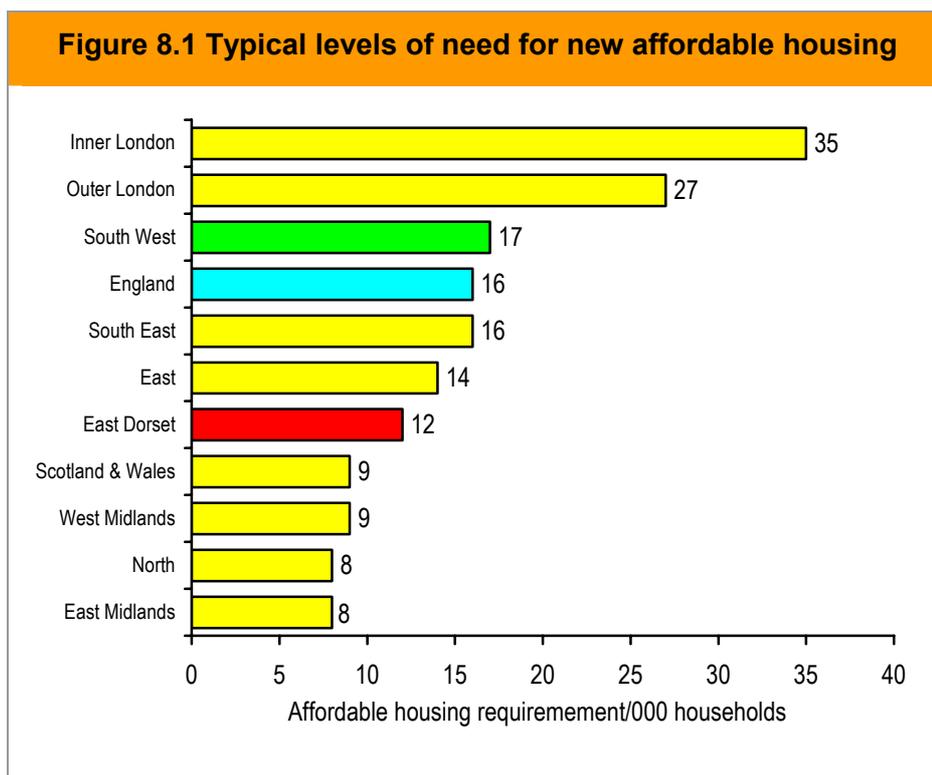
Source: East Dorset HNDS Fordham Research 2007

- 8.16 The Guide states that these figures need to be annualised to establish an overall estimate of net housing need. The first step in this process is to calculate the net current need. This is derived by subtracting the estimated total stock of affordable housing available of 325 (step 3.5) from the gross current need of 711 (step 1.4). This produces a net current need figure of 386.
- 8.17 The second step is to convert this net backlog need figure into an annual flow. The Guide acknowledges that this backlog can be addressed over any length of time although a period of less than five years should be avoided. For the purposes of this study the quota of five years proposed in the Guide will be used. Therefore to annualise the net current need figure it will be divided by five. This calculation results in a net annual quota of households who should have their needs addressed of 77 (386/5).
- 8.18 The final step is to sum the net annual quota of households who should have their needs addressed with the total newly arising housing need (step 2.4) and subtract the future annual supply of affordable housing (step 3.8). This leads to a total net annual housing need in East Dorset of 440 (77+525-162).

Findings in context

8.19 The net shortfall of 440 can be related to the Fordham Research Affordable Housing Index, which is the result of standardising the finding by dividing it by the number of thousands of households in the Local Authority area:

$$(440/37,600) \times 1,000 = 12$$



Source: East Dorset HNDS Fordham Research 2007

8.20 This Index figure is lower than the national average (of 16) and the figure for the South West (of 17).

8.21 While this measure gives an indication of the scale of the affordability problem it may hide important issues such as the difficulties particular types of household have in affording property in an area.

The private rented sector

- 8.22 The Strategic Housing Market Assessment Guidance requires the extent of the private rented sector to be estimated to meet the needs of households in need (through the Housing Benefit system). Survey data suggests that over the past two years around 299 new lets of Housing Benefit supported private rented housing have been made (150 per annum).
- 8.23 It is not appropriate to treat this sector as a form of Affordable Housing and net it from the overall annual housing needs estimate of 440 in East Dorset as there is significant evidence that this is not a secure tenure. Survey data reveals that over 40% of households in the private rented sector have moved in the last two years and households leaving this tenure are a notable source of homelessness in East Dorset. Whilst the private rented sector can provide accommodation (through the Housing Benefit system) for those in housing need it also creates housing need and it cannot therefore be considered part of the supply of homes to meet housing need.

Summary

- 8.24 The future need for affordable housing has been based on survey information about past household behaviour in terms of moves to different accommodation. The data suggests that on an annual basis there will be 179 newly forming households requiring affordable housing and a further 346 existing households. The total future need for affordable housing is therefore estimated to be 525 units per annum.
- 8.25 The supply of affordable housing to meet this need has also been estimated from past trend data. This data suggests that the current stock of affordable housing is likely to provide around 162 units (161 social rented and one intermediate unit (i.e. shared ownership)).
- 8.26 The total net annual housing need in East Dorset is calculated by annualising the net current need and adding this to the difference between the future need and supply. The total net annual housing need in East Dorset is therefore 440 (77+525-162).

SECTION C: CHARACTERISTICS OF HOUSING MARKET

9. Household mobility

Introduction

9.1 An important part of the survey is an analysis of the future demand for housing and the survey questionnaire collected information about households' future needs, expectations and aspirations. Information was collected about both existing households and newly forming households. This information is particularly important in the 'Balancing Housing Markets' exercise carried out later in this report.

Future moves – existing households

9.2 The table below shows estimates of the number and proportion of households who would consider themselves to need or expect to move home per annum over the next two years by tenure. The data shows that around 15.9% of households state a need or likelihood of moving home over the next two years. Households living in the private rented sector are particularly likely to be future movers.

Table 9.1 Households who need or are likely to move in next two years by tenure

Tenure	Number who need/likely to move	Total number of households	% need/likely to move
Owner-occupied (no mortgage)	1,814	18,344	9.9%
Owner-occupied (with mortgage)	2,351	13,504	17.4%
Social rented	735	3,135	23.4%
Private rented	1,074	2,617	41.1%
Total	5,975	37,600	15.9%

Source: East Dorset HNDS Fordham Research 2007

9.3 The survey moved on to look at where households would both like and expect to move. The results of this analysis are shown in the table below. The table suggests that 62.3% of households would like to remain in the District whilst a slightly lower proportion actually expect to remain (57.2%). A greater proportion of households would expect to move from Dorset completely than would like to.

Table 9.2 Where households would like and expect to move		
Location of next home	Like	Expect
East Dorset	62.3%	57.2%
Elsewhere in Dorset	18.9%	21.7%
Elsewhere in UK or abroad	18.8%	21.1%
TOTAL	100.0%	100.0%

Source: East Dorset HNDS Fordham Research 2007

9.4 Households were similarly asked about what tenure they would both like and expect to move to; the results are shown below. The results suggest that nearly four-fifths (79.5%) of all households would like to move to owner-occupation, however, only 71.6% expect to secure this type of accommodation. More households expect to rent (particularly in the private rented sector) than would like to.

Table 9.3 Housing tenure aspirations and expectations		
Tenure	Like	Expect
Buy own home	79.5%	71.6%
Social rented	17.4%	19.4%
Private rented	3.2%	9.0%
TOTAL	100.0%	100.0%

Source: East Dorset HNDS Fordham Research 2007

9.5 The tables below show cross-tabulations between current tenure and future tenure preference as well as future tenure expectations.

9.6 The first table shows that generally households would like to remain in the same tenure as they currently live. The exception to this is the private rented sector. The majority of households in this sector want to move to either owner-occupation or the social rented sector.

9.7 In terms of expectations (second table below) we find that the main difference is the greater number of private tenants who expect to remain in the sector when they would prefer owner-occupation. In total, 57.4% of private tenant movers would like to become owners but only 35.7% expect to do so.

Table 9.4 Current tenure and tenure preference

	Tenure preference			Total
	Owner-occupied	Social rented	Private rented	
Owner-occupied (no mortgage)	1,667	79	68	1,814
Owner-occupied (with mortgage)	2,304	37	10	2,351
Social rented	160	575	0	735
Private rented	616	348	110	1,074
Total	4,748	1,039	188	5,975

Source: East Dorset HNDS Fordham Research 2007

Table 9.5 Current tenure and tenure expectations

	Tenure preference			Total
	Owner-occupied	Social rented	Private rented	
Owner-occupied (no mortgage)	1,634	112	68	1,814
Owner-occupied (with mortgage)	2,243	52	56	2,351
Social rented	16	719	0	735
Private rented	383	278	414	1,074
Total	4,275	1,161	538	5,975

Source: East Dorset HNDS Fordham Research 2007

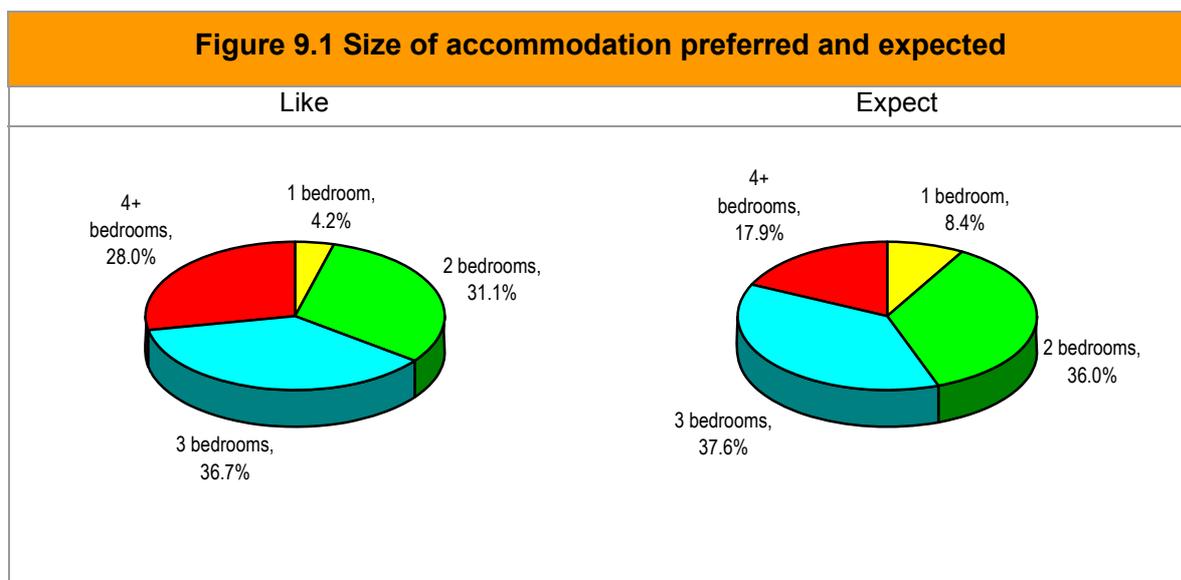
- 9.8 The table below shows the type of dwellings households would like and expect to move to. Unsurprisingly a large proportion of households would like detached accommodation (75.7%) but a much smaller proportion would expect to move to such accommodation (53.1%). Overall more households expect to move to all other dwelling types than is their preference (e.g. whilst 9.8% of households would like a flat approaching double this proportion would expect to move to that type of accommodation).

Table 9.6 Housing type aspirations and expectations

Type of home	Like	Expect
Detached house	50.6%	32.8%
Semi-detached house	9.0%	15.8%
Terraced house	3.0%	8.9%
Detached bungalow	25.1%	20.3%
Semi-detached/terraced bungalow	2.4%	4.1%
Flat/maisonette	9.8%	18.0%
TOTAL	100.0%	100.0%

Source: East Dorset HNDS Fordham Research 2007

9.9 In terms of the sizes of accommodation required we find that the largest proportion of households would like three-bedroom accommodation (36.7%). In addition just over a quarter (28.0%) would like a four or more bedroom home. In terms of expectations we find that the largest group is still three-bedroom homes (37.6%) whilst only 17.9% expect to secure four or more bedrooms. Around 8% of households expect to secure a one-bedroom home but only around 4% would like this size of accommodation.



Source: East Dorset HNDS Fordham Research 2007

9.10 In addition, households were asked if they would like or expected to move to specialist accommodation. The vast majority of households would either like (90.7%) or expect (89.2%) ordinary residential accommodation. Where households have indicated either a preference or expectation for specialist accommodation the main form is sheltered housing with a warden.

Future moves – newly forming households

9.11 A similar analysis can be carried out for newly forming households. The survey estimates that there are 2,356 households who need or are likely to form from households in the District over the next two years.

9.12 The table below suggests that newly forming households are less likely to want to remain in the area than existing households. In total 51.7% of potential households would like to remain in the area but only 36.9% expect to. A greater proportion of newly forming households expect to move to elsewhere in Dorset (mainly Bournemouth) or away from Dorset completely than would like to.

Table 9.7 Where potential households would like and expect to move

Location of next home	Like	Expect
East Dorset	51.7%	36.9%
Elsewhere in Dorset	27.1%	34.9%
Elsewhere in UK or abroad	21.2%	28.2%
TOTAL	100.0%	100.0%

Source: East Dorset HNDS Fordham Research 2007

- 9.13 In terms of tenure preferences and expectations, the table below shows some interesting results. In total an estimated 77.1% of potential households would like to move to owner-occupied accommodation, however, only 42.4% expect to secure such accommodation. Around 11% would like social rented housing but 16% expect to secure it. In total only 12.0% want to move to private rented accommodation but over two-fifths (41.3%) expect to do so.

Table 9.8 Housing tenure aspirations and expectations – newly forming households

Tenure	Like	Expect
Buy own home	77.1%	42.4%
Social rented	10.9%	16.3%
Private rented	12.0%	41.3%
TOTAL	100.0%	100.0%

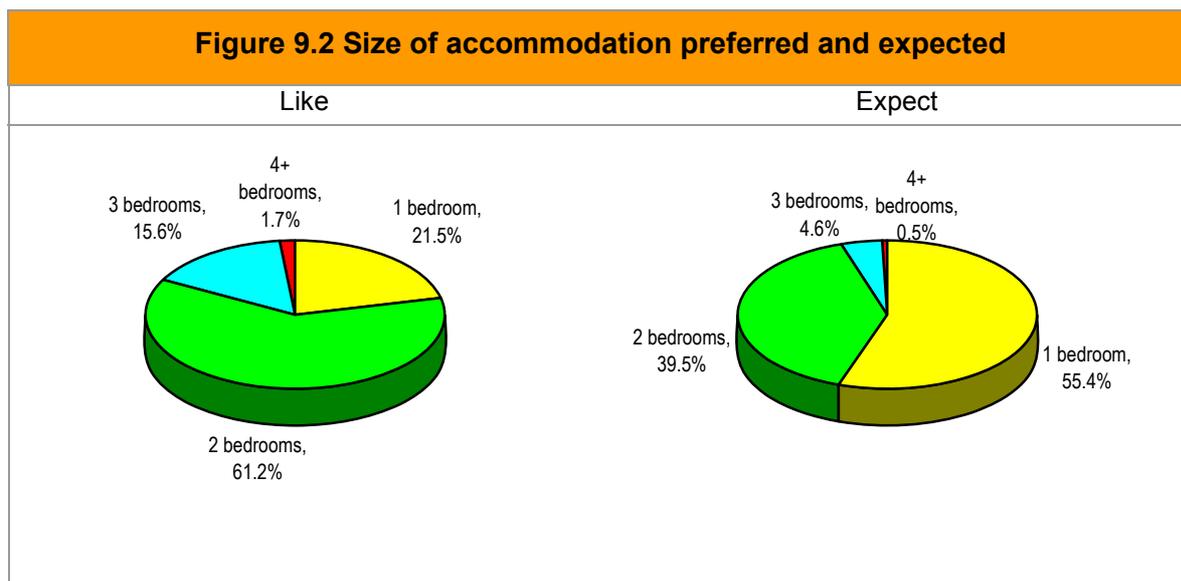
Source: East Dorset HNDS Fordham Research 2007

- 9.14 The table below shows the type of dwellings newly forming households would like and expect to move to. Compared with the results for existing households the figures show that there is a greater preference and expectation of flatted accommodation amongst newly forming households. In total 34.9% of newly forming households would like a flat (compared with 9.8% of existing households) whilst over two-thirds (69.2%) expect to secure this type of accommodation.

Table 9.9 Housing type aspirations and expectations of newly forming households		
Type of home	Like	Expect
Detached house	35.2%	6.9%
Semi-detached house	16.6%	7.0%
Terraced house	10.4%	14.4%
Detached bungalow	1.3%	1.5%
Semi-detached/terraced bungalow	1.6%	0.9%
Flat/maisonette	34.9%	69.2%
TOTAL	100.0%	100.0%

Source: East Dorset HNDS Fordham Research 2007

9.15 In terms of the sizes of accommodation required we find that the largest proportion of households would like two-bedroom accommodation (61.2%). In addition just under a quarter (21.5%) would like a one-bedroom home. In terms of expectations we find that the largest group is now one-bedroom homes (55.4%) and fewer households expect to secure all other sizes of accommodation than would like to.



Source: East Dorset HNDS Fordham Research 2007

9.16 In addition, newly forming households were asked if they would like or expected to move to specialist accommodation. The vast majority of households would either like (97.8%) or expect (92.7%) ordinary residential accommodation.

Summary

9.17 This chapter presented information on the future housing intentions of households in East Dorset. The main findings were:

- Around a sixth (15.9%) of existing households state a need or likelihood of moving home over the next two years
- Some 62.3% of these households would like to remain in East Dorset although a slightly smaller proportion expect to
- Significantly more moving households would like owner-occupied accommodation than expect it. Notably more moving households would like a detached home than expect it
- The survey estimates that there are 2,356 households who need or are likely to form from households in the District over the next two years
- In total an estimated 77.1% of potential households would like to move to owner-occupied accommodation, however, much less than this proportion expect to secure such accommodation (42.4%)

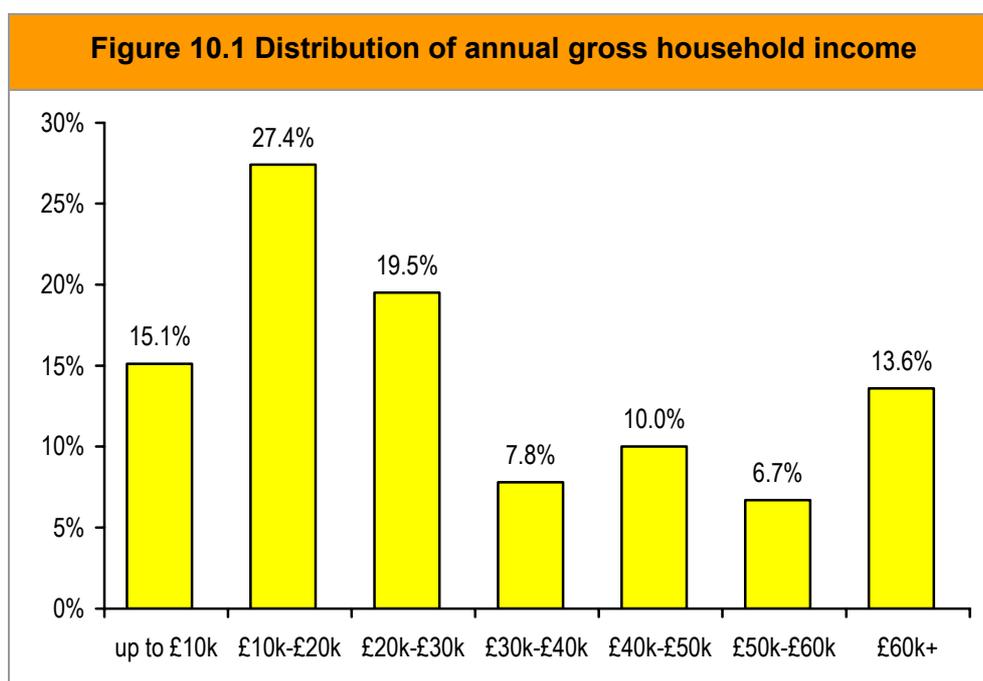
10. Financial information

Introduction

10.1 A key part of the housing needs and demand survey is an assessment of the financial situation of households. Data was therefore collected in the survey looking at a range of financial information (including incomes, savings and equity). This chapter contains the analysis of the survey results with regard to household's financial situation.

Household income

10.2 The response to the survey income question was good with 83.9% of respondents answering this question. Survey results for household income in East Dorset estimate the average (mean) gross household income level to be £31,534 per annum. The median income is noticeably lower than the mean (at £24,436 per annum). The figure below shows the distribution of income in the District.

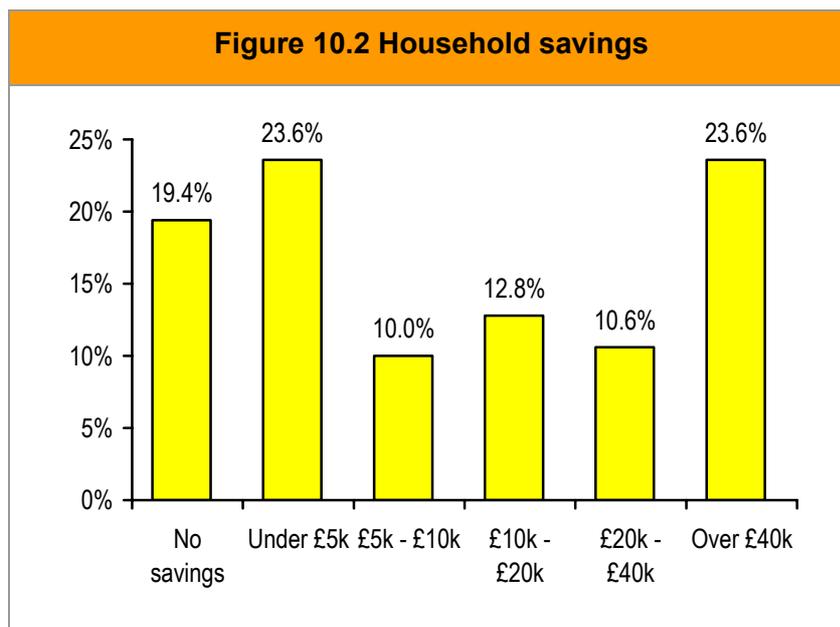


Source: East Dorset HNDS Fordham Research 2007

Household Savings and Equity

10.3 The response to the survey savings question was also good with 82.1% of respondents answering this question. The average (mean) household has £48,370 in savings (median of £9,221). The figure below shows the distribution of savings in the District.

10.4 An estimated 43.0% of households had less than £5,000 in savings whilst 23.6% had savings of over £40,000. Households with no savings also include those in debt.



Source: East Dorset HNDS Fordham Research 2007

10.5 The survey also collected information about the amount of equity owner-occupiers have in their property. For both owner occupier groups together (with and without mortgages) the average (mean) amount of equity was estimated to be £256,185 (median of £230,071). It is estimated that 0.1% of owner-occupiers (40 households) are in negative equity: : this estimate is clearly subject to error due to the small sample, but the main point is that there is hardly any negative equity. Negative equity is a 'yes/no' question in the questionnaire and so the exact amount is not determined. Based on general experience in other surveys, an assumption of -£5,000 is made where a respondent indicates negative equity.

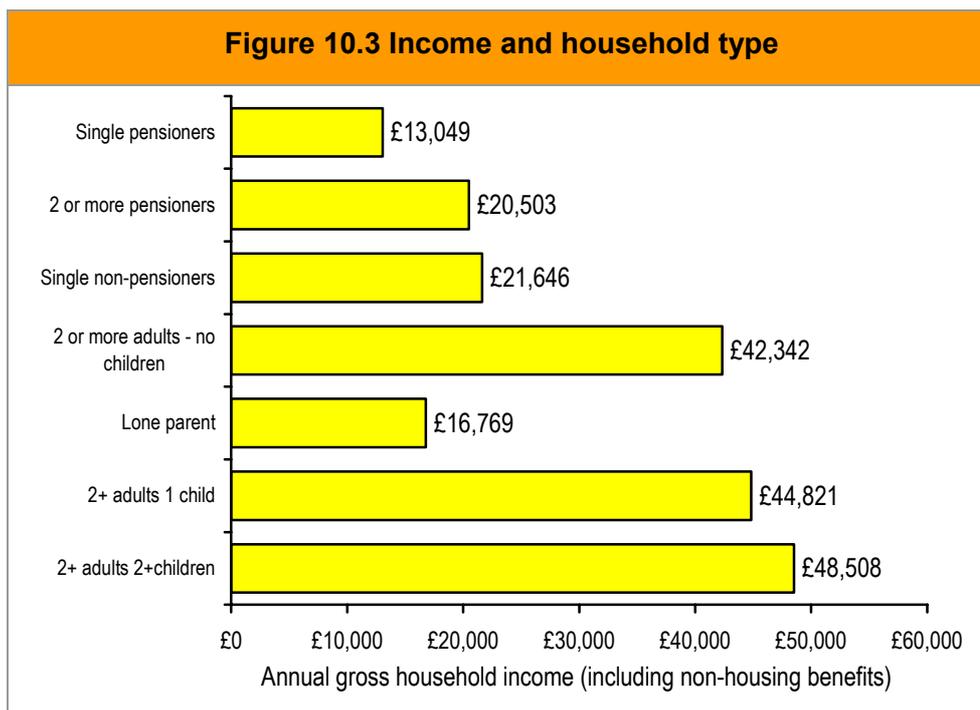
Household characteristics and income

- 10.6 The table below shows average income, savings and equity by tenure. As might be expected, the households with the lowest average incomes (and savings) are those in the social rented sector. Whilst owner-occupiers with no mortgage have an average household income considerably lower than those with a mortgage, this group contains many older people who are not working but have redeemed their mortgages. These households therefore have much higher levels of savings and equity.
- 10.7 The income figures by tenure are generally slightly lower than the latest national estimates (from SEH 2005/06) in the two rented sectors and higher for the two owner-occupied groups. The latest national figures are: outright owners - £24,522, owners with a mortgage - £40,910, social renters - £12,185 and private tenants - £24,833.

Table 10.1 Financial information by tenure			
Tenure	Average annual gross household income	Average savings	Average equity
Owner-occupied (no mortgage)	£25,898	£80,895	£304,992
Owner-occupied (with mortgage)	£45,636	£20,536	£189,885
Social rented	£11,357	£3,465	-
Private rented	£22,444	£17,807	-
AVERAGE	£31,534	£48,370	£256,185

Source: East Dorset HNDS Fordham Research 2007

- 10.8 The figure below looks at income levels by household type. Single pensioner and lone parent households show average incomes considerably below the District average. Households with two or more adults and two or more children show the highest average incomes.



Source: East Dorset HNDS Fordham Research 2007

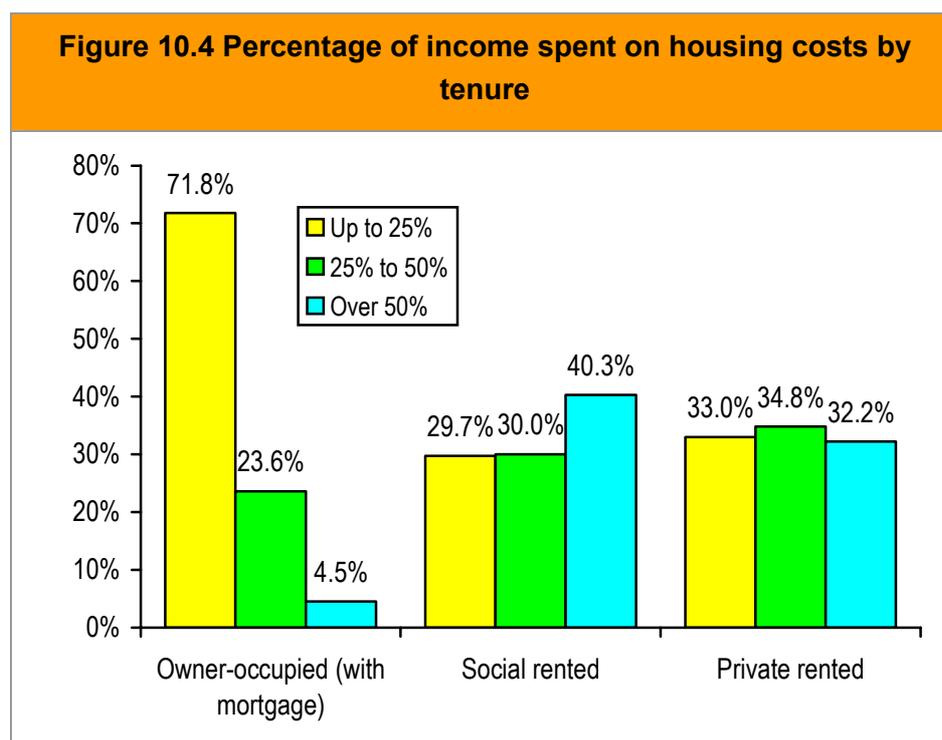
Other financial information

10.9 In addition to the information collected about income, savings and equity the survey form asked households whether they had access to any other financial resources which might be able to be used towards a deposit on a property (and if so – how much). The vast majority of households (86.0%) stated that they had no further access to financial resources other than those already analysed.

10.10 Despite the majority having no access to financial resources, the minority that do (e.g. borrowing from relatives) raise the overall average extra funding to around £2,780 from sources other than savings and equity. Therefore some of this 14% remainder have access to quite large amounts of funding. It is therefore possible that such additional funds will be able to help a small number of households to afford suitable market housing without the need for any subsidy.

Relationship of income to housing costs

10.11 It is of interest to study the amount of income that households are spending on their housing costs (whether rent or mortgage). The figure below shows the number of households in each tenure group by what proportion of income is spent on housing. The figure shows that there are a significant number of households spending over 25% and in many cases in excess of 50%. Households paying more than 50% are most likely to be found in the social rented and private rented sectors.



Source: East Dorset HNDS Fordham Research 2007

10.12 The above analysis does not however take account of the fact that many households will be in receipt of Housing Benefit (or income support in the case of owners) which will be helping them to afford housing. The table below investigates the receipt of benefits towards housing costs. The table clearly shows that the greater the proportion of income spent on housing the greater the number of households who are claiming assistance.

10.13 For example, of all households paying up to 25% of income on housing costs some 5.9% are also claiming Housing Benefit. For households spending over 50% this figure rises to 64.1%. Whilst this finding shows that to a certain extent the benefit system is meeting the needs of low income households the data does suggest that a notable number of households are spending large proportions of their income on housing and receiving no subsidy to help with the costs.

Table 10.2 Percentage of households receiving Housing Benefit (income support) by tenure and proportion of income spent on housing

	Owner-occupied (with mortgage)	Social rented	Private rented	Total
Spend up to 25%	1.4%	45.0%	15.2%	5.9%
Spend 25%-50%	1.0%	56.5%	29.5%	16.2%
Spend over 50%	22.8%	79.3%	72.2%	64.1%
Total	2.3%	62.3%	38.5%	16.6%

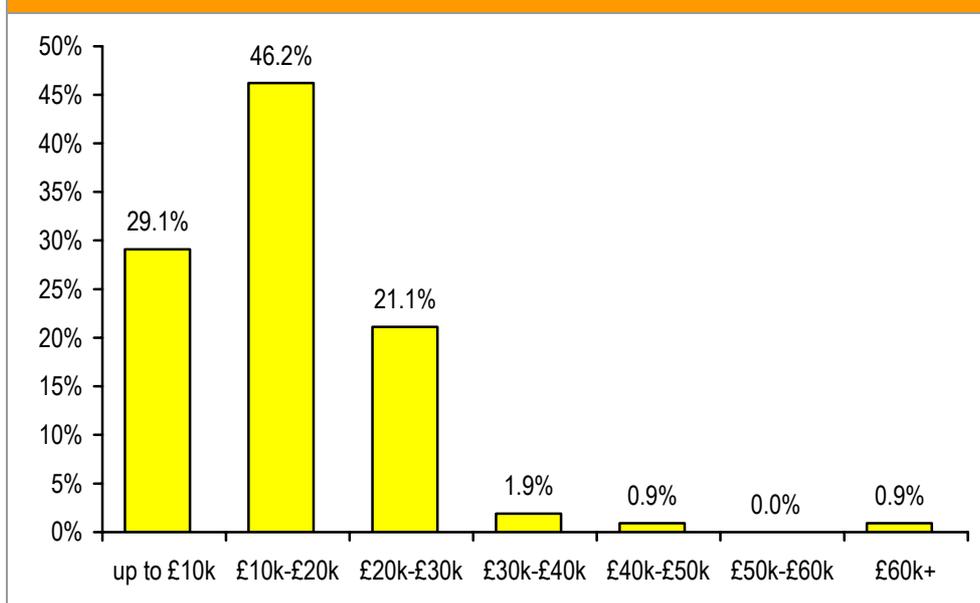
Source: East Dorset HNDS Fordham Research 2007

Newly forming households financial situation

10.14 The previous chapter highlighted that there are an estimated 2,356 households who need or are likely to form over the next two years. The housing preferences and expectations of these households (in terms of location, tenure and type of dwelling) have also been studied. In addition to the future preferences and expectations of newly forming households the survey form collected a series of data about these households financial situation (including income and savings data) which is presented below.

10.15 The table below shows estimated income levels for newly forming households. The table shows that income distribution is heavily concentrated in the lower income brackets with 29.1% having an income of below £10,000 and 75.3% an income below £20,000. The average (mean) income of newly forming households is estimated to be £14,131 – significantly below the figure for all households of around £32,000.

Figure 10.5 Distribution of annual gross household income – newly forming households



Source: East Dorset HNDS Fordham Research 2007

- 10.16 In addition, newly forming households were asked about any financial resources which might be available for a deposit/bond when buying or renting a home. Separate answers were sought for the newly forming household's own finances (e.g. savings) and other finance (e.g. money from parents).
- 10.17 Taking these two categories together it is estimated that the average newly forming household will have access to around £8,135 – over half of this (56.9%) would be from sources other than the households' own savings. There is however a considerable difference between different households in terms of likely financial resources available with 31.8% stating that they have no money to use as a deposit/bond and 12.6% having more than £20,000.
- 10.18 Given the level of income and savings shown for newly forming households from the survey data it is clear that many will have difficulty accessing the housing market without some form of subsidy. However, it is widely recognised that this group of households can have rapidly changing financial situations (for example households who have actually formed over the past two years show an average income of £26,500 per annum) and therefore to rely solely on the information provided here may not properly reflect the affordability of this important group.
- 10.19 Therefore the survey form also asked a 'subjective' question about future affordability. In response to this question 65.0% of newly forming households stated that they would not be able to afford market housing without some sort of subsidy (e.g. Housing Benefit).

Summary

10.20 The collection of financial information is a fundamental part of any assessment of housing need and future housing demand. The survey estimates that mean annual gross household income (including non-Housing Benefits) in East Dorset is £31,534. The average conceals wide variations among different tenure groups with households in social rented housing showing average incomes significantly below the District average. When income is compared with housing costs the data reveals that many households spend more than a quarter of their income on their housing costs.

11. Balancing Housing Markets

Introduction

- 11.1 A 'Balancing Housing Markets' (BHM) assessment looks at the whole local housing market, considering the extent to which supply and demand are 'balanced' across tenure and property size. It works at the simplest level by establishing the likely demand for housing of particular types by the expected supply arising from vacancies in the existing stock so as to provide a broad indication of the shortages (and in some cases surpluses) of particular types of dwelling.
- 11.2 The BHM model is not a purely technical assessment of housing requirements and combines a technical assessment of certain aspects (e.g. affordability) with a reasoned judgement about how exactly the housing market operates (e.g. the fact that the private rented sector is often used to meet some affordable needs through the use of Housing Benefit).
- 11.3 In addition the model looks at both household's aspirations and their expectations to provide an indication of the most likely housing solution in the particular market.

Methodology

- 11.4 There are six stages of analysis in the Balancing Housing Markets Model (three for supply and three related to demand). The six stages in detail are:
- **Stage 1. Supply from household dissolution:** Assessing the size, type and tenure of dwellings likely to become available from household dissolution (using national mortality rates).
 - **Stage 2. Supply from out-migrant households:** Assessing the size, type and tenure of dwellings existing households moving away from the District are going to make available.
 - **Stage 3. Supply from existing households:** Assessing the size, type and tenure of housing that existing households moving within the District are going to make available.
 - **Stage 4. Demand from in-migrant households:** Assessing the size, type and tenure of accommodation secured by households that recently moved into the District.

- **Stage 5. Demand from newly forming households:** Assessing the likely sizes, types and tenures of housing required by newly forming households moving to a property within the District.
- **Stage 6. Demand from existing households:** Assessing the likely sizes, types and tenure of accommodation required by existing households moving from one property in the District to another.

Relationship with the CLG housing need model

- 11.5 The CLG Needs Model produces a number for the annual amount of extra affordable housing which would, after a period, mean that there is no further need for affordable housing in an area. The presence of households living in unsuitable housing, or in the private rented sector on Housing Benefit would stop. Since in most parts of Britain it is clear that housing need will exist for many decades (at the present rate of production of new affordable housing) it can be seen that this model is geared to an ideal state of affairs and not the current reality.
- 11.6 One particular assumption that affects the estimates is that no more than 25% of income should be spent on housing. However the reality is that many households will be spending more like 50% of their income on housing (whether low or high income), sometimes because they are forced to, but sometimes because they prefer to achieve a particular type or location of housing and are prepared to make sacrifices to achieve it.
- 11.7 Many households will be found in the private rented sector who cannot afford market rents at 25% of income on housing. Of these a proportion will be on Housing Benefit, but a substantial proportion will not be. In both cases, the private rented sector on shorthold does not provide affordable housing in the CLG definition, and does not provide long term security for vulnerable households.
- 11.8 The CLG model is an important part of Guidance and so the calculation must be done as part of any HNS. In order to provide realistic outputs for the three key PPS3 requirements it is necessary to use a different and more pragmatic approach to analysing the housing market.
- 11.9 The Balancing Housing Markets model is therefore produced to provide the outputs required by PPS3 and to better reflect the current local practices across the whole housing market (in terms of amount of income used on housing and the decisions made when moving within the local market). It does this by containing a sensitivity that would not be appropriate within the CLG model.

- 11.10 The BHM model looks at both household's aspirations and their expectations to provide an indication of the most likely housing solution in the particular market. The model is essentially based upon the stated move expectations of the respondents, which have had the 'aspiration' element removed by asking about them first. The questionnaire says '*what would you like*', and then '*what would you expect*'. Although these do not contain a formal means test (in other words no arithmetic check has been made to see whether they can afford their stated preference) our experience suggests that expectations are quite reliable as a guide. Indeed 'expectations' of households planning to move are likely in some ways to be more reliable than a formal means test, as no questionnaire survey can expect to discover all means of finance available to households. The stated expectations do, therefore, contain an implicit means test.
- 11.11 The expectations should therefore be regarded as moves which, if suitable supply of housing is available, are capable of being fulfilled. Thus the BHM analysis, which seeks to reconcile the 'demands' of movers with the supply of vacant dwellings, works by repeated iterations through the stock, taking account of what properties would be made vacant by moves, and then matching them with the sizes/types of dwelling stated by expected movers. The table below shows the overall results of the BHM analysis.
- 11.12 The process of arriving at an allocation of sizes and tenures of housing, matching supply with demand, is complex. It typically involves upwards of 20 iterations. The combination of technical analysis and judgement involved is informed by qualitative research, principally with estate agents, and by secondary data on the area. However the process cannot, if it is to be a reliable guide to that market, be based on a simple formula. The nature of the interactions between supply and demand across four sub-groups of tenures and four sizes of dwelling cannot be made into a mechanical analysis without losing practical relevance to the market(s) in question.
- 11.13 The combination of quantitative and qualitative analysis in one calculation process is a novel one. It is prompted by the complexity of the task. As a result of its origin, the process cannot be made completely transparent (as can an arithmetic calculation) but enough cross checking can be done to reassure a detached observer. In most cases the obvious cross-check for the affordable sector is the CLG Needs Model discussed above. The market sector of the calculation is more easily checked against qualitative evidence.

Results

11.12 A summary table bringing together all of the demand and supply information is presented below (the full results for each of the six stages of analysis can be found in Appendix A3). The table shows that overall there is expected to be a greater demand for housing than the current stock of housing can meet. Overall, across all tenures there is an apparent shortfall of 375 dwellings per annum (excess demand over supply).

Table 11.1 Balancing Housing Markets results for East Dorset (per annum)					
Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	-4	104	57	46	203
Private rented	34	-13	-7	-23	-8
Intermediate	8	45	0	10	63
Social rented	15	37	28	39	117
TOTAL	52	173	78	72	375

Source: East Dorset HNDS Fordham Research 2007

11.13 There are two comments to make on the general interpretation of this table:

- i) **Private rented sector.** Where the figures show a surplus they do not imply that there will be empty rented flats. What the figures imply is that even viewed in terms of expectations, most people do not want the private rented sector. Viewed through the perspective of 'aspirations' very few want it. Many more expect it, but yet more will be obliged in practice to accept it. Household expectations are a realistic way to view the future market, but nothing is certain about the future, and as we have a much more detailed database on stock supply and turnover than any household is likely to have, this analysis can establish the 'true' position on overall supply and demand. A surplus shown for a particular size of private rented dwelling will only very rarely result in vacant private rented stock. In practice some households expecting to buy may be frustrated in achieving this. Such households will end up in private rented accommodation thus creating an overall demand for the sector. Similarly, but at the other end of the financial capacity range, some households only able to afford social rented housing will be unable to secure it as expected, and will enter the private rented sector on Housing Benefit.

- ii) **Social rented vs intermediate housing.** Since there is only a very limited supply of intermediate housing at present, the 'expectations' of households are not often directed towards this tenure. As a result we have taken those aspiring to something more than social renting and applied a means test to them. In this respect, the general approach to the BHM of using expectations is replaced by analysis of the ability to afford. Thus the numbers of households indicated to be in the intermediate band are those unable to afford market housing, but who can afford the mid-point of the intermediate range. The mid-point is taken because it represents the 'average' weekly cost of intermediate housing types.

11.14 The following section examines the results.

Housing tenure outcomes

Owner-occupation

11.15 In the owner-occupied sector there is an apparent shortfall of 203 units per annum (54%) of the overall shortfall. The majority of this shortfall is for two-bedroom units although excess demand is also shown for three and four-bedroom homes. There is an apparent (small) surplus of one-bedroom homes in the owner-occupied sector.

Private rented sector

11.16 Overall the private rented sector appears to be roughly in balance. The potential demand for this type of accommodation is roughly in line with the overall supply. However, by size of dwelling we find that there are potential shortages of one-bedroom homes and surpluses of all other sizes of accommodation.

Affordable housing

11.17 The CLG Needs model set out in Chapter 7 showed a significant level of need (an Index of 12, and an annual need for 440 dwellings). This represents the CLG based assessment and is the main indicator of need. However the practical value lies with the BHM, since it reflects what is actually likely to happen, although this too does not take into account a household's ability to pay for the type of housing that they are seeking. Thus the figure for affordable housing requirement is some 243 new affordable dwellings per annum. This is still beyond the likely level of feasible provision, but is about half the CLG Needs estimate. This reflects the reality that many households in need will find a home in the private rented sector on Housing Benefit, which is the main alternative to affordable housing. It is by no means an adequate substitute in many cases, as it is both of poorer physical condition in many instances, and also does not provide security of tenure (6 month shorthold). Nevertheless, this is the reality for many households in housing need.

Intermediate housing

11.18 The BHM analysis indicates that the requirement for intermediate housing makes up around 17% of the net shortfall of housing in the District. The main shortfall is for two-bedroom homes.

Social rented housing

11.19 The shortage of social rented housing makes up around 31% of the total shortfall of housing in the District. The net demand for units is spread across all sizes of accommodation.

Summary

11.20 A 'Balancing Housing Markets' (BHM) assessment looks at the whole local housing market, considering the extent to which supply and demand are 'balanced' across tenure and property size. The analysis reveals that there is an ongoing requirement for owner-occupied accommodation and a potentially large requirement for affordable housing. In terms of the size of property required, the methodology shows the main shortfall is for two-bedroom properties with notable shortfalls also recorded for all other sizes of accommodation.

SECTION D: PARTICULAR GROUPS

12. The needs of particular groups

Introduction

12.1 This section addresses particular client groups that may have specific housing requirements. Although such groups do not necessarily represent households in need as defined by the CLG Guide, it is important for the Council to have information on them in order to inform specific policies and service provision.

12.2 For example, the frail elderly may not be in housing need in the sense of not being able to afford market housing, but many of them are liable to require extra care in the future, whether directly, or via aids and adaptations in the home.

12.3 This section covers the following groups:

- Households with special needs
- Older person households
- Key workers
- Young people (including first-time buyers)
- Households in rural areas
- Families with children

Households with special needs

12.4 Information collected through the survey enables us to identify whether any household members have a particular special need. Information about the characteristics of these households can inform the Council's Supporting People strategy.

12.5 The survey looked at whether household members fell into one or more of a range of groups. Whilst these represent the larger client groups covered in Supporting People Strategy, they are not exhaustive. There are, for example, many groups for which it would not be possible to obtain results through the questionnaire type approach (either due to the small numbers or because of the nature of the special need).

12.6 It should also be noted that the finding of a household with a special need does not necessarily mean that the household needs to move to alternative accommodation. In many cases the special need can be catered for within the household's current home whilst for others the issue may be the need for support rather than any specific type of accommodation.

12.7 The groups covered were:

- Frail elderly
- Persons with a medical condition
- Persons with a physical disability
- Persons with a learning disability
- Persons with a mental health problem
- Persons with a severe sensory disability
- Persons with another need

12.8 Some special needs are uncommon, while others are numerous. The accuracy of each figure will of course vary according to the size of the group involved.

Special needs groups: overview

12.9 Overall there are an estimated 6,975 households in the East Dorset area with one or more members in an identified special needs group. This represents 18.6% of all households. The table below shows the numbers of households with different types of special needs. The numbers of households in each category exceed the total number of special needs households because people can have more than one category of special need.

12.10 Households with a ‘medical condition’ are the predominant group. There are 3,994 households containing a person with a medical condition. The next largest group is ‘frail elderly’ with 3,455 households having a member in this category. These two categories represent 57.3% and 49.5% of all special needs households respectively.

Table 12.1 Special needs categories			
Category	Number of households	% of all households	% of special needs households
Frail elderly	3,455	9.2%	49.5%
Physical disability	2,860	7.6%	41.0%
Learning difficulty	645	1.7%	9.2%
Mental health problem	748	2.0%	10.7%
Severe sensory disability	598	1.6%	8.6%
Medical Condition	3,994	10.6%	57.3%
Other	197	0.5%	2.8%

Source: East Dorset HNDS Fordham Research 2007

12.11 The tables below show the characteristics of special needs households in terms of age, tenure and unsuitable housing.

Table 12.2 Special needs households with and without older people

Age group	Special needs households				
	Special needs	No special needs	Number of h'holds	% of total h'holds with special needs	% of those with a special need
No older people	2,287	17,032	19,319	11.8%	32.8%
Both older & non older people	1,034	3,284	4,318	24.0%	14.8%
Older people only	3,654	10,309	13,963	26.2%	52.4%
TOTAL	6,975	30,625	37,600	18.6%	100.0%

Source: East Dorset HNDS Fordham Research 2007

12.12 The survey data shows that special needs households are also more likely to contain older persons.

12.13 The table below indicates that special needs households are more likely to be living in social rented housing. Some 39.6% of RSL households contain a special needs member. Additionally, 19.9% of owner-occupied (no mortgage) households contain a special needs member.

Table 12.3 Special needs households and tenure

Tenure	Special needs households				
	Special needs	No special needs	Number of h'holds	% of total h'holds with special needs	% of those with a special need
Owner-occupied (no mortgage)	3,644	14,700	18,344	19.9%	52.2%
Owner-occupied (with mortgage)	1,520	11,984	13,504	11.3%	21.8%
RSL	1,240	1,895	3,135	39.6%	17.8%
Private rented	571	2,046	2,617	21.8%	8.2%
TOTAL	6,975	30,625	37,600	18.6%	100.0%

Source: East Dorset HNDS Fordham Research 2007

12.14 The table below indicates that special needs households are over three times as likely to be living in unsuitable housing as non-special needs households. Some 9.4% of all special needs households are living in unsuitable housing, which compares with 4.1% of all households and 2.9% of all non-special needs households.

Table 12.4 Special needs households and unsuitable housing

Special needs	Unsuitable housing				
	In unsuitable housing	Not in unsuitable housing	Number of h'holds	% of total h'holds in unsuitable housing	% of those in unsuitable housing
Special needs	658	6,317	6,975	9.4%	42.4%
No special needs	894	29,731	30,625	2.9%	57.6%
TOTAL	1,552	36,048	37,600	4.1%	100.0%

Source: East Dorset HNDS Fordham Research 2007

12.15 The figure below shows the average income and savings levels for special needs households in comparison to other households in the District. The figure shows that special needs groups have average income and savings levels noticeably below the average for non-special needs households.

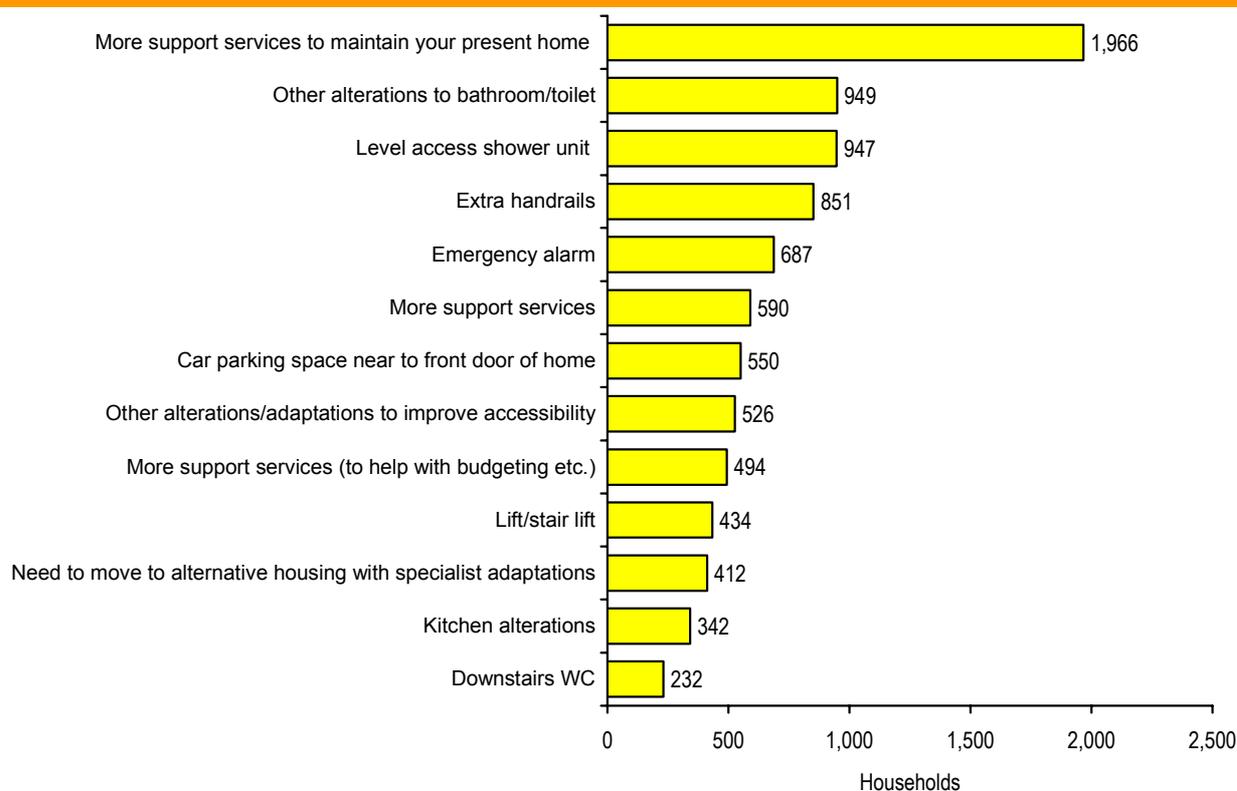
Table 12.5 Income and savings levels of special needs households

Special needs	Annual gross household income	Average household savings
Special needs	£21,300	£40,672
No special needs	£33,865	£50,123

Source: East Dorset HNDS Fordham Research 2007

Requirements of special needs households

12.16 Those households with a member with special needs were asked to indicate if there was a need for improvements to their current accommodation and/or services. The responses are detailed in the figure below.

Figure 12.1 Special needs households: improvements to accommodation & services

Source: East Dorset HNDS Fordham Research 2007

12.17 The results show requirements for a wide range of adaptations and improvements across the special needs households. The most commonly-sought improvements needed were:

- More support services (to help maintain current home) (1,966 households – 28.2% of all special needs households)
- Alterations to bathroom/toilet (other than downstairs WC) (949 households – 13.6% of all special needs households)
- Level access shower unit (947 households – 13.6% of all special needs households)

Older person households

12.18 Older people are defined as those over the state pension eligibility age (currently 65 for men, 60 for women). For the purpose of this chapter, households have been divided into three categories:

- Households without older persons
- Households with both older and non-older persons
- Households with only older persons

12.19 Over a third of all households in East Dorset contain only older people (37.1%) and a further 11.5% contain both older and non-older people. The table below shows the number and percentage of households in each group.

Table 12.6 Older person households		
Categories	Number of households	% of all households
Households without older persons	19,319	51.4%
Households with both older and non-older persons	4,318	11.5%
Households with older persons only	13,963	37.1%
TOTAL	37,600	100.0%

Source: East Dorset HNDS Fordham Research 2007

Characteristics of older person households

12.20 The number of occupants in older person households is shown in the table below. The data suggests that almost all households containing older persons only are comprised of one or two persons only – there are only 26 older person households containing three or more people. Over half of all single person households are older person households.

Table 12.7 Size of older person only households					
Number of persons in household	Age group				
	Older persons only	Other h'holds	Number of h'holds	% of total h'holds with older persons	% of those with older persons
One	6,180	3,229	9,409	65.7%	44.3%
Two	7,757	9,024	16,781	46.2%	55.6%
Three	26	4,856	4,881	0.5%	0.2%
Four	0	4,671	4,671	0.0%	0.0%
Five	0	1,369	1,369	0.0%	0.0%
Six or more	0	488	488	0.0%	0.0%
TOTAL	13,963	23,637	37,600	37.1%	100.0%

Source: East Dorset HNDS Fordham Research 2007

12.21 The table below shows the housing tenures of households with older persons. Over five-sixths of older person only households are owner-occupiers. The overwhelming majority of these do not have a mortgage. This finding suggests that the potential for equity release schemes in East Dorset is quite high.

12.22 Another significant finding is the relatively high proportion of social rented accommodation containing older people only. Approaching half (44.2%) of social rented dwellings contain only older people. This may have implications for future supply of specialised social rented accommodation.

Table 12.8 Older person only households and tenure					
Tenure	Age group			% of total h'holds with older persons	% of those with older persons
	Older persons only	Other h'holds	Number of h'holds		
Owner-occupied (no mortgage)	11,111	7,233	18,344	60.6%	79.6%
Owner-occupied (with mortgage)	919	12,585	13,504	6.8%	6.6%
Social Rented	1,385	1,750	3,135	44.2%	9.9%
Private rented	548	2,069	2,617	20.9%	3.9%
TOTAL	13,963	23,637	37,600	37.1%	100.0%

Source: East Dorset HNDS Fordham Research 2007

12.23 The table below shows that older person only households are more likely than non-older person households in the East Dorset area to be living in one and two-bedroom properties. However, the results also show that more than half of all older person households are in three or four-bedroom dwellings. Given that previous information has shown that all older person only households are comprised of almost only one or two persons, this finding suggests that there could be potential scope to free up larger units for younger families if the older households chose to move into suitable smaller units.

Table 12.9 Size of dwellings (number of bedrooms) for older person only households		
Number of bedrooms	% of older person households	% of non-older person households
1 bedroom	8.6%	3.7%
2 bedrooms	39.4%	19.9%
3 bedrooms	40.1%	42.5%
4+ bedrooms	11.9%	33.9%
TOTAL	100.0%	100.0%

Source: East Dorset HNDS Fordham Research 2007

12.24 This information can be further broken down by tenure (for older person households) and this is shown in the table below. The table indicates that whilst the majority of large (3+ bedroom) properties are in the owner-occupied sector there are 73 properties in the social rented sector which may therefore present some opportunity to reduce under-occupation.

Table 12.10 Older person only households size of accommodation and tenure

Tenure	Size of accommodation				TOTAL
	1 bed	2 bed	3 bed	4+ bed	
Owner-occupied (no mortgage)	458	4,263	4,936	1,455	11,111
Owner-occupied (with mortgage)	23	323	409	164	919
Social rented	618	694	66	7	1,385
Private rented	102	218	186	42	548
TOTAL	1,201	5,497	5,597	1,668	13,963

Source: East Dorset HNDS Fordham Research 2007

Key worker households

12.25 For the purposes of analysis key workers were defined as people working in any one of six categories. These were:

- Nurses and Other NHS staff
- Prison/Probation staff
- Teacher
- Junior and retained fire fighter
- Police Officer
- Social worker, educational physiologist, therapists

12.26 The nature of this study means that the key workers identified within the survey are those that are resident in the District. The data, therefore, includes key workers resident in the District who work outside its' boundaries and excludes key workers who work in East Dorset but live outside. The analysis of key workers concentrates on their current housing situation, future demands for housing and affordability.

12.27 In total it is estimated that 3,487 households are headed by a key worker (head of household taken as survey respondent). These households are subject to further analysis in the section below.

12.28 The table below shows the tenure key worker households. The results indicate that the majority of key worker households (93%) are currently living in owner-occupied accommodation and are more likely to be owner-occupiers than non-key workers (85%). Key worker households are less likely than non-key worker households to be living in the social rented sector, and also the private rented sector.

Table 12.11 Tenure of Key worker households

Tenure	Key worker household		Not key worker household	
	Number of households	% of households	Number of households	% of households
Owner-occupied (no mortgage)	947	27.2%	3,524	24.2%
Owner-occupied (with mortgage)	2,298	65.9%	8,777	60.3%
Social Rented	58	1.7%	969	6.7%
Private rented	183	5.3%	1,275	8.8%
TOTAL	3,487	100.0%	14,545	100.0%

Source: East Dorset HNDS Fordham Research 2007

Income and affordability of key worker households

- 12.29 The table below shows a comparison of income and savings levels for key worker and non-key worker households.
- 12.30 The figure for non-key worker households has been split depending on whether the head of household is in employment or not. Figures shown are for annual gross income (including non-Housing Benefits). The table suggests that generally key worker households have significantly higher income levels than non-key worker households (those in employment). Key worker households have slightly higher level of savings than non-key worker households. In comparison with all households, income levels for both key worker and non-key worker households are above the District average although savings levels are below. This reflects the fact that the District-wide figures include retired households who have no earned income but much higher levels of savings.

Table 12.12 Income and savings levels of key worker households

Category	Annual gross household income (including non-Housing Benefits)	Average household savings
All key worker household	£49,269	£35,577
All non-key worker (in employment)	£42,359	£34,175
All other households (no-one working)	£20,328	£61,201
All households	£31,534	£48,370

Source: East Dorset HNDS Fordham Research 2007

- 12.31 It is possible to consider the ability of key worker households to afford both minimum market prices and intermediate forms of housing and this is presented in the table below for all key worker households.

Table 12.13 Key worker households and ability to afford housing		
Category	Number of households	% of households
Afford market housing	3,158	90.6%
Afford intermediate housing	99	2.9%
Social rent only	229	6.6%
Total	3,487	100.0%

Source: East Dorset HNDS Fordham Research 2007

12.32 The table indicates that 90.6% of all key worker households are able to afford entry-level prices in the market. It is interesting to note that of the 328 households unable to afford minimum market prices, 69.8% can only afford social rented housing, whilst 30.2% can afford intermediate housing.

Situation of younger people

12.33 For the purpose of this study younger people are defined as those aged between 21 and 35. The survey records that there are 7,707 younger people in East Dorset.

12.34 The table below presents the working status of younger people in the District. The table indicates that over four-fifths of younger people are employed, with the overwhelming majority of these in full-time employment. However there are some 2.1% of younger people that are unemployed.

Table 12.14 Working status of younger people		
Working status	Number of people	% of all people
Full-time employment	4,854	63.0%
Part-time employment	1,087	14.1%
Self-employed	603	7.8%
Unemployed	163	2.1%
Full-time student	198	2.6%
Looking after home/family	617	8.0%
Permanently sick/disabled	108	1.4%
Other	59	0.8%
TOTAL	7,707	100.0%

Source: East Dorset HNDS Fordham Research 2007

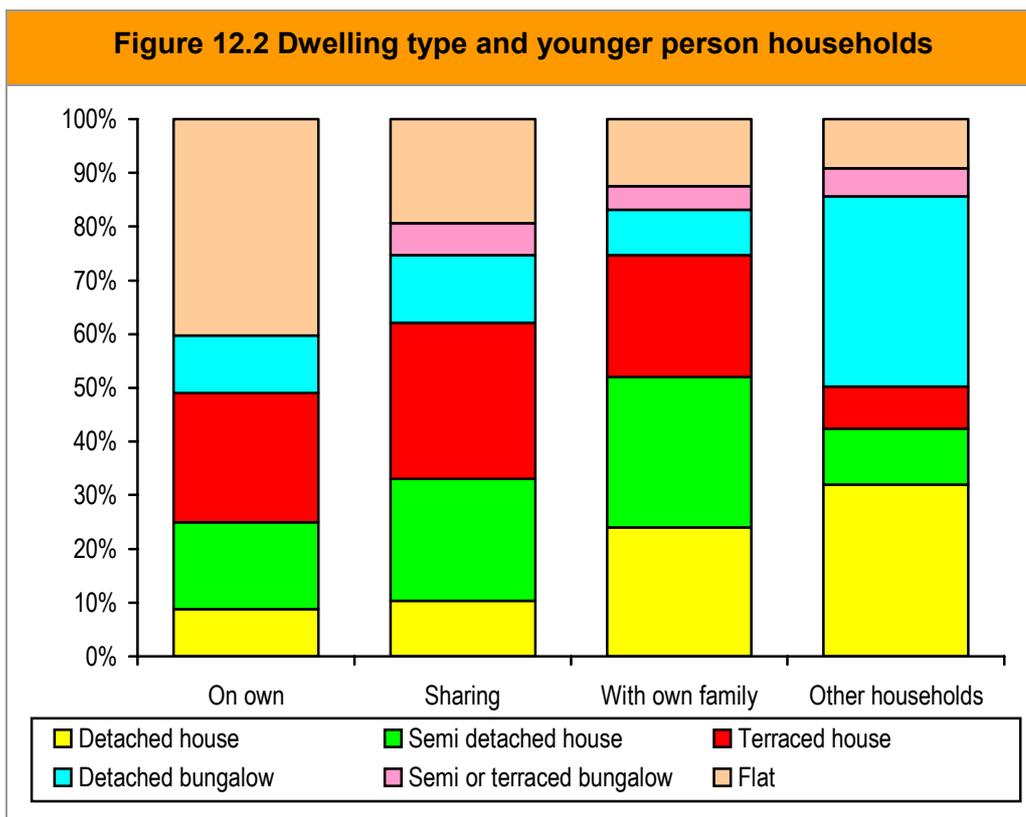
12.35 The table below indicates the type of households these younger people live in. The table shows that some 27.3% of younger people live in a home as a family with their own children, over a quarter share their home with other younger people, 3.3% live alone and 42.3% live with their parents or others.

Table 12.15 Type of household younger people reside in		
Type of household	Number of people	% of all people
On own	255	3.3%
Sharing house with others the same age	2,089	27.1%
Live in family with own children	2,107	27.3%
Live with parents/others	3,257	42.3%
TOTAL	7,707	100.0%

Source: East Dorset HNDS Fordham Research 2007

12.36 It is possible to examine the housing circumstances of the three clearly defined groupings of younger households; those living on their own, those sharing with other younger people and those living with their own family. This is presented in the following section. The housing implications of the young people living with parents/others are discussed in the section on first-time buyers.

12.37 The figure below shows the type of properties in which the three groups of younger households live. The equivalent information is presented for all other households in the District for comparison. The figure indicates that younger households are less likely than other households in the District to live in detached houses or bungalows and are more likely to live in terraced housing. Over 40% of young people living on their own reside in a flat.



Source: East Dorset HNDS Fordham Research 2007

12.38 The table below shows the size of accommodation in which the three groups of younger households live. Again the equivalent information is presented for all other households for comparison. The data suggests young single households are particularly likely to live in one bedroom accommodation with almost 50% resident in a home this size. All younger households are less likely to live in accommodation with four or more bedrooms than other households in East Dorset.

Table 12.16 Size of dwellings (number of bedrooms) and young person households

Number of bedrooms	Household type			
	Young on own	Young sharing	Young with own family	Other households
1 bedroom	47.8%	8.5%	1.0%	5.3%
2 bedrooms	19.7%	37.6%	35.9%	26.5%
3 bedrooms	32.5%	46.2%	47.7%	41.3%
4+ bedrooms	0.0%	7.7%	15.4%	27.0%
TOTAL	100.0%	100.0%	100.0%	100.0%

Source: East Dorset HNDS Fordham Research 2007

12.39 The table below shows the tenure of the three groups of younger households. The data indicates that all three groups of younger households are less likely than average to own their own home and are more likely than average to be resident in private rented accommodation. Younger persons living with their own family and young single households are more likely than average to live in the social rented sector.

Table 12.17 Tenure of younger households				
Tenure	Household type			
	Young on own	Young sharing	Young with own family	Other households
Owner-occupied (no mortgage)	12.8%	9.6%	3.6%	52.1%
Owner-occupied (with mortgage)	35.2%	63.0%	57.4%	34.2%
Social rented	19.8%	6.6%	22.0%	7.8%
Private rented	32.2%	20.9%	17.0%	5.9%
TOTAL	100.0%	100.0%	100.0%	100.0%

Source: East Dorset HNDS Fordham Research 2007

First time buyers

12.40 The rapid increase in house prices that has been witnessed across most of Britain in the last decade or so has made it harder for households to become owner-occupiers, the most common tenure of choice. This has particularly affected younger people, who are attempting to access the housing market at a time when house price to income ratios are some of the highest in history and they have not had time to accumulate significant savings.

12.41 This section considers the characteristics of recent first-time buyers in the District using past-trend information from the survey. It then looks in more detail at those younger households (the typical age bracket that first-time buyers come from in a balanced housing market) looking to purchase their first home in the next two years.

Characteristics of recent first-time buyers

12.42 The survey identifies households that have moved into owner-occupied accommodation from a different tenure in the last two years. It is assumed that all of these households are first-time buyers although a few may have owned a home at some stage previously before a spell of renting.

12.43 The survey records that there are 697 households that have become first-time buyers in East Dorset in the last two years. The table below shows the age of the respondent in first-time buyer households. It shows that 45.0% of respondents are between 20 and 29, whilst 17.6% are between 30 and 39. The average (median) age of respondents in first-time buyer households is 32 years.

Table 12.18 Age of respondent in first-time buyer households		
Respondent age	Number of households	% of all households
Up to 20	0	0.0%
20-29	314	45.0%
30-39	123	17.6%
40-49	148	21.2%
50 and over	113	16.2%
TOTAL	697	100.0%

Source: East Dorset HNDS Fordham Research 2007

12.44 The average annual income of first-time buyer households is £39,645 which is significantly higher than the average for the District of £31,534. The financial situation of those households that have become first-time buyers suggests that households have to be on a high income before they can access owner-occupation and implies that the number of first-time buyers in East Dorset may be being restricted by the cost of housing.

12.45 Finally the survey indicates that some 39.4% of first-time buyers are using a higher proportion of their income to pay for their housing costs than is recommended by CLG Guidance. This indicates that many first-time buyer households are prepared to spend a significant proportion of their income to allow them to enter the property ladder.

Existing younger households aspiring to own

12.46 Although the level of owner-occupation amongst young households is quite high there are likely to be many more younger households that aspire to become owners. The survey indicates that amongst the three groups of younger households analysed above, there are 282 households that would like to become owner-occupiers in the next two years.

12.47 The survey suggests that these 282 households have an average annual income of £36,178 above the average for the District and average savings of £18,249, significantly below the average across the District.

12.48 The ability of these potential first-time buyer households to afford owner-occupation in East Dorset is now examined. The data suggest that just 108 (38.3%) of these households would be able to purchase an appropriately sized home if they were to move now.

Concealed younger households aspiring to own

12.49 The survey data reveals that 2,149 younger households currently living with a host household (commonly parents/relatives) are likely to form within East Dorset in the next two years. Some 1,641 of these households would like to become owner-occupiers in the next two years.

12.50 The survey indicates that these 1,641 concealed households have an average annual income of £14,990, which is significantly below the average across the District. Further analysis reveals that only 25.4% of these households would be able to afford to purchase a home in East Dorset if they were to move now.

Rural households

12.51 In order to produce a meaningful database for analysis the District was subdivided. This was done by assigning each household with an urban or rural classification, based on the National Statistics Rural and Urban Classification of Output Areas (July 2004). Households were assigned one of four categories based on their postcode. The postcode is considered to be 'Urban' when the majority of the Output Area live within settlements with a population of 10,000 or more. The remaining three categories comprise the rural area, which is divided into 'Towns and Fringes', 'Villages' and 'Hamlets'; the latter includes isolated dwellings.

12.52 The table below indicates the urban and rural classification that each household in East Dorset is recorded in. The data shows that just over three-quarters of households in the District are urban (77.2%), with just under a quarter rural (22.8%).

Table 12.19 Population urban/rural (based on 4 categories)		
Classification	Number of households	Percentage of households
Urban	29,041	77.2%
Town and Fringe	3,042	8.1%
Village	2,342	6.2%
Hamlet	3,174	8.4%
Total	37,600	100.0%

Source: East Dorset HNDS Fordham Research 2007

12.53 The National Statistics Rural and Urban Classification indicates that all classifications listed above other than urban can be considered rural. This section will compare the nature of the populations in each of the four area types.

12.54 The table below shows the variation in the tenure profile of households by area type. The data indicates that households resident in the area classified as the town and fringe are the most likely to be owner-occupiers, whilst the village area records the highest proportion of social rented households. The area classified as hamlet displays the lowest proportion of social rented stock but the highest proportion of private rented households.

Table 12.20 Rurality of area and tenure				
Tenure	Urban	Town and fringe	Village	Hamlet
Owner-occupied (no mortgage)	48.4%	50.6%	48.3%	50.6%
Owner-occupied (with mortgage)	37.7%	38.4%	28.3%	22.4%
Social Rented	8.5%	8.0%	10.9%	5.2%
Private rented	5.3%	3.0%	12.6%	21.8%
TOTAL	100.0%	100.0%	100.0%	100.0%
TOTAL HOUSEHOLDS	29,041	3,042	2,342	3,174

Source: East Dorset HNDS Fordham Research 2007

12.55 The table below shows the differences between household types. The table indicates that the area classified as town and fringe records the highest proportion of pensioner households and the highest proportion of households with children. Households in the urban area are most likely to contain only one person.

Table 12.21 Rurality of area and household type				
Household type	Urban	Town and fringe	Village	Hamlet
Single pensioners	16.8%	17.1%	13.3%	14.7%
2 or more pensioners	20.7%	21.6%	18.7%	21.2%
Single non-pensioners	9.0%	4.8%	9.0%	7.8%
2 or more adults - no children	34.0%	32.9%	37.3%	42.0%
Lone parent	2.0%	3.0%	1.5%	0.8%
2+ adults 1 child	7.6%	7.1%	10.0%	7.4%
2+ adults 2+ children	9.9%	13.5%	10.2%	6.1%
TOTAL	100.0%	100.0%	100.0%	100.0%
TOTAL HOUSEHOLDS	29,041	3,042	2,342	3,174

Source: East Dorset HNDS Fordham Research 2007

- 12.56 The table below compares the incomes and savings levels of households in the four areas. Households residing in a village record the highest average household incomes and savings, whilst households living in the urban area record the lowest levels.

Table 12.22 Rurality of area and household income and savings		
Categories	Annual gross household income	Average household savings
Urban	£30,632	£46,107
Town and fringe	£34,456	£45,684
Village	£39,256	£64,648
Hamlet	£31,292	£59,636

Source: East Dorset HNDS Fordham Research 2007

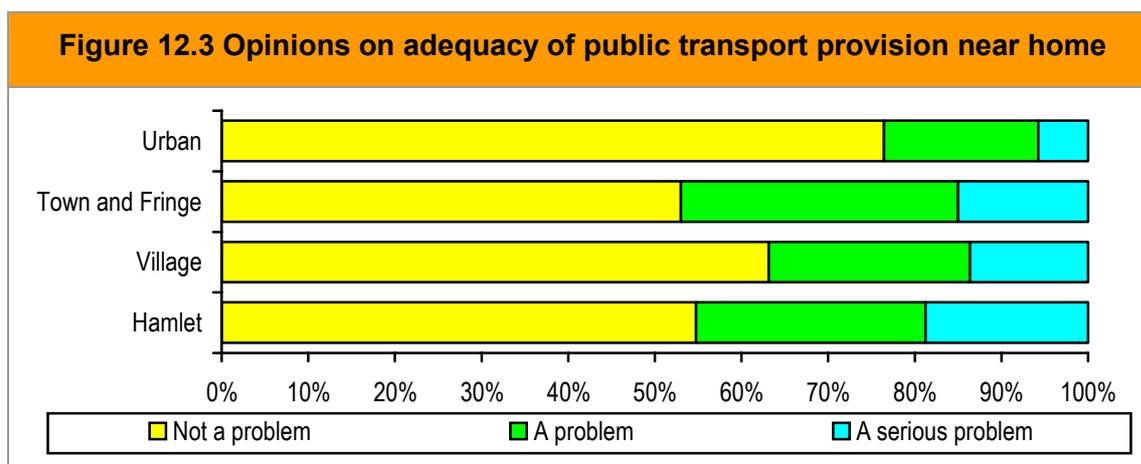
Accessibility in rural areas

- 12.57 A further question asked in the East Dorset survey was car ownership/availability. Although not directly linked to housing, it influences the ability of household's to access necessary services.
- 12.58 Around a tenth of all households in the urban area have no access to a car or van, this compares with 6.6% of households resident in hamlet. The average household has 1.49 cars; this figure varies from 1.45 for urban households to 1.66 for households living in a village.

Table 12.23 Rurality of area and car ownership				
Number of cars/vans available for use	Urban	Town and fringe	Village	Hamlet
0	10.0%	10.2%	10.0%	6.6%
1	44.6%	33.6%	30.6%	38.3%
2	35.3%	42.0%	42.9%	41.0%
3+	10.0%	14.2%	16.5%	14.1%
TOTAL	100.0%	100.0%	100.0%	100.0%
TOTAL HOUSEHOLDS	29,041	3,042	2,342	3,174
Average number of cars/vans	1.45	1.60	1.66	1.63

Source: East Dorset HNDS Fordham Research 2007

- 12.59 The survey asked households whether public transport provision near their home was adequate for the household's needs. The responses received are presented in the figure below. The figure indicates that households within the area classified as town and fringe alongside those resident in a hamlet were the most likely to record a problem with public transport provision. Households in urban areas were least likely to record a problem.



Source: East Dorset HNDS Fordham Research 2007

Families with children

Introduction

12.60 PPS3 acknowledges the importance of providing suitable housing for families, especially those with children, to ensure that communities are appropriately mixed. The rest of this chapter will briefly consider the current housing situation of families with children in East Dorset before considering the future housing requirements of this group. This will enable the Council to assess whether the type of new accommodation at a particular site is likely to attract families with children and generate the desired mix.

12.61 For the purposes of this analysis children are defined as those aged under 16 and the rest of this chapter will focus on any household with at least one child in it. To provide more detail on what is a large sub-section of the population three different groups of households with children will be analysed. These are lone parent households, households with young children and households with older children. Households with young children are those where the children’s age is under nine or the average age of the children is under nine. Households with older children are those where the children’s age is nine or over or the average age of the children is nine or over.

12.62 The table below shows the number of each type of household with children. The survey estimates that there are 7,325 households with children in East Dorset. Of this 7,325 households 9.9% are lone parents, more than half (50.2%) are families with older children with the remaining 39.9% families with younger children.

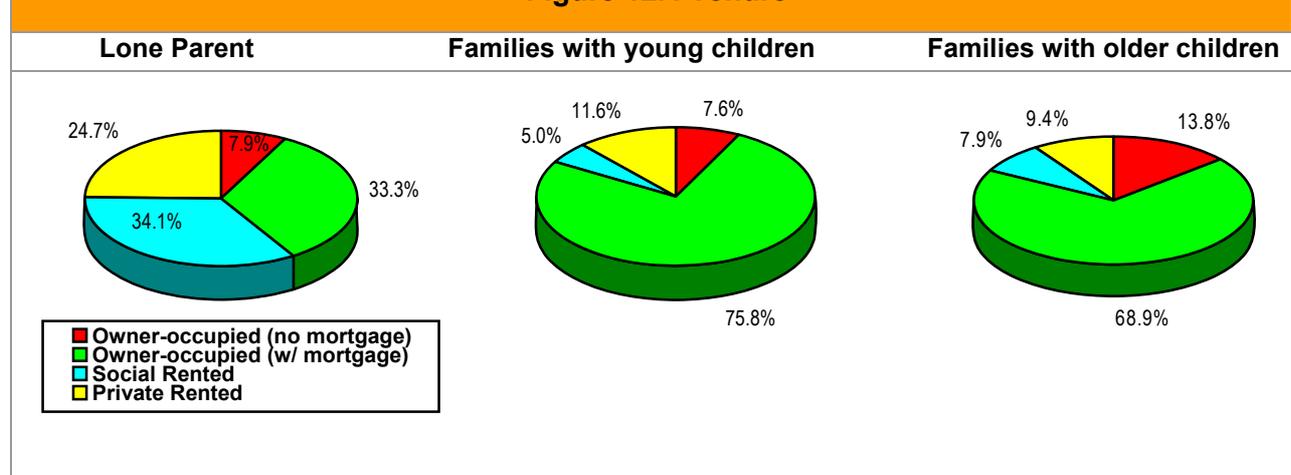
Table 12.24 Number of families with children

Households with children	Number of households	Percentage of households
Lone parent families	728	1.9%
Families with older children	3,676	9.8%
Families with young children	2,921	7.8%
Other households	30,275	80.5%
Total	37,600	100.0%

Source: East Dorset HNDS Fordham Research 2007

Housing circumstances of families with children

12.63 The figure below shows the tenure of the three groups of family households. The results suggest that lone parents are more likely to be living in social rented and private rented accommodation. There is little difference between households containing families with young children and those with older children, although families with older children are more likely to be owner occupiers without a mortgage.

Figure 12.4 Tenure

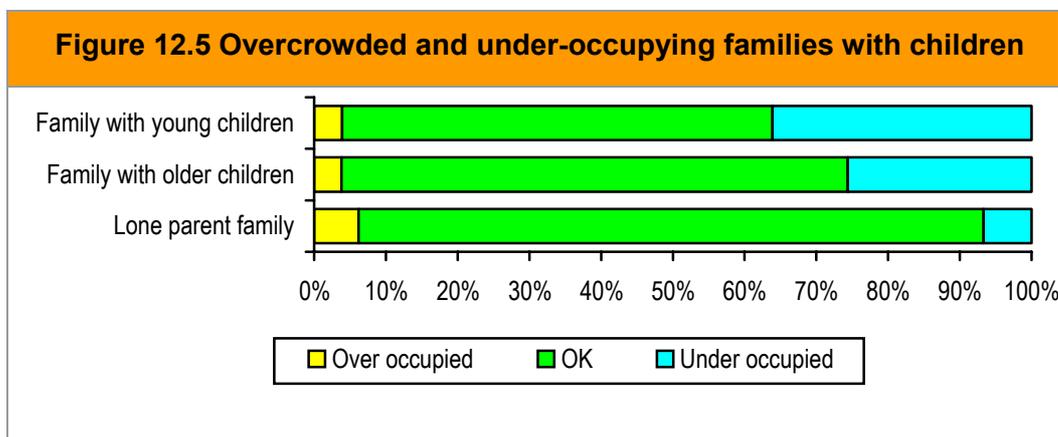
Source: East Dorset HNDS Fordham Research 2007

12.64 The table below presents the proportion of families with children living in unsuitable housing. The table indicates that lone parent families are significantly more likely than other family types to be living in unsuitable housing.

Table 12.25 Families with children in unsuitable housing			
Unsuitable housing	Households with children		
	Lone parent families	Families with older children	Families with young children
In unsuitable housing	18.4%	8.2%	6.9%
Not in unsuitable housing	81.6%	91.8%	93.1%
TOTAL	100.0%	100.0%	100.0%
Total count	728	3,676	2,921

Source: East Dorset HNDS Fordham Research 2007

12.65 The table below presents the level of overcrowding and under-occupation for families. The table shows lone parent families are slightly more likely to be overcrowded and much less likely to be under occupying their property.



Source: East Dorset HNDS Fordham Research 2007

Housing preferences of families with children

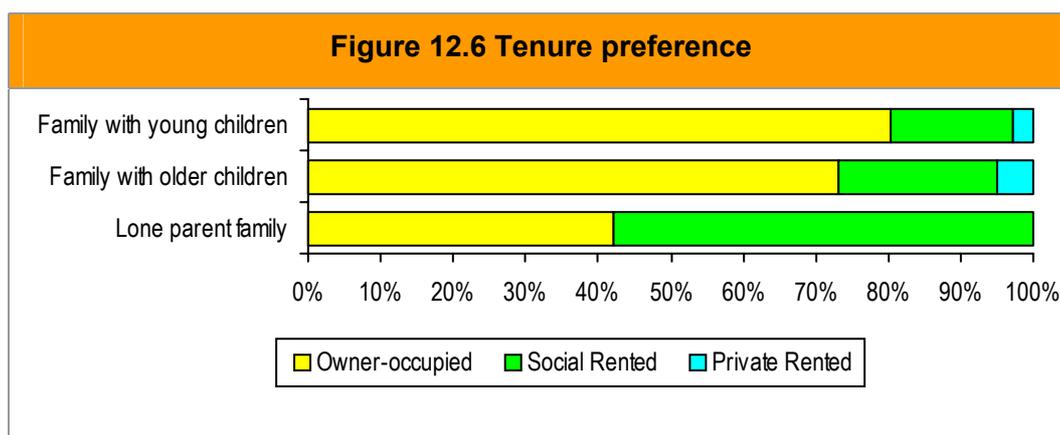
12.66 The table below indicates that a larger proportion of lone parent families are the most likely to need or to be likely to move within the next two years. The results suggest that families with older children are the content to stay in the property for the long term.

Table 12.26 Moving intentions of families with children

When need/likely to move	Households with children		
	Lone parent families	Families with older children	Families with young children
Now	14.9%	4.2%	6.7%
Within a year	12.6%	7.0%	9.1%
1 to 2 years	10.4%	8.0%	11.3%
2 to 5 years	13.1%	16.7%	22.4%
No need/not likely to move	48.9%	64.1%	50.5%
TOTAL	100.0%	100.0%	100.0%
Total count	728	3,676	2,921

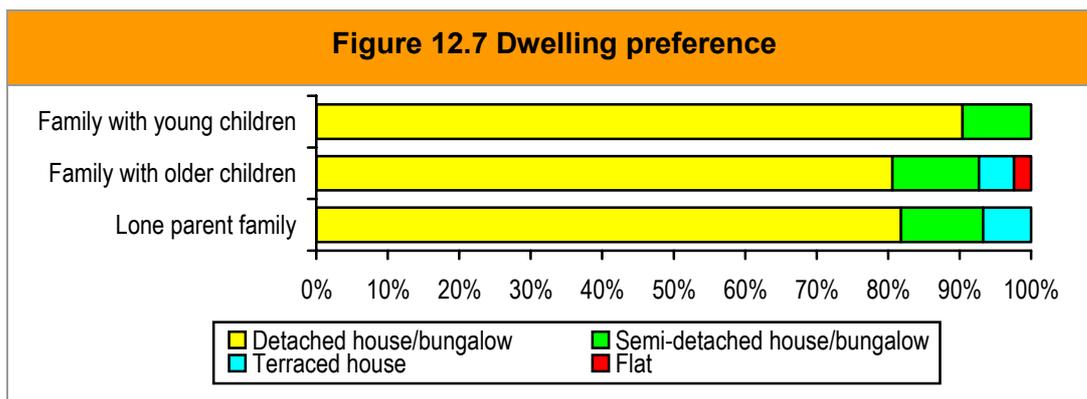
Source: East Dorset HNDS Fordham Research 2007

12.67 The housing preferences of families with children who stated they were likely or would need to move within the next two years (in terms of tenure, type and size) are presented in the figures below.



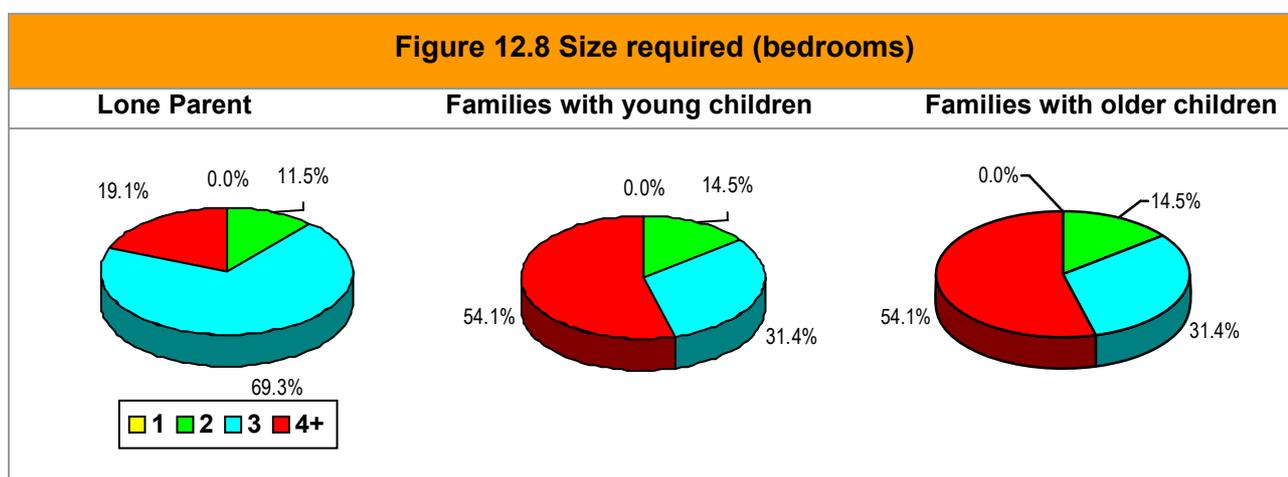
Source: East Dorset HNDS Fordham Research 2007

12.68 The figure above clearly shows that families with young children (moving in the next two years) are the most likely to prefer owner occupation, with lone parent families the most likely to prefer social renting.



Source: East Dorset HNDS Fordham Research 2007

12.69 The figure above shows the dwelling type preferences of families with children. There are little differences between family types with detached properties being the preferred option.



Source: East Dorset HNDS Fordham Research 2007

12.70 The figure above shows the number of bedrooms preferred by family households. Two parent families are much more likely to prefer larger properties, with little demand for smaller units. Lone parent families are more likely to prefer smaller dwellings, although the majority prefer a three bedroom unit.

Summary

12.71 This chapter focused on particular groups of interest to the Council within the population. It showed that:

- There are an estimated 6,975 households in the East Dorset area with one or more members in an identified special needs group, which represents 18.6% of all households. These households were most likely to state a requirement for more support services

- Well over a third of households in East Dorset contain only older people (37.1%). These are almost all comprised of one or two persons, however over half reside in accommodation with three or more bedrooms. Within the social rented sector there are 73 older person households living in properties with at least three-bedrooms indicating an opportunity to reduce under-occupation
- The survey estimates that 3,487 households in East Dorset are headed by a key worker. Key worker households are more likely than average to be resident in owner-occupation. They also record higher average incomes than other households in employment
- The survey records that there are 7,707 people between 21 and 35 in East Dorset. Nearly four-fifths of these young people are employed and 42.3% live with their parents
- The average age of recent first-time buyers is 32 years and they required household incomes significantly above the District average to get onto the property ladder. Some 39.4% of these households spend over a quarter of their gross household income on their mortgage
- East Dorset District is largely urban although around a quarter of households live in areas described as rural. There were some noticeable differences between households living in urban and rural areas; notably, households in rural areas typically showed higher levels of income and savings and a greater availability of cars/vans. Such households were however more likely to express problems with the adequacy of public transport
- There are 7,325 households containing families in East Dorset. Lone parent families generally differ in terms of housing situation and preferences from families with younger children and families with older children. Two parent families are more likely to require owner occupied larger dwellings, often detached

SECTION E: IMPLICATIONS OF THE ANALYSIS

This section analyses the housing market gaps revealed, and considers what may fill them, and also provides guidance on updating the results.

13. Housing markets gaps and how to fill them

Introduction

- 13.1 It has been a concern of Government for at least two decades that there should be a well functioning 'housing ladder' so that newly forming households could enter the market, and 'climb' towards home ownership, and then move as appropriate up the size scale. This public concern has grown more acute as house prices have risen rapidly especially over the last decade.
- 13.2 This has led to many initiatives to encourage access to the market, and in particular the owner occupied market. Some two decades of evolution of 'low cost' home ownership and partial ownership (where typically a Registered Social Landlord owns part and the occupant owns the rest) have produced the present structure of tenures encouraged by the Housing Corporation (particularly Open Market HomeBuy and New Build HomeBuy).
- 13.3 This chapter examines the cost of different types and tenures of housing. This is done to provide an updateable benchmark for assessing the affordability of new housing schemes. In order to decide, for instance, whether a new shared ownership (HomeBuy) scheme is intermediate housing or Low cost market housing, it is simply necessary to compare the weekly equivalent cost of the proposed scheme with a (suitably updated for inflation etc) figure from the graph and table below.

Variations in prices/rents across the HMA

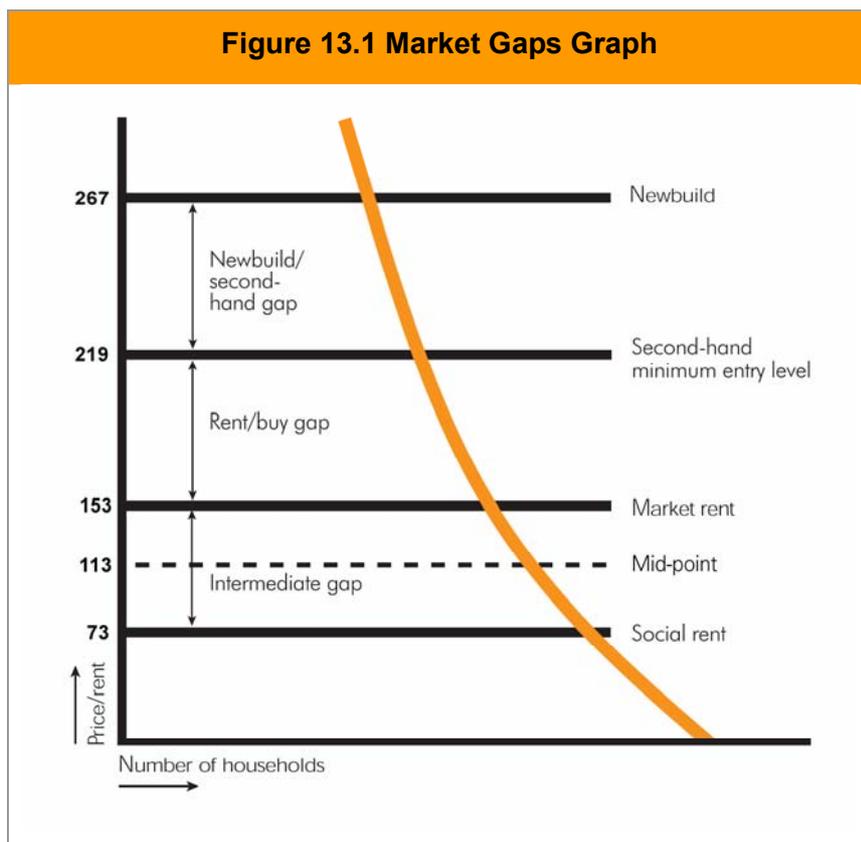
- 13.4 There are clearly variations in the housing market within the HMA. For the purposes of this discussion average prices are assumed, which clearly do not represent all the sub-market variations that actually exist. The prices/rents used here are minimum ones. That is because the general purpose of this analysis is to examine what housing ladder exists for households in the HMA to 'climb'. Since the underlying problem is one of inability to afford, the important point is the cheapest one at which a given type of housing (to rent, part buy or buy for instance) can be accessed.

- 13.5 This may seem unrealistic, as a household may be long established in a given area (especially if that area is rural) and not easily accept the idea of a move to any other place, let alone across the entire market area. However that is not the practical likelihood. Any additional housing, whether market or affordable, will be a very small addition to the existing stock. It will help to relieve pressure in its locality, both directly and indirectly by meeting a local demand/need, which will therefore cease to put pressure on supply there and elsewhere. In that way new housing stock, even if not put where the demand/need is greatest, will help in a small way to reduce the overall pressure.
- 13.6 The fact that in practice households may, for instance, choose to private rent in an area they come from, rather than move even a few miles to a place where they could afford a new shared ownership scheme, is not something which analysis in an SHMA can affect. Each district is the housing and planning authority for the whole of that district, and will have its own policy focus.
- 13.7 It would however be an impossible task to ensure that housing in all parts of a district is equally affordable. It is necessary to assume that households who find affordability a problem, will be able to move a little way if the only solution is a new supply.

Housing market gaps

- 13.8 Housing market gaps analysis has been developed by Fordham Research to allow easy comparisons of the costs of the tenure range, in order to facilitate the testing of different newbuild proposals, and to show generally the nature of the housing ladder in a particular locality.
- 13.9 The following figures show a stylized graph designed to illustrate the nature of the housing market gaps in each sub-area. The figures are based on:
- i) Plotting the weekly cost of housing for each tenure group (on the vertical y-axis, against the notional numbers of households (illustrated only figuratively by the orange curve) along the horizontal x-axis
 - ii) This is done for two-bed dwellings only (the weekly costs for the full range of dwelling sizes is shown in Table 13.2 below)
 - iii) The bars on the gap graphs show key tenure distinctions:
 - Newbuild to buy
 - Second-hand to buy
 - Private rental

- Inferred mid-point of intermediate band
 - Social rent
- iv) Between each of the bars is a gap. The main two gaps of interest are:
- The rent/buy gap: households in this gap can afford market rent without the need for Housing Benefit, but cannot afford to buy outright. Hence they are potentially candidates for partial equity forms of housing: shared ownership
 - The intermediate gap. Intermediate housing is defined in PPS3 as housing at between a social rent and market rent. Although technically intermediate housing begins at £1 or so below market rent level, housing at such a weekly cost would clearly not be of much use to households in housing need. We put the mid-point on the graph and infer the weekly costs. This normally addresses the needs of rather less than half of those in intermediate housing need, but that is a difficult enough task, as it is difficult to produce newbuild housing at this level of weekly cost.
- v) To enable comparisons, the capital cost of buying new and second hand housing is expressed as a weekly costs (by analogy like a mortgage payment). The technicalities of doing this are shown in the final chapter which explains how to update the base data shown in Table 13.2)
- vi) Table 13.1 below then shows the key gaps: intermediate and Rent/Buy in terms of their relative size.



Source: East Dorset HNDS Fordham Research 2007

13.10 As can be seen from the graphs, there are some major gaps. This discussion ignores the gaps within the owner occupied market, as they are less problematic than those below the owner occupation level. The overall level of owner occupation in England has been about 70% for several decades, despite great efforts by Government, assisted by the house building industry and local authorities to increase the proportion from 70%. The analysis in this report will have shown the difficulties that are faced: the low financial capacity of many non-owner households, who are very far from being able to buy any equity. In the case of those who could afford some equity there is currently some difficulty with Government Guidance, which has not yet clarified what low cost market housing (mentioned as market housing in PPS3) is in specific terms.

13.11 The following table therefore looks only at the intermediate and rent/buy gaps.

Table 13.1 Scale of key housing market gaps in The HMA

Area	Social rent/market entry private rent	Rent/buy gap	Social rent/newbuild gap
East Dorset	210%	143%	366%

Source: Fordham Research East Dorset HNDS 2007.

Note that these percentages are calculated from the table below for 2-bed dwellings.

13.12 The gaps shown in the table above are clearly very large, and it is hard to see how households could easily climb the ladder implied by them. The intermediate gap, the first one shown in the table above, is very large throughout Dorset, but the rent/buy gap is bigger in East Dorset than is common in the county. This implies that if low cost market housing can be given some meaning by CLG, that it would be potentially very useful to the District. The general size of these gaps puts extra pressure on the need to find newbuild housing variants which fill the gaps, rather than appear at each extreme, as discussed below.

13.13 The following table provides figures for the full range of sizes and tenures. This table is extremely important for two main reasons:

- i) It provides a test for any newbuild housing that might seek to represent housing in the intermediate or rent/buy gaps, as to whether it actually does.
- ii) It provides the basis for updating and monitoring, techniques for which are discussed later in this section.

Table 13.2 Comparative outgoings by tenure

Dwelling size	Tenure				
	Social rent	<i>Usefully affordable</i>	Private rent	Owner-occupation	Newbuild
	Cost per week	<i>Minimum cost per week</i>	Minimum cost per week	Minimum cost per week	Approx min. cost per week
1 bedroom	£62	<i>£98</i>	£133	£164	£204
2 bedrooms	£73	<i>£113</i>	£153	£219	£267
3 bedrooms	£87	<i>£142</i>	£196	£280	£330
4 bedrooms	£104	<i>£179</i>	£254	£366	£421

Sources are: CORE, survey of estate and letting agents, and RightMove and other websites. The intermediate costs are imputed (being halfway between social rent and market entry) and put into italic to distinguish them from the observed prices in the rest of the

How to fill the market gaps

13.14 The scale of the housing market gaps in East Dorset is large, though not as great as in some parts of the country, but in practical terms still daunting. It is all the more so when it is considered that newbuild housing, on a significant scale, is provided mainly in the form of:

- Newbuild housing to buy
- Social rented housing

13.15 In other words newbuild tends to be concentrated at the top and the bottom of the ladder. This has for long been the pattern, and clearly it does not help to reduce the significance of the gaps, as would provision of newbuild in the intermediate or rent/buy gaps. The Barker Review of 2004 demonstrated that no feasible amount of newbuild is likely to reduce prices, i.e. to diminish the existing housing market gaps. Short of a market collapse, the main possibility is the production of newbuild housing in those two gaps.

13.16 The main source of housing between these extremes is shared equity as mentioned above (now known as New Build HomeBuy). Although this form of housing is often seen as filling the intermediate gap illustrated in the graph above, it is commonly too expensive for that, and lies instead in the rent/buy gap. This does not remove its value: it can be of use in providing a step in equity ownership towards full scale home ownership, but only on a limited scale.

13.17 Discount for sale housing would, based upon the information in Figure 12.1 above, have to be about a 43% discount to be affordable housing (based on two-bed types). In practice the sorts of discount available are 20-30% at most, and so it is most unlikely that discount newbuild could be affordable housing in East Dorset.

13.18 This is confirmed by Liam Sage, an official at the CLG, who wrote (in a comment to Mansfield DC in Nottinghamshire) in January 2007 that he had not found any example of discount sale housing that was affordable:

'In practice I agree that discounted sale models are very unlikely to be affordable, and I have not heard of any'.

13.19 The Government has, in PPS3, said that 'low cost market' housing is market housing and not affordable housing. It is not yet clear, however, at what point in the market section of the above graph low cost market housing is intended by CLG to be located. However it is clear in East Dorset that low cost market housing, to be of practical value, would need to be located in the middle of the rent buy gap to be of significant use.

Intermediate rent: a practical possibility

13.20 In terms of the general lack of affordable housing products to fill the very wide intermediate gap, we have considered the variant called 'intermediate rent'. This is priced at 80% of the Reference Rent (or "Local Housing Allowance" (LHA) as it will be known as from April 2008). The latter is a figure set for each district by size of dwelling as a basis for calculating Housing Benefit, the subsidy paid to enable households otherwise unable to do so to access housing.

13.21 The size range and weekly costs for the Reference Rents/LHAs closely matches the weekly market rent entry prices shown in Table 4.3 above. The following are the Reference Rents for Dorset by district.

Table 13.3 Weekly reference rents* (Indicative LHAs) for Dorset, October 2007

BRMA** Area	Room	Number of Rooms***				
		1	2	3	4	5
Bournemouth	£63.00	£121.15	£154.62	£183.46	£253.85	£311.54
Mid Dorset	£68.31	£98.08	£126.92	£155.77	£206.54	£328.85
West Dorset	£73.00	£109.62	£135.00	£155.77	£213.46	£213.46
Yeovil	£60.00	£92.31	£125.77	£147.12	£201.92	£300.00

"Bournemouth" BRMA area covers the LA areas of Bournemouth, Poole, Christchurch, the southern fringe of East Dorset (Wimborne) and Purbeck as far west as Wool.
"Mid Dorset" BRMA covers most of North Dorset District, including Shaftesbury, Gillingham, Blandford Forum and Sturminster Newton, as well as the northern part (Cranborne Chase) of East Dorset.
"West Dorset" BRMA includes Weymouth & Portland District, the western fringes of Purbeck and North Dorset, and all of West Dorset except the Sherborne area.
"Yeovil" BRMA includes the Sherborne area of West Dorset.

* The appropriate price level for intermediate rented housing in Dorset is stated to be 80% of these rental figures.

** BRMA = Broad Reference Market Area.

*** These figures represent different numbers of bedrooms. The "Room" column covers bedsit or single room accommodation.

Source: Rent Officer, Bournemouth (2007)

13.22 The figures shown above have therefore been used to analyse the affordability of intermediate housing. The detailed analysis was done using the CLG model of housing need.

Table 13.4 Social rented and intermediate housing requirements in East Dorset

	Social rented	Intermediate housing	Total
Annualised current need	132	10	142
Annualised available stock	65	0	65
Newly arising need	470	55	525
Future supply	161	1	162
Net shortfall or surplus	376	64	440
% of net shortfall	85%	15%	100%
Gross annual need	602	65	667
Gross annual supply	226	1	227
Net annual need	376	64	440

Source: East Dorset HNDS Fordham Research 2007

13.23 As can be seen, the proportion of need in East Dorset (as measured by the CLG model) that could be met through intermediate housing at the levels suggested by the weekly reference rents is about 15%.

Review of how affordable housing can meet the need

13.24 The information on housing gaps can be set against the two measures of need for affordable housing discussed in this report, and against the one practical variant of intermediate housing that seems currently to exist.

13.25 The following table summarises key features of the analysis in this report.

Table 13.5 CLG Needs Model and BHM estimates of annual affordable housing requirement

Area	CLG Needs model annual requirement	Fordham Research Index (national average: 16)	BHM model annual need for affordable housing	BHM as a fraction of CLG need	BHM proportion of need as intermediate	Proportion of CLG need which can afford intermediate Rent
Bournemouth	3,015	39	718	24%	35%	5% (150 dwgs pa)
Christchurch	243	11	163	67%	48%	9% (22 dwgs pa)
East Dorset	440	12	243	55%	25%	15% (64 dwgs pa)
North Dorset	399	14	220	55%	27%	30% (119 dwgs pa)
Poole	1,199	19	815	68%	45%	13% (159 dwgs pa)
Purbeck	409	21	138	34%	50%	3% (11 dwgs pa)
West Dorset	737	17	542	74%	52%	3% (25 dwgs pa)
Weymouth & Portland	800	28	282	35%	51%	31% (246 dwgs pa)
Dorchester/Weymouth HMA	1,538	21	824	54%	51%	n/a
Bournemouth/Poole HMA	5,704	23	2,234	39%	35%	n/a

Source: Dorset Survey of Housing Need and Demand, Fordham Research 2007. Note: n/a means not available

13.26 This table provides the context for East Dorset within the overall Dorset analysis. Some general patterns can be observed:

- i) The overall level of housing need is high in most places in Dorset, though East Dorset has a relatively low level, even if substantial in absolute terms.
- ii) As would be expected, the CLG needs assessment shows a much higher level of need than the BHM, but the annual requirement in both cases is far above any likely annual production of affordable housing.
- iii) In principle there is a large role for intermediate housing, as defined by CLG (the range between social rent and market rent). However there is little sign of practical housing options within this gap, given that in East Dorset a discount of at least x% on newbuild market value would be required for the resulting properties to be considered affordable.

- 13.27 The levels of social rented housing required are not a major issue: most districts in England require more new social rented housing than can be provided. The more problematic issue, from an assessment point of view is the intermediate gap since so few new housing products fit within it. The above table does suggest a degree of light at the end of the tunnel in that intermediate Rent would be an option that provides a part of the answer. Clearly it only provides an option at the top end of the intermediate range.
- 13.28 There is as yet no more than encouragement in PPS3 for the idea of low cost market housing that would fit between private rented and market housing. Clearly there is a considerable demand for it. However it is not yet clear what part of the rent/buy gap, or indeed any part of the gap between market entry private rent and newbuild for sale that CLG envisages to be occupied by low cost market housing.

Profile of household types requiring market housing

- 13.29 The middle requirement of PPS3 (para 22) can be calculated from the BHM dataset. The requirement is phrased in terms of the *'likely requirement for household types requiring market housing e.g. multi-person, including families and children, single parents and couples'* (expressed as percentages).
- 13.30 The analysis here is based on the expected moves of households, as set out previously in Chapter 9, when considering household mobility. This subsection uses the same household survey data on future movement expectations, but limits it to the market, and looks at household groups as mentioned in PPS3.

Table 13.6: Gross demand for market housing (per annum by household type)					
<i>Area</i>	<i>Older persons</i>	<i>Single non-pensioner</i>	<i>Multi adult</i>	<i>Households with children</i>	<i>TOTAL</i>
Bournemouth	930 15.8%	1,477 25.1%	2,375 40.3%	1,111 18.9%	5,892 100.0%
Christchurch	482 30.5%	245 15.5%	545 34.5%	310 19.6%	1,582 100.0%
East Dorset	594 22.5%	299 11.3%	1,018 38.5%	733 27.7%	2,643 100.0%
North Dorset	403 20.4%	299 15.1%	772 39.0%	505 25.5%	1,980 100.0%
Poole	663 15.9%	778 18.7%	1,832 44.0%	889 21.4%	4,162 100.0%
Purbeck	158 13.0%	162 13.4%	530 43.7%	363 29.9%	1,213 100.0%
West Dorset	712 25.5%	462 16.6%	946 33.9%	670 24.0%	2,790 100.0%
Weymouth & Portland	310 17.7%	382 21.8%	581 33.1%	482 27.4%	1,756 100.0%
DORSET	4,252 19.3%	4,104 18.6%	8,599 39.1%	5,063 23.0%	22,018 100.0%
Bournemouth/Poole HMA	3,230 18.5%	3,260 18.7%	7,072 40.5%	3,911 22.4%	17,472 100.0%
Dorchester/Weymouth HMA	1,022 22.5%	844 18.6%	1,527 33.6%	1,152 25.3%	4,546 100.0%
DORSET	4,252 19.3%	4,104 18.6%	8,599 39.1%	5,063 23.0%	22,018 100.0%

Source: Fordham Research 2008

13.31 It should be noted that these groups are non-overlapping. Thus if a couple are pensioners they go into the 'older persons' category, and not also into the 'multi-adult' one.

13.32 The results show a range of patterns, summarised below:

- i) About 40% of the gross demand is from multi-adult households (Dorset wide). It is the biggest group in all the districts, although the average for the Dorchester/Weymouth HMA is a bit lower: a third rather than 40%.
- ii) The next biggest group is households with children, at county and both HMA levels, although this pattern varies slightly among the districts. The exception is Bournemouth, where the gross demand is higher for 'single non-pensioner' than for families, although both areas of demand are substantial.

- iii) The demand from single-non pensioners is joint third with older persons. This may seem odd, given that household projections show increasing numbers of single people. However a single person household, whether pensioner or not, can arise through the death or departure of a spouse, without any house move at all. That helps to explain this finding.
- iv) The gross demand from older persons is about a fifth, at the county level, but a bit higher in the Dorchester/Weymouth HMA than in the Bournemouth/Poole one. By far the highest demand figure from older persons is in Christchurch, which entirely agrees with the character of that borough as being highly attractive to older people.

13.33 The outputs shown here fulfil the requirement of the middle part of Para 22 of PPS3.

Recent performance

13.34 The statistics on recent levels of housebuilding completions in East Dorset are as follows:

Table 13.6 Housing Completions in East Dorset over stated periods							
Gross							
Year	01/02	02/03	03/04	04/05	05/06	01 – 06	94 – 06
Affordable	40	6	66	17	12	141	439
Private	480	296	301	254	204	1,535	3,814
Total	520	302	367	271	216	1,676	4,253
Net							
Affordable	40	6	66	17	11	140	398
Private	458	251	257	208	162	1,336	3,451
Total	498	257	323	225	173	1,476	3,849

Source: East Dorset HNDS Fordham Research 2007

Table 13.7 Housing Completions in Dorset (inc. Bournemouth & Poole) over stated periods							
Gross							
Year	01/02	02/03	03/04	04/05	05/06	01 – 06	01 – 06
Affordable	347	282	476	251	816	2,172	2,172
Private	3,271	3,061	3,706	3,438	3,465	16,941	16,941
Total	3,618	3,343	4,182	3,689	4,281	19,113	19,113
Net							
Affordable	343	277	473	249	759	2,101	2,101
Private	2,959	2,663	3,258	2,971	2,973	14,824	14,824
Total	3,302	2,940	3,731	3,220	3,732	16,925	16,925

Source: East Dorset HNDS Fordham Research 2007

- 13.35 As can be seen, for the most recent year (2005/6) for East Dorset, of the 173 dwellings completed, just 11 (or 6.4%) were affordable (and 9.5% for the period 2001-6). This is below the Dorset norm, which is 12% for the period 2001-6. It must be borne in mind that new completions will include many sites that are too small to attract a target for affordable housing, and that the total will include planning permissions granted before current levels of target were introduced.
- 13.36 In relation to the overall need, which from Table 13.5 can be seen as over 400 per annum there is need for a significant improvement. It must be borne in mind, though, that nationally the production of new affordable housing falls well below the need (however measured), although an increase in the production of affordable housing does seem necessary.
- 13.37 In terms of market housing Table 11.1 shows that the overall annual requirement (for all housing) is 375 and the average for Poole over the past 5 years from the table above is 295 per annum. Given the constraints on development in Dorset generally this is an impressive performance.
- 13.38 These figures can also be examined in the context of the Regional Spatial Strategy targets for the area, shown below. From these and the Policy H1 information also from the RSS (June 2006) it can be seen that:
- i) In producing some 295 dwellings a year East Dorset is achieving its RSS target
 - ii) In terms of affordable housing the 6.4% achieved in the recent past is significantly below the minimum of 35% required by the RSS.

Table 13.8 Regional Spatial Strategy (RSS) Table 4.1 and Policy H1

Table 4.1 Housing Market Areas, Unitary Authorities and Districts: Housing Totals and Phasing

	2006-2026 Overall Annual Average Net Dwelling Requirement	2006-2016 Annual Average Net Dwelling Requirement	2016-2026 Annual Average Net Dwelling Requirement
BOURNEMOUTH & POOLE HOUSING MARKET AREA	1,925 – 2,090	2,285	1,565 – 1,895
BOURNEMOUTH	680-780	720	640-840
POOLE	450-500	700	200-300
CHRISTCHURCH	165-180	200	130-160
EAST DORSET IN JSA	260	260	260
ELSEWHERE IN EAST DORSET DISTRICT	10	10	10
PURBECK	105	105	105
NORTH DORSET	255	290	220
WEYMOUTH & DORCHESTER HOUSING MARKET AREA	690	690	690
WEST DORSET	410	410	410
WEYMOUTH & PORTLAND	280	280	280

H1 Affordable Housing

Within the 23,060 dwellings per annum required for the region, at least 7,500 affordable homes per annum will be provided in the period to 2026. Provision will be made for at least 30% of all housing development annually across each local authority area and Housing Market Area to be affordable, with authorities specifying rates up to 60% or higher in areas of greatest need.

Source: West of England Regional Spatial Strategy 2006

13.39 Following the Examination in Public into the Draft RSS the independent Panel of Inspectors has recommended to the Government that overall housing figures in the South west should be increased by around 23%. In Dorset it is proposed to increase housing targets in the Bournemouth/Poole HMA by around 15% and in the Dorchester/Weymouth HMA by 31%. It is also proposed that provision should be made for at least 35% of all housing development annually to be affordable housing, with authorities specifying rates of 60% or higher in areas of greatest need. While these figures have not been approved by the Secretary of State and so hold no statutory weight, they do signify the possibility that higher housing targets will apply in the South West over the next 20 years.

Summary

- 13.40 There are substantial housing market gaps in East Dorset which mean that the local housing 'ladder' is not an easy one to climb.
- 13.41 At the two-bed level the overall gap from social rent to newbuild purchase ranges from 359% to 448% in different parts of the county: all these gaps are very large.
- 13.42 Newbuild housing is mainly available as for sale and as social rent, in other words at the extreme ends of the range. There is little newbuild housing in between. Shared ownership (New Build HomeBuy in Housing Corporation terminology) is the main option. The problem is that this is normally more expensive than market rental due to the newbuild purchase element. Hence it is normally to be seen as 'low cost market' housing in the rent/buy gap, not intermediate housing.
- 13.43 There is at present little prospect of any newbuild housing being made available in the intermediate band, and even less of its being 'usefully affordable' at the halfway point of that range. This provides a challenge for the future, since there is a need for it.
- 13.44 The Housing Market Gaps analysis provides a template which, suitably updated, provides a lasting basis for testing newbuild housing options in terms of their affordability to fill the various gaps. The most important are the intermediate and rent/buy gaps.
- 13.45 The need for social rented housing is clear. It is also clear that there is a large intermediate gap, and that intermediate rented housing would fill the top end of that intermediate gap.
- 13.46 When demand/need is set against recent performance in East Dorset, it is seen that there is room for improvement. Although the overall house building is impressive.
- 13.47 East Dorset has averaged (over the past five years) a higher level of house building than its RSS target, although the proportion of that supplied as affordable housing is significantly below the minimum of 35% set by the RSS.

14. Updating

Introduction

- 14.1 One of the central features of the Guidance is that housing market research should be a continuing process, not just production of a report. This requirement is implied by the Local Development Framework approach and the strong emphasis on flexibility in the response to changing housing market demands (e.g. para 60 of PPS3). This emphasis is mirrored in the Practice Guidance, where Figure 1.1 gives the key outputs but is matched by Figure 1.2 which provides a checklist of the key processes. The last of these process requirements is:

‘Explain how the assessment findings have been monitored and updated (where appropriate) since it was originally undertaken’

- 14.2 Monitoring and updating occurs at all levels from national to local. The housing needs and demand study is designed to apply mainly at local authority level, and so the comments in this chapter are directed to that level. However the principles involved apply generally.
- 14.3 The rapid movement of prices and rents, and the key importance of the checklist of (weekly) costs of different tenures/sizes of dwellings provided in this housing needs and demand study, makes it evident that monitoring and updating is an essential part of the process.
- 14.4 The key thing is to update the weekly costs: they are the key to most practical policy decisions on both planning and housing issues.

Updating weekly costs

- 14.5 It has been emphasised through this report that the old focus on price/income ratios is not relevant to housing market studies. A full range of financial information (income, savings and equity) is required to measure the ability to afford. However it has been emphasised that the main focus should be upon comparative prices and rents: what are the housing market gaps and how are they changing? That is what governs the issue of how fast people can ‘climb the housing ladder’.
- 14.6 The most fundamental set of data for monitoring and updating is therefore the tabulation of weekly cost equivalents for purchase and rental. That is the main focus of the updating suggestions here, as it is both (relatively) simple and central. As a first step a couple of related issues will be addressed, followed by specific instruction on the updating process.

Why not update incomes as well as the weekly costs of housing?

- 14.7 The short answer is: because it is not relevant. There is no problem with updating incomes (indices exist for doing so) but it will not help with the question of affordability and policy for newbuild housing generally.
- 14.8 The key point to emphasise is that the issue of affordability is about the different costs to types (and tenures) of housing. Whether a household can afford social rent or outright purchase is a financial matter, but as emphasised in this report, income is only part of the answer to that question: a full range of financial information is required.
- 14.9 From the point of view of planning and housing policy and practice the key updating issue is the relative costs of types/tenures of housing. The housing needs and demand study has indicated the ability to afford housing in general. The policy issues which will arise from day to day are of a different type, for example:
- i) A house builder offers what is stated to be affordable housing of 2 bedrooms at a cost of £X per week. Is it affordable? All that needs to be done is to ensure that the costs are on a comparable and complete weekly basis, and the answer takes a few moments when comparing it with the cost table below.
 - ii) An RSL proposes shared ownership homes at a given price. Again when reduced to an overall weekly cost (including management/service charges) by making the purchase element into a weekly cost, the comparison with the table will soon show if the product is indeed intermediate or low cost market.
 - iii) When negotiating S106 Agreements reference to updated versions of this table will serve the purpose of ensuring that what is agreed to be housing of a given affordability really is.
- 14.10 As can be seen, all this important operational policy information can be derived directly from the table: there is no need for any elaborate calculation.

How to calculate the updated prices

- 14.11 Before putting the purchase and weekly rent costs on a common basis, as discussed in the next sub-section, it is necessary to set out some points on the way in which a reasonable set of updated prices can be derived for a given (probably district) area. The following table sets out some guidance.

Table 14.1 Establishing new prices/rents

1. Prices/rents for each size of dwelling may vary substantially across a district (or Housing Market Area if different), often within short distances. It is therefore necessary to be careful in deriving district wide averages.
2. This tabulation sets out the issues to bear in mind when doing so, and should be treated as a general guide only. Each housing market has its individual characteristics which may suggest a somewhat different approach.
3. For social rents, the figures should be easily available within the Council's records. The points below concern the weekly costs of other tenure groups.
4. Using RightMove, or similar website, enter the names of the main settlements and request one of the key groupings. In each case the data should be by size of dwelling in the four main size bands indicated in the table below.
 - (i) Market rent
 - (ii) Second hand purchase
 - (iii) Newbuild purchase (in this case there may be only a small sample in some cases, and so a degree of judgement will be necessary. For example there may be over-representation of one type/size of dwelling if there are only a few current housing schemes underway). A simple averaging may be misleading, if there are many sites in one part of a district and few or none in others.
5. Look for the 25th percentile in each case: in other words the 25th from the cheapest. Hence if there were 200 properties in a given band, the 50th would be the chosen one
6. That rent/price is the new figure for the revised table. Where it is a price, rather than a rent, it will need to be turned into a weekly cost using the table below.

Source: Fordham Research 2007

- 14.12 The next section describes a procedure for putting prices into a weekly cost format to enable comparison with rental information. The comparison could equally well be put into capital (i.e. equivalent to purchase) rather than weekly cost terms, but people are more familiar with weekly budgeting, and so weekly costs seem the more sensible approach.

Putting purchase prices on a weekly cost basis

14.13 The following table explains how to put purchase prices on a weekly basis, for insertion into the table.

Table 14.2 Turning the purchase price for a house into a weekly cost

1. Procedure

For interest only mortgage (which is preferable because it represents the cheapest method of entering the sector and therefore the entry level)

Cost of home = C

Interest rate = I

Interest to be on mortgage to be paid per year = P

Weekly Interest payment = W

Number used to derive weekly cost of owner occupation = N

$C \cdot I = P$

$P/52 = W$

$W/C = N$

2. Example of how it works

For example on a £50,000 home with an interest only mortgage rate of 5.99% the yearly payment will be £2,995, which equates to £57.60 per week.

Source: Fordham Research 2007

14.14 Once a full set of weekly costs has been obtained, this can be compared with the weekly costs table in the previous chapter, and rates of change in different parts of the size/tenure spectrum assessed. If the local housing market is strongly differentiated, this may need to be done for several sub-markets.

Policy use of the information

14.15 The revised table can be referred to in policy documents as a basic tool for assessing affordability. As emphasised above, it is not necessary to add income or other financial information. If the housing is cheaper than a given threshold, then it is affordable to the groups in question (those who can afford intermediate housing, or low cost market housing for example).

14.16 The revised table will, like that in this housing needs and demand study, represent a central policy tool both for the local authority to check the affordability of different types of housing (e.g. intermediate or low cost market) and for private sector bodies to check the affordability of what they are offering. This tabulation should provide a neutral basis for comparison of alternative packages whether of market or affordable housing.

Summary

14.17 It is an important feature of housing research that it be a continuing process, not a 'one shot' report. Updating and monitoring is therefore a key feature of that process. Strategies are needed for regular monitoring and updating, and triggers may be added where rapid changes are noted.

14.18 Updating the primary data is not easily carried out, as it is a technical exercise. This is not a serious drawback as the structure of a housing market does not usually change fundamentally in less than about 5 years. As a result, most market responses are due to changes in weekly costs of housing.

14.19 The key statistic is the weekly cost of different tenures/sizes of dwelling. It is not, as is still sometimes thought, price income ratios. It is therefore essential to be able to update the key table of weekly costs in this housing needs and demand study. A simple procedure is set out for doing this.

Glossary

[This Glossary aims to define terms used in the report. Where there is an existing definition (e.g. in Government Guidance) references is made to it. Otherwise the terms are defined simply in the way used in the report]

County

This term is used to mean the historic county of Dorset in most cases in this report. The administrative County Council which leads the Steering Group that commissioned this study, does not administer the separate unitary councils of Bournemouth and Poole. However the data and analysis described as being for the 'county' includes all of the historic county, including Bournemouth and Poole.

Affordability

A measure of whether households can access and sustain the cost of private sector housing. There are two main types of affordability measure: mortgage and rental. Mortgage affordability assesses whether households would be eligible for a mortgage; rental affordability measures whether a household can afford private rental. Mortgage affordability is based on conditions set by mortgage lenders – using standard lending multipliers (2.9 times joint income or 3.5 times single income (whichever the higher)). Rental affordability is defined as the rent being less than a proportion of a household's gross income (in this case 25% of gross income).

Affordable housing

Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should be at a cost which is below the costs of housing typically available in the open market and be available at a sub-market price in perpetuity (although there are some exceptions to this such as the Right-to-Acquire). [There is an ambiguity in PPS3: Housing, where 'intermediate housing' is defined as being below market entry to rent, while 'affordable housing' is defined to be below the threshold to buy (normally much higher than the private rental one). But in principle the Guidance defines affordable housing as below the market threshold, and rationally speaking, that includes the private rented as well as purchase sectors].

Annual need

The combination of the net future need plus an allowance to deal progressively with part of the net current need.

Average

The term 'average' when used in this report is taken to be a mean value unless otherwise stated.

Balanced Housing Market model

A model developed by Fordham Research which examines the supply and demand for different types and sizes of housing across different areas and for specific groups.

Bedroom standard

The bedroom standard is that used by the General Household Survey, and is calculated as follows: a separate bedroom is allocated to each co-habiting couple, any other person aged 21 or over, each pair of young persons aged 10-20 of the same sex, and each pair of children under 10 (regardless of sex). Unpaired young persons aged 10-20 are paired with a child under 10 of the same sex or, if possible, allocated a separate bedroom. Any remaining unpaired children under 10 are also allocated a separate bedroom. The calculated standard for the household is then compared with the actual number of bedrooms available for its sole use to indicate deficiencies or excesses. Bedrooms include bed-sitters, box rooms and bedrooms which are identified as such by respondents even though they may not be in use as such.

Concealed household

A household that currently lives within another household but has a preference to live independently and is unable to afford appropriate market housing.

Current need

Households whose current housing circumstances at a point in time fall below accepted minimum standards. This would include households living in overcrowded conditions, in unfit or seriously defective housing, families sharing, and homeless people living in temporary accommodation or sharing with others.

Demand

This refers to market demand. In principle anyone who has any financial capacity at all can 'demand' something, in other words want to acquire it and be prepared to pay for it. The question is whether they can pay enough actually to obtain it. Thus many households who are unable fully to afford market housing to buy do aspire to buy it. The word 'demand' is therefore used in two senses in this report:

'demand' when used in the general text refers to the ordinary understand of 'wanting' something that has a market price

‘demand’ when associated with numbers (as in the Balancing Housing Markets model) refers to expressed demand: the numbers of people who can actually afford the type of housing in question

In relation to (expressed) demand mention should be made of the private rented sector where typically there are not only households who can afford to rent at market prices, but also others who are unable to access affordable housing but who are able to access the private rented sector due to the subsidy of Housing Benefit. Such households do not have a demand in the sense used here, as they can only access the private rented sector with a subsidy.

Disaggregation

Breaking a numerical assessment of housing need and supply down, either in terms of size and/or type of housing unit, or in terms of geographical sub-areas within the District.

Entry level market housing.

The survey of prices and rents is focussed on ‘entry level’ prices/rents. That is to say the price/rent at which there is a reasonable supply of dwellings in reasonable condition. The purpose of this approach is to ensure that when assessments are made of say first time buyers, that the prices are the appropriate ones for the typical members of this group. Thus it would in many areas involve second-hand terraced housing, rather than newbuild, which would be much more expensive. Testing affordability against newbuild would clearly produce an underestimate of those who could afford to buy.

Financial capacity

This is defined as household income+savings+equity (the value of the property owned by owner occupiers, typically the family home, net of mortgage. This provides an indication, when put on a capital basis, of the amount which the household could afford to pay for housing. Since equity is now a substantial part of the overall financial capacity of the large fraction of owner occupiers it is essential to use this measure rather than the old price/income ratio to measure the activity of a housing market.

Forecast

Either of housing needs or requirements is a prediction of numbers which would arise in future years based on a model of the determinants of those numbers and assumptions about (a) the behaviour of households and the market and (b) how the key determinants are likely to change. It involves understanding relationships and predicting behaviour in response to preferences and economic conditions.

Grossing-up

Converting the numbers of actual responses in a social survey to an estimate of the number for the whole population. This normally involves dividing the expected number in a group by the number of responses in the survey.

Headship rates

Measures the proportion of individuals in the population, in a particular age/sex/marital status group, who head a household. Projected headship rates are applied to projected populations to produce projected numbers of households.

Household

One person living alone or a group of people who have the address as their only or main residence and who either share one meal a day or share a living room.

Household formation

The process whereby individuals in the population form separate households. 'Gross' or 'new' household formation refers to households which form over a period of time, conventionally one year. This is equal to the number of households existing at the end of the year which did not exist as separate households at the beginning of the year (not counting 'successor' households, when the former head of household dies or departs).

(A) household living within another household

Is a household living as part of another household of which they are neither the head or the partner of the head.

Households sharing

Are households (including single people) who live in non-self-contained accommodation but do not share meals or a living room (e.g. 5 adults sharing a house like this constitute 5 one-person households).

Housing demand

The quantity of housing that households are willing and able to buy or rent.

Housing Market Area

The geographical area in which a substantial majority of the employed population both live and work, and where most of those changing home without changing employment choose to stay. In the local context the Council areas of Weymouth and Dorchester have been designed as a housing market area, although sub-markets exist within this boundary.

Housing need

Housing need is defined as the number of households who lack their own housing or who live in unsuitable housing and who cannot afford to meet their housing needs in the market.

Housing Register

A database of all individuals or households who have applied to a local authority or RSL for a social tenancy or access to some other form of affordable housing. Housing Registers, often called Waiting Lists, may include not only people with general needs but people with support needs or requiring access because of special circumstances, including homelessness.

Housing size

Measured in terms of the number of bedrooms, habitable rooms or floorspace. This guidance uses the number of bedrooms.

Housing type

Refers to the type of dwelling, for example, flat, house, specialist accommodation.

Income

Income means gross household income unless otherwise qualified

Intermediate housing

PPS3 defines intermediate housing as 'housing at prices and rents above those of social rent but below market prices or rents and which meet the criteria set out above. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent.'

Lending multiplier

The number of times a household's gross annual income a mortgage lender will normally be willing to lend. The most common multipliers quoted are 3.5 times income for a one-income household and 2.9 times total income for dual income households.

Lower quartile

The value below which one quarter of the cases falls. In relation to house prices, it means the price of the house that is one-quarter of the way up the ranking from the cheapest to the most expensive.

Market housing/low cost market housing

This is defined by CLG as anything not affordable. In the Housing Gaps Figure: anything above market entry. CLG has not defined 'low cost market' other than that it falls within the market range. Since this is very wide, it is not very helpful. The most useful kind of low cost market would be that which falls into the rent/buy gap on the Housing Gaps Figure. Shared ownership would provide a partial equity solution for those unable to afford second hand entry level purchase, for example.

Mean

The mean is the most common form of average used. It is calculated by dividing the sum of a distribution by the number of incidents in the distribution.

Median

The median is an alternative way of calculating the average. It is the middle value of the distribution when the distribution is sorted in ascending or descending order.

Migration

The movement of people between geographical areas primarily defined in this context as local authority Districts. The rate of migration is usually measured as an annual number of households, living in the District at a point in time, who are not resident in that District one year earlier.

Net need

The difference between need and the expected supply of available affordable housing units (e.g. from the re-letting of existing social rented dwellings).

Newly arising need

New households which are expected to form over a period of time and are likely to require some form of assistance to gain suitable housing together with other existing households whose circumstances change over the period so as to place them in a situation of need (e.g. households losing accommodation because of loss of income, relationship breakdown, eviction, or some other emergency).

Non-self-contained accommodation

Where households share a kitchen, bathroom or toilet with another household, or they share a hall or staircase that is needed to get from one part of their accommodation to another.

Overcrowding

An overcrowded dwelling is one which is below the bedroom standard. (See 'Bedroom Standard' above).

Primary data

Information that is collected from a bespoke data collection exercise (e.g. surveys, focus groups or interviews) and analysed to produce a new set of findings.

Potential households

Adult individuals, couples or lone parent families living as part of other households of which they are neither the head nor the partner of the head and who need to live in their own separate accommodation, and/or are intending to move to separate accommodation rather than continuing to live with their 'host' household.

Projection

Either of housing needs or requirements is a calculation of numbers expected in some future year or years based on the extrapolation of existing conditions and assumptions. For example, household projections calculate the number and composition of households expected at some future date(s) given the projected number of residents, broken down by age, sex and marital status, and an extrapolation of recent trends in the propensity of different groups to form separate households.

Random sample

A sample in which each member of the population has an equal chance of selection.

Relets

Social rented housing units which are vacated during a period and become potentially available for letting to new tenants.

Rounding error

Totals in tables may differ by small amounts (typically one) due to the fact that fractions have been added together differently. Thus a table total may say 2011, and if the individual cell figures are added the total may come to 2012. This is quite normal and is a result of the computer additions made. Figures should never be taken to be absolutely accurate. No such state exists. The figures in this document are robust estimates not absolutely precise ones. The usual practice is to use the stated total (in the above case 2011) rather than the figure of 2012 to which the individual figures sum. That is because the total will have resulted from a rounding after all the fractions are taken fully into account.

Sample survey

Collects information from a known proportion of a population, normally selected at random, in order to estimate the characteristics of the population as a whole.

Sampling frame

The complete list of addresses or other population units within the survey area which are the subject of the survey.

Secondary data

Existing information that someone else has collected. Data from administrative systems and some research projects are made available for others to summarise and analyse for their own purposes (e.g. Census, national surveys).

Shared equity schemes

Provide housing that is available part to buy (usually at market value) and part to rent.

SHMA (Strategic Housing Market Assessment)

SHMA drives from Government Guidance suggesting that the 'evidence base' required for the good planning of an area should be the product of a process rather than a technical exercise.

Social rented housing

PPS3 defines social rented housing as 'rented housing owned by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime, the proposals set out in the Three Year review of Rent Restructuring (July 2004) were implemented in policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Housing Corporation as a condition of grant'

Special Needs

Relating to people who have specific needs: such as those associated with a disability.

Stratified sample

A sample where the population or area is divided into a number of separate sub-sectors ('strata') according to known characteristics based, for example, on sub-areas and applying a different sampling fraction to each sub-sector.

Specialised housing

Refers to specially designed housing (such as mobility or wheelchair accommodation, hostels or group homes) or housing specifically designated for particular groups (such as retirement housing).

Supporting People

This term refers to a programme launched in 2003 which aims to provide a better quality of life for vulnerable people by aiding them to live independently and maintain their tenancies/current home life. The programme covers a wide variety of vulnerable people from travellers, to young people at risk, to those with HIV or AIDS. Supporting People provide housing related support in many different forms but include enabling individuals to access their correct benefits entitlement, ensuring they have the correct skills to manage their tenancy and providing advice on property adaptations.

Under-occupation

An under-occupied dwelling is one which exceeds the bedroom standard by two or more bedrooms.

Unsuitably housed households

All circumstances where households are living in housing which is in some way unsuitable, whether because of its size, type, design, location, condition or cost. Households can have more than one reason for being in unsuitable housing, and so care should be taken in looking at the figures: a total figure is presented for households with one or more unsuitability reason, and also totals for the numbers with each reason

Definitions

ABI - Annual Business Inquiry

BME - Black and Minority Ethnic

CBL - Choice Based Lettings

CORE - The Continuous Recording System (Housing association and local authority lettings/new tenants)

DETR - Department of the Environment, Transport and the Regions

GIS - Geographical Information Systems

HMO - Households in Multiple Occupation

HSSA - The Housing Strategy Statistical Appendix

IMD - Indices of Multiple Deprivation

LA - Local Authority

LCHO - Low Cost Home Ownership

LDF - Local Development Framework

NeSS - Neighbourhood Statistics Service

NHSCR - National Health Service Central Register

NOMIS - National On-line Manpower Information System

NROSH - National Register of Social Housing

ODPM - Office of the Deputy Prime Minister

ONS - Office for National Statistics

PPS - Planning Policy Statement

RSL - Registered Social Landlord

RSR - Regulatory and Statistical Return (Housing Corporation)

RTB - Right to Buy

SEH - Survey of English Housing

TTWA - Travel to Work Area

Appendix A1 Ward level data

Introduction

A1.1 This appendix provides details of the key survey findings at ward level. Although the sample sizes are generally good at ward level (and all are above the suggested figure of 100 in CLG Guidance) care should be taken when interpreting the results as the findings at this level are subject to a greater degree of 'error' when compared with the figures presented in the main body of the report for all households in the District.

Number of households and sample size

A1.2 The table below shows the estimated number of households in each ward and the number of returns from the postal survey. The largest ward in household terms is West Moors (with 3,501 households) followed by Wimborne Minster. In terms of sample sizes it can be seen that these vary from 273 in Wimborne Minster to 100 in Three Cross & Potterne.

Table A1.1 Number of households in each ward and sample size				
Ward	Number of households	% of households	Sample size	% of sample
Alderholt	1,135	3.0%	143	4.1%
Ameysford	1,122	3.0%	119	3.4%
Colehill East	1,905	5.1%	181	5.2%
Colehill West	941	2.5%	138	4.0%
Corfe Mullen Central	2,019	5.4%	159	4.6%
Corfe Mullen North	953	2.5%	127	3.6%
Corfe Mullen South	1,087	2.9%	130	3.7%
Crane	873	2.3%	115	3.3%
Ferndown Central	2,154	5.7%	163	4.7%
Ferndown Links	2,260	6.0%	130	3.7%
Wimborne Minster	3,412	9.1%	273	7.8%
Handley Vale	1,089	2.9%	134	3.8%
Holt	909	2.4%	122	3.5%
Longham	1,025	2.7%	105	3.0%
Parley	2,024	5.4%	161	4.6%
St Leonards & St Ives East	2,052	5.5%	150	4.3%
St Leonards & St Ives West	1,075	2.9%	131	3.8%
Stapehill	1,000	2.7%	115	3.3%
Stour	993	2.6%	125	3.6%
Three Cross & Potterne	918	2.4%	100	2.9%
Verwood Dewlands	1,906	5.1%	173	5.0%
Verwood Newtown	1,146	3.0%	103	3.0%
Verwood Stephen's Castle	2,102	5.6%	170	4.9%
West Moors	3,501	9.3%	222	6.4%
Total	37,600	100.0%	3,489	100.0%

Source: East Dorset HNDS Fordham Research 2007

Tenure

A1.3 The table below shows the estimated tenure split in each of the 24 wards. The results show significant differences in the tenure profile of households in different locations within the District. The proportion of owner-occupiers without a mortgage varies from 24.0% in Three Cross & Potterne to 70.3% in St Leonards & St Ives West whilst the proportion of owners with a mortgage varies from 16.0% in Handley Vale to 55.1% in Verwood Newton. In the rented sector the range of social renting tenants varies from 0.0% in St Leonards & St Ives west to 29.2% in Three Cross & Potterne whilst the private rented sector varies in proportion from 1.8% in Stapehill to 31.0% in Crane.

Table A1.2 Tenure by ward

Ward	Owner-occupied (no mortgage)		Owner-occupied (with mortgage)		Social rented		Private rented		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Aldersholt	486	42.8%	528	46.5%	98	8.6%	23	2.0%	1,135	100.0%
Ameysford	648	57.7%	379	33.8%	66	5.9%	29	2.6%	1,122	100.0%
Colehill East	724	38.0%	969	50.9%	123	6.5%	88	4.6%	1,905	100.0%
Colehill West	564	59.9%	315	33.5%	10	1.0%	53	5.6%	941	100.0%
Corfe Mullen Central	834	41.3%	1,055	52.3%	23	1.2%	106	5.3%	2,019	100.0%
Corfe Mullen North	371	38.9%	495	52.0%	55	5.8%	31	3.3%	953	100.0%
Corfe Mullen South	491	45.2%	424	39.0%	116	10.7%	56	5.2%	1,087	100.0%
Crane	271	31.1%	200	22.9%	132	15.1%	270	31.0%	873	100.0%
Ferndown Central	1,417	65.8%	502	23.3%	160	7.4%	75	3.5%	2,154	100.0%
Ferndown Links	1,096	48.5%	628	27.8%	396	17.5%	140	6.2%	2,260	100.0%
Wimborne Minster	1,358	39.8%	880	25.8%	752	22.0%	423	12.4%	3,412	100.0%
Handley Vale	426	39.2%	174	16.0%	155	14.2%	334	30.7%	1,089	100.0%
Holt	501	55.1%	320	35.2%	37	4.0%	51	5.7%	909	100.0%
Longham	454	44.3%	522	51.0%	21	2.0%	29	2.8%	1,025	100.0%
Parley	1,229	60.7%	717	35.4%	13	0.6%	66	3.2%	2,024	100.0%
St Leonards & St Ives East	1,200	58.5%	642	31.3%	83	4.1%	127	6.2%	2,052	100.0%
St Leonards & St Ives West	756	70.3%	264	24.6%	0	0.0%	55	5.1%	1,075	100.0%
Staplehill	558	55.7%	380	37.9%	45	4.5%	18	1.8%	1,000	100.0%
Stour	407	41.0%	266	26.8%	146	14.7%	173	17.5%	993	100.0%
Three Cross & Potterne	220	24.0%	325	35.4%	268	29.2%	105	11.4%	918	100.0%
Verwood Dewlands	889	46.7%	852	44.7%	105	5.5%	60	3.1%	1,906	100.0%
Verwood Newtown	388	33.9%	631	55.1%	20	1.7%	107	9.3%	1,146	100.0%
Verwood Stephen's Castle	1,002	47.7%	962	45.8%	64	3.1%	74	3.5%	2,102	100.0%
West Moors	2,056	58.7%	1,074	30.7%	248	7.1%	123	3.5%	3,501	100.0%
Total	18,344	48.8%	13,504	35.9%	3,135	8.3%	2,617	7.0%	37,600	100.0%

Source: East Dorset HNDS Fordham Research 2007

Dwelling types

A1.4 The tables below show how the type of accommodation in each ward varies across the borough. The results indicate that the proportion of detached houses or bungalows varies from 28.5% in Wimborne Minster to 98.4% in St Leonards & St Ives West. Wimborne Minster records the highest proportion of flats at 27.5%, whilst eight wards have less than 5% flats.

Table A1.3 Dwelling type by ward (households)

Ward	Detached house	Semi detached house	Terraced house	Detached bungalow	Semi or terraced bungalow	Flat	Total
Alderholt	405	186	92	354	47	51	1,135
Ameysford	145	165	92	530	182	8	1,122
Colehill East	575	237	174	594	218	108	1,905
Colehill West	509	88	64	219	0	61	941
Corfe Mullen Central	498	343	365	644	44	124	2,019
Corfe Mullen North	444	212	73	133	25	67	953
Corfe Mullen South	264	93	198	390	9	133	1,087
Crane	335	325	47	70	72	24	873
Ferndown Central	644	14	50	1,012	12	421	2,154
Ferndown Links	321	117	419	605	216	581	2,260
Wimborne Minster	636	566	838	335	98	940	3,412
Handley Vale	311	336	86	220	69	66	1,089
Holt	491	198	19	167	8	26	909
Longham	604	101	91	173	9	47	1,025
Parley	980	25	0	816	40	162	2,024
St Leonards & St Ives East	728	66	17	1,145	69	26	2,052
St Leonards & St Ives West	250	8	0	807	0	9	1,075
Stapehill	159	164	27	547	75	28	1,000
Stour	405	249	132	113	42	52	993
Three Cross & Potterne	238	126	162	203	27	162	918
Verwood Dewlands	950	172	33	586	69	95	1,906
Verwood Newtown	365	237	151	267	55	71	1,146
Verwood Stephen's Castle	622	101	167	1,062	28	122	2,102
West Moors	721	197	128	1,605	524	326	3,501
Total	11,603	4,325	3,424	12,600	1,936	3,712	37,600

Source: East Dorset HNDS Fordham Research 2007

Table A1.4 Dwelling type by ward (percentages)

Ward	Detached house	Semi detached house	Terraced house	Detached bungalow	Semi or terraced bungalow	Flat	Total
Alderholt	35.7%	16.4%	8.1%	31.2%	4.1%	4.5%	100.0%
Ameysford	12.9%	14.7%	8.2%	47.2%	16.3%	0.7%	100.0%
Colehill East	30.2%	12.4%	9.1%	31.2%	11.4%	5.7%	100.0%
Colehill West	54.1%	9.3%	6.8%	23.2%	0.0%	6.5%	100.0%
Corfe Mullen Central	24.7%	17.0%	18.1%	31.9%	2.2%	6.2%	100.0%
Corfe Mullen North	46.6%	22.3%	7.7%	13.9%	2.6%	7.0%	100.0%
Corfe Mullen South	24.3%	8.6%	18.2%	35.9%	0.8%	12.2%	100.0%
Crane	38.3%	37.2%	5.4%	8.0%	8.3%	2.8%	100.0%
Ferndown Central	29.9%	0.7%	2.3%	47.0%	0.5%	19.6%	100.0%
Ferndown Links	14.2%	5.2%	18.6%	26.8%	9.6%	25.7%	100.0%
Wimborne Minster	18.7%	16.6%	24.5%	9.8%	2.9%	27.5%	100.0%
Handley Vale	28.6%	30.9%	7.9%	20.2%	6.4%	6.1%	100.0%
Holt	54.1%	21.7%	2.0%	18.4%	0.9%	2.8%	100.0%
Longham	58.9%	9.9%	8.8%	16.9%	0.9%	4.6%	100.0%
Parley	48.4%	1.2%	0.0%	40.3%	2.0%	8.0%	100.0%
St Leonards & St Ives East	35.5%	3.2%	0.8%	55.8%	3.4%	1.3%	100.0%
St Leonards & St Ives West	23.3%	0.8%	0.0%	75.1%	0.0%	0.9%	100.0%
Stapehill	15.9%	16.4%	2.7%	54.7%	7.5%	2.8%	100.0%
Stour	40.8%	25.1%	13.3%	11.4%	4.2%	5.2%	100.0%
Three Cross & Potterne	25.9%	13.7%	17.6%	22.2%	2.9%	17.7%	100.0%
Verwood Dewlands	49.9%	9.0%	1.8%	30.8%	3.6%	5.0%	100.0%
Verwood Newtown	31.9%	20.6%	13.2%	23.3%	4.8%	6.2%	100.0%
Verwood Stephen's Castle	29.6%	4.8%	7.9%	50.5%	1.3%	5.8%	100.0%
West Moors	20.6%	5.6%	3.7%	45.8%	15.0%	9.3%	100.0%
Total	30.9%	11.5%	9.1%	33.5%	5.1%	9.9%	100.0%

Source: East Dorset HNDS Fordham Research 2007

Household type

A1.5 The tables below show the variation in the type of household resident in each ward. The tables show that the proportion of pensioner households varies from 18.1% in Three Cross & Potterne to 51.3% in Ferndown Central, whilst the proportion of households containing children varies from 9.7% in St Leonards & St Ives West to 36.0% in Three Cross & Potterne.

Table A1.5 Household type by ward (households)

Ward	Single pensioners	2 or more pensioners	Single non-pensioners	2 or more adults - no children	Lone parent	2+ adults 1 child	2+ adults 2+ children	Total
Aldershott	150	227	58	362	28	110	201	1,135
Ameysford	260	223	80	416	10	101	32	1,122
Colehill East	199	273	162	819	62	175	215	1,905
Colehill West	136	168	74	391	8	59	106	941
Corfe Mullen Central	208	199	208	916	16	231	240	2,019
Corfe Mullen North	113	140	105	352	36	98	111	953
Corfe Mullen South	214	170	98	352	11	112	130	1,087
Crane	139	107	27	386	24	97	92	873
Ferndown Central	487	618	252	510	0	159	127	2,154
Ferndown Links	463	522	271	637	75	58	233	2,260
Wimborne Minster	830	603	543	891	97	166	282	3,412
Handley Vale	167	234	148	338	19	114	68	1,089
Holt	47	165	52	466	8	85	87	909
Longham	78	215	101	358	0	143	131	1,025
Parley	274	555	74	794	0	117	209	2,024
St Leonards & St Ives East	386	439	139	761	32	119	176	2,052
St Leonards & St Ives West	208	296	46	421	30	19	56	1,075
Stapehill	124	239	33	433	8	85	78	1,000
Stour	146	161	99	341	9	107	130	993
Three Cross & Potterne	42	124	102	319	100	122	110	918
Verwood Dewlands	258	372	72	740	15	150	299	1,906
Verwood Newtown	211	133	154	295	74	151	129	1,146
Verwood Stephen's Castle	262	691	124	567	33	168	257	2,102
West Moors	778	910	207	1,219	34	134	219	3,501
Total	6,180	7,783	3,229	13,083	728	2,879	3,719	37,600

Source: East Dorset HNDS Fordham Research 2007

Table A1.6 Household type by ward (percentages)

Ward	Single pensioners	2 or more pensioners	Single non-pensioners	2 or more adults - no children	Lone parent	2+ adults 1 child	2+ adults 2+ children	Total
Alderholt	13.2%	20.0%	5.1%	31.9%	2.5%	9.7%	17.7%	100.0%
Ameyford	23.2%	19.9%	7.1%	37.1%	0.9%	9.0%	2.8%	100.0%
Colehill East	10.4%	14.3%	8.5%	43.0%	3.3%	9.2%	11.3%	100.0%
Colehill West	14.5%	17.8%	7.9%	41.5%	0.8%	6.3%	11.2%	100.0%
Corfe Mullen Central	10.3%	9.9%	10.3%	45.4%	0.8%	11.5%	11.9%	100.0%
Corfe Mullen North	11.8%	14.6%	11.1%	36.9%	3.7%	10.2%	11.6%	100.0%
Corfe Mullen South	19.7%	15.6%	9.0%	32.4%	1.0%	10.3%	12.0%	100.0%
Crane	15.9%	12.3%	3.1%	44.3%	2.7%	11.1%	10.6%	100.0%
Ferndown Central	22.6%	28.7%	11.7%	23.7%	0.0%	7.4%	5.9%	100.0%
Ferndown Links	20.5%	23.1%	12.0%	28.2%	3.3%	2.6%	10.3%	100.0%
Wimborne Minster	24.3%	17.7%	15.9%	26.1%	2.8%	4.9%	8.3%	100.0%
Handley Vale	15.3%	21.5%	13.6%	31.1%	1.8%	10.5%	6.3%	100.0%
Holt	5.1%	18.1%	5.7%	51.2%	0.9%	9.3%	9.6%	100.0%
Longham	7.6%	21.0%	9.8%	34.9%	0.0%	14.0%	12.8%	100.0%
Parley	13.6%	27.4%	3.7%	39.2%	0.0%	5.8%	10.3%	100.0%
St Leonards & St Ives East	18.8%	21.4%	6.8%	37.1%	1.6%	5.8%	8.6%	100.0%
St Leonards & St Ives West	19.3%	27.5%	4.3%	39.2%	2.8%	1.8%	5.2%	100.0%
Stapehill	12.4%	23.9%	3.3%	43.3%	0.8%	8.5%	7.8%	100.0%
Stour	14.7%	16.2%	10.0%	34.4%	0.9%	10.8%	13.1%	100.0%
Three Cross & Potterne	4.6%	13.5%	11.1%	34.8%	10.9%	13.2%	11.9%	100.0%
Verwood Dewlands	13.5%	19.5%	3.8%	38.8%	0.8%	7.9%	15.7%	100.0%
Verwood Newtown	18.4%	11.6%	13.4%	25.7%	6.4%	13.1%	11.3%	100.0%
Verwood Stephen's Castle	12.5%	32.9%	5.9%	26.9%	1.6%	8.0%	12.2%	100.0%
West Moors	22.2%	26.0%	5.9%	34.8%	1.0%	3.8%	6.3%	100.0%
Total	16.4%	20.7%	8.6%	34.8%	1.9%	7.7%	9.9%	100.0%

Source: East Dorset HNDS Fordham Research 2007

Household size

A1.6 The table below shows the variation in the size of household resident in each ward. The table shows that the proportion of one person households varies from 10.8% in Holt to 40.3% in Wimborne Minster, whilst the proportion of households containing four or more people varies from 9.3% in St Leonards & St Ives West to 28.6% in Alderholt.

Table A1.7 Household size by ward

Ward	One person		Two people		Three people		Four or more people		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Alderholt	208	18.3%	423	37.3%	180	15.8%	325	28.6%	1,135	100.0%
Ameysford	340	30.3%	526	46.9%	122	10.8%	134	12.0%	1,122	100.0%
Colehill East	361	19.0%	839	44.0%	342	18.0%	363	19.1%	1,905	100.0%
Colehill West	211	22.4%	439	46.6%	75	8.0%	217	23.0%	941	100.0%
Corfe Mullen Central	416	20.6%	804	39.8%	366	18.2%	432	21.4%	2,019	100.0%
Corfe Mullen North	218	22.9%	392	41.1%	171	17.9%	173	18.1%	953	100.0%
Corfe Mullen South	312	28.7%	411	37.8%	186	17.1%	177	16.3%	1,087	100.0%
Crane	166	19.0%	339	38.8%	165	18.9%	203	23.3%	873	100.0%
Ferndown Central	739	34.3%	950	44.1%	219	10.2%	246	11.4%	2,154	100.0%
Ferndown Links	734	32.5%	1,041	46.1%	168	7.4%	317	14.0%	2,260	100.0%
Wimborne Minster	1,374	40.3%	1,292	37.9%	363	10.6%	384	11.3%	3,412	100.0%
Handley Vale	315	28.9%	492	45.2%	132	12.1%	150	13.7%	1,089	100.0%
Holt	98	10.8%	463	50.9%	129	14.2%	218	24.0%	909	100.0%
Longham	178	17.4%	459	44.8%	161	15.7%	227	22.2%	1,025	100.0%
Parley	349	17.2%	996	49.2%	250	12.3%	430	21.2%	2,024	100.0%
St Leonards & St Ives East	524	25.5%	972	47.4%	265	12.9%	291	14.2%	2,052	100.0%
St Leonards & St Ives West	254	23.6%	615	57.2%	107	9.9%	100	9.3%	1,075	100.0%
Stapehill	157	15.7%	528	52.7%	143	14.3%	172	17.2%	1,000	100.0%
Stour	244	24.6%	350	35.3%	121	12.2%	277	27.9%	993	100.0%
Three Cross & Potterne	144	15.7%	379	41.3%	200	21.8%	195	21.2%	918	100.0%
Verwood Dewlands	330	17.3%	838	44.0%	268	14.1%	470	24.6%	1,906	100.0%
Verwood Newtown	365	31.8%	315	27.5%	250	21.8%	217	18.9%	1,146	100.0%
Verwood Stephen's Castle	387	18.4%	1,172	55.7%	230	10.9%	314	14.9%	2,102	100.0%
West Moors	985	28.1%	1,747	49.9%	271	7.8%	497	14.2%	3,501	100.0%
Total	9,409	25.0%	16,781	44.6%	4,881	13.0%	6,528	17.4%	37,600	100.0%

Source: East Dorset HNDS Fordham Research 2007

Overcrowding and under-occupation

A1.7 It can be seen in the table below that overcrowding is relatively uncommon in East Dorset, and therefore figures for the number of overcrowded households should be treated with caution. The highest proportions of overcrowded households were in Three Cross & Potterne (4.5% of households overcrowded). Under-occupation was much more common; with the proportion of households under-occupying varying from 33.8% in Wimborne Minster to 69.4% in St Leonards & St Ives West.

Table A1.8 Overcrowding/under-occupation by ward

Ward	Overcrowded		OK		Under-occupied		Total	
	No.	%	No.	%	No.	%	No.	%
Aldersholt	19	1.7%	641	56.5%	474	41.8%	1,135	100.0%
Ameysford	10	0.9%	598	53.3%	513	45.7%	1,122	100.0%
Colehill East	20	1.0%	1,027	53.9%	859	45.1%	1,905	100.0%
Colehill West	6	0.7%	334	35.5%	601	63.8%	941	100.0%
Corfe Mullen Central	0	0.0%	1,125	55.7%	894	44.3%	2,019	100.0%
Corfe Mullen North	9	0.9%	431	45.2%	514	53.9%	953	100.0%
Corfe Mullen South	25	2.3%	566	52.1%	496	45.6%	1,087	100.0%
Crane	8	1.0%	470	53.8%	394	45.2%	873	100.0%
Ferndown Central	0	0.0%	1,150	53.4%	1,004	46.6%	2,154	100.0%
Ferndown Links	73	3.2%	1,308	57.9%	879	38.9%	2,260	100.0%
Wimborne Minster	25	0.7%	2,233	65.5%	1,154	33.8%	3,412	100.0%
Handley Vale	19	1.7%	596	54.8%	473	43.5%	1,089	100.0%
Holt	0	0.0%	382	42.0%	527	58.0%	909	100.0%
Longham	11	1.0%	450	43.9%	564	55.0%	1,025	100.0%
Parley	14	0.7%	803	39.7%	1,207	59.6%	2,024	100.0%
St Leonards & St Ives East	0	0.0%	923	45.0%	1,129	55.0%	2,052	100.0%
St Leonards & St Ives West	0	0.0%	329	30.6%	746	69.4%	1,075	100.0%
Stapehill	10	1.0%	565	56.5%	425	42.5%	1,000	100.0%
Stour	29	2.9%	519	52.2%	445	44.8%	993	100.0%
Three Cross & Potterne	42	4.5%	542	59.0%	335	36.4%	918	100.0%
Verwood Dewlands	23	1.2%	753	39.5%	1,130	59.3%	1,906	100.0%
Verwood Newtown	12	1.1%	739	64.5%	395	34.5%	1,146	100.0%
Verwood Stephen's Castle	16	0.8%	858	40.8%	1,228	58.4%	2,102	100.0%
West Moors	16	0.4%	2,063	58.9%	1,422	40.6%	3,501	100.0%
Total	387	1.0%	19,406	51.6%	17,808	47.4%	37,600	100.0%

Source: East Dorset HNDS Fordham Research 2007

Household mobility

A1.8 The table below shows that by far the most mobile population, based on past trends, is found in West Moors with 23.5% of households having lived in their current home for less than two years. The ward of St Leonards & St Ives West showed the most stable population, with 79.5% having lived at their present address for over 5 years.

Table A1.9 Length of residence by ward

Ward	Less than 1 year		1 to 2 years		3 to 5 years		Over 5 years		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Alderholt	122	10.8%	64	5.6%	252	22.2%	696	61.4%	1,135	100.0%
Ameysford	56	5.0%	72	6.4%	222	19.8%	772	68.8%	1,122	100.0%
Colehill East	100	5.3%	118	6.2%	302	15.9%	1,384	72.6%	1,905	100.0%
Colehill West	29	3.0%	113	12.0%	89	9.4%	711	75.5%	941	100.0%
Corfe Mullen Central	142	7.0%	62	3.1%	338	16.7%	1,477	73.2%	2,019	100.0%
Corfe Mullen North	71	7.5%	15	1.6%	129	13.5%	738	77.5%	953	100.0%
Corfe Mullen South	61	5.6%	110	10.2%	178	16.4%	737	67.8%	1,087	100.0%
Crane	65	7.5%	16	1.8%	125	14.3%	667	76.4%	873	100.0%
Ferndown Central	168	7.8%	124	5.8%	340	15.8%	1,522	70.7%	2,154	100.0%
Ferndown Links	164	7.3%	161	7.1%	450	19.9%	1,484	65.7%	2,260	100.0%
Wimborne Minster	353	10.3%	386	11.3%	593	17.4%	2,080	61.0%	3,412	100.0%
Handley Vale	75	6.9%	91	8.4%	183	16.8%	739	67.9%	1,089	100.0%
Holt	33	3.6%	30	3.3%	176	19.4%	669	73.6%	909	100.0%
Longham	75	7.3%	75	7.3%	229	22.3%	646	63.0%	1,025	100.0%
Parley	216	10.7%	134	6.6%	280	13.8%	1,394	68.9%	2,024	100.0%
St Leonards & St Ives East	208	10.1%	104	5.1%	350	17.1%	1,389	67.7%	2,052	100.0%
St Leonards & St Ives West	54	5.0%	58	5.4%	108	10.1%	855	79.5%	1,075	100.0%
Stapewhill	88	8.8%	44	4.4%	145	14.5%	723	72.3%	1,000	100.0%
Stour	42	4.3%	27	2.7%	147	14.8%	777	78.3%	993	100.0%
Three Cross & Potterne	84	9.1%	57	6.2%	251	27.3%	526	57.3%	918	100.0%
Verwood Dewlands	167	8.8%	104	5.4%	509	26.7%	1,126	59.1%	1,906	100.0%
Verwood Newtown	131	11.4%	119	10.4%	223	19.5%	673	58.7%	1,146	100.0%
Verwood Stephen's Castle	250	11.9%	201	9.5%	499	23.7%	1,153	54.8%	2,102	100.0%
West Moors	412	11.8%	410	11.7%	684	19.5%	1,995	57.0%	3,501	100.0%
Total	3,166	8.4%	2,697	7.2%	6,803	18.1%	24,933	66.3%	37,600	100.0%

Source: East Dorset HNDS Fordham Research 2007

Moving intentions – existing households

A1.9 The table below shows the number and proportion of households who need or expect to move home in the next two years. Households living in Three Cross & Potterne are particularly likely to be future movers with 24.4% of households in this area stating that they need or are likely to move in the next two years. At the other end of the scale the figure for Handley Vale is only 9.5%.

Table A1.10 Moving intentions of existing households by ward

Ward	Now		Within a year		1 to 2 years		Not moving with 2 years		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Aldersholt	28	2.5%	35	3.1%	107	9.4%	965	85.1%	1,135	100.0%
Ameyford	10	0.9%	74	6.6%	46	4.1%	993	88.5%	1,122	100.0%
Colehill East	31	1.6%	93	4.9%	191	10.0%	1,591	83.5%	1,905	100.0%
Colehill West	12	1.3%	50	5.3%	69	7.3%	810	86.1%	941	100.0%
Corfe Mullen Central	77	3.8%	170	8.4%	143	7.1%	1,629	80.7%	2,019	100.0%
Corfe Mullen North	21	2.2%	63	6.7%	47	4.9%	822	86.3%	953	100.0%
Corfe Mullen South	67	6.1%	17	1.6%	117	10.8%	886	81.5%	1,087	100.0%
Crane	23	2.6%	28	3.2%	51	5.8%	771	88.3%	873	100.0%
Ferndown Central	44	2.0%	174	8.1%	137	6.3%	1,798	83.5%	2,154	100.0%
Ferndown Links	134	5.9%	181	8.0%	90	4.0%	1,855	82.1%	2,260	100.0%
Wimborne Minster	145	4.3%	274	8.0%	278	8.2%	2,714	79.5%	3,412	100.0%
Handley Vale	0	0.0%	50	4.6%	53	4.8%	985	90.5%	1,089	100.0%
Holt	7	0.7%	23	2.6%	63	6.9%	816	89.8%	909	100.0%
Longham	11	1.0%	52	5.1%	64	6.2%	899	87.7%	1,025	100.0%
Parley	15	0.7%	46	2.3%	143	7.1%	1,820	89.9%	2,024	100.0%
St Leonards & St Ives East	74	3.6%	61	3.0%	231	11.3%	1,686	82.2%	2,052	100.0%
St Leonards & St Ives West	37	3.4%	35	3.2%	114	10.6%	890	82.7%	1,075	100.0%
Stapehill	10	1.0%	70	7.0%	44	4.4%	876	87.6%	1,000	100.0%
Stour	33	3.3%	41	4.1%	91	9.2%	828	83.4%	993	100.0%
Three Cross & Potterne	81	8.9%	87	9.4%	56	6.1%	694	75.6%	918	100.0%
Verwood Dewlands	34	1.8%	149	7.8%	81	4.3%	1,642	86.1%	1,906	100.0%
Verwood Newtown	24	2.1%	113	9.9%	115	10.1%	894	78.0%	1,146	100.0%
Verwood Stephen's Castle	44	2.1%	161	7.7%	123	5.8%	1,774	84.4%	2,102	100.0%
West Moors	153	4.4%	135	3.9%	225	6.4%	2,988	85.3%	3,501	100.0%
Riversdale	1,115	3.0%	2,184	5.8%	2,676	7.1%	31,625	84.1%	37,600	100.0%
Shaftesbury	28	2.5%	35	3.1%	107	9.4%	965	85.1%	1,135	100.0%
Stour Valley	10	0.9%	74	6.6%	46	4.1%	993	88.5%	1,122	100.0%
The Beacon	31	1.6%	93	4.9%	191	10.0%	1,591	83.5%	1,905	100.0%
The Lower Tarrant	12	1.3%	50	5.3%	69	7.3%	810	86.1%	941	100.0%
The Stours	77	3.8%	170	8.4%	143	7.1%	1,629	80.7%	2,019	100.0%
Total	21	2.2%	63	6.7%	47	4.9%	822	86.3%	953	100.0%

Source: East Dorset HNDS Fordham Research 2007

Newly forming households

A1.10 The table below shows the rate of intended future household formation by ward. It shows the highest rate was recorded in Crane and Stour (both 6.7%) and the lowest in Verwood Stephen's Castle (0.6%).

Table A1.11 Rate of new household formation by ward

Ward	Number of households intending to form in the next two years	Number of existing households	Annual rate of household formation
Alderholt	115	1,135	5.1%
Ameysford	35	1,122	1.5%
Colehill East	140	1,905	3.7%
Colehill West	72	941	3.8%
Corfe Mullen Central	213	2,019	5.3%
Corfe Mullen North	77	953	4.0%
Corfe Mullen South	37	1,087	1.7%
Crane	117	873	6.7%
Ferndown Central	62	2,154	1.4%
Ferndown Links	79	2,260	1.8%
Wimborne Minster	93	3,412	1.4%
Handley Vale	32	1,089	1.5%
Holt	94	909	5.2%
Longham	52	1,025	2.5%
Parley	173	2,024	4.3%
St Leonards & St Ives East	172	2,052	4.2%
St Leonards & St Ives West	45	1,075	2.1%
Stapehill	87	1,000	4.3%
Stour	134	993	6.7%
Three Cross & Potterne	88	918	4.8%
Verwood Dewlands	136	1,906	3.6%
Verwood Newtown	83	1,146	3.6%
Verwood Stephen's Castle	27	2,102	0.6%
West Moors	195	3,501	2.8%
Total	2,356	37,600	3.1%

Source: East Dorset HNDS Fordham Research 2007

Car ownership

A1.11 The table below considers variations in car ownership by ward. There is some variation in car ownership across the 24 wards with Wimborne Minster 22.4% of households questioned had no car; this compares with only 1.0% of households in Holt. Multiple car ownership was most frequent in Holt, where 79.0% of households had more than one car.

Table A1.12 Car ownership by ward

Ward	None		One		Two		Three or more		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Aldersholt	63	5.6%	439	38.7%	486	42.8%	146	12.9%	1,135	100.0%
Ameysford	115	10.2%	604	53.8%	267	23.8%	137	12.2%	1,122	100.0%
Colehill East	122	6.4%	755	39.6%	809	42.4%	219	11.5%	1,905	100.0%
Colehill West	63	6.7%	331	35.2%	417	44.3%	130	13.8%	941	100.0%
Corfe Mullen Central	194	9.6%	717	35.5%	817	40.5%	290	14.4%	2,019	100.0%
Corfe Mullen North	44	4.6%	397	41.6%	397	41.7%	115	12.1%	953	100.0%
Corfe Mullen South	80	7.4%	493	45.4%	413	38.0%	100	9.2%	1,087	100.0%
Crane	89	10.2%	283	32.5%	371	42.5%	130	14.9%	873	100.0%
Ferndown Central	237	11.0%	1,130	52.5%	652	30.3%	133	6.2%	2,154	100.0%
Ferndown Links	302	13.4%	1,212	53.6%	648	28.7%	98	4.3%	2,260	100.0%
Wimborne Minster	766	22.4%	1,574	46.1%	974	28.6%	98	2.9%	3,412	100.0%
Handley Vale	193	17.8%	391	35.9%	395	36.3%	109	10.0%	1,089	100.0%
Holt	9	1.0%	183	20.1%	479	52.8%	238	26.2%	909	100.0%
Longham	34	3.3%	364	35.5%	528	51.5%	99	9.7%	1,025	100.0%
Parley	73	3.6%	779	38.5%	946	46.7%	226	11.1%	2,024	100.0%
St Leonards & St Ives East	216	10.5%	694	33.8%	876	42.7%	266	12.9%	2,052	100.0%
St Leonards & St Ives West	83	7.7%	420	39.0%	445	41.4%	128	11.9%	1,075	100.0%
Stapehill	51	5.1%	378	37.8%	375	37.4%	196	19.6%	1,000	100.0%
Stour	90	9.1%	312	31.4%	369	37.1%	222	22.4%	993	100.0%
Three Cross & Potterne	87	9.5%	437	47.6%	290	31.6%	104	11.3%	918	100.0%
Verwood Dewlands	154	8.1%	646	33.9%	876	46.0%	229	12.0%	1,906	100.0%
Verwood Newtown	145	12.7%	515	45.0%	356	31.1%	129	11.3%	1,146	100.0%
Verwood Stephen's Castle	138	6.6%	1,048	49.9%	692	32.9%	224	10.6%	2,102	100.0%
West Moors	313	8.9%	1,814	51.8%	970	27.7%	404	11.5%	3,501	100.0%
Total	3,663	9.7%	15,917	42.3%	13,849	36.8%	4,171	11.1%	37,600	100.0%

Source: East Dorset HNDS Fordham Research 2007

Economic status

A1.12 Employment rates were also measured; the proportion of household heads in work was highest in Longham (61.3%), and lowest in Ferndown Central (33.9%), which also had the largest proportion of retired people in the area, at 61.3% of households. Unemployment figures were very low, but unemployment was highest in St Leonards & St Ives East (2.9%).

Table A1.13 Economic status of household head by ward

Ward	Working		Unemployed		Retired		Other		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Alderholt	639	56.3%	20	1.8%	444	39.2%	31	2.8%	1,135	100.0%
Ameysford	489	43.6%	0	0.0%	573	51.1%	59	5.3%	1,122	100.0%
Colehill East	1,134	59.5%	28	1.5%	626	32.9%	117	6.2%	1,905	100.0%
Colehill West	487	51.8%	14	1.4%	381	40.5%	59	6.3%	941	100.0%
Corfe Mullen Central	1,218	60.4%	42	2.1%	591	29.3%	167	8.3%	2,019	100.0%
Corfe Mullen North	559	58.7%	24	2.5%	312	32.7%	59	6.2%	953	100.0%
Corfe Mullen South	532	48.9%	0	0.0%	487	44.8%	68	6.3%	1,087	100.0%
Crane	506	58.0%	15	1.7%	318	36.4%	34	3.9%	873	
Ferndown Central	729	33.9%	11	0.5%	1,319	61.3%	94	4.4%	2,154	
Ferndown Links	777	34.4%	51	2.3%	1,215	53.8%	217	9.6%	2,260	
Wimborne Minster	1,527	44.7%	62	1.8%	1,630	47.8%	193	5.7%	3,412	
Handley Vale	521	47.8%	16	1.4%	452	41.5%	100	9.2%	1,089	
Holt	513	56.4%	16	1.7%	320	35.2%	61	6.7%	909	
Longham	628	61.3%	10	0.9%	325	31.7%	62	6.1%	1,025	100.0%
Parley	870	43.0%	15	0.7%	1,082	53.4%	57	2.8%	2,024	100.0%
St Leonards & St Ives East	885	43.2%	59	2.9%	971	47.3%	136	6.6%	2,052	100.0%
St Leonards & St Ives West	390	36.3%	17	1.5%	605	56.3%	63	5.9%	1,075	100.0%
Stapewhill	538	53.8%	0	0.0%	407	40.7%	55	5.5%	1,000	100.0%
Stour	602	60.7%	0	0.0%	327	33.0%	63	6.3%	993	100.0%
Three Cross & Potterne	476	51.8%	21	2.3%	232	25.2%	190	20.7%	918	100.0%
Verwood Dewlands	973	51.0%	24	1.2%	783	41.1%	127	6.6%	1,906	100.0%
Verwood Newtown	685	59.8%	0	0.0%	389	34.0%	72	6.3%	1,146	100.0%
Verwood Stephen's Castle	953	45.3%	14	0.7%	1,041	49.5%	95	4.5%	2,102	100.0%
West Moors	1,401	40.0%	14	0.4%	1,930	55.1%	156	4.5%	3,501	100.0%
Total	18,032	48.0%	470	1.3%	16,761	44.6%	2,336	6.2%	37,600	100.0%

Source: East Dorset HNDS Fordham Research 2007

Income and savings

A1.13 Household incomes and savings varied significantly between wards, as shown in the table below. The levels of savings appear high, but as explained in the Financial Information chapter above, there is a wide distribution of levels of savings, and so the presence of a significant retired and/or wealthy element in the population raises the average. The lowest average income was found in Ferndown Links (at £23,090). The ward with the highest income, double the lowest at £46,249, was Holt.

Table A1.14 Average household income and savings by ward

Ward	Average annual gross household income	Average savings
Aldersholt	£34,965	£40,622
Ameysford	£28,200	£25,775
Colehill East	£30,961	£36,559
Colehill West	£44,551	£91,205
Corfe Mullen Central	£31,542	£36,854
Corfe Mullen North	£37,572	£48,994
Corfe Mullen South	£32,377	£47,719
Crane	£30,845	£40,129
Ferndown Central	£28,207	£63,988
Ferndown Links	£23,090	£43,437
Wimborne Minster	£25,980	£41,635
Handley Vale	£27,073	£45,755
Holt	£46,249	£90,080
Longham	£38,099	£50,340
Parley	£34,734	£77,301
St Leonards & St Ives East	£37,185	£68,550
St Leonards & St Ives West	£32,481	£61,862
Stapehill	£28,903	£40,498
Stour	£33,996	£43,411
Three Cross & Potterne	£26,955	£13,095
Verwood Dewlands	£38,877	£47,139
Verwood Newtown	£28,834	£23,000
Verwood Stephen's Castle	£30,673	£38,346
West Moors	£28,326	£46,516
Average	£31,534	£48,370

Source: East Dorset HNDS Fordham Research 2007

Unsuitable housing

A1.14 The table below shows the location of unsuitably housed households in East Dorset. The table indicates that the level of unsuitable housing varies from 1.2% in Verwood Dewlands to 10.4% in Three Cross & Potterne.

Table A1.15 Location of households in unsuitable housing

Ward	In unsuitable housing		Not in unsuitable housing		Total	
	No.	%	No.	%	No.	%
Alderholt	35	3.1%	1,100	96.9%	1,135	100.0%
Ameysford	32	2.8%	1,090	97.2%	1,122	100.0%
Colehill East	73	3.8%	1,832	96.2%	1,905	100.0%
Colehill West	20	2.1%	921	97.9%	941	100.0%
Corfe Mullen Central	78	3.8%	1,941	96.2%	2,019	100.0%
Corfe Mullen North	39	4.1%	914	95.9%	953	100.0%
Corfe Mullen South	74	6.8%	1,013	93.2%	1,087	100.0%
Crane	33	3.7%	840	96.3%	873	100.0%
Ferndown Central	41	1.9%	2,112	98.1%	2,154	100.0%
Ferndown Links	194	8.6%	2,066	91.4%	2,260	100.0%
Wimborne Minster	180	5.3%	3,232	94.7%	3,412	100.0%
Handley Vale	91	8.3%	998	91.7%	1,089	100.0%
Holt	32	3.5%	877	96.5%	909	100.0%
Longham	30	2.9%	995	97.1%	1,025	100.0%
Parley	40	2.0%	1,984	98.0%	2,024	100.0%
St Leonards & St Ives East	74	3.6%	1,978	96.4%	2,052	100.0%
St Leonards & St Ives West	46	4.3%	1,029	95.7%	1,075	100.0%
Stapehill	39	3.9%	962	96.1%	1,000	100.0%
Stour	68	6.9%	924	93.1%	993	100.0%
Three Cross & Potterne	95	10.4%	823	89.6%	918	100.0%
Verwood Dewlands	23	1.2%	1,883	98.8%	1,906	100.0%
Verwood Newtown	52	4.6%	1,094	95.4%	1,146	100.0%
Verwood Stephen's Castle	49	2.3%	2,053	97.7%	2,102	100.0%
West Moors	115	3.3%	3,386	96.7%	3,501	100.0%
Total	1,552	4.1%	36,048	95.9%	37,600	100.0%

Source: East Dorset HNDS Fordham Research 2007

Housing need

A1.15 The table below shows the location of households currently in need in East Dorset. The table indicates that there are four wards where no current need has been identified (Colehill West, Holt, Parley and Stapehill). The highest level of housing need was estimated to be in Ferndown Links (6.7% of households).

Table A1.16 Location of households currently in need

Ward	In need		Not in need		Total	
	No.	%	No.	%	No.	%
Aldersholt	19	1.7%	1,116	98.3%	1,135	100.0%
Ameysford	10	0.9%	1,112	99.1%	1,122	100.0%
Colehill East	31	1.6%	1,874	98.4%	1,905	100.0%
Colehill West	0	0.0%	941	100.0%	941	100.0%
Corfe Mullen Central	35	1.7%	1,983	98.3%	2,019	100.0%
Corfe Mullen North	9	0.9%	944	99.1%	953	100.0%
Corfe Mullen South	45	4.1%	1,042	95.9%	1,087	100.0%
Crane	25	2.8%	848	97.2%	873	100.0%
Ferndown Central	29	1.3%	2,125	98.7%	2,154	100.0%
Ferndown Links	152	6.7%	2,108	93.3%	2,260	100.0%
Wimborne Minster	87	2.6%	3,325	97.4%	3,412	100.0%
Handley Vale	36	3.3%	1,053	96.7%	1,089	100.0%
Holt	0	0.0%	909	100.0%	909	100.0%
Longham	11	1.0%	1,015	99.0%	1,025	100.0%
Parley	0	0.0%	2,024	100.0%	2,024	100.0%
St Leonards & St Ives East	16	0.8%	2,035	99.2%	2,052	100.0%
St Leonards & St Ives West	10	0.9%	1,065	99.1%	1,075	100.0%
Stapehill	0	0.0%	1,000	100.0%	1,000	100.0%
Stour	46	4.7%	946	95.3%	993	100.0%
Three Cross & Potterne	56	6.1%	862	93.9%	918	100.0%
Verwood Dewlands	11	0.6%	1,896	99.4%	1,906	100.0%
Verwood Newtown	38	3.3%	1,108	96.7%	1,146	100.0%
Verwood Stephen's Castle	16	0.8%	2,086	99.2%	2,102	100.0%
West Moors	29	0.8%	3,471	99.2%	3,501	100.0%
Total	711	1.9%	36,889	98.1%	37,600	100.0%

Source: East Dorset HNDS Fordham Research 2007

Future need

A1.16 The table below shows the location of households likely to be in need in the future. The figures are annualised. The table indicates that there are thirteen wards where the level of future need is less than 1% of the number of households. The highest level of future need is estimated to be in Three Cross & Potterne where the future gross need per annum is estimated to be equivalent to 4.8% of the current number of households.

Table A1.17 Location of households in future need (annual)

Ward	In need		Not in need		Total	
	No.	%	No.	%	No.	%
Alderholt	5	0.5%	1,129	99.5%	1,135	100.0%
Ameysford	16	1.4%	1,106	98.6%	1,122	100.0%
Colehill East	28	1.5%	1,877	98.5%	1,905	100.0%
Colehill West	5	0.6%	936	99.4%	941	100.0%
Corfe Mullen Central	8	0.4%	2,010	99.6%	2,019	100.0%
Corfe Mullen North	4	0.4%	949	99.6%	953	100.0%
Corfe Mullen South	23	2.2%	1,063	97.8%	1,087	100.0%
Crane	13	1.5%	860	98.5%	873	100.0%
Ferndown Central	26	1.2%	2,127	98.8%	2,154	100.0%
Ferndown Links	26	1.1%	2,234	98.9%	2,260	100.0%
Wimborne Minster	143	4.2%	3,269	95.8%	3,412	100.0%
Handley Vale	32	2.9%	1,057	97.1%	1,089	100.0%
Holt	4	0.5%	905	99.5%	909	100.0%
Longham	0	0.0%	1,025	100.0%	1,025	100.0%
Parley	15	0.7%	2,009	99.3%	2,024	100.0%
St Leonards & St Ives East	37	1.8%	2,015	98.2%	2,052	100.0%
St Leonards & St Ives West	10	0.9%	1,065	99.1%	1,075	100.0%
Stapehill	4	0.4%	996	99.6%	1,000	100.0%
Stour	9	0.9%	984	99.1%	993	100.0%
Three Cross & Potterne	44	4.8%	874	95.2%	918	100.0%
Verwood Dewlands	6	0.3%	1,900	99.7%	1,906	100.0%
Verwood Newtown	25	2.2%	1,121	97.8%	1,146	100.0%
Verwood Stephen's Castle	12	0.6%	2,091	99.4%	2,102	100.0%
West Moors	27	0.8%	3,474	99.2%	3,501	100.0%
Total	525	1.4%	37,075	98.6%	37,600	100.0%

Source: East Dorset HNDS Fordham Research 2007

Special needs households

A1.17 The table below shows the location of special needs households in East Dorset. The table indicates that the proportion of special needs households varies from 10.9% in Colehill West to 26.2% in Ferndown Links.

Table A1.18 Location of special needs households

Ward	Special needs		Non-special needs		Total	
	No.	%	No.	%	No.	%
Aldersholt	169	14.9%	966	85.1%	1,135	100.0%
Ameysford	192	17.1%	930	82.9%	1,122	100.0%
Colehill East	311	16.3%	1,595	83.7%	1,905	100.0%
Colehill West	103	10.9%	839	89.1%	941	100.0%
Corfe Mullen Central	298	14.7%	1,721	85.3%	2,019	100.0%
Corfe Mullen North	142	14.9%	811	85.1%	953	100.0%
Corfe Mullen South	266	24.5%	820	75.5%	1,087	100.0%
Crane	157	18.0%	716	82.0%	873	100.0%
Ferndown Central	530	24.6%	1,624	75.4%	2,154	100.0%
Ferndown Links	592	26.2%	1,668	73.8%	2,260	100.0%
Wimborne Minster	737	21.6%	2,675	78.4%	3,412	100.0%
Handley Vale	245	22.5%	844	77.5%	1,089	100.0%
Holt	131	14.4%	778	85.6%	909	100.0%
Longham	226	22.1%	799	77.9%	1,025	100.0%
Parley	306	15.1%	1,718	84.9%	2,024	100.0%
St Leonards & St Ives East	325	15.9%	1,726	84.1%	2,052	100.0%
St Leonards & St Ives West	188	17.5%	887	82.5%	1,075	100.0%
Stapehill	160	16.0%	841	84.0%	1,000	100.0%
Stour	207	20.8%	786	79.2%	993	100.0%
Three Cross & Potterne	135	14.7%	783	85.3%	918	100.0%
Verwood Dewlands	325	17.0%	1,581	83.0%	1,906	100.0%
Verwood Newtown	144	12.6%	1,002	87.4%	1,146	100.0%
Verwood Stephen's Castle	298	14.2%	1,804	85.8%	2,102	100.0%
West Moors	789	22.5%	2,711	77.5%	3,501	100.0%
Total	6,975	18.6%	30,625	81.4%	37,600	100.0%

Source: East Dorset HNDS Fordham Research 2007

Older person households

A1.18 The table below shows the location of older person only households in Weymouth & Portland. The table indicates that the proportion of older person only households varies from 18.1% in Three Cross & Potterne to 51.3% in Ferndown Central.

Table A1.19 Location of older person only households

Ward	Older person only households		Other households		Total	
	No.	%	No.	%	No.	%
Alderholt	377	33.2%	758	66.8%	1,135	100.0%
Ameysford	483	43.1%	639	56.9%	1,122	100.0%
Colehill East	472	24.8%	1,433	75.2%	1,905	100.0%
Colehill West	304	32.3%	637	67.7%	941	100.0%
Corfe Mullen Central	407	20.2%	1,612	79.8%	2,019	100.0%
Corfe Mullen North	252	26.5%	701	73.5%	953	100.0%
Corfe Mullen South	384	35.3%	703	64.7%	1,087	100.0%
Crane	246	28.2%	627	71.8%	873	100.0%
Ferndown Central	1,105	51.3%	1,048	48.7%	2,154	100.0%
Ferndown Links	985	43.6%	1,275	56.4%	2,260	100.0%
Wimborne Minster	1,433	42.0%	1,979	58.0%	3,412	100.0%
Handley Vale	401	36.8%	688	63.2%	1,089	100.0%
Holt	211	23.3%	697	76.7%	909	100.0%
Longham	293	28.5%	733	71.5%	1,025	100.0%
Parley	829	41.0%	1,195	59.0%	2,024	100.0%
St Leonards & St Ives East	825	40.2%	1,227	59.8%	2,052	100.0%
St Leonards & St Ives West	504	46.9%	571	53.1%	1,075	100.0%
Stapehill	364	36.4%	637	63.6%	1,000	100.0%
Stour	307	30.9%	686	69.1%	993	100.0%
Three Cross & Potterne	166	18.1%	752	81.9%	918	100.0%
Verwood Dewlands	630	33.1%	1,276	66.9%	1,906	100.0%
Verwood Newtown	344	30.0%	802	70.0%	1,146	100.0%
Verwood Stephen's Castle	954	45.4%	1,149	54.6%	2,102	100.0%
West Moors	1,688	48.2%	1,813	51.8%	3,501	100.0%
Total	13,963	37.1%	23,637	62.9%	37,600	100.0%

Source: East Dorset HNDS Fordham Research 2007

Key workers

A1.19 The table below shows the location of households headed by a key worker in East Dorset. The table shows that the proportion of key worker households varies from 5.5% in Parley to 16.0% in Corfe Mullen North.

Table A1.20 Location of key worker households						
Ward	Key worker households		Non-key worker households		Total	
	No.	%	No.	%	No.	%
Aldersholt	146	12.9%	989	87.1%	1,135	100.0%
Ameysford	71	6.3%	1,051	93.7%	1,122	100.0%
Colehill East	171	9.0%	1,734	91.0%	1,905	100.0%
Colehill West	118	12.5%	824	87.5%	941	100.0%
Corfe Mullen Central	257	12.7%	1,762	87.3%	2,019	100.0%
Corfe Mullen North	152	16.0%	801	84.0%	953	100.0%
Corfe Mullen South	107	9.9%	980	90.1%	1,087	100.0%
Crane	72	8.2%	801	91.8%	873	100.0%
Ferndown Central	136	6.3%	2,018	93.7%	2,154	100.0%
Ferndown Links	181	8.0%	2,079	92.0%	2,260	100.0%
Wimborne Minster	408	12.0%	3,004	88.0%	3,412	100.0%
Handley Vale	80	7.3%	1,009	92.7%	1,089	100.0%
Holt	128	14.1%	780	85.9%	909	100.0%
Longham	153	14.9%	872	85.1%	1,025	100.0%
Parley	111	5.5%	1,913	94.5%	2,024	100.0%
St Leonards & St Ives East	190	9.2%	1,862	90.8%	2,052	100.0%
St Leonards & St Ives West	72	6.7%	1,003	93.3%	1,075	100.0%
Stapehill	61	6.1%	939	93.9%	1,000	100.0%
Stour	147	14.8%	845	85.2%	993	100.0%
Three Cross & Potterne	117	12.7%	801	87.3%	918	100.0%
Verwood Dewlands	179	9.4%	1,727	90.6%	1,906	100.0%
Verwood Newtown	109	9.5%	1,037	90.5%	1,146	100.0%
Verwood Stephen's Castle	119	5.6%	1,984	94.4%	2,102	100.0%
West Moors	202	5.8%	3,299	94.2%	3,501	100.0%
Total	3,487	9.3%	34,113	90.7%	37,600	100.0%

Source: East Dorset HNDS Fordham Research 2007

Appendix A2 Supporting information

Non-response and missing data

A2.1 Missing data is a feature of all housing surveys: mainly due to a respondent's refusal to answer a particular question (e.g. income). For all missing data in the survey imputation procedures were applied. In general, throughout the survey the level of missing data was minimal. The main exception to this was in relation to financial information, where there was an appreciable (although typical) level of non-response.

A2.2 Non-response can cause a number of problems:

- The sample size is effectively reduced so that applying the calculated weight will not give estimates for the whole population
- Variables which are derived from the combination of a number of responses each of which may be affected by item non-response (e.g. collecting both respondent and their partners income separately) may exhibit high levels of non-response
- If the amount of non-response substantially varies across sub-groups of the population this may lead to a bias of the results

A2.3 To overcome these problems missing data was 'imputed'. Imputation involves substituting for the missing value, a value given by a suitably defined 'similar' household, where the definition of similar varies depending on the actual item being imputed.

A2.4 The specific method used was to divide the sample into sub-groups based on relevant characteristics and then 'Probability Match' where a value selected from those with a similar predicted value was imputed. The main sub-groups used were tenure, household size and age of respondent.

Weighting data

A2.5 The survey data was weighted to estimated profiles of households based on various secondary sources of information. The tables below show the final estimates of the number of households in each group (for 4 different variables) along with the number of actual survey responses (data for tenure can be found in Chapter 2 and data for ward can be found in Appendix A1). Although in some cases it is clear that the proportion of survey responses is close to the 'expected' situation there are others where it is clear that the weighting of data was necessary to ensure that the results as presented are reflective of the household population of East Dorset.

Table A2.1 Accommodation type profile

Accommodation type	Estimated households	% of households	Number of returns	% of returns
Detached house/bungalow	24,203	64.4%	2,321	66.5%
Semi-detached house/bungalow	9,686	25.8%	877	25.1%
Flat	3,712	9.9%	291	8.3%
TOTAL	37,600	100.0%	3,489	100.0%

Source: East Dorset HNDS Fordham Research 2007

Table A2.2 Car ownership

Cars owned	Estimated households	% of households	Number of returns	% of returns
None	3,663	9.7%	262	7.5%
One	15,917	42.3%	1,468	42.1%
Two	13,849	36.8%	1,372	39.3%
Three or more	4,171	11.1%	387	11.1%
TOTAL	37,600	100.0%	3,489	100.0%

Source: East Dorset HNDS Fordham Research 2007

Table A2.3 Household type profile

Household type	Estimated households	% of households	Number of returns	% of returns
Single pensioner	6,180	16.4%	536	15.4%
2 or more pensioners	7,783	20.7%	811	23.2%
Single non-pensioner	3,229	8.6%	299	8.6%
Other households	20,408	54.3%	1,843	52.8%
TOTAL	37,600	100.0%	3,489	100.0%

Source: East Dorset HNDS Fordham Research 2007

Table A2.4 Household size

Number of people in household	Estimated households	% of households	Number of returns	% of returns
One	9,409	25.0%	835	23.9%
Two	16,781	44.6%	1,632	46.8%
Three	4,881	13.0%	434	12.4%
Four	4,671	12.4%	437	12.5%
Five	1,369	3.6%	111	3.2%
Six or more	488	1.3%	40	1.1%
TOTAL	37,600	100.0%	3,489	100.0%

Source: East Dorset HNDS Fordham Research 2007

Table A2.5 Council Tax Band				
Council Tax Band	Estimated households	% of households	Number of returns	% of returns
A	2,332	6.2%	186	5.3%
B	3,010	8.0%	223	6.4%
C	6,926	18.4%	632	18.1%
D	8,807	23.4%	774	22.2%
E	9,097	24.2%	878	25.2%
F to H	7,428	19.8%	796	22.8%
TOTAL	37,600	100.0%	3,489	100.0%

Source: East Dorset HNDS Fordham Research 2007

Appendix A3 Balancing Housing Markets analysis

Introduction

A3.1 The following tables show the detailed analysis for the six components contributing to the Balancing Housing Market Analysis presented in Chapter 10 of this report.

Analysis of East Dorset data

A3.2 The first table shows an estimate of the housing requirements of potential households. The table is based on the number of potential households who need or expect to form over the next two years within the District along with estimates about affordability and stated size requirement. Any potential households who would both like and expect to move from the District are excluded from this analysis. Figures are annualised.

Table A3.1 Demand I: Household formation by tenure and size required

Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	49	127	23	4	203
Private rented	55	31	4	0	89
Intermediate	2	30	0	0	32
Social rented	57	45	7	0	109
TOTAL	163	234	33	4	434

Source: East Dorset HNDS Fordham Research 2007

A3.3 The table below shows the estimated demand from in-migrant households. This is based on the profile of households who have moved into the District over the past two years (in terms of affordability and size/type of accommodation secured). Figures are again annualised.

Table A3.2 Demand II: Demand from in-migrants by tenure and size required

Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+bedrooms	
Owner-occupation	52	415	512	272	1,252
Private rented	42	143	122	31	338
Intermediate	0	0	0	10	10
Social rented	24	27	12	0	63
TOTAL	118	586	646	313	1,663

Source: East Dorset HNDS Fordham Research 2007

A3.4 The table below shows estimated future demand from existing households. The figures are based on what tenure and size of accommodation households would like or expect to move to in the future (next two years) along with considerations of affordability. Figures are again annualised.

Table A3.3 Demand III: Demand from existing households by tenure and size required

Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+bedrooms	
Owner-occupation	12	220	548	408	1,188
Private rented	12	28	69	11	120
Intermediate	6	15	0	0	21
Social rented	90	148	103	39	380
TOTAL	120	411	720	457	1,709

Source: East Dorset HNDS Fordham Research 2007

A3.5 The table below is an overall summary of the demand situation and is calculated as the sum of the three previous tables.

Table A3.4 Demand IV: Total demand by tenure and size required

Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+bedrooms	
Owner-occupation	113	763	1,083	683	2,643
Private rented	109	202	195	42	548
Intermediate	8	45	0	10	63
Social rented	171	221	122	39	552
TOTAL	402	1,231	1,400	774	3,806

Source: East Dorset HNDS Fordham Research 2007

- A3.6 The table below provides an estimate of the likely future supply of accommodation (by tenure and size) from household dissolutions (i.e. death). The table is based on applying age specific national mortality statistics (2001) to the local population to estimate the proportion of households who are likely to wholly dissolve each year.

Table A3.5 Supply I: Supply from household dissolution					
Tenure	Size released				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	25	164	141	29	358
Private rented	4	7	7	0	19
Intermediate	0	0	0	0	0
Social rented	33	31	3	0	67
TOTAL	62	202	151	29	444

Source: East Dorset HNDS Fordham Research 2007

- A3.7 The table below shows an estimate of the supply of housing that would be released when households who would like and expect to move from the District do so. For example a household out-migrating from a four-bedroom owner-occupied dwelling is assumed to free-up a four-bedroom owner-occupied dwelling for use by another household. The data is annualised and based on moves over the next two years.

Table A3.6 Supply II: Supply from out-migrant households					
Tenure	Size released				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	41	206	416	289	952
Private rented	32	78	75	37	222
Intermediate	0	0	0	0	0
Social rented	66	30	8	0	104
TOTAL	139	314	499	326	1,278

Source: East Dorset HNDS Fordham Research 2007

- A3.8 The table below shows estimated future supply from existing households. As with the above data the figures are based on the type and size of accommodation that would become available if a household moved to alternative accommodation. Figures are annualised from data for two years.

Table A3.7 Supply III: Supply from existing households

Tenure	Size released				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+bedrooms	
Owner-occupation	52	289	470	320	1,131
Private rented	39	129	119	28	315
Intermediate	0	0	0	0	0
Social rented	57	123	83	0	263
TOTAL	149	541	672	347	1,709

Source: East Dorset HNDS Fordham Research 2007

A3.9 The table below is the sum of the three previous tables and shows the overall estimated annual supply for each tenure and size group.

Table A3.8 Supply IV: Total supply

Tenure	Size released				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+bedrooms	
Owner-occupation	118	659	1,027	637	2,440
Private rented	75	215	201	65	556
Intermediate	0	0	0	0	0
Social rented	156	184	94	0	435
TOTAL	350	1,057	1,322	702	3,431

Source: East Dorset HNDS Fordham Research 2007

Appendix A4 Inference of housing need at ward level

Introduction

A4.1 This appendix expands on the information on the location of housing need presented in Appendix A1 by providing an annual estimate of housing need at ward level alongside data on the distribution of the social rented stock. The purpose is to provide indicative information on levels of need for affordable housing at the detailed local level. The gross needs figures are subject to wider margins of error than those at district level, due to the smaller samples, but generally provide reasonable indications of relative gross need. If desired, wards can be grouped, and this will clearly improve the accuracy of the estimates.

Inferred housing need at ward level

A4.2 The table below presents the information that can be used to estimate the relative housing need in each ward. It presents the annualised level of gross need in each ward, which is calculated by annualising the current need and adding it to the future need. This allows the propensity of need in each ward to be calculated, alongside the distribution of need across the District.

A4.3 The distribution of supply cannot be reliably modelled from the survey; therefore the estimated affordable housing stock in each ward is presented. This is based on the distribution recorded by the Census, applied pro-rata to the estimated size of the affordable stock in East Dorset currently.

A4.4 In order to infer a net housing need figure it is necessary to make assumptions about the turnover of the affordable stock listed in the last column. This will vary from ward to ward. Typically turnover rates are lower in rural than in urban areas. The current national level of turnover is 6.6%, and the general range is fairly closely around this figure. In the national scale, affordable housing shows higher turnover than owner occupied housing although, apart from poor quality urban estates, normally lower turnover rates than the private rented sector. Due to the general shortage of affordable housing in Dorset, plus the rural factor, turnover rates are relatively low. These points should be borne in mind in inferring net housing needs figures at the ward, or groups of wards, level.

A4.5 It is also important to bear in mind that it is not normally feasible, and often not desirable to meet housing need exactly where it arises. The wider strategic context of site allocation, access to services and many other factors are involved in decisions about where to put both market and affordable housing. Hence it would be wrong to apply these figures mechanistically.

Inferred housing need in East Dorset

A4.6 The table provides gross annual figures for housing need (first column) and estimated size of affordable housing stock (last column). By applying a turnover rate, inferences can be made about the net affordable housing requirement in each ward. The overall turnover of relets in the affordable stock (including shared ownership accommodation) in East Dorset is $(162/3,155) \times 100 = 5.1\%$.

Table A4.1 Location of households in need and affordable housing stock

Ward	Number of households in need (annually)	Total Number of h'holds	% of h'hold in ward in need	As a % of those in need	Estimated size of affordable sector
Aldersholt	9	1,135	0.8%	1.3%	58
Ameysford	18	1,122	1.6%	2.7%	76
Colehill East	34	1,905	1.8%	5.1%	194
Colehill West	5	941	0.5%	0.7%	14
Corfe Mullen Central	15	2,019	0.7%	2.2%	65
Corfe Mullen North	6	953	0.6%	0.9%	73
Corfe Mullen South	32	1,087	2.9%	4.8%	132
Crane	18	873	2.1%	2.7%	124
Ferndown Central	32	2,154	1.5%	4.8%	95
Ferndown Links	56	2,260	2.5%	8.5%	348
Wimborne Minster	160	3,412	4.7%	24.0%	730
Handley Vale	39	1,089	3.6%	5.9%	151
Holt	4	909	0.4%	0.6%	48
Longham	2	1,025	0.2%	0.3%	15
Parley	15	2,024	0.7%	2.2%	13
St Leonards & St Ives East	40	2,052	2.0%	6.0%	62
St Leonards & St Ives West	12	1,075	1.1%	1.8%	3
Stapehill	4	1,000	0.4%	0.6%	46
Stour	18	993	1.8%	2.7%	173
Three Cross & Potterne	55	918	6.0%	8.3%	246
Verwood Dewlands	8	1,906	0.4%	1.2%	115
Verwood Newtown	33	1,146	2.8%	4.9%	18
Verwood Stephen's Castle	15	2,102	0.7%	2.3%	35
West Moors	33	3,501	0.9%	4.9%	321
Total	1,890	61,700	3.1%	100.0%	7,785

Source: Fordham Research Dorset HNA 2007

Summary

- A4.7 The table shows sharp variations in both the gross level of need (first column) and the amount of social housing stock (last column). It must always be borne in mind, however, that it is normally impossible, and often undesirable to meet need where it arises.
- A4.8 Hence it is important to look at the detailed figures provided here, in the context of wider local knowledge of each area in coming to a policy view on where new affordable housing should be put.

Appendix A5 Survey questionnaire

