

Bournemouth Poole / Dorchester Weymouth



Strategic Housing Market Assessment

Final Evidence Base
June 2008



Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Contents

| Section A: Background | | Page No |
|---------------------------------------|--|---------|
| 1.0 | Introduction | |
| 1.1 | Background | 11 |
| 1.2 | What is a strategic Housing Market Assessment? | 11 |
| 1.3 | What is a Housing Market Area? | 11 |
| 1.4 | What is the area being studied? | 12 |
| 1.5 | How has the assessment been undertaken? | 12 |
| 1.6 | What are the aims of the Study? | 13 |
| 1.7 | The format of the report | 14 |
| 1.8 | Compliance with Government advice. | 15 |
| 2.0 | Strategic Context | |
| 2.1 | National context | 19 |
| 2.2 | Regional context | 19 |
| 2.3 | The Dorset sub region. | 23 |
| 3.0 | The Housing Market Area – Defining Boundaries | |
| 3.1 | The DTZ study | 27 |
| 3.2 | Migration data – self containment | 27 |
| 3.3 | Transport Networks | 29 |
| 3.4 | Health Catchments | 29 |
| 3.5 | School catchments. | 31 |
| Section B: The Current Housing Market | | |
| 4.0 | Demography and Household Composition | |
| 4.1 | Introduction | 35 |
| 4.2 | Population Characteristics | 35 |
| 4.3 | Recent Population Changes | 36 |
| 4.4 | Migration | 37 |
| 4.5 | Household composition | 39 |
| 5.0 | Housing Characteristics | |
| 5.1 | Source of data | 43 |
| 5.2 | Average household size | 43 |
| 5.3 | Occupancy | 43 |
| 5.4 | Vacant properties | 43 |
| 5.5 | Second homes and holiday homes | 44 |
| 5.6 | Accommodation type | 46 |
| 5.7 | Tenure | 47 |
| 5.8 | Size of household space and overcrowding | 49 |
| 5.9 | Overcrowding and Tenure | 51 |
| 5.10 | Under occupancy | 51 |
| 5.11 | Household amenities. | 51 |
| 6.0 | Stock Condition | |
| 6.1 | Source of data | 53 |
| 6.2 | Age of dwellings | 53 |
| 6.3 | Houses in Multiple occupation | 54 |
| 6.4 | Decent Housing | 55 |
| 6.5 | Unfit housing | 55 |

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

| | | Page No |
|--|--|---------|
| 6.6 | Disrepair | 56 |
| 6.7 | Energy Efficiency | 57 |
| 6.8 | Conclusions from the Stock Condition Reports | 58 |
| 7.0 | Housing Supply | |
| 7.1 | Source of data | 61 |
| 7.2 | Overall levels of development | 61 |
| 7.3 | Affordable dwellings built | 61 |
| 7.4 | Size of properties built | 61 |
| 7.5 | Characteristics of the Bournemouth/ Poole HMA | 64 |
| 7.6 | Characteristics of the Dorchester/Weymouth HMA | 67 |
| 7.7 | Characteristics of North/West Dorset. | 68 |
| 8.0 | Housing Need | |
| 8.1 | Source of data | 71 |
| 8.2 | Households on the Housing Register | 71 |
| 8.3 | Homeless households | 71 |
| 8.4 | Size of property required | 72 |
| 9.0 | House prices and Rental Values | |
| 9.1 | Source of data | 75 |
| 9.2 | Average house prices | 75 |
| 9.3 | Increases in House prices 2000-2006 | 80 |
| 9.4 | Average rental prices. | 84 |
| 10.0 | Employment and Firms | |
| 10.1 | Source of data | 87 |
| 10.2 | Employees in employment | 87 |
| 10.3 | Employment by sector | 88 |
| 10.4 | High and Low Pay Employment | 93 |
| 10.5 | Employment by Occupation | 95 |
| 10.6 | Past employment growth | 100 |
| 10.7 | Business size and Economic growth | 102 |
| 10.8 | Business formation and survival | 105 |
| 10.9 | Relationship between Economic Growth and Population Growth | 106 |
| 11.0 | People and Pay | |
| 11.1 | Source of data | 115 |
| 11.2 | Economic activity | 115 |
| 11.3 | Earnings and Income | 118 |
| 11.4 | Housing and Council Tax Benefits | 123 |
| 11.5 | House prices and Affordability | 124 |
| 11.6 | Skills and Qualifications | 128 |
| 11.7 | Unemployment | 132 |
| 11.8 | Migrant workers | 134 |
| 11.9 | Travel to Work | 134 |
| Section C: The Future Housing Market | | |
| 12.0 | The Future Housing Market | |
| 12.1 | Introduction | 141 |
| 12.2 | Population projections | 141 |
| 12.3 | Household projections | 144 |
| 12.4 | Employment projections | 151 |
| 12.5 | Labour Market Accounts | 165 |
| 12.6 | Future housing requirements. | 169 |

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

| | Page No |
|---|---------|
| Section D Current Housing Need and Demand | |
| 13.0 Key Findings from the County wide survey | |
| 13.1 Introduction | 171 |
| 13.2 Key Findings in the Bournemouth / Poole HMA | 172 |
| 13.3 Current and Future Need in the Bournemouth / Poole HMA | 174 |
| 13.4 Key Findings in the Dorchester / Weymouth HMA | 179 |
| 13.5 Current and Future Need in the Dorchester / Weymouth HMA | 181 |
| 14.0 Needs of specific household groups | |
| 14.1 Introduction | 187 |
| 14.2 Households with special needs | 187 |
| 14.3 Older person households | 191 |
| 14.4 Families with children | 194 |
| 14.5 Young people (including first time buyers) | 199 |
| 14.6 Students Accommodation needs | 206 |
| 14.7 Key Workers | 209 |
| 14.8 Migrant Workers | 212 |
| 14.9 Households in Rural areas | 214 |
| 14.10 Gypsies and Travellers | 219 |
| Section E: Issues for future policy consideration | |
| 15.0 Housing market gaps and the housing ladder. | |
| 15.1 Introduction | 225 |
| 15.2 Prices, rents and the gaps between them | 225 |
| 15.3 What types of housing can be provided to fill the gaps? | 227 |
| 15.4 How affordable are Intermediate products? | 228 |
| 15.5 How many households can afford Intermediate Rent? | 230 |
| 15.6 Other form of subsidised or low cost market housing? | 232 |
| 16.0 The Profile of Housing Needed | |
| 16.1 Introduction | 235 |
| 16.2 PPS3 Requirements | 235 |
| 16.3 Proportion of households that require market and affordable housing | 235 |
| 16.4 What do other studies of affordability show? | 237 |
| 16.5 How realistic is the CLG measure of need? | 238 |
| 16.6 Results of the BHM analysis | 239 |
| 16.7 Conclusions on the affordable: market split of development. | 241 |
| 16.8 Type of affordable housing needed | 242 |
| 16.9 Conclusions on the type of affordable housing needed | 243 |
| 16.10 Size of affordable dwellings needed | 244 |
| 16.11 Conclusions on the size of affordable housing needed | 248 |
| 16.12 The likely profile of market housing required | 249 |
| 16.13 Conclusions on the likely profile of market housing required. | 253 |
| 17.0 Monitoring and Updating | |
| 17.1 Introduction | 255 |
| 17.2 Monitoring the Housing Market | 255 |
| 17.3 Updating Housing Costs | 259 |
| Glossary and Definitions | 263 |
| Appendices | |
| Appendix 1 Balanced Housing Markets by Local Authority | 271 |
| Appendix 2 Comparative Weekly Housing Costs by Local Authority | 273 |

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

| List of Tables | Page |
|---|------|
| 1.1 Strategic Housing Market Assessments core outputs | 16 |
| 1.2 Strategic Housing Market Assessment process checklist. | 17 |
| 2.1 Draft RSS Proposed Housing Totals and Phasing 2006 -2026 | 21 |
| 2.2 Annual average dwelling completions 2001-2006 (net) | 22 |
| 4.1 Dorset population by HMA sub areas, 2001 and 2007 | 35 |
| 4.2 Migrants to Dorset by age and HMA sub-area | 38 |
| 4.3 Household composition by HMA sub-area | 39 |
| 4.4 Pensioner Households by HMA sub-area | 39 |
| 5.1 Vacant properties, 1991 and 2001 by local authority | 44 |
| 5.2 Percentage second homes, Council Tax returns | 46 |
| 5.3 Accommodation type, percentage of all household spaces | 46 |
| 5.4 Tenure: percentage of all household spaces | 47 |
| 5.5 Number of rooms and over-crowding | 50 |
| 5.6 Under occupation by tenure | 51 |
| 6.1 Stock conditions surveys in Dorset | 53 |
| 6.2 Age of housing stock by local authority | 54 |
| 6.3 Housing in multiple occupation | 55 |
| 6.4 Fitness of housing stock | 56 |
| 6.5 Energy efficiency | 58 |
| 7.1 Dwelling size: percentage of four year total | 63 |
| 7.2 Dwelling completions 2001-06, Bournemouth/Poole core | 64 |
| 7.3 Affordable housing built 2001-06, Bournemouth/Poole core | 65 |
| 7.4 Size of dwellings built 2002-06, Bournemouth/Poole core | 66 |
| 7.5 Dwelling completions 2001-2006, Bournemouth/Poole periphery | 66 |
| 7.6 Affordable housing built 2001-06, Bournemouth/Poole periphery | 66 |
| 7.7 Size of dwellings built 2002-06, Bournemouth/Poole periphery | 67 |
| 7.8 Dwelling completions 2001-06, Dorchester/Weymouth HMA | 67 |
| 7.9 Affordable housing built 2001-06, Dorchester/Weymouth HMA | 67 |
| 7.10 Size of dwellings built 2002-06, Dorchester/Weymouth HMA | 68 |
| 7.11 Dwelling completions 2001-06, North West Dorset | 68 |
| 7.12 Affordable housing built 2001-06, North West Dorset | 69 |
| 7.13 Size of dwellings built 2002-06, North West Dorset | 69 |
| 8.1 Households on housing register | 71 |
| 8.2 Households accepted as homeless and in priority need | 72 |
| 8.3 Size of property required by households on the housing register | 72 |
| 9.1 House prices in market towns and rural areas | 79 |
| 9.2 Number of private rented properties available by size (July 2006) | 85 |
| 10.1 Firms and employees in employment | 87 |
| 10.2 Percentage of employees in high and low pay sectors | 94 |
| 10.3 Highest and lowest paid industry groups | 95 |
| 10.4 Highest and lowest paid occupations | 96 |
| 10.5 Employment growth, 2000 to 2005 | 101 |
| 10.6 Firms by number of employees, 2005 | 103 |
| 10.7 Employees in employment by size of firms, 2005 | 104 |
| 10.8 Headline GVA, 1995-2004 £ per resident head | 110 |
| 10.9 Headline GVA per resident, as a percentage of England | 110 |
| 10.10 Headline GVA per job, as a percentage of England | 111 |

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

| | | Page |
|-------|---|------|
| 10.11 | Headline GVA per job, as a percentage of the South West Region | 112 |
| 11.1 | Median gross weekly pay, national, regional and local authority | 119 |
| 11.2 | Headline gross disposable income | 120 |
| 11.3 | Housing benefit and council tax benefit recipients, August 2006 | 124 |
| 11.4 | Average house price, average earning ratios, 2006 | 126 |
| 11.5 | Median gross weekly pay, full time employees in key sectors, 2006 | 127 |
| 11.6 | Percentage gaining 5+ GCSEs (grade A*-C) | 131 |
| 11.7 | Average point score per post 16 exam entry | 131 |
| 11.8 | Unemployment aged 16-74 years, change 1991 to 2001 | 132 |
| 11.9 | Claimant unemployment, average over 1 year | 133 |
| 11.10 | Commuting patterns, 1991 to 2001 | 135 |
| 11.11 | Largest volumes of commuting flows between sub-HMAs | 135 |
| 11.12 | Commuting form outside Dorset | 136 |
| 11.13 | Place of residence of commuters into Dorset | 136 |
| 12.1 | Projection of households by type, Bournemouth/Poole HMA | 147 |
| 12.2 | Projection of households by type, Dorchester/Weymouth HMA | 147 |
| 12.3 | CLG household projections, working age households | 149 |
| 12.4 | CLG households projections by type, working age | 150 |
| 12.5 | Projections of GVA | 153 |
| 12.6 | Projections of job growth | 154 |
| 12.7 | Projected job sector growth, 2006-16, Bournemouth/Poole HMA | 156 |
| 12.8 | Projected job sector growth, 2006-16, Dorchester/Weymouth HMA | 157 |
| 12.9 | Projected job sector growth, 2006-16, Shaftesbury/Yeovil TTWAs | 158 |
| 12.10 | Projected job sector growth, 2006-16, South Somerset | 159 |
| 12.11 | Labour market accounts, 2.8% growth, 2006-16 | 165 |
| 12.12 | Labour market accounts, 3.2% growth, 2006-16 | 166 |
| 12.13 | Labour demand led projections, 2006-16 | 167 |
| 12.14 | Annual HMA growth required to meet 2.8% growth in the South West | 168 |
| 12.15 | Annual HMA growth required to meet 3.2% growth in the South West | 169 |
| 13.1 | Entry level market costs, Bournemouth/Poole HMA (to buy) | 172 |
| 13.2 | Entry level market costs, Bournemouth/Poole HMA (to rent) | 172 |
| 13.3 | Households who need or likely to move in next 2 years, Bournemouth/Poole HMA | 173 |
| 13.4 | Housing need/demand survey results, CLG model, Bournemouth/Poole HMA | 175 |
| 13.5 | Balancing housing markets, Bournemouth/Poole HMA | 176 |
| 13.6 | Balancing housing markets, Bournemouth/Poole core | 178 |
| 13.7 | Balancing housing markets, Bournemouth/Poole periphery | 178 |
| 13.8 | Balancing housing markets, Bournemouth/Poole North West Dorset (part) | 178 |
| 13.9 | Entry level market costs, Dorchester/Weymouth HMA (to buy) | 179 |
| 13.10 | Entry level market costs, Dorchester/Weymouth HMA (to rent) | 179 |
| 13.11 | Households who need or likely to move in next 2 years, Dorchester/Weymouth HMA | 180 |
| 13.12 | Housing need/demand survey results, CLG model, Dorchester/Weymouth HMA | 182 |
| 13.13 | Balancing housing markets, Dorchester/Weymouth HMA | 183 |
| 13.14 | Balancing housing markets, Weymouth core | 184 |
| 13.15 | Balancing housing markets, Dorchester core | 184 |
| 13.16 | Balancing housing markets, Dorchester/Weymouth periphery | 185 |
| 13.17 | Balancing housing markets, Bournemouth/Poole North West Dorset (part) | 185 |
| 13.18 | Balancing housing markets, Bournemouth/Poole North West Dorset | 185 |

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

| | | Page |
|-------|---|------|
| 14.1 | Households with special needs | 190 |
| 14.2 | Older person households | 193 |
| 14.3 | Families | 198 |
| 14.4 | Young people and first time buyers (i) | 201 |
| 14.5 | Young people and first time buyers (ii) | 205 |
| 14.6 | Key worker households | 211 |
| 14.7 | Rural households | 217 |
| 14.8 | Dorset gypsy and traveller pitch requirements | 222 |
| 14.9 | Demand for permanent and transit gypsy and traveller pitches | 223 |
| 15.1 | Entry level housing costs, 2-bed properties | 226 |
| 15.2 | Key housing gaps, 2-bed properties | 227 |
| 15.3 | Weekly reference rents/indicative local housing allowances | 229 |
| 15.4 | Comparative costs of 'usefully affordable' and intermediate rent properties | 230 |
| 15.5 | Comparison of levels of need for intermediate housing | 231 |
| 16.1 | Comparison of affordable housing need (CLG) and housing supply (RSS) | 236 |
| 16.2 | BHM, market/affordable split in housing shortfall, sub-HMA | 239 |
| 16.3 | BHM, market/affordable split in housing shortfall, local authority | 240 |
| 16.4 | Comparison of dwelling demand (BHM) and supply (RSS) | 240 |
| 16.5 | Comparison of CLG and BHM approach | 243 |
| 16.6 | Comparison of BHM and housing register, Bournemouth | 245 |
| 16.7 | Comparison of BHM and housing register, Poole | 245 |
| 16.8 | Comparison of BHM and housing register, Christchurch | 246 |
| 16.9 | Comparison of BHM and housing register, East Dorset | 246 |
| 16.10 | Comparison of BHM and housing register, North Dorset | 247 |
| 16.11 | Comparison of BHM and housing register, Purbeck | 247 |
| 16.12 | Comparison of BHM and housing register, West Dorset | 247 |
| 16.13 | Comparison of BHM and housing register, Weymouth and Portland | 248 |
| 16.14 | Gross demand for market housing by household type | 251 |
| 16.15 | Size of market housing required, from BHM | 253 |
| 17.1 | Monitoring/Updating requirements | 257 |
| 17.2 | Establishing new prices/rents | 259 |
| 17.3 | Turning purchase price into weekly cost | 260 |

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

| List of Figures | Page |
|---|------|
| 1.1 Diagram: Structure of HMA/HNDS reports | 15 |
| 3.1 Map: Housing market areas in the South West | 27 |
| 3.2 Chart: Self-containment of local authority groupings | 28 |
| 3.3 Chart: In-migrants to Dorset | 28 |
| 3.4 Map: Public transport networks in Dorset | 29 |
| 3.5 Map: Hospital catchment areas, Dorchester and Yeovil | 30 |
| 3.6 Map: Hospital catchment areas, Bournemouth and Poole | 30 |
| 3.7 Map: Secondary schools in Bournemouth and Poole | 31 |
| 3.8 Map: Secondary schools in Dorset County Council area | 32 |
| 3.9 Map: Dorset HMA and local authority boundaries | 34 |
| 4.1 Chart: Age profile of Bournemouth/Poole HMA | 36 |
| 4.2 Map: Lone pensioners by ward | 40 |
| 4.3 Chart: Household composition, Bournemouth/Poole HMA | 41 |
| 4.4 Chart: Household composition, Dorchester/Weymouth HMA | 41 |
| 5.1 Map: Second homes/holiday homes by ward | 45 |
| 5.2 Map: Percentage of household spaces owned outright, by ward | 48 |
| 5.3 Map: Percentage of household spaces owned with a mortgage, by ward | 48 |
| 7.1 Chart: Core areas, size and type of housing built | 62 |
| 7.2 Chart: Periphery areas, size and type of housing built | 62 |
| 7.3 Chart: New flats built by size, 2002-06 | 63 |
| 7.4 Chart: New houses/bungalows built by size, 2002-06 | 64 |
| 7.5 Chart: Net completions by dwelling type, 2001-2006, Bournemouth | 65 |
| 9.1 Map: Average price of detached property sold April-June 2006 | 75 |
| 9.2 Map: Average price of semi-detached property sold April-June 2006 | 76 |
| 9.3 Map: Average price of terraced property sold April-June 2006 | 76 |
| 9.4 Map: Average price of flats sold April-June 2006 | 77 |
| 9.5 Chart: Range of house prices, sold April-June 2000 | 79 |
| 9.6 Chart: Range of house prices, sold April-June 2006 | 80 |
| 9.7 Map: Percentage increase in house prices 2000-2006 | 80 |
| 9.8 Map: Percentage increase in detached property prices 2000-2006 | 81 |
| 9.9 Map: Percentage increase in semi-detached property prices 2000-2006 | 82 |
| 9.10 Map: Percentage increase in terraced property prices 2000-2006 | 82 |
| 9.11 Map: Percentage increase in the price of flats 2000-2006 | 83 |
| 9.12 Chart: Price range of monthly rentals, 2006 | 84 |
| 9.13 Map: Average monthly rental, all properties, 2006 | 86 |
| 10.1 Chart: Distribution of employment, Bournemouth/Poole HMA | 90 |
| 10.2 Chart: Distribution of employment, Dorchester/Weymouth HMA | 90 |
| 10.3 Chart: Distribution of employment, North West Dorset | 91 |
| 10.4 Chart: Distribution of employment, New Forest district | 92 |
| 10.5 Chart: Distribution of employment, South Somerset district | 92 |
| 10.6 Chart: Employment by occupation | 96 |
| 10.7 Chart: Employment by occupation by HMA, 2001 | 98 |
| 10.8 Chart: Employment by occupation by HMA, 2005 | 99 |
| 10.9 Chart: Small business state-ups | 105 |
| 10.10 Chart: VAT registrations per 10,000 working age population, 2005 | 106 |

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

| | Page |
|---|------|
| 10.11 Chart: Indexed GVA growth, 1995-2004 | 108 |
| 10.12 Chart: GVA growth year on year | 109 |
| 10.13 Chart: GVA growth per job, 1998-2004 | 111 |
| 11.1 Chart: Economic activity/inactivity | 115 |
| 11.2 Chart: Economic activity/inactivity, Bournemouth/Poole HMA | 116 |
| 11.3 Chart: Economic activity/inactivity, Dorchester/Weymouth HMA | 117 |
| 11.4 Chart: median workplace earnings, full time employees | 118 |
| 11.5 Chart: Gross domestic household income per head, 1995-2004 | 121 |
| 11.6 Map: Acorn Classifications, 2005 | 122 |
| 11.7 Chart: Comparison of Acorn classifications, Dorset and UK | 122 |
| 11.8 Chart: House price and workplace based earnings | 125 |
| 11.9 Chart: percentage of working households unable to buy a property in lowest price quartile | 127 |
| 11.10 Chart: Qualification levels, national regional and local authority | 129 |
| 11.11 Chart: Qualification levels, Dorset HMAs | 130 |
| 11.12 Chart: Annual average claimant unemployment rate | 132 |
| 12.1 Chart: ONS population estimates and projections, Bournemouth/Poole HMA | 142 |
| 12.2 Chart: ONS population estimates and projections, Dorchester/Weymouth HMA | 142 |
| 12.3 Chart: Trend and policy based population projections, Bournemouth/Poole HMA | 143 |
| 12.4 Chart: Trend and policy based population projections, Dorchester/Weymouth HMA | 144 |
| 12.5 Chart: Trend and policy based household projections | 145 |
| 12.6 Chart: Household Projections by type, Bournemouth/Poole HMA | 146 |
| 12.7 Chart: Household projections by type, Dorchester/Weymouth HMA | 146 |
| 12.8 Chart: Projections of one person households, Bournemouth/Poole HMA | 148 |
| 12.9 Chart: Projections of one person households, Dorchester/Weymouth HMA | 149 |
| 12.10 Chart: Projected job growth by local authority | 154 |
| 12.11 Chart: Employment demand by occupation | 155 |
| 12.12 Chart: Employment change 2006-26, Bournemouth/Poole core | 156 |
| 12.13 Chart: Employment change 2006-26, Bournemouth/Poole periphery | 157 |
| 12.14 Chart: Employment change 2006-26, Dorchester/Weymouth HMA | 158 |
| 12.15 Chart: Employment change 2006-26, Shaftesbury/Yeovil TTWAs | 159 |
| 12.16 Chart: Employment change 2006-26, South Somerset | 160 |
| 12.17 Chart: Employment demand by occupation, 2006-16 | 162 |
| 12.18 Chart: Qualification requirements, 2006-16 | 163 |
| 12.19 Chart: Change in qualification levels, 2001-16 | 163 |
| 13.1 Chart: Income and tenure, Bournemouth/Poole HMA | 174 |
| 13.2 Chart: Income and tenure: Dorchester/Weymouth HMA | 181 |
| 14.1 Map: Nat Insurance number registrations by ward, A8 nationals | 212 |
| 14.2 Map: Nat Insurance number registrations by ward, non-A8 nationals | 213 |
| 14.3 Caravan number fluctuations January/July 1979-2004 | 221 |
| 16.1 Chart: Household unable to purchase a property | 238 |

SECTION A: BACKGROUND

1.0 Introduction

1.1 Background

1.1.1 Imbalances of housing demand and supply can result in areas of high demand with spiralling house prices, shortages of houses, homelessness and an inability for key workers to find appropriate housing. Conversely in areas of low demand it can lead to falling house prices, difficulties in people being able to sell properties and spiralling deterioration in quality of life and the environment.

1.1.2 There is increasing recognition by Government and other housing interests that it is essential to understand the dynamics of local housing markets and the relationship between supply and demand in order to be able to plan effectively for housing and other inter-related policy areas.

1.1.3 Local Authorities have been tasked with developing a medium - long term view of housing demand and need which considers the housing requirements of the whole community. The Government's ultimate aim is to ensure the development of sustainable, balanced communities where there is enough housing of the right type available to meet the requirements of those who need to live there.

1.2 What is a Strategic Housing Market Assessment?

1.2.1 To understand how any housing market operates it is necessary to understand the interplay between housing, planning, and economic factors as well as the influence that changes in the financial climate can have. A Strategic Housing Market Assessment (SHMA) will help explain the inter-relationships between these factors and will inform local authorities and their partners in decision-making and resource-allocation. The value of SHMAs¹ is in:

- developing long term strategic views of housing need and demand to inform regional spatial strategies and regional housing strategies;
- enabling local authorities to think spatially about the nature and influence of the housing markets in their local area;
- providing robust evidence to inform policies aimed at providing the right mix of housing – both market and affordable, including the level of affordable housing required and the need for different sizes of affordable housing;
- supporting authorities to develop a strategic approach to housing – across all housing sectors;
- drawing together the evidence required to appraise housing options, including social housing allocation priorities, the role of intermediate housing products, stock renewal etc;
- ensuring the most appropriate and cost-effective use of public funds.

1.2.2 Resource allocation in the future will focus increasingly on addressing strategic housing priorities across a region. It is therefore essential to consider how Dorset's needs fit within the bigger picture. The SHMA must also have regard to proposals for economic development and infrastructure investment across the South West. The next section examines the economic priorities of both the South West region and Dorset-sub region.

¹ CLG Strategic Housing Market Assessments: Practise Guidance. August 2007.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

1.3 What is a Housing Market Area?

1.3.1 A market exists wherever willing buyers and willing sellers are in contact with one another. A housing market is normally limited geographically because most people will only be willing to buy or rent a property within a fairly limited area. This "search area" will often be determined by a need to be close to family, employment, schools or other facilities. However, where a household is retiring, looking to work from home, or is prepared to commute to higher paid jobs in London or the wider South East, a much wider search area may be involved. Where a substantial number of these search areas overlap a local housing market is created. To understand these markets and how they change over time it is necessary to understand household movement and migration patterns.

1.3.2 Within any geographic area various sub-markets will also exist. Students for instance will have a different search/movement pattern to that of families or older households. It is therefore important to understand the types of household whose housing market is being analysed.

1.3.3 Housing markets do not recognise formal boundaries. The actions of one authority to influence the market within their administrative boundary can have a significant impact on neighbouring local authority areas. It is therefore important for local authorities to work together to understand the wider housing market before they determine actions at the local level to remedy imbalances.

1.3.4 Work undertaken by DTZ for the South West Housing Body in 2004² gave an initial breakdown of sub regional housing markets in the South West. This work is examined further in Chapter 3.

1.4 What is the Area being Studied?

1.4.1 This study focuses on the housing markets operating in Dorset. It firstly makes a critical examination of the boundaries identified in the DTZ report to test whether they are realistic. The study then considers a range of primary and secondary data to get a better understanding of the way these markets work. The DTZ work identified two main market areas operating in Dorset. The first focussed on the Bournemouth/Poole conurbation, covering these unitary authorities and the surrounding local authorities of Christchurch, Purbeck, East Dorset and much of North Dorset. The second focussed on the towns of Dorchester and Weymouth and extended out into the rural areas of Weymouth and Portland and West Dorset Districts. The north of the County fell into the market areas of Yeovil and Salisbury respectively and the influence of these towns has also been examined.

1.5 How has the Assessment been undertaken?

1.5.1 In preparing the SHMA the Dorset authorities have been mindful of government advice. When the project started this was in draft form with the final guidance (the Guidance) being issued in 2007³. In line with the Guidance, an officer working group (known as the Partnership) was established in November 2005, with responsibility for commissioning and steering the project. It comprised the following members:

- GOSW/SWRA/SWRDA (2/3)
- Housing Corporation (1)
- County Council (planning and research and intelligence functions) (2/3)
- Each Unitary or District Council (planning and/or housing functions) (8+)
- Neighbouring Local Authorities (2/3)

² DTZ Analysis of Sub Regional Housing Markets in the South West. July 2004

³ DCLG, Strategic Housing Market Assessments, Practise Guidance 2007.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

- Registered Social Landlords (2)
 - House builders (1)
 - Estate Agents (1)
 - Private Landlords (1)
 - Economic partner (1)
- 1.5.2 To keep the Partnership to a manageable size it was agreed that other key stakeholders and community interests would be involved at relevant stages through specific consultation phases or stakeholder events.
- 1.5.3 A small Project Team, co-ordinated by the County Council has been responsible for co-ordinating the production of the HMA and reporting back to the Partnership. The Project Team includes officers of the Spatial Planning and the Research and Information sections of the County Council; Unitary and District Council representatives of Housing and Planning functions, specifically involving the Bournemouth, Poole, West Dorset and Weymouth authorities; and a representative of the Government Office for the South West who was replaced from mid 2007 by a representative of the South West Regional Housing Body. The regional input was to ensure a wider perspective was given to the study, as the Bournemouth / Poole assessment had been awarded "pilot" status by the South West Housing Body.
- 1.5.4 The Partnership met on nine occasions over the two years that the project was underway. Two stakeholder events were held in December 2006 and in April 2008. The Project Team met on at least twenty-four other occasions.
- 1.6 What were the Aims of the Study?
- 1.6.1 A Brief agreed by the Partnership set the aims of the assessment to:
- analyse trends and survey data to produce a detailed understanding of the Bournemouth/Poole and Dorchester/Weymouth housing markets and the more local markets within the sub region;
 - on the basis of the information gathered (making use of existing research used to inform the RSS process), to enable the development of long-term strategic views on the need and demand for both market and affordable housing in these areas;
 - enable comparison of the trends identified from the analysis of data with the outcomes proposed in draft policy in order to further inform both the regional housing and planning policy debate;
 - provide evidence to inform policies in both the Regional Spatial Strategy and Local Development Frameworks on the different types and sizes of housing needed to enable the development of balanced communities within the market area (and any sub areas) and by local authority area;
 - inform decisions on the amount and mix of housing to be provided on urban extension, windfall and rural exception sites;
 - inform decisions on how housing need translates into different sizes and types of affordable housing (i.e. social rented and intermediate housing) to aid policy formulation;
 - identify the accommodation needs of particular groups (e.g. key workers, homeless households, black and minority ethnic groups);
 - back up a variety of decisions on matters including social housing allocation priorities, private sector renewal options and the evaluation of new-build low cost home ownership. It should also inform the development of housing policies on the quality of housing including stock conversion, demolition and transfer in areas where the type and quality of housing is inadequate;
 - provide an understanding of the linkages between the housing market and the local economy and help to inform the provision of other services such as education and transport.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Assessment

June 2008

- enable the development of local expertise and a toolkit or methodology to enable regular updates of information so that stakeholders can maintain the data base without recourse to new primary surveys;
- provide the information in a format that will enable it to be shared and disseminated to a wide range of interested parties (e.g. Local community partnerships, Town and Parish Councils, estate agents, Housing Associations).

1.6.2 In assessing what secondary information was available to the Partnership, it became clear that, for areas smaller than a local authority, information on housing need and demand was extremely limited. It was considered that this was an essential component of the assessment and so the decision was taken to commission a new, Dorset wide survey of Housing Need and Demand. This primary research was undertaken by Fordham Research Group during 2007 and forms a major input to the study.

1.7 The Format of the Report

This document provides the main Evidence Base for the Strategic Housing Market Assessment.

- Section A sets out the background to the study.
- Section B describes the Current Housing Market, looking at a variety of sources of information to describe the demographic, housing and economic features of the two HMAs.
- In Section C some population, household and economic projections are examined to determine the main direction of change over the next 10 – 20 years.
- Section D sets out the main findings of the County wide survey of Housing Need and Demand undertaken by Fordham Research. This survey provides consistent and comprehensive information on housing need across the two HMAs. The main conclusions from the survey are set out in Chapter 13. Chapter 14 looks at the requirements of specific household groups.
- Section E draws together the policy considerations and sets out the requirements for monitoring and updating the Evidence Base.

1.7.2 The conclusions and recommendations for the Bournemouth / Poole for the Dorchester / Weymouth HMAs are drawn together in two Summary Reports. The detailed evidence from the Survey of Housing Need and Demand across Dorset is included in eight Local Authority and two HMA reports which act as Appendices to the main Evidence Base. Figure 1.1 shows how the various documents relate to each other.

Figure 1.1 Diagrammatic Structure of HMA / HNDS reports

Diagrammatic Structure of HMA / HNDS reports



1.8 Compliance with Government Advice

1.8.1 SHMAs are seen by government as a crucial part of the evidence base needed to prepare regional and local planning policy and housing strategy. A robust and credible evidence base is necessary for any plan which is based on its findings to be considered 'sound'. The Guidance states that a SHMA should be considered robust and credible if, as a minimum, it meets a series of specified core outputs and process requirements. These are reproduced in Tables 1.1 and 1.2. The manner in which they are addressed in the Evidence Base is shown in the third column.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment

June 2008

1.8.2 Table 1.1 Strategic Housing Market Assessments Core Outputs, as Addressed
in the Bournemouth/Poole and Dorchester/Weymouth HMAs.

| | Requirement of the SHMA Guidance | Location of evidence within the Main Evidence Base of the Bournemouth / Poole and Dorchester / Weymouth SHMA. |
|---|---|---|
| 1 | Estimates of current dwellings in terms of size, type, condition and tenure. | Chapters 5 'Housing Characteristics', 6 'Stock Condition' and 7 'Housing Supply'. |
| 2 | Analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability. Description of key drivers underpinning the housing market. | Evidence in Chapter 13 'Key Findings from the County Wide Survey', with details in the individual Local Authority reports of the Housing Need/ Demand Survey. Analysis in Chapters 15 'Housing Market Gaps and the Housing Ladder' and 16 'The Profile of Housing Needed', with further detail in the individual Local Authority reports of the Housing Need/ Demand Survey. |
| 3 | Estimate of total future number of households, broken down by age and type where possible. | Chapter 12 'The Future Housing Market'. |
| 4 | Estimates of current numbers of households in housing need. | Chapter 13 with further details in the individual Local Authority reports of the Housing Need/ Demand Survey. |
| 5 | Estimate of future households that will require affordable housing. | Evidence in Chapter 13 with analysis in Chapters 15 and 16 and further details in the individual Local Authority reports of the Housing Need/ Demand Survey. |
| 6 | Estimate of future households requiring market housing. | Evidence in Chapters 12 and 13 with analysis in Chapter 16 and further details in the individual Local Authority reports of the Housing Need/ Demand Survey. |
| 7 | Estimate of the size of affordable housing required | Evidence in Chapters 8 'Housing Need' and 13 with analysis in Chapter 16 and further details in the individual Local Authority reports of the Housing Need/ Demand Survey. |
| 8 | Estimate of the household groups who have particular housing requirements (eg families, older people etc) | Chapter 14 'Needs of Specific Household Groups' covering households with special needs, older person households, families with children, young people (including first time buyers), students, key workers, migrant workers, households in rural areas and gypsies and travellers. Further details, particularly of the characteristics of rural areas, can be found in the appendices of the individual Local Authority reports of the Housing Need/ Demand Survey |

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment

June 2008

Table 1.2 Strategic Housing Market Assessment Process checklist.

| | Requirement of the SHMA Guidance | Approach adopted in the Evidence base of the Bournemouth / Poole and Dorchester / Weymouth SHMA. |
|---|---|--|
| 1 | Approach to identifying housing Market area(s) is consistent with other approaches to identifying housing market areas within the region. | This assessment was a pilot study and hence the approach adopted was being trialled as no formal approach has been agreed within the South West Region. A member of GOSW and latterly the SW Housing Body has been on the Project Team throughout the assessment to ensure that the process followed was acceptable. |
| 2 | Housing market conditions are assessed within the context of the housing market area. | <p>Further advice was sought from central government and regional partners on what geography to use for the analysis of data. Although no clear consensus emerged, the approach adopted on the basis of the best available advice was for the analysis of secondary data in Section B 'The Current Housing Market' to be at the submarket level. However, it was not always possible to obtain data at a geography that enabled analysis in this way and in some cases analysis had to be at Local Authority level.</p> <p>In March 2007 the CLG issued an Advice Note which emphasised the need to take a "pragmatic approach that groups local authority administrative areas together as an approximation for functional sub- regional housing markets." The Survey of Housing Need and Demand has therefore been analysed primarily at whole local authority and two HMA geography. It is a recommendation of the assessment that future updating and monitoring of the HMA follows a local authority administrative area approach rather than a sub market area approach.</p> |
| 3 | Involves key stakeholder including house builders. | The HMA Partnership that has overseen the assessment includes all major stakeholders in the housing market arena, including the Home Builders Federation, representatives of Dorset Business, Dorset Landlords and local Estate Agents. The two stakeholder events have been geared specifically at the development industry and a follow up meeting was held after the first event with a local developer to clarify his views on a number of aspects of the assessment. The HBF were also encouraged to recommend a local representative to join the Project Team, however, the HBF have had difficulty in resourcing their involvement. |
| 4 | Contains a full technical explanation of the methods employed with any limitations noted. | The sources of data used are acknowledged throughout the Evidence Base and any limitations have also been fully acknowledged. |
| 5 | Assumptions, judgements and findings are fully justified and presented in an open and transparent manner. | Throughout the Evidence Base and the Survey of Housing Need and Demand all assumptions, judgements and findings have been fully explained in an open and transparent manner. |

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

| | Requirement of the SHMA Guidance | Approach adopted in the Evidence Base of the Bournemouth / Poole and Dorchester / Weymouth SHMA. |
|---|--|--|
| 6 | Uses and reports on effective quality control mechanisms. | The findings of the assessment have, as it has progressed, been reported and discussed at Partnership meetings. Further discussions have also taken place with regional partners on external assessment to ensure an independent scrutiny of the findings. Whilst this was initially difficult to resolve, without fear of bias, it is understood that the SW Housing Body has now appointed consultants (Eco tec) to assess the various SHMAs being undertaken in the SW and it is hoped that their assessment will provide an endorsement that the procedures followed have met the guidance and that the SHMA is therefore fit for purpose. |
| 7 | Explains how the findings have been monitored and updated (as appropriate) since it was originally undertaken. | Chapter 17 Monitoring and Updating sets out the processes that the Partnership proposes in the future. These processes will be incorporated into the monitoring exercises that are reported in Annual Monitoring Reports produced by the unitary and local authorities as well as the County Council each year. More frequent updating of weekly housing costs will be undertaken on a six monthly basis. |

1.8.3 From the analysis set out in Tables 1.1 and 1.2 it is considered the suite of documents that make up the Bournemouth / Poole and the Dorchester / Weymouth SHMAs, meet the criteria set out in the SHMA guidance for robust and credible assessments.

1.8.4 The remainder of this section sets out the strategic context for the study and an overview of existing policy. Chapter 3 then examines the work undertaken by the Regional Housing Body to define broad housing market areas across the South West and whether these are relevant for the Dorset Sub Region.

Summary

- A Strategic Housing Market Assessment helps to explain the inter-relationships between demographic, housing, economic and financial factors and how these combine to make the housing market operate.
- In Dorset the Strategic Housing Market Assessment focuses on the broad market areas identified in the DTZ study of 2004.
- The assessment has been undertaken by a partnership of various stakeholders in line with Government advice.
- The study aims to provide evidence to inform policies and strategies at both local and regional level on the different types and sizes of housing needed to enable the development of balanced communities.
- This report provides the main Evidence Base. It is backed up by the results of a County wide survey of Housing Need and Demand. Two summary documents draw together the main conclusions and recommendations for each of the Bournemouth/Poole and Dorchester/Weymouth Housing Market areas.
- The assessment complies with government advice issued in March 2007.

2.0 Strategic Context

2.0.1 This chapter summarises the background policy context for the study of housing markets in Dorset.

2.1 National Context

2.1.1. The Barker Review of 2004 identified the tensions that exist when trying to promote an adequate and more responsive housing supply. The consequences of not doing so on the price of housing and community cohesion are explored. The Review identified that continuing the current rate of house building was not an option unless we accept increasing problems of homelessness, of non-affordability and social division, and of a decline in standards of public service delivery and increased costs for business.

2.1.2 The Government has responded by addressing both planning and housing policy.

2.1.3 PPS3 Housing⁴ sets out the Government's key objective in planning for housing - to ensure that everyone has the opportunity of living in a decent home, which they can afford, in a community where they want to live. To achieve this aim the Government wishes to improve the balance between housing demand and supply and improve affordability to ensure that a wide choice of housing types is available to meet all needs and create sustainable, inclusive, communities with good access to jobs, services and infrastructure.

2.1.4 Strategic Housing Market Assessments, along with Strategic Housing Land Availability Assessments, are seen as key tools in the development of housing and planning policy. They provide information on the level of need and demand for housing and the opportunities that exist. The Dorset study has followed government guidance⁵, although when work commenced and the framework was set, only the draft guidance was available.

2.1.5 The Housing Green Paper outlines plans for delivering more homes. The expectation is for up to 2 million new homes by 2016 and 3 million by 2020, with annual supply rising to 240,000 per annum. At least 70,000 affordable homes per annum are planned by 2010/11, of which 45,000 should be social rented homes. This would be more than a doubling of provision since 2004/05. Housing provision in Regional Spatial Strategies should be reviewed by 2011 to ensure that it is aligned to these targets.

2.2 The Regional Context

2.2.1 At the regional level a number of plans and strategies are being developed to help guide development and investment decisions in the South West over the next 20 years. "Just connect" is an overarching document that regional partners have agreed will be the focus for regional policy and delivery. This endorses the vision for the region set out in the Regional Sustainable Development Framework.

2.2.2 The South West Regional Spatial Strategy 2006 – 2026

The RSS influences the future planning of the region in a number of ways:

- as part of the development plan system it provides guidance on the location and scale of development that must be interpreted in Local Development Frameworks;
- it guides investment in transport and provides a framework for the preparation of Local Transport Plans; and

⁴ Planning Policy Statement PPS3: Housing. November 2006

⁵ Strategic Housing Market Assessments: Practise guidance 2007.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

- it provides a spatial context for the plans, programmes and investment of other agencies in the South West.
- 2.2.3 Draft RSS was published in June 2006 and has since been through an Examination in Public. The Panel recommendations were published in January 2008 and are also referred to in later sections. Some of the key assumptions of the draft RSS of importance to this study are:
- It aims to align jobs, homes, services and facilities, directing growth to locations where infrastructure exists.
 - It plans for economic growth at or above current rate of 2.8% per annum.
 - It makes provision for around 23,000 new dwellings per annum (of which a minimum of 30 % are proposed to be affordable). Subsequent household projections suggest that these figures may need to rise.
 - The EIP Panel has recommended a higher housing target of 28,000 dwellings per annum of which a minimum of 35% should be affordable housing.
- 2.2.3 Of the South East Sub Region (in which Dorset lies) the RSS recognises:
- Bournemouth/Poole/Christchurch and settlements in its hinterland, form the second largest conurbation in the South West and a key driver in the region.
 - Strong connections with South East (of England) region which have a major impact on economic performance and demand for housing.
 - Significant growth over the last 20 years but still serious shortages of affordable housing.
 - Future growth constrained by internationally important environmental assets.
 - A need to manage growth, maximising potential for redevelopment within the urban area and using urban extensions where sustainable.
 - A need to maintain the role of key centres (Dorchester, Weymouth, Yeovil and Salisbury) and locally important market towns through balanced development without increasing the need to travel to jobs and services.
- 2.2.5 Table 2.1, sets out the annual average net dwelling requirements proposed in the draft RSS for the two HMAs in Dorset. It shows that in the Bournemouth/Poole HMA a higher rate of development is proposed in the first 10 year period than in the second, whereas in the Dorchester/ Weymouth area an even rate of development is proposed.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment

June 2008

Table 2.1 Draft RSS Proposed Housing Totals and Phasing 2006 -2026, for SW Region, HMA and Local Authority in Dorset.

| | 2006-2026 Annual average net dwelling requirement | 2006 – 2016 Annual average net dwelling requirement | 2016 – 2026 Annual average net dwelling requirement |
|-----------------------------------|---|---|---|
| SW Region Total: | 22,895 – 23,060 | 23,770 | 22,020 – 22,350 |
| | | | |
| Bournemouth/Poole HMA | 1925 - 2090 | 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 HMA | 690 | 690 | 690 |
| West Dorset | 410 | 410 | 410 |
| Weymouth/ Portland | 280 | 280 | 280 |

Source: Draft Regional Spatial Strategy for the South West 2006 – 26.

2.2.6 By way of comparison with recent rates of development, Table 2.2 shows the number of net dwelling completions by HMA, unitary authority and district for the five years 2001-2006 and the percentage increase/decrease that the RSS proposes. This was a period of rapid growth in many parts of the HMAs. In North Dorset and Bournemouth, for instance, planned rates of development were exceeded significantly.

2.2.7 Draft RSS expects that in the future, development will be more focussed in sustainable locations with the emphasis placed on Strategically Significant Cities and Towns. This means that rural areas such as North Dorset see a notable decline in development rates. However, environmental constraints mean that many urban areas in Dorset now face particular difficulties in finding suitable sites for further development. It can be seen that only in Poole and Christchurch are higher rates of development proposed in the first period (2006-2016) than were achieved between 2001 and 2006. In Poole this reflects the growth proposed around the town centre and harbour side. Elsewhere lower rates are proposed and in the urban authorities (Poole, Bournemouth and Christchurch) these also drop in the second phase when the major sites should have been built out.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Table 2.2 Annual Average Dwelling Completions 2001-2006 (net) and Comparison with Draft RSS Proposed Rates for 2006-16 and 2016-26.

| | 2001 – 2006 Annual average net dwelling completions | % change in proposed rate for 2006 – 2016 compared with completions 2001-6 | % change in proposed rate for 2016 – 2026 compared with completions 2001-6 |
|--------------------------|--|---|---|
| SW Region Total: | | | |
| Bournemouth/Poole HMA | 2,543 | -10.2 | -38.5 to -25.5 |
| Bournemouth | 993 | -27.5 | -35.6 to -15.4 |
| Poole | 495 | 41.4 | -59.6 to -39.4 |
| Christchurch | 134 | 49.3 | -3.9 to 19.4 |
| East Dorset | 295 | -8.5 | -8.5 |
| Purbeck | 108 | -2.8 | -2.8 |
| North Dorset | 518 | -44.0 | -57.5 |
| Weymouth/ Dorchester HMA | 843 | -18.2 | -18.2 |
| West Dorset | 538 | -23.8 | -23.8 |
| Weymouth/ Portland | 305 | -8.2 | -8.2 |

Source: Dorset County Council and Bournemouth and Poole Unitary Councils, monitoring statistics.

2.2.8 The impact of RSS proposals on the housing market are discussed in more detail later in this report (Section C The Future Housing Market.)

2.2.9 The South West Regional Housing Strategy 2005 – 2016
The Regional Housing Strategy (RHS) has been prepared by the South West Housing Body (SWHB) within the context of "Just Connect" and has a close relationship with the RSS. It is currently being reviewed, but as yet nothing has been published.

2.2.10 The RHS mission is to *"Work in partnership to ensure that everyone has access to a good quality home within a sustainable and inclusive community."*

The mission will be achieved by the delivery of 3 strategic aims:

- improving the balance of housing markets
- achieving good quality homes and
- supporting sustainable communities.

2.2.11 Some of the issues that have been identified in the SW that are particularly relevant for the Dorset sub region include:

- High and on going housing demand – particularly from in-migration.
- An ageing demographic profile – already highest of all regions and set to increase further.
- Severe market access difficulties to owner occupation – particularly for first time buyers and in the more rural areas.
- Shortage of affordable housing – particularly in rural areas.
- High levels of Right to Buy sales and as a result a low proportion of social housing.
- High levels of homelessness and use of temporary accommodation.

2.2.12 The RHS does not provide a spatial analysis of where investment is needed for particular elements of its strategy. This is taken forward in the Housing Strategies of individual authorities. However the RHS does support the aims of the RSS to improve the balance of housing markets and recognises that this is likely to mean an increase in overall housing provision across the South West and greater concentrations of development in identified strategic cities and towns and sustainable rural settlements.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

- 2.2.13 The South West Regional Economic Strategy (2006-15)
The Regional Economic Strategy (RES) prepared by the South West Regional Development Agency, sets out an ambitious picture for a future growing economy.
- 2.2.14 The RES vision is for *'an economy where the aspirations and skills of our people combine with the quality of our physical and cultural environment to provide a high quality of life and sustainable prosperity for everyone.'*
- 2.2.15 One of three strategic objectives to realise this vision is 'strong and inclusive communities' (regional priority 2) and addressing the need for more and affordable housing in the region is seen as a key factor in achieving its potential.
- 2.2.16 The RES identifies seven overlapping economic zones in the South West, each displaying consistent economic and social functions. Dorset, including Bournemouth and Poole, is largely in the South East Coastal zone with an overlap to the north into the A303 Corridor zone which includes Shaftesbury, Gillingham and Sherborne. Poole, Bournemouth, Dorchester and Weymouth are seen as regionally significant towns.
- 2.2.17 The South East Coastal zone is seen as a 'major retirement destination'. Low wage rates and incomes are said to be boosted by an 'urban elite' working in high paid jobs either within the zone or in the South East of England region. This has underpinned significant house price increases and resulted in development pressure.
- 2.2.18 Economic growth is constrained by labour market weaknesses such as the relatively low proportion with higher level skills, a small proportion of professional workers and the 'brain drain' of graduates.
- 2.2.19 Bournemouth / Poole is recognised as the main centre for the south east of the SW Region, but is said to rely on low productivity sectors. It has a broad based economy but poor transport links to the west.
- 2.2.20 Dorchester is seen as the centre for employment growth within the Dorchester and Weymouth travel to work area. Transport connectivity needs to be improved and the retention of young workers through affordable housing is seen as a challenge.
- 2.2.21 At Weymouth and Portland high tech business growth is thought to have led economic recovery. The 2012 Games may open up more investment opportunities with a marine specialism. Quality of life needs to be raised and the retention of young workers through affordable housing is seen as a challenge.

2.3 The Dorset sub region

- 2.3.1 Within the Dorset, Bournemouth and Poole sub region there are also numerous strategies that are helping to steer the development of the area.
- 2.3.2 Raising the Game – Economic Development Strategy 2005–16

"Raising the Game" is the first economic development strategy for the whole of the Dorset, Bournemouth and Poole sub-region. It was prepared by the Bournemouth, Dorset and Poole Economic Partnership, working together with the three Local Strategic Partnerships (Bournemouth Partnership, Dorset Strategic Partnership and Poole Partnership). It recognises the importance of having a clear, unified and long-term vision for the area if its true economic potential is to be realised.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

2.3.3 The vision of the strategy is: *"To develop a thriving, competitive business environment that delivers better quality employment opportunities and a better quality of life for local people in Bournemouth, Dorset and Poole."*

2.3.4 Some of the issues that it identifies as needing to be addressed include:

- relatively low productivity levels
- relatively low wage economy
- the significant skills gaps and shortages that could be worsened by an ageing population and out-migration of young people
- it is one of the least affordable sub-regions in the England in terms of the ratio of house prices to incomes
- the need to improve the sub-region's infrastructure, facilities and services so that it remains an attractive location for investment
- the need to tackle the causes of multiple deprivation in both urban and rural areas.

2.3.5 Among its priorities for action the Strategy proposes to increase the provision of affordable housing for key workers and to improve business competitiveness, enterprise and innovation. The targets it sets to measure progress include GVA per capita and gross weekly earnings to exceed the regional average, by 2016.

2.3.6 Economic Vision for Weymouth and Dorchester

This recent study was commissioned by West Dorset and Weymouth and Portland councils. It considers the economic potential of Weymouth and Dorchester and ways in which the two settlements can develop their economies in a complementary manner over the period to 2026.

2.3.7 Dorchester is recognised as an attractive, historic, County town with a good economic base in public administration, health and education but a need to diversify into other areas. Weymouth, with its coastal location provides further opportunities for development, particularly in marine related activities and tourism, following the closure of the MOD base at Portland, but needs to improve its communications links with the wider area.

2.3.8 The vision for the two towns is *"of two towns serving complementary but different and distinct functions in Dorset, supporting a thriving local economy that delivers a competitive business environment, better quality employment opportunities and a better quality of life for local people."*

2.3.9 The Strategic Development Objectives of the Vision include the aim to accommodate growth projections of 4,000 new jobs and 5,000 dwellings in Weymouth and 3,000 jobs and 4,500 dwellings in Dorchester, as well as expansion and enhancement of the town centres and improvements to strategic road, rail and sea infrastructure and public transport.

2.3.10 On the economic side, as well as the need to improve the physical infrastructure, it is noted that there is a key need to improve skills levels, particularly in Weymouth. Business competitiveness, enterprise and innovation should be encouraged through targeted support initiatives and the development of attractive new sites and premises, particularly to support the key growth sectors. Both authorities should work in partnership with other stakeholders to ensure investment is co-ordinated and well planned.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

2.3.11 Dorset Community Strategy

Dorset's first Community Strategy, published in 2004, was developed through the Dorset Strategic Partnership. It draws together agencies from the public, private and voluntary and community sectors. The vision is of *"a living, thriving Dorset where everyone has a part to play in creating a better quality of life"* and this has now been taken forward into a revised strategy, published in June 2007.

2.3.12 The revised Strategy "Shaping our Future" drew on the Dorset Residents' Survey⁶ which showed that the top priority of people in Dorset to improve their quality of life, was to see more affordable housing for local people. However it is also a priority for Dorset residents to see less new development. This apparent conflict of views will need to be addressed in future policy development.

2.3.13 The revised Strategy has also taken into account the issues raised by its partners in their Local Community Plans, including the:

- need to provide a wide range of tenures to meet local needs
- management of existing housing stock – need to encourage tenants to downsize and improve occupancy levels
- need to improve housing options for older people
- lack of homes for key workers
- need to use planning policy effectively.

2.3.14 Bournemouth Community Plan 2004

The Community plan for Bournemouth "Building a Better Bournemouth" draws on the results of a Citizens' Panel Survey carried out in 2003. Among the issues it seeks to address are:

- the pockets of deprivation in what is generally thought to be a prosperous town;
- development pressures – particularly for redevelopment and conversion of its larger dwellings;
- how best to further develop its economy, which in recent years has moved away from seasonal tourism into the financial and higher value tourism sectors;
- how to make best use of the University and other educational centres which provide "knowledge based" educational opportunities;
- how, in a buoyant housing market, to ensure the right type of property is built, especially since in recent years such a high proportion of flats and 2 bed properties have been built⁷;
- amidst all the pressures for development, how to maintain its unique, high quality environment

2.3.15 Poole Community Plan 2006–12

With its historical and environmental assets, such as its location on Europe's largest natural harbour, the Community Plan for Poole recognises several key issues of relevance to this study. These include:

- making Poole more attractive and affordable for young people to stay and work;
- adapting to a more urban form of development, particularly in the town centre, to accommodate the need for additional homes;
- keeping a strong mixed economy while increasing skill levels and raising average earnings; and
- enabling greater numbers of older people to lead active and independent lives.

⁶ Mori 2005

⁷ In 2002/3 of completed dwellings 82% were flats and 65% had 2 bedrooms. Bournemouth Community Plan 2004.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Assessment

June 2008

It recognises the need to provide for substantial growth in new jobs over the next twenty years and to provide for the development of more homes to meet the needs of an increasing number of smaller households.

Summary

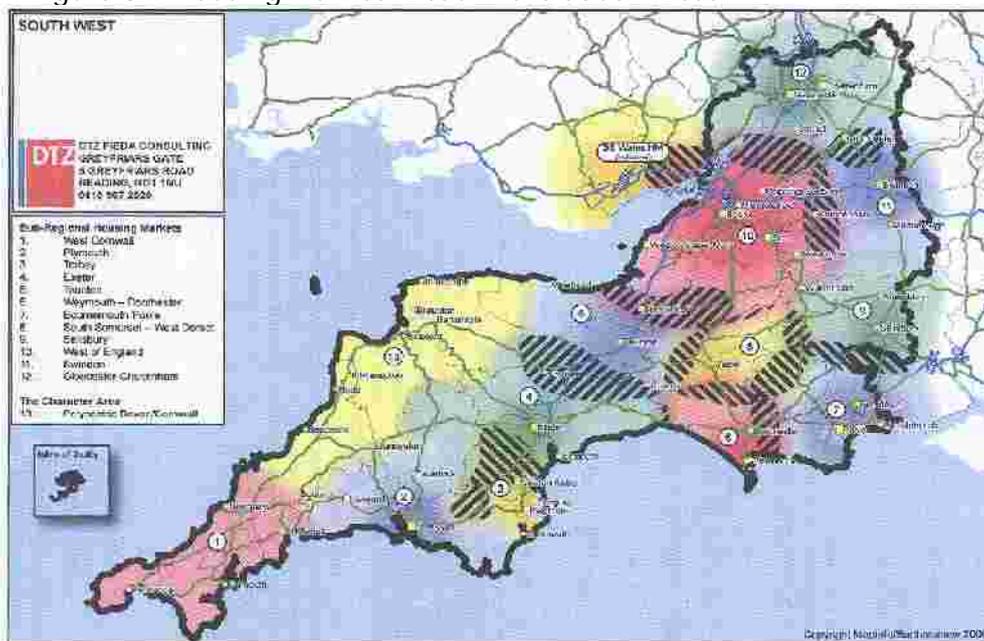
- National policy aims to increase rapidly the rate of housing supply to create sustainable, inclusive communities.
- Housing supply is programmed to increase by around a third to 240,000 dwellings per annum, and social rented housing should more than double by 2011 to 45,000 dwellings per annum.
- The Regional Spatial Strategy for the SW recognises the important role that the Bournemouth/Poole conurbation plays within the region, but also notes the significant environmental constraints that limit development opportunities.
- It identifies the need to maintain the role of key centres such as Dorchester and Weymouth and locally important market towns.
- Development rates proposed in the two HMAs for 2006 – 2011 are mostly below those achieved in the last five years – but this was a period of rapid growth, fuelled by in-migration, in many areas.
- The Regional Housing Strategy sets out the framework for government investment in housing. Issues of significance for Dorset include the high and on going housing demand – particularly from in-migration and the ageing demographic profile.
- The Regional Economic Strategy places the Dorset (including Bournemouth and Poole) in the South East Coastal zone. This is recognised as a 'major retirement destination' where low wage rates and incomes are said to be boosted by an 'urban elite' working in high paid jobs either within the zone or in the South East region. This has underpinned significant house price increases and resulted in development pressure.
- Within the Dorset, Bournemouth and Poole sub region, the economic strategy "Raising the Game" aims to develop a thriving, competitive business environment. However it recognises that it needs to address relatively low productivity levels and a low wage economy and difficulties caused by an ageing population and out-migration of young people.
- Finally the Community Plans of Dorset (and its local partners) as well as Bournemouth and Poole all recognise the need to improve housing options for local people and in particular older people and to address pockets of deprivation – both in the conurbation and rural areas. The University, with its links to the economy, is seen as a key opportunity in Bournemouth and Poole.

3.0 The Housing Market Areas – Defining Boundaries

3.1 The DTZ Study

3.1.1 In 2004 the South West Housing Body commissioned DTZ Pieda Consulting to carry out research on sub-regional housing markets. In their report they state that ‘a sub-regional housing market will typically cover an area within which some 70% of all household moves are contained’. This follows the same principle used to create travel to work areas (TTWAs) following the 1991 census. According to DTZ, housing market areas are expected to closely reflect TTWAs. The map below shows the sub-regional market areas identified in the South West Region by DTZ.

Figure 3.1 Housing Market Areas in the South West.



Source: DTZ Pieda for the SW regional Housing Body.

3.1.2 The key point illustrated by the map is the fluidity of the boundaries between market areas, highlighted by the black lined areas on the map. The bulk of Dorset is split into two sub-regional markets: Bournemouth / Poole and Dorchester / Weymouth. South Somerset market area takes in a large part of North Dorset District and part of West Dorset. Salisbury market area also impinges slightly on North Dorset District.

3.1.3 There is still significant diversity within the three broad areas defined by DTZ for Dorset. It was therefore felt necessary to investigate the boundaries identified and any sub markets within the main housing market areas, in particular the relationship between the “core” urban areas and their surrounding rural hinterland or “peripheries”.

3.1.4 In order to test the boundaries identified by DTZ and identify sub markets, a number of data sources were mapped, These included the catchments of secondary schools, shopping centres, and hospitals. To assess levels of self containment 2001 census commuting and migration data was examined.

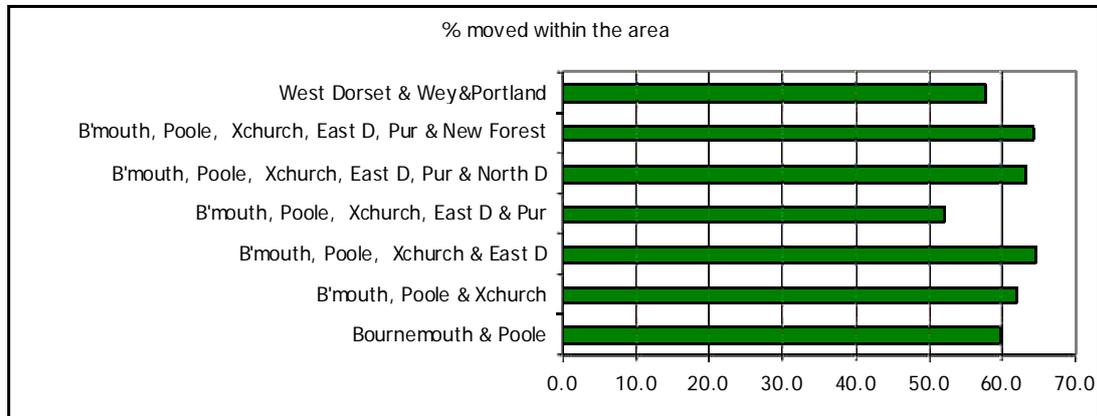
3.2 Migration Data – Self Containment

3.2.1 The 2001 census migration data was analysed to establish the level of self containment of defined areas i.e. the proportion of people who moved house within the area. This would test the approach used by DTZ, based on TTWAs. DTZ assumed that HMAs would be similar to TTWAs, with about 70% self containment.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

3.2.2 Analysis of the migration data showed immediately that this would not be appropriate. The 70% self-containment threshold was too high and HMAs in Dorset would be much larger than TTWAs. At local authority level less than 50% of all people who had moved house, moved within the area. Even when aggregating a number of local authority areas, broadly in line with the sub-regional market areas defined by DTZ, the 70% threshold could not be achieved. For example, of all people moving into Bournemouth, Poole, Christchurch, East Dorset, Purbeck and New Forest, only 64% previously lived within the area. The chart below shows the self containment figures for a number of areas, broadly similar to the two key sub-regional markets for Dorset.

Figure 3.2 Self Containment of Different Local Authority Groupings

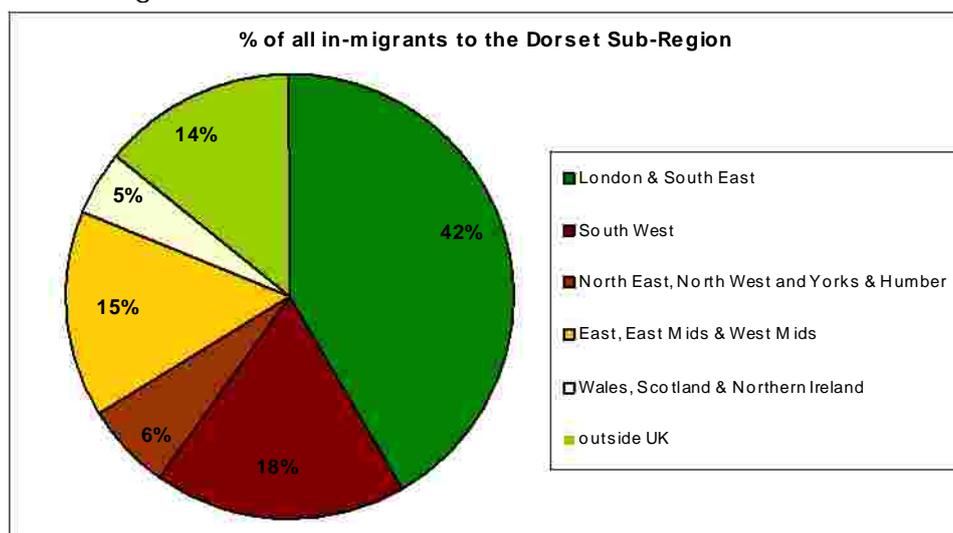


Source: Census 2001

3.2.3 The relatively low levels of self containment in the housing market demonstrate the large number of people who move into the County, particularly from London and the South East.

3.2.4 The 2001 Census shows that of the 30,000 people that moved into Bournemouth, Dorset and Poole in the year to April 2001, 42% came from London and the South East Regions. The following pie chart shows the origin of in-migrants by Region (grouped).

Figure 3.3 In-Migrants to Dorset



Source: Census 2001.

3.2.5 The influence of London and the South East diminishes further west in Dorset. For example, almost 69% of in-migrants to Christchurch were from London and the South

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Assessment

June 2008

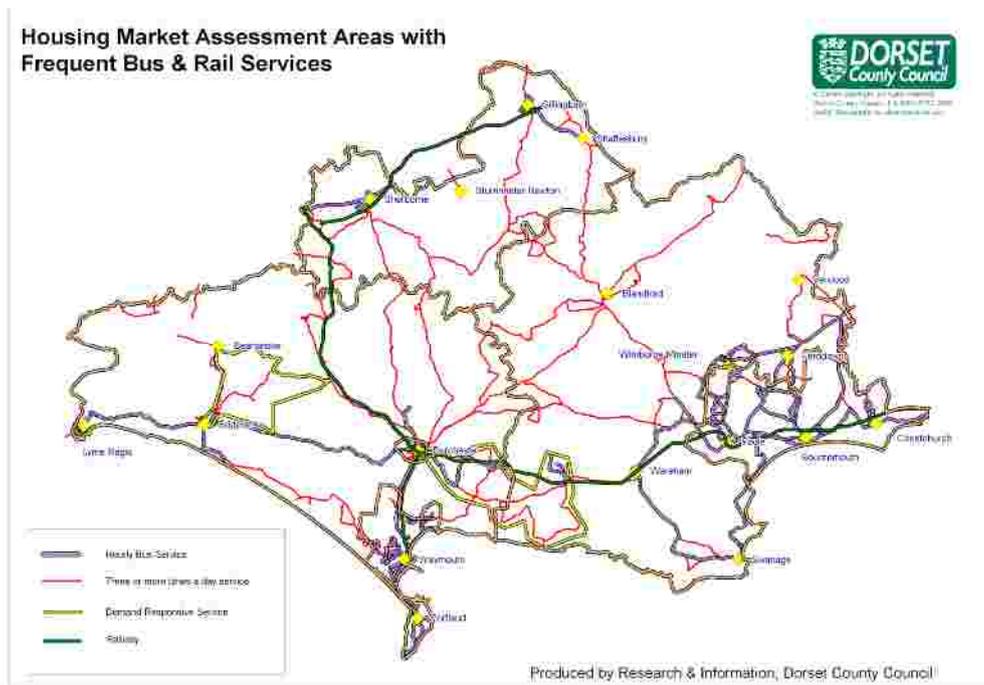
East but this figure falls to 39% of people moving into West Dorset. Although considerably lower than in the east of the County, more people moved to West Dorset from London and the South East than from any other region.

3.2.6 Population projections show that without these levels of in-migration there would be very little demand for additional housing. Migrants from London and the South East clearly have a huge influence of Dorset's housing market areas.

3.3 Transport Networks

3.3.1 The public transport network shows distinct differences between the core and periphery areas (or urban and rural areas). Across Bournemouth, Poole and Christchurch hourly bus services are available. They do not extend out into the rural areas or across to Dorchester and Weymouth. This clearly separates the two sub-regional market areas. Within Dorchester and Weymouth there are hourly bus services within the towns and between the two towns, but again they do not extend far into the rural areas. In the north of the County, Sherborne, Gillingham and Shaftesbury are all linked to Yeovil.

Figure 3.4 Public Transport Networks in Dorset



Source: Dorset County Council 2007

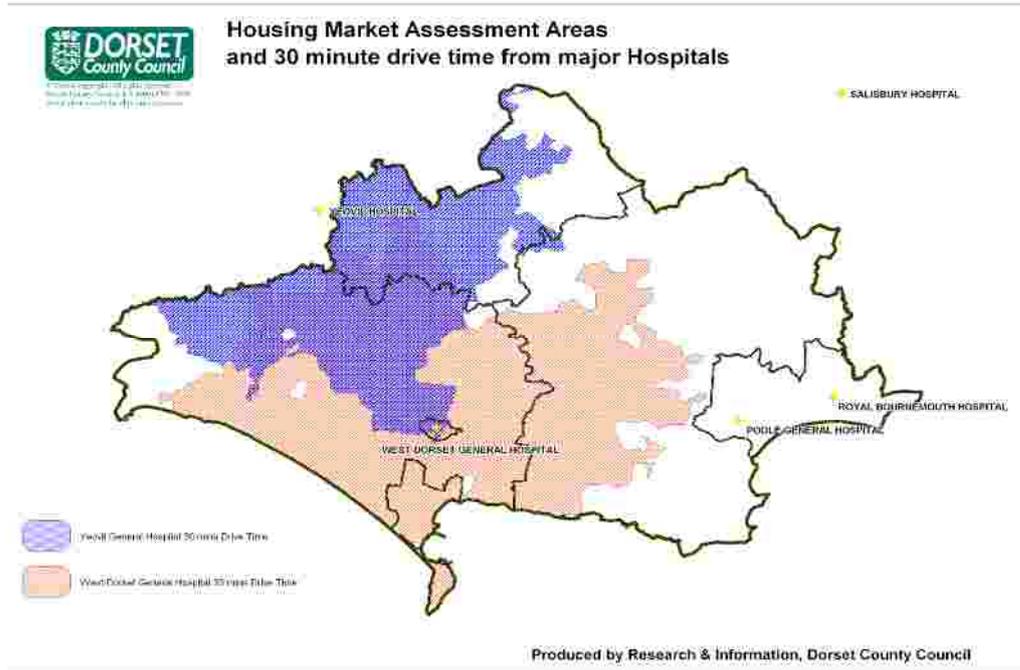
3.3.2 The rail network does provide links between the key areas. There are two trains per hour between Bournemouth/Poole and Dorchester/Weymouth. The services to the north are less regular the line from Dorchester to Bristol has a three hourly service.

3.4 Health Catchments

3.4.1 There are number of different health / services operating at different geographical levels, from GP surgeries to hospitals. It was thought that hospitals with an Accident and Emergency department would be most appropriate to use. The population that lives within a 30 minute drive of each of the main hospitals at Bournemouth, Poole, Dorchester, Yeovil and Salisbury, was mapped.

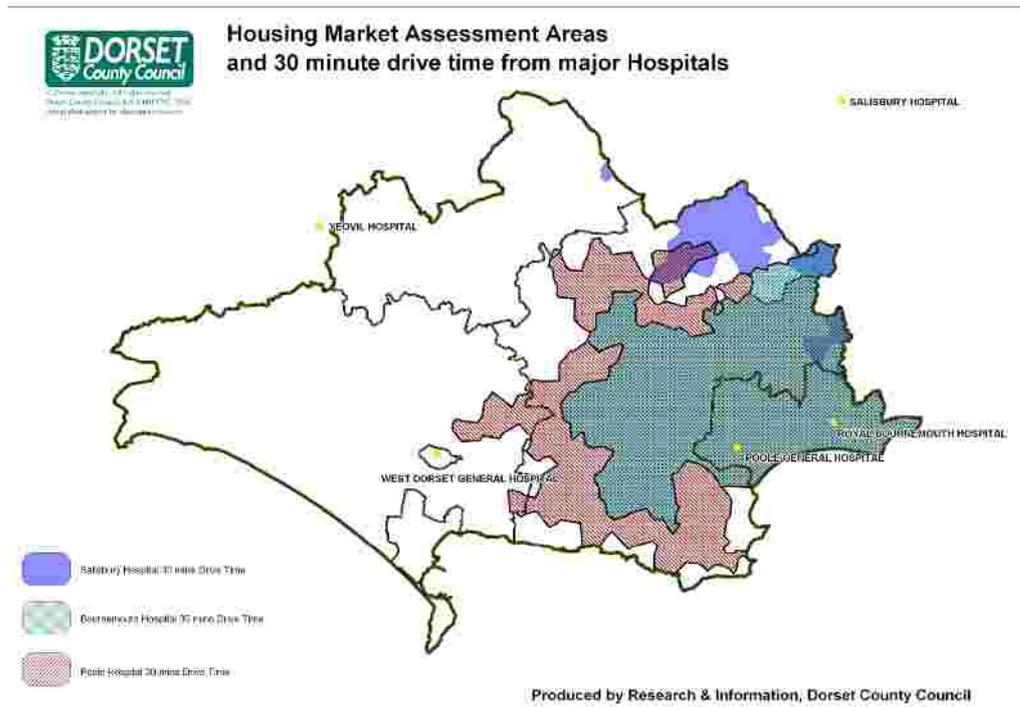
Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Figure 3.5 Hospital Catchment Areas, Dorchester and Yeovil Hospitals.



Source: Dorset County Council 2007

Figure 3.6 Hospital Catchment Areas, Bournemouth and Poole Hospitals.



Source: Dorset County Council 2007

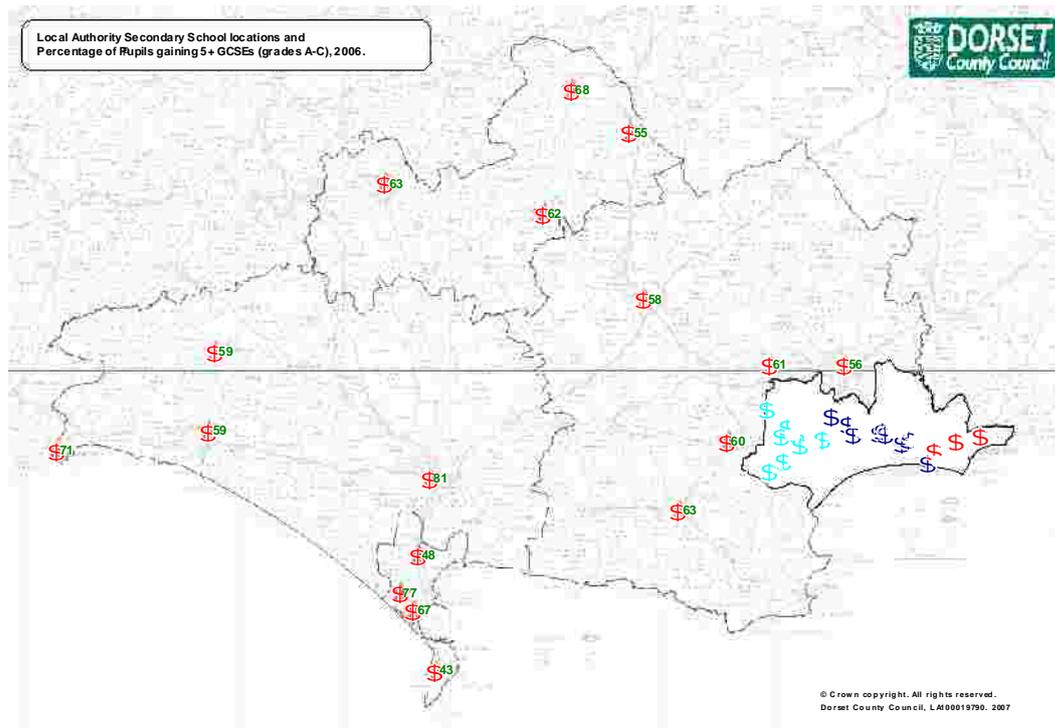
3.4.2 Figures 3.5 and 3.6 show that there is a large overlap in hospital catchment areas, in particular between Dorchester and Yeovil. Parts of Purbeck lie within both the Dorchester and Poole catchment areas. However, the Bournemouth and Poole catchments quite closely reflect the sub-regional market area. The exception is the north east of the County. This area is not within a 30 minute drive of any of the hospitals.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment

June 2008

does lie within the Grange catchment but many children go to Highcliffe and Twynham schools.

Figure 3.8 Secondary Schools in Dorset County Council Area.



Source: Dorset County Council 2007

3.5.5 In the Bournemouth / Poole periphery the catchment areas are much larger and there is less variation between the attainment levels of the schools. As can be seen on Figure 3.8, in 2006 Ferndown School to the east of the county had the lowest percentage of pupils gaining 5+ GCSE's, at 56%. The highest figure was 63% for Purbeck School.

3.5.6 Dorchester/Weymouth HMA

In the Dorchester / Weymouth HMA the attainment levels vary from 43% in Portland to 81% in Dorchester. Within Weymouth and Portland Borough two of the four secondary schools have significantly better attainment levels than the other two schools. The same can be seen in the periphery with the schools in Dorchester and Lyme Regis having better exam results than those in Bridport and Beaminster. This could impact on the property market in the rural areas, as villages within the Dorchester school catchment may be more sought after as this school has the best exam results in the County (excluding the grammar schools).

3.5.7 North West Dorset

In the north west of the County exam results are quite similar in the four schools, with the exception of Shaftesbury where they are slightly lower. Again this could influence the property market in the villages around Shaftesbury and Gillingham. In 2006, 55% of Shaftesbury school pupils gained 5+ GCSE's (grade A-C) compared with 68% at Gillingham school.

3.5.8 Overall the school catchments do not appear to have an influence on the HMA boundaries, but they could create hotspots within the HMAs.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

3.5.8 Conclusions

Analysis of the different data sets shows no conclusive pattern of housing market areas based on self containment data, largely because of the influence of London and the South East and high levels of in-migration from this area. The London/South East influence diminishes from east to west, but is still influential in West Dorset.

3.5.10 However, when looking at bus links, clear breaks can be seen between the two main market areas and between the core urban areas and their hinterlands. These also show that the north of the County is more focussed on Yeovil. These breaks are reinforced by the hospital data, particularly in the Bournemouth/Poole area, which shows the accessibility of the major hospitals in the area.

3.5.11 Finally, school catchments may not add to the evidence on the broader market areas but can indicate local hotspots where schools with good results encourage greater demand in the local housing market. This is examined further through the interviews with estate agents in the Housing Need Study undertaken by Fordham Research.

Summary

The assessment of local data sets, described above, supports the same broad division of the County as DTZs work.

It was felt that within these broad areas there was a need for further sub-division in recognition of the differences between urban and rural areas.

Bournemouth/Poole HMA

- In the East of the County there is a core area covering Bournemouth, Poole and Christchurch local authority areas. Around this is the Bournemouth and Poole periphery area which includes East Dorset, Purbeck and much of North Dorset up to and including Blandford. This clearly differentiates between the continuous built up area 'the core' and the more rural areas which are influenced by local market towns as well as feeling the draw of the conurbation.

Dorchester/Weymouth HMA

- In the West it is a little more complicated. Dorchester and Weymouth are two distinct towns with rural parishes separating them. They are defined as two core areas. The Weymouth core area includes Chickerell, as this is part of the continuous built up area. The Dorchester and Weymouth periphery area covers most of West Dorset and Portland, including a number of market towns such as Bridport and Lyme Regis.

North/West Dorset

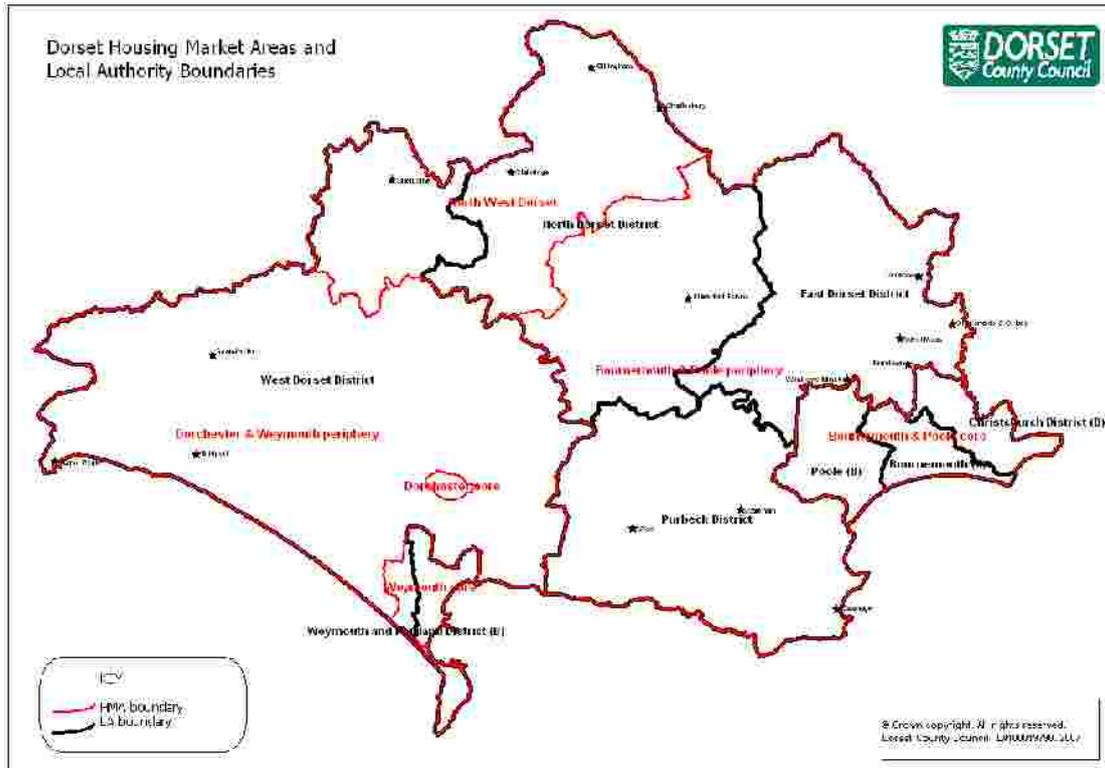
- In the North of the County other towns outside of Dorset have a greater influence on the area. Yeovil has a predominant influence and Salisbury to a lesser extent. Hence a sixth area has been defined as North West Dorset or the Yeovil periphery.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Assessment

June 2008

The following map shows the six sub-areas defined for the County.

Figure 3.9 Dorset Housing Market Areas and Local Authority Boundaries.



Section B: The Current Housing Market

4.0 Demography and Household Composition

4.1 Introduction

4.1.1 This section examines trends in the current housing market using census and other data. This first chapter looks at the current population and household characteristics of the HMAs. The next four chapters look at the characteristics of the housing stock from census data, from stock condition surveys, from analysis of housing supply data over the last 10 years and by looking at house prices and rental values across the area. This is followed by an examination of the economy of the different housing market areas. Each section is concluded with a summary of the main points.

4.2 Population Characteristics

4.2.1 The Bournemouth/Poole housing market area is the largest in terms of population. The 2001 census recorded almost 350,000 people living in the core area and a further 157,000 in the periphery. Dorchester is the smallest area with a population of just over 16,000.

4.2.2 More recent data on population is taken from the patient registers, which records all those who live in Dorset and are registered with a GP. Numbers are higher than the figures recorded in the 2001 census. This is partly due to growth between 2001 and 2005 and partly down to 'list inflation'⁸.

Table 4.1 Dorset Population by HMA Sub Areas 2001 and 2007

| | 2001 Census | 2007 Patient Register |
|---------------------------------|-------------|-----------------------|
| Bournemouth & Poole core | 346,597 | 382,391 |
| Bournemouth & Poole periphery | 156,495 | 165,124 |
| Dorchester core | 16,171 | 18,839 |
| Weymouth core | 56,150 | 60,286 |
| Dorchester & Weymouth periphery | 66,828 | 71,518 |
| North West Dorset | 50,472 | 56,267 |

Source 2001 Census and 2007 Patient Register

4.2.3 In general the core areas have a higher concentration of younger people (16-29 years). There is also an east/west difference. Bournemouth and Poole core and periphery areas have more people aged 16-29 years than the Dorchester / Weymouth core and periphery areas.

4.2.4 The most characteristic feature of the population of Bournemouth, Dorset and Poole is the high proportion of older people (here defined as those over retirement age.) The 2006 ONS mid-year population estimates show that 25% of the population in Bournemouth, Dorset and Poole is over retirement age. The national average is just 18.8%. In each of the rural sub-HMA areas the proportion of older people increases to almost 28% (Bournemouth / Poole periphery, Dorchester / Weymouth periphery and North West Dorset).

4.2.5 Over the last ten years, to 2006, despite the fact that the population has aged generally, the proportion of older people in Dorset, Bournemouth and Poole has remained constant at around 25%. The most significant increase has been of people

⁸ List inflation occurs due to people moving out of the area but not being immediately removed from the GP register

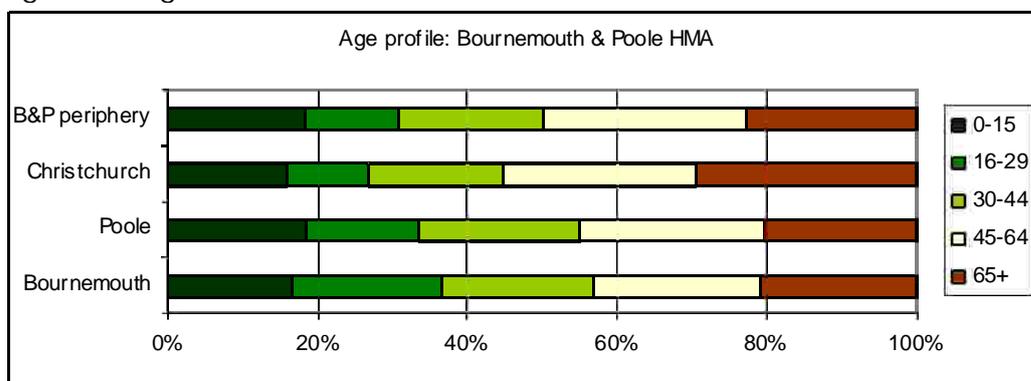
Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

aged 50-64 years, people who will reach retirement age over the next 15 years. Overall this age group makes up 20% of the population or 140,000 people, compared with 113,500 in 1996. In East Dorset and West Dorset districts the proportion of people aged 50-64 years is over 22%. These areas are likely to see the largest increases in retired population in the coming years. Similar patterns can be seen in each HMA with higher proportions of older people and those aged 50+ in the rural areas and lower in the core or urban areas

4.2.6 Bournemouth/Poole HMA

Bournemouth and Poole core area has the highest proportion within Dorset of young people, in particular those aged 16 to 29 years. This age group makes up almost 17% of the population, but below the national average of 17.5%. The periphery area has a lower proportion of young adults at 12.7%. However within the HMA there are large variations in the age profile.

Figure 4.1 Age Profile, Bournemouth/Poole HMA



Source 2001 Census

4.2.7 Bournemouth has the youngest population with almost 20% aged 16-29 years. This proportion falls to 15% in Poole and just 11% in Christchurch. This highlights the influence of the university and language schools in Bournemouth and the popularity of Christchurch as a retirement area. With the exception of Bournemouth, the HMA has a low proportion of young people, compared to the national average.

4.2.7 Dorchester/Weymouth HMA

In Dorchester / Weymouth HMA, the population is generally older than in the Bournemouth/Poole HMA. Similar patterns do exist in that the core areas of Dorchester and Weymouth have a higher proportion of younger people than the periphery. In both Dorchester and Weymouth core areas, just over 14% of the population are aged 16-29 years, but this falls to 12% in the periphery.

4.2.8 North West Dorset

The north west of the County is similar in age structure to the other periphery areas. The proportion of younger adults is low at 13%. This area has a high proportion of both 0-15 year olds and 30-44 year olds – young families. This part of the County also has the highest proportion of older people (65+ years), who make up almost 24% of the population. The figure is only higher in the Christchurch part of Bournemouth and Poole core area.

4.3 Recent Population Changes

4.3.1 Between 1996 and 2006 the total population of Dorset increased by 3.6%. In percentage terms the most significant increases have been in North Dorset District

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

(13.5%) and West Dorset District (6.8%). Many parts of the County have experienced population growth just below the national average. Poole is the only area to have experienced a very small population decline. In numerical terms, the largest increases have been in North Dorset (9,100) and West Dorset (6,400). The decline in Poole's population is almost 600 over the last ten years.

4.3.2 In general there have been an ageing of the population, accompanied by a decline in the proportion of young adults across the County. The following breakdown by HMA provides more details. However, due to changes in ward boundaries during the past ten years it is not possible to look at the exact HMA areas. Data is only comparable over time at district level. It is therefore not possible to look specifically at North West Dorset (Yeovil Periphery).

4.3.3 Bournemouth/Poole HMA

Within the core area, population growth was 0.9%. Poole is the only part of the core area where the population has fallen slightly over the last ten years. Bournemouth differs from elsewhere in the core area (and all other HMAs in Dorset) as it is the only part of the County not to have experienced a decrease in the proportion of younger adults, reflecting the growth of the University. Overall the core area has experienced a 9.7% decrease in the number of people aged 20-34 years, while in Bournemouth this age group increased by 3.1%.

4.3.4 In Bournemouth / Poole periphery area (East Dorset North Dorset and Purbeck) the decrease in the number of young adults was much higher. The number of people aged 20-34 years decreased by almost 25%. At the same time there were increases in all age groups over age 35. The number of people aged 50-64 years increased by 30.9% in the periphery compared with just 14.3% in the core.

4.3.4 Dorchester/Weymouth HMA

Dorchester / Weymouth HMA shows similar pattern to the Bournemouth / Poole periphery. There has been a 26% fall in the number of people aged 20-34 years and a 33% increase in the number aged 50-64 years.

4.4 Migration

4.4.1 Population growth in Dorset is due to net inward migration. The number of deaths in the area exceeds the number of births resulting in a natural decline in the total population. Therefore the levels of growth described above are due to people moving into the area. If there was no migration into Dorset there would be a demand for less than 100 new dwellings per year. Over the last twenty years an annual average of almost 3,500 new dwellings has been built in Bournemouth, Dorset and Poole. The 2001 census showed that 42% of people who move into the County come from London and the South East, which would have an impact on our housing markets. People selling in these higher priced areas possibly have a greater ability to buy than someone living within the area. More details on sources of population migration into the County can be found in the reports of the Survey of Housing Need and Demand by Fordham Research, which are appended to this study. More details on the various sets of population projections are provided in Section C: The Future Housing Market.

4.4.2 With local population growth being driven by net inward migration it is important to profile the type of households that move into the area as they place demands on the housing stock. If these people differ to those who are moving out of the area then any available housing may not be meeting some demands.

4.4.3 Overall Dorset has more in-migrants than out migrants. Bournemouth / Poole core area has the largest net gain in population of 4,656, followed by Bournemouth / Poole periphery with 2,596.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

4.4.4 Bournemouth / Poole core area is the only part of the County that has a net gain of 16-24 year olds. The following table shows net migrant figures by broad age group for each HMA area. Overall the number of migrants decline in the older age groups. Those under 60 years, for instance, have a greater propensity to migrate than those over 60.

Table 4.2 Migrants to Dorset by Age Group and HMA sub area.

| | B&P core | B&P Periphery | Dorchester Core | Weymouth Core | D&W periphery | North West Dorset |
|----------|----------|---------------|-----------------|---------------|---------------|-------------------|
| Total | 4656 | 2596 | 102 | 603 | 1163 | 837 |
| 0 to 4 | 226 | 411 | 17 | 48 | 103 | 38 |
| 5 to 15 | 274 | 605 | 9 | 136 | 142 | 293 |
| 16 to 24 | 1811 | -238 | -86 | -90 | -211 | -84 |
| 25 to 34 | 961 | 493 | 17 | 15 | 278 | 163 |
| 35 to 44 | 250 | 510 | 42 | 133 | 259 | 97 |
| 45 to 59 | 723 | 494 | 57 | 198 | 380 | 165 |
| 60 to 64 | 101 | 119 | 27 | 84 | 81 | 84 |
| 65+ | 310 | 202 | 19 | 79 | 131 | 81 |

Source: 2001 Census

4.4.5 Bournemouth/Poole HMA

The majority of people who made a move within the HMA, stayed within the area. In Bournemouth / Poole core, for instance, 68% of moves were within the core; in the periphery the figure was 49%.

4.4.6 Over 20% of all people who moved out of Bournemouth / Poole core area moved to the surrounding periphery, whilst 28% of those moving out of the periphery moved to the core. People moving to the core from the periphery tend to be younger adults whilst those going in the opposite direction are older. This is most likely due to the difference in the type and price of housing available in the core and periphery areas. However, what the data cannot tell us is whether lifestyle choices are also influential, rather than simply an availability issue.

4.4.6 Dorchester/Weymouth HMA

Similar to Bournemouth / Poole, the majority of moves in the Dorchester / Weymouth HMA were within the same areas (the two cores and the periphery). Other than these, around 45% of migrants to Dorchester core area are from outside of Dorset, Bournemouth and Poole, and over 30% are from the surrounding periphery. Almost 87% of those moving into Dorchester from the surrounding periphery are under 60 years, mainly people in their 30s and 40s with children under 15 years.

4.4.8 Around 11% of people moving into Dorchester are from Weymouth core area. However there is no reverse pattern, as just 4% of people moving to Weymouth coming from Dorchester. However Weymouth does have a significant number of migrants from the surrounding periphery (21%) and again these are concentrated in the younger age groups. In general, patterns show older people moving from the core to the periphery and younger people moving in the opposite direction.

4.4.9 North West Dorset

Almost 80% of people moving to the North West of the County are from outside of the sub-region. This is not surprising given the location of the County boundary and the proximity to Yeovil and Salisbury. As with other peripheral areas in the County there are generally older people moving to rural areas.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

4.5 Household Composition

4.5.1 The age structure of an area is reflected in the household composition data. For example areas with higher a proportion of people aged 30 to 44 and 45 to 64 are likely to have a high proportion of co-habiting and married couple households.

4.5.2 The household composition data from the 2001 census has been aggregated into six broad groups, shown in the table below.

Table 4.3 Household Composition in Dorset by HMA Sub Area

| | Lone pensioners | One person | Pensioner Couples | Married & co-habiting couples | Lone parents | Other |
|---------------------------------|-----------------|------------|-------------------|-------------------------------|--------------|-------|
| Bournemouth & Poole core | 17.5 | 14.8 | 12.9 | 39.8 | 8.4 | 6.6 |
| Bournemouth & Poole periphery | 16.7 | 9.4 | 16.3 | 47.4 | 6.3 | 3.9 |
| Dorchester Core | 18.5 | 14.5 | 11.9 | 43.7 | 8.0 | 3.5 |
| Weymouth core | 15.6 | 15.1 | 12.6 | 43.7 | 8.2 | 4.8 |
| Dorchester & Weymouth periphery | 17.5 | 11.6 | 15.6 | 44.8 | 6.5 | 4.0 |
| North West Dorset | 19.2 | 11.1 | 16.0 | 44.1 | 5.9 | 3.6 |
| SW Region | 15.5 | 14.2 | 11.1 | 45.4 | 8.0 | 5.9 |
| England & Wales | 14.4 | 15.6 | 9.0 | 44.8 | 9.5 | 6.7 |

Source: Census 2001

Figures show the percentage of all households

4.5.3 The 2001 census showed that pensioners made up around 30% of all households, compared with about 24% nationally. The majority, some 55% of all pensioner households, were living alone. The periphery areas and North West Dorset have the higher proportions of pensioner households, each with over 33%. However it is the core areas, particularly Dorchester and Bournemouth / Poole, which have a higher percentage of lone pensioners. Table 4.4 illustrates.

Table 4.4 Pensioner households by HMA Sub Area

| | All households | | % breakdown of pensioner households | | |
|---------------------------------|------------------------|-------|-------------------------------------|---------------------|---------|
| | % pensioner households | | % lone pensioners | % pensioner couples | % other |
| B&P core | 151,866 | 30.44 | 57.50 | 40.45 | 2.05 |
| B&P periphery | 68,251 | 32.85 | 50.57 | 47.58 | 1.86 |
| Dorchester core | 7,092 | 30.37 | 60.77 | 37.51 | 1.72 |
| Weymouth core | 24,493 | 28.18 | 55.40 | 42.28 | 2.32 |
| Dorchester & Weymouth periphery | 28,950 | 33.05 | 52.88 | 45.07 | 2.05 |
| NW Dorset | 20,770 | 35.59 | 54.65 | 43.37 | 1.99 |

Source Census 2001.

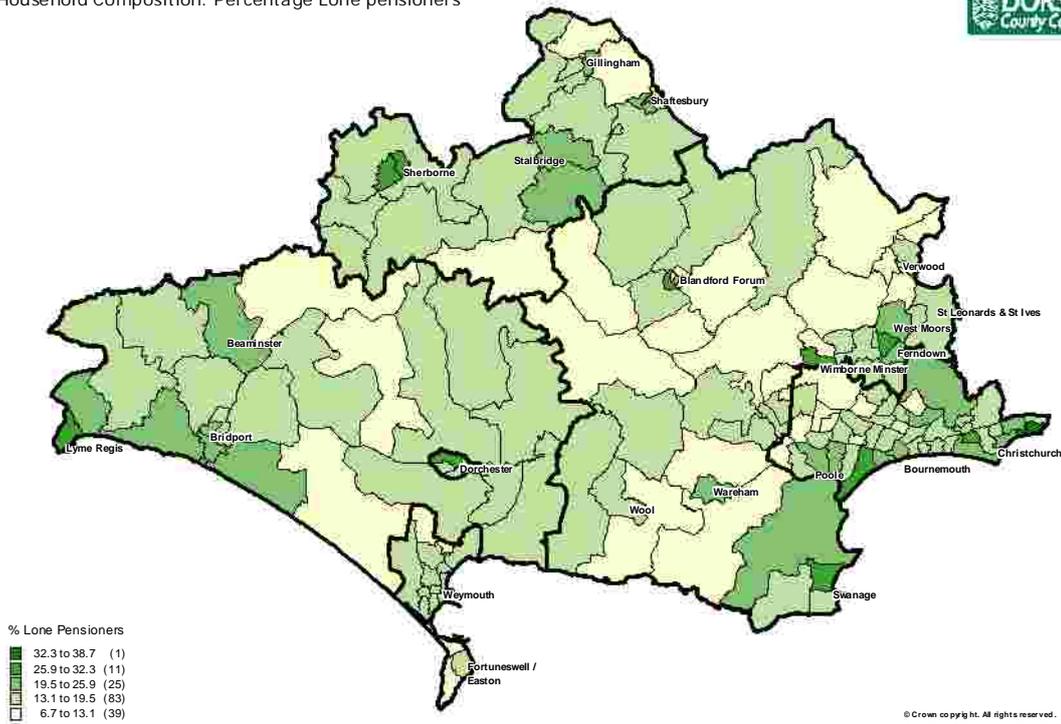
4.5.4 There are also concentrations of lone pensioners in the rural areas, mostly located in the market towns as can be seen in Figure 4.2.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment

June 2008

Figure 4.2 Percentage of Lone Pensioners by Ward

Household Composition: Percentage Lone pensioners



Source Census 2001

4.5.5 Tenure of Pensioner Households

Almost 79% of pensioner households own their accommodation. The figure is highest in Bournemouth / Poole periphery at almost 82% and lowest in Dorchester core (73%). The figures vary between the different household types with lone pensioners having the lowest proportion (71%), whilst 88% of pensioner couple households own their accommodation.

4.5.6 Projections

Population projections show that most of growth in the next twenty years will be in the 65+ age group, reflecting the large numbers and recent increase of those in their 50s. This increase is also seen in the household projections which show that one person households are going to increase significantly, the majority of which will be occupied by older people. (See Section C: The Future Housing Market for more information on projections).

4.5.7 Bournemouth/Poole HMA

The core area of the Bournemouth / Poole HMA has the highest proportion of smaller households, such as lone parents, single people and lone pensioners. Almost one third of all households in Bournemouth / Poole core area have just one resident. Just over half of these are pensioners. This is higher than the national average of 30% single occupancy households. The other major difference is that nationally just 48% of these are pensioners. The core area also has the lowest proportion of couple households (married, co-habiting and pensioners) of all Dorset's HMAs. Less than 53% are couple households compared with about 60% elsewhere in the County.

4.5.8 In the periphery the opposite pattern can be seen. There is a much lower proportion of single occupancy households, just 26%. Of these almost two thirds are pensioners, again reflecting the older age structure in the periphery area. Couple households make

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

up almost 64% of households. The pie charts illustrate the difference between the core and periphery, the greens representing couple households and the blues single occupancy households.

Figure 4.3 Household composition
Bournemouth/Poole HMA

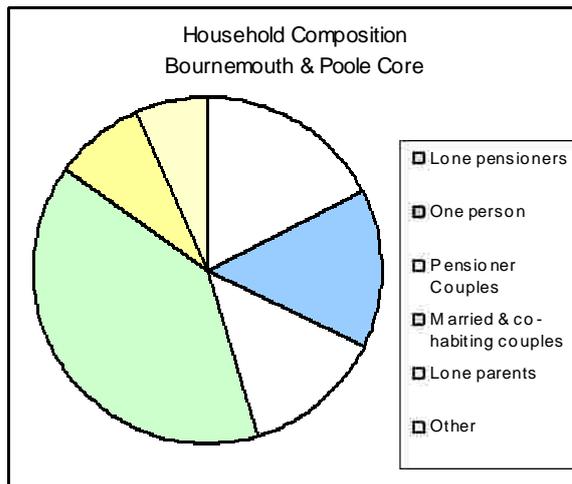
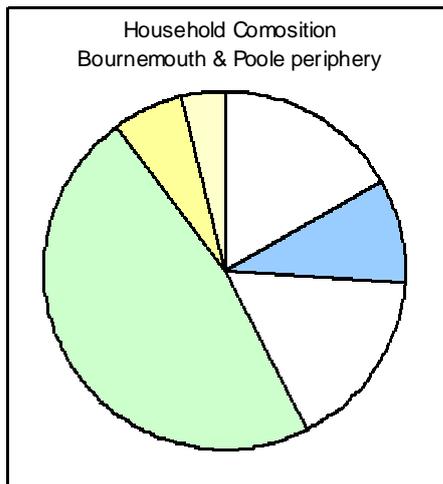


Figure 4.4 Household Composition
Dorchester Weymouth HMA



Source: Census 2001

4.5.8 Dorchester/Weymouth HMA

Household composition in the Dorchester / Weymouth HMA is similar to that in Bournemouth / Poole, with a higher proportion of single occupancy households in the core areas and more couples in the periphery. In Dorchester, 33% of households are single occupancy. This figure is slightly lower in Weymouth at 31%. In both Dorchester and Weymouth core areas around 56% of households are couples, while in the periphery over 60% are couple households. Around 8% of households in Dorchester / Weymouth core areas are lone parent households. This figure falls to 6.5% in the periphery.

4.5.9 North West Dorset

Household composition in this part of the County is broadly similar to the other two periphery areas. However, it has a higher proportion of single occupancy households, at over 30%. This is mainly due to a very high proportion of lone pensioners in the area. Almost one in five households in the area is a lone pensioner. North West Dorset has the lowest proportion of lone parent households, at 5.9%. This is significantly lower than the national average of 9.5%.

4.5.11 In general terms smaller households are more likely to live in the core, more built up areas in the County. This could be due to the accommodation type that is available and associated price - the periphery areas tend to have larger properties with higher prices that cannot be afforded by a single person. However there could be a more widespread affordability issue. Even within the core areas the number of single occupancy households, with the exception of pensioners, is lower than the national average.

4.5.12 In Chapter 5 census details of the housing stock in each of the HMAs, including accommodation types and number of rooms, is examined. This will enable us to see if there is a correlation between the size of property and the household composition described above.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Summary

- The population of both HMAs is growing.
- The core urban areas tend to have a lower population profile than the periphery. Bournemouth/Poole core has the youngest population (linked to the University.)
- Population growth is due to inward migration rather than natural change.
- 25% of the population of the Bournemouth, Dorset and Poole sub region is over retirement age, compared with 18.8% nationally.
- Pre- retirement age groups have increased significantly over the last 10 years, particularly in the periphery areas.
- 42% of people moving into the County came from London and the South East of England.
- Growth has been most significant in the pre-retirement age group (50-64) with the younger age group (20-34) declining in all areas other than Bournemouth/Poole core.
- The majority of people who moved stayed within the same area – in Bournemouth/Poole core 68% of moves were within the area.
- There are higher than average proportions of pensioner households in all areas, 30% rising to 33% in the rural areas.
- Pensioner couples are more prevalent in the periphery with lone pensioners living in built up areas, including the market towns in the periphery.
- Around 80% of pensioner households are owner occupiers, with higher proportions in the rural areas and up to 88% among couple pensioner households.
- Almost one third of households in Bournemouth/Poole core are single person households – of which over half are pensioners.
- North West Dorset has an unusually high proportion of single person households, heavily weighted by pensioners.
- Excluding pensioners, the number of single person households is lower than the national average – possibly indicating an affordability issue.

5.0 Housing Characteristics

5.1 Source of Data

5.1.1 This section, based on 2001 census data, provides details on the housing stock in each of the HMAs, including accommodation types and number of rooms. A summary is provided for each of the core and periphery areas and North West Dorset. Some comparisons have also been made with the 1991 census data but, due to ward boundary changes between 1991 and 2001, it is not possible to make a direct comparison for the specific geographies described above. Instead analysis of change over this ten year period has been done at local authority level.

5.2 Average Household Size

5.2.1 Average household size (the number of people per household) is similar in each of the housing market areas, at just over 2.20 people per household. The exception is Bournemouth/ Poole periphery which, at 2.33, has the largest average household size. This is still lower than the national average of 2.36 people per household. Within the Bournemouth/Poole periphery, that part in North Dorset District has the largest average household at 2.35.

5.2.2 Since 1991, average household size has decreased throughout Dorset and nationally. The greatest change since 1991 has been in Weymouth and Portland, decreasing from 2.39 to 2.26. Purbeck and Weymouth and Portland had the greatest increase in the proportion of one person households between 1991 and 2001, increasing in each area by about 13%. In Bournemouth, average household size fell just slightly from 2.20 in 1991 to 2.19 in 2001.

5.3 Occupancy

5.3.1 Some 95% of dwellings throughout Dorset are permanently occupied. The exception is in the Dorchester / Weymouth periphery where just 91% are occupied.

5.4 Vacant Properties (excluding Second and Holiday Homes)

5.4.1 Bournemouth/Poole HMA

Between 1991 and 2001 the proportion of vacant properties (termed 'household spaces' in the census) decreased throughout the County. The most significant change was in the built up area of Bournemouth/Poole core where the proportion of vacancies fell by over two percentage points to 3.12%. However, breaking the figures down to local authority level shows that Bournemouth Borough had an above average level of vacancies, while both Poole and Christchurch had lower levels.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment

June 2008

Table 5.1 Vacant Properties 1991 and 2001 by Local Authority

| | 1991 | | | 2001 | | |
|---------------------|-----------------|--------|----------|-----------------|--------|----------|
| | total dwellings | vacant | % vacant | total dwellings | vacant | % vacant |
| Bournemouth | 72,940 | 4,754 | 6.5 | 76,825 | 3,027 | 3.9 |
| Poole | 58,154 | 2,713 | 4.7 | 61,623 | 1,465 | 2.4 |
| Christchurch | 19,737 | 702 | 3.6 | 21,769 | 506 | 2.3 |
| East Dorset | 33,751 | 1,204 | 3.6 | 36,616 | 711 | 1.9 |
| North Dorset | 23,059 | 1,143 | 5.0 | 26,455 | 834 | 3.2 |
| Purbeck | 19,309 | 904 | 4.7 | 20,625 | 698 | 3.4 |
| West Dorset | 39,912 | 1,874 | 4.7 | 44,030 | 1,502 | 3.4 |
| Weymouth & Portland | 26,712 | 1,550 | 5.8 | 28,570 | 877 | 3.1 |

Source: 2001 Census.

5.4.2 In 2001, the Bournemouth/Poole periphery area had the lowest proportion of vacant properties in the County at 2.65%, significantly lower than the national average (3.23%). There are two rural areas which have much higher levels of vacant properties: Wool and The Lower Tarrants, east of Blandford. Both of these areas are characterised by their armed forces bases.

5.4.2 Dorchester/Weymouth HMA

The proportion of vacant properties in Dorset is highest in the Dorchester / Weymouth HMA, particularly in Dorchester core area where 3.55% are vacant (national average 3.23%). There is no distinct difference between the core and periphery areas in terms of vacant property.

5.4.5 North West Dorset HMA

The proportion of vacant properties in this part of the County is the same as the national average.

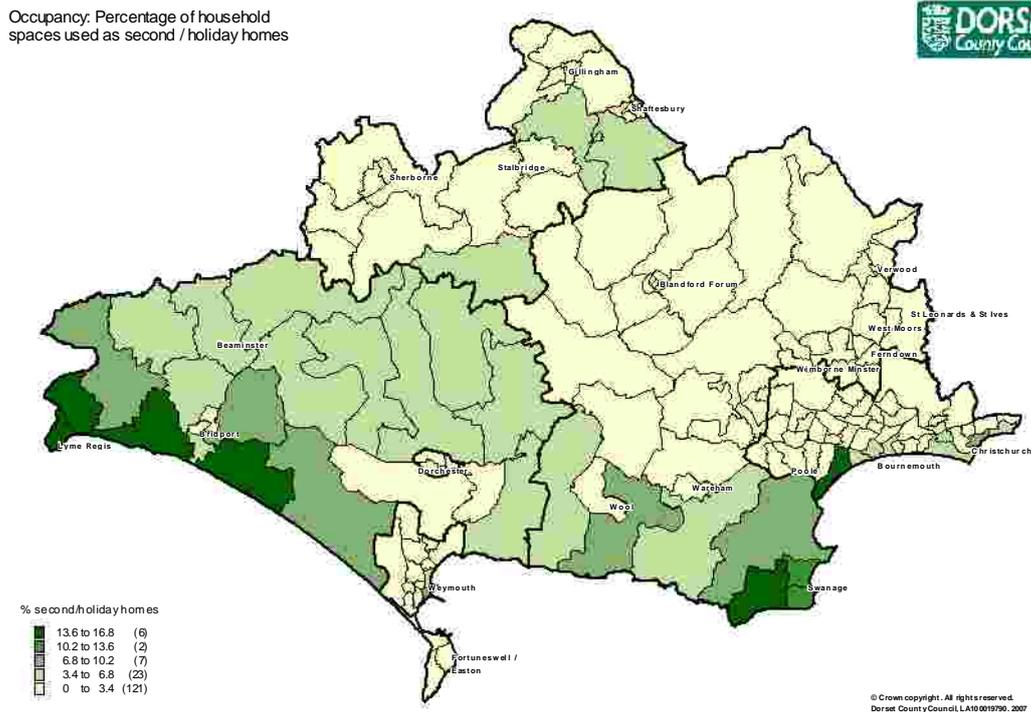
5.5 Second Homes and Holiday Homes

Second homes and holiday homes show a much more distinct pattern across the County. In general the core areas have a very low proportion of second/holiday homes: 2.09% in Bournemouth / Poole, 1.75% in Weymouth and 0.78% in Dorchester. However these figures are still markedly higher than the national average of 0.67%. The predominant pattern is of a concentration of second and holiday homes in the more rural and coastal areas, as Fig 5.1 illustrates.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Assessment

June 2008

Figure 5.1 Percentage of Household Spaces used as Second / Holiday Homes.



Source: 2001 Census.

5.5.1 Despite the anecdotal or perceived growth in the second home market, the recorded proportion has actually fallen since 1991 across the County. However, some caution is needed. The figures recorded in the 1991 and 2001 census may not be a true reflection of the number of second / holiday homes. For example, a person with a home in London, close to their place of work may have a second home in Dorset. However, they may regard and record the home in Dorset as their first home although they spend less time in it. This could be due to differences in the cost of council tax resulting in a small financial advantage by stating their first home is in Dorset. It could also be because family are based in the area.

5.5.2 Council Tax Data

Information compiled by CLG from council tax returns (2004 to 2006) suggests that there is a higher proportion of second homes than the 2001 census for each of Dorset districts (data is only available at Local Authority level, so cannot be provided for HMA's).

5.5.3 The council tax returns do confirm that the highest proportion of second homes is in Purbeck and West Dorset districts (Table 5.2).

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Table 5.2 Percentage Second Homes, Council Tax Returns

| | 2004 | 2005 | 2006 |
|---------------------|------|------|------|
| Bournemouth | 3.37 | 3.10 | 4.15 |
| Poole | 2.61 | 2.62 | 2.61 |
| Christchurch | 3.48 | 3.54 | 3.44 |
| East Dorset | 0.88 | 0.89 | 0.84 |
| North Dorset | 1.97 | 1.82 | 1.79 |
| Purbeck | 6.98 | 6.99 | 6.85 |
| West Dorset | 5.12 | 5.41 | 5.30 |
| Weymouth & Portland | 2.37 | 2.51 | 2.61 |

Source Council Tax returns, CLG

5.5.4 Bournemouth/Poole HMA

Within the Bournemouth / Poole Core area, the proportion of second/holiday homes is generally low. Sandbanks has significantly higher numbers than elsewhere in the conurbation.

5.5.5 Dorchester/Weymouth HMA

In the Dorchester/Weymouth HMA, second/holiday homes do show a much more distinct pattern as illustrated by Fig 5.1. Within Dorchester and Weymouth core areas the proportion of second/holiday homes is low, 0.78% and 1.75% respectively. In the periphery area this figure increases to over 6%, almost ten times the national average. The greatest concentrations are along the coast in the far west of the County.

5.5.6 North West Dorset

In the North/West Dorset area, second homes and holiday homes make up just 1.35% of dwelling stock. This is lower than the other more rural parts of the County, but still double the national average. This may be due to the greater distance from coast where the highest concentrations of second/holiday homes are found.

5.6 Accommodation Type

5.6.1 Detached properties are the most common dwelling type across the County, although there are significant local variations. On average 41% of properties are detached, significantly higher than the national average.

Table 5.3 Accommodation Type: Percentage of All Household Spaces

| | Detached | Semi-detached | Terraced | Flats | Caravan |
|---------------------------------|----------|---------------|----------|-------|---------|
| Bournemouth & Poole core | 39.0 | 17.6 | 10.6 | 32.4 | 0.4 |
| Bournemouth & Poole periphery | 51.9 | 20.2 | 14.1 | 11.8 | 2.1 |
| Dorchester Core | 19.9 | 23.6 | 33.2 | 22.6 | 0.7 |
| Weymouth core | 27.9 | 22.6 | 27.6 | 21.3 | 0.6 |
| Dorchester & Weymouth periphery | 38.8 | 23.0 | 24.8 | 12.8 | 0.7 |
| North West Dorset | 42.8 | 28.5 | 18.4 | 9.7 | 0.6 |
| SW Region | 30.9 | 27.9 | 23.8 | 16.5 | 0.8 |
| England & Wales | 22.8 | 31.6 | 26.0 | 19.2 | 0.4 |

Source Census 2001.

5.6.2 Bournemouth/Poole HMA

The most common accommodation type in the Bournemouth / Poole HMA is the detached house or bungalow. In the core area they make up 39% of the dwelling stock. In the periphery more than half of all dwellings are detached.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

5.6.3 The most distinct difference between the core and periphery is the proportion of flats. In the core almost a third of dwellings are flats compared to just 12% in the periphery. This high proportion of flats is concentrated in the Bournemouth part of the core area. Here over 43% of dwellings are flats. This figure falls to 23% in Poole and 20% in Christchurch.

5.6.4 Dorchester/Weymouth HMA

In general the core areas of Dorchester and Weymouth have a higher proportion of smaller properties, either flats or terraced houses. The periphery is dominated by detached houses which make up almost 39% of the dwelling stock.

5.6.5 Both core areas in the Dorchester / Weymouth HMA have around 22% flats. This falls to just 13% in the periphery. Dorchester Core is the only part of the County where the most common accommodation type is not detached. Here a third of dwellings are terraced, 24% are semi-detached and just 20% are detached. This pattern is more similar to the national average.

5.6.6 North West Dorset HMA

The majority of properties in this part of the County are larger family homes. Over 70% are either detached or semi-detached. There is a very low number of flats in the North West of the County at less than 10%. This is half the national average. However, flats tend to be more common in the larger urban areas or the core areas within the HMAs.

5.6.7 In Yeovil, which would represent the core area of this HMA, the proportion of flats is almost 14%. This is still significantly lower than the core areas within Dorset. Yeovil is dominated by semi-detached and terraced houses. Overall this core area has a lower population density than Bournemouth and Poole core and Dorchester core areas.

5.7 Tenure

5.7.1 Dorset has a high proportion of owner occupiers, particularly those who own outright. Across Bournemouth, Dorset and Poole almost 38% of properties are owned outright. The national average is 29.5%. In contrast, there is a very low proportion of properties that are rented from the local authority or housing association. Just 11.5% compared to a national average of 19.5%.

Table 5.4 Tenure: Percentage of All Household Spaces

| | Owned Outright | Owned with mortgage / loan | Shared Ownership | Public Rent (Council/ Housing Association) | Private & other rented |
|---------------------------------|-------------------|----------------------------------|---------------------|---|------------------------------|
| Bournemouth & Poole core | 35.4 | 38.2 | 0.9 | 11.0 | 14.4 |
| Bournemouth & Poole periphery | 41.7 | 36.4 | 0.4 | 10.4 | 11.1 |
| Dorchester Core | 34.5 | 36.8 | 0.3 | 18.7 | 9.6 |
| Weymouth core | 35.1 | 38.5 | 0.4 | 12.9 | 13.2 |
| Dorchester & Weymouth periphery | 42.0 | 30.7 | 0.6 | 12.7 | 14.0 |
| North West Dorset | 41.1 | 33.2 | 0.3 | 13.1 | 12.3 |
| SW Region | 34.1 | 38.4 | 0.6 | 13.5 | 13.4 |
| England & Wales | 29.5 | 38.8 | 0.6 | 19.2 | 11.9 |

Source: Census 2001.

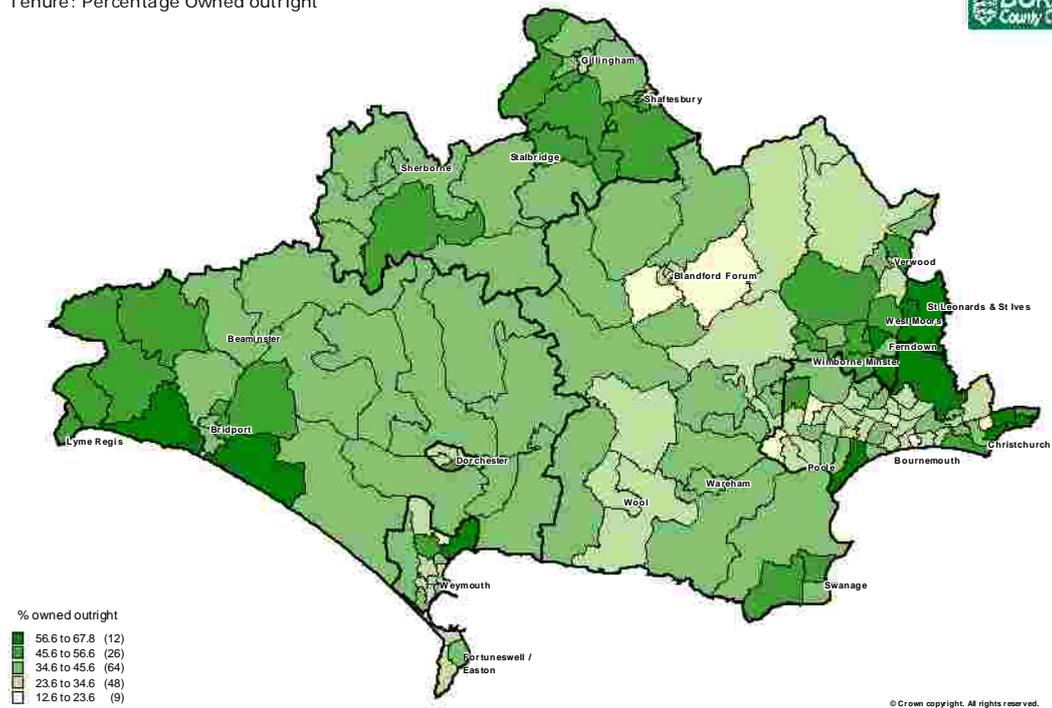
5.7.2 There is one clear difference between the core and periphery areas. Each of the cores is dominated by properties being bought with a mortgage or loan whilst in the periphery the majority are owned outright. Figures 5.2 and 5.3 illustrate this point.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Assessment

June 2008

Figure 5.2 Percentage of Household Spaces Owned Outright.

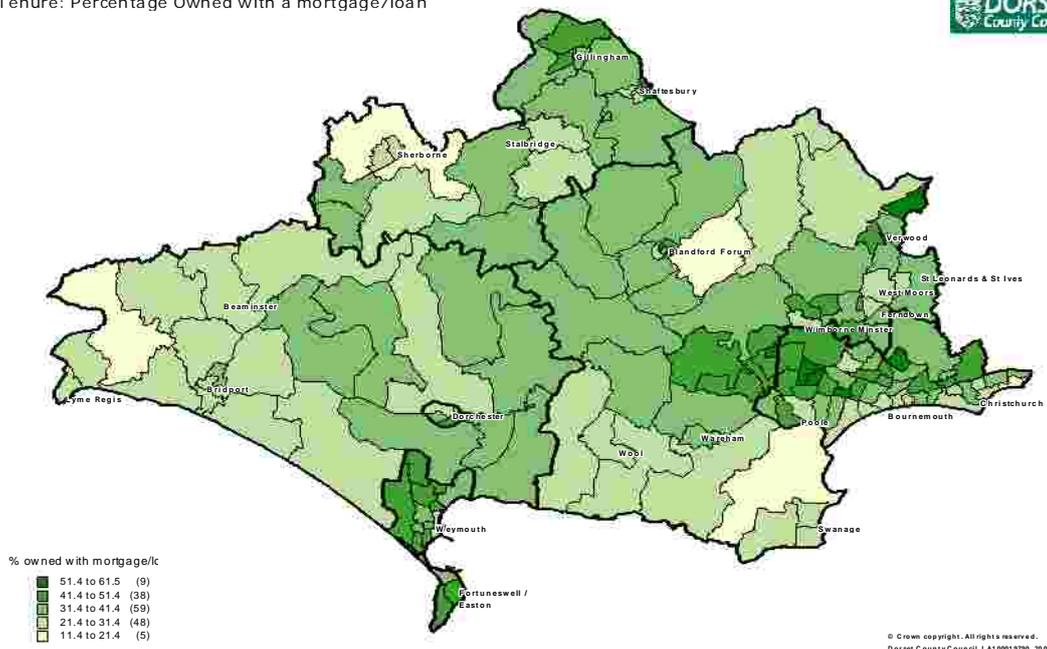
Tenure: Percentage Owned outright



Source Census 2001

Figure 5.3 Percentage of Household Spaces Owned with a Mortgage

Tenure: Percentage Owned with a mortgage/loan



Source Census 2001

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

5.7.3 Bournemouth/Poole HMA

Within the core of the Bournemouth / Poole HMA, some 35% of household spaces are owned outright. This figure increases to almost 42% in the periphery. This could be a reflection of the different age structures of the population. In the periphery there is a higher proportion of older people who are more likely to have paid off a mortgage. In the core the most common form of tenure is owner-occupation, but with a mortgage or loan.

5.7.4 Within the core area the figures vary considerably, again a reflection of the different age structure. In Christchurch over 46% are owned outright, whilst in Bournemouth the figure is just 32%.

5.7.5 Bournemouth / Poole core has the highest proportion of properties which are privately rented. This may be linked in part to the University and the large number of properties that are rented to students. Again there is a large variation within the core area from less than 6% in Christchurch to over 17% in Bournemouth.

5.7.6 Since 1991 there has been an overall increase in the proportion of dwellings that are owned outright. In Bournemouth the number of privately rented properties has increased. This is most likely associated with the growth of the University during this period.

5.7.7 Only Christchurch has shown an increase in the proportion of public rented properties (local authority/ housing association). In 1991 they accounted for 9.3% of properties, increasing to 12.4% by 2001. In all other parts of the HMA the proportion of public rented dwellings has fallen.

5.7.8 Dorchester/Weymouth HMA

Again the majority of properties are owner-occupied. The same patterns can be seen in the Dorchester / Weymouth HMA as those described above; the core areas are characterised by properties being bought with a mortgage or loan whilst in the periphery the majority are owned outright.

5.7.9 Dorchester core area has a very high proportion of properties that are rented from the local authority or a housing association (LA/HA). Almost 19% of household spaces are rented from the LA/HA. This is similar to the national average but significantly higher than both Weymouth core area and Dorchester and Weymouth periphery.

5.7.10 North West Dorset HMA

Over 41% of household spaces in North West Dorset are owned outright. This is similar to the other two periphery areas in the County. A further 33% are being bought with a mortgage. In Yeovil (the core area), the majority of household spaces are being bought with a mortgage or loan (44%).

5.8 Size of Household Space and Overcrowding

5.8.1 The Census includes information on the number of bedrooms, reception rooms and kitchens, but excludes bathrooms. A 3-bedroom property, for example, with a lounge, kitchen and bathroom would be classified as having 5 rooms. Here, this data set has been split into three broad categories: 1 to 4 rooms, 5 to 6 rooms and 7+ rooms.

5.8.2 Overcrowding is calculated using the number of rooms and the number of people living in the household. Households are classified as overcrowded if there are fewer rooms than people. For example, a household space with 5 habitable rooms but 6 or more residents would be considered overcrowded.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Table 5.5 Number of Rooms and Overcrowding: Percentage of All Household Spaces

| | 1 to 4 rooms | 5 to 6 rooms | 7 + rooms | Over-crowded households |
|---------------------------------|--------------|--------------|-----------|-------------------------|
| Bournemouth & Poole core | 39.6 | 42.2 | 18.2 | 1.08 |
| Bournemouth & Poole periphery | 26.9 | 45.7 | 27.3 | 0.76 |
| Dorchester Core | 32.9 | 46.5 | 20.6 | 0.89 |
| Weymouth core | 33.7 | 46.5 | 19.8 | 1.21 |
| Dorchester & Weymouth periphery | 27.1 | 46.4 | 26.5 | 0.89 |
| North West Dorset | 26.5 | 44.2 | 29.4 | 0.75 |
| SW Region | 30.0 | 46.2 | 23.8 | 1.00 |
| England & Wales | 32.1 | 47.9 | 20.0 | 1.85 |

Source Census 2001

5.8.3 Bournemouth/Poole HMA

Within the Bournemouth / Poole HMA properties are generally larger in the periphery, and as a result there are fewer overcrowded households. In the core and periphery areas the proportion of average sized properties (5 to 6 rooms) is very similar and account for approximately 45% household spaces. However, in the core almost 40% of household spaces have just 1 to 4 rooms, compared to 27% in the periphery. In contrast, over 27% of household spaces in the periphery have 7 or more rooms, compared to just 18% in the core.

5.8.4 Bournemouth / Poole core area has a higher proportion of overcrowded households than the periphery, 1.08% compared with 0.76%. However these figures are significantly lower than the national average (1.85%). Since 1991 the proportion of overcrowded households has decreased across the sub-region. In 1991 2.1% of households in Bournemouth were overcrowded. This had fallen to 1.29% by 2001.

5.8.5 Dorchester/Weymouth HMA

Around 45% of household spaces in both the core and periphery areas are of average size with 5 to 6 rooms. Weymouth core area has the highest proportion of smaller household spaces. Almost 34% have just 1 to 4 rooms. The figure is slightly lower in Dorchester core area (33%) and significantly lower in the periphery (27%). This pattern is similar to that seen in the Bournemouth and Poole HMA.

5.8.6 In the Dorchester / Weymouth periphery almost 27% of household spaces have 7 or more rooms. In both of the core areas this figure is just 20%. Both core areas reflect the national average.

5.8.7 The periphery area generally has larger properties and as a result there are less overcrowded households. Just 0.89% of households are classified as overcrowded in the periphery. In Dorchester core this figure is the same (0.89%) and increases to 1.21% in Weymouth core area. Although there is more overcrowding in the core areas, these figures are still below the national average (1.85%).

5.8.8 North West Dorset HMA

North West Dorset has the largest properties of all the HMAs in Dorset. Almost 30% of household spaces have 7 or more rooms and a further 44% have 5 to 6 rooms. As a result very few households are classified as overcrowded, at just 0.75%.

5.9 Overcrowding and Tenure

5.9.1 On average less than 2% of households that own their property are classified as being overcrowded (has at least 1 room too few). This figure drops below 2% in each of the periphery areas. Overcrowding increases to between 10% and 15% of households who rent from the council and 9% and 22% of other social rented household spaces. Overcrowding in privately rented household spaces ranges from 6% to 17%. Overall the pattern of a higher level of overcrowding in the core areas exists for all types of tenure. The exception is Dorchester core where less than 6% of council rented household spaces are classified as overcrowded, compared to an average of 14% for this tenancy type.

5.10 Under Occupancy

5.10.1 With such a small proportion of households being classified as overcrowded it is more common to find under-occupancy. Under-occupancy may increase further in the future as our ageing population are encouraged to stay in their own homes. The 2001 Census has shown that quite a significant proportion of one person households are occupying a dwelling with 5 or more rooms.

5.10.2 The peripheral areas have the highest proportion of one person households living in 5+ room dwellings. This ranges from almost 50% in Bournemouth and Poole periphery to 53% in Dorchester and Weymouth periphery and in North West Dorset. Even within the core areas the figure is high. In Dorchester and Weymouth core areas over 41% of one person households have 5+ rooms. This figure increases to around 60% of those which are owner-occupied. The following table shows details by HMAs.

Table 5.6 Under Occupation by Tenure and HMA Sub Area.

| % of one person households with 5+ rooms, by tenure | | | | | | |
|---|-------------|---------------|-----------------|---------------|---------------|-------------|
| | B&P core | B&P Periphery | Dorchester Core | Weymouth Core | D&W periphery | NW Dorset |
| all households | 36.8 | 49.2 | 41.2 | 42.3 | 53.4 | 52.8 |
| owner-occupied | 47.9 | 57.9 | 55.1 | 56.4 | 64.8 | 64.7 |
| rented from council | 14.6 | 15.6 | 25.0 | 21.5 | 27.7 | 15.4 |
| other social rent | 7.8 | 13.0 | 13.2 | 14.2 | 16.7 | 15.8 |
| private rent or rent free | 16.3 | 41.2 | 27.9 | 21.1 | 42.5 | 44.1 |

Source Census 2001.

5.11 Household Amenities

5.11.1 The census asked all households to state if their property had central heating and sole use of a bath/shower and toilet. Some 7.2% of households in Bournemouth, Dorset and Poole did not have central heating; 0.6% did not have sole use of a bathroom and toilet; and 0.3% had neither. Overall it is the privately rented households which are most likely to lack these basic amenities. Over 20% of privately rented household do not have central heating and 3% do not have sole use of a bath/shower and toilet.

5.11.2 The figures for both owner occupied households and council/social rented households are lower with around 5% without central heating and 0.5% without sole use of a bath/shower and toilet. There are no distinct variations between the HMAs or between the core and periphery areas.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Summary

Bournemouth/Poole HMA.

- Average household size is low in the core, but closer to the national average in the periphery.
- Levels of vacancy have fallen in recent years, particularly in the core. They remain low, other than wards where armed forces are based.
- Second/holiday homes are most prevalent in the periphery, particularly along the Purbeck coast. There is a relatively low proportion in the core.
- Detached properties are the most common dwelling type, reaching a level of almost 60% in the periphery. Flats are also very significant in the core.
- The dominant tenure is owner occupation. In the periphery most properties are owned outright. Public rented housing is well down on the national average across the whole HMA.
- The core has a higher than average proportion of small properties (1-4 rooms) whereas the periphery is dominated by larger dwellings.
- Over crowding is low, but is more common in rented properties (private and public) than those which are owner occupied.
- Under occupancy is high, particularly in the periphery.

Dorchester/Weymouth HMA

- Average household size is low, having decreased fastest in recent years in Weymouth and Portland, where the proportion of 1 person households has increased significantly.
- Vacancy levels are relatively high in this area, particularly in Dorchester core.
- Second/holiday homes are low in the cores, but almost ten times the national average in the periphery, with greatest concentrations along the coast.
- Detached houses dominate in the periphery, but in Dorchester terraced housing is most common. There are also higher than average proportions of flats in Weymouth and Dorchester.
- Most properties are owner occupied, with a higher proportion owned outright in the periphery. There are low proportions of public rented property in Weymouth and the periphery, but Dorchester has an exceptionally high (for Dorset) proportion.
- The core areas have the highest proportions of small household spaces, while in the periphery larger properties dominate.
- Overcrowding is highest in Weymouth, but still below the national average.
- Under occupancy is particularly high in the periphery (especially in the owner occupied sector).

North West Dorset

- Household size and vacancy levels are around the national average.
- Second/holiday homes are also below average for rural areas in Dorset.
- Most properties are large, detached or semi detached. There are very few flats.
- Most properties are owned outright or being bought with a mortgage. Public rented housing is slightly higher here than in the other rural areas.
- Over crowding is the lowest of all the sub areas, whereas under occupancy is among the highest.

6.0 The Condition of the Housing Stock

6.0.1 As well as knowing how many properties there are in an area it is important to know what condition the stock is in since this will affect the overall level of supply. A residential property only fulfils its purpose if it meets minimum quality standards.

6.1 Source of Data

6.1.1 Information in this report on the condition of the private sector stock comes from individual stock condition surveys undertaken by the local authorities between 2002 and 2005 and from the Housing Strategy Statistical Appendix (HSSA) for 2006. Figures for England and the South West region come from the English House Condition Surveys of 2001 and 2007. Local authority stock is not normally included in the surveys, but is included in HSSA returns. The data is not strictly comparable because of the different times that the surveys were undertaken and the different approaches used. However it does give a good enough flavour of the condition of the stock to advise this study.

Table 6.1 Stock Condition Surveys in Dorset

| Area / Authority | Date of survey | Contractor used |
|-------------------------|----------------|---------------------------|
| Poole Bournemouth HMA | | |
| Bournemouth | 2003 | David Adamson |
| Poole | 2005 | PPS Consulting |
| Christchurch | 2004 | Fordham Research |
| East Dorset | 2002 | Michael Howard Associates |
| North Dorset | 2002 | Michael Howard Associates |
| Purbeck | 2003 | Michael Howard Associates |
| | | |
| Dorchester/Weymouth HMA | | |
| West Dorset | 2007 | CPC |
| Weymouth and Portland | 2004 | Michael Howard Associates |

Source: Various Local Authority Stock Condition surveys 2002 - 2007

6.1.2 Another difficulty in interpreting the data arises from changes over the survey period in the way the Government has required housing condition to be measured. Most surveys have assessed condition using the "fitness standard" under the 1985 Housing Act but some have also used the Housing Health and Safety Rating (HSSR) introduced in 2004. This system takes into account the potential hazards facing any person using a dwelling rather than simply studying the fabric condition of the building. While there is some overlap, not all homes that are substandard under one system are substandard under the other.

6.2 Age of dwellings

6.2.1 Bournemouth/Poole HMA

Table 6.2 shows that there is considerable variety in age of private property within the core area (Bournemouth, Poole and Christchurch). Bournemouth has a high proportion of pre 1919 properties (27.2%); Poole and Christchurch have less than half this amount. Nationally, only 25% of properties fall in this band. Christchurch's stock is heavily weighted by post war properties with over half the stock having been built after 1964. Poole also has a relatively high proportion of younger stock (post 1964). Some 49.3% of properties come into this category, compared with the national average of 39.5%. Bournemouth has only 30% in this age range.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

6.2.2 In the periphery (North Dorset, East Dorset and Purbeck), North Dorset has the highest proportion of older stock (28.1%) whilst East Dorset and Purbeck both have proportions below the national average. When inter-war property is added onto pre 1919 property all three authorities have lower proportions than nationally with East Dorset having only 23% compared to 39% nationally. All three authorities have high levels of post 1964 stock with East Dorset having over 60% in this age range.

6.2.3 Dorchester/Weymouth HMA

The study indicates a relatively high proportion of pre 1919 properties in both areas compared to the national average of 24.9%. The proportion of inter-war stock is very low in West Dorset while post 1964 stock is well above average. In Weymouth and Portland the figures are much closer to the national average.

Table 6.2 Age of Housing Stock by Local Authority in Dorset

| Area / Authority | Age of stock | | | |
|--------------------------------|--------------|-----------|-----------|-----------|
| | Pre 1919 | 1919-1944 | 1945-1964 | Post 1964 |
| Poole Bournemouth HMA | | | | |
| Bournemouth | 27.2 | 20.9 | 21.8 | 30.1 |
| Poole | 11.5 | 23.8 | 15.3 | 49.3 |
| Christchurch | 8.3 | 15.2 | 23.2 | 53.4 |
| East Dorset | 15.1 | 8.1 | 15 | 61.8 |
| North Dorset | 28.1 | 5.5 | 17.8 | 48.6 |
| Purbeck | 19.8 | 10 | 21.7 | 48.5 |
| Dorchester/Weymouth HMA | | | | |
| West Dorset | 31 | 6.2 | 15 | 47.8 |
| Weymouth and Portland | 29.9 | 14.2 | 16.4 | 39.5 |
| England * | 24.9 | 18.5 | 17.1 | 39.5 |

Source: LA House Condition surveys, * English House Condition Survey 2005

6.3 Houses in Multiple Occupation (HMOs)

6.3.1 Bournemouth/Poole HMA

Data from HSSA returns (Table 6.3) show the number of properties in multiple occupation. These are properties where several households share one or more facilities, or are occupied by several people not forming a single household. The main concentration is in the core area, with Bournemouth and Poole having over 90% of the total. It is of note that Poole records almost twice as many HMOs as Bournemouth and, at 2.6% of total stock, is markedly above the national and regional average of 1.7%. It is worth noting that the number of HMOs in Bournemouth may be underestimated, due to the definition used.

6.3.2 Dorchester/Weymouth HMA

The number of properties in multiple occupation follows a similar pattern to the Bournemouth /Poole HMA with highest numbers in the urban area. With 947 HMOs (3.2% of total stock) Weymouth has the highest proportion of all areas, well above the national average (1.7%).

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Table 6.3 Houses in Multiple Occupation (as defined in the 2004 Housing Act unless noted by **)

| Area / Authority | Total no of HMOs | HMOs as % of total stock |
|-------------------------|------------------|--------------------------|
| Poole Bournemouth HMA | | |
| Bournemouth | 846** | 1 |
| Poole | 1,637 | 2.6 |
| Christchurch | 32 | 0.1 |
| East Dorset | 20 | 0.1 |
| North Dorset | 45** | 0.2 |
| Purbeck | 63 | 0.3 |
| Dorchester/Weymouth HMA | | |
| West Dorset | 170 | 0.4 |
| Weymouth and Portland | 947 | 3.2 |
| SW Region | 38,573 | 1.7 |
| England * | 384,662 | 1.7 |

Source: LA House Condition Surveys, *English House Condition Survey 2004

6.4 Decent Housing

6.4.1 The Government's key housing policy goal is to ensure that everyone has the opportunity of living in a decent home, which they can afford, in a community where they want to live. The Government standard for 'decent homes' requires that they should:

- Meet the current statutory minimum standard for housing (i.e. have no Category 1 hazards)
- Be in a reasonable state of repair
- Have reasonably modern facilities and services
- Provide a reasonable degree of thermal comfort

6.4.2 Bournemouth/Poole HMA

The decent housing standard was only measured in four authorities. In each of the three authorities in the Bournemouth/Poole core the proportion of properties categorised as "non decent" was below the national average of 27.5%. The main reason for failure, locally as well as nationally, was due to thermal comfort. Property types with high levels of "non-decency" include private rented and pre 1919 dwellings.

6.4.3 Dorchester/Weymouth HMA

The level of "non decent" housing in West Dorset was 33.4%, which is above the national average. The factor in West Dorset is thermal comfort (i.e. type of heating system and insulation). The report indicates that non decency is associated primarily with pre 1919 dwellings, private rented sector properties and converted flats. It also most affects households on the lowest incomes and in receipt of benefits. Rural areas without mains gas are most affected. There was no information on decency in Weymouth and Portland.

6.5 Unfit Housing

6.5.1 Bournemouth/Poole HMA

A dwelling is deemed unfit for human habitation if it fails to meet one or more of eleven requirements. As a result is deemed not reasonably suitable for occupation⁹. The most

⁹ Section 604 of the 1985 Housing Act as amended by 1989 Local Government and Housing Act.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

common reasons for failure both nationally and locally are “disrepair” and “food preparation”.

6.5.2 The proportion of property deemed unfit in the core area is generally below the national level (Table 6.4, column 3). Levels of unfitness were higher in East Dorset and Purbeck. Nationally around 4.2% of properties were deemed unfit in 2001.

6.5.3 When private rented housing is analysed it shows a higher proportion of unfitness than in the general stock, with particularly high proportions in East Dorset (23.4%) and Purbeck (21.6%), compared to the national average of 10.9%. (Table 6.4, column 4).

Table 6.4 Fitness of Housing Stock (from Stock condition Surveys)

| Area / Authority | % Non Decent | % Unfit (All tenures) | % Unfit (private rented only) | % In substantial disrepair (all tenures) | Cost to make private sector dwells “fit” £ per unfit dwell |
|-------------------------|----------------|-----------------------|-------------------------------|--|--|
| Poole/ Bournemouth HMA | | | | | |
| Bournemouth | 14 | 3.2 | 7.7 | 18.3 | 5,633 |
| Poole | 23.6 | 3.1 | 2.8 | 6.4 | 5,200 |
| Christchurch | 21.5 | 3.7 | 7.8 | 7.7 | 4,048 |
| East Dorset | No information | 5.2 | 23.4 | 9.7 | 5,867 |
| North Dorset | No information | 3.6 | 14.5 | 13.6 | 9,203 |
| Purbeck | No information | 5.5 | 21.6 | 11.1 | 7,355 |
| Dorchester/Weymouth HMA | | | | | |
| West Dorset | 33.4 | 4.8 | 8.7 | Not available | 7,400* |
| Weymouth and Portland | No information | 4 | 13 | 11.8 | 4,813 |
| England ** | 33.1 | 4.2 | 10.9 | 8.8 | No comparable information |
| England 2005 | 27.5 | | | | |

Source: LA House Condition Surveys, *English House Condition Survey 2001

*Works required within 5 years

** English House Condition Survey 2001.

NB Fitness standard (As defined by the 1985 Housing Act, amended by the 1989 Local Government and Housing Act.)

The surveys undertaken mostly pre dated the requirements of the Housing Act 2004 which introduced the Housing Health and Safety Rating System (HHSRS) to replace the Fitness standard

6.5.4 Dorchester/Weymouth HMA

The proportion of properties deemed unfit in the stock condition surveys was around the national average of 4.2% in Weymouth (4.0%) but slightly higher in West Dorset (4.8%).

6.5.5 When private rented housing is examined it shows higher proportions of unfitness than nationally in Weymouth and Portland (13%), but a lower proportion in West Dorset (8.7%).

6.6 Disrepair

6.6.1 Bournemouth/Poole HMA

The proportion of properties in substantial disrepair is highest in the two areas with the oldest properties (Bournemouth 18.3% and North Dorset 13.6%), but below the national average of 8.8% in Poole and Christchurch. (Table 6.4 col. 5)

6.6.2 The cost of making properties fit is generally lower in the core area than in the periphery, but caution is needed with these figures as they have not been adjusted to a single point in time.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

6.6.3 Dorchester/Weymouth HMA

The proportion of properties in substantial disrepair is higher than average in Weymouth where there are also above average levels of older property. (Table 6.4, column 5). No comparable information is available for West Dorset although, as in other areas, disrepair formed the most common reason for failure of the fitness standard. Some 62% of unfit properties were judged so due to disrepair.

6.6.4 As in the Bournemouth /Poole HMA the cost of making properties fit appears less in the more urban area (Weymouth) at £4,813 per property than in the more rural West Dorset at £7,400. But again caution is needed with these figures as they have not been adjusted to a single point in time.

6.7 Energy efficiency

6.7.1 Bournemouth/Poole HMA

Another important element of any stock condition survey is the measurement of energy efficiency. The Standard Assessment Procedure (SAP) is the Government's recommended system for home energy rating, based on the calculated annual energy cost for space and water heating. A high score on a scale from 1-120, means a dwelling is more energy efficient.

6.7.2 Table 6.5 shows the average SAP rating for private sector dwellings. It can be seen that Poole, Christchurch and East Dorset all have SAP ratings at or above the national average whereas Bournemouth, North Dorset and Purbeck are below. The lower ratings also seem to mirror the authorities with highest proportions of older stock. North Dorset and Purbeck also show high proportions of dwellings with a SAP rating below 35.

6.7.3 Dorchester/Weymouth HMA

Both Weymouth and West Dorset have SAP ratings above the national average. West Dorset's figure appears high in comparison with the Poole / Bournemouth periphery authorities bearing in mind the older nature of much of the dwelling stock. It partially reflects the widespread availability of natural gas, which is uncommon in other rural areas. The proportion of properties with a SAP rating of 35 or below is around the regional average.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Table 6.5 Energy Efficiency

| Area / Authority | Average SAP rating of private sector (non RSL) dwellings | % of private sector (non RSL) dwellings with a SAP rating below 35 |
|-------------------------|--|--|
| Poole Bournemouth HMA | | |
| Bournemouth | 44 | # |
| Poole | 59 | 6% |
| Christchurch | 50 | 7%** |
| East Dorset | 54 | 9% |
| North Dorset | 46 | 24% |
| Purbeck | 39 | 32% |
| Dorchester/Weymouth HMA | | |
| West Dorset | 58 | 12% |
| Weymouth and Portland | 50 | 18% |
| SW Region | # | 15% (30 or less) |
| England | 48*** | 10% (30 or less) |

Source: HSSA returns 2006. NOTE ** figure taken from 2005 HSSA as figures not available for 2006.*** English House Condition Survey 2005

6.8 Conclusions from the Stock Condition Reports

6.8.1 Bournemouth/Poole HMA

Despite some of these findings the stock condition report for Bournemouth recorded a high level of household satisfaction with current housing conditions and the local environment. Some 74% of households living in unfit houses very satisfied with their circumstances. It is therefore unlikely that they would wish to seek help to improve their housing conditions.

6.8.2 In Poole it is also clear that poor conditions are strongly associated with the privately rented sector and older dwellings, with the report for this area recording the Town and Waterfront and Hamworthy areas being most affected. The town centre regeneration now underway should help encourage investment and improve conditions in this area.

6.8.3 In Christchurch, although housing conditions and energy efficiency are generally better than those nationally, the costs of making the necessary improvements to the dwelling stock may be quite prohibitive. The population of this Borough is bias towards the elderly, many of whom are equity rich but cash poor. The situation could deteriorate unless means can be found to help older people improve their properties, perhaps through equity release, or move into alternative accommodation.

6.8.4 In the periphery area the levels of unfitness are generally higher in the rural areas where there are higher proportions of older property. Problems of disrepair and poor energy efficiency are most evident, particularly in the private rented sector. Here too measures to encourage equity release are needed.

6.8.5 Dorchester/Weymouth HMA

In Weymouth and West Dorset the problem of unfitness is most marked and above national levels in older properties and the private rented sector. The Weymouth report recorded highest levels of unfitness in the Westham and Melcombe Regis areas (7.53%) followed by Portland (5.26%). High proportions of disrepair were also recorded in these areas. In West Dorset low income was strongly associated with unfitness.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Summary

Bournemouth/Poole HMA (including all North Dorset)

- National research has established that the poorest housing conditions are found in privately rented housing and housing built before 1919. This has been reinforced by the findings of this overview of stock condition in the Bournemouth/Poole HMA.
- In the core area older properties are concentrated in Bournemouth whereas Poole and Christchurch have younger stock. In the periphery East Dorset has particularly young stock.
- Levels of unfitness are below the national average in the core area but higher in the periphery, particularly among the private rented stock.
- Properties in substantial disrepair mirrored those areas with the oldest stock, Bournemouth in the core and North Dorset and Purbeck in the periphery.
- Despite these findings 74% of households living in unfit houses in Bournemouth are very satisfied with their circumstances, so are unlikely to seek help to improve their housing conditions.
- In Poole "non decency" is found to be below the national average and predominantly related to thermal comfort. Poor conditions are strongly associated with the privately rented sector and older dwellings. The town centre and Hamworthy areas are worst affected.
- In Christchurch, although housing conditions and energy efficiency are generally better than those nationally, the costs of making the necessary improvements to the dwelling stock may be prohibitive particularly in view of the high proportion of older people in this area.
- In the periphery the levels of unfitness are generally higher in the rural areas where there are higher proportions of older property. Problems of disrepair and poor energy efficiency are most evident, particularly in the private rented sector.

Dorchester/Weymouth HMA (including all West Dorset)

- In Weymouth and West Dorset the problem of unfitness is most marked in older properties and the private rented sector. Westham, Melcombe Regis and Portland were worst affected. High proportions of disrepair were also recorded in these areas. In West Dorset low income was strongly associated with unfitness.
- Although the SAP, energy efficiency ratings are around average in Weymouth, properties in the private rented sector and those occupied by older residents had significantly worse ratings.
- In West Dorset SAP ratings are relatively high. Increasing this figure further will be increasingly difficult bearing in mind the age and type of dwelling stock in the District.
- The proportion of HMOs in Weymouth is the highest of both HMAs and almost double the national average.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

7.0 Housing Supply

7.1 Source of Data

7.1.1 Housing supply information has been compiled from records held by Dorset County Council and Bournemouth and Poole Borough Councils, amplified where available by information from New Forest and South Somerset District Councils. Comprehensive information on net dwelling completions across all these authorities only goes back to 2001, so the figures relate to the 2001-6 period. Unfortunately figures on the type of housing built (i.e. houses, bungalows or flats) are not available across the whole area. Some general characteristics of the area are given first followed by a more detailed analysis of each sub-market area.

7.2 Overall Levels of Development

7.2.1 Between 2001 and 2006, 16,925 dwellings (net) were built in Dorset, Poole and Bournemouth. Of this total, 10,923 (64.5%) were built in the Bournemouth / Poole HMA, 3,975 (23.5%) in the Dorchester / Weymouth HMA and 2,027 (12.0%) in North West Dorset.

7.3 Affordable Dwellings Built

7.3.1 Over the same period, 2,101 affordable dwellings were built, representing just 12.4% of the total new dwellings. Of this total, 1,353 (64.4%) were built in the Bournemouth / Poole HMA, 456 (21.7%) in the Dorchester / Weymouth HMA and 292 (13.9%) in North West Dorset. This shows that in North West Dorset a slightly higher ratio of affordable dwellings to private dwellings was achieved over this period.

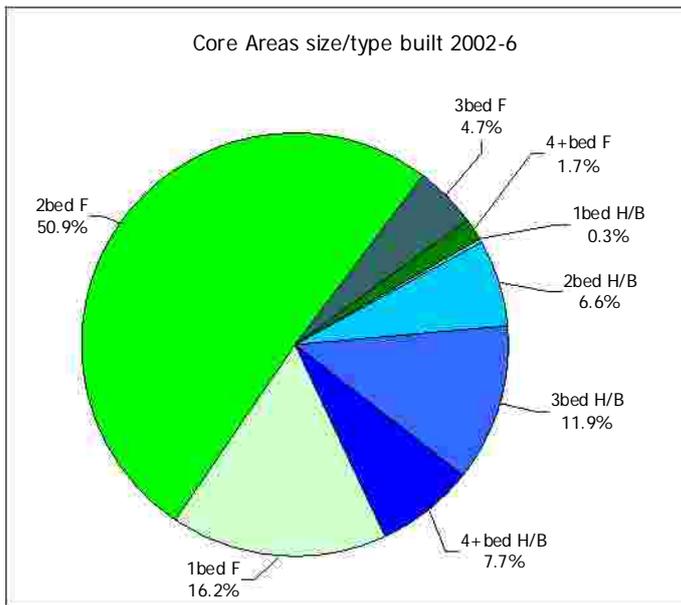
7.4 Size of Properties Built

7.4.1 Information on the size of properties built has generally only been collected since 2002. For the first three years it only relates to new build properties and not conversions which are an important component of the dwelling stock in Poole, Bournemouth and Weymouth, so the information must be treated with caution

7.4.2 Figures 7.1 and 7.2 below give a broad picture of the size and type of property built in the core and periphery areas as a whole between 2002 and 2006. This shows the much higher proportion of flats (particularly 2-bed size) built in the core (some 73.5% of new dwellings) compared to the periphery areas (20.9%). Family size 3-bed and 4-bed properties together only comprised 25% of the total in the core areas compared to 66% in the periphery areas.

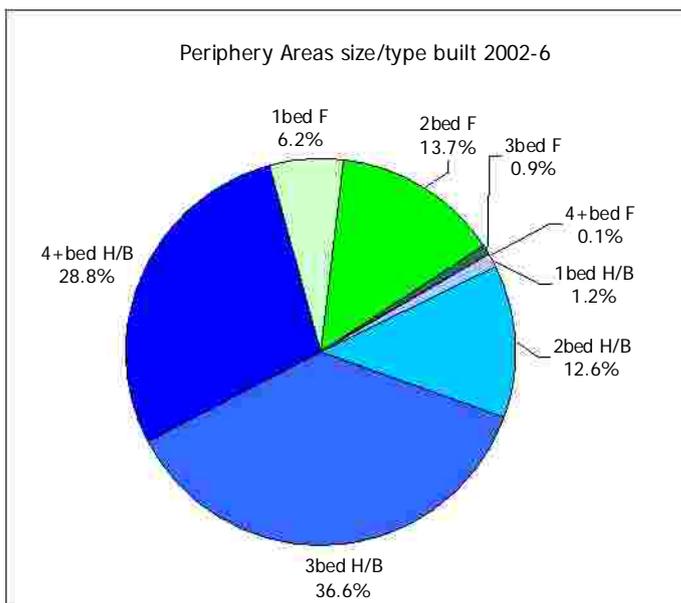
Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Figure 7.1 Core Areas, Size/Type of housing built



Source: Dorset, Poole and Bournemouth Councils 2007.

Figure 7.2 Periphery areas size/type of housing built



Source: Dorset, Poole and Bournemouth Councils 2007.

7.4.3 In Yeovil, comparable figures are available for three years. About 53% of dwellings built were 3-bed and 4-bed, or more. The remaining 47% were 1-bed and 2-bed. In New Forest District there was a 50:50 split.

7.4.4 Table 7.1 below shows the percentage split in size of properties built by sub-area. These are examined in more detail below.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

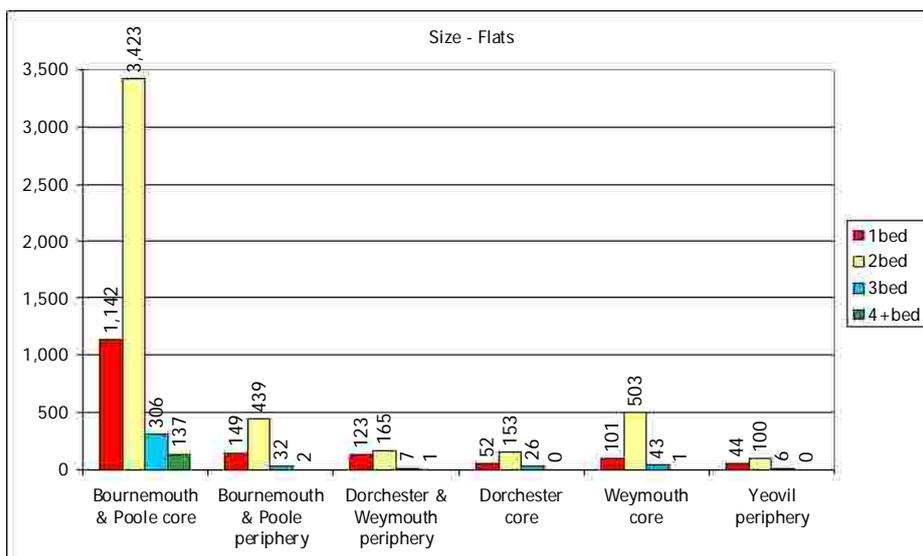
Table 7.1 Dwelling Size as Percentage of Four Year Total by Sub-market Area

| | Houses/bungalows % | | | | Flats % | | | | % Total |
|--------------------------------------|--------------------|-------|-------|-------|---------|-------|------|-------|---------|
| | 1bed | 2bed | 3bed | 4+bed | 1bed | 2bed | 3bed | 4+bed | |
| Bournemouth & Poole core | 0.34 | 6.50 | 9.41 | 5.57 | 17.83 | 53.43 | 4.78 | 2.14 | 100.00 |
| Bournemouth & Poole periphery | 1.18 | 11.90 | 32.24 | 26.43 | 6.77 | 19.94 | 1.45 | 0.09 | 100.00 |
| Dorchester core | 0.35 | 6.85 | 25.66 | 26.54 | 9.14 | 26.89 | 4.57 | 0 | 100.00 |
| Weymouth core | 0.28 | 6.76 | 19.81 | 10.53 | 9.76 | 48.60 | 4.16 | 0.10 | 100.00 |
| Dorchester & Weymouth periphery | 0.51 | 9.41 | 39.97 | 28.67 | 8.91 | 11.95 | 0.51 | 0.07 | 100.00 |
| North West Dorset (Yeovil periphery) | 1.80 | 16.54 | 39.83 | 32.17 | 2.83 | 6.44 | 0.39 | 0 | 100.00 |
| All areas | 0.67 | 8.88 | 21.49 | 15.96 | 12.28 | 36.45 | 3.20 | 1.07 | 100.00 |

Source: Dorset, Poole and Bournemouth Councils 2007.

7.4.5 Figures 7.3 and 7.4 below show the breakdown of both flats and houses/bungalows by size. Further analysis of these figures is given for each of the sub-market sections.

Figure 7.3 New Flats Built, by Size and HMA Sub Area, 2002–2006

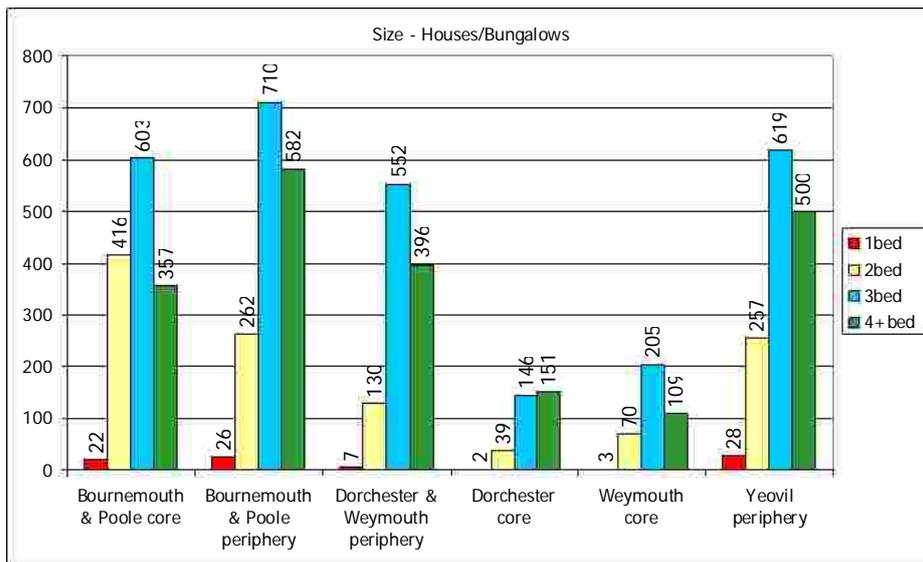


Source: Dorset, Poole and Bournemouth Councils 2007.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Assessment

June 2008

Figure 7. 4 New Houses/Bungalows Built, by Size and HMA Sub area, 2002-2006



Source: Dorset, Poole and Bournemouth Councils 2007.

7.5 Characteristics of the Bournemouth and Poole HMA

7.5.1 In the Bournemouth/Poole HMA, 10,923 dwellings (net) were built between 2001 and 2006, of which 8,112 (74.3%) were in the core area and 2,811 (25.7%) in the periphery.

7.5.2 Bournemouth/Poole Core

Of the development within the core area, 61% was within Bournemouth local authority area, 31% in Poole and 8.3% in Christchurch.

Table 7.2 Dwelling Completions 2001-2006 (Net) Bournemouth/Poole core.

| | Net dwells built 2001-06 | % |
|----------------|-----------------------------|-------|
| Bournemouth | 4,966 | 61.22 |
| Christchurch | 670 | 8.26 |
| Poole | 2,476 | 30.52 |
| B/P core total | 8,112 | 100 |

Source: Dorset, Poole and Bournemouth Councils 2007.

7.5.3 Considering the split between affordable and private development, whereas Bournemouth has seen the largest share of new development over the last five years, it has seen a lower share of new affordable housing. Poole on the other hand has seen 51% of the affordable housing in the core but only 30% of overall development. This could be partly explained by the different overall site threshold at which affordable housing would be required as part of a development. Christchurch has a threshold of 25 overall dwellings, whereas Poole and Bournemouth look for affordable housing on sites of 15 dwellings or less. The higher figures in Poole could also be due to the greater availability of larger sites here than in the other authorities and to the higher amounts of grant funding that Poole has secured in recent years.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment

June 2008

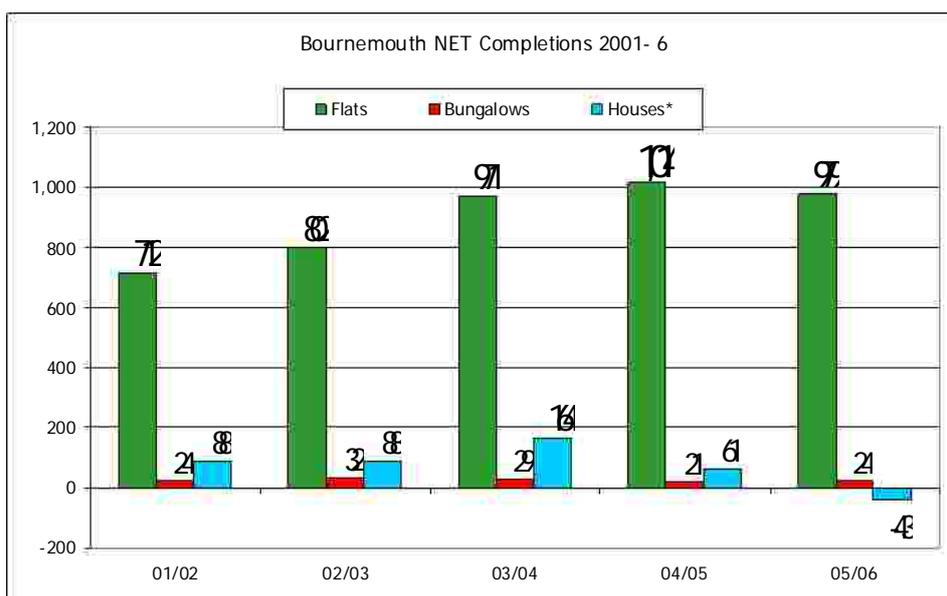
Table 7.3 Affordable Housing Built, 2001–2006, Bournemouth/Poole Core

| | Affordable housing built 2001-06 | | All housing built 2001-06 | | Affordable housing as % of all housing built. | |
|--------------|----------------------------------|-------|---------------------------|---|---|---|
| | Nos | % | Nos | % | Nos | % |
| Bournemouth | 422 | 41.2 | 4966 | | 8.5 | |
| Christchurch | 78 | 7.6 | 670 | | 11.6 | |
| Poole | 525 | 51.2 | 2476 | | 21.2 | |
| B/P core | 1025 | 100.0 | 8112 | | 12.6 | |

Source: Dorset, Poole and Bournemouth Councils 2007.

7.5.3 When net completions in Bournemouth are analysed for 2001-06 (Fig 7.5 below) this shows how flats have outperformed houses and bungalows every year. Indeed in 2005/06 there was a net loss of 43 houses (as so many were lost to conversion/demolition), while almost 1,000 new flats were built.

Figure 7.5 Net completions by Dwelling Type, 2001-06, Bournemouth



Source: Bournemouth Council 2007.

7.5.4 Some 78% of all new build in the Bournemouth/ Poole core was of 1 or 2-bed dwellings (Table 7.4). This was a high as 83% in Bournemouth and about 60% in Poole and Christchurch. The proportion of small dwellings is much higher in the core area than in the Bournemouth / Poole periphery where just under 40% fell into this category. The concentration of small flats in Bournemouth is also evident. Over 70% of new dwellings built in the Borough over the last four years were 1 or 2-bed flats.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Table 7.4 Size of Dwellings Built, 2002-2006, Bournemouth/Poole Core

| | Houses/bungalows % | | | | Flats% | | | |
|--------------|--------------------|-------|-------|-------|--------|-------|------|-------|
| | 1bed | 2bed | 3bed | 4+bed | 1bed | 2bed | 3bed | 4+bed |
| Bournemouth | 0.42 | 5.57 | 5.99 | 3.03 | 19.24 | 58.34 | 4.77 | 2.64 |
| Christchurch | 0 | 14.42 | 22.92 | 12.75 | 23.85 | 23.66 | 2.40 | 0 |
| Poole | 0.11 | 6.86 | 20.57 | 15.66 | 6.06 | 43.88 | 6.28 | 0.57 |
| B/P core | 0.34 | 6.50 | 9.41 | 5.57 | 17.83 | 53.43 | 4.78 | 2.14 |

Source: Dorset, Poole and Bournemouth Councils 2007.

7.5.5 Bournemouth/Poole Periphery

Of development within the Bournemouth/Poole periphery over the five year period over half was in East Dorset, over a quarter in North Dorset, particularly the Blandford area. Purbeck experienced lower growth.

Table 7.5 Dwelling Completions, 2001–2006, Bournemouth/Poole Periphery

| | Net dwells built 2001-06 | % |
|---------------|-----------------------------|-------|
| East Dorset | 1,476 | 52.51 |
| North Dorset | 796 | 28.32 |
| Purbeck | 539 | 19.17 |
| B/P periphery | 2,811 | 100 |

Source: Dorset, Poole and Bournemouth Councils 2007.

7.5.6 North Dorset has achieved a much higher proportion of affordable housing than the other two authorities. Numerically both East and North Dorset achieved similar numbers of dwellings, but in North Dorset it was within a much smaller supply of development. This reflects the continuous supply of sites in and around Blandford over the period, while opportunities in Purbeck have reduced in recent years.

Table 7.6 Affordable Housing Built, 2001–2006, Bournemouth/Poole Periphery

| | Affordable housing built 2001-06 | | All housing built 2001-06 | | Affordable housing as % of all housing built | |
|---------------|-------------------------------------|-------|------------------------------|---|--|--|
| | Nos | % | Nos | % | | |
| East Dorset | 140 | 42.68 | 1476 | | 9.49 | |
| North Dorset | 139 | 42.38 | 796 | | 17.46 | |
| Purbeck | 49 | 14.94 | 539 | | 9.09 | |
| B/P periphery | 328 | 100 | 2811 | | 11.67 | |

Source: Dorset, Poole and Bournemouth Councils 2007.

7.5.7 As with the type of housing being built in the periphery, so the size of housing being built is the reverse of that in the core, with over 60% being of 3 or 4+ bed size compared with only 22% in the core area. Within the periphery area North Dorset has the highest proportion of larger dwellings (68%). About 60% of all 2-bed flats are located in East Dorset, with Purbeck having another 32% of the total.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Table 7.7 Proportion of New Dwellings by Size, 2002-2006, Bournemouth/Poole Periphery

| | Houses/bungalows % | | | | Flats% | | | |
|---------------|--------------------|-------|-------|-------|--------|-------|------|-------|
| | 1bed | 2bed | 3bed | 4+bed | 1bed | 2bed | 3bed | 4+bed |
| East Dorset | 0.72 | 6.97 | 32.08 | 27.97 | 8.13 | 23.59 | 0.45 | 0.09 |
| North Dorset | 2.33 | 20.65 | 36.02 | 30.90 | 3.11 | 5.44 | 1.55 | 0 |
| Purbeck | 0.68 | 11.62 | 27.11 | 15.95 | 8.66 | 31.89 | 3.87 | 0.22 |
| B/P periphery | 1.18 | 11.90 | 32.24 | 26.43 | 6.77 | 19.94 | 1.45 | 0.09 |

Source: Dorset, Poole and Bournemouth Councils 2007.

7.6 Characteristics of the Dorchester/Weymouth HMA

7.6.1 Looking at the Dorchester/Weymouth HMA as a whole, it can be seen that almost half of all development over the period has been in the periphery. Weymouth has seen around 32% and Dorchester just under 20%.

Table 7.8 Dwelling Completions, 2001–06, Dorchester/Weymouth HMA

| | Net dwells built 2001-06 | % |
|-----------------|-----------------------------|-------|
| Dorchester Core | 778 | 19.58 |
| Weymouth Core | 1,300 | 32.7 |
| D/W periphery | 1,897 | 47.72 |
| D/W HMA | 3,975 | 100 |

Source: Dorset County Council, 2007.

7.6.2 Similarly, just under half of all the affordable housing built in this area has been in the periphery. However, as a proportion of all development, the core areas have secured more affordable dwellings. This is in contrast to the Bournemouth/Poole HMA where the core area had a lower proportion than the periphery.

7.6.3 Analysis of Weymouth's figures shows a particularly good year in 2005/06 when over 30% of new housing was affordable. It appears that the lowering of thresholds in 2003 to sites of 9 or more dwellings could be beginning to reap benefits.

Table 7.9 Affordable Housing Built, 2001–2006, Dorchester/Weymouth HMA

| | Affordable housing built 2001-06 | | All housing built 2001-06 | | Affordable housing as % of all housing built | |
|-----------------|-------------------------------------|-------|------------------------------|---|--|-------|
| | Nos | % | Nos | % | | |
| Dorchester Core | 97 | 21.27 | 778 | | | 12.47 |
| Weymouth Core | 159 | 34.87 | 1300 | | | 12.23 |
| D/W periphery | 200 | 43.86 | 1897 | | | 10.54 |
| D/W HMA | 456 | 100 | 3975 | | | 11.47 |

Source: Dorset County Council 2007.

7.6.4 Generally there is a more even spread of dwelling sizes, between core and periphery, although within the periphery area, almost 70% have been 3 or 4+ bed size. Almost 40% of new development in the periphery has been 3-bed houses. This area already has a relatively high proportion of its total dwelling stock in the medium to large category (4-6 and 7+ room), so continuation of this trend will not improve the supply of smaller dwellings.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

7.6.5 Dorchester again exhibits a pattern of new dwelling size more typical of a rural area than the other core areas. Over 56% of new developments are 3 or 4+ bed size. Bearing in mind that Dorchester has a high proportion of small (1-3 room) dwellings in its existing stock and over 55% of its stock as terraced dwellings or flats, the development of larger dwellings here may be helping to balance the overall supply. The price of properties in Dorchester compares well with other towns in West Dorset with no indication that demand for a particular size/type is forcing up prices.¹⁰

7.6.6 Conversely over 65% of development in Weymouth has been of 1 or 2-bed size which is similar to the proportions in Poole and Christchurch.

Table 7.10 Percentage of New Dwellings by Size, 2002-06, Dorchester/Weymouth HMA.

| | Houses/bungalows % | | | | Flats% | | | |
|-----------------|--------------------|------|-------|-------|--------|-------|------|-------|
| | 1bed | 2bed | 3bed | 4+bed | 1bed | 2bed | 3bed | 4+bed |
| Dorchester Core | 0.35 | 6.85 | 25.66 | 26.54 | 9.14 | 26.89 | 4.57 | 0 |
| Weymouth Core | 0.28 | 6.76 | 19.81 | 10.53 | 9.76 | 48.6 | 4.16 | 0.1 |
| D/W periphery | 0.51 | 9.41 | 39.97 | 28.67 | 8.91 | 11.95 | 0.51 | 0.07 |
| D/W HMA | 0.4 | 8.01 | 30.25 | 21.98 | 9.25 | 27.5 | 2.54 | 0.07 |

Source: Dorset, Poole and Bournemouth Councils 2007.

7.7 Characteristics of North/West Dorset

7.7.1 Over 80% of housing development in the North/West Dorset sub market area has been in North Dorset. This reflects high growth in towns such as Gillingham, Shaftesbury and Sturminster Newton over the last five years. Net figures for Yeovil over the same period show 1,225 dwellings were completed in the town, which seems relatively low when compared with the amount of development in North Dorset.

Table 7.11 Dwelling Completions, 2001-2006, North/West Dorset (Yeovil Periphery) and Yeovil.

| | Net dwells built 2001-06 | % |
|-------------------------------|-----------------------------|------|
| North Dorset | 1,798 | 88.7 |
| West Dorset | 229 | 11.3 |
| N/W Dorset (Yeovil periphery) | 2,027 | 100 |
| Yeovil | 1,225 | - |

Source: Dorset County Council 2007 and South Somerset Council 2007.

7.7.2 The figures for the last five years show almost all affordable housing built in this area has been in North Dorset. The proportion of affordable housing achieved was over 16%, one of the highest ratios achieved in the County. In Yeovil around 11% of development over the three years, 2003 to 2006, was affordable housing. Having a higher proportion of affordable housing in the periphery over this period is not typical of the other HMA areas. However the figures only reflect a small part of the Yeovil hinterland and may be different if the whole of the surrounding area was included.

¹⁰ Fordham Research - Dorset HNDS 2007.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment

June 2008

Table 7.12 Affordable Housing Built, 2001–2006, North/West Dorset (Yeovil Periphery) and Yeovil*.

| | Affordable housing built 2001-06 | | All housing built 2001-06 | | Affordable housing as % of all housing built | |
|-------------------------------|----------------------------------|-------|---------------------------|---|--|-------|
| | Nos | % | Nos | % | Nos | % |
| North Dorset | 291 | 99.66 | 1,798 | | | 16.18 |
| West Dorset | 1 | 0.34 | 229 | | | 0.44 |
| N/W Dorset (Yeovil periphery) | 292 | 100 | 2,027 | | | 14.41 |
| Yeovil * | 87 | - | 805 | | | 10.81 |

Source: Dorset County Council 2007 and South Somerset Council 2007

*Yeovil figures for affordable housing only available for 3 years 2003-6.

7.7.3 In the North/West Dorset periphery, 1 and 2-bed dwellings only made up 27.6% of dwellings built between 2002-6. The majority, over 72%, were 3 and 4+ bed. This was even higher in the West Dorset part of the sub-market (over 90%). By contrast in Yeovil there is a much more even split (47% were 1 and 2-bed; 53% 3 and 4+ bed). This is more typical of Dorchester. Generally, this area is similar other periphery areas in only having around 8% of its 2001 stock as smaller dwellings. This is well below the regional and national averages of 10.5% and 12.3%, respectively. Development of the last four years will not have improved the supply of small dwellings.

Table 7.13 Percentage of New Dwellings by Size, 2002-2006, North/West Dorset (Yeovil Periphery) and Yeovil*

| | Houses/bungalows % | | | | Flats% | | | |
|-------------------------------|--------------------|-------|-------|-------|--------|-------|------|-------|
| | 1bed | 2bed | 3bed | 4+bed | 1bed | 2bed | 3bed | 4+bed |
| North Dorset | 2.03 | 17.85 | 39.12 | 30.26 | 3.19 | 7.19 | 0.36 | 0 |
| West Dorset | 0 | 6.25 | 45.45 | 47.16 | 0 | 0.57 | 0.57 | 0 |
| N/W Dorset (Yeovil periphery) | 1.80 | 16.54 | 39.83 | 32.17 | 2.83 | 6.44 | 0.39 | 0 |
| Yeovil * | 0.24 | 6.05 | 32.81 | 19.86 | 18.28 | 22.76 | 0 | 0 |

Source: Dorset, Poole and Bournemouth Councils 2007 and S Somerset Council 2007

*Yeovil figures only available for 3 years.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Summary

Bournemouth/Poole HMA

- Of the 10,900 dwellings (net) built from 2001 – 2006, 74% were in the core and 26% in the periphery.
- Almost 70% of development in the core was in the form of flats, compared to only 25% in the periphery.
- Over 50% of all dwellings built in the core between 2002 and 2006 were 2 bed flats.
- 70% of all flats built in the core were in Bournemouth.
- In 2005/6 Bournemouth saw a net loss of 43 houses and a gain of almost 1,000 flats.
- Larger (3 and 4+bed dwellings) were concentrated in the periphery. (75% of completions from 2002 – 2006).
- Affordable housing completions comprised only 12.6% of completions in the core between 2001 and 2006 – the highest concentration was in Poole (21.2%) with only 8% in Bournemouth.
- In the periphery a slightly lower proportion of affordable housing was built (11.7%) with North Dorset supplying the most (17%).

Dorchester/Weymouth HMA

- Of almost 4,000 dwellings (net) built from 2001 – 2006, almost half (48%) were in the periphery.
- A slightly higher proportion of affordable housing was built in the core areas compared to the periphery.
- 2 bed flats made up almost 50% of Weymouth's provision from 2002 – 2006.
- 3 and 4+ bed houses/bungalows made up 68% of new provision in the periphery.
- In Dorchester there was a more even split with 2 bed flats, 3 bed houses and 4+ bed houses each comprising around 25% of the new build stock between 2002 and 2006.

North/West Dorset

- 88% of the (net) development in this area was in North Dorset, reflecting high levels of growth in the market towns (Gillingham, Shaftesbury and Sturminster Newton.)
- Affordable housing was also heavily concentrated in North Dorset.
- Over 72% of development from 2002 – 2006 comprised 3 or 4+ bed houses/bungalows – in West Dorset this rose to over 90%.

8.0 Housing Need 2001 - 2006

8.1 Source of Data

8.1.1 The findings of the survey of Housing Need and Demand undertaken across the County in 2007 are reported in Chapter 13. This section provides some background information on need from HSSA returns for 2006.

8.2 Households on the Housing Register

8.2.1 Table 8.1 below shows that the number of households on the Housing Register increased by around 100% across the County between 2001 and 2006 with the most significant increase (277%) in Christchurch. Throughout the Bournemouth / Poole core the numbers seem to have increased particularly since 2003. In the Bournemouth / Poole periphery the figures remained more stable, with practically no change over the period in East Dorset and Purbeck. In the Dorchester Weymouth HMA there have also been significant increases over the period. In West Dorset they rose quickly to 2004 and have fallen back since, whereas in Weymouth they have risen more steadily over the six years.

Table 8.1 Households on Housing Register 2001 – 2006

| Area | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | % change 2001 - 06 |
|---------------------------|--------|--------|--------|--------|--------|--------|-----------------------|
| Bournemouth | 1,624 | 1,753 | 1,963 | 2,336 | 3,721 | 4,633 | 185 |
| Poole | 2,474 | 2,632 | 2,624 | 3,087 | 5,246 | 6,058 | 145 |
| Christchurch | 523 | 542 | 679 | 1,261 | 2,155 | 1,944 | 271 |
| B/P core | 4,621 | 4,927 | 5,266 | 6,684 | 11,122 | 12,635 | 173 |
| EDDC | 1,869 | 1,581 | 1,805 | 1,790 | 1,717 | 1,895 | 1 |
| NDDC | 1,361 | 1,559 | 1,657 | 1,728 | 2,098 | 1,859 | 37 |
| Purbeck | 784 | 744 | 654 | 820 | 859 | 790 | 1 |
| B/P periphery | 4,014 | 3,884 | 4,116 | 4,338 | 4,674 | 4,544 | 13 |
| WDDC | 541 | 497 | 1,180 | 2,096 | 1,346 | 1,512 | 180 |
| WPBC | 1,316 | 1,283 | 1,662 | 1,444 | 2,746 | 3,166 | 141 |
| D/W HMA* | 1,857 | 1,780 | 2,842 | 3,540 | 4,092 | 4,678 | 152 |
| Total Dorset, Poole Bnmth | 10,492 | 10,591 | 12,224 | 14,562 | 19,888 | 21,857 | 108 |

Source HSSA returns 2001 - 06

*Figures are only available for whole Local Authority areas and so it is not possible to break them down to the sub-market areas.

8.3 Homeless Households

8.3.1 Despite the rise in numbers on the Register, the number of homeless households in priority need has generally declined over the same period. In both HMAs there is a clear difference between the urban areas, where there has been a significant decline, and in the more rural areas where numbers have generally remained more stable.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Table 8.2 Households Accepted as Homeless and in Priority Need during the Year.

| Area | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | % change 2001- 06 |
|---------------------------|-------|-------|-------|-------|-------|------|----------------------|
| Bournemouth | 512 | 656 | 776 | 254 | 244 | 95 | -82 |
| Poole | 179 | 116 | 126 | 91 | 81 | 46 | -74 |
| Christchurch | 170 | 150 | 159 | 101 | 108 | N/A | N/A |
| B/P core | 861 | 922 | 1,061 | 446 | 433 | N/A | N/A |
| EDDC | 67 | 54 | 61 | 72 | 89 | 75 | 12 |
| NDDC* | 196 | 139 | 165 | 193 | 206 | 169 | -14 |
| Purbeck | 92 | 95 | 72 | 102 | 71 | 87 | -5 |
| B/P periphery | 355 | 288 | 298 | 367 | 366 | 331 | -7 |
| WDDC | 156 | 118 | 117 | 126 | 140 | 166 | 6 |
| WPBC | 247 | 211 | 242 | 220 | 157 | 92 | -63 |
| D/W HMA* | 403 | 329 | 359 | 346 | 297 | 158 | -61 |
| Total Dorset, Poole Bnmth | 1,619 | 1,539 | 1,718 | 1,159 | 1,096 | N/A | N/A |

Source HSSA return 2006

*Figures are only available for whole Local Authority areas and so it is not possible to break them down to the sub-market areas.

8.4 Size of Property Required

8.4.1 Information is also included on the size of property required by households on the register. In Dorset as a whole, 50% indicated a requirement for 1-bed accommodation. This proportion was significantly lower in North Dorset where only 16% required 1-bed accommodation. Here, however, a higher than average proportion required 2-bed accommodation. In general small (1 or 2-bed) accommodation made up about 80% of requirements.

Table 8.3 Size of Property Required by Households on Housing Register 2006

| Area | 1bed | 2 bed | 3 bed | 4+ bed | unspecified |
|---------------------------|------|-------|-------|--------|-------------|
| Bournemouth | 53.1 | 29.3 | 15 | 2.6 | 0 |
| Poole | 53.8 | 27.7 | 15.8 | 2.7 | 0 |
| Christchurch | 58.5 | 25.2 | 14.2 | 2.1 | 0 |
| B/P core | 54.3 | 27.9 | 15.2 | 2.6 | 0 |
| EDDC | 54.9 | 28.7 | 14 | 2.4 | 0 |
| NDDC* | 16.5 | 56.4 | 22 | 5.1 | 0 |
| Purbeck | 53.9 | 30.6 | 14.2 | 0.3 | 1 |
| B/P periphery | 37.9 | 41.2 | 17.5 | 3.2 | 0.2 |
| WDDC | 57.1 | 26.3 | 15.2 | 1.3 | 0.1 |
| WPBC | 53.1 | 26 | 15.8 | 5.1 | 0 |
| D/W HMA** | 54.4 | 26.1 | 15.6 | 3.8 | 0.1 |
| Total Dorset, Poole Bnmth | 50.8 | 30.4 | 15.8 | 2.9 | 0.1 |

Source HSSA returns 2006

*Figures are only available for whole Local Authority areas and so it is not possible to break them down to the sub-market areas.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Summary

Bournemouth/Poole Core

- The number of households on the housing register has increased by over 8,000 (173%) across the area, but with a particularly sharp rise in Christchurch (227%). Despite this, the number of households accepted as homeless and in priority need in Bournemouth and Poole declined over the period by 70-80%.
- Of those on the housing register, around 55% are seeking 1 bed size dwellings and 28% 2 bed. Only 2.6% are seeking 4 or more bedroom accommodation

Bournemouth/Poole Periphery (including all North Dorset)

- There has been a relatively small increase of 530 households on the housing registers in this area. The numbers on the register in East Dorset and Purbeck increased by only 1% each.
- As in the B/P core, the size of property required is heavily weighted to smaller dwellings with both East Dorset and Purbeck showing similar requirements for at least 50% 1 bed and 25% 2 bed accommodation. In North Dorset the requirements are focussed heavily on 2 bed accommodation (56%).

Dorchester/ Weymouth HMA (including all West Dorset).

- There has been a substantial increase in households on the housing register in this area, with a particularly high rate of increase in West Dorset (180%).
- The numbers accepted as homeless have declined by 61%, but the decline has all been in Weymouth where numbers have reduced by 155.
- In this area similar proportions of households (55%) are seeking 1 bed accommodation, with a further 26% requiring 2 bed dwellings.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

9.0 House Prices and Rental Values

9.1 Source of Data

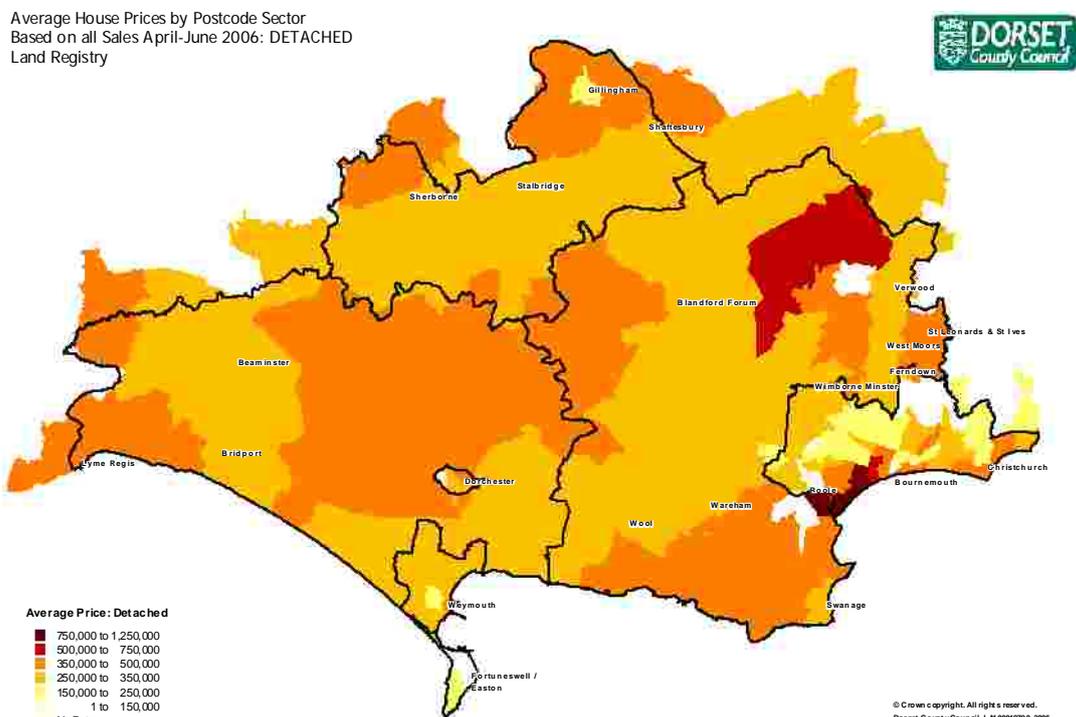
9.1.1 This section examines variations in house prices and rents for different types of property across the two housing market areas. It also looks at changes in house prices between 2000 and 2006. Information has been obtained from the Land Registry for house prices and the "Right move" company for rental prices. Further information can be found in the survey of Housing Need and Demand reported in Chapter 13 and in the individual reports for each local authority.

9.2 Average House Prices

9.2.1 The Land Registry compiles data on the actual selling price of all properties. Data is released quarterly and broken down by accommodation type. An average price and the total number of sales is provided for each category. There are five categories: detached, semi-detached, terraced, flats and 'all sales'. In areas where there have been very few sales the data is suppressed. Also if an area has had a sale with a very high or very low price, significantly different to the majority of other sales, they will not be included. This therefore ensures that the average prices do not get skewed.

9.2.2 The average house price data also indicates the availability or lack of different accommodation types across the County. The housing stock data, described earlier, showed that detached properties are the most common property type in Dorset. As would be expected, therefore, sales of this type of dwelling provide the most comprehensive data set of average prices. Flats on the other hand, while predominant in Bournemouth and common in most towns, provide 'no data' for sales over large areas of the County, particularly the more rural areas.

Figure 9.1 Average Price of Detached Properties Sold, April-June 2006

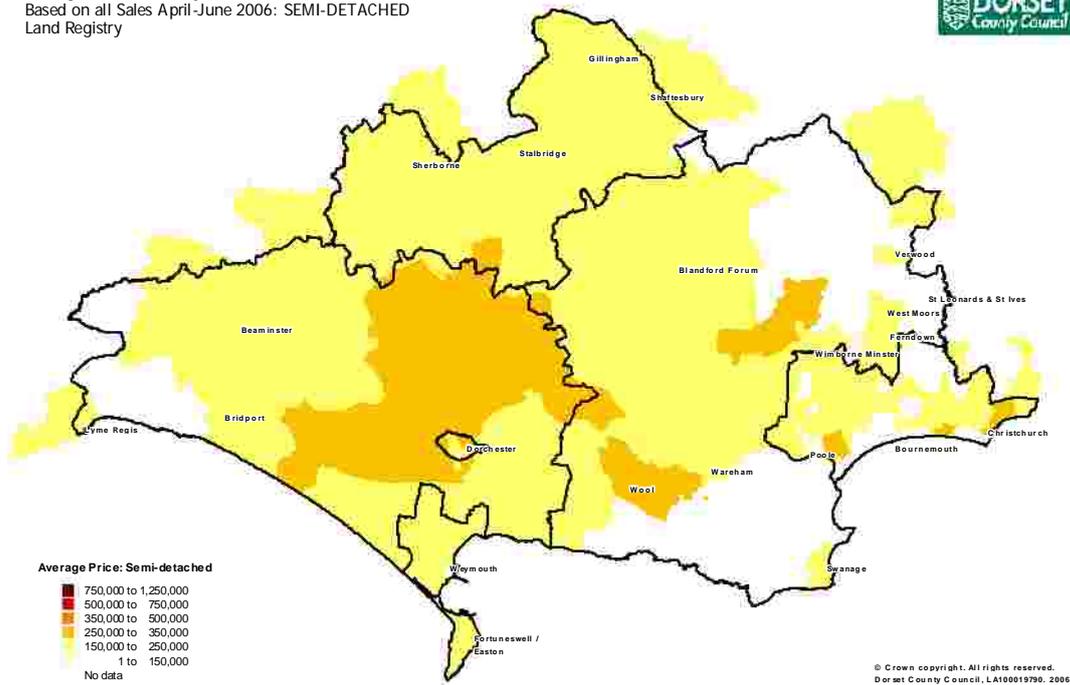


Source: HM Land Registry

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Figure 9.2 Average Price of Semi-detached Properties Sold, April-June 2006

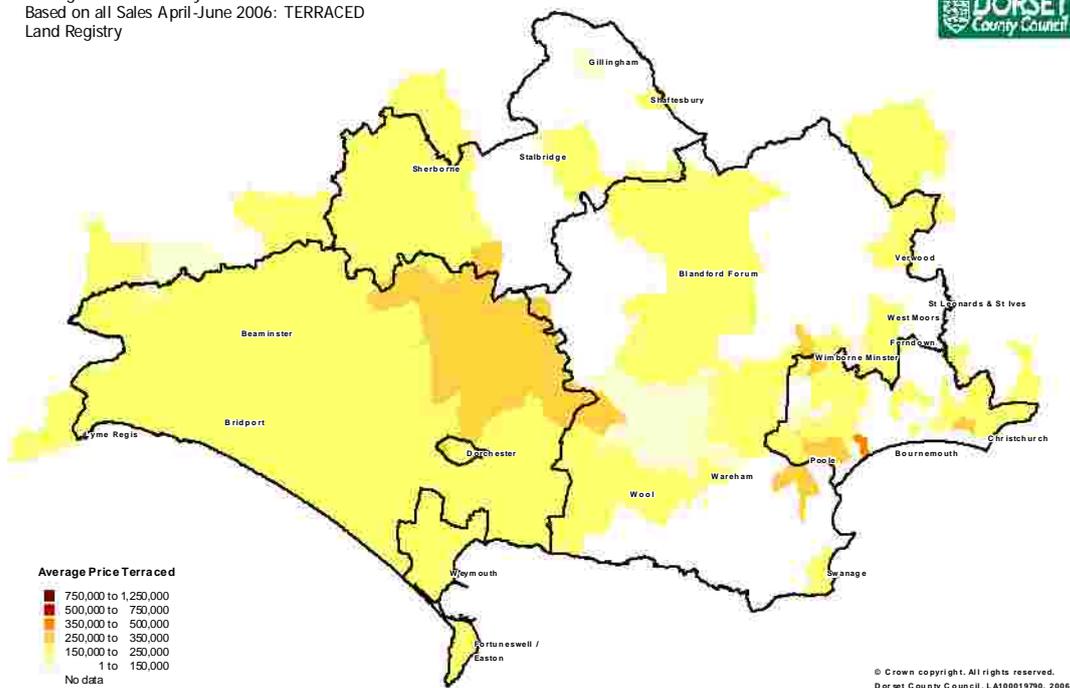
Average House Prices by Postcode Sector
Based on all Sales April-June 2006: SEMI-DETACHED
Land Registry



Source: HM Land Registry

Figure 9.3 Average Price of Terraced Properties Sold, April-June 2006

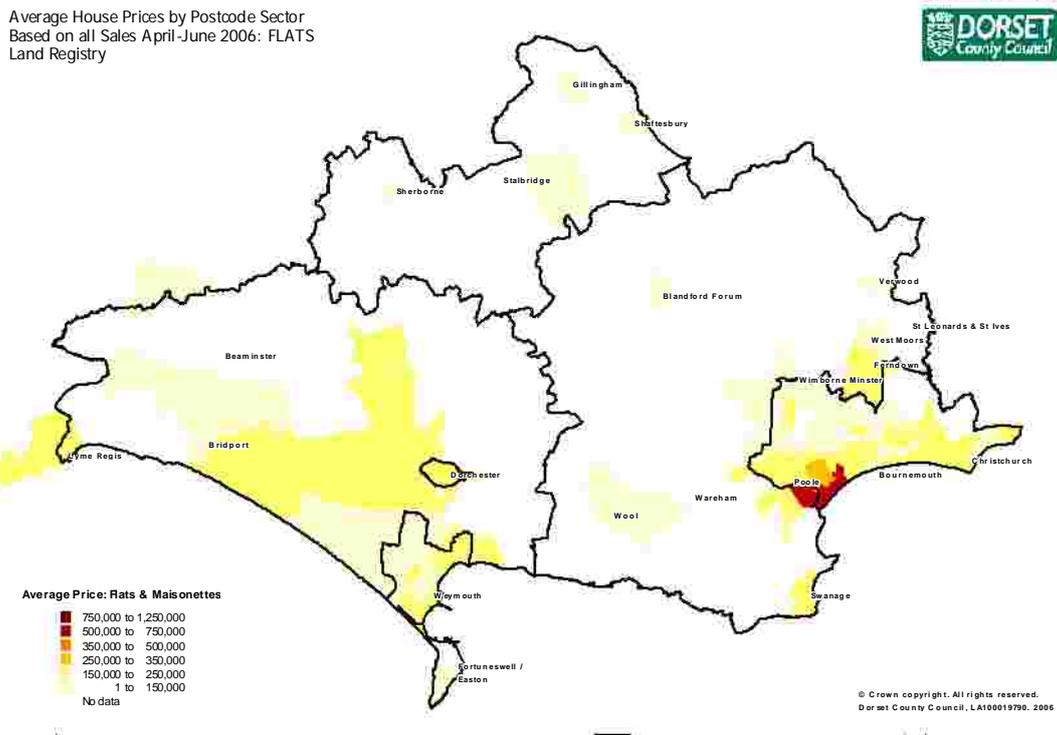
Average House Prices by Postcode Sector
Based on all Sales April-June 2006: TERRACED
Land Registry



Source: HM Land Registry

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Figure 9.4 Average Price of Flats Sold, April-June 2006



Source: HM Land Registry

9.2.3 Bournemouth/Poole HMA

Within the core area the majority of property falls within the £150,000 to £250,000 and the £250,000 to £350,000 price ranges. Around Canford Cliffs and Sandbanks, average prices increase to over £500,000. There is just one part of the Bournemouth / Poole core area where average prices are below £150,000. This is central Bournemouth (BH1 1 and BH1 2). Between April and June 2006 only flats were sold, which tend to be lower in price. The 2001 census showed that almost 84% of dwelling in the area are flats.

9.2.4 In the periphery, average house prices are generally higher, particularly in the more rural areas. In the northern part of East Dorset district average prices are over £500,000. The cheapest accommodation in Bournemouth / Poole periphery can be found in the more built up areas such as Wareham, Swanage, Blandford and also in Wool, which may be influenced by the armed forces base in the area. Here the average house costs £150,000 to £250,000.

9.2.5 The maps above show that in large parts of both Purbeck and East Dorset districts the only accommodation type that has sold is detached houses/bungalows. It is therefore not surprising that the average price is so high in these areas.

9.2.6 The cheapest accommodation in Bournemouth / Poole HMA is in the core area. Flats have sold for around £110,000 in Creekmoor / Canford Heath areas of Poole. The cheapest terraced houses are around £140,000 in East Canford Heath (Poole) and in Pokesdown (Bournemouth). Semi-detached houses start at £160,000 in Rossmore / Alderney (Poole) and in Pokesdown. The cheapest detached houses have sold in Newtown/Branksome part of Poole for an average of £190,000. Elsewhere detached property prices are all over £200,000.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

9.2.7 Dorchester/Weymouth HMA

House prices are lower in the core areas of Dorchester and Weymouth and generally higher in the periphery, particularly the more rural areas. The cheapest accommodation can be found in central Weymouth (Melcombe Regis) where average prices are just over £150,000. This is partly due to the fact that the majority of sales in this area were of flats which tend to be the cheapest accommodation type. Overall Weymouth core area provides cheaper housing than Dorchester core area.

9.2.8 In the periphery, the majority of houses fall into the £250,000 to £350,000 price range. Overall the Dorchester / Weymouth HMA does not have as high house prices as those found in parts of the east of the County. Even when looking at detached property, generally the highest priced average across the HMA does not exceed £500,000. The most expensive areas are north of Dorchester. In DT2 7 even terraced houses cost, on average, £250,000 to £350,000.

9.2.9 Flats are the cheapest accommodation type but there are few available outside of the core areas. As a result there is less availability at the lower end of the market in the Dorchester / Weymouth HMA, than in Bournemouth / Poole. Also the lowest priced houses in Dorchester / Weymouth HMA cost more than in parts of Bournemouth / Poole HMA. In general there is not such a wide range of prices. Portland offers the lowest price for houses, on average detached properties have sold for around £225,000, semi-detached for £188,000 and terraced for £155,000.

9.2.10 North West Dorset HMA

The North West of the County represents part of the periphery of Yeovil HMA. The average prices across Bournemouth, Dorset and Poole have shown that in general prices are higher in the peripheries than in the core areas of the HMAs. Across North West Dorset average house prices nearly all fall within the following price bands: £250,000 to £350,000 or between £350,000 and £500,000. There is very little available at the cheaper end of the market. No flats or terraced houses were sold in a large part of this area between April and June 2006.

9.2.11 In general prices are slightly lower than in the other two periphery areas in Dorset, particularly in Gillingham. The lowest priced flats, terraced and semi-detached housing in North West Dorset were all in Gillingham, priced at an average of £105,000, £148,000 and £166,000 respectively. These prices are lower than the core areas of Dorchester / Weymouth and of Bournemouth / Poole HMAs.

9.2.12 Looking over the County boundary to Yeovil, the core area of this HMA, average house prices are considerably lower. The Yeovil BA21 5 postcode sector is the only area where the average price of flats falls below £100,000.

9.2.13 In general the market towns within the periphery areas have lower house prices than their surrounding rural areas. Only Lyme Regis has higher average house prices than the surrounding area. The Table 9.1 below shows the average house price, by type, for each of the market towns in the three periphery areas. At the bottom of each section are the average prices of the remaining rural postcodes.

9.2.14 Gillingham had the lowest average house price, at £180,900, of all the market towns. At the other extreme, Lyme Regis recorded an average price of £323,600. This was also much higher than any of the rural areas (£307,000).

9.2.15 The market towns in the Dorchester / Weymouth periphery area have the highest average price, £246,600 clearly influenced by the very high prices in Lyme Regis. Market town prices in the Bournemouth / Poole periphery are slightly lower at £237,600. In the North West, the gap is larger with the average of the three towns at £208,000.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

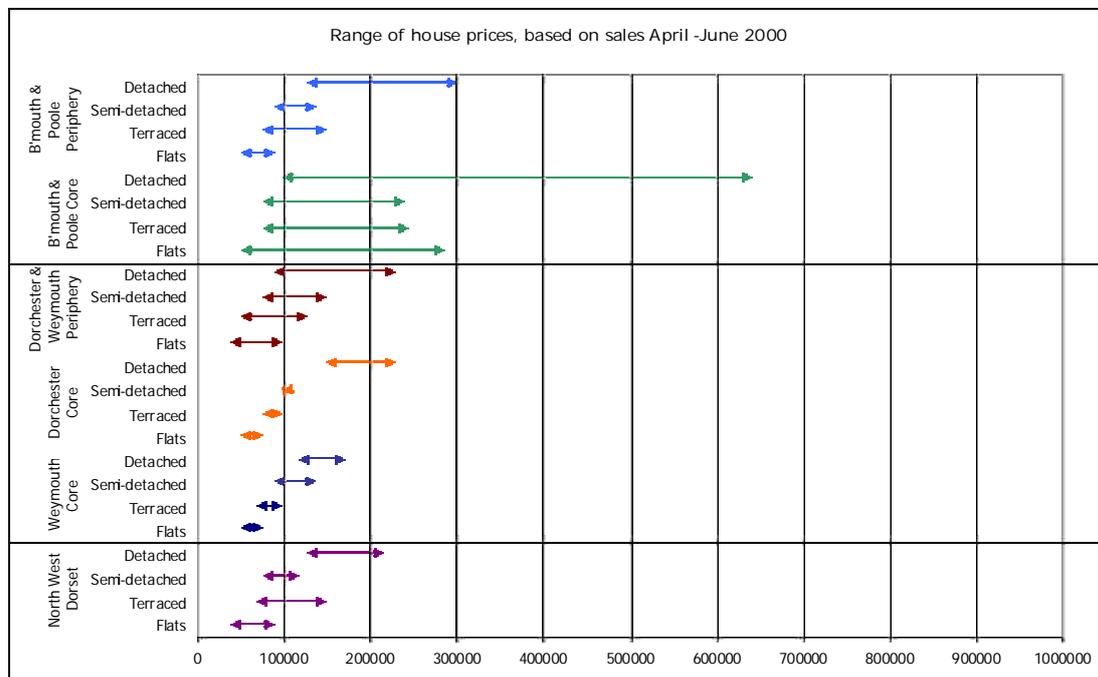
Table 9.1 House Prices in Market Towns and Rural Areas, April-June 2006

| | | detached | sales | semi-detached | sales | terraced | sales | flats | sales | all | sales |
|--------------------------------------|-------------------|-----------------|------------|-----------------|-----------|-----------------|-----------|-----------------|-----------|-----------------|------------|
| Bournemouth and Poole Periphery | Blandford | £255,069 | 21 | £201,133 | 9 | £168,191 | 36 | £127,930 | 15 | £186,919 | 81 |
| | Ferndown | £324,745 | 86 | £211,295 | 10 | £198,700 | 15 | £157,479 | 32 | £266,159 | 143 |
| | Swanage | £331,468 | 17 | £234,050 | 10 | £234,203 | 18 | £170,555 | 40 | £223,685 | 85 |
| | Wimborne | £304,132 | 56 | £221,184 | 16 | £213,822 | 23 | £128,803 | 16 | £248,189 | 111 |
| | Verwood | £292,439 | 55 | £181,100 | 10 | £176,691 | 18 | £115,583 | 6 | £244,596 | 89 |
| | Wareham | £297,222 | 9 | £200,857 | 7 | £217,000 | 7 | £0 | 0 | £243,478 | 23 |
| | Wool | £294,491 | 6 | £253,737 | 4 | £157,278 | 7 | £121,300 | 5 | £204,060 | 22 |
| | <i>rural area</i> | <i>£368,327</i> | <i>174</i> | <i>£229,325</i> | <i>47</i> | <i>£172,853</i> | <i>31</i> | <i>£139,144</i> | <i>17</i> | <i>£307,030</i> | <i>269</i> |
| Dorchester and Weymouth Periphery | Beaminster | £291,708 | 12 | £226,200 | 10 | £173,312 | 8 | £0 | 0 | £238,299 | 30 |
| | Bridport | £312,962 | 40 | £217,378 | 18 | £192,694 | 38 | £141,830 | 30 | £222,290 | 126 |
| | Lyme Regis | £376,720 | 27 | £218,650 | 3 | £244,166 | 6 | £232,142 | 7 | £323,660 | 43 |
| | <i>rural area</i> | <i>£357,558</i> | <i>80</i> | <i>£252,561</i> | <i>33</i> | <i>£217,545</i> | <i>35</i> | <i>£162,142</i> | <i>7</i> | <i>£294,762</i> | <i>155</i> |
| North West Dorset (Yeovil periphery) | Sherborne | £364,414 | 32 | £199,143 | 14 | £191,794 | 27 | £135,500 | 5 | £260,322 | 78 |
| | Shaftesbury | £266,785 | 7 | £214,661 | 9 | £155,134 | 22 | £116,125 | 4 | £182,783 | 42 |
| | Gillingham | £241,345 | 37 | £166,329 | 30 | £148,711 | 35 | £105,887 | 9 | £180,878 | 111 |
| | <i>rural area</i> | <i>£349,278</i> | <i>65</i> | <i>£205,572</i> | <i>38</i> | <i>£180,371</i> | <i>12</i> | <i>£100,714</i> | <i>7</i> | <i>£273,641</i> | <i>122</i> |

Source: HM Land Registry. Average house prices based on sales April – June 2006

9.2.16 The chart below shows the range of house prices for each accommodation type and in each HMA. The wider range in price seen in Bournemouth / Poole HMA and to a lesser extent Dorchester / Weymouth HMA is also linked to the size of the areas, i.e. the amount of housing stock in the area. The larger the area the more diverse it is likely to be.

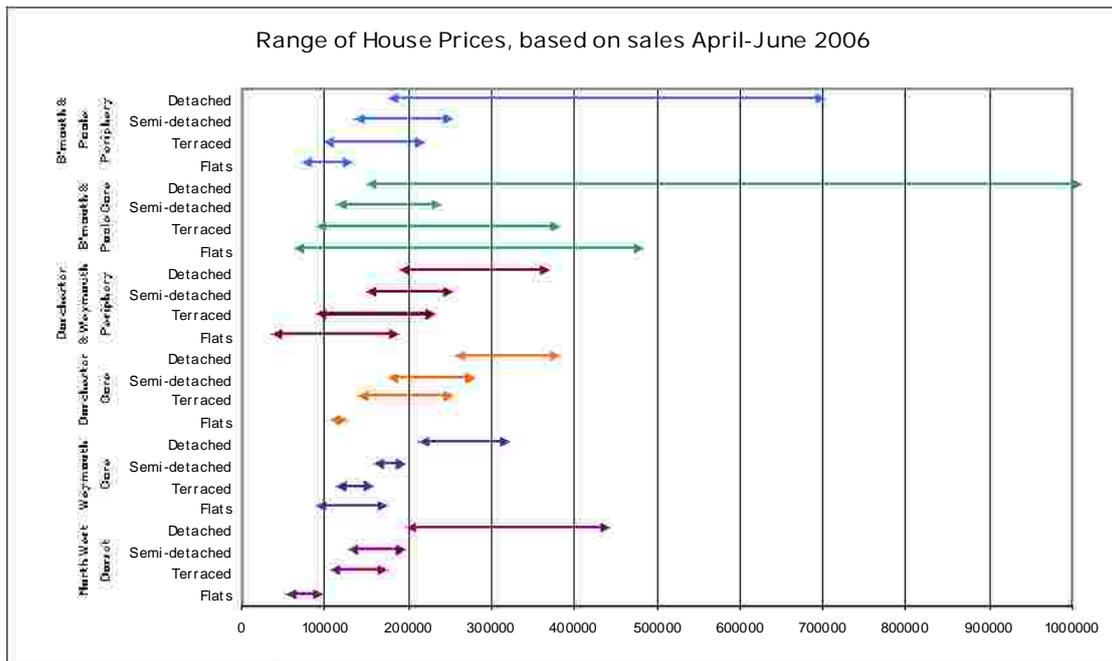
Figure 9.5 Range of House Prices Sold April-June 2000



Source: HM Land Registry & DCC

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Assessment
June 2008

Figure 9.6 Range of House Prices Sold April-June 2006

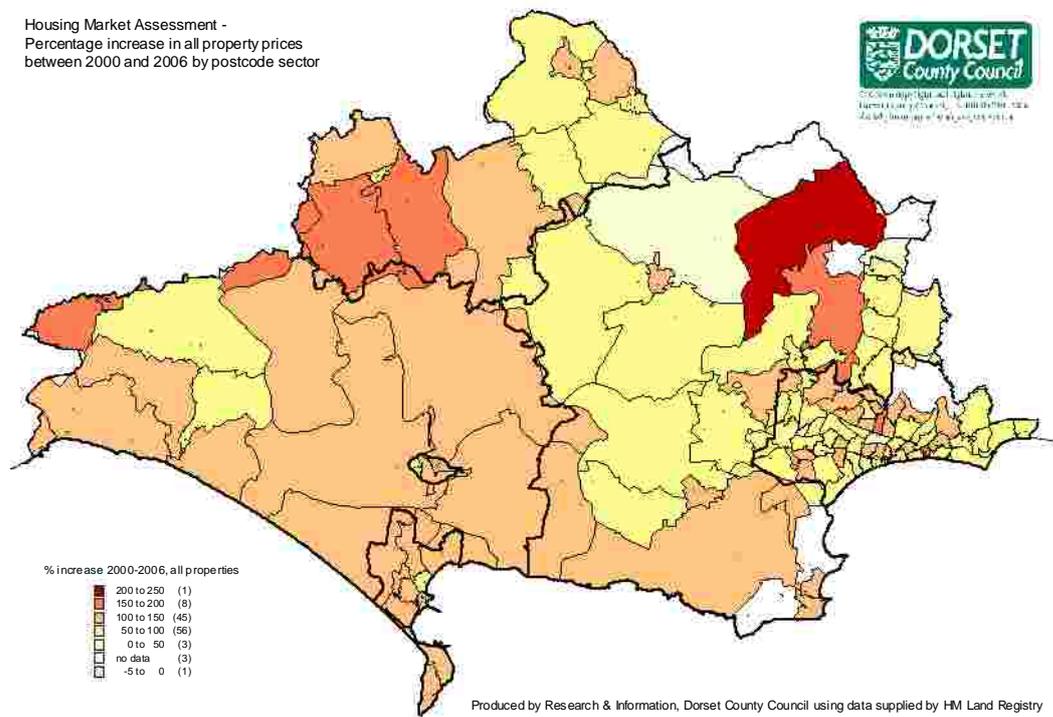


Source: HM Land Registry & DCC

9.3 Increase in House Prices 2000-2006

9.3.1 The following maps show the percentage increase in house prices from 2000 to 2006 for all property types.

Figure 9.7 Percentage increase in All House Prices between 2000 and 2006



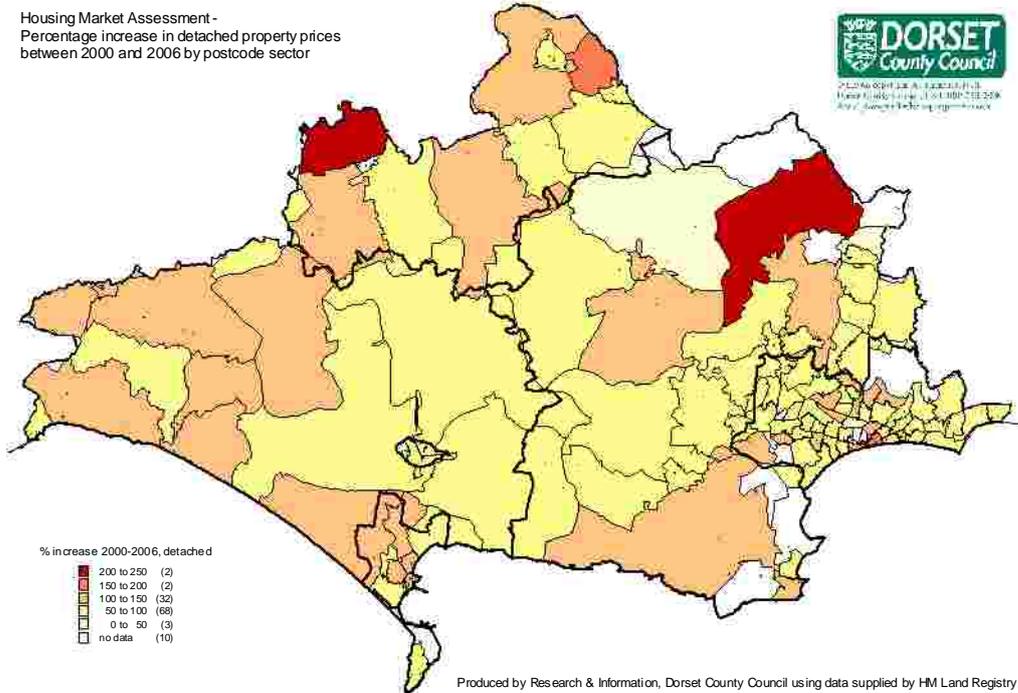
Source: HM Land Registry

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Assessment

June 2008

9.3.2 House price increases are higher in the west of the County, particularly in the Dorchester / Weymouth periphery, Weymouth Core and North West Dorset. However this could be that these areas have been 'catching up' with the Bournemouth / Poole HMA which still has higher house prices than elsewhere in the County.

Figure 9.8 Percentage Increase in Detached Property Prices, 2000-2006

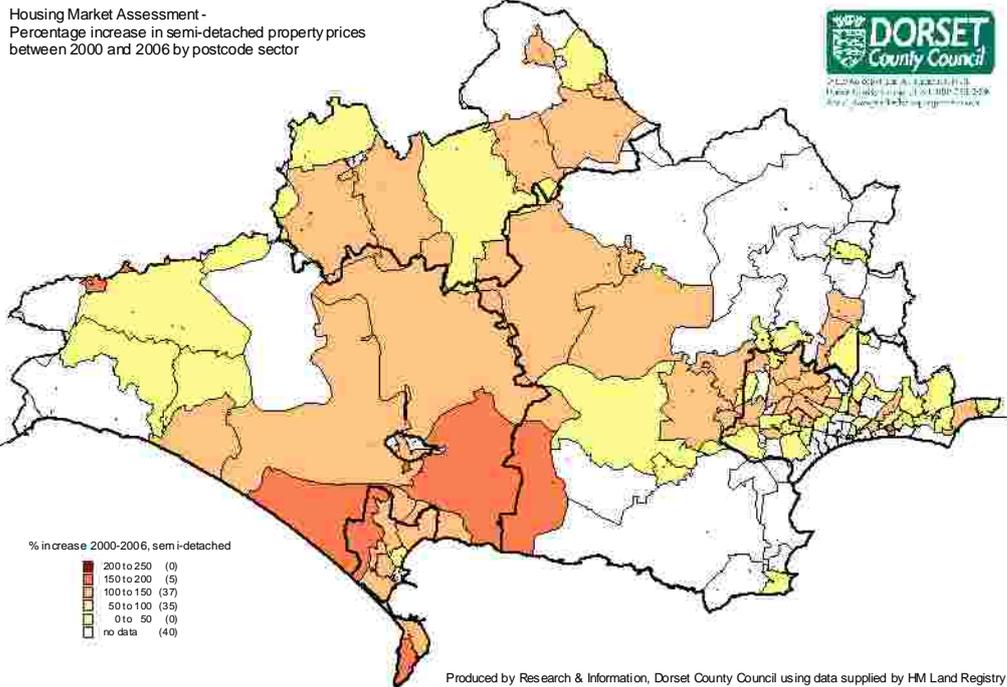


9.3.3 The greatest increase is in price of detached properties. This is to be expected as detached properties make up the highest proportion of sales. Semi-detached properties have also seen significant increases in the periphery areas, particularly in the areas around Dorchester and Weymouth. The map highlights the limited availability of this property type, particularly in the Bournemouth / Poole periphery.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment

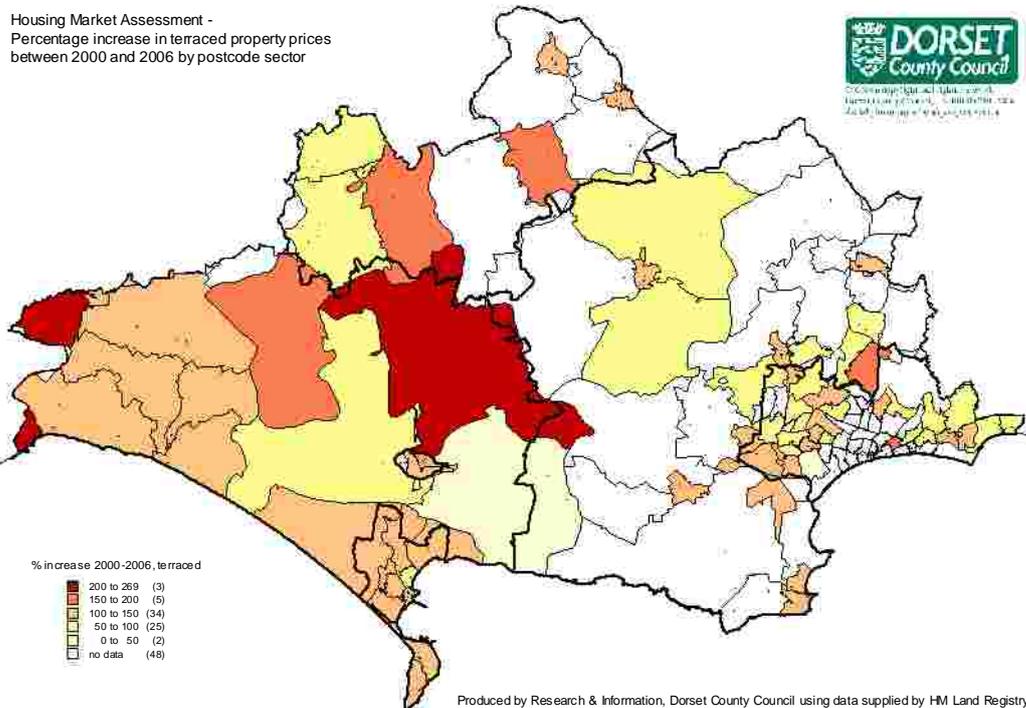
June 2008

Figure 9.9 Increase in Semi-detached Property Prices, 2000-2006



Source: HM Land Registry

Figure 9.10 Increase in Terraced Property Prices, 2000-2006



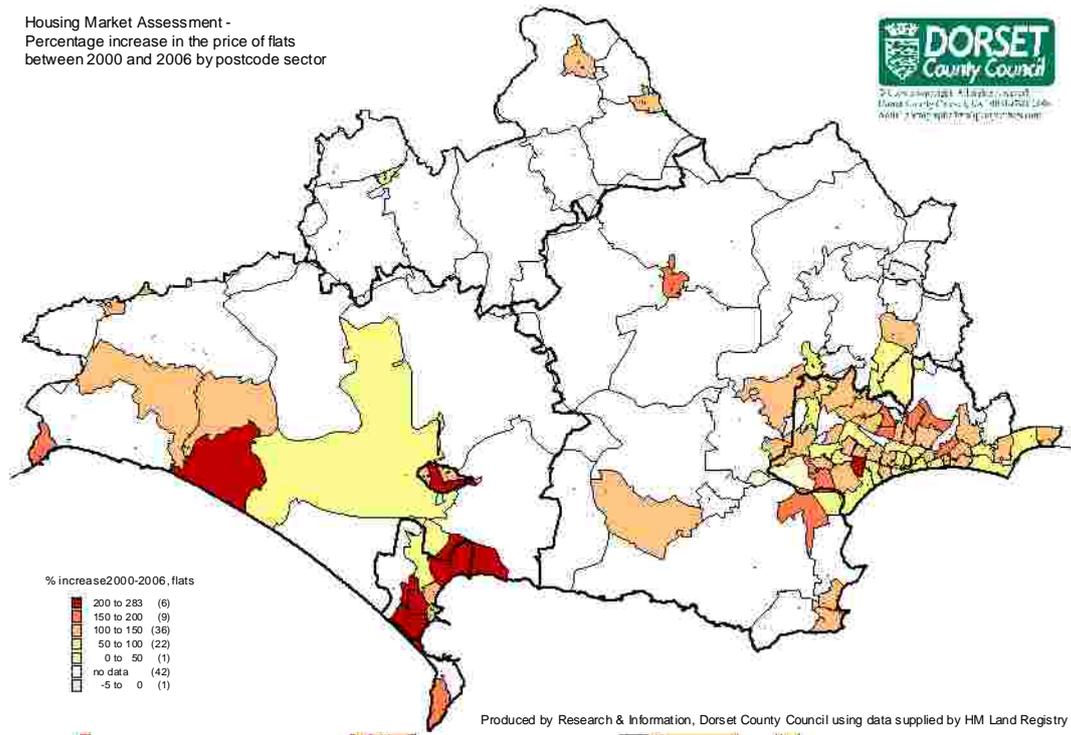
9.3.4 The greatest increases in terraced properties appear in the north and west of the County with isolated hot spots north of the Conurbation. However the increase in prices of flats is much more aligned to the core areas and market towns. Price rises in Weymouth and coastal towns in West Dorset are comparable with wards in and around the Bournemouth/Poole core.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment

June 2008

Figure 9.11 Increase in Price of Flats, 2000-2006

Housing Market Assessment -
Percentage increase in the price of flats
between 2000 and 2006 by postcode sector



Source: HM Land Registry

Summary

- In each of the HMAs the core areas have generally lower average house prices than the periphery areas.
- The range of accommodation type is greater in the core areas. In large parts of the peripheries, particularly the more rural areas, only detached houses have sold during the period April-June 2006. Therefore there is little availability and the cheaper end of the market.
- There is a general decrease in price from Bournemouth & Poole HMA to Dorchester & Weymouth HMA and again to Yeovil HMA

Bournemouth/Poole HMA

- The increase in house prices in the Bournemouth / Poole HMA has been lower than elsewhere in the County, particularly in the periphery. The exception is the rural area of East Dorset.
- There are hotspots where there have been significant price increases however they vary according to property type. For example, the rural areas of East Dorset have seen detached property prices increase by almost 250%, there have been very limited sale of all other property types.
- The most significant price increase in the core area has been for flats. However, the increase in prices seen here is not as great as in the Dorchester / Weymouth HMA, this could be due to the larger supply in Bournemouth / Poole core.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Assessment
June 2008

- Dorchester/Weymouth HMA**
- Overall prices in the Dorchester / Weymouth HMA have increase by 100-150%. Within the HMA there are again variations according to property type.
 - The largest increases in detached properties are in the more rural area, particularly to the west.
 - The area north of Dorchester has seen very significant increases in the price of terraced properties, however there is much more limited supply elsewhere in the County.
 - The largest price increase in the core areas has been for flats.
- North West Dorset**
- Detached property prices have increase most significantly across this part of the County. However some parts have also seen a large increase in the price of terraced property.
 - Increases in the price of flats can be seen in the three market towns, with limited availability elsewhere.

9.4 Average Rental Prices

9.4.1 Private rental price data represents a sample of what is currently available (date of search: July 2006) and being advertised on the website www.rightmove.co.uk

Figure 9.12 Price Range of Monthly Rentals



Source: www.rightmove.co.uk

9.4.2 The range of rental prices in each of the HMAs shows a similar pattern to that seen in the Land Registry average house price data. Bournemouth and Poole has the widest range of prices for all sized properties. The range decreases in Dorchester/ Weymouth HMA and further still within North West Dorset. Interpretation is limited by the fact that there are no properties available with more than 4 bedrooms. This is further highlighted by Table 9.2 below. In total the Bournemouth / Poole core area had over 1,000 properties to rent at the time of the search, ranging from 1 to 8 bedroom flats and houses. The figure drops to just 17 available in North West Dorset, with 1, 2, 3 or 4 bedrooms. The details are described below for each HMA area.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Table 9.2 Number of Private Rented Properties Available, July 2006

| | No. of bedrooms | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | total |
|---------------------------------------|-----------------|-----|-----|-----|----|----|---|---|---|-------|
| Bournemouth / Poole core | House | 4 | 39 | 59 | 58 | 28 | 6 | 2 | 3 | 199 |
| | Flat | 187 | 463 | 130 | 35 | 21 | 7 | | | 843 |
| Bournemouth / Poole periphery | House | 3 | 20 | 33 | 9 | 2 | | | | 67 |
| | Flat | 16 | 17 | 5 | | | | | | 38 |
| Dorchester core | House | 1 | 2 | 3 | | | | | | 6 |
| | Flat | 6 | 8 | 1 | | | | | | 15 |
| Weymouth core | House | | 14 | 20 | 5 | 1 | | 1 | | 41 |
| | Flat | 3 | 20 | 1 | | | | | | 24 |
| Dorchester / Weymouth periphery | House | | 3 | 5 | 8 | | | | | 16 |
| | Flat | 2 | 8 | | | | | | | 10 |
| North West Dorset | House | 1 | 4 | 6 | 2 | | | | | 13 |
| | Flat | 3 | 1 | | | | | | | 4 |

Source: www.rightmove.co.uk

9.4.3 The range of rental prices in each of the HMAs shows a similar pattern to that seen in the Land Registry average house price data. Bournemouth and Poole has the widest range of prices for all sized properties. The range decreases in Dorchester and Weymouth HMA and further still within North West Dorset, which also becomes limited by the fact that there are no properties available with more than 4 bedrooms. The details are described below for each HMA area.

9.4.4 Bournemouth/Poole HMA

Within the Bournemouth / Poole HMA the core area has the largest number of private rental properties available and with that the widest range of prices. Small 1-bedroom flats can be rented from £275 per calendar month (pcm) in postcode area BH8 (Charminster and Queens Park, in Bournemouth) up to £775pcm in BH13 (Branksome Park, Canford Cliffs and Sandbanks, in Poole). In the periphery the price range of a 1-bedroom property is much lower, at £400-£600 pcm, but the very cheapest properties are not available in the periphery.

9.4.5 The same pattern can be seen for all sized accommodation, with a much wider range in price in the core than in the periphery. Overall the lowest prices are for properties in the core area and the difference is quite considerable, particularly for larger properties. For example, monthly rent for a 4-bedroom house in the core starts at £750; in the periphery the cheapest 4-bed property is £900. For 5-bedroom properties the gap is wider. Prices start at £940 in the core but rise to £1,500 in the periphery.

9.4.6 Dorchester/Weymouth HMA

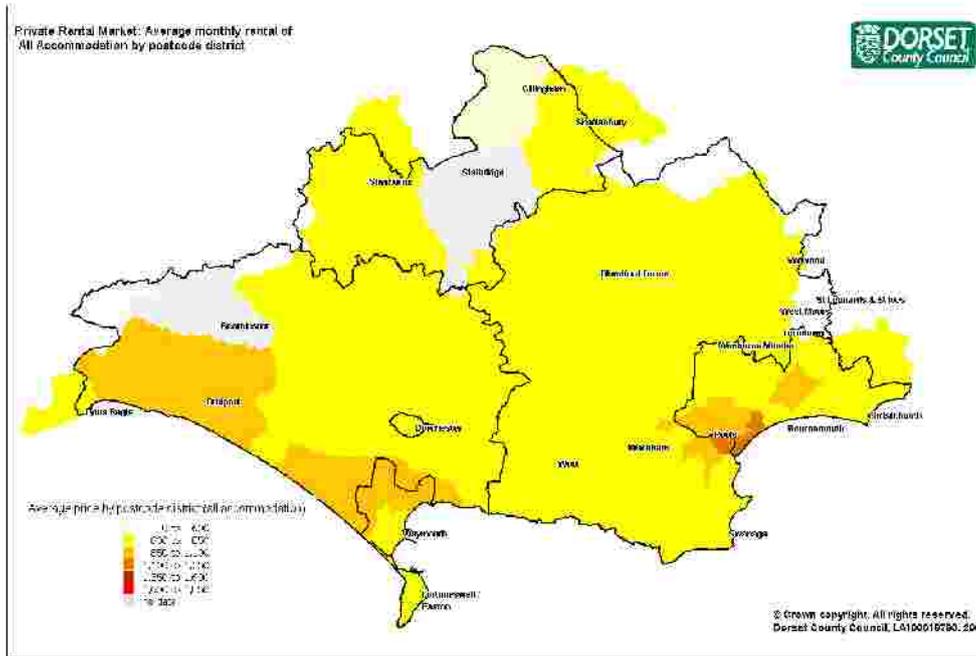
Generally prices are not so high as in the Bournemouth / Poole HMA. The most expensive property available to rent is a 5-bedroom house for £2,000 pcm, in Weymouth core area, compared to £3,500 pcm for a 4-bed house in Bournemouth / Poole HMA. However, the entry level prices are higher. The lowest priced privately rented property available in Weymouth core area, for example, is a 1-bed flat for £395 pcm. This is £120 more than the lowest price in Bournemouth / Poole core area. In Dorchester core area the lowest price is £450 pcm and in the periphery it is £495.

9.4.7 The Weymouth core has the widest range of property available to rent, from 1-bed to 6+ bed. In Dorchester core area there was nothing larger to rent than a 3-bed property. This reflects the existing stock of available housing. Dorchester has the lowest proportion of privately rented property and the lowest proportion of detached properties. Dorchester / Weymouth periphery is also more restricted. A solitary 1-bed property was available and there was nothing larger than a 4-bed property.

9.4.8 North West Dorset HMA

Privately rented property in the North West of the County has the narrowest price range of all the HMAs. The cheapest property available is a 1-bed flat for £425 pcm and the most expensive a 3-bed house for £900 pcm. Overall the number of properties available is far less than in the other HMAs.

Figure 9.13 Average Monthly Rental of All Accommodation



Source: www.rightmove.co.uk

Summary

- The range of accommodation type and size to rent is greater in the core areas. In the peripheries and North West Dorset there is much more limited availability of flats.
- There is a general decrease in rental range from the Bournemouth / Poole HMA to the Dorchester / Weymouth HMA and again to North West Dorset.

Bournemouth/Poole HMA

- The core has the largest range of types and prices of property to rent. Prices start at £275 per calendar month (pcm), compared to £400 in the periphery. Rents for similar sized properties are also higher in the periphery.

Dorchester/Weymouth HMA

Prices are generally higher than in the Bournemouth / Poole HMA and the range of properties is far smaller. The core areas are again cheaper than the periphery, Weymouth having the cheapest property to rent at £395 pcm. Coastal areas are more expensive than inland, no doubt due to the competition from holiday accommodation.

North West Dorset

- There are far fewer properties available to rent here and the price range is much less. The cheapest property is a 1 bed flat at £425 pcm.

Characteristics of the Economy and Labour Market

10.0 Employment and Firms

10.1 Source of Data

10.1.1 This section looks at the structure of employment and industry by housing market area and the possible impact of this on housing need and affordability. The main data sources are the Annual Business Inquiry 2005; the Census of Population 2001; GVA datasets; and VAT registration datasets, (all Office for National Statistics).

10.2 Employees in Employment

10.2.1 Employment data for 2005 showed that the Dorset sub-region had around 295,000 employees in employment, in 30,650 firms.

Table 10.1 Firms and Employees in Employment, 2005

| | Employees in employment | Firms | Employees per unit |
|-------------------------|-------------------------|-----------|--------------------|
| Great Britain | 26,503,100 | 2,312,810 | 11.4 |
| South West region | 2,207,700 | 212,120 | 10.3 |
| Dorset sub-region | 295,000 | 30,650 | 9.5 |
| South Somerset | 65,200 | 6,550 | 9.8 |
| New Forest | 64,500 | 7,900 | 8 |
| Bournemouth | 81,700 | 7,140 | 11.5 |
| Poole | 68,000 | 5,950 | 11.4 |
| DCC Dorset | 145,300 | 17,570 | 8.1 |
| Christchurch | 17,700 | 1,920 | 9.2 |
| East Dorset | 30,000 | 4,180 | 7.1 |
| North Dorset | 23,200 | 2,900 | 7.8 |
| Purbeck | 15,400 | 1,930 | 7.8 |
| West Dorset | 40,800 | 4,590 | 8.6 |
| Weymouth & Portland | 18,300 | 2,060 | 8.9 |
| Bournemouth/Poole HMA | 222,400 | 22,280 | 10 |
| BP core | 167,400 | 15,000 | 11.2 |
| BP rest | 55,100 | 7,280 | 7.6 |
| Dorchester/Weymouth HMA | 51,200 | 5,870 | 8.7 |
| DW core | 34,300 | 2,950 | 11.6 |
| Dorchester core | 15,100 | 950 | 15.8 |
| Weymouth core | 19,300 | 1,990 | 9.7 |
| DW rest | 17,000 | 2,920 | 5.8 |
| North-West Dorset HMA | 18,000 | 2,500 | 7.2 |

Source: Annual Business Inquiry 2005, Office for National Statistics

10.2.2 The distribution of employment is weighted towards the core area on Bournemouth / Poole. Firms are more evenly distributed in the Dorchester and Weymouth area, with a 50:50 spread between the core and remaining area.

10.2.3 Employment density within the Dorset sub-region¹¹ averages 9.5 employees per firm, generally below the regional and national averages since it has a smaller proportion of

¹¹ Bournemouth, DCC Dorset and Poole

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

large firms. Employment densities are greater in the core areas where larger firms are more likely to be located, particularly in the urban centres of Bournemouth and Poole with their large populations.

10.2.4 South Somerset had much the same employment density as the Bournemouth / Poole HMA, whereas, at 8.0 employees per firm, the New Forest district was more in line with Dorset County.

10.2.5 Bournemouth/Poole HMA
Three in four of the sub-region's employees are based in the Bournemouth / Poole HMA.

10.2.6 The HMA currently has around 222,400 employees in employment, working in 22,280 firms¹². Three-quarters of these employees and two-thirds of the firms are based in the core area of Bournemouth, Poole and Christchurch.

10.2.7 With an average of 10.0 employees per firm, the Bournemouth / Poole HMA has higher employment density than that found in the other two Dorset HMA areas.

10.2.8 Employment density is higher in the core area than in the periphery, however Christchurch has lower employment density than either Bournemouth or Poole.

10.2.9 Dorchester/Weymouth HMA
Almost a fifth of the sub-region's employees are based in the Dorchester / Weymouth HMA.

10.2.10 The area currently has around 51,200 employees in employment working in 5,870 firms. Employment is a little more dispersed than in the east of the County. In Dorchester and Weymouth two-thirds of employees and half of firms are located in the core area.

10.2.11 The Dorchester / Weymouth HMA has 8.7 employees per firm on average.

10.2.12 Employment density is higher in the core area than in the periphery and actually exceeds density in the Bournemouth and Poole core. Within the core area, Dorchester has higher employment density than Weymouth, as might be expected with the presence of large employers such as Dorset County Council, West Dorset District Council and Dorset County Hospital.

10.2.13 North-West Dorset
About one in twenty of the sub-region's employees are based in the North-West Dorset HMA area. The North-West Dorset HMA has around 18,000 employees working in 2,500 firms. Employment density is low in the North-West Dorset area with 7.2 employees per firm on average.

10.3 Employment by Sector

10.3.1 In common with the national and regional picture, the majority of employment in Dorset is in the service sector, largely in Public administration, education and health (28%) and in Distribution, hotels and restaurants (27%). Employment in these sectors is likely to be higher in the core areas. In both the New Forest and South Somerset, these were also the strongest sectors with Distribution, hotels and restaurants accounting for the highest percentage of employees.

¹² Annual Business Inquiry 2005, Office for National Statistics: excludes the self-employed.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

- 10.3.2 Manufacturing employment is much in line with the national and regional averages in the Dorset sub-region – 10% of employees in employment compared to 11% regionally and nationally. This type of employment is more likely to be located outside the core areas. The New Forest is also much in line, at 12%, but South Somerset is twice the national average with 22% of employees working in manufacturing.
- 10.3.3 At 20%, employment in Banking, finance and insurance was above the regional average (18%) in the Dorset sub-region as a whole and much in line with the national average. This type of employment was highest in the core areas, particularly in Bournemouth. Both South Somerset and the New Forest showed below average representation in this sector.
- 10.3.4 Employment in the knowledge based sector¹³ (professional and technical) was a little below average in the Dorset sub-region, at 21% compared to 23% nationally. This sector was better represented in the core areas than in the periphery. At 23%, South Somerset matched the national average with the New Forest below at 19%.
- 10.3.5 Five per cent of employment was in directly related leisure and tourism activities¹⁴; just above the national and regional averages of four per cent. This type of employment was evenly distributed between the core and peripheral areas but highest in the Dorchester / Weymouth HMA. Tourism employment was high in the New Forest at 7% and low in South Somerset at just 3%.
- 10.3.6 Bournemouth/Poole HMA
Bournemouth / Poole HMA is characterized by a high proportion of service sector employment but a relatively high percentage of employment in the manufacturing sector, especially in the peripheral area. Bournemouth in particular is distinguished by higher levels of employment in Distribution, hotels and restaurants; Banking, finance and insurance; and leisure and tourism.
- 10.3.7 Some 84% of employment in the Bournemouth / Poole HMA is service sector based. Service sector employment is higher in the core at 87% – led by Bournemouth – than in the periphery (76%).
- 10.3.8 Manufacturing employment was higher in the peripheral area at 17% than in the core (9%).
- 10.3.9 More than a fifth of employment was in the knowledge sector with representation being higher in the core, led by Bournemouth (27%).
- 10.3.10 About 5% of employment was in the leisure and tourism sector, both in the core and the peripheral area. In the core area, Bournemouth led with 6% employed in this sector. Poole and Christchurch were lower at 4% and 3% respectively.

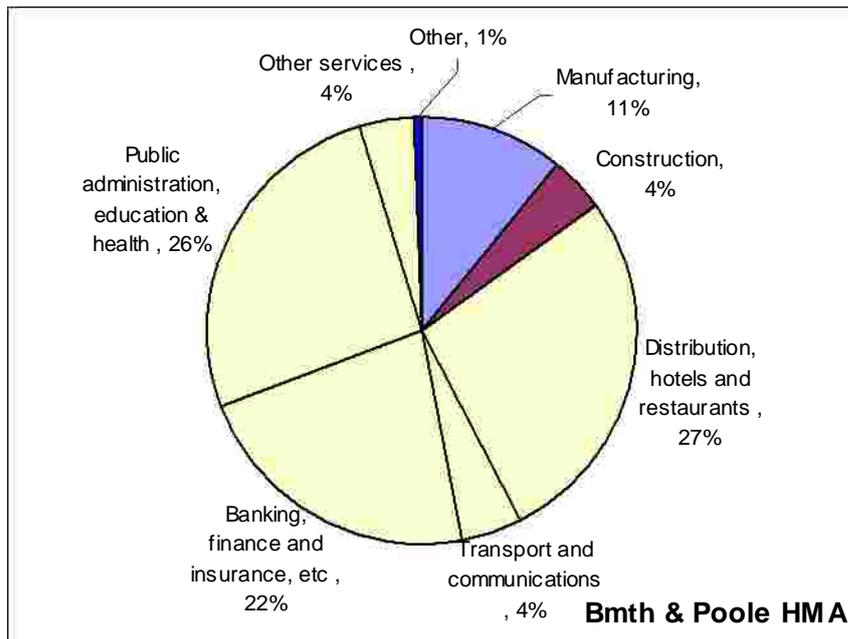
¹³ The knowledge sector is an aggregate sector made up of a range of SIC codes. It overlaps other sectors.

¹⁴ The leisure & tourism sector is an aggregate sector made up of a range of SIC codes. It overlaps other sectors.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment

June 2008

Figure 10.1 Distribution of Employment, 2005, Bournemouth/Poole HMA

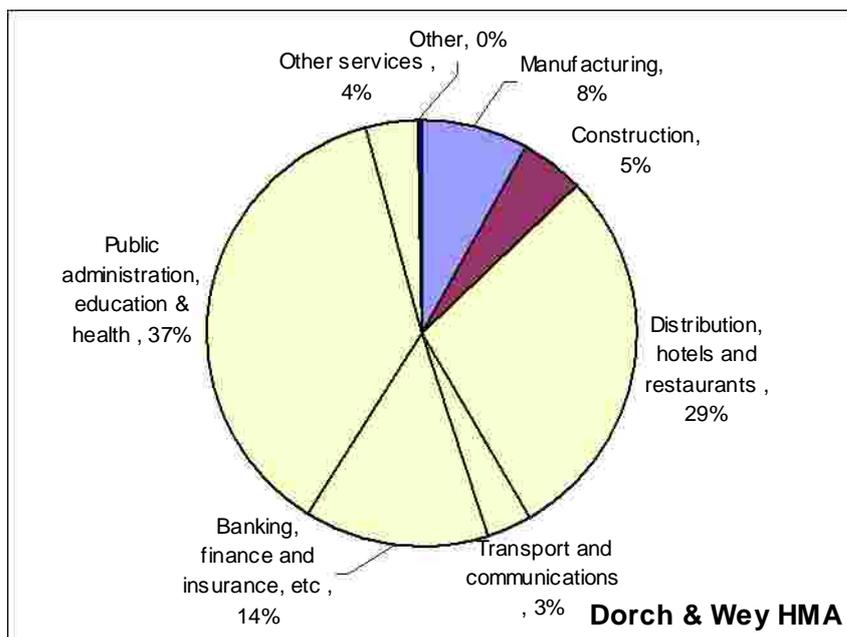


Source: Annual Business Inquiry 2005, Office for National Statistics

10.3.11 Dorchester/Weymouth HMA

The Dorchester / Weymouth area is characterized by its high proportion of employment in the service sector, particularly in Public administration, education and health, especially in the core area. Weymouth (including Chickerell) is distinguished by its higher levels of employment in Distribution, hotels and catering; Manufacturing; and leisure and tourism. In Dorchester about half of employees in employment work in Public administration, education and health. Manufacturing employment is low.

Figure 10.2 Distribution of Employment, 2005, Dorchester/Weymouth HMA



Source: Annual Business Inquiry 2005, Office for National Statistics

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

10.3.12 Some 87% of employment in the Dorchester / Weymouth HMA is service sector based. Service sector employment is higher in the core at 90% – led by Dorchester– than in the periphery (81%).

10.3.13 Manufacturing employment is higher in the peripheral area (10%) than in the core (7%). Manufacturing in Weymouth core is relatively strong, at 10%, but in Dorchester it represents only 3%.

10.3.14 16% of employment was in the knowledge sector with representation being higher in the core, led by Weymouth (18%). Only 14% of employment in the peripheral area was in this sector.

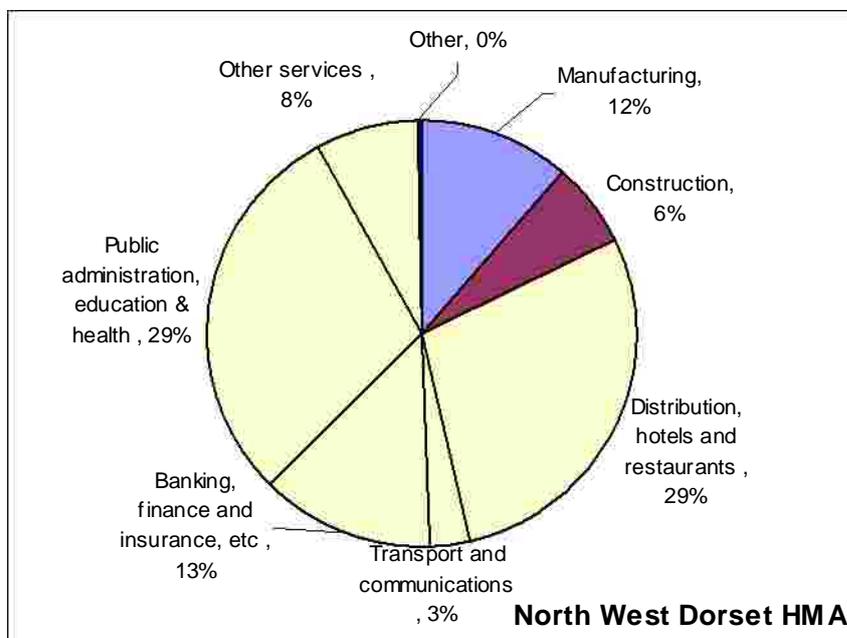
10.3.15 The leisure and tourism sector accounts for 6% of employment, with the peripheral area marginally higher than the core. In the core area, Weymouth led with 7% employed in this sector; Dorchester had just 4%.

10.3.16 North-West Dorset

Although North-West Dorset has a fairly high proportion of employees in Manufacturing, more than half of employment is in Public administration, education and health and Distribution, hotels and restaurants.

10.3.17 In all, more than four-fifths (82%) of employment in the North-West Dorset area is service sector based. Manufacturing accounts for 12% of employees in employment, just above the national average. Only 13% of employment was in the knowledge sector, about two-thirds the national average. About 4% of employment was in the leisure and tourism sector, just below the average for Dorset.

Figure 10.3 Distribution of Employment, 2005. North West Dorset

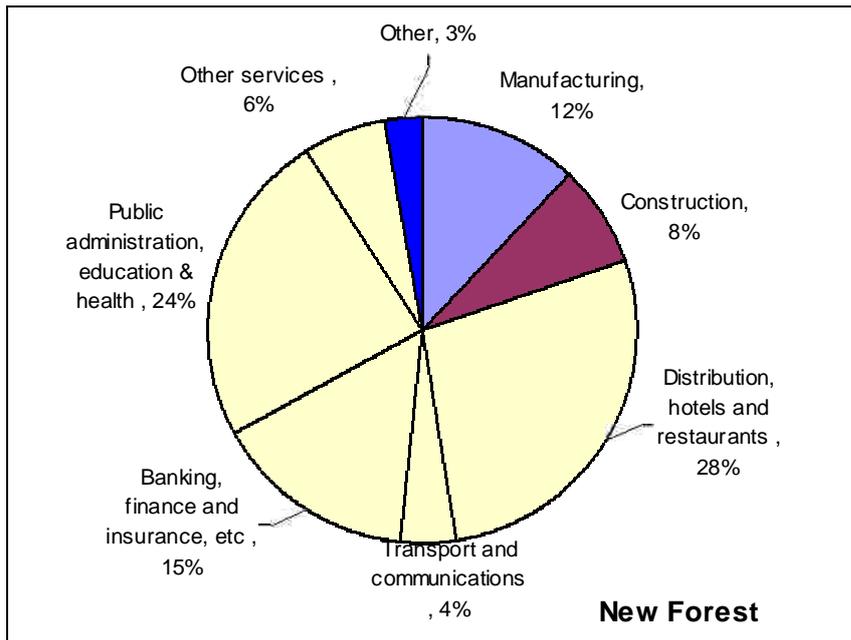


Source: Annual Business Inquiry 2005, Office for National Statistics

10.3.18 New Forest

In the New Forest, about half of all employees in employment work in Distribution, hotels and catering and in Public administration, education and health, contributing to 77% service sector employment. Employment in leisure and tourism is above average at 7%, but knowledge driven employment is below average at just under one-fifth.

Figure 10.4 Distribution of Employment 2005 – New Forest District

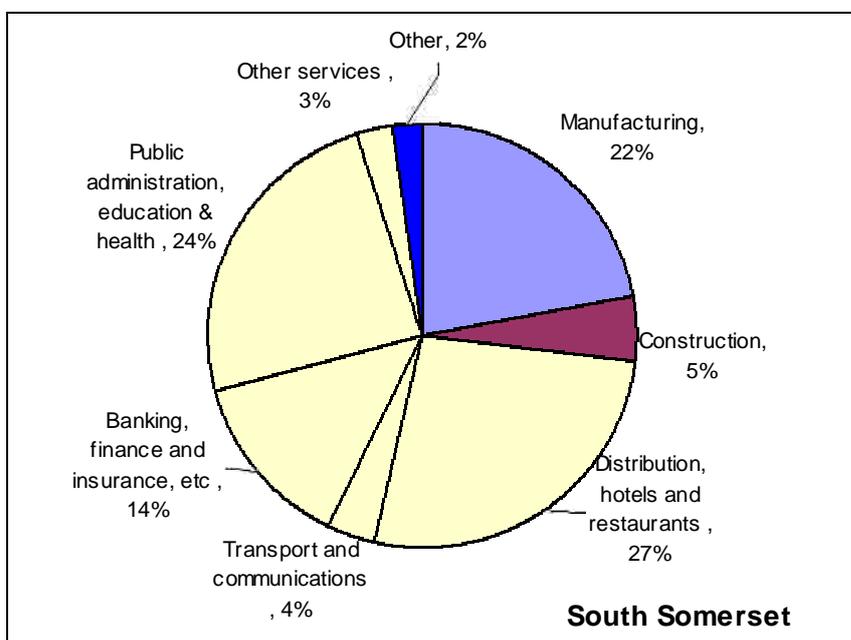


Source: Annual Business Inquiry 2005, Office for National Statistics

10.3.19 South Somerset

South Somerset has significantly high employment in Manufacturing; at 22% this is twice the national average. Nevertheless, about half of all employees in employment work in Distribution, hotels and catering and in Public administration, education and health. Employment in leisure and tourism is below average at 3%, but knowledge driven employment matches the national average at 23%.

Figure 10.5 Distribution of employment 2005 South Somerset District



Source: Annual Business Inquiry 2005, Office for National Statistics

10.4 High and Low Pay Employment

- 10.4.1 With about one in four Dorset employees working in the Distribution, hotels and restaurants, the sub-region has an above average proportion of people working in the low pay industrial sectors (Table 10.2). About 24% of employees are in low-pay jobs, compared with 21% nationally. At 5%, about the same proportion of people working in the high pay sectors is the case both regionally and nationally.
- 10.4.2 The Bournemouth/Poole HMA area has a marginally above average proportion of employees working in high pay sectors although, looking at its component areas, Christchurch and Purbeck in particular pulled up this average. Christchurch benefits from employment in transport equipment manufacture and Purbeck gains from its R&D and petroleum related sectors.
- 10.4.3 The percentage of employees in low pay sectors was six points above the national average in Bournemouth due to the high proportions working in the retail and hotels and restaurants sectors.
- 10.4.4 Dorchester/Weymouth HMA has a below average proportion of people employed in high pay sectors, especially in Dorchester itself. Compared with the SW regional average and other parts of Dorset, the HMA lacks employment in high pay sectors such as computer and related activities, transport equipment manufacture, activities auxiliary and financial intermediation.
- 10.4.5 This area, and particularly Weymouth, also has a slightly above average proportion in low pay sectors, particularly in hotels and restaurants, and in retail.
- 10.4.6 North-West Dorset also has an above average percentage in the low pay sectors, particularly in retail and other service activities. North-West Dorset lacks employment in the higher paying sectors including computer and related activities, transport equipment manufacture, activities auxiliary to financial intermediation.
- 10.4.7 The New Forest matched the national percentage of people employed in the high pay sectors, but had an above average proportion in low pay employment, particularly in the hotels and restaurants and agricultural sectors.
- 10.4.8 South Somerset had twice the average proportion of employment in the higher paid sectors, largely transport equipment manufacture. Retail employment was also fairly high, pulling up the proportion in low pay sectors.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment

June 2008

Table 10.2 Percentage of Employees in Employment¹⁵ in High Pay and Low Pay Sectors, 2005

| | High pay: % of all | Low pay: % of all |
|---------------------------------------|-----------------------|----------------------|
| Great Britain | 5% | 21% |
| South West region | 5% | 23% |
| Dorset sub region | 5% | 24% |
| South Somerset | 11% | 24% |
| New Forest | 5% | 26% |
| Bournemouth | 5% | 27% |
| Poole | 6% | 19% |
| DCC Dorset | 7% | 40% |
| Christchurch | 8% | 23% |
| East Dorset | 5% | 20% |
| North Dorset | 2% | 25% |
| Purbeck | 8% | 22% |
| West Dorset | 1% | 24% |
| Weymouth & Portland | 4% | 34% |
| HMA Bournemouth and Poole | 6% | 22% |
| HMA Bournemouth and Poole core | 6% | 23% |
| HMA Bournemouth and Poole periphery | 5% | 18% |
| HMA Dorchester and Weymouth | 2% | 25% |
| HMA Dorchester and Weymouth core | 2% | 26% |
| Dorchester | 1% | 18% |
| Weymouth | 2% | 32% |
| HMA Dorchester and Weymouth periphery | 2% | 24% |
| North-West Dorset | 2% | 27% |

Source: Annual Business Inquiry, 2005, (ONS)

¹⁵ Work-based

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Table 10.3 Highest and Lowest Paid INDUSTRY GROUPS; United Kingdom; April 2006

| Highest paid: | Median gross weekly pay |
|---|-------------------------|
| Extraction of crude petroleum and natural gas; service activities incidental to oil and gas extraction excluding surveying | £795 |
| Manufacture of coke, refined petroleum products and nuclear fuel | £700 |
| Mining of coal and lignite; extraction of peat | £683 |
| Activities auxiliary to financial intermediation | £671 |
| Computer and related activities | £665 |
| Electricity, gas, steam and hot water supply | £602 |
| Research and development | £595 |
| Manufacture of tobacco products | £568 |
| Manufacture of other transport equipment | £553 |
| Air transport | £536 |
| Lowest paid: | Median gross weekly pay |
| Hotels and restaurants | £279 |
| Manufacture of wearing apparel; dressing and dyeing of fur | £302 |
| Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods | £308 |
| Other service activities | £318 |
| Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear | £330 |
| Manufacture of textiles | £335 |
| Agriculture, hunting and related service activities | £340 |
| Private households with employed persons | £356 |
| Manufacture of furniture; manufacturing nec | £358 |
| Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials | £370 |

Source: Annual Survey of Hours and Earnings, 2006, (ONS)

10.5 Employment by Occupation

10.5.1 Occupation is usually closely linked to sector and certain occupations are more likely to be either higher or lower paid than others (Table 10.4). The 2001 census shows the distribution of people in employment and self-employment aged 16-74, by occupation.

10.5.2 The Dorset sub-region had a higher level of self-employment than found in England as a whole or in the South West region. Self-employment is higher in the less urban areas with the core parts of the HMAs showing lower levels than the peripheral areas. This higher level of self-employment in more rural areas may be a reflection of difficulties in accessing mainstream employment from more remote areas. Self-employment allows individuals the flexibility to work the hours they wish to work and can be fitted in around other commitments, such as childcare. High self-employment may lead to a culture of entrepreneurialism with one-person businesses developing and taking on employees as they grow, subject to the required premises and appropriately skilled staff being available. On the other hand, high self-employment can mean low and/or irregular pay with no benefits such as sick pay to help an individual through times of need. This could point to a requirement for affordable housing in the more rural areas where access to employment centres is poor.

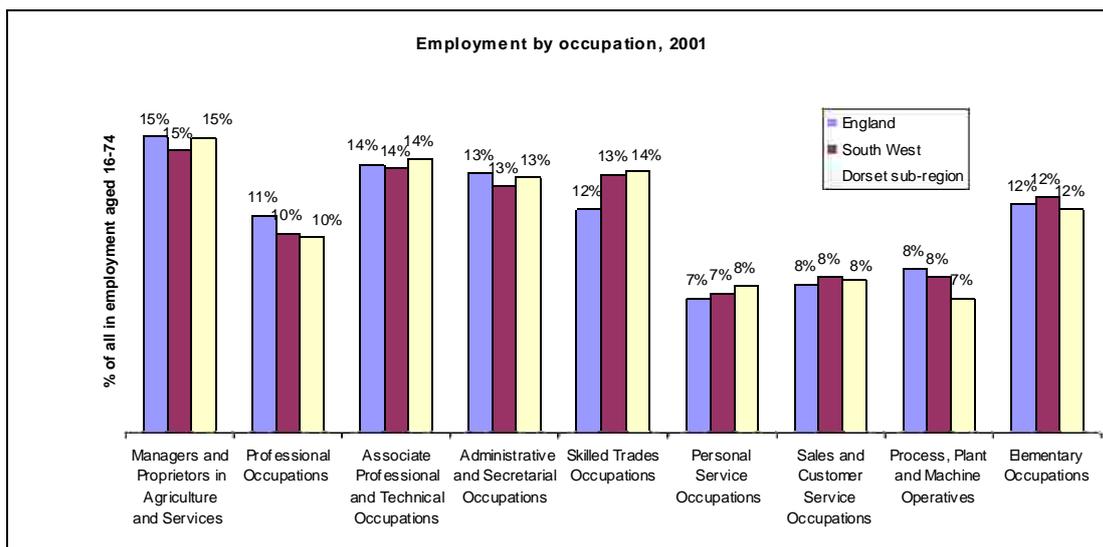
10.5.3 At a broad occupational level, employment in the Dorset sub-region as a whole is little different to the South West, with a marginally smaller proportion in Professional occupations and in Process, plant and machine operative occupations. The Dorset sub-

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Assessment

June 2008

region had a slightly above average proportion working in Skilled trades (particularly construction) and in Personal service occupations (particularly care).

Figure 10.6 Employment by Occupation 2001



Source: 2001 Census of Population ONS.

Table 10.4 Highest and Lowest Paid OCCUPATIONS; United Kingdom; April 2006

| Highest paid: | Median gross weekly pay |
|---|-------------------------|
| Directors and chief executives of major organisations | £1,811 |
| Medical practitioners | £1,232 |
| Senior officials in national government | £1,202 |
| Aircraft pilots and flight engineers | £1,129 |
| Financial managers and chartered secretaries | £1,017 |
| Police officers (inspectors and above) | £975 |
| Brokers | £970 |
| Air Traffic Controllers | £967 |
| Managers in mining and energy | £908 |
| Senior officials in local government | £880 |
| Lowest paid: | Median gross weekly pay |
| Leisure and theme park attendants | £208 |
| Floral arrangers, florists | £209 |
| Bar staff | £214 |
| Elementary personal services occupations n.e.c. | £218 |
| Hairdressers, barbers | £219 |
| Waiters, waitresses | £220 |
| Market and street traders and assistants | £221 |
| Retail cashiers and check-out operators | £226 |
| Kitchen and catering assistants | £230 |
| Launderers, dry cleaners, pressers | £238 |

Source: 2001 Census of Population ONS

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

10.5.4 Bournemouth/Poole HMA

This is above the national average and in line with the South West. In the peripheral area, 18% were self-employed compared with 15% in the core.

10.5.5 Two-fifths of residents in employment were in three occupations: Managers and proprietors; Professional occupations and Associate professional and technical occupations. This is in line with the national average and a little above the South West. At 42%, the peripheral area had a higher proportion of residents in these occupations than the core (39%). Compared with the core area, the periphery had a lower proportion of residents in Administrative and secretarial occupations; Personal service occupations; and in Sales and customer service occupations.

10.5.6 Dorchester/Weymouth HMA

The self-employed were about 19% of those employed/self-employed aged 16-74 years. This was above both the national and the South West averages. In the peripheral area, 24% were self-employed compared with 14% in the core.

10.5.7 Almost two-fifths of residents in employment (38%) were in three occupations: Managers and proprietors; Professional occupations and Associate professional and technical occupations. This is in line with the regional average and a little below the England percentage (40%). The core and the periphery had much the same proportion of residents in these occupations (38%), although Dorchester core itself had 39%. Compared with the core area, the periphery had a lower proportion of residents in Associate professional and technical occupations and in Sales and customer service occupations. The periphery had higher proportions in Managers and proprietors; Skilled trades; and Elementary occupations.

10.5.8 North-West Dorset HMA

The self-employed account for about 19% of those employed/self-employed and aged 16-74 years. This is above both the national and the South West averages.

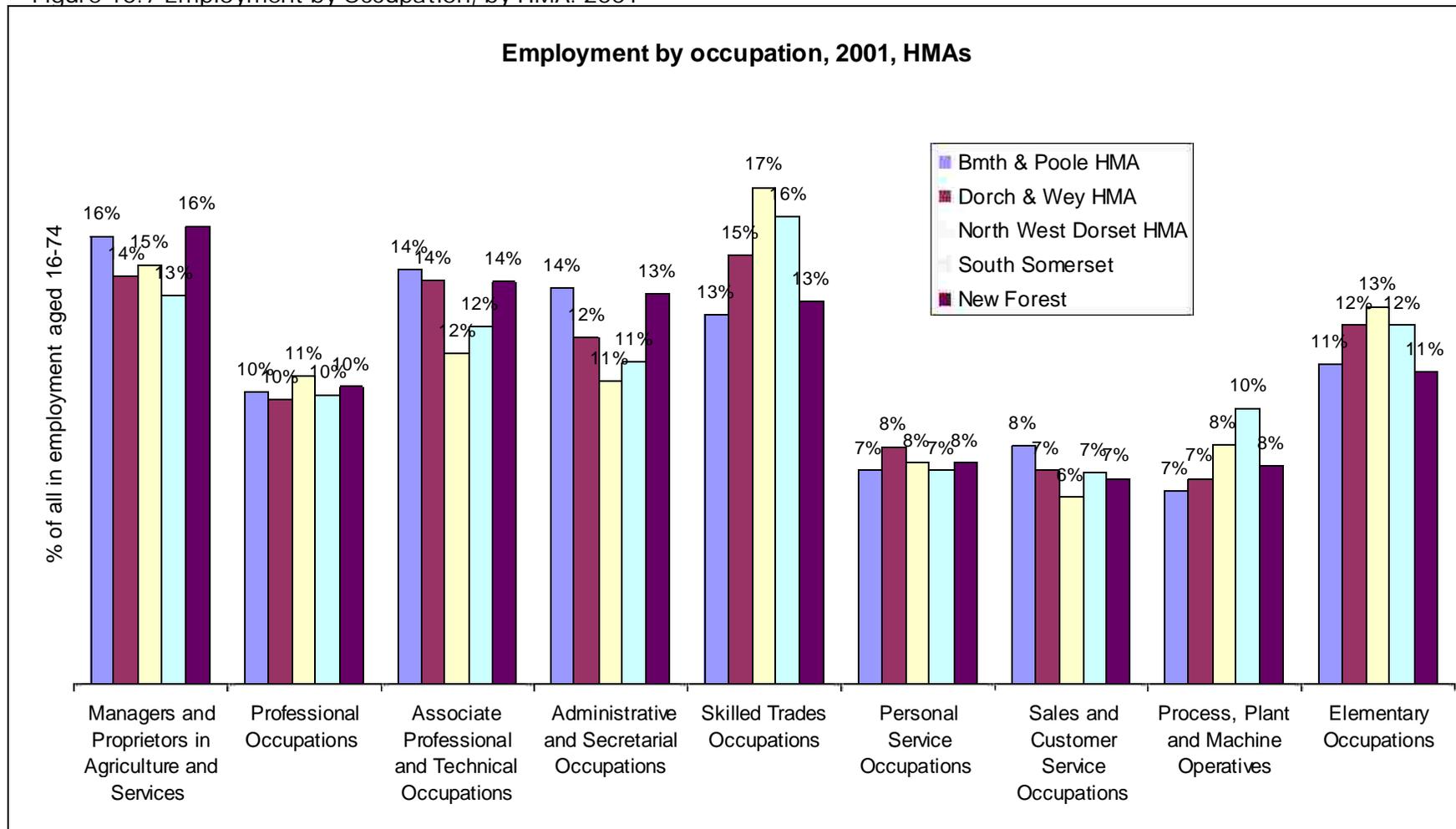
10.5.9 Just under two-fifths of residents in employment (37%) were in three occupations: Managers and proprietors; Professional occupations and Associate professional and technical occupations. North-West Dorset had a higher proportion than the other two HMAs of residents in Professional occupations; Skilled trades; and Elementary occupations. North-West Dorset had a lower proportion in Associate professional and technical occupations; Administrative and secretarial occupations; and in Sales and customer services.

10.5.10 New Forest

About 16% of those employed/self-employed aged 16-74 years were self-employed. This was above the national average and in line with the South West.

10.5.11 Two-fifths of residents in employment were in three occupations: Managers and proprietors; Professional occupations and Associate professional and technical occupations. This is in line with the national average and a little above the South West.

Figure 10.7 Employment by Occupation, by HMA. 2001



Source: Census of Population 2001, ONS

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

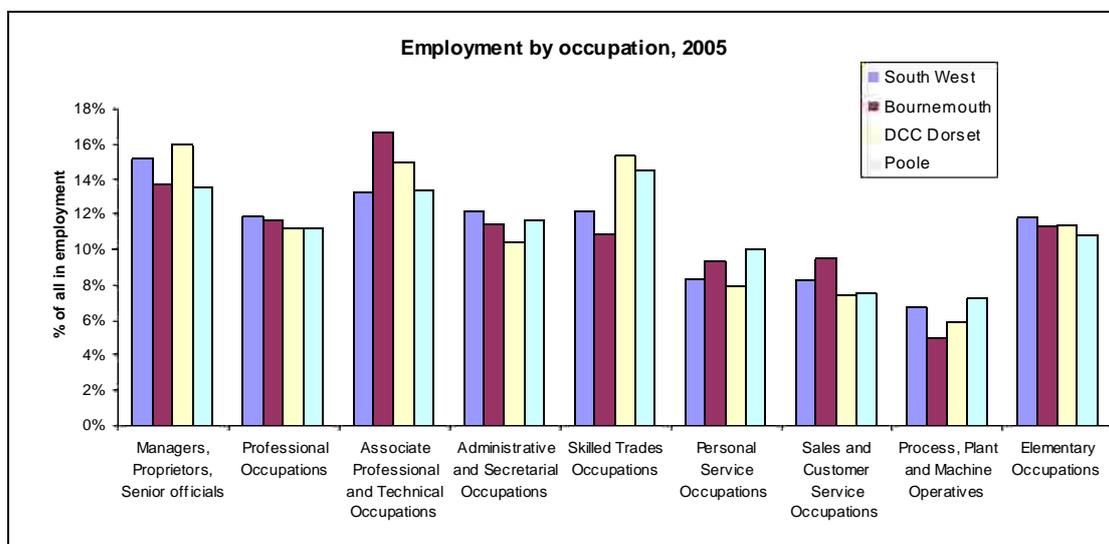
10.5.12 South Somerset

About 16% of those employed/self-employed aged 16-74 years were self-employed. This was above the national average and in line with the South West.

10.5.13 Just under two-fifths of residents in employment (36%) were in three occupations: Managers and proprietors; Professional occupations and Associate professional and technical occupations. This was below the averages for Dorset and the South West. South Somerset had an above average proportion of residents in Skilled trades and in Process, plant and machine operative occupations.

10.5.14 By 2005, the Annual Population Survey shows some changes in occupational structure. The changes may reflect genuine change in occupational structure, or some incompatibility between the datasets, or an element of sample error in the APS.

Fig 10.8 Employment by Occupation 2005



Source: Annual Population Survey

10.5.15 These changes include:

- Professional occupations: growth in Bournemouth and the South West;
- Associate professional and technical occupations: growth in Bournemouth;
- Administrative and secretarial occupations: decline in Bournemouth, Dorset and Poole;
- Personal service occupations: growth in Bournemouth and Poole.

10.5.16 Service sector led growth, together with decline in the more traditional administration/ secretarial role, mirrors national and regional trends and expectations. This includes anticipated growth in the frequently low paid, personal services occupations, which is expected to continue in line with demographic change, and the growing number of people past retirement age. Growth in the professional and technical occupations points towards an expansion of the knowledge economy. This is a desirable goal, as knowledge driven businesses are seen as highly productive, with a requirement for highly skilled staff on higher pay levels. Bournemouth already has an above average proportion of employment in the knowledge economy. It is desirable for this occupational growth could spread to other parts of Dorset.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

10.6 Past employment growth

- 10.6.1 Over the five year period 2000-2005, the Dorset sub-region experienced employment growth¹⁶ of 1.7% per annum: above the national level of 1.0%, and in line with the South West average of 1.7% per annum.
- 10.6.2 Growth in the Bournemouth / Poole HMA was greater than in Dorchester / Weymouth. North-West Dorset saw the highest growth per annum. There was no consistent pattern regarding growth in the core or peripheral areas. In the Bournemouth / Poole HMA area, the difference was marginal, and probably non-existent if sample error is taken into account. In the Dorchester / Weymouth HMA area, the peripheral area experienced a slight fall in employment, contrasting with the gain seen in the core area. North-West Dorset HMA area saw the strongest level of growth at 4.2% per annum.
- 10.6.3 Bournemouth/Poole HMA
Bournemouth / Poole HMA saw overall growth of 1.7% per annum over 2000-2005, or a total of 17,800 jobs. More than three-quarters of these jobs were in the core area. Within the core area, growth was led by Bournemouth with an additional 9,500 jobs. Poole saw 4,400 new jobs whereas, in contrast, Christchurch saw marginal decline. East Dorset, Bournemouth and North Dorset in particular saw jobs growth.
- 10.6.4 Dorchester/Weymouth HMA
Dorchester / Weymouth HMA saw a lower level of growth at only 0.9% pa, or 2,200 jobs. Job creation was evident in the core area (up by 2,700 jobs), whereas the peripheral area saw job decline over the period (shedding 500 jobs). West Dorset in particular saw jobs growth, centred in Dorchester.
- 10.6.5 North-West Dorset
North-West Dorset saw the highest jobs growth at 4.2% per annum or 3,100 jobs.
- 10.6.6 South Somerset and New Forest saw growth much in line with the South West region as a whole at 1.8% and 1.6% respectively.

¹⁶ Excluding agriculture which cannot be looked at consistently over this period. Employment growth data should be treated with caution due to sampling error.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

Table 10.5 Employment Growth 2000-2005 (total excluding agriculture)

| Area | 2000 | 2005 | Change 2000-2005 | Change pa 2000-2005 |
|---------------------------------------|------------|------------|---------------------|------------------------|
| Great Britain | 24,970,700 | 26,271,000 | 1,300,300 | 1.00% |
| South West region | 2,002,600 | 2,179,700 | 177,000 | 1.70% |
| Dorset sub region | 268,600 | 291,600 | 23,000 | 1.70% |
| South Somerset | 58,500 | 63,900 | 6,700 | 1.80% |
| New Forest | 58,300 | 63,000 | -3,600 | 1.60% |
| Bournemouth | 72,300 | 81,700 | 9,500 | 2.50% |
| Poole | 63,500 | 68,000 | 4,400 | 1.40% |
| DCC Dorset | 132,800 | 141,900 | 9,000 | 1.30% |
| Christchurch | 17,800 | 17,600 | -200 | -0.20% |
| East Dorset | 25,700 | 29,300 | 3,700 | 2.70% |
| North Dorset | 19,700 | 22,400 | 2,700 | 2.60% |
| Purbeck | 15,200 | 14,900 | -200 | -0.30% |
| West Dorset | 35,100 | 39,400 | 4,300 | 2.30% |
| Weymouth & Portland | 19,400 | 18,200 | -1,200 | -1.30% |
| HMA Bmth and Poole all | 204,700 | 222,400 | 17,800 | 1.70% |
| HMA Bmth and Poole core | 153,500 | 167,300 | 13,800 | 1.70% |
| HMA Bmth and Poole periphery | 51,100 | 55,100 | 4,000 | 1.50% |
| HMA Dorch and Weymouth | 49,000 | 51,200 | 2,200 | 0.90% |
| HMA Dorchester and Weymouth core | 31,600 | 34,300 | 2,700 | 1.60% |
| HMA Dorchester and Weymouth periphery | 17,400 | 16,900 | -500 | -0.50% |
| North-West Dorset | 14,600 | 18,000 | 3,100 | 4.20% |

Source: Annual Business Inquiry 2000-2005, Office for National Statistics

10.6.7 The previous five years, 1995-2000, were a period of stronger growth both nationally and in the Dorset sub-region as a whole.

10.6.8 The Dorchester / Weymouth HMA in particular saw stronger employment growth over 1995-2000 than in 2000-2005. North-West Dorset saw the opposite trend with employment growth strengthening in the second half of the decade.

10.6.9 The peripheral areas saw a greater fall in annual average employment growth over the two halves of the decade than the core areas.

Employees in employment: key points

- § The employment structure of the Dorset sub-region is typical of the South West region, being dominated by the service sector.
- § The sub-region has an above average proportion of people working in low-pay industries.
- § Self-employment is higher in the Dorset sub-region than regionally or nationally.
- § Recent employment growth has been in line with the South West and above the national average.
- § Employment growth was strong in Bournemouth in particular but also in more rural areas, notably East Dorset, North Dorset and West Dorset (mainly Dorchester).

10.7 Business size and economic growth

10.7.1 The development of Dorset's economy through 'small business start-up' has an impact on our quality of life and poses a key challenge.

| Small businesses are likely to: | Small businesses are also: |
|---|---|
| Help develop the local economic infrastructure; | Extremely vulnerable to changes in the economy; |
| Have a strong impact on the vibrancy and vitality of an area; | Quick to react to these changes by expanding or contracting with a demand for corresponding flexibility in the labour market; |
| Help to promote sustainability; | Subject to higher turnover in terms of opening/closing than larger firms; |
| Use and develop local produce; | Subject to cash flow problems, particularly when dealing with larger firms; |
| Be subject to decisions made within Dorset; | Less able to release employees for training because of the immediate impact on their business; |
| Provide a positive image for young people and discourage out-migration. | In need of support, particularly when expanding premises, staff etc. |

10.7.2 The Dorset sub-region has around 30,650 businesses¹⁷. Of these, 72% employ only 1-4 people, compared with around 69% nationally and regionally. These very small firms account for 14% of employees in employment, just above the national and regional averages of 11% and 13% respectively. Unlike larger businesses, firms of this size are rarely able to offer support to new employees looking for housing in the area. A flexible and active housing market is essential for their needs.

10.7.3 More than 71,000 people work in firms employing up to 10 people in the Dorset sub-region and represent almost one-quarter of employees in employment. This is about the same number of people employed in our large firms (of 200 or more employees), but, with these smaller firms being more vulnerable to changes in the economy, both jobs and business stability are less secure.

10.7.4 Less than one per cent of Dorset businesses employ more than 200 people – around 160 firms – yet these account for almost one-quarter of total employment in the sub-region, just under 71,000 people.

10.7.5 North West Dorset has a higher proportion of micro firms than either the Bournemouth / Poole or the Dorchester / Weymouth HMAs. The Bournemouth / Poole HMA has the highest proportion of large firms employing 200 or more staff. Outside the core areas, firms are more likely to be small, often 'mini micro', employing 1-4 people. Firms employing 25 or more people are more likely to be located in the core areas of the HMAs.

¹⁷ Annual Business Inquiry 2005– data units, used as proxy for businesses - ONS

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Assessment
June 2008

Table 10.6 Firms by Number of Employees, 2005

| | Mini micro 1-4 employees | Micro 1-10 | Small 1-24 | Medium 25-199 | Large 200 | Total businesses |
|---------------------------------------|-----------------------------|---------------|---------------|------------------|--------------|------------------|
| Great Britain | 69% | 84% | 92% | 7% | 0.7% | 2,312,810 |
| South West region | 70% | 84% | 93% | 7% | 0.6% | 212,120 |
| Dorset sub region | 72% | 85% | 93% | 6% | 0.5% | 30,650 |
| South Somerset | 70% | 85% | 93% | 6% | 0.4% | 6,550 |
| New Forest | 73% | 86% | 94% | 6% | confidential | 7,900 |
| | | | | | | |
| Bournemouth | 69% | 83% | 92% | 7% | 0.7% | 7,140 |
| Poole | 70% | 84% | 92% | 7% | 0.8% | 5,950 |
| DCC Dorset | 73% | 86% | 94% | 6% | 0.4% | 17,570 |
| Christchurch | 70% | 85% | 93% | 7% | confidential | 1,920 |
| East Dorset | 76% | 88% | 95% | 5% | confidential | 4,180 |
| North Dorset | 76% | 88% | 95% | 5% | confidential | 2,900 |
| Purbeck | 74% | 86% | 94% | 6% | confidential | 1,930 |
| West Dorset | 71% | 85% | 94% | 5% | confidential | 4,590 |
| Weymouth & Portland | 71% | 84% | 93% | 7% | confidential | 2,060 |
| | | | | | | |
| HMA Bmth and Poole all | 71% | 85% | 93% | 6% | 0.6% | 22,280 |
| HMA Bmth and Poole core | 69% | 84% | 92% | 7% | 0.7% | 15,000 |
| HMA Bmth and Poole periphery | 75% | 87% | 94% | 5% | 0.3% | 7,280 |
| | | | | | | |
| HMA Dorch and Weymouth | 71% | 85% | 94% | 6% | 0.4% | 5,870 |
| HMA Dorchester and Weymouth core | 65% | 81% | 92% | 8% | confidential | 2,950 |
| Dorchester | 57% | 77% | 90% | 9% | confidential | 950 |
| Weymouth | 69% | 84% | 92% | 7% | confidential | 1,990 |
| HMA Dorchester and Weymouth periphery | 77% | 89% | 96% | 4% | confidential | 2,920 |
| | | | | | | |
| North-West Dorset | 75% | 88% | 95% | 5% | confidential | 2,500 |

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Assessment
June 2008

Table 10.7 Employees in Employment by Size of Firm, 2005

| | Mini micro 1-4 employees | Micro 1-10 | Small 1-24 | Medium 25-199 | Large 200 | Total employment |
|---------------------------------------|-----------------------------|---------------|---------------|------------------|--------------|---------------------|
| Great Britain | 11% | 21% | 33% | 36% | 30.6% | 26,503,100 |
| South West region | 13% | 23% | 37% | 37% | 26.6% | 2,207,700 |
| Dorset sub region | 14% | 24% | 38% | 37% | 24.2% | 295,000 |
| South Somerset | 14% | 25% | 39% | 37% | 24.4% | 65,200 |
| New Forest | 17% | 29% | 45% | 42% | confidential | 64,500 |
| | | | | | | |
| Bournemouth | 11% | 20% | 33% | 37% | 29.7% | 81,700 |
| Poole | 11% | 20% | 32% | 38% | 30.7% | 68,000 |
| DCC Dorset | 17% | 29% | 44% | 38% | 18.0% | 145,300 |
| Christchurch | 14% | 27% | 40% | 43% | confidential | 17,700 |
| East Dorset | 20% | 31% | 48% | 36% | confidential | 30,000 |
| North Dorset | 18% | 29% | 43% | 37% | confidential | 23,200 |
| Purbeck | 17% | 29% | 46% | 36% | confidential | 15,400 |
| West Dorset | 16% | 28% | 45% | 35% | confidential | 40,800 |
| Weymouth & Portland | 15% | 27% | 42% | 43% | confidential | 18,300 |
| | | | | | | |
| HMA Bmth and Poole all | 13% | 23% | 36% | 38% | 25.9% | 222,400 |
| HMA Bmth and Poole core | 12% | 21% | 33% | 38% | 28.7% | 167,400 |
| HMA Bmth and Poole periphery | 18% | 29% | 45% | 37% | 17.4% | 55,100 |
| | | | | | | |
| HMA Dorch and Weymouth | 16% | 27% | 44% | 37% | 18.9% | 51,200 |
| HMA Dorchester and Weymouth core | 11% | 22% | 36% | 40% | confidential | 34,300 |
| Dorchester | 8% | 17% | 31% | 33% | confidential | 15,100 |
| Weymouth | 14% | 25% | 40% | 45% | confidential | 19,300 |
| HMA Dorchester and Weymouth periphery | 24% | 39% | 60% | 32% | confidential | 17,000 |
| | | | | | | |
| North-West Dorset | 19% | 32% | 48% | 33% | confidential | 18,000 |

Source: Annual Business Inquiry, 2005, Office for National Statistics

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

10.8 Business Formation and Survival

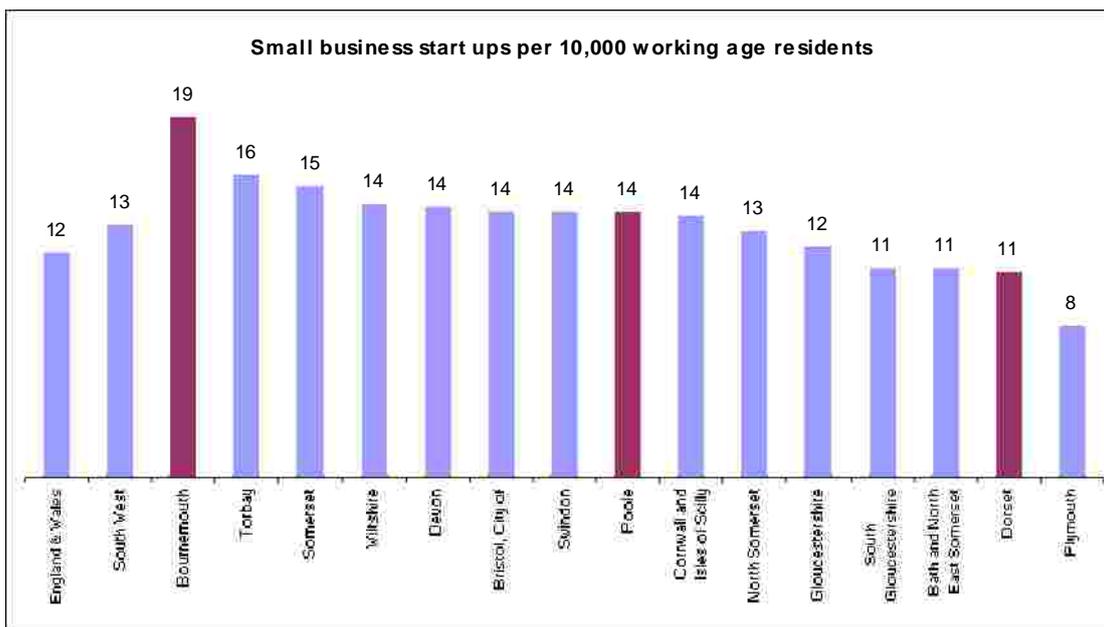
10.8.1 A recent survey of small business start-ups (with less than £1 million turnover) for 2005¹⁸ indicated that for the year 2004-2005, there was a national decline of 13 per cent in the number of such small businesses start-ups – the largest fall in the last decade. This contrasts with 2003 and 2004 which were both particularly strong years with favourable economic conditions encouraging new business growth.

10.8.2 Of the top ten start-up areas outside London, three hotspots were in the South West.

- Bournemouth (19 new firms per 10,000 people of working age – the highest rate outside London);
- Torbay (16);
- Somerset (15).

10.8.3 In addition to this, Wiltshire, Devon and Poole in the South West ranked 11th, 12th and 13th.

Figure 10.9 Small Business Start Ups.



Source: 'Barclays SME Starts and Closure Research, Review of 2005' Barclays SME Market Analysis team

10.8.4 In comparison, in Dorset County (i.e. excluding Bournemouth and Poole) start-ups were below the national average at 11 new starts per 10,000 working age population in 2005. Within the County, new starts ranged from 15 in Christchurch – suggesting a strong position in the Bournemouth / Poole HMA core area – to 6 per 10,000 of working age in Weymouth / Portland. With West Dorset also below average at 11 new starts per 10,000, this suggests below average performance in the Dorchester / Weymouth HMA area.

10.8.5 To some extent tempering the above findings, data from the annual VAT registrations dataset released for 2005¹⁹ indicates that the business formation rate in the Dorset sub-region was 8.6% (registrations as a percentage of stocks at the beginning of the year), just below the averages for GB and the South West.

¹⁸ 'Barclays SME Starts and Closure Research, Review of 2005' Barclays SME Market Analysis team

¹⁹ VAT registration data is used as a proxy for start-ups. However, firms can register/deregister for VAT without necessarily starting/closing. The registration threshold is currently £61,000.

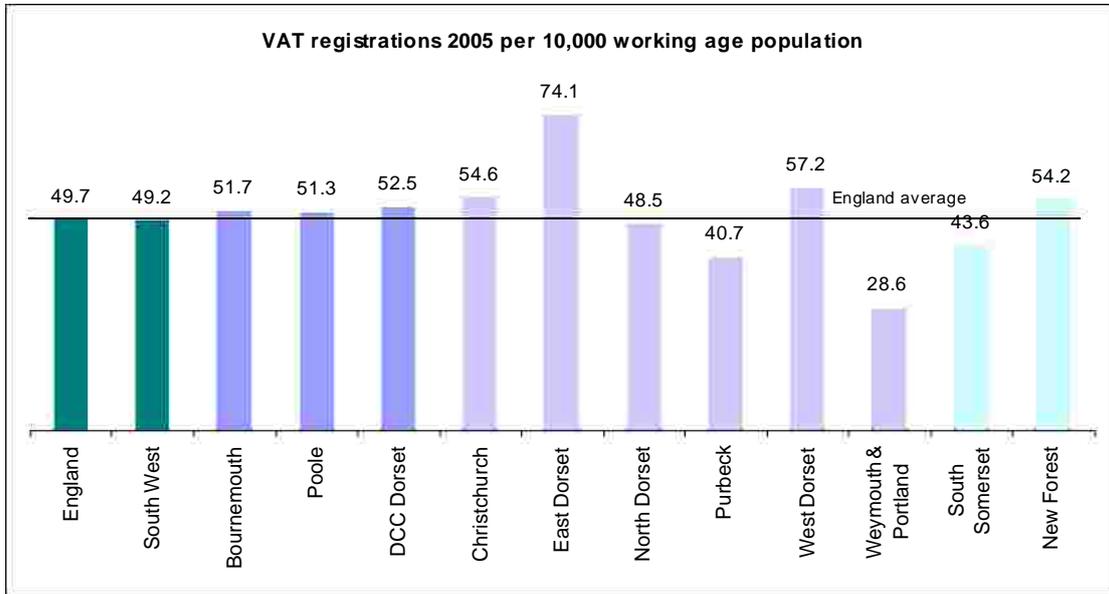
Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

10.8.6 Business formation rates in Bournemouth, Poole and East Dorset were above those in most other parts of the sub-region. Bournemouth, East Dorset and Poole also experienced high deregistration rates which may reflect the high turnover rate of businesses in the distribution, hotels and catering sectors of which Bournemouth especially has a significant proportion.

10.8.7 VAT registration rates per 10,000 of the working age population were highest in the conurbation area and particularly in East Dorset, although West Dorset was also considerably above the England average.

10.8.8 Christchurch and New Forest lay just above the England average whereas North Dorset and South Somerset fell just below.

Figure 10.10 VAT Registrations per 10,000 Working Age Population, 2005



Source: VAT registration data, 2005, Office for National Statistics

10.9 Relationship between Economic Growth and Population Growth

10.9.1 Economic growth relies upon the competitiveness of our businesses and an integral part of competitiveness is productivity.

10.9.2 It is often argued that economic growth creates demand for labour which attracts workers into an area, resulting in population growth. Constraints on population growth, such as a shortage of housing provision, are thought to suppress economic growth by restricting the supply of labour. However, some research²⁰ suggests that population growth does not necessarily play a major role in stimulating economic growth, nor has economic growth always resulted in any consistent expansion of population. Economic growth can occur with or without population growth. The research concludes that there is a complex relationship between economic growth and population change which is affected by a range of interacting factors. Similarly, no relationship was found between economic growth and employment change.

10.9.3 Local factors that were found to be significant influences on economic growth include:

²⁰ 'Securing economic growth within environmental limits: a comparative study of growth in 26 local economies in the south east of England' by Chris Elton Consultancy for Dorset County Council, February 2007 re Examination in Public of the South West Draft Regional Spatial Strategy

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

- Structure of industry – especially if there is a strong knowledge driven sector;
- Competitive environment – allowing growth industries to thrive;
- Size of the economy – with a larger economy more likely to provide a supportive business environment;
- Innovation, and particularly the presence of a university;
- High level skills in the workforce;
- Support for new enterprise;
- Investment in urban fabric, (including the stock of buildings, premises and other facilities to support the local economy), and transport infrastructure.

10.9.4 In addition, the labour market response to high economic growth depends on a complex range of variables including the structure of the local labour market and its ability to react to change.

10.9.5 In some economies, including the Bournemouth / Poole combined travel to work areas, high economic growth sits alongside growth in out-commuting. With falling unemployment and a natural decrease in population offset by in-migrants, low economic activity rates and increased out-commuting suggest an imbalance between the jobs on offer and the people in the labour force: either people do not want the jobs available – and are perhaps commuting outside the area in search of higher wages – and/or their skills do not match the requirements for the jobs on offer. For example, if local vacancies are predominantly low skilled, such as many jobs in distribution and catering, then highly skilled members of the labour force are unlikely to want these jobs. They will seek work further afield. Similarly, if local jobs match the skills in the population but do not compete with the pay and conditions offered outside the area, people are likely to commute to the better jobs.

10.9.6 The research also refers to the ODPM 'State of the Cities Report', which looks at nineteen high growth economies. This looks at the potential risk of future imbalances in the labour market in the combined Bournemouth and Poole TTWA. It concludes that whilst the conurbation is attractive to the more highly skilled and entrepreneurial population, there is a risk that lower skilled workers may find housing increasingly difficult to access. This could lead to recruitment problems in some public sector occupations and in businesses that employ process and production workers – although it could be argued that the influx of migrant workers into many of these occupations and, alongside this, the trend for businesses to move routine operations to lower cost locations may alleviate this. Continuation of these trends suggests a need to enhance the skills of our resident population to match the higher level skills needs of employers (see Section C, Chapter 12 on employment projections and qualifications). The more effective provision of education and training to raise the skill level of the workforce is seen in the report as a key issue for the Bournemouth / Poole area.

10.9.7 Overall, the report concludes that past evidence suggests that population growth is neither a prerequisite for nor a necessary consequence of economic growth. The focus needs to be on

- Support for innovation;
- Development of the skills base; and
- Maintaining the growth of enterprise.

10.9.8 It could therefore be concluded that provision of additional housing is not necessarily going to result in enhanced economic growth, especially if economic activity and skill levels remain low. In these circumstances, that is one of a growing population but with little or no economic growth, the normal measure of economic growth, Gross

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

Value Added (GVA), will fall. Gross Value Added (GVA)²¹ is normally expressed as GVA per resident head, to allow comparison with other areas.

10.9.9 Similarly, economic growth is not necessarily going to be constrained by a lack of housing provision, subject to the conditions being right for high value added businesses to grow and the required skills base being available in the local workforce.

10.9.10 Across the Dorset sub-region, annual average GVA growth (£ millions) over the last five years was below the national and regional levels.

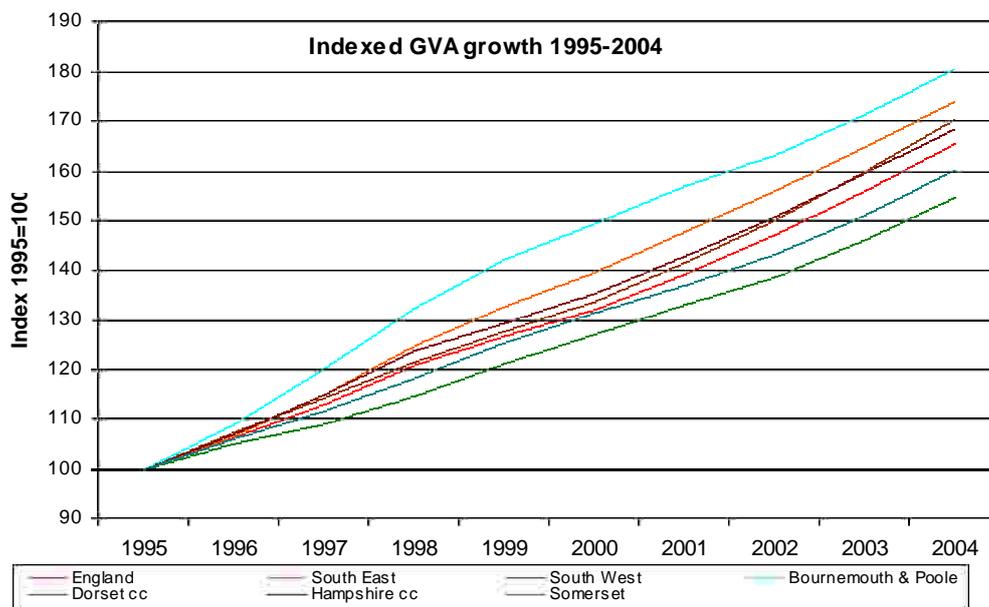
10.9.11 However, over the longer term 1995-2004, for which data is available, the Bournemouth and Poole area (defined as just the two unitary authorities) showed above average annual average growth. This is evident if GVA for this period is indexed to 1995 in current basic prices, as shown in Fig 10.11.

10.9.12 The Dorset County area showed below average annual average growth over 1995-2004.

10.9.13 The Hampshire County area saw growth just above the national average but below the average for the South East.

10.9.14 Somerset saw below average annual average growth over 1995-2004, but above the level for Dorset County.

Figure 10.11 Indexed GVA Growth 1995 - 2004



Source: Headline GVA at current basic prices, Office for National Statistics

10.9.15 Bournemouth and Poole's performance was considerably stronger in the first part of this period. At 9.2% per annum, annual average growth for 1995-1999 was much higher than the England average (6.1% pa). However, from 2000-2004 Bournemouth and Poole's annual average growth was only 4.9% per annum, below the national average (5.8% pa) and more in line with Dorset County (5.0% pa). This changing pattern may simply be a reaction to the technology-led global economic boom in the second half of the 1990s followed by a more stable period.

²¹ GVA measures the contribution of each individual producer, or sector, to the economy by estimating the value of its outputs (goods and services), less purchases and less net spending taxes. It relates to Gross Domestic Product (GDP) in the following way: GVA plus taxes on products less subsidies on products equals GDP.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

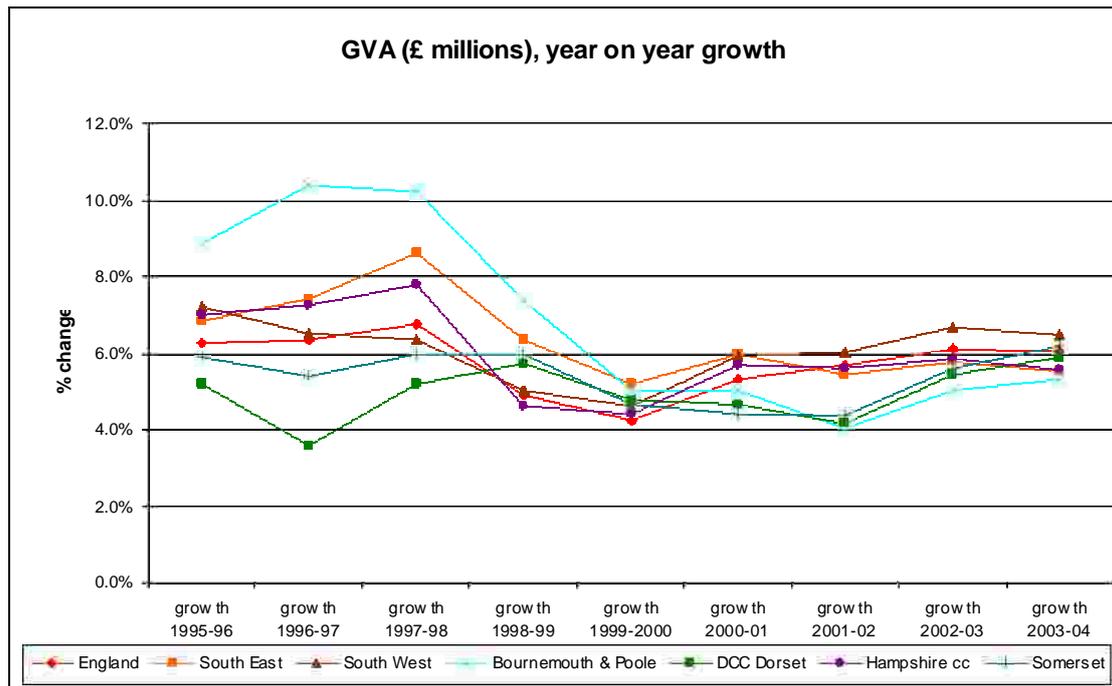
10.9.16 Similarly, Hampshire County saw stronger annual average growth in the first part of the period (6.7% pa) than in the second half (5.7% pa), more in line with the England average.

10.9.17 Somerset, too, saw growth tailing off in the second half of the period with annual average growth of 5.8% pa from 1995-1999 and 5.1% pa from 2000-2004.

10.9.18 Dorset County saw much the same level of annual average growth between 1995-1999 (4.9% pa) and 2000-2004 (5.0% pa).

10.9.19 If GVA growth is looked at on a year by year basis, a convergence of the areas studied is evident. The slowing of growth in Bournemouth and Poole is readily seen as is the more erratic path of change evident in the Dorset County area. The 1996-1997 period sees a great contrast between the two parts of the sub-region with Bournemouth and Poole at the height of its trend and Dorset County at its lowest point.

Figure 10.12 GVA, Year on Year Growth.



Source: Office for National Statistics

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

Table 10.8 Headline Gross Value Added at Current Basic Prices 1995-2004: £ per resident head

| | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|--------------------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| UK | 11,037 | 11,723 | 12,358 | 13,060 | 13,643 | 14,281 | 14,933 | 15,682 | 16,549 | 17,451 |
| England | 10,979 | 11,636 | 12,337 | 13,132 | 13,716 | 14,241 | 14,936 | 15,721 | 16,612 | 17,532 |
| South East | 11,109 | 11,814 | 12,607 | 13,630 | 14,374 | 15,054 | 15,887 | 16,712 | 17,595 | 18,496 |
| South West | 9,987 | 10,684 | 11,299 | 11,962 | 12,481 | 12,962 | 13,659 | 14,408 | 15,276 | 16,141 |
| Hampshire CC | 10,117 | 10,761 | 11,472 | 12,310 | 12,775 | 13,301 | 13,999 | 14,747 | 15,531 | 16,363 |
| Somerset | 9,206 | 9,722 | 10,165 | 10,712 | 11,257 | 11,697 | 12,099 | 12,520 | 13,104 | 13,775 |
| Bournemouth & Poole | 9,229 | 10,045 | 10,984 | 12,061 | 12,971 | 13,577 | 14,216 | 14,809 | 15,574 | 16,440 |
| DCC Dorset | 8,412 | 8,787 | 9,044 | 9,461 | 9,966 | 10,325 | 10,758 | 11,113 | 11,617 | 12,250 |
| <i>Dorset sub region</i> | <i>8,800</i> | <i>9,300</i> | <i>9,900</i> | <i>10,600</i> | <i>11,300</i> | <i>11,700</i> | <i>12,300</i> | <i>12,700</i> | <i>13,300</i> | <i>14,000</i> |

Source: Office for National Statistics

Table 10.9 Headline Gross Value Added per Resident Head as Percentage of England

| | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|--------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| South East | 101% | 102% | 102% | 104% | 105% | 106% | 106% | 106% | 106% | 105% |
| South West | 91% | 92% | 92% | 91% | 91% | 91% | 91% | 92% | 92% | 92% |
| Hampshire CC | 92% | 92% | 93% | 94% | 93% | 93% | 94% | 94% | 93% | 93% |
| Somerset | 84% | 84% | 82% | 82% | 82% | 82% | 81% | 80% | 79% | 79% |
| Bournemouth & Poole | 84% | 86% | 89% | 92% | 95% | 95% | 95% | 94% | 94% | 94% |
| DCC Dorset | 77% | 76% | 73% | 72% | 73% | 73% | 72% | 71% | 70% | 70% |
| <i>Dorset sub region</i> | <i>80%</i> | <i>80%</i> | <i>80%</i> | <i>81%</i> | <i>82%</i> | <i>83%</i> | <i>82%</i> | <i>81%</i> | <i>80%</i> | <i>80%</i> |

Source: Office for National Statistics

10.9.20 It can be seen in the tables above that GVA per resident head in Bournemouth and Poole is below the national level but above the regional average but, in the Dorset County area, it is well below both of these and, as a percentage of the England average, has been steadily declining over the ten years shown. This is most likely to be a result of the structure of Dorset's population. With a growing proportion of elderly people who are less likely to make an active contribution to productivity in the County, GVA is unlikely to grow as rapidly as in many other areas, and GVA per resident head is likely to fall relative to the national average. Over the next decade, even more of Dorset's population is expected to become economically inactive (see Section C: The Future Housing Market).

10.9.21 Somerset has seen a similar deterioration in GVA per resident head but is nearer to the national level than Dorset County. GVA per resident head in Hampshire has remained fairly steady.

10.9.22 However, it may be that looking at GVA per resident head is not the best measure of the productivity of Dorset firms due to the structure of our population. In addition to having an above average proportion of residents no longer actively contributing to productivity, Dorset also has a net-commuting loss²² in most of the sub-region, (excepting Poole, Christchurch and West Dorset). This means that residents are actually contributing to the GVA of other areas rather than our own.

²² A net commuting loss arises where the number of residents commuting out of the area to work is greater than the number of non-residents commuting into the area to work.

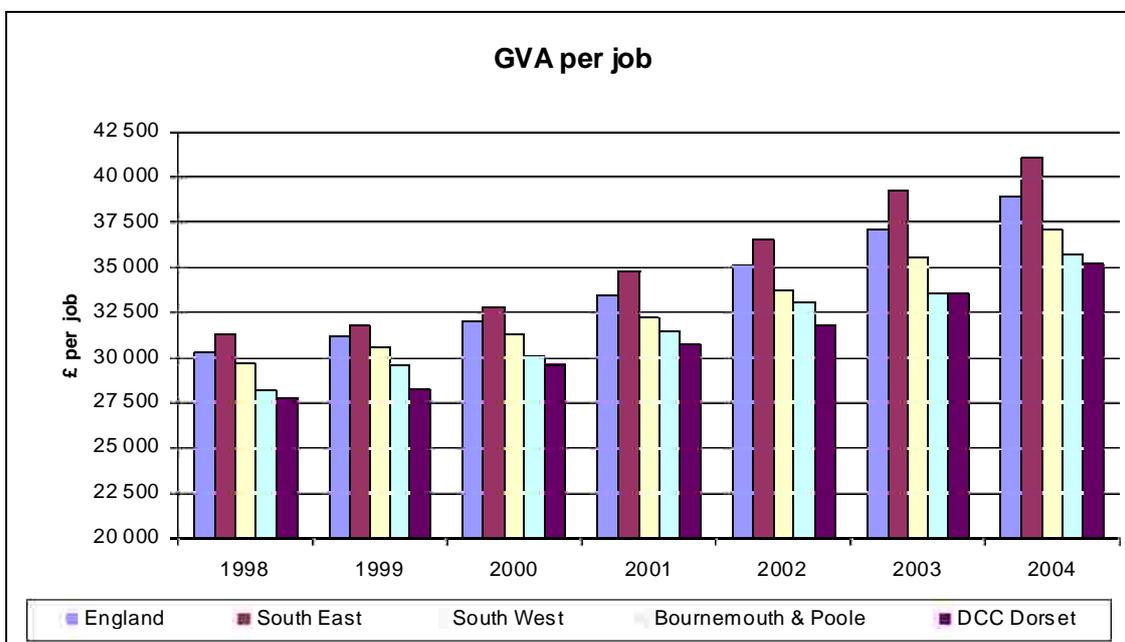
Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

10.9.23 An alternative measure is GVA per employee job²³. This removes the distortions caused by commuting and demographic characteristics and has the effect of improving the Dorset County position dramatically. Although there is still a gap to the national and regional levels, the gap narrows considerably: rather than 70% of the England average, Dorset County is 90%. Bournemouth and Poole drops to 92% of the England average.

10.9.24 Somerset improves from 79% of the England average, on a per resident head basis, to 89% on a per job basis. Hampshire County also improves, rising from 93% to 98%.

Figure 10.13 GVA per Job 1998 – 2004



Sources: Dorset County Council estimates using ONS GVA data; Annual Business Inquiry (ONS)

10.9.25 Using this measure, Dorset County still sees an overall decline from 1998 to 2004 as a percentage of the England average. In Somerset, this decline is also evident and more marked. Both Bournemouth and Poole and Hampshire County have seen more erratic change resulting in little overall change.

Table 10.10 Headline Gross Value Added per job as percentage of England

| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|---------------------|------|------|------|------|------|------|------|
| England | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| South East | 104% | 102% | 103% | 104% | 104% | 105% | 105% |
| South West | 98% | 98% | 98% | 96% | 96% | 96% | 95% |
| Bournemouth & Poole | 93% | 95% | 94% | 94% | 94% | 90% | 92% |
| DCC Dorset | 92% | 91% | 92% | 92% | 91% | 90% | 90% |
| Hampshire CC | 100% | 100% | 96% | 99% | 100% | 100% | 98% |
| Somerset | 97% | 99% | 95% | 94% | 94% | 92% | 89% |

Sources: Dorset County Council estimates using ONS GVA data; Annual Business Inquiry (ONS)

10.9.26 Relative to the South West region as a whole, performance in the Dorset sub-region is also improving but still remains below the regional average. The Dorset County area saw a narrowing of the gap from 93% of the South West in 1998 to 95% in

²³ From the Annual Business Inquiry (ONS): excludes the self-employed and consists of full-time plus part-time employees.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

2004. The Bournemouth and Poole area also saw a minor improvement in its position from 95% of the South West to 96% in 2004, although in the interim years it rose as high as 98% on two occasions.

Table 10.11 Headline Gross Value Added per job as percentage of the South West Region

| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|---------------------|------|------|------|------|------|------|------|
| South West | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Bournemouth & Poole | 95% | 97% | 96% | 98% | 98% | 94% | 96% |
| DCC Dorset | 93% | 92% | 94% | 96% | 94% | 94% | 95% |
| Dorset sub region | 94% | 94% | 95% | 97% | 96% | 94% | 95% |
| Somerset | 99% | 101% | 97% | 98% | 98% | 96% | 93% |

Sources: Dorset County Council estimates using ONS GVA data; Annual Business Inquiry (ONS)

Summary: Employment and Firms

The Dorset sub-region

The Dorset sub-region (Bournemouth, Dorset and Poole) has a fairly typical mixed but service sector led economy. Employment is largely in Distribution, hotels & restaurants and in Public administration, education and health. Employment in the knowledge based sector is marginally under-represented.

In common with most places, most firms are small, but we have a larger than average proportion of small units and self-employed people. Economic growth is below average, possibly because of our demographic make-up.

The core areas tend to be centres of employment, especially as larger firms are more likely to be located here. Residents are likely to be in lower skilled, lower paid occupations. Over the last five years, East Dorset, North Dorset and Bournemouth saw high levels of employment growth.

The peripheral areas offer a greater variety of employment and firm size.

Bournemouth / Poole

With around 222,400 employees and 22,280 firms, employment is weighted towards the core where large firms are more likely to be located. The industrial structure is service sector based, although the percentage of employment in manufacturing matched the national and regional averages.

Although a marginally above average proportion of employment is in high pay sectors, earnings are below average, especially in North Dorset and Bournemouth. Disposable household income is more in line with the national picture and could be linked with the attractiveness of the area as a retirement destination. High house prices make it difficult for working residents in lower paid jobs to afford their own home. Skill levels need to rise significantly to meet future employment demand.

Bournemouth / Poole core

- High employment density with more than half of the Dorset sub-region's employees based in the Bournemouth & Poole core area alone;
- High service sector representation, especially in Bournemouth;
- Very low manufacturing employment in Bournemouth;
- Employment in Distribution, hotels & restaurants and also in the knowledge based sector is higher here than in the periphery;
- Bournemouth has an above average proportion in low pay sectors;
- Average employment growth over the last five years, but higher in Bournemouth;
- Large firms are concentrated in the Bournemouth and Poole area;
- High business start-up in Bournemouth, East Dorset and Poole although there also appears to be high turnover of businesses;
- Productivity is below the national average.

Bournemouth / Poole periphery

- Below average employment density;
- More manufacturing employment in the periphery than in the core area;

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

Dorchester / Weymouth

With around 51,200 employees and 5,870 firms, employment is more evenly distributed between the core and the peripheral area than in Bournemouth & Poole. The industrial structure is similarly service sector based with larger firms mostly located in the core area. An above average proportion of employment is in low pay sectors, but, although earnings are below average, especially in Weymouth & Portland, disposable household income may be more in line with the national picture. This could be linked to the attractiveness of the area as a retirement destination. High house prices make it difficult for working residents to afford their own home. Skill levels need to rise significantly to meet future employment demand.

Dorchester / Weymouth core

- High employment density, especially in Dorchester;
- Large firms more likely to be located in the core area;
- High service sector representation, especially in Dorchester, and mostly in Public administration, education & health;
- Very low manufacturing employment in Dorchester;
- Low employment growth over the last five years, but highest in the core area;
- A higher proportion of micro-firms in Weymouth than Dorchester;
- Productivity is below average;
- Low business start-up in Weymouth & Portland.

Dorchester / Weymouth periphery

- Low employment density;
- More manufacturing employment than in the core area;
- No apparent jobs growth over the last five years;
- Productivity is below average.

North-West Dorset

- Below average employment density;
- Also service sector led, but a little more manufacturing employment than in the other areas;
- An above average proportion works in low pay sectors;
- Low representation in the knowledge based sector;
- Highest jobs growth in the sub-region over the last five years;
- Very few firms employ more than 200 people;
- Productivity is below average.

11.0 People and Pay

11.1 Source of Data

11.1.1 This section looks at the characteristics of Dorset's working age residents, their wealth and their commuting patterns by housing market area, and the possible impact of this on housing need and affordability. A range of data sources are used including the Census of Population 2001; the Annual Survey of Hours and Earnings (all Office for National Statistics); CACI; Joseph Rowntree; and benefits data from the Department for Work and Pensions.

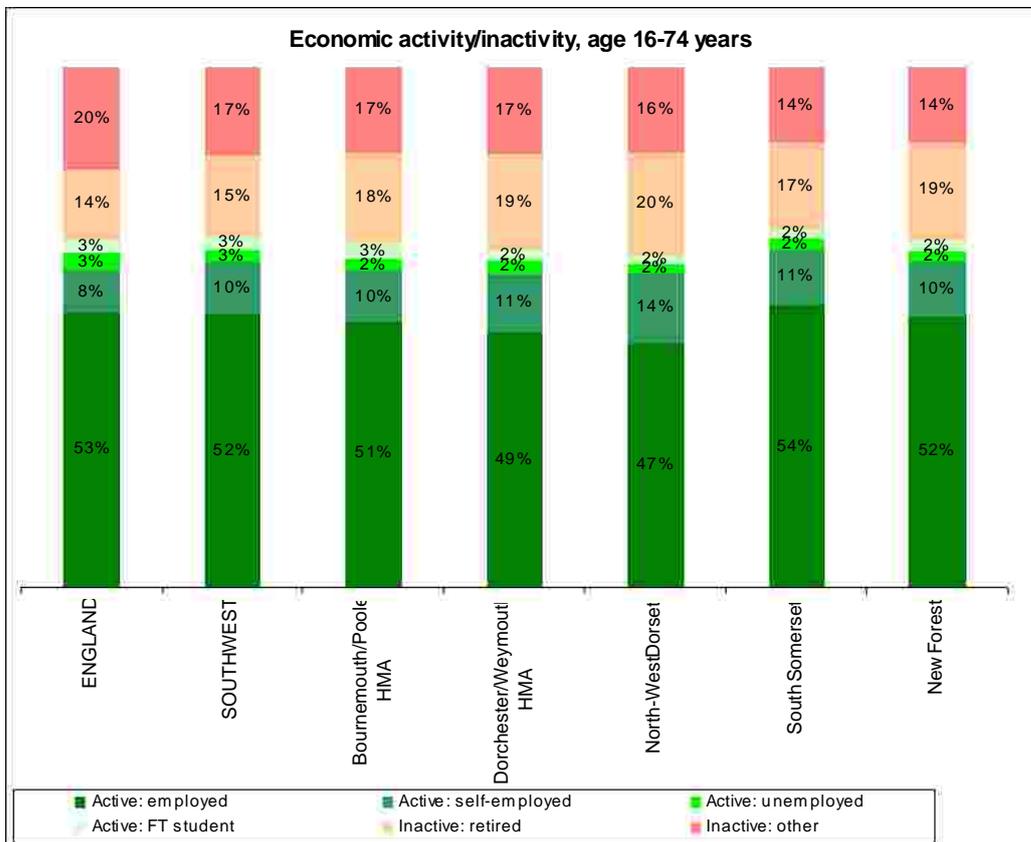
11.2 Economic Activity

11.2.1 Data from the 2001 census indicate how well the workforce is engaged with the labour market. The Dorset sub-region as a whole had a marginally smaller proportion of economically active people aged 16-74 years than regionally or nationally: 66% compared with 67% in England and 68% in the South West region.

11.2.2 Dorset had a higher level of self-employment than nationally and a lower level of employment. Of the economically inactive, Dorset had a higher proportion of retired people: 18% of 16-74 year olds compared with 14% in England as a whole.

11.2.3 Within Dorset, economic activity was highest in the Bournemouth / Poole HMA, although the New Forest and Somerset were higher. Self-employment was highest in the peripheral areas rather than in the core. North-West Dorset and the Dorchester / Weymouth periphery saw the highest levels of self-employment.

Figure 11.1 Economic Activity/Inactivity – National, Regional and Local Levels



Source: Census of Population 2001, (ONS)

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

11.2.4 Of the economically inactive, the proportion inactive through retirement was highest in the peripheral areas rather than the core, especially in the Dorchester / Weymouth periphery and in North-West Dorset.

11.2.5 The age structure of the Dorset workforce means that more people will become economically inactive over the next decade (see Section C: The Future Housing Market). This means that fewer people will be available locally to meet labour demand and this would need to be met by people moving into Dorset from other areas. As the majority of those retiring are likely to continue to occupy their houses, this is likely to result in an additional demand for housing which needs to be affordable if young people are to be attracted to work here.

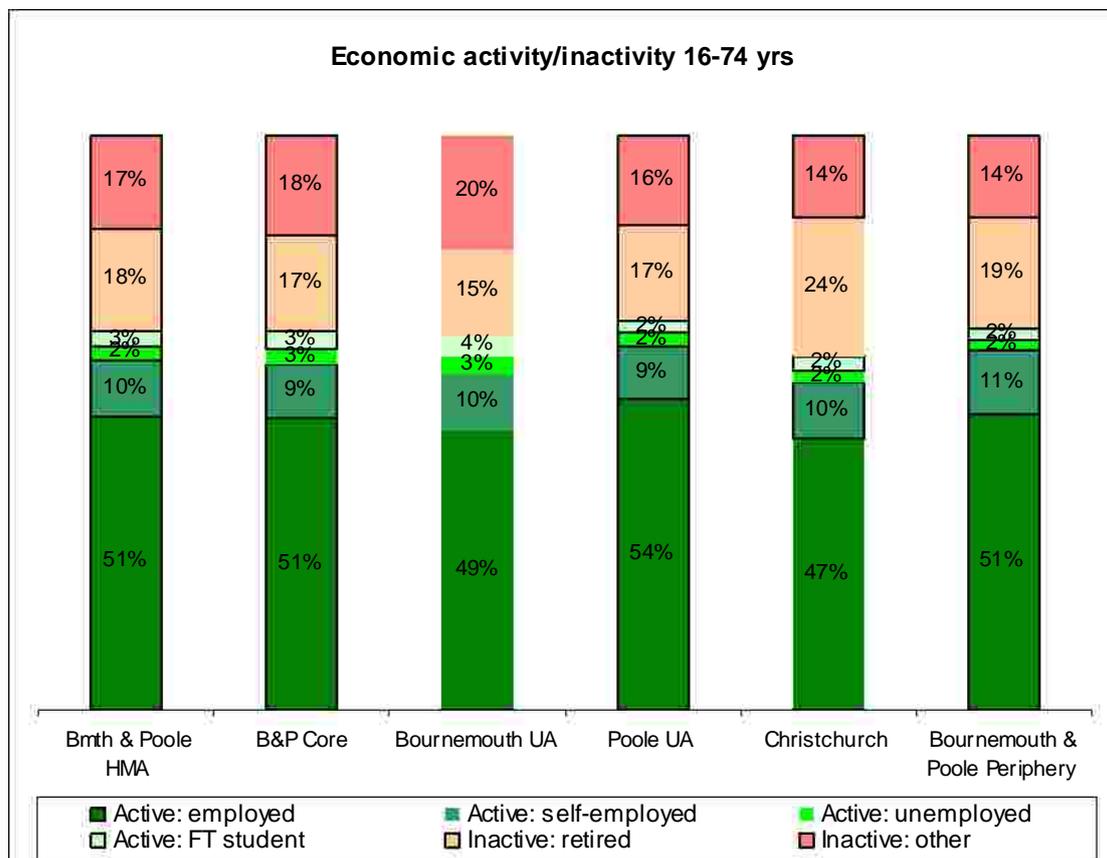
11.2.6 Bournemouth / Poole HMA

The Census showed that in the Bournemouth / Poole HMA, 66% of people aged 16-74 years were economically active, with no distinction between the core and the peripheral areas. In the core area, economic activity was highest in Poole at 68% and lowest in Christchurch at 61%.

11.2.7 Self-employment was highest in the peripheral area.

11.2.8 Economic inactivity through retirement was also highest in the periphery but, within the core area, Christchurch saw the highest level; ten percentage points above the national average. This reflects the high proportion of elderly people in the Borough – more than one-third of the population above retirement age by 2006.

Figure 11.2 Economic Activity/Inactivity, Bournemouth/Poole HMA



Source: Census of Population 2001, (ONS)

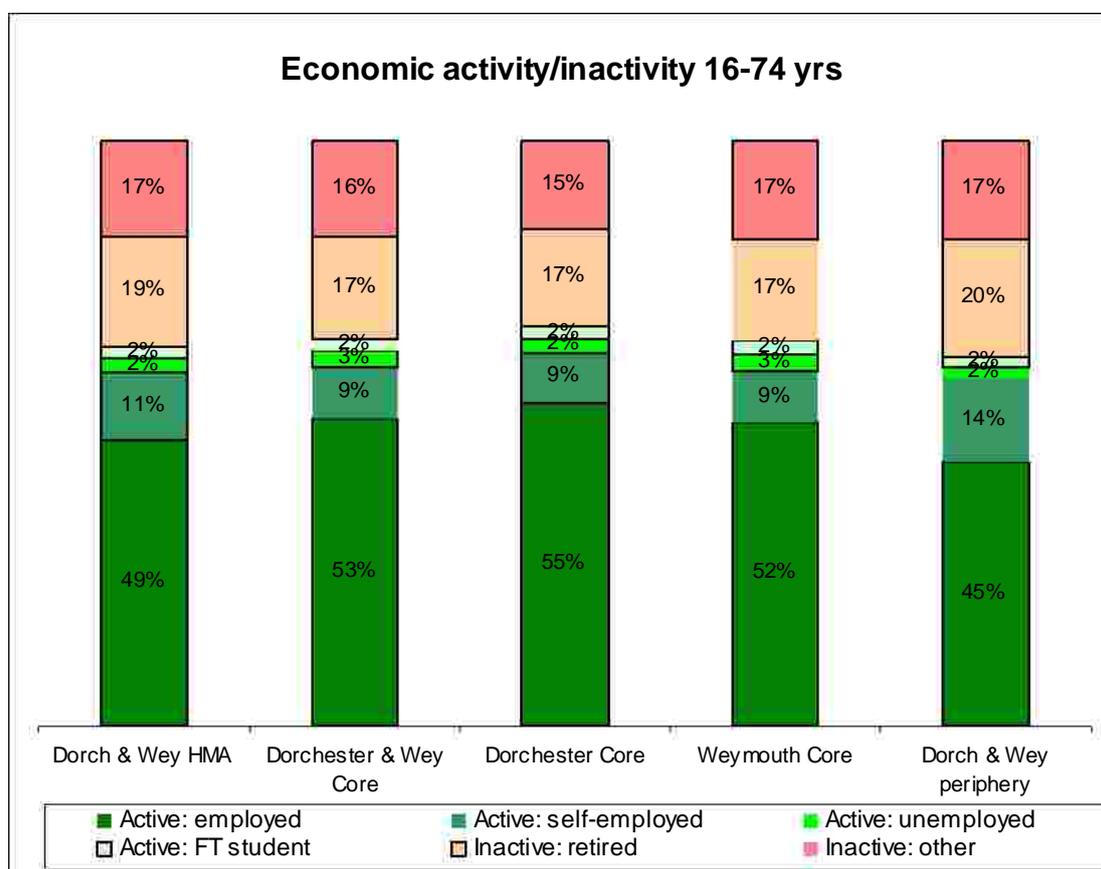
11.2.9 Dorchester / Weymouth HMA

The Census showed that in the Dorchester / Weymouth HMA, 65% of people aged 16-74 years were economically active with a higher proportion in the core than in the peripheral areas. In the core area, economic activity was highest in Dorchester at 68%, where employment in particular was high.

11.2.10 Self-employment was highest in the peripheral area: at 14% this was six percentage points above the national average.

11.2.11 Economic inactivity through retirement was also highest in the periphery at one-fifth of all those aged 16-74 years.

Figure 11.3 Economic Activity/I nactivity, Dorchester/Weymouth HMA



Source: Census of Population 2001, (ONS)

11.2.11 North-West Dorset

Some 64% of those aged 16-74 years in North-West Dorset were economically active – below the average for Dorset. Employment was low at only 47% compared with 53% nationally. However, the proportion in self-employment was six percentage points above the England average at 14%.

11.2.12 Economic inactivity through retirement was high. At 20% it was also six percentage points above the national average.

11.2.13 South Somerset

Of those aged 16-74 years in South Somerset, 69% were economically active – above the national and regional averages. Employment was above average at 54% compared with 53% nationally. The proportion in self-employment was also above

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

the England average at 11%. Economic inactivity through retirement was also high at 17%.

11.2.14 New Forest

Some 67% of those aged 16-74 years in the New Forest area were economically active, matching the national average. Employment was fairly low at 52% compared with 53% nationally. However, the proportion in self-employment was above the England average at 10%.

11.2.15 Economic inactivity through retirement was high. At 19% this was five percentage points above the national average.

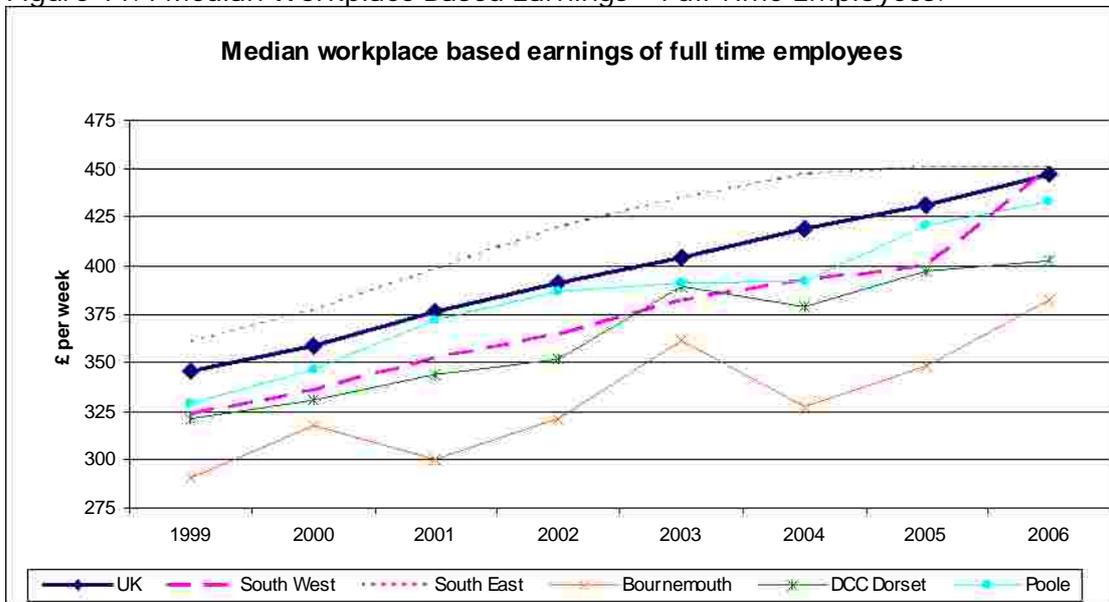
Economic Activity: Key Points

- § Economic activity in the Dorset sub-region is marginally under the national/regional averages.
- § Self-employment is higher in Dorset.
- § Economic activity rates are generally higher in the core areas, largely reflecting the accessibility of employment opportunities.
- § Among the economically inactive, there is a higher proportion of retired people in Dorset than nationally.
- § An increasing proportion of people is expected to move into retirement over the next decade.

11.3 Earnings and Income

11.3.1 The earnings of full-time employees in employment²⁴ in the Dorset sub-region have historically been below average, as can be seen in the chart below²⁵. This mirrors the position of the South West region as a whole.

Figure 11.4 Median Workplace Based Earnings – Full Time Employees.



Source: Annual Survey of Hours and Earnings, (ONS)²⁶

²⁴ Note: workplace based data reflects the earnings on offer in the area. Residents may be earning higher pay by commuting to employment outside the area.

²⁵ Data for part-time employees is not usually reliable at low geographies. Earnings data excludes income from other sources such as pensions, interest, dividends etc which are included in household income data.

²⁶ Exclusive dataset, except for 2004 and 2005

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

Table 11.1 Median Gross Weekly Pay, National, Regional and Local Comparisons

| | Median gross weekly pay for full time employees | | Percentage of England & Wales median | | Percentage of SW median | |
|---------------------|---|-----------------|--------------------------------------|-----------------|-------------------------|-----------------|
| | Workplace based | Residence based | Workplace based | Residence based | Workplace based | Residence based |
| South West | £417.00 | £423.50 | 92.60% | 93.80% | 100.00% | 100.00% |
| England & Wales | £450.40 | £451.60 | 100.00% | 100.00% | 108.00% | 106.60% |
| UK | £447.10 | £447.10 | 99.30% | 99.00% | 107.20% | 105.60% |
| South East | £470.10 | £488.70 | 104.40% | 108.20% | 112.70% | 115.40% |
| London | £572.40 | £540.80 | 127.10% | 119.80% | 137.30% | 127.70% |
| New Forest | £401.30 | £438.50 | 89.10% | 97.10% | 96.20% | 103.50% |
| South Somerset | £419.40 | £401.60 | 93.10% | 88.90% | 100.60% | 94.80% |
| Dorset sub-region | £404.60 | £417.10 | 89.80% | 92.40% | 97.00% | 98.50% |
| Bournemouth | £382.30 | £395.80 | 84.90% | 87.60% | 91.70% | 93.50% |
| Poole | £433.30 | £447.50 | 96.20% | 99.10% | 103.90% | 105.70% |
| DCC Dorset | £402.30 | £416.20 | 89.30% | 92.20% | 96.50% | 98.30% |
| Christchurch | £425.20 | £379.70 | 94.40% | 84.10% | 102.00% | 89.70% |
| East Dorset | £413.80 | £434.50 | 91.90% | 96.20% | 99.20% | 102.60% |
| North Dorset | £369.10 | £418.80 | 81.90% | 92.70% | 88.50% | 98.90% |
| Purbeck | £396.60 | £404.60 | 88.10% | 89.60% | 95.10% | 95.50% |
| West Dorset | £407.60 | £426.90 | 90.50% | 94.50% | 97.70% | 100.80% |
| Weymouth & Portland | £358.10 | £393.20 | 79.50% | 87.10% | 85.90% | 92.80% |

Source: Annual Survey of Hours and Earnings, 2006, (ONS)

11.3.2 Workplace Based Earnings

Workplace based earnings reflect the pay levels available in Dorset firms – the pay on offer to those not prepared or able to commute to higher paying areas. In 2006, workplace based earnings for full time employees in Poole were 96% of the England and Wales average: in Christchurch 94%, but only 85% of the England and Wales average in Bournemouth²⁷.

11.3.3 Elsewhere in Dorset County area, North Dorset and Weymouth and Portland saw 2006 earnings at just 82% and 80% respectively of the national average. East Dorset had the highest pay level at 92% of the national average.

11.3.4 The New Forest was in line with the Dorset County average at 89%, but South Somerset was higher at 93%.

11.3.5 Residence based earnings

In the Dorset sub-region, residence based earnings tend to be higher than workplace based earnings, suggesting that some residents are commuting outside the area for higher paid employment. Dorset still performs below the national average.

11.3.6 In 2006, residence based earnings in Bournemouth were 88% of the UK average compared with 99% in Poole.

²⁷ Note: The Annual Survey of Hours and Earnings is a sample based survey and is therefore subject to sample error. For example, workplace based earnings for the South West are £417.0 per week for full time employees with a standard error of 1.1% of the mean. This indicates that we can be 95% confident that the true value will lie between £407.8 and £426.2 per week. This is below the England & Wales average with its range of £447.7 to £453.1 per week. On a similar basis, Bournemouth, North Dorset and Weymouth & Portland are all below the national average. DCC Dorset is also below the national average, as is the Dorset sub-region as a whole. Other individual local authorities within the sub-region overlap with the national range: they could therefore match the national average but are unlikely to exceed it.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

11.3.7 Elsewhere in the Dorset County area, East Dorset had the highest pay levels at 96% of the national average, perhaps reflecting the comparative ease of commuting to higher paid areas, such as Hampshire and the rest of the South East. The lowest residence based earnings were in Christchurch (with its above average proportion of elderly, economically inactive people) and Weymouth and Portland, although the latter saw a big leap upwards from its workplace earnings level, probably reflecting its net commuting loss and its reliance on tourism.

11.3.8 The New Forest saw a similar gap between workplace and residence based earnings with residence based pay much closer to the national average at 97%. South Somerset saw a smaller difference between the two with workplace based pay above the England and Wales average.

11.3.9 Household income

However, the earnings of working people do not reflect the full picture of income in the sub-region. Many people receive income from sources other than employment. Household income data may reflect the elderly structure of our population and our attractiveness as a retirement destination as well as the presence of residents with income derived from sources such as dividends or shares. More information on income levels can be found in Section D Chapter 13 Findings from the County wide survey.

11.3.10 Reliable household income data is published only to a limited geography, i.e. Bournemouth and Poole and Dorset County. Gross Disposable Household Income²⁸ per head for 2004 suggests that Dorset household incomes are above the national and regional averages.

Table 11.2 Headline Gross Disposable Household Income per Head, 2004 (at current prices)

| | |
|---------------------|---------|
| UK | £12,840 |
| England | £13,040 |
| South West | £12,721 |
| Bournemouth & Poole | £13,100 |
| DCC Dorset | £13,501 |

Source: ONS

11.3.11 Indexed to UK=100, Dorset County was 105 in 2004 and Bournemouth and Poole was 102. Both areas have seen a steady increase in this index since 1995, unlike, for example, Bristol; Gloucestershire; Somerset; Devon; and Torbay. Whilst it is not possible to pin down an exact reason for these differences, the answer may be in the demographic characteristics of the different areas. For example, the attractiveness of Dorset as a retirement destination matched with the high house prices in certain parts, such as Christchurch and Sandbanks (Poole) may result in the inward migration of a number of particularly wealthy households which will pull up the Dorset averages.

11.3.12 The graph below compares Bournemouth and Poole and Dorset County with other parts of the South West region. It can be seen that the Dorset sub-region has out-

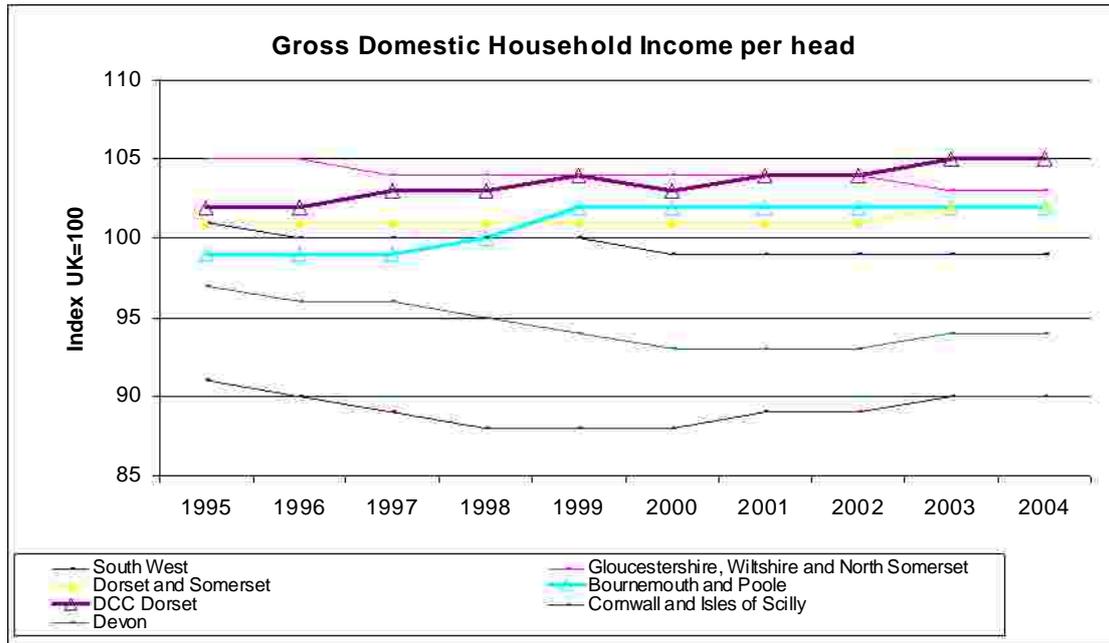
²⁸ GDHI is the amount of money available to households less expenditure on taxes, National Insurance and pension contributions and interest payments (mainly on home loans). GDHI is the amount of money that households have available for spending or savings, hence 'disposable income'. This is money left after expenditure associated with income, for example, taxes and social contributions, property ownership and provision for future pension income. The household sector covers people living in traditional households as well as those living in institutions. The latter includes people living in retirement homes and prisons. The sector also includes sole trader enterprises and non-profit institutions serving households (NPISHs), charities and most universities are examples of the latter.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

performed the more peripheral western parts of the region for the last decade. In addition, Dorset County has consistently seen higher GDHI per head than the conurbation, although the gap almost closed in 2000.

Figure 11.5 Gross Domestic Household Income per Head, 1995 - 2004



Source: Office for National Statistics, GDHI data

11.3.13 The ACORN dataset also suggests that the Dorset sub-region is better off than the national average. ACORN is a national data set compiled by CACI Ltd²⁹ which classifies each unit postcode within the United Kingdom by its social-demographic characteristics.

11.3.14 Geographically, the Dorset sub-region is dominated by the category referred to as “Wealthy Achievers” (shown in pink). Core HMA areas show more of a mix of categories than the more rural periphery.

11.3.15 The urban centres, where postcode units tend to be smaller and the social make-up more diverse, show a more complex pattern. For example, in Bournemouth the town centre and coastal strip is dominated by the “Comfortably Off” and “Urban Prosperity” categories, whilst around the fringe of the urban centre are found greater concentrations of the less wealthy “Moderate Means” and “Hard Pressed” categories.

11.3.16 In rural areas the unit postcodes are geographically larger, so the dominance of the “Wealthy Achievers” seen on the map might be misleading.

11.3.17 Figure 11.7 shows the percentage of Dorset residences who fall into each of the five ACORN categories, with the percentages for the whole of the UK included for comparative purposes.

²⁹ CACI Ltd is a private provider of marketing solutions and information systems: <http://www.caci.co.uk/>

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

Figure 11.6 Dorset Acorn Categories 2007

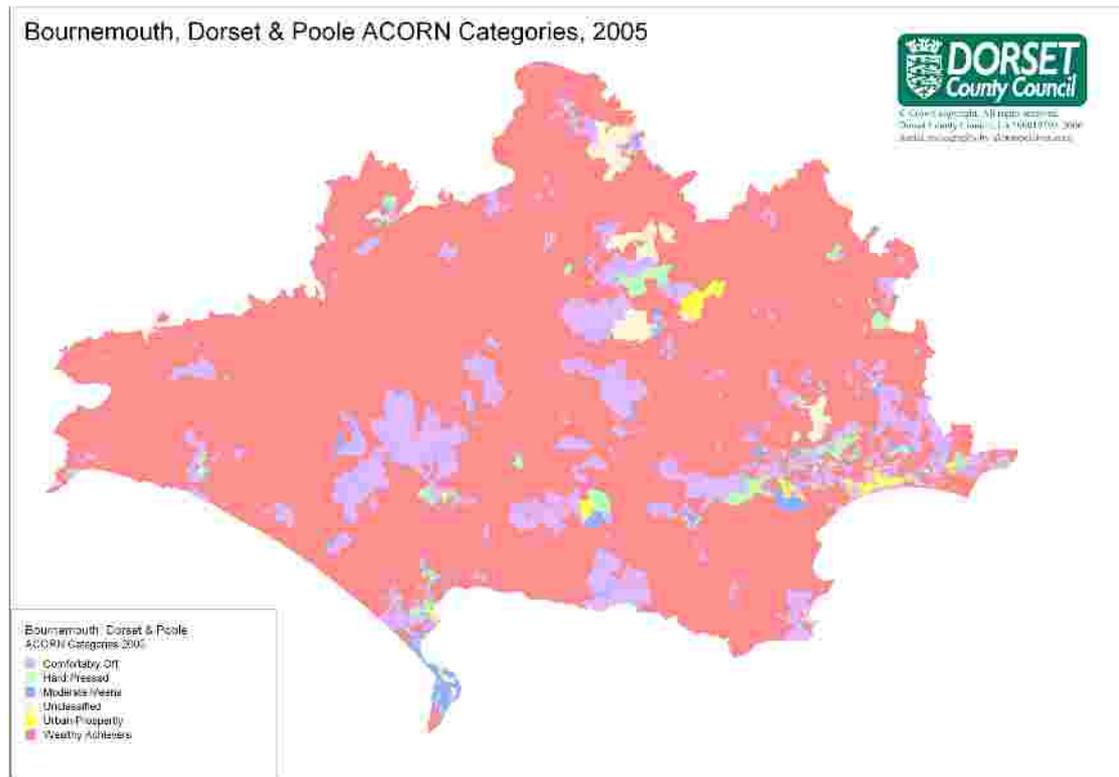
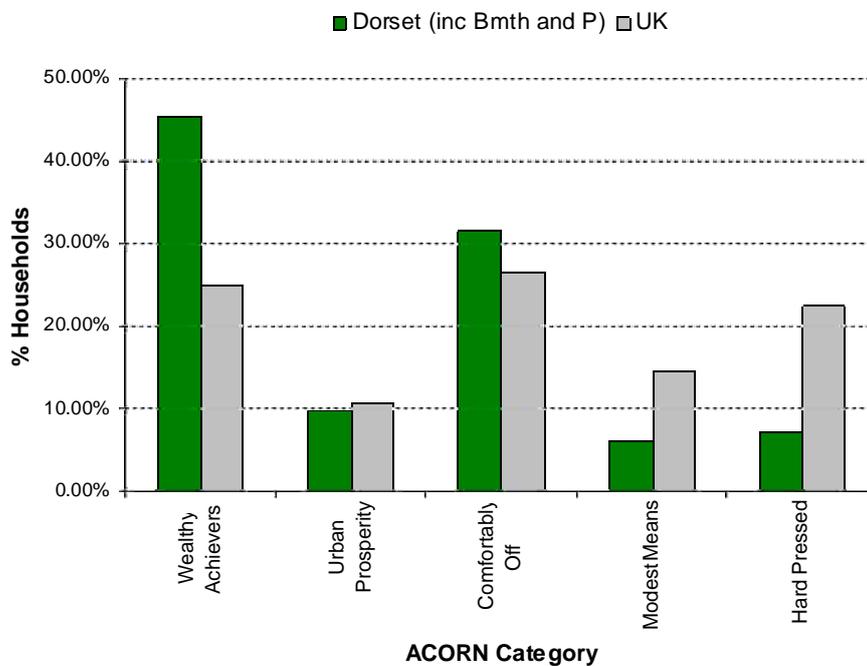


Figure 11.7 Comparison of Acorn Categories, Dorset and UK.



Source: Acorn

11.3.18 As can be seen, the dominant social category in the sub-region is the Wealthy Achiever. The second most populous category is the Comfortably Off. Combined these two relatively affluent groups account for 77% of all households in Dorset.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

- 11.3.19 The two least wealthy categories (Modest Means and Hard Pressed) are represented in the sub-region by only 13.3% of households.
- 11.3.20 When compared to the UK as a whole, Dorset is seen as having a proportion of Wealthy Achievers that is just short of double that of the UK, and a number of Hard Pressed households which is less than a third of the national figure. These statistics demonstrate that households within Dorset are, in general terms, significantly better off than the national average.
- 11.3.21 Despite this, earnings are a key indicator for the working age population, especially when house prices and the housing needs of young people are taken into account. The high cost of property in this area, combined with the below average wages that can be earned, could result in recruitment difficulties for local firms. In addition, housing is taken up by people moving into retirement either from our own workforce or from other areas. While those households who are already living here will mostly be adequately housed, they are taking up accommodation that might otherwise become available for new workers moving to the area. So, regardless of the apparent wealth in the County, it is still very difficult for young economically active people to afford to move into either HMA to take up jobs. While in some cases household wealth, including savings and the availability of funds from other family members, may make housing more accessible this is not always so. The results of the Housing Need Study described later in this report (Chapter 13), show that in both HMAs median savings levels were just £4,500. It is also shown in Chapter 14 that the income level of first time buyers over the last two years has been higher than average household incomes in the area. So first time buyers have to have access to considerable funds to be able to move into the area.

11.4 Housing and Council Tax Benefits

- 11.4.1 Housing Benefit and Council Tax Benefit are income-related benefits administered by local authorities³⁰ to help those liable to pay rent on their homes (HB) or to pay their council tax if they have low income (CTB).
- 11.4.2 The figures can be influenced by administrative change, including changes made to other benefits. Increases in reported CTB caseloads since August 2004 probably reflect a true increase in recipient numbers, with recent campaigns aimed at increasing benefit take-up amongst the elderly eligible population likely to be a key driver of this growth.
- 11.4.3 In August 2006, the Dorset sub-region had approximately 39,400 Housing Benefit recipients, up from 34,200 in August 2002 (an increase of 13%, compared to a 6% rise nationally). Bournemouth alone accounted for about one-third of these, with almost a further third in Poole, Christchurch and East Dorset together. Almost a quarter of claimants were resident in West Dorset and Weymouth and Portland combined.
- 11.4.4 Between 2002 and 2006, Dorset County area saw an increase in the number of recipients of Housing Benefit, up by 2,200. Bournemouth saw the number of recipients grow by 1,600 and Poole saw an increase of 800. Within Dorset County, Weymouth and Portland saw the highest level of growth with 700 additional recipients. West Dorset saw a further 500 recipients over the period.
- 11.4.5 Similarly, in August 2006, the Dorset sub-region had approximately 50,900 Council Tax Benefit recipients, up from 42,700 in August 2002 (an increase of 19%,

³⁰ Data not available at national/regional levels.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

compared with 11% nationally). Bournemouth alone accounted for about 29% of these with just over a further third in Poole, Christchurch and East Dorset together. Just under a quarter of claimants were resident in West Dorset and Weymouth and Portland combined.

11.4.6 Between 2002 and 2006, Dorset County experienced an increase in the number of recipients of Council Tax Benefit, up by 4,300. Bournemouth saw the number of recipients grow by 2,300 and Poole saw an increase of 1,600. Within Dorset County, the highest level of growth was in West Dorset, with 1,200 further recipients. Weymouth and Portland saw a further 900 recipients over the period.

Table 11.3 Housing Benefit and Council Tax Benefit Recipients, August 2006

| Local Authority/UA | All HB recipients | All HB recipients as % of LA households | All CTB recipients | All CTB recipients as % of LA households |
|-----------------------|-------------------|---|--------------------|--|
| | thousands | % | thousands | % |
| Bournemouth | 12.9 | 18 | 14.8 | 20.6 |
| Poole | 7.3 | 12.2 | 10 | 16.6 |
| Christchurch | 2.3 | 11 | 3.6 | 16.9 |
| East Dorset | 2.8 | 7.5 | 4.4 | 11.9 |
| North Dorset | 2.6 | 10.2 | 3.5 | 13.6 |
| Purbeck | 2.1 | 11.1 | 2.9 | 15.3 |
| West Dorset | 4.9 | 11.9 | 6.4 | 15.6 |
| Weymouth and Portland | 4.5 | 16.2 | 5.3 | 18.9 |
| New Forest | 6.8 | 9.2 | 9.4 | 12.8 |
| South Somerset | 7.5 | 11.7 | 9.7 | 15.2 |

Source: DWP

11.4.7 Earnings and Income: Key Points

- § Earnings are below average in the Dorset sub-region.
- § Residence based earnings tend to be higher, probably reflecting commuting patterns in the sub-region.
- § However, household incomes are above the national and regional averages, possibly showing that some Dorset households are in receipt of income from sources other than employment such as dividends or shares.
- § The number of Housing Benefit and Council Tax Benefit claimants is rising at an above average rate in the Dorset sub-region.

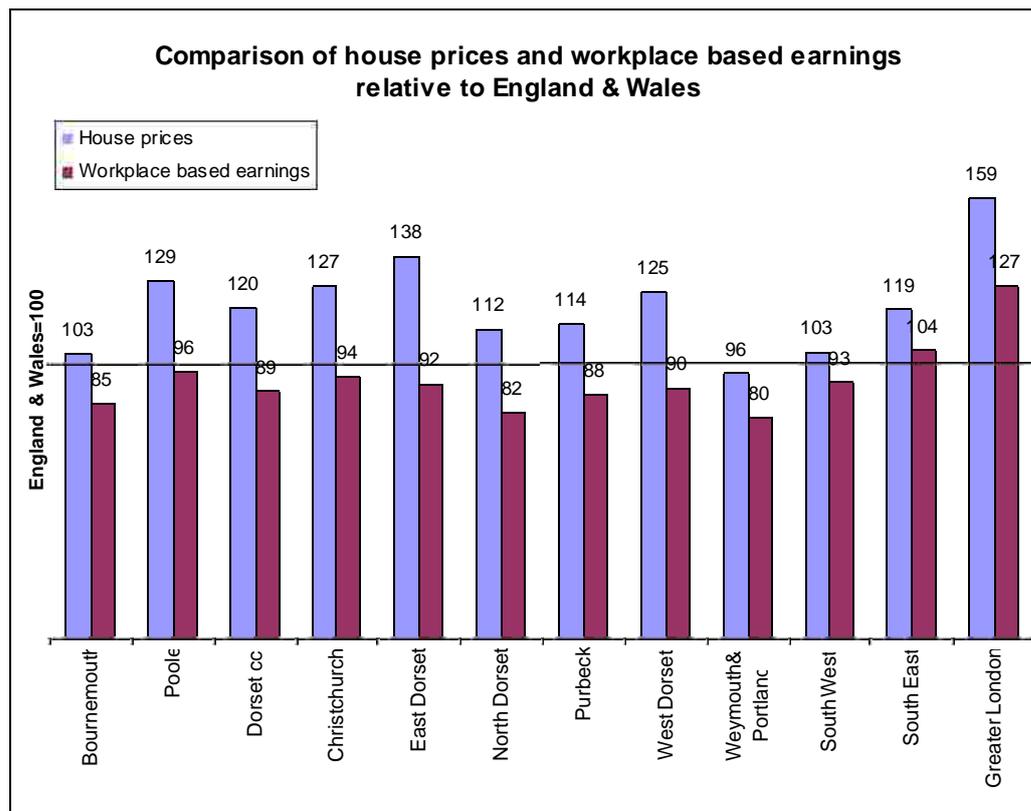
11.5 House Prices and Affordability

11.5.1 In the April-June quarter³¹, house prices, for all properties, were above the national average in the Dorset sub-region. Only Weymouth and Portland saw an average property price lower than the national average. Property prices were highest in East Dorset, Poole, Christchurch and West Dorset. In these four areas, prices were more in line with the South East of England than the South West region.

11.5.2 The biggest gap between median earnings and house prices for all properties was in East Dorset where earnings were 92% of the England and Wales average but house prices were 138% of the national average. West Dorset, Poole and Christchurch all saw big gaps between wages and house prices – more in line with London than the rest of the South West.

³¹ Used for comparability with earnings data

Figure 11.8 House Price and Workplace based Earnings 2006



Source: The Geography of Affordable and Unaffordable Housing" Steve Wilcox (2006).

11.5.3 A 2006 report published by the Joseph Rowntree Foundation³² is based on a more realistic measure of affordability. Homes are bought by households, not individuals – although, or course, some households will have sole residents. Therefore, a more sensible measure of affordability is the ratio between the average price of 2 and 3-bedroom houses and the average household income of younger home buyers aged 20-39, who may have lower than median wages. A proportion of these would be assumed to be in receipt of more than one income.

11.5.4 Using these measures of price and income, London is seen to be the least affordable region with a ratio of 5.01 to 1. The South West is the second least affordable region in the Country, with a ratio of 4.88 to 1. The ratio for the South East of England region is 4.76.

11.5.5 Table 11.4 shows the house price to income ratios for the eight local authority areas in Dorset, in descending order³³.

³² "The Geography of Affordable and Unaffordable Housing" Steve Wilcox (2006). Available for download at <http://www.jrf.org.uk/bookshop/eBooks/1951-affordability-housing-regions.pdf>

³³ Ibid, Appendix 2, Schedule 1

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

Table 11.4 Average House Price – Average Earnings Ratios 2006

| Local Authority | Average House price to average earnings |
|-----------------------|---|
| Great Britain | 4.36 |
| London | 5.01 |
| South East | 4.76 |
| South West | 4.88 |
| New Forest | 5.57 |
| South Somerset | 4.83 |
| Bournemouth | 6.09 |
| Purbeck | 5.77 |
| Christchurch | 5.61 |
| Poole | 5.44 |
| North Dorset | 5.43 |
| East Dorset | 5.31 |
| Weymouth and Portland | 4.98 |
| West Dorset | 4.75 |

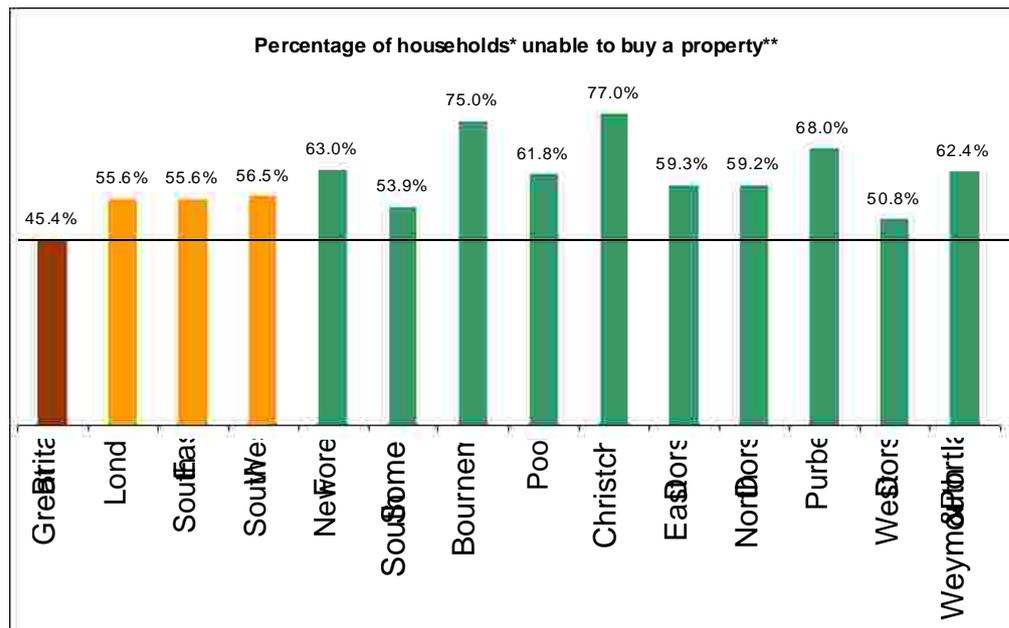
Source: The Geography of Affordable and Unaffordable Housing". Steve Wilcox (2006).

11.5.6 This demonstrates that affordability is a serious problem in the sub-region. Bournemouth is in the top 20 least affordable areas in the Country (ranking 15th out of 407 local authorities in Great Britain) and Purbeck and Christchurch are both in the top 40 (ranking 28th and 34th, respectively). New Forest ranked 37th and South Somerset ranked 102nd.

11.5.7 An alternative measure from the Joseph Rowntree study looks at an affordability threshold known as the "lower quartile". This represents the percentage of working households in each local authority area who would not be able to afford a house which was valued at or above a price higher than the cheapest 25% of all 2 or 3-bed houses. As a measure this differs from the mean house price figure used in the ratios analysis above. The results produced under this 'Intermediate Housing Market' measure of affordability are shown in Figure 11.9.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

Figure 11.9 Percentage of Working Households Unable to Buy a Property Priced at or above the Lowest Quartile



* Households aged 20-39

** 2-3 bedroom houses at or above the 25% cheapest (lower quartile)

Source: The Geography of Affordable and Unaffordable Housing" Steve Wilcox (2006)

11.5.8 According to this measure of affordability, the South West emerges as the least affordable region, with 56.5% of all younger working households unable to buy at local lower quartile house prices.

11.5.9 Dwellings in most parts of Dorset are less affordable for working households than those in London and the South East. In Christchurch they are the least affordable of anywhere in the Country.

11.5.10 Key Worker Affordability

Key workers such as nurses, police, teachers, social workers, health care assistants, support workers, cleaners etc³⁴ earn at a range of pay levels, depending on the type of job. Data is available to regional level only, but the South West region falls below the average for the UK in most key sector jobs.

Table 11.5 Median Gross Weekly Pay, Full Time Employees in Key Sector Occupations, 2006

| | SW | UK | SW as % of UK |
|---|-----|-------|---------------|
| South West, Health Professionals | 964 | 1,038 | 93% |
| South West, Teaching And Research Professionals | 620 | 625 | 99% |
| South West, Business And Public Service Professionals | 593 | 644 | 92% |
| South West, Health And Social Welfare Associate Professionals | 475 | 486 | 98% |
| South West, Business And Public Service Associate Professionals | 472 | 506 | 93% |
| South West, Caring Personal Service Occupations | 269 | 288 | 93% |

Source: Annual Survey of Hours and Earnings, 2006, (ONS)

³⁴ From Keyworkers.org, a not-for-profit resource for keyworkers at www.keyworkers.org/

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

- 11.5.11 The annual Halifax Key Worker Housing Review³⁵ tracks housing affordability for five groups of public sector workers: nurses, teachers, police officers, fire fighters and paramedics, across 517 towns in Great Britain. The 34 towns surveyed in the South West included Bournemouth, Poole, Dorchester and Weymouth. National salary figures are used in the Review. As key worker earnings in the South West are likely to fall below the national average, as shown above, the regional position may even be worse than suggested in the Review. However, these findings are contradicted by the findings of the Housing Needs Survey, (see Chapter 14, The Needs of Specific Groups). This shows that households headed by a key worker in Dorset are more likely than other working households to be living in owner occupied accommodation, and that the average gross household income of key worker households is 30% higher than non key worker households in the Bournemouth/Poole HMA and 36% higher in the Dorchester/Weymouth HMA. The survey found that around 90% of key worker households in each HMA ought to be able to afford minimum market prices.
- 11.5.12 The Halifax research found that, by region, affordability for key workers was worst in London and the South West. The average house was unaffordable for key workers in all 32 London boroughs surveyed and all 34 towns surveyed in the South West. In 2002, only 38% of towns in the South West had an average house price unaffordable to key workers.
- 11.5.13 In the first quarter of 2007, flats and maisonettes were unaffordable for key workers in 30% of GB towns and in 38% of South West towns surveyed.
- 11.5.14 Nurses are the key worker group with the most affordability problems. The average house was rated as affordable on an average nurse's salary in only 7 out of 517 towns surveyed
- 11.5.15 The survey concluded that housing affordability continues to deteriorate for key workers across Great Britain with the problem no longer being confined to the south of England.
- 11.5.16 House Prices and Affordability: Key Points

- | |
|--|
| § House prices are above average in the Dorset sub-region. |
| § With below average earnings, this leads to a gap in affordability across the sub-region. |
| § Even at lower quartile house prices, houses in most parts of Dorset are less affordable than those in London and the South East. |

11.6 Skills and Qualifications

- 11.6.1 For an economy to be internationally competitive depends on increasing the proportion of its workforce skilled to higher levels. To meet projected employment demands in the Dorset sub-region, a range of skill levels within the workforce will be required, as outlined in Section C: The Future Housing Market.
- 11.6.2 In the BDPEP Strategy, 'Raising the Game', which sets targets for achievement at NVQ levels two, three and four, continued reliance on low skill employment is seen as a 'serious risk' and improving the skill levels of the working population is seen as a key issue.³⁶

³⁵ Q1, year to March 2007: House prices are sourced from the Halifax house price index database for the years to March 2002, 2006 and 2007. Earnings data are from ASHE 2002 and 2006 (ONS), average salaries for key worker categories. Affordability ratio assumes obtaining a mortgage depends solely on a single income.

³⁶ 'Raising the Game', Economic Development Strategy 2005-2016 (BDPEP)

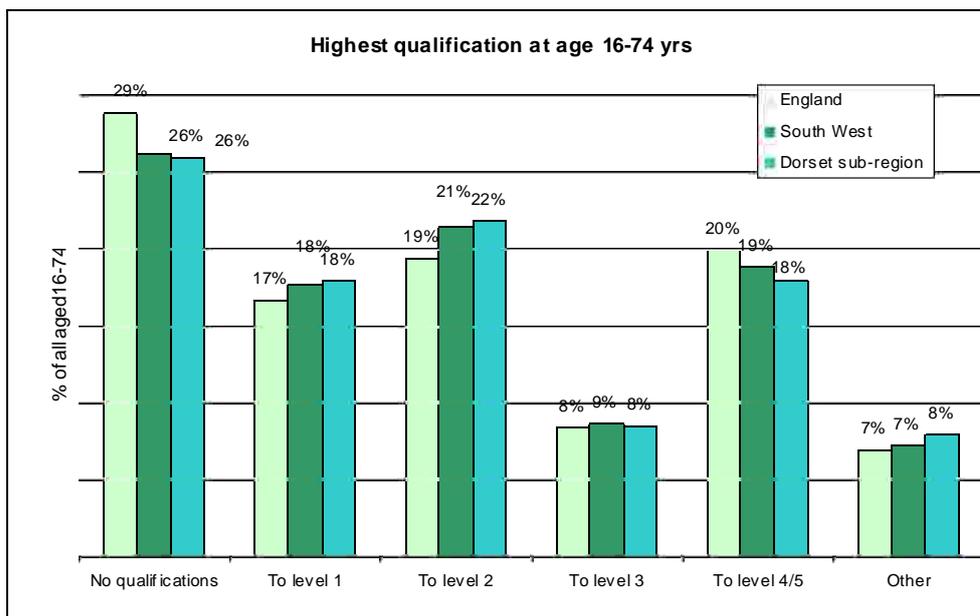
Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

11.6.3 This demand for higher level skills could potentially place considerable strain upon the learning facilities in the County. Although young people have access to a fairly wide range of training opportunities, a range of issues are likely to challenge the education and training sector and impact on our ability to raise skill levels sufficiently to meet future needs – including our aspiration to develop the knowledge-driven economy in Dorset. A priority will be to provide training services with the flexibility to accommodate employers' needs and to work more closely with businesses to support management development, foundation degrees and technology transfer.

11.6.4 The Census of Population 2001 showed that more than one-quarter of people aged 16-74 years in the Dorset sub-region had no qualifications (26%). This is average for the South West region and below the England average. There was no difference between the core and peripheral areas.

11.6.5 Within the Dorset sub-region 18% of 16-74 year olds had a level four or above qualification (degree level and higher). This was a marginally lower proportion than regionally (19%) or nationally (20%). Within Dorset, the peripheral areas tended to have a slightly higher proportion of people qualified to this level, perhaps reflecting the tendency of those in higher level jobs to live outside of urban areas. In common with the wider geographies, the lowest proportion of people was qualified to level three (two or more A levels or equivalent).

Figure 11.10 Qualification Levels, National, Regional and Local

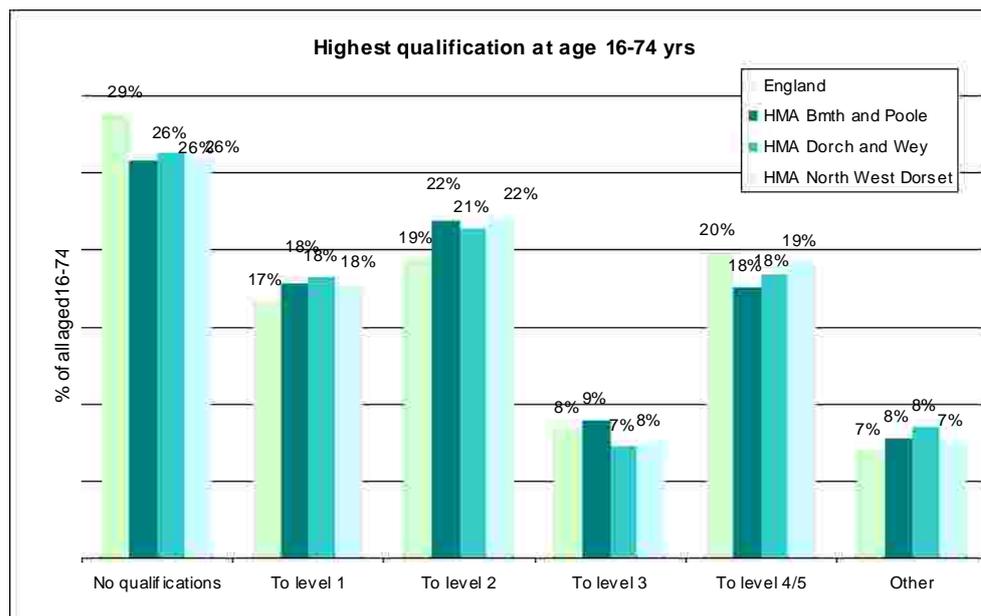


Source: Census of Population, 2001, (ONS)

11.6.6 Bournemouth/Poole HMA

Within the Bournemouth / Poole HMA, Christchurch had the highest proportion of people with no qualifications, perhaps reflecting its elderly age structure. Christchurch also had the lowest percentage of 16-74 year olds qualified to level three or above. The peripheral area had a marginally higher proportion qualified to level four or higher.

Figure 11.11 Qualification Levels, Dorset HMAs



Source: Census of Population, 2001, (ONS)

11.6.7 Dorchester / Weymouth HMA

Within the Dorchester and Weymouth HMA, although the peripheral area had the highest proportion at level four or above, within Dorchester had the highest overall proportion at 22% of 16-74 year olds. Weymouth had the highest level with no qualifications.

11.6.8 North-West Dorset

With 19% of people qualified to level four or higher, North-West Dorset fell just above the average for Dorset and in line with the South West region. An above average proportion was qualified to level two.

11.6.9 The ability of the local education system to prepare its young people for higher level study is also significant, although these benefits are lost if those young people then go on to work elsewhere.

11.6.10 Poole, Dorset County and Hampshire perform well at GCSE standard level 2, the achievement of five or more GCSEs at grades A*-C. Bournemouth and Somerset fall below the national average in 2005-06.

11.6.11 During the period 2002-06, national achievement rose by 7.6 percentage points. Bournemouth, Poole, Dorset County, Hampshire and Somerset all started at levels above the national average but saw lower levels of improvement in their position.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

Table 11.6 Percentage Gaining 5 or more GCSEs, Grades A*-C

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | % points increase 2002-2006 |
|-------------|------|------|------|------|------|------|------|------|------|------|-----------------------------|
| England | 45.1 | 46.3 | 47.9 | 49.2 | 50 | 51.6 | 52.9 | 53.7 | 57.1 | 59.2 | 7.6 |
| Bournemouth | 47.6 | 49.2 | 48.8 | 48.1 | 51.6 | 53.5 | 54.6 | 53.8 | 52 | 54.7 | 1.2 |
| DCC Dorset | 49.8 | 50 | 53.5 | 54.6 | 56.4 | 59 | 59.8 | 59 | 60.8 | 62.2 | 3.2 |
| Poole | 50.7 | 53.2 | 55.9 | 59.5 | 58.5 | 60.9 | 59 | 62.2 | 63.8 | 63.1 | 2.2 |
| Hampshire | 49.4 | 51.2 | 53.1 | 54.9 | 54.9 | 56.2 | 57.5 | 58.4 | 60.9 | 61.6 | 5.4 |
| Somerset | 48.9 | 51.2 | 52.7 | 55.3 | 54.7 | 54.8 | 54.9 | 56.4 | 56.6 | 56.6 | 1.8 |

Source: Department for Education and Skills performance tables

11.6.12 In terms of average point score per examination entry at post-16, results for the Dorset sub-region are scattered around the national average³⁷ with:

- Bournemouth consistently above the national average – although this may reflect local administration of the post-16 FE system: results for the more vocationally oriented Bournemouth and Poole College are subsumed in Poole's statistics;
- Dorset County just below the national average;
- Poole and Hampshire much in line with the national average;
- Somerset just above the national average.

Table 11.7 Average Point Score per post-16 Exam Entry

| | 2002 | 2003 | 2004 | 2005 | % points increase 2002-2005 |
|-------------|------|------|------|------|-----------------------------|
| England | 76.0 | 77.4 | 78.7 | 79.9 | 3.9 |
| Bournemouth | 83.7 | 84.7 | 84.0 | 87.6 | 3.9 |
| DCC Dorset | 73.2 | 76.0 | 74.8 | 76.7 | 3.5 |
| Poole | 76.7 | 75.6 | 77.2 | 80.2 | 3.5 |
| Hampshire | 75.3 | 77.1 | 78.1 | 79.5 | 4.2 |
| Somerset | 76.8 | 78.1 | 79.4 | 82.0 | 5.2 |

Source: Department for Education and Skills performance tables

11.6.13 More recent performance data is not compatible with earlier years as it includes vocational qualification equivalents and a new point score system has been implemented. However in 2006:

- Bournemouth and Hampshire continue above the national average;
- DCC Dorset is below the national average;
- Poole is just below the national average;
- Somerset is just below the national average.

11.6.14 Skills and Qualifications: Key Points

| |
|---|
| § More than one-quarter of people aged 16-74 years in the Dorset sub-region have no qualifications (below the England average). |
| § However, a below average proportion is qualified to degree level or above. |
| § The proportion of pupils gaining five or more GCSEs at grades A*-C is increasing, although not as fast as nationally. |
| § At the post-16 level, Bournemouth in particular has performed consistently above the national average. |

³⁷ 2006 performance data is not compatible with earlier years as it includes vocational qualification equivalents and a new point score system has been implemented. Bournemouth continues to perform above the national average and Poole is very near.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

11.7 Unemployment

11.7.1 During the decade 1991 to 2001, unemployment halved in the Dorset sub-region. This decline was greater than that seen regionally or nationally.

Table 11.8 Unemployment Aged 16-74: Change 1991-2001

| | 1991 | 2001 | Absolute change | % change |
|-------------------|-----------|-----------|-----------------|----------|
| England | 2,105,690 | 1,188,860 | -916,830 | -44% |
| South West | 168,200 | 90,800 | -77,400 | -46% |
| Dorset sub-region | 22,970 | 11,310 | -11,660 | -51% |

Source: Census of Population 2001 and 1991, (ONS)

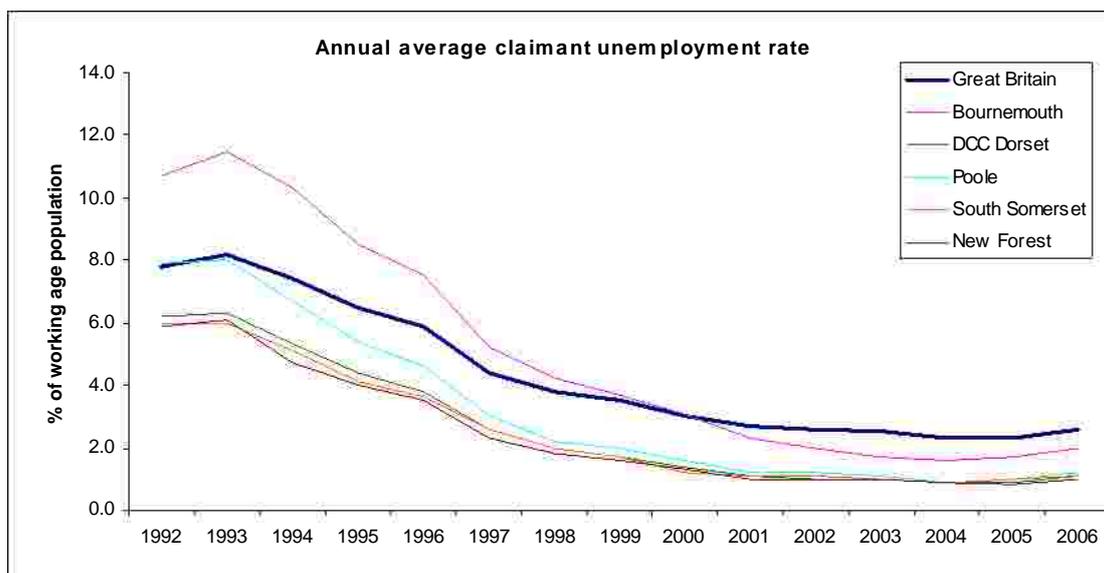
11.7.2 In recent years, the strength of the national economy has been clearly reflected in buoyant labour market statistics, with employment steadily growing and claimant unemployment falling. During 2005, output growth faltered and the growth of workforce employment began to slow a little, particularly for females. In the first quarter of 2005, the unemployment rate stopped falling and began to rise later in the year.

11.7.3 On average over 2006, claimant count unemployment in Great Britain was 83,073 higher than a year earlier. This increase was reflected across the sub-region, but the longer term picture shows considerable and greater than average decline, as illustrated in the Figure 11.12.

11.7.4 Within the sub-region, Bournemouth and Weymouth and Portland traditionally have higher rates of claimant unemployment than the other Dorset local authority areas, but the gap has narrowed over the decade and rates have now fallen below the national level.

11.7.5 South Somerset and the New Forest area both have very low unemployment rates, much in line with Dorset County.

Figure 11.12 Annual average claimant unemployment rate.



Source: Claimant count data, Office for National Statistics

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

11.7.6 Most unemployment in both the Bournemouth / Poole and in the Dorchester / Weymouth areas is short-term, suggesting that for many it is 'frictional' – a temporary period of unemployment whilst people switch between jobs.

11.7.7 Long term unemployment of twelve months or more is generally below average across the sub-region and suggests that most people do have the skills that are needed to fill the vacancies on offer.

11.7.8 Unemployment is, of course, inextricably bound to the state of the economy and a buoyant economy means a demand to fill jobs, either from local resources – if the labour pool possesses the required skills – or from outside the local labour market. A cooling of economic conditions is likely to lead to higher unemployment

Table 11.9 Claimant Unemployment: Averaged over the Year

| Area | January 2005 - December 2005 (inclusive) | January 2006 - December 2006 (inclusive) | January 2005 - December 2005 (inclusive) | January 2006 - December 2006 (inclusive) |
|---------------------------------------|---|---|---|---|
| | number | number | rate | rate |
| Great Britain | 845,709 | 928,782 | 2.3 | 2.6 |
| South West region | 42,934 | 48,697 | 1.4 | 1.6 |
| Dorset sub region | 4,553 | 5,390 | 1.1 | 1.3 |
| South Somerset | 920 | 1,032 | 1 | 1.1 |
| New Forest | 796 | 951 | 0.8 | 1 |
| Bournemouth | 1,733 | 1,985 | 1.7 | 2 |
| Poole | 795 | 956 | 1 | 1.2 |
| DCC Dorset | 2,026 | 2,450 | 0.9 | 1.1 |
| Christchurch | 261 | 282 | 1.1 | 1.2 |
| East Dorset | 329 | 354 | 0.7 | 0.8 |
| North Dorset | 261 | 295 | 0.7 | 0.8 |
| Purbeck | 157 | 208 | 0.6 | 0.8 |
| West Dorset | 407 | 506 | 0.8 | 1 |
| Weymouth & Portland | 610 | 805 | 1.6 | 2.1 |
| HMA Bournemouth and Poole all | 3,406 | 3,924 | 1.2 | 1.3 |
| HMA Bournemouth and Poole core | 2,789 | 3,223 | 1.4 | 1.6 |
| HMA Bournemouth and Poole periphery | 617 | 702 | 0.7 | 0.8 |
| HMA Dorchester and Weymouth | 948 | 1,228 | 1.2 | 1.5 |
| HMA Dorchester and Weymouth core | 620 | 789 | 1.5 | 1.9 |
| Dorchester | 97 | 109 | 1 | 1.2 |
| Weymouth | 523 | 680 | 1.6 | 2.1 |
| HMA Dorchester and Weymouth periphery | 328 | 439 | 0.9 | 1.2 |
| North-West Dorset | 200 | 239 | 0.7 | 0.9 |

Source: Claimant count data, Office for National Statistics

11.7.9 This low level of unemployment means that there is a very small pool of workers readily available to meet labour demand and those that are available are likely to have problems of skills mismatch. This suggests that any significant increases in labour demand may require net additions to the labour supply if workers cannot be sourced from the unemployed and there may be difficulty in encouraging more of the economically inactive to return to work. It may be possible to meet some of the demand by reducing the number of people who commute out of the area, or attracting more people to commute in. Otherwise the demand for housing will be fuelled if new workers need to move into the area. Although people taking up positions with the largest organisations may be offered support whilst they try to find accommodation, Dorset has a preponderance of small firms which are unlikely to be

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

able to assist new employees in this way. For them, a flexible and active housing market is essential.

Unemployment: Key Points

- § Unemployment in the Dorset sub-region is generally below the national average.
- § Unemployment in Bournemouth and in Weymouth and Portland tends to be higher than in other parts of the sub-region.
- § Unemployment in Dorset is largely short-term.

11.8 Migrant Workers

11.8.1 Information on migrant workers is contained in Chapter 14 'Needs of Specific Household Groups'. There were almost 7,000 migrant worker registrations in the Dorset sub region in 2006/7 and that registrations from A8³⁸ countries are higher than the national average. Most registrations from both A8 and non A8 countries are in the largest towns, but A8 nationals have also located in the periphery and North West Dorset too. It is generally accepted that the UK economy depends on a significant number of skilled migrant workers entering the country, and previous research for the Home Office (Institute for Employment Studies, 2005) found that considerable reliance is also placed on low skilled migrant workers.

11.9 Travel to Work

11.9.1 As most commuting is by car, increased travel in and out of centres of employment to get to work is not environmentally sustainable. In this respect it is important that areas aim for a high degree of self containment, where people both live and work in the same area.

11.9.2 There are many reasons for living in a specific location which then necessitates commuting: a desire to stay near a partner's place of work, near relatives needing care, near children's schools or simply to live in an area offering better quality of life. Also the inability to afford to move to a home nearer the workplace may necessitate commuting.

11.9.3 Although there are some problems in comparing the 1991 and the 2001 census data, it appears that in all Dorset districts/unitary authorities, commuting activity has increased during this ten year period ³⁹. Levels of both in-commuting and out-commuting have increased in every Dorset district.

³⁸ Accession Countries (A8) - Ten accession Countries joined the EU in May 2004: Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia, Malta & Cyprus. Those from Malta & Cyprus were already allowed to work in the UK; hence the data refers to the A8 for which the rules changed May 2004. Note: Romania & Bulgaria joined the EU in January 2007 but as yet no data has been released to assess the migration impact.

³⁹ 1991 data were taken from a 10% sample whereas 2001 data were from all respondents. 1991 data are not available for HMA areas.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

Table 11.10 Commuting Patterns, 1991 and 2001

| | IN-COMMUTING | | | | OUT-COMMUTING | | | |
|--------------------------|--------------|--------|-----------------|-------------|---------------|--------|-----------------|-------------|
| | 1991 | 2001 | change 91-01 | % change | 1991 | 2001 | change 91-01 | % change |
| Bournemouth | 23,500 | 25,133 | 1,633 | 7% | 18,060 | 25,408 | 7,348 | 41% |
| DCC Dorset | 23,020 | 29,595 | 6,575 | 29% | 35,590 | 45,313 | 9,723 | 27% |
| Poole | 20,560 | 26,154 | 5,594 | 27% | 20,400 | 22,323 | 1,923 | 9% |
| Christchurch | 9,160 | 9,852 | 692 | 8% | 6,810 | 8,987 | 2,177 | 32% |
| East Dorset | 8,960 | 11,761 | 2,801 | 31% | 15,700 | 18,549 | 2,849 | 18% |
| North Dorset | 2,810 | 5,341 | 2,531 | 90% | 6,160 | 8,366 | 2,206 | 36% |
| Purbeck | 5,270 | 6,577 | 1,307 | 25% | 7,470 | 8,350 | 880 | 12% |
| West Dorset | 10,700 | 13,607 | 2,907 | 27% | 8,200 | 10,944 | 2,744 | 33% |
| Weymouth and Portland | 2,430 | 3,189 | 759 | 31% | 7,570 | 10,849 | 3,279 | 43% |

Source: Census of Population 2001 and 1991, Office for National Statistics

11.9.4 Self-Containment

The 2001 Census indicates that self-containment levels, where people who live and work within the same area, are higher in the core areas than in the periphery. There is also a link between the level of self containment and the size of the area. Self containment is highest in Bournemouth / Poole core area, a clear reflection of the larger concentrations of both employment sites and housing (see Table 11.12).

11.9.5 Commuting Flows

Table 11.11 shows the number of residents working in an HMA core or periphery, other than the one in which they live, as a percentage of the total number of working residents. The largest volume of intra-HMA commuting flows is in the Bournemouth / Poole HMA where more than one-quarter of those resident in the peripheral area travel into the core area to work. Other significant flows are between Weymouth and Dorchester core areas and between the Dorchester / Weymouth periphery and the Dorchester and Weymouth core areas.

11.9.6 The Bournemouth / Poole HMA is a net loser of commuters with over 6,000 more people travelling out of the area to work than travelling in. The Dorchester / Weymouth and North West Dorset areas are also net losers of commuters, by 5,500 and 2,700 respectively.

Table 11.11 Largest Volumes of Commuting Flows between Housing Market Areas

| Residence | Workplace | Number | % |
|-------------------------------|-------------------------------|--------|------|
| Bournemouth/Poole periphery | Bournemouth/Poole core | 18,322 | 25.7 |
| Dorchester/Weymouth periphery | North West Dorset | 4,354 | 12.1 |
| Weymouth Core | Dorchester Core | 2,972 | 11.8 |
| Dorchester/Weymouth periphery | Dorchester core | 3,586 | 10.0 |
| Dorchester/Weymouth periphery | Weymouth core | 3,141 | 8.8 |
| Dorchester core | Bournemouth/Poole periphery | 603 | 8.0 |
| Dorchester core | Dorchester/Weymouth periphery | 597 | 7.9 |
| North West Dorset | Bournemouth/Poole periphery | 1,116 | 7.5 |
| Weymouth core | Dorchester Core | 1,810 | 7.2 |
| Bournemouth/Poole core | Bournemouth/Poole periphery | 10,804 | 7.0 |

Source: Census of Population 2001

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

11.9.7 There are also significant flows of people commuting in and out of Dorset. Focusing on the people who work in each of HMA core or periphery areas, the table below shows that around 10% of the workforce commutes from outside of the County. The figures vary from just 4.6% of those working in Weymouth core to 27.4% of those working in North West Dorset. This pattern is a clear reflection of the locations of these areas.

Table 11.12 Commuting from Outside Dorset

| | % of workforce in HMA by place of residence | | |
|-------------------------------|---|--------------------------|------------------------|
| | live in area | live elsewhere in Dorset | live outside of Dorset |
| Bournemouth/Poole core | 76.2 | 11.9 | 11.3 |
| Bournemouth/Poole periphery | 64.9 | 23.1 | 11.0 |
| Dorchester core | 35.2 | 56.5 | 7.7 |
| Weymouth Core | 76.1 | 18.8 | 4.6 |
| Dorchester/Weymouth periphery | 73.3 | 13.6 | 12.5 |
| NW Dorset | 51.5 | 20.4 | 27.4 |

11.9.8 Of those who commute from outside of Dorset, a large number live in London and the South East. Again this figure varies within Dorset. For example, of those commuting from outside Dorset to Bournemouth/Poole core areas, almost 80% are from London and the South East (just under 8,000 commuters). In North West Dorset just 3.6% of commuters from outside Dorset live in London and the South East, but over 91% live in the South West.

Table 11.13 Place of Residence of Commuters into Dorset HMAs

| | Commuters from outside of Dorset | | |
|-------------------------------|----------------------------------|-------------|-------------|
| | % London & The SE Region | % SW Region | % Elsewhere |
| Bournemouth/Poole core | 79.3 | 10.7 | 10.0 |
| Bournemouth/Poole periphery | 60.0 | 23.6 | 16.4 |
| Dorchester core | 24.3 | 60.0 | 15.7 |
| Weymouth Core | 51.3 | 27.3 | 21.4 |
| Dorchester/Weymouth periphery | 10.4 | 79.2 | 10.4 |
| NW Dorset | 3.6 | 91.3 | 5.2 |

11.9.9 The occupation of employees in each of the HMA varies according to where they have commuted from. The same general pattern can be seen in each of the HMA core and periphery area. Of those who live and work within the area around one third are in managerial, professional or technical occupations. This proportion increases to around half of those commuting from outside of Dorset. It would appear, not surprisingly, that people are prepared to commute further for more senior and specialised positions.

Summary – People and Pay

The Dorset sub-region

- The Dorset sub-region (Bournemouth, Dorset and Poole) has a level of economic activity marginally below the national average with an above average proportion of economically inactive retired people.
- With an above average proportion of employment in low pay sectors, earnings are below average whereas house prices are above average leading to an affordability gap. A move towards higher skill levels is essential to maintain competitiveness and to meet employment demand in the sub-region.
- Claimant unemployment is very low and tends to be short-term and frictional. Worklessness tends to be higher in the more urban parts of the sub-region such as Bournemouth and Weymouth and Portland. Migrant workers are moving into the sub-region to fill the demand for labour.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

- Commuting activity has intensified across the sub-region and there are significant flows of workers from the peripheral areas to the core areas.
- there is more self-containment in the core areas but they also attract in-commuters – especially those in higher level occupations who may well live in the peripheral areas.
- Self employment is highest in the peripheral areas. Economic inactivity through retirement is highest in the peripheral areas. Residents, often those with higher skills, are more likely to commute out of the area to work.

Bournemouth / Poole Core

- Economic activity is higher in the core than in the periphery, especially in Poole;
- Economic inactivity through retirement is high in Christchurch;
- Earnings are below average, but higher in Poole than in Christchurch or Bournemouth;
- Poole and Christchurch each see a considerable gap between house prices and earnings compared to the national average;
- For young home buyers, Christchurch is the least affordable district in Great Britain; Bournemouth and Poole too are less affordable than London and the South East region;
- Christchurch has the highest proportion of people with no or low qualifications, perhaps reflecting its elderly age structure;
- Unemployment is below the national average, but higher in Bournemouth;
- People resident in the core area are more likely to live and work in the same area than peripheral residents;
- Although the core area is a magnet for employment, those in higher level occupations are more likely to live in the peripheral area.
- Migrant workers are particularly attracted to Bournemouth and Poole.

Bournemouth / Poole periphery

- Self-employment is highest in the periphery;
- Economic inactivity through retirement is high;
- Earnings below average, but higher in East Dorset than in Purbeck or North Dorset;
- East Dorset saw a considerable gap between house prices and earnings compared to the national average;
- For young home buyers, Purbeck and East Dorset are both less affordable than London and the South East region;
- People in higher level occupations or qualified to higher level are more likely to live in the peripheral area;
- Unemployment is generally very low;
- More than one-quarter of Bournemouth / Poole periphery residents travel to the core area to work;
- Around 65% of working residents live and work in the Bournemouth / Poole periphery;
- Higher skilled residents may be commuting out of the area to work.

Dorchester/Weymouth Core

- Economic activity is higher in the core than in the periphery, especially in Dorchester;
- Earnings are particularly low in Weymouth & Portland;
- West Dorset has a considerable gap between house prices and earnings compared to the national average;

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

- For young home buyers, Weymouth & Portland is less affordable than London and the South East region;
- Weymouth has a higher proportion of people with no qualifications than Dorchester which has an above average proportion at level four or above;
- Unemployment is generally low, but higher in Weymouth;
- Dorchester is an employment centre attracting commuters from outside the town to work in higher level occupations;
- People resident in Weymouth core area are more likely to live and work in the same area than those in Dorchester;
- More than one in ten Weymouth working residents travels to Dorchester to work;
- Almost half of Dorchester in-commuters work in higher level occupations compared to just under one-third of Dorchester residents.

Dorchester / Weymouth periphery

- Self-employment is highest in the periphery;
- Economic inactivity through retirement is high here;
- A higher proportion of people with higher level qualifications lives in the peripheral area than in the core area as a whole, (Dorchester alone has a higher percentage at this level);
- Unemployment is generally very low;
- Around 19% of working residents travel to the Weymouth or Dorchester core areas to work and 12% travel to North West Dorset.

North-West Dorset

- Self-employment is high.
- Economic inactivity through retirement is above the national average.
- Although earnings are below average, especially in North Dorset, disposable household income may be more in line with the national picture.
- For young home buyers, North Dorset is the 66th least affordable district in Great Britain, less affordable than London and the South East region;
- More than one-quarter of people aged 16-74 have no qualifications;
- Skill levels need to rise significantly to meet future employment demand.
- Unemployment is generally very low;
- Self containment is relatively low, just over half of the working residents live and work in North-West Dorset;
- North-West Dorset workers are the most likely to commute in from outside Dorset to work – more than one-quarter do this.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

Section C: The Future Housing Market

12.0 The Future Housing Market

12.1 Introduction

12.1.1 Estimating the future demand for housing is a complex task. It involves numerous assumptions about future trends and the linkages between different factors. Key starting points are population, household and employment projections or policy-led considerations.

12.1.2 Population projections are based principally on three sets of assumptions, relating to births, deaths and migration. In Dorset, for many years the number of deaths has been greater than the number of births. The increase in the size of the population has therefore been due to the surplus of people moving into the area above those moving out ("net in-migration"). There is evidence to suggest that the amount of migration in Dorset depends on the level of additional housing that is built. During the 1980s, about 4,000 dwellings per year were completed, while in the 1990s the figure fell to 2,550. Levels of net migration reflected this trend.

12.1.3 The link between population, housing and economic growth is not straightforward. Substantial increases in population are no guarantee of economic growth and economic growth is not dependent on population growth. Nevertheless, it is important to have some appreciation of how the labour market will balance under different economic scenarios.

12.1.4 The sections below describe the results of a range of projections and policy-led assumptions about housing. None can offer a clear picture of the future because of the uncertainties in assumptions and relationships. Rather, they give an indication of what might happen, given the assumptions on which they are based.

12.2 Population Projections

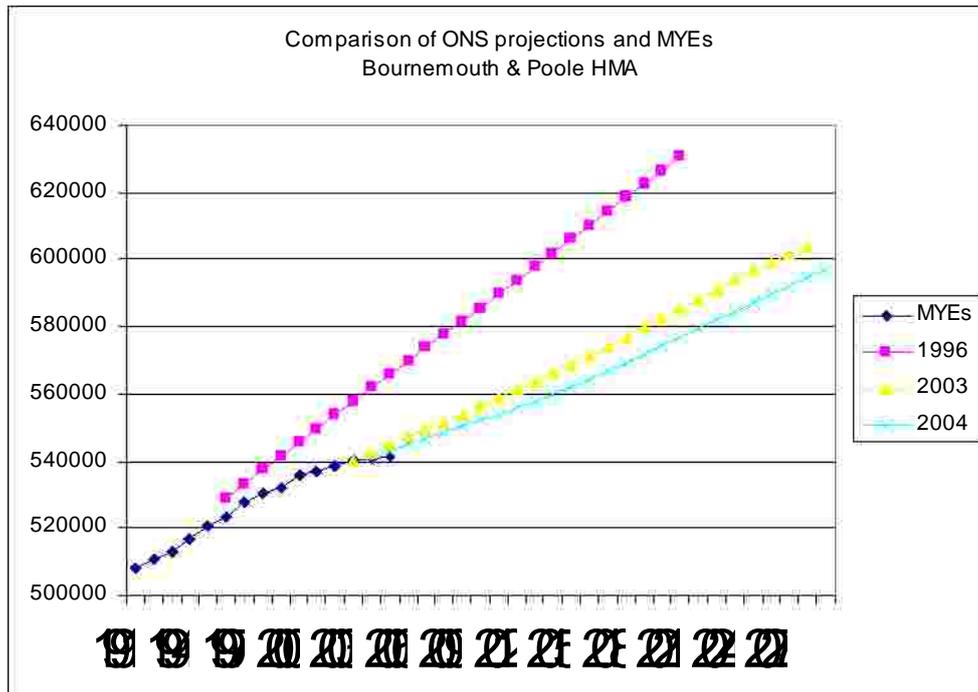
12.2.1 There are two main types of population projection: trend based or policy based

12.2.2 Trend Based Projections

The trend based projections used within this study are those produced by the Office for National Statistics (ONS). These figures are produced on a consistent basis for all local authority areas across the Country. Assumptions for future levels of births, deaths and migration are based on observed levels over the previous five years. They show what the population will be if recent trends continue. Over time, updated projections can change quite significantly, reflecting the changes in the preceding five years. For example, the 1996-based projections from ONS projected a total population for Bournemouth and Poole HMA (LA's) of 630,500 by 2021. In the most recent, 2004-based projections, a lower population of 576,900 is anticipated. This highlights the volatility of this method, particularly when looking at the long term projections. The charts below show the last three sets of ONS projections and the mid-year estimates of population for Dorset's two HMAs.

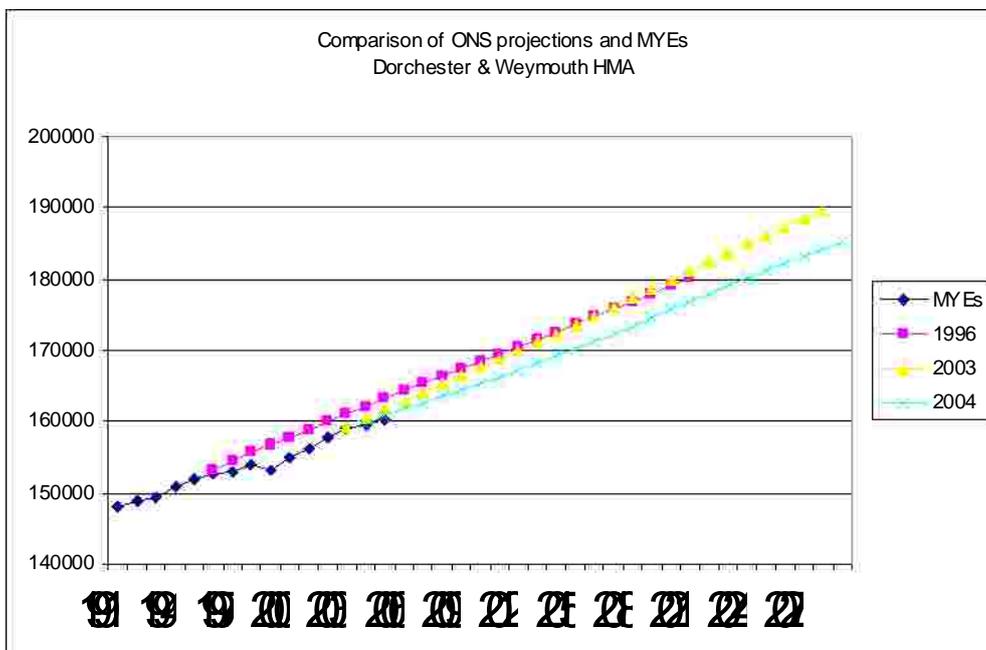
Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

Figure 12.1 ONS Population Estimates and Projections: Bournemouth / Poole HMA



Source ONS 2004

Figure 12.2 ONS Population Estimates and Projections: Dorchester/ Weymouth HMA



Source ONS 2004

12.2.3 The charts show how trend based projections are sensitive to changes over time, particularly in Bournemouth / Poole HMA.

12.2.4 Policy Based Projections

With this approach, for a given level of additional housing, adjustments are first made for vacancies and second homes. The resultant figure is the number of additional households that can be housed in an area. These are translated into

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

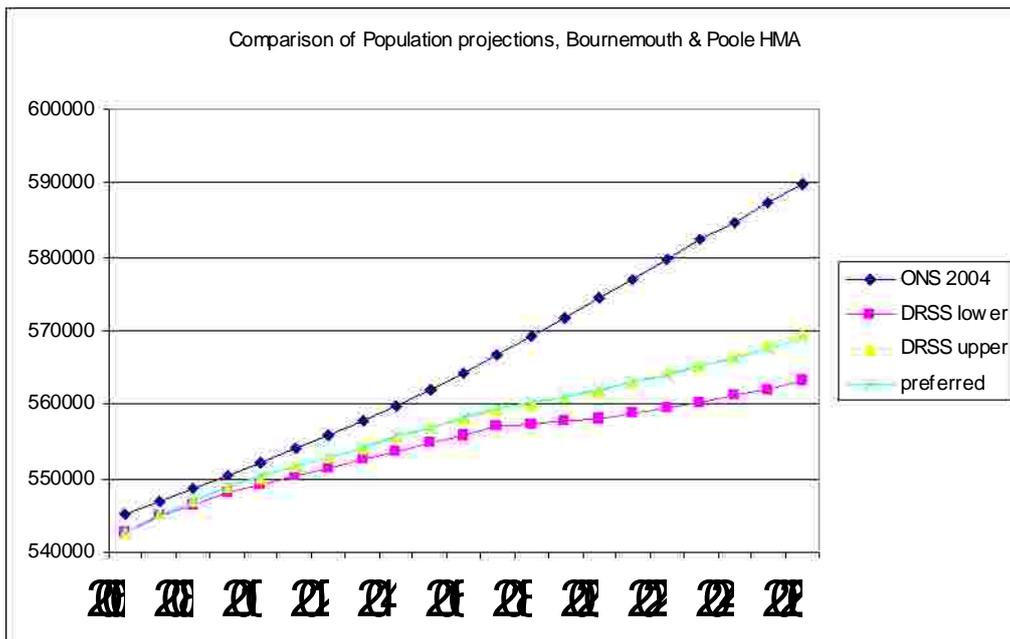
population using the latest household representative rate from DCLG household projections.

12.2.5 The assumption of this method is that new households will always form to occupy new dwellings. The evidence so far has shown this to be the case. However the market will always have a saturation point and this method might not be appropriate if the number of new dwellings increased dramatically or if the wrong type of dwellings were built in the wrong area resulting in a mismatch between supply and demand.

12.2.6 Comparison of Population Projections

The charts below show the recent trend projections from the ONS and the policy-based projections produced by Bournemouth Borough Council, Dorset County Council and the Borough of Poole as part of their work on the draft RSS. There are currently three scenarios. Two of these were posed in the draft RSS and the third is a 'preferred' scenario put forward by the three authorities. All projections are for the period 2006 to 2026. The scale on the chart does not start at zero to highlight the differences more clearly.

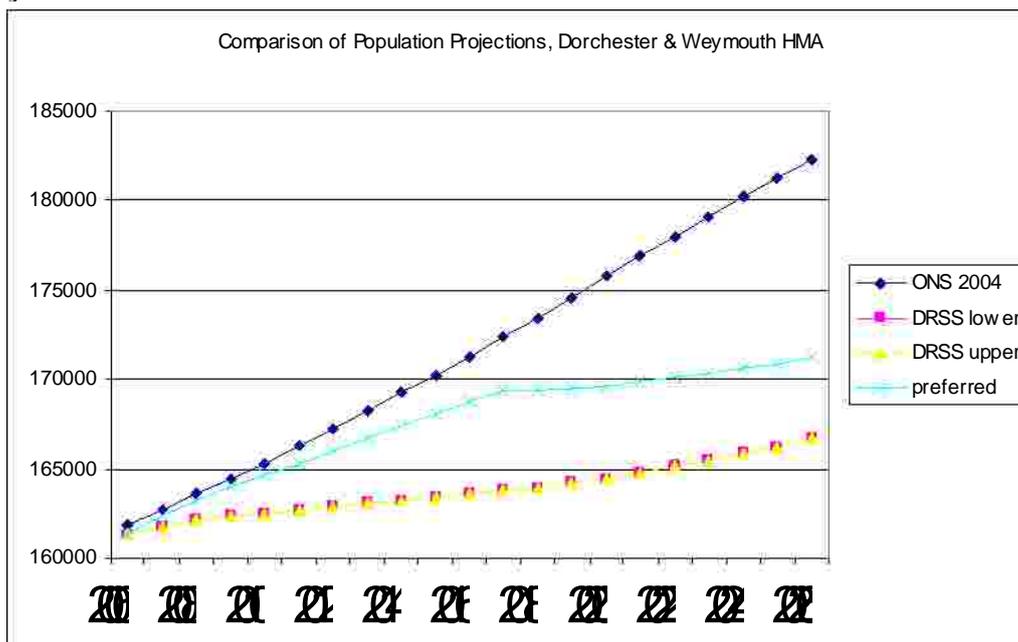
Figure 12.3 Trend and Policy based Population Projections: Bournemouth / Poole HMA



Source: ONS 2004 and Dorset County Council 2007

12.2.7 In the Bournemouth / Poole HMA the projected population by 2026 could be as high as 590,000 if past trends continue (ONS 2004). This would represent an increase of 8.2% from 2006. The DRSS lower scenario would allow for a 3.7% increase from 2006 to 2026 giving a total population of 563,000 by 2026.

Figure 12.4 Trend and Policy based Population Projections: Dorchester / Weymouth HMA



Source: ONS 2004 and Dorset County Council 2007

12.2.8 In the Dorchester / Weymouth HMA the ONS 2004 projection again shows the highest level of growth, at 12.6% between 2006 and 2026, with total population reaching 182,000 by 2026. The DRSS projections allow for a 3.3% growth to 167,000 by 2026.

12.2.9 Zero-Net Migration Projection - Local Demand

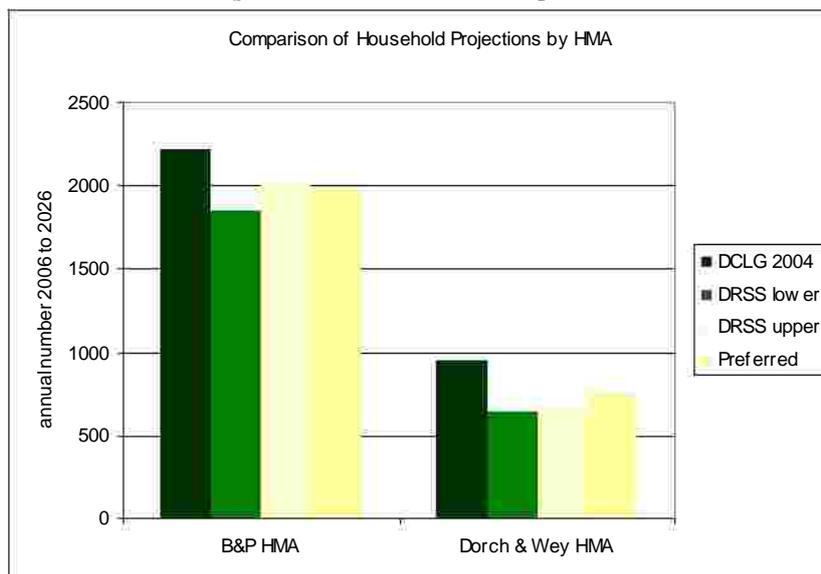
As migration is such an important factor in Dorset's population growth, neither the trend or policy based projections described above give a clear idea of locally generated demand. A zero-net migration projection will show what the total population would be if in- and out-migration was in balance. A recent zero-net migration projection (using 2003 household formation rates) showed that across Dorset there was a need for just fewer than 100 additional dwellings per year. To emphasise the significance of migration, the preferred option above is for an additional 2,850 per year.

12.3 Household Projections

12.3.1 As with the population projections there are two sets of household projections: trend based from DCLG and policy based figures. Both use the same household formation rates produced by DCLG.

12.3.2 The trend based figures are the households that would form from the ONS projected population. The policy based projected households are those that would be accommodated in the housing levels in each of the above three scenarios (draft RSS lower, draft RSS upper and preferred). The chart below shows the annual increase in the total number of households from 2006 to 2026 in each scenario along with the trend projections for the two HMAs.

Figure 12.5 Trend and Policy based Household Projections



Source: ONS 2004 and Dorset County Council 2007

12.3.3 As one would expect the household projections largely mirror the population projections. The trend based figures are higher than the policy based figures. In the Bournemouth / Poole HMA the number of households projected, annually to 2026 ranges from 1,857, based on the DRSS lower scenario, to 2,215 based on the DCLG trend. In Dorchester and Weymouth HMA the range (annual to 2026) is from 645 (DRSS) to 955 (ONS). However, it is not just the total number of households that it is important but also the type of projected household.

12.3.4 Household Types

The household projections from DCLG provide details on five main types of household, by the age and gender of the head of household. The five household types are:

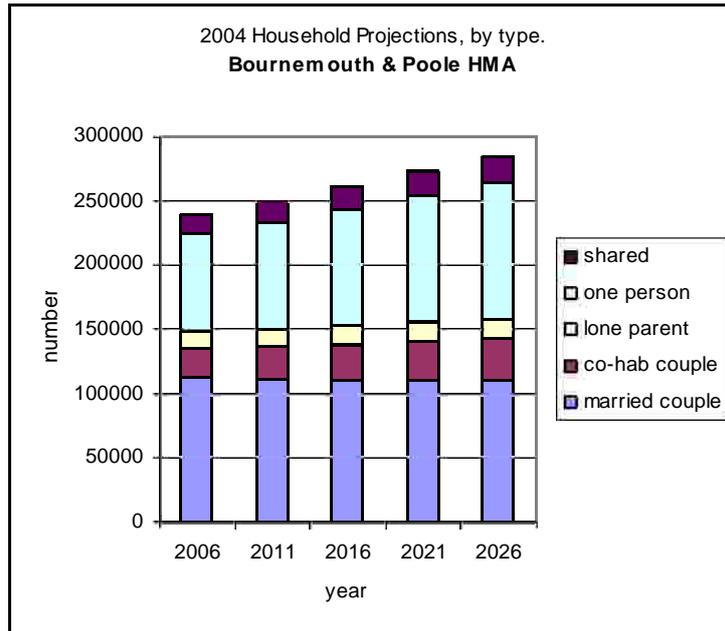
- Married couple
- Co-habiting couple
- Lone parent
- One person
- Shared households

12.3.5 Trend Based Projections

The household projections show an increase in one person households. This is particularly apparent in Dorset due to the high proportion of older people, many of whom live alone. The charts below show the projected number of households by type for the two HMAs.

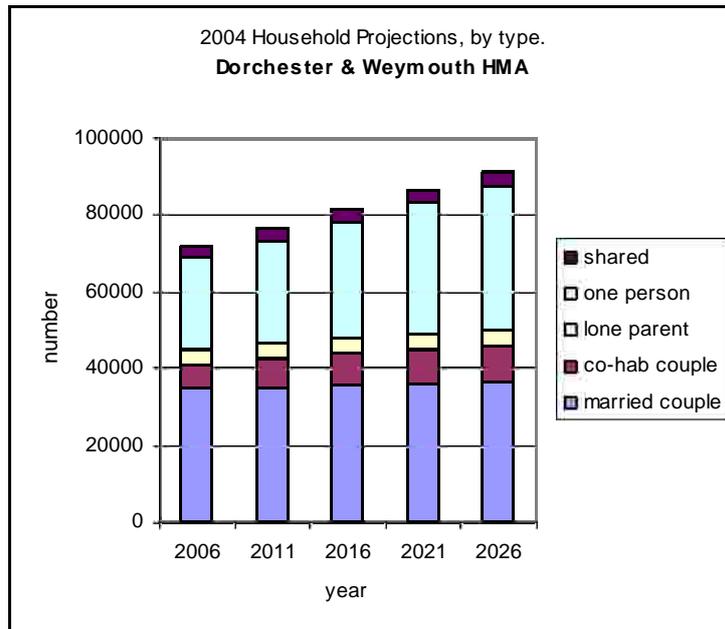
Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

Figure 12.6 Household Projections by Type: Bournemouth / Poole HMA



Source: CLG 2004-based

Figure 12.7 Household Projections by Type: Dorchester / Weymouth HMA



Source: CLG 2004-based

12.3.6 The charts show that in both HMAs the increase in the number of households between 2006 and 2026 is mainly in one person households. In Bournemouth / Poole HMA the proportion of one person households is projected to increase from 32% to 38% of the total, whilst in Dorchester / Weymouth HMA the increase is projected to be from 33% to 41%. In both HMAs the projections indicate that the proportion of one person households will be the same or slightly higher than the proportion of married couple households by 2026. Married couple households have historically been the dominant type.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

12.3.7 The overall impact of this is to decrease the average household size. This means that over time more dwellings will be required to accommodate the same population, increasing the demand for housing. It is also likely that many one person households of the future may at present be married couple households (possibly with older children). Over time occupants become widowed but remain in the same dwelling, which becomes under-occupied.

12.3.8 Policy Based Projections

The draft Regional Spatial Strategy sets out dwelling figures for the County. In the Bournemouth / Poole HMA there is a range. Based on the scenarios, the following numbers of households would form:

Table 12.1 Projection of Households by Type: Bournemouth / Poole HMA

| Household type | B&P HMA | | | | | |
|----------------------------|------------|---------|------------|---------|-----------------|---------|
| | DRSS lower | | DRSS upper | | DCLG 2004-based | |
| | 2006 | 2026 | 2006 | 2026 | 2006 | 2026 |
| married couples (UMCR) | 112,400 | 107,300 | 112,400 | 108,200 | 112,800 | 109,500 |
| co-habiting couples (UCCR) | 21,600 | 34,500 | 21,600 | 35,100 | 21,800 | 33,600 |
| lone parents (ULPR) | 13,800 | 14,100 | 13,800 | 14,400 | 13,900 | 14,900 |
| one person (OPR) | 75,500 | 101,600 | 75,500 | 102,700 | 75,900 | 106,700 |
| multi-person (OMPR) | 14,800 | 17,800 | 14,800 | 18,000 | 14,900 | 18,900 |
| Total | 238,200 | 275,300 | 238,200 | 278,400 | 239,300 | 283,700 |

Source: ONS 2004 and Dorset County Council 2007

12.3.9 In the Bournemouth / Poole HMA the number of households, based on the draft RSS, would range from 275,300 to 278,400 by 2026. These figures are lower than the DCLG trend projection of 283,600 households by 2026.

12.3.10 Taking each of the projections, the pattern is similar. There is a slight decrease in the number of married couple households and quite significant increases in both co-habiting couple households and one person households.

12.3.11 In the Dorchester / Weymouth HMA, the number of households, based on the draft RSS, is 84,300 by 2026. Again the figure is lower than the trend based projection of 91,100. The patterns are again similar with the most significant increases being in one person households and co-habiting couple households. There is not a huge change in the number of each of the remaining household types, as show in the table below.

Table 12.2 Projection of Households by Type: Dorchester / Weymouth HMA

| Household type | Dorchester / Weymouth HMA | | | |
|----------------------------|---------------------------|--------|-----------------|--------|
| | DRSS | | DCLG 2004-based | |
| | 2006 | 2026 | 2006 | 2026 |
| married couples (UMCR) | 34,700 | 34,000 | 34,900 | 36,400 |
| co-habiting couples (UCCR) | 6,300 | 9,400 | 6,300 | 9,700 |
| lone parents (ULPR) | 3,900 | 3,500 | 3,900 | 3,900 |
| one person (OPR) | 23,400 | 34,000 | 23,600 | 37,400 |
| multi-person (OMPR) | 3,100 | 3,400 | 3,200 | 3,700 |
| Total | 71,400 | 84,300 | 71,900 | 91,100 |

Source: ONS 2004 and Dorset County Council 2007

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

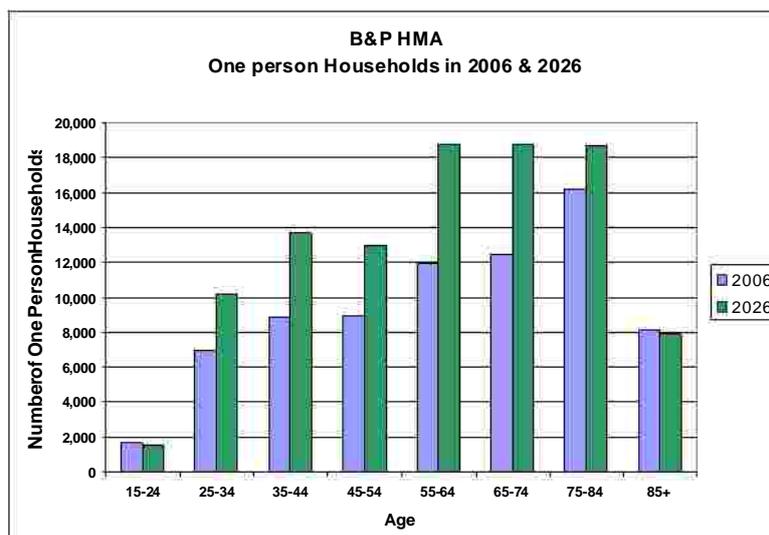
12.3.12 These projections are based on the draft RSS. The Panel has now published its recommendations for changes to the draft Plan. These include a significant increase in the number of dwellings to be built in the South West. In the Bournemouth / Poole HMA it is recommended that the number of dwellings is increased by 15% to 2,405 per annum (48,100 in total) and in the Dorchester / Weymouth HMA by 31% to 905 per annum (18,100 in total.)

12.3.13 The Panel recommendations are now being considered by the Secretary of State and there will be a further period of consultation before the Plan is finalised. Further projections of population and households will be produced once the dwelling figures are published.

12.3.14 One Person Households

The increase in one person households is the most significant change expected in the next 20 years. In the Bournemouth / Poole HMA this household type will make up 38% of all households by 2026. The chart below shows the changes by age.

Figure 12.8 Projection of One Person Households by Age: Bournemouth/Poole HMA



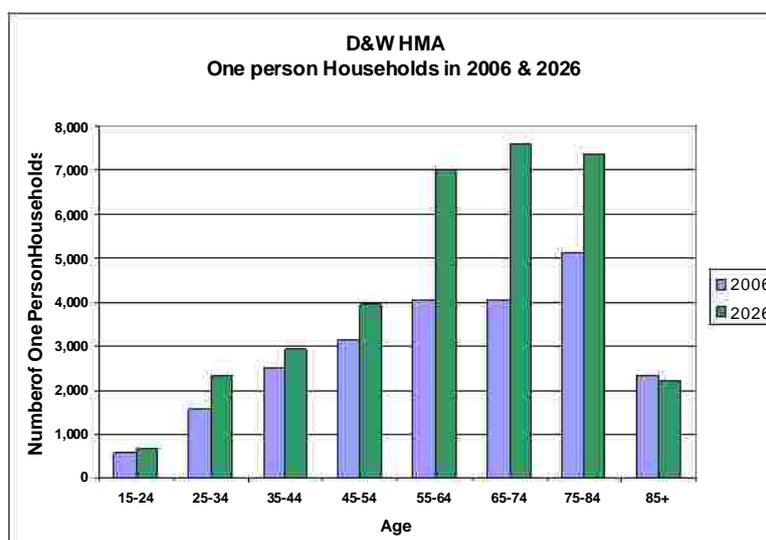
Source: CLG 2004-based

12.3.15 The most significant increases in one person households are of people aged between mid 50s to mid 70s. The number in this age group is expected to increase from 24,000 to 37,000 by 2026, a 54% increase. In the Dorchester / Weymouth HMA the pattern is similar although greater increases are projected for the 75 to 84 year age group.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

Figure 12.9 Projection of One Person Households by Age: Dorchester/Weymouth HMA



Source: CLG 2004-based

12.3.16 Working Age Households

The increase in one person households is not just amongst the older population. The CLG household projections show that the number of working age households (16 to 64 years) is projected to increase by over 17,500 between 2006 and 2026 (Bournemouth, Dorset and Poole). The most significant increases are projected for Bournemouth and North Dorset. There is also a significant increase in the proportion of one person households. This is balanced by a decrease in couple households.

12.3.17 In Bournemouth and Poole HMA the proportion of couple households aged 16-64 years (married and co-habiting) is expected to fall from 60% to 52% of all households between 2006 and 2026. During this period one person households are projected to increase from 24% to 32%. The same can be seen in Dorchester and Weymouth HMA with a decrease of working age couple households from 62% to 53%, whilst one person working age households are projected to increase from 25% to 35% between 2006 and 2026.

12.3.18 It is important that the right amount and right type of housing required for the working age population is available as these people are needed to support the local economy.

Table 12.3 CLG Household Projection: Working Age Households (Head of Household 20-64yrs)

| | 2006 | 2026 | change | % change |
|--------------------------------|----------------|----------------|---------------|------------|
| Bournemouth | 52,651 | 61,937 | 9,286 | 17.6 |
| Poole | 40,360 | 41,030 | 670 | 1.7 |
| Christchurch | 11,774 | 12,494 | 720 | 6.1 |
| East Dorset | 22,395 | 22,962 | 567 | 2.5 |
| North Dorset | 18,102 | 20,070 | 1,968 | 10.9 |
| Purbeck | 12,910 | 13,695 | 785 | 6.1 |
| Bournemouth/Poole HMA | 158,192 | 172,188 | 13,996 | 8.8 |
| West Dorset | 26,938 | 29,183 | 2,245 | 8.3 |
| Weymouth & Portland | 19,759 | 21,073 | 1,314 | 6.7 |
| Dorchester/Weymouth HMA | 46,697 | 50,256 | 3,559 | 7.6 |
| Bournemouth, Dorset & Poole | 204,889 | 222,444 | 17,555 | 8.6 |

Source: CLG, 2004-based projections

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

Table 12.4 CLG Household Projections, by Type. Change in Working Age Households (ages 20-64)

| | | married couples | co- habiting couples | lone parents | one person | multi person |
|---------------------------|-----------------|----------------------------|-------------------------------------|-------------------------|-----------------------|-------------------------|
| Bournemouth / Poole HMA | 2006 | 75,145 | 20,736 | 13,670 | 38,489 | 10,152 |
| | 2026 | 58,230 | 30,828 | 14,573 | 55,710 | 12,847 |
| | change | -16,915 | 10,092 | 903 | 17,221 | 2,695 |
| | % change | -22.5 | 48.7 | 6.6 | 44.7 | 26.5 |
| Dorchester / Weymouth HMA | 2006 | 23,209 | 5,994 | 3,825 | 11,781 | 1,888 |
| | 2026 | 18,129 | 8,630 | 3,767 | 17,542 | 2,188 |
| | change | -5,080 | 2,636 | -58 | 5,761 | 300 |
| | % change | -21.9 | 44.0 | -1.5 | 48.9 | 15.9 |

Source: CLG, 2004-based projections

12.3.19 The following section provides details on the economy, including projections of employment. The challenge is in establishing whether the future workforce, that can be accommodated through increasing the dwelling stock, is sufficient to meet the demands of the growing economy.

Summary

Projecting future demand for housing is a complex task, and all projections have limitations. The projections discussed look at the period 2006 – 2026.

Population projections

ONS trend based projections tend to indicate higher rates of growth than have actually occurred. This is particularly marked in the Bournemouth / Poole HMA.

Policy based projections use the housing proposals of the RSS to estimate population growth. They indicate lower levels of population growth than the ONS 2004 trend based figures. In the Bournemouth / Poole HMA the difference between the lowest and highest projections is about 27,000 people and in the Dorchester / Weymouth HMA the difference is 15,000 by 2026.

Most of the increase in population in Dorset is due to net in-migration (more people moving into the area than moving out.) Natural change is very low. A zero net migration projection (where in and out migration is balanced) shows a need for just 100 dwellings per annum across the whole of Dorset.

Household Projections.

Like the population projections, the trend based figures indicate higher growth rates than the policy based projections. By 2026, the difference between the lowest RSS scenario and ONS trend projection is around 420 households per annum (8,400 total households) in the Bournemouth / Poole HMA and 340 households per annum (6,800 total households) in the Dorchester/ Weymouth HMA.

The change in household type is also important when considering the types of dwelling that may be required in the future.

The trend based projections clearly identify the increase in one person households in both HMAs. In Bournemouth / Poole HMA they increase from 32% to 38% of all households by 2026 and in Dorchester / Weymouth HMA from 33% to 41%.

Not all the one person households will require small dwellings, some will remain in the family property so there will still be a demand for more family sized housing.

The policy based projections also show that the main increase is in single person households. In the Bournemouth / Poole HMA there is expected to be a 54% increase in one person households aged 55 – 74. There is a similar pattern in the Dorchester / Weymouth HMA although this includes a large increase in the proportion of 75 – 84 year old single person households.

In both HMAs there is also an increase in working age (16-64) single person households. This is balanced by a decrease in working age couple households. In both HMAs, single person working age households are expected to increase by 8 percentage points, while couple households decrease by about the same margin.

12.4 Employment Projections

12.4.1 This section looks at projections of productivity and jobs before considering different scenarios of housing and job growth that may occur in the two HMAs. Finally some conclusions are drawn as to the most likely growth scenario and what its implications may be on the need for different types of housing in the two HMAs.

12.4.2 It should be stated at the outset that all projections should be treated with extreme caution. Shocks to the economy through unexpected events, such as oil crises or terrorism, can affect patterns of growth, as can changes in people's behaviour and expectations. In addition, these projections do not take into account some recent information and change including:

12.4.3 Possible job losses

- the expected relocation of Barclays International to a new site in Poole (1,100 jobs likely to be phased out over the next three years⁴⁰);
- the merger between Nationwide and Portman Building Societies (around 250 Bournemouth jobs likely to go⁴¹);
- relocation of National Air Traffic Services from Bournemouth Airport with the possible loss of hundreds of jobs to Dorset⁴²;
- the relocation of the Defence College of Communications and Information Systems HQ from Blandford Camp (900 direct jobs likely to go⁴³);

12.4.4 Possible job gains

- Full Sail Ahead: Poole's regeneration project expected to bring up to 5,000 new jobs; up to 3,000 new homes – 1,000 of these for those with housing need – and public open space as well as a new harbour crossing⁴⁴;
- expansion at Bournemouth Airport including expected to triple employment there⁴⁵;
- office space development near the Royal Bournemouth Hospital potentially creating 3,000 jobs⁴⁶;

⁴⁰ Local press reports including

http://www.thisisdorset.net/search/display.var.1421040.0.barclays_house_jobs_will_go_as_early_as_august.php

⁴¹ Daily Echo 10/03/07

⁴² Dorset Echo 04/10/06

⁴³ Daily Echo 23/01/07

⁴⁴ Borough of Poole website: <http://boroughofpoole.com/go.php?structureID=U46406a60875e7&ref=S46498B929BF30>

⁴⁵ Daily Echo 22/06/2007 http://www.bournemouthecho.co.uk/search/display.var.1490798.0.plan_cleared_for_take_off.php

⁴⁶ Daily Echo 17/05/2007

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Assessment

June 2008

- development at the former Eldridge Pope brewery site in Dorchester with a cinema, hotel, shops, restaurants, arts centre, nursing home, new railway station and new homes: expected to create in the region of 600 jobs.⁴⁷;
- any legacy or long term impact arising from the 2012 Games sailing events to be held in Weymouth and Portland including expansion of the National Sailing Academy and the new marina at Osprey Quay⁴⁸;
- redevelopment of Weymouth Pavilion and ferry terminal which may include a new hotel, new ferry terminal, remodelled theatre, World Heritage Site visitor centre, 150-berth marina, shops, restaurants, new homes and public spaces⁴⁹;
- development of the New Look Mercery Road site in Weymouth which is likely to incorporate a new HQ for the company, fire station, relocated ambulance station, budget hotel, medical centre, warehouses and an enterprise centre for small and start-up businesses (expected to accommodate up to 1,000 jobs)⁵⁰.

12.4.5 Implied shortages or surpluses of labour are unlikely to materialise as the labour market is more likely to adjust to the conditions within which it finds itself. If a firm cannot recruit the people needed for jobs, it could alter its recruitment process; change the terms or conditions of the job to attract a recruit (including offering higher pay); or train somebody up to fill the job – either a new recruit or someone from its existing workforce. Alternatively, a change in business practice could be implemented, for example a change in production techniques (which could lead to higher productivity); or relocation of a particular process or even the whole firm to a new location where people with the right skills are available. The latter is unlikely to be a desirable option for Dorset, particularly as manufacturers are already moving processes or entirely relocating to lower-cost areas: for example, Eaton Aerospace of Wimborne is transferring routine processes to Eastern Europe, Central America or the Far East⁵¹; and the GSI Group at Holton Heath is shifting part of its manufacturing process to China⁵².

12.4.6 Projections of Gross Value Added.

Economic growth relies upon the competitiveness of businesses and an integral part of competitiveness is productivity. This is measured through Gross Value Added⁵³ (GVA). Chapter 10 of this report showed how the Dorset sub region is currently performing in terms of GVA per resident head and per employee. Generally, outside Bournemouth and Poole, GVA per resident head is well below the national average. GVA per employee is closer to, but still below the national average.

12.4.7 Forward projections of GVA suggest that the Bournemouth / Poole HMA will continue to see growth in line with the South West Region to 2016⁵⁴. The Dorchester / Weymouth area is expected to remain below the average for the South West region. South Somerset HMA is projected to perform marginally above the South West regional average, as is the combined Shaftesbury/Yeovil travel to work area. This may be a positive indicator for residents in North-West Dorset, but it is impossible to isolate the extent to which the projected growth is led by South Somerset.

⁴⁷ Dorset Echo 04/07/2007 <http://www.dorsetecho.co.uk/display.var.1517914.0.0.php>

⁴⁸ Website at <http://www.ospreyquay.com/>

⁴⁹ Howard Holdings website at <http://www.weymouthpaviliondevelopment.co.uk/main-pages/scheme-so-far.html>

⁵⁰ Dorset Echo 02/06/2007

⁵¹ Daily Echo 13/04/2006

⁵² Daily Echo 02/02/2007

http://www.bournemouthecho.co.uk/search/display.var.1167811.0.firm_to_lose_quarter_of_staff_as_costs_are_cut.php

⁵³ GVA measures the contribution of each individual producer, or sector, to the economy by estimating the value of its outputs (goods and services), less purchases and less net spending taxes. It relates to Gross Domestic Product (GDP) in the following way: GVA plus taxes on products less subsidies on products equals GDP

⁵⁴ .Local Economy Forecasting Model (Cambridge Econometrics – SWRA LEFM 2005/06)

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

Table 12.5 Projections of GVA

| GVA (£ 2001 millions) | Change 1996-2006 % pa | Change 2006-2016 % pa | Change 2016-2026 % pa |
|-----------------------|-----------------------------|-----------------------------|-----------------------------|
| South West | 3.0% | 2.9% | 2.7% |
| Dorset sub-region | 2.9% | 2.8% | 2.6% |
| Bournemouth & Poole | 3.0% | 2.9% | 2.6% |
| Dorchester & Weymouth | 2.1% | 2.7% | 2.4% |
| South Somerset | 4.0% | 3.0% | 2.9% |

Source: SWRA LFM 2005-06, Cambridge Econometrics

12.4.8 In 2006, based on these projections, GVA per job in both Dorset HMAs was 94% of the average for the South West, fractionally down from the 1996 level of 95%. In South Somerset, GVA per job is estimated to have risen from 4% above the South West average in 1996 9% above in 2006.

12.4.9 Over the next decade, a further drop in GVA per job is expected in the Dorchester / Weymouth HMA, down to 92%, with Bournemouth and Poole remaining stable and South Somerset rising to 112%.

12.4.10 With many parts of Dorset expected to suffer from low growth in the future supply of labour (when compares with projected increases in the number of jobs), a move to attract and retain higher value added firms could lead to the required growth in GVA without necessarily the associated employment growth. This would lead to higher productivity in terms of GVA per job, together with a higher skilled range of jobs available and reduced pressure on the housing market through the lower demand for new employees. The achievement of this scenario will require a concerted effort by both the public and private sectors and is not guaranteed.

12.4.11 The projections of employment that follow indicate that if Dorset continues to follow its past trends, then future employment growth is expected to be largely in sectors that tend to be low in productivity, such as Education and health and Distributio, and also largely in low-pay and low-skill occupations, such as those found in Caring, personal services and Sales. Higher value added sectors include, Real estate, renting and business activities and Manufacturing.

12.4.12 Projections of Job Growth

Over the period 2006 to 2016, it is estimated that approximately 26,000 new jobs will be created in the Dorset sub-region⁵⁵. This equates to 0.7% per annum growth, matching jobs growth in the South West region. The assumption is made that economic growth in the South West region as a whole will be at 2.8% per annum over 2006-2026⁵⁶ (2.7% per annum in the Dorset sub-region over the same period). A higher growth scenario would result in a higher projected number of jobs, as summarised in Table 12.6. The patterns of growth by sector will be the same.

⁵⁵ Local Economy Forecasting Model 2005/06 (Cambridge Econometrics), adapted for local estimates by Dorset County Council. All projections should be treated with caution.

⁵⁶ This average of 2.8% pa implies a range of different levels of growth across the region. For example, for the same period, the Dorset sub-region averages 2.7% pa growth ranging from 2.48% in Bridport TTWA to 2.79% in Bournemouth TTWA (excluding Hampshire). Across the border, 3.12% pa growth is projected for Yeovil TTWA. At 3.2% pa in the South West, average growth in the Dorset sub-region is projected at 3.1%. With past growth (1986-2006) averaging out at 2.5% pa in the Dorset sub-region, compared with 2.7% in the South West, the higher growth scenario may prove to be more aspirational than realistic.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

Table 12.6 Projections of Job Growth

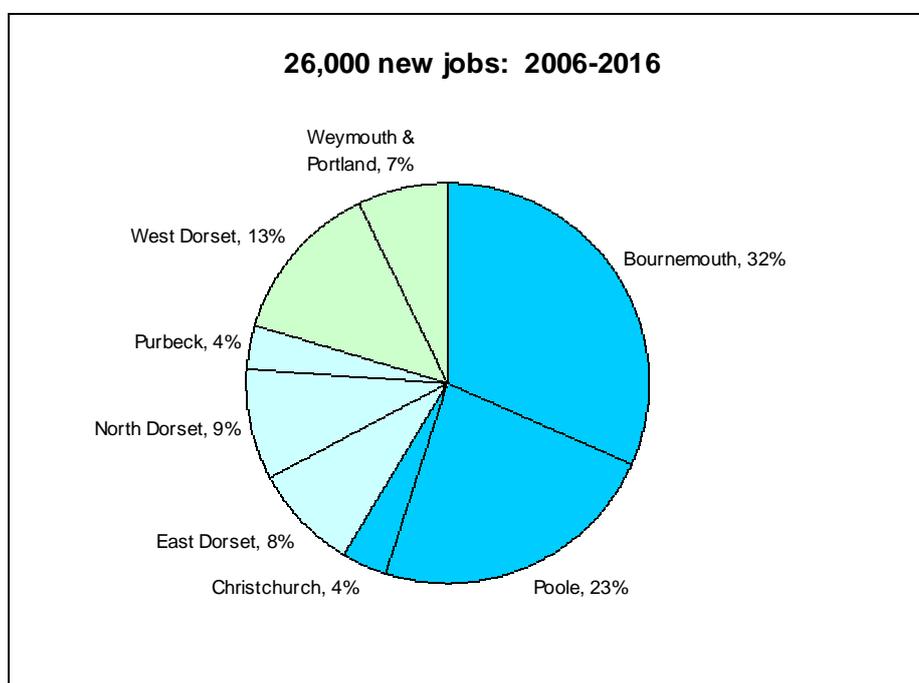
| Employment growth (total jobs): alternative scenarios | | | | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 2006-2016 | | 2016-2026 | |
| | 2.8% growth in the South West | 3.2% growth in the South West | 2.8% growth in the South West | 3.2% growth in the South West |
| Dorset sub-region | 25,600 | 35,000 | 19,000 | 22,300 |
| Bournemouth & Poole HMA | 20,400 | 28,000 | 14,700 | 17,400 |
| Dorchester & Weymouth HMA | 5,200 | 7,000 | 4,300 | 4,900 |
| South Somerset HMA | 3,900 | 6,000 | 3,900 | 4,700 |
| Shaftesbury/Yeovil TTWAs combined | 5,600 | 8,300 | 5,100 | 6,100 |

Source: Cambridge Econometrics/Dorset County Council

12.4.13 It should also be noted that these are total jobs, that is full-time plus part-time. Part-time employment has been an area of significant growth and this pattern is expected to continue. A disaggregation by time worked is not available for these projections, but an earlier set⁵⁷ indicates that the majority of jobs growth is likely to be part-time. Over much the same period, 2006-2015, more than 70% of total jobs growth is estimated to consist of part-time jobs. As an increasing number of people take up two or more part-time jobs rather than one full-time job this suggests that less than one person will be required per job shown in the above table. It also implies a smaller housing requirement than is suggested by looking at the total employment figures.

12.4.14 Between 2006-2016, three out of every five of the projected new jobs are likely to be created in the Bournemouth / Poole HMA core area. More than half of all the growth in the sub-region is expected to occur in Bournemouth and Poole alone.

Figure 12.10 Projected Job Growth by Local Authority



Source: Cambridge Econometrics/Dorset County Council

⁵⁷ Local Economy Forecasting Model 2004 (Cambridge Econometrics), commissioned by Dorset County Council

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

12.4.15 Employment by Sector and Occupation

Growth will be largely in the service sector, in line with regional and national trends. Almost all of the new jobs will be in Education and health; Other business services; and Distribution. Across the Dorset sub-region, declining numbers of jobs are likely in most parts of the manufacturing sector. Agriculture and Public administration and defence are also expected to decline.

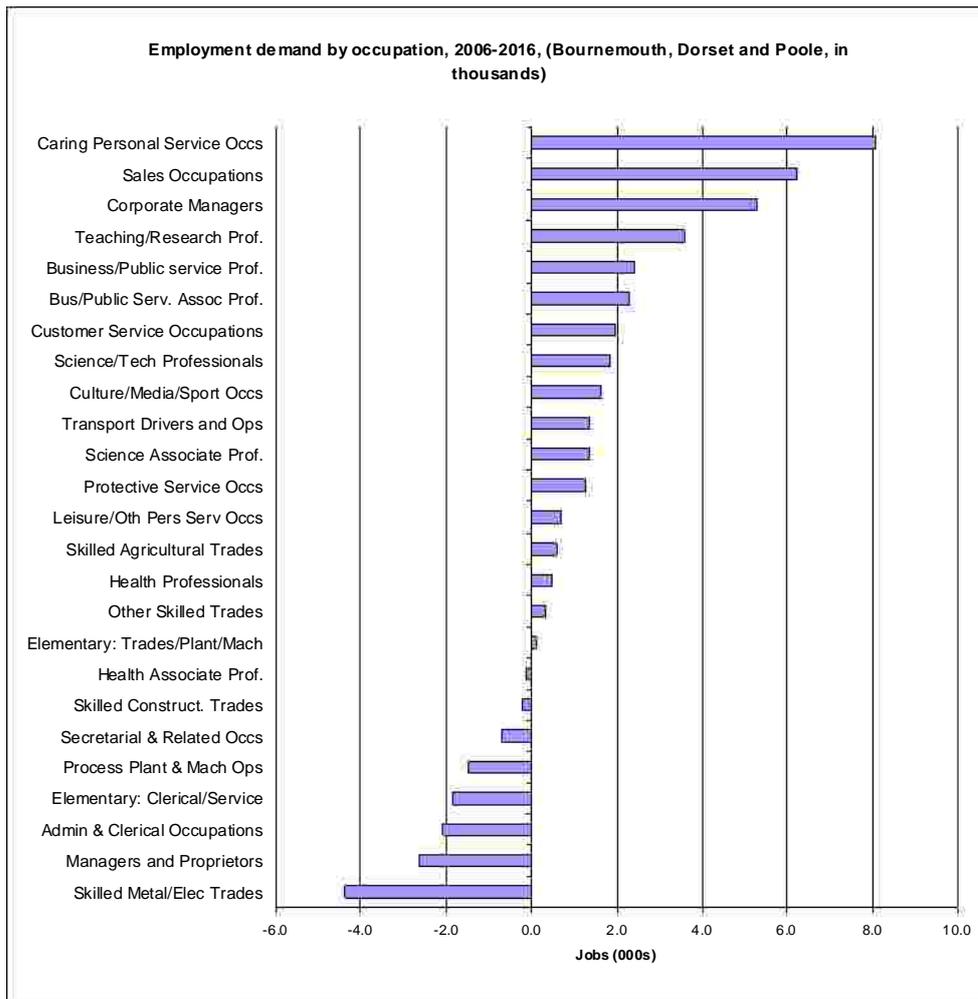
12.4.16 By occupation, three-quarters of the net increase is expected in just three occupations, the first two of these largely supporting population needs:

- Caring, personal service occupations (about 8,100 new jobs);
- Sales occupations (6,200);
- Corporate managers (5,300).

12.4.17 Jobs are likely to be shed in:

- Skilled metal/electrical trades (about -4,400);
- Managers and proprietors (-2,600);
- Admin and clerical occupations (-2,100).

Figure 12.11 Employment Demand by Occupation



Source: Cambridge Econometrics/Dorset County Council

12.4.18 Growth in the following decade, 2016-2026, is projected to run much along the same lines with an expected 19,000 new jobs in the Dorset sub-region.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

12.4.19 The geographies available do not allow an accurate disaggregation by occupation for the HMA areas.

12.4.20 Bournemouth / Poole HMA

During the period 2006-2016, 15,300 new jobs are projected for the Bournemouth / Poole HMA core area. A further 5,500 jobs are projected for the combined area of East Dorset, North Dorset, and Purbeck.

12.4.21 Almost all of the new jobs will be in Education and health; Other business services; and Distribution, as shown in the table below.

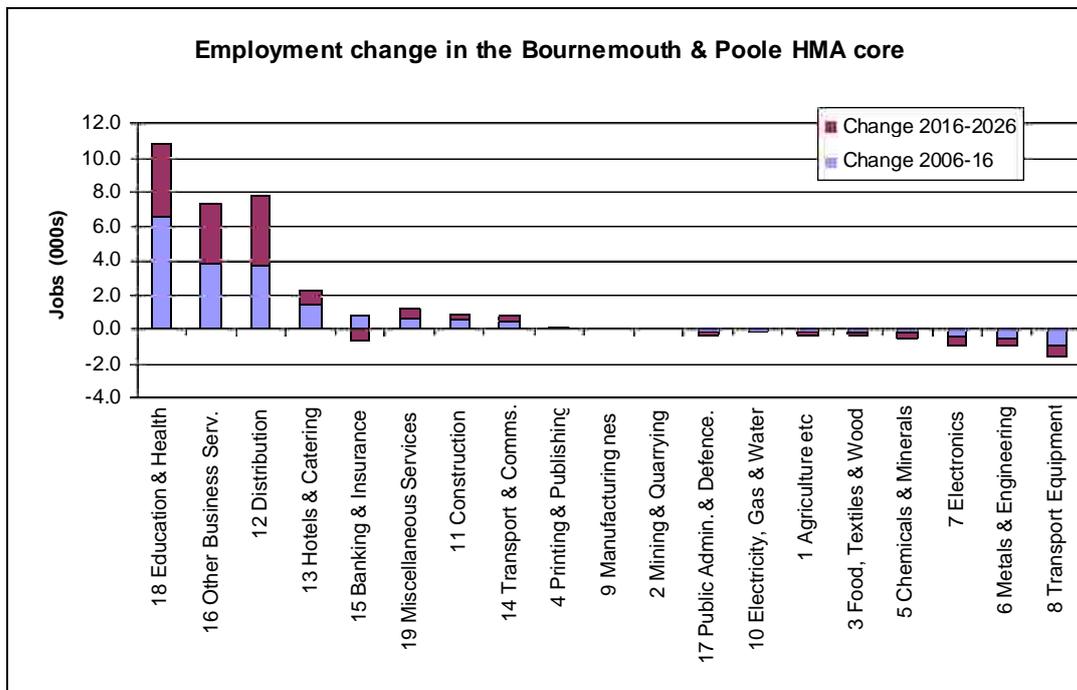
Table 12.7 Projected Job Sector Growth, 2006 -16, Bournemouth / Poole HMA

| Sector: | Bournemouth, Poole, Christchurch | East Dorset, North Dorset, Purbeck |
|-------------------------|----------------------------------|------------------------------------|
| Education & health | 43% | 37% |
| Other business services | 25% | 42% |
| Distribution | 24% | 26% |

Source: Cambridge Econometrics/Dorset County Council

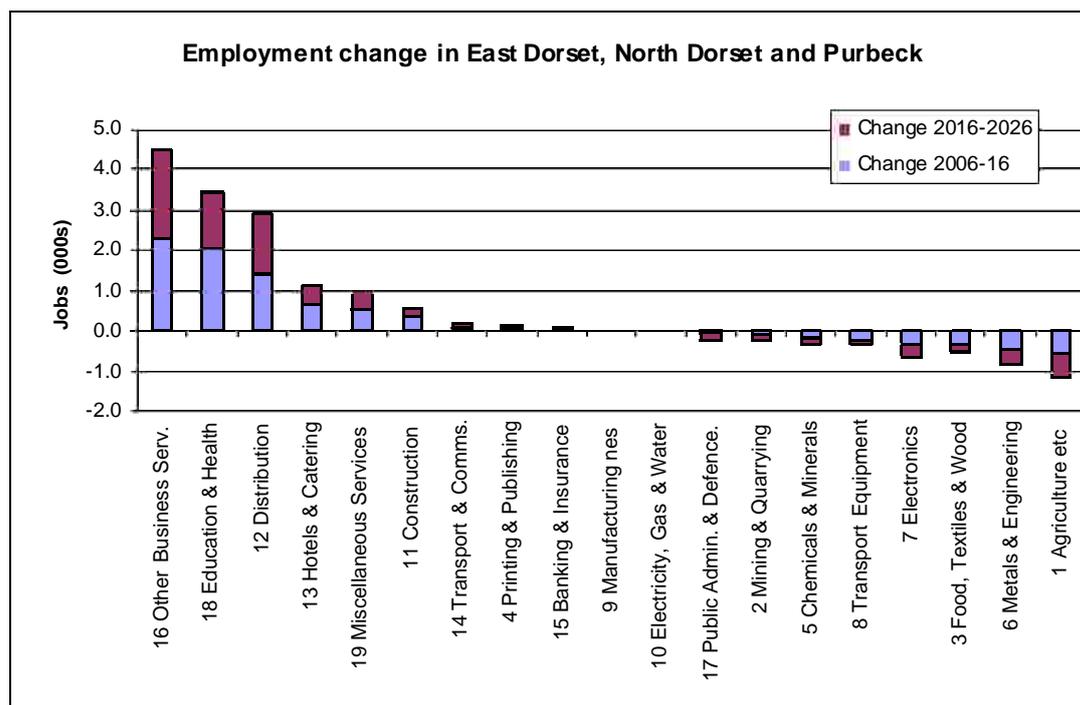
12.4.22 Growth in the following decade, 2016-2026, is projected to run much along the same lines with an expected 10,900 new jobs in the Bournemouth / Poole HMA core area. A further 4,200 jobs are expected in East Dorset, North Dorset and Purbeck.

Figure 12.12 Employment Change 2006 – 2026, Bournemouth / Poole Core



Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

Figure 12.13 Employment Change 2006-2026, Bournemouth / Poole Periphery



Source: Cambridge Econometrics/Dorset County Council

12.4.23 Dorchester / Weymouth HMA

Between 2006 and 2016, 5,200 new jobs are projected for West Dorset and Weymouth and Portland. Almost all of the new jobs in the Dorchester / Weymouth HMA are likely to be in Distribution; Education and health; and Other business services.

Table 12.8 Projected Job Sector Growth, 2006 -16, Dorchester / Weymouth HMA

| Sector: | West Dorset Weymouth & Portland |
|-------------------------|------------------------------------|
| Distribution | 37% |
| Education & health | 35% |
| Other business services | 20% |

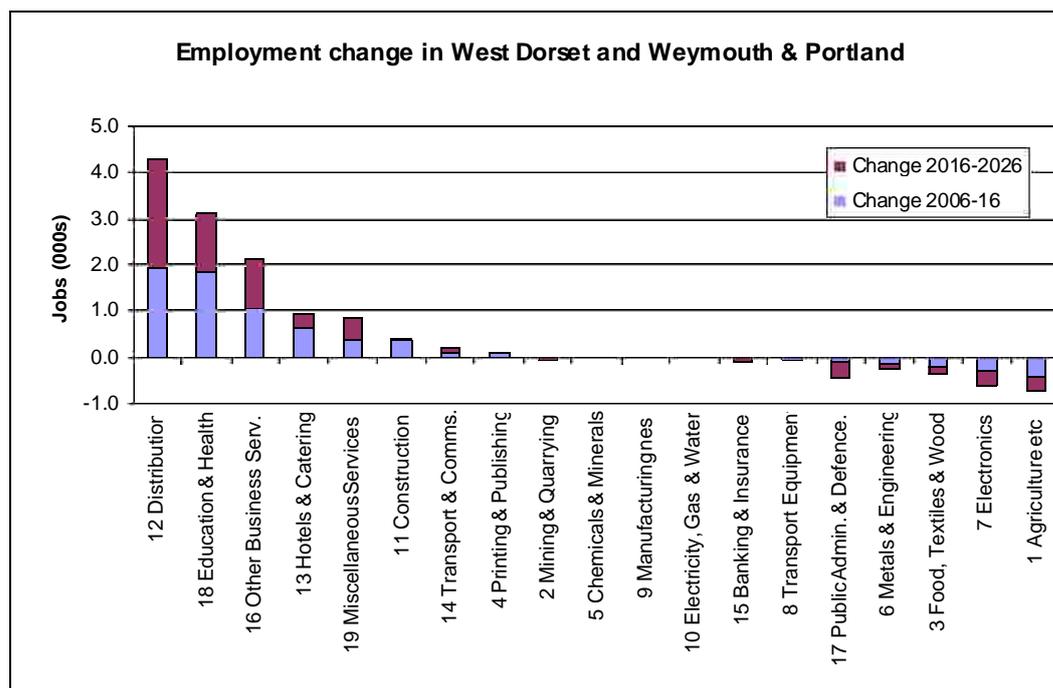
Source: Cambridge Econometrics/Dorset County Council

12.4.24 Growth in the following decade, 2016-2026, is projected to run much along the same lines with an expected 4,300 new jobs in West Dorset and Weymouth and Portland.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

Figure 12.14 Employment Change, 2006-2026, Dorchester / Weymouth HMA



Source: Cambridge Econometrics/Dorset County Council

12.4.25 North-West Dorset (combined Shaftesbury and Yeovil TTWAs used as proxy).

Over the period 2006-2016, 5,600 new jobs are projected for the Shaftesbury/Yeovil combined Travel to Work Areas⁵⁸.

12.4.26 Almost all of these new jobs are likely to be in Distribution; Education and health; and Other business services, as shown in the table below. The proportion in Distribution is particularly high.

Table 12.9 Projected Job Sector Growth, 2006 -16, Shaftesbury/Yeovil TTWA

| Sector: | Shaftesbury/Yeovil TTWA |
|-------------------------|-------------------------|
| Distribution | 50% |
| Education & health | 39% |
| Other business services | 27% |

Source: Cambridge Econometrics/Dorset County Council

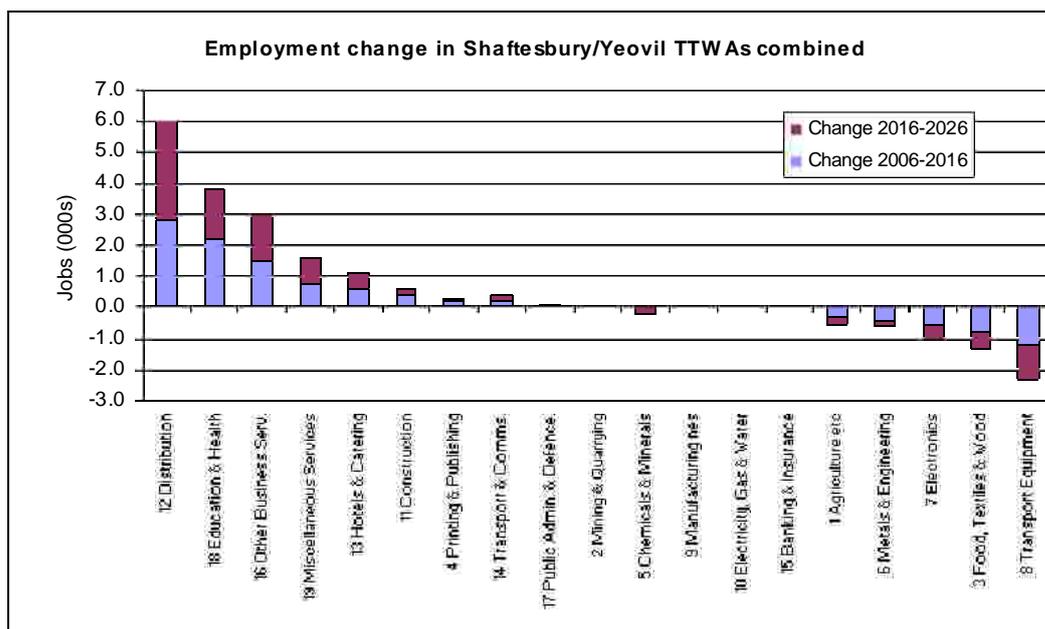
12.4.27 Growth in the following decade, 2016-2026, is projected to run much along the same lines with an expected 5,100 new jobs in the Shaftesbury/Yeovil TTWA.

⁵⁸ Includes parts of Somerset and Wiltshire.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

Figure 12.15 Employment Change in Shaftesbury/Yeovil TTWAs



Source: Cambridge Econometrics/Dorset County Council

12.4.28 South Somerset HMA

Some 3,900 new jobs are projected for the South Somerset HMA⁵⁹ for the period 2006-2016,.

12.4.29 Almost all of the new jobs are likely to be in Distribution; Other business services; and Education and health, as shown in the table below.

Table 12.10 Projected Job Sector Growth, 2006-16, South Somerset

| Sector: | South Somerset |
|-------------------------|----------------|
| Distribution | 72% |
| Other business services | 38% |
| Education & health | 36% |

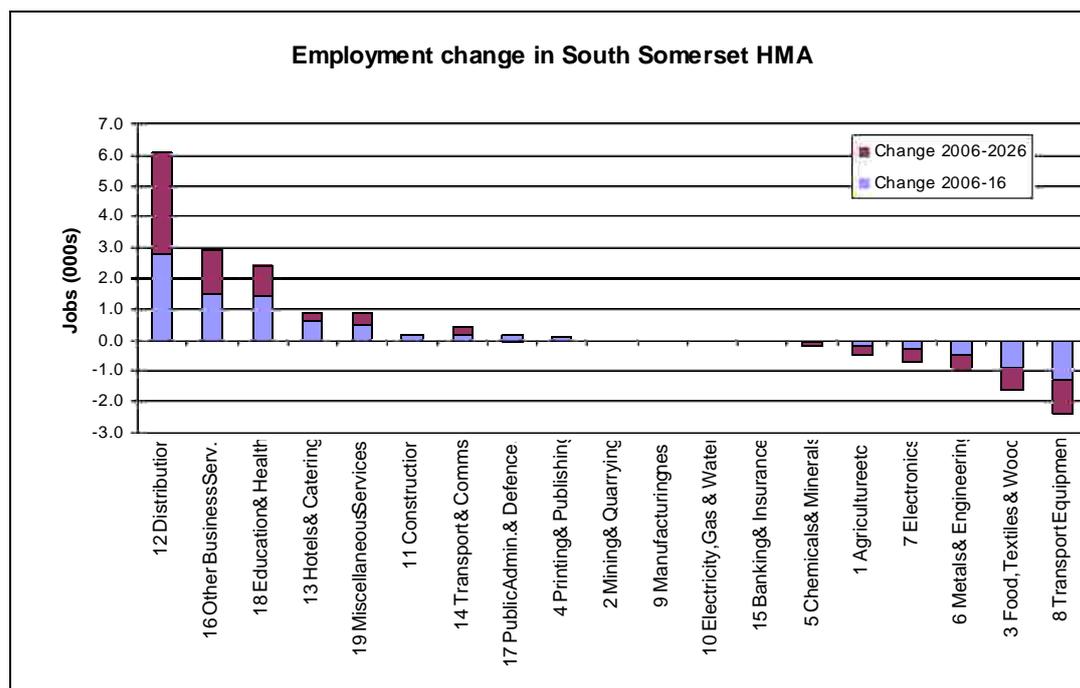
Source: Cambridge Econometrics/Dorset County Council

12.4.30 Growth in the following decade, 2016-2026, is projected to run much along the same lines with a further 3,900 new jobs in South Somerset HMA.

⁵⁹ As defined by South West Regional Assembly

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

Figure 12.16 Employment Change in South Somerset



Source: Cambridge Econometrics/Dorset County Council

12.4.31 Although South Somerset covers a larger area than the Somerset part of the Yeovil TTWA, it can be very crudely estimated from the above that there will be at least 1,700 new jobs in North West Dorset between 2006 and 2016. These will be largely in Education and health, (almost half), and Miscellaneous services (almost one-fifth). Growth in the next decade will be along much the same lines with at least 1,200 new jobs being created. This figure has been calculated to give an idea of the potential job growth in this area. However the earlier figures for the Bournemouth / Poole and Dorchester / Weymouth HMAs included this area, so the figures should not be double counted.

12.4.32 Replacement Demand

However, the creation of new jobs, termed the 'expansion' demand, is not the whole picture. In addition to filling any new jobs, there will also be demands to replace those workers who leave their positions for reasons such as ill-health or retirement. This is called 'replacement' demand. The scale of net employment demand, (expansion demand plus replacement demand), will be in the region of six times expansion demand alone, largely due to retirement of the relatively elderly workforce of the area. This means that over the period 2006-2016, in addition to the expansion demand for 26,000 new jobs in the Bournemouth, Dorset and Poole sub-region⁶⁰, there will be replacement demand to fill a further 141,800 jobs, giving a net demand of 167,800 jobs.

12.4.33 In the labour market accounts, these people are taken into account. The net change in the total number of jobs against net change in the total labour supply and changes in rates of economic activity have been taken into account. Therefore, some of the people meeting replacement demand will be already resident in Dorset, perhaps reaching working age between 2006 and 2016). Others will migrate into the sub-region and are already included in the inward migration estimates.

⁶⁰ Replacement demand data only available at Dorset sub-regional level

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

12.4.34 However, for the purpose of estimating required housing provision, replacement demand is fraught with difficulty because there are too many unknown factors. For example, although changing economic activity rates in the labour supply projections build in the assumption that some people of retirement age will continue working for longer, there is currently no means of projecting this:

- how many of those retiring will stay in their current homes;
- how many of those retiring might downsize, or move out of the area, freeing up a property for a new worker;
- what the housing need is of people moving into replacement demand jobs: some may be already resident in Dorset, others may move in from other areas.

12.4.35 Nevertheless, replacement demand is particularly significant in terms of the need for skills provision and training. Even though some occupations are expected to have negative expansion demand, such as clerical occupations, managers and proprietors and skilled metal/electrical trades, the need to replace retiring workers means that there will be a continuing training demand to fill vacancies with appropriately skilled personnel.

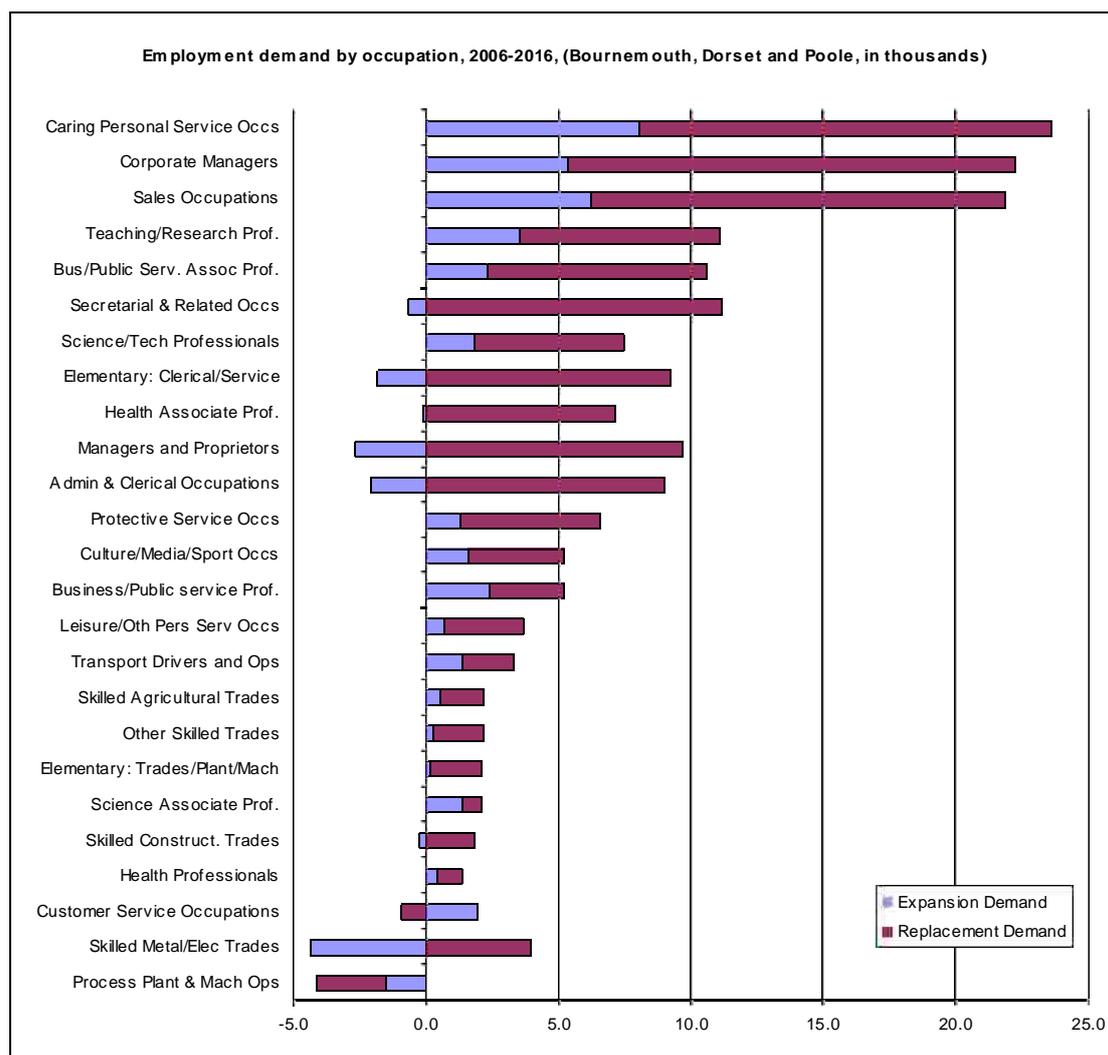
12.4.36 Looking at replacement demand by occupation, the greatest requirement is expected in:

- Caring Personal Service Occupations
- Corporate Managers
- Sales Occupations
- Teaching/Research Professionals
- Business/Public Service Associate Professionals

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

Figure 12.17 Employment Demand by Occupation, 2006 – 2016, Bournemouth, Dorset and Poole Sub Region. (thousands)



Source: Cambridge Econometrics/Dorset County Council

12.4.37 There are two main risks associated with such a large turnover of labour resulting from a high level of retirement. These are a loss of skills and recruitment difficulties.

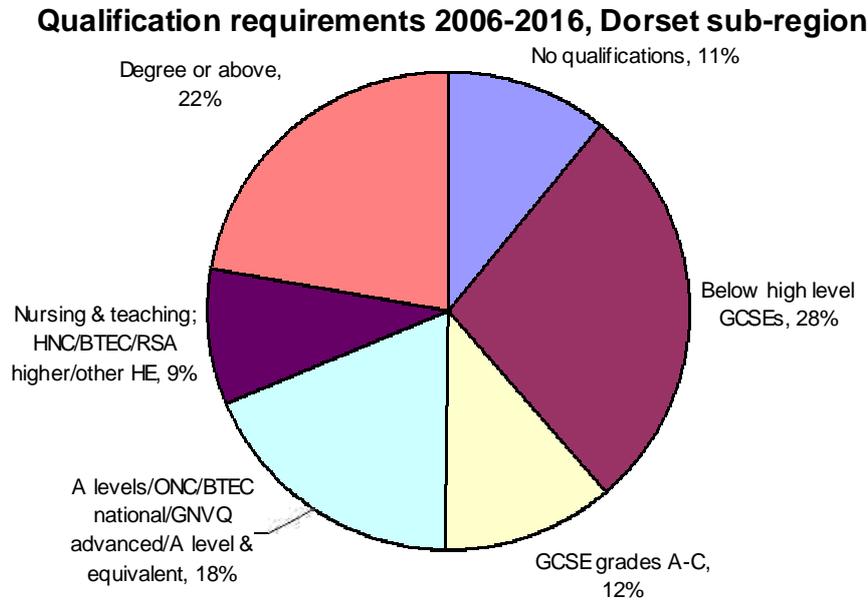
12.4.38 Firstly, the area may lose many of its key skills which would have an adverse effect on the economy. If firms are unable to recruit suitably skilled replacement staff, then their production, rates of innovation and overall competitiveness will be affected. At worst, they may choose to relocate to other regions where the skills are available. Similarly, potential inward investors may be deterred if Dorset is perceived as not having an appropriately skilled workforce to meet their needs. This could lead to Dorset becoming a low-skill, low value added economy with its residents even less able to afford their own homes than at present.

12.4.39 Ensuring an appropriate level of skills in the workforce is therefore key to achieving the required level of economic growth. The 2001 census showed 26% of people aged 16-74 years had no qualifications. However, between 2006 and 2016, only 11% of jobs are expected to require no qualifications at all. In contrast, there is a considerable gap between the proportion qualified to level three and above (roughly two or more A levels) in the Dorset sub-region and the projected jobs requiring skills to this level.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

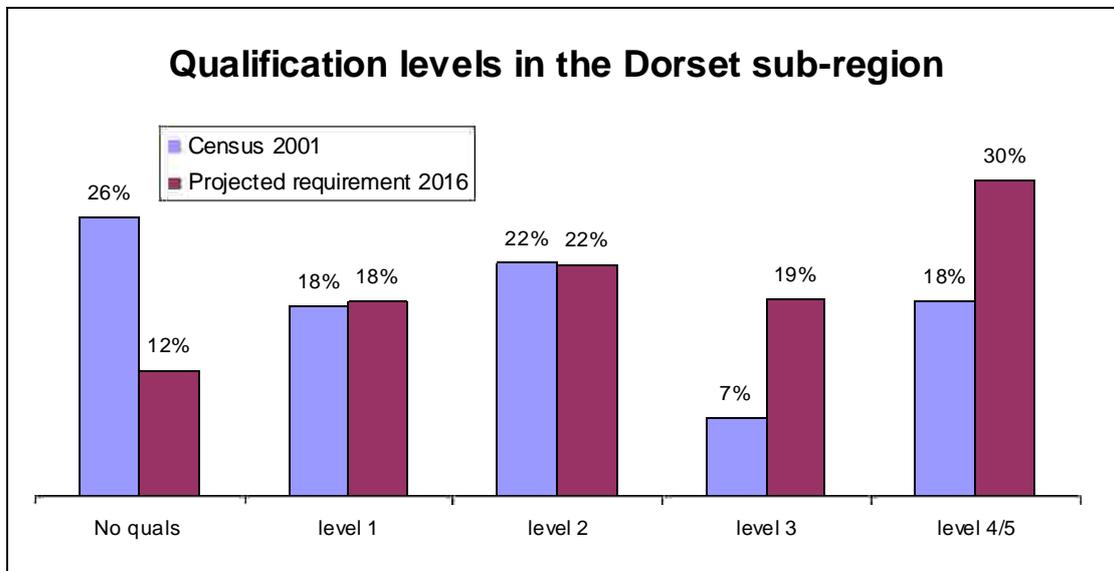
12.4.40 This suggests a need to more than double the proportion with level three skills and almost double those with level four/five (degree level or above). Annual Population Survey data for 2005 suggest an improvement in the skills level since 2001 but, again, incompatibility of the datasets and sampling error need to be taken into account.

Figure 12.18 Qualification Requirements 2006 – 2016, Dorset Sub Region.



Source: Cambridge Econometrics/Dorset County Council

Figure 12.19 Change in Qualification levels in the Dorset Sub Region 2001 – 2016



Source: Census of Population 2001, Cambridge Econometrics/Dorset County Council

12.4.41 The need to shift the qualifications framework upwards has implications for further and higher education infrastructure within the sub-region, together with the need to encourage more employers to train their workforce to fill skills gaps, to look ahead for succession planning and change within their organisations and to implement the necessary training infrastructure such as training plans and development reviews.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

- 12.4.42 Secondly, firms may experience difficulty in recruiting new workers. Between 2006 and 2016, the economically active population of working age is projected to grow less strongly than the population over retirement age. With projected growth of 26,000 new jobs but an increase of only 13,000-17,000 in the working age economically active population, an element of skills mismatch and recruitment difficulty is likely. As the existing workforce moves into retirement, most are likely to remain living in Dorset. The proportion of the housing stock available for economically-active age groups will therefore be reduced. With fewer such dwellings on the market, people may be deterred from moving to the area for work.
- 12.4.43 However, there are many uncertainties in these labour market projections on both the demand and supply side. Actual numbers cannot be relied upon – because we cannot be certain about what will happen in the economic future – and the projections can only be used as a guide based on historic trends. Market adjustment would also be likely to avert an actual major labour shortage. For example, firms might grow through productivity gain rather than employment gain and this could involve retraining their own workers to fill more demanding roles. Similarly, other sources of labour may become available, such as people working longer into retirement age or migrants from elsewhere in Europe. Less positively for Dorset, firms may ultimately move out to locations where labour is cheaper or more plentiful, or both.
- 12.4.44 Finally, it is possible for a high turnover of staff to have positive repercussions, but only in an ideal situation where there is adequate housing provision and a pool of suitably trained/qualified workers available to replace leavers. Bringing in new staff in these circumstances could well increase rates of innovation and technology transfer and therefore productivity.

Summary

- Outside Bournemouth and Poole, GVA per resident head is well below the national average. GVA per employee is closer to, but still below average. This improvement for DCC Dorset may be related to the characteristics of the resident and commuting populations.
- Forward projections of GVA suggest that the Bournemouth / Poole HMA area will continue to grow in line with the South West average. The Dorchester / Weymouth HMA is expected to remain below average. North West Dorset may benefit from higher than average growth projected in South Somerset.
- The shift of manufacturing and services functions to lower-cost locations is expected to continue.
- Employment projections suggest that new jobs are likely to be service sector based and largely in areas of population support such as education, health and distribution.
- A large proportion of these jobs is likely to be part-time suggesting a lesser impact on housing requirements than implied by the total employment figures.
- Ageing of the workforce in Dorset means that a considerable turnover in staff is likely over the next ten years or more. This could potentially weaken our skills position and lead to a low skill, low value added economy where residents are even less likely to be able to afford their own homes than at present.
- With a greater increase in jobs than in the economically active population, some skills mismatch may occur. However, many jobs are expected to be part-time and, as such, could be taken up by people moving into retirement, or returning to work after caring for young children.
- There is a need to raise skills levels to improve the prospects of increasing productivity within the existing workforce.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

12.5 Labour Market Accounts

- 12.5.1 A number of different projection scenarios have been described above. The population and household projections are either trend based or policy based. Estimates of labour supply are derived from these projections.
- 12.5.2 Employment projections are based partly on past trends, but overall growth levels are based on aspirations for the region. One output of these projections is the number of jobs / labour demand.
- 12.5.3 Labour market accounts bring together labour supply and demand. There are four labour supply and four labour demand projections giving a total of 16 scenarios. Labour market accounts have been produced for each of these scenarios. The Total Jobs scenario adds full time jobs to part time jobs to give a combined total. It was noted above (see Projections of Job Growth) that in Dorset, the majority of growth (70%) is likely to be in part time jobs, hence the sets that use Full Time Equivalents (FTEs) (i.e. using ratios to convert part time jobs to full time equivalents to combine with the number of full time jobs) seem to be more likely.

| labour supply | labour demand |
|-----------------------------|----------------------------------|
| Draft RSS lower | 2.8% growth - FTEs ⁶¹ |
| Draft RSS upper | 2.8% growth - total jobs |
| Preferred (4/4 authorities) | 3.2% growth - FTEs |
| Panel recommendations | 3.2% growth - total jobs |

- 12.5.4 The table below shows the labour market accounts for Dorset for the ten year period 2006 to 2016. A negative figure indicates that labour demand is higher than labour supply (there are too few people to fill the projected number of jobs). This can come about if job growth is higher than growth in labour supply; if labour supply falls; or a combination of the two. A positive figure indicates that labour supply is higher than demand. Again this could be population growing faster than jobs, job numbers falling or both.

Table 12.11 Labour Market Accounts, 2.8% Growth Scenario, by Local Authority and HMA, 2006 – 2016.

| 2006-2016 | 2.8% growth | | | | | | | |
|--------------------------|---------------|---------------|---------------|-----------------------|-------------|--------------|--------------|-----------------------|
| | total jobs | | | | FTEs | | | |
| | DRSS lower | DRSS Upper | Preferred | Panel recommendations | DRSS Lower | DRSS Upper | Preferred | Panel recommendations |
| Bournemouth | -2,990 | -1,840 | -2,920 | -2,690 | -430 | 730 | -360 | -130 |
| Poole | 920 | 960 | 1,680 | 1,890 | 2,450 | 2,490 | 3,210 | 3,420 |
| Christchurch | 1,150 | 1,340 | 1,170 | 1,380 | 1,470 | 1,660 | 1,490 | 1,690 |
| East Dorset | -1,740 | -1,740 | -1,780 | -1,320 | -1,190 | -1,190 | -1,240 | -770 |
| North Dorset | -1,270 | -1,270 | -880 | -280 | -670 | -670 | -280 | 320 |
| Purbeck | -1,440 | -1,440 | -1,290 | -900 | -1,160 | -1,160 | -1,020 | -620 |
| West Dorset | -2,720 | -2,720 | -510 | -490 | -10 | -10 | 2,200 | 2,220 |
| Weymouth & Portland | -890 | -890 | -400 | -470 | 410 | 410 | 900 | 830 |
| Dorset sub-region | -9,890 | -8,550 | -5,960 | -3,860 | -40 | 1,290 | 3,890 | 5,990 |
| B&P HMA | -6,310 | -4,970 | -5,010 | -2,810 | -470 | 870 | 830 | 3,030 |
| D&W HMA | -3,490 | -3,480 | -930 | -1,000 | 520 | 520 | 3,070 | 3,010 |

Source Dorset County Council 2008

⁶¹ FTEs = Full Time Equivalents, ie using ratios to convert part-time employment into a full-time equivalent.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

12.5.5 For the 2.8% growth scenario, the projections of total jobs show a shortfall of labour ranging from -6,310 to -2,810 in the Bournemouth / Poole HMA and -3490 to -930 in the Dorchester / Weymouth HMA. The second set of figures (based on full time equivalents - FTEs) shows a surplus of labour under almost all the scenarios by 2016.

12.5.6 Where there appears to be a shortfall of labour this must be put in context. By 2016, the Bournemouth / Poole HMA is projected to have a total of 280,000 jobs, a shortfall in labour supply of 6,300 (the worst case scenario based on the figures above) is just 2.25% of the total projected demand. In the Dorchester / Weymouth HMA, the worst case scenario is for a shortfall of 3,500 by 2016. This is 5% of the total number of jobs projected for 2016 (69,750). The Panel's proposals could give rise to a 1% shortfall on total demand and a 1.04% oversupply on the FTEs in the Bournemouth / Poole HMA. In Dorchester / Weymouth the range would be from 1.43% shortfall on total demand to a 4.32% oversupply on FTEs.

12.5.7 The table below shows the same but for a 3.2% growth scenario. As would be expected, the differences between labour supply and demand are greater due to the higher projected levels of job growth. Under the FTE scenario the under supply would range from -4,160 (1.43%) under the Panel's proposals to -7,660 (2.64%) under the lower draft RSS proposal in the Bournemouth / Poole HMA, and from an under supply of -1080 (1.55%) to an over supply of 1,410 (2.11%) in the Dorchester / Weymouth HMA.

Table 12.12 Labour Market Accounts, 3.2% Growth Scenario, by Local Authority and HMA, 2006 – 2016.

| 2006-2016 | 3.2% growth | | | | | | | |
|--------------------------|----------------|----------------|----------------|-----------------------|---------------|---------------|---------------|-----------------------|
| | total jobs | | | | FTEs | | | |
| | DRSS lower | DRSS Upper | Preferred | Panel recommendations | DRSS Lower | DRSS Upper | Preferred | Panel recommendations |
| Bournemouth | -5,660 | -4,500 | -5,590 | -5,360 | -2,790 | -1,640 | -2,730 | -2,490 |
| Poole | -1,300 | -1,260 | -540 | -330 | 270 | 310 | 1,020 | 1,230 |
| Christchurch | 580 | 770 | 600 | 810 | 910 | 1,100 | 930 | 1,140 |
| East Dorset | -2,670 | -2,670 | -2,710 | -2,250 | -2,110 | -2,110 | -2,150 | -1,690 |
| North Dorset | -2,000 | -2,000 | -1,610 | -1,010 | -1,350 | -1,350 | -960 | -360 |
| Purbeck | -1,920 | -1,920 | -1,780 | -1,380 | -1,640 | -1,640 | -1,490 | -1,100 |
| West Dorset | -3,960 | -3,960 | -1,760 | -1,730 | -1,130 | -1,130 | -1,080 | 1,100 |
| Weymouth & Portland | -1,450 | -1,440 | -950 | -1,030 | -70 | -70 | 420 | 350 |
| Dorset sub-region | -19,290 | -17,950 | -15,360 | -13,260 | -8,830 | -7,500 | -4,900 | -2,800 |
| B&P HMA | -13,910 | -12,570 | -12,610 | -10,410 | -7,660 | -6,320 | -6,360 | -4,160 |
| D&W HMA | -5,290 | -5,280 | -2,730 | -2,800 | -1,080 | -1,080 | 1,470 | 1,410 |

Source Dorset County Council 2008

12.5.8 Labour Demand-led Dwelling Requirements

Alternatively it is possible to run the projection process in reverse in order, to establish how many dwellings would be required to meet labour demand. The table below summarises annual housing figures for each scenario. It also looks at the dwelling numbers proposed by the EIP Panel to see what implications these may have.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

Table 12.13 Labour Demand Led Projections of Housing Requirements, by Local Authority and HMA, 2006 – 2016.

| 2006-2016 | Proposed dwellings | | | | | Dwellings required to meet labour demand | | | |
|--------------------|--------------------|--------------|--------------|--------------------------|-----------------------|--|-----------------|--------------|-----------------|
| | DRSS lower | DRSS Upper | Preferred | Trend - DCLG projections | Panel recommendations | 2.8% FTEs | 2.8% total jobs | 3.2% FTEs | 3.2% total jobs |
| Bournemouth | 720 | 820 | 720 | 750 | 805 | 630 | 820 | 800 | 1,010 |
| Poole | 700 | 700 | 750 | 330 | 500 | 770 | 850 | 920 | 1,000 |
| Christchurch | 150 | 165 | 150 | 130 | 173 | 50 | 80 | 90 | 120 |
| East Dorset | 170 | 170 | 170 | 350 | 320 | 360 | 400 | 430 | 470 |
| North Dorset | 290 | 290 | 330 | 480 | 350 | 280 | 310 | 330 | 360 |
| Purbeck | 105 | 105 | 120 | 210 | 258 | 120 | 140 | 160 | 170 |
| West Dorset | 410 | 410 | 600 | 660 | 625 | 640 | 860 | 750 | 960 |
| Weymouth Portland | 280 | 280 | 340 | 370 | 280 | 260 | 350 | 300 | 390 |
| B&P HMA | 2,135 | 2,250 | 2,240 | 2,250 | 2,405 | 2,210 | 2,600 | 2,730 | 3,130 |
| D&W HMA | 690 | 690 | 940 | 1,030 | 905 | 900 | 1,210 | 1,050 | 1,350 |

Source Dorset County Council 2008

12.5.9 The number of dwellings required to meet labour demand for the 2.8% FTEs scenario is 2,200 in the Bournemouth / Poole HMA and 900 in the Dorchester / Weymouth HMA. These figures are similar to those in the draft RSS “preferred” scenario and slightly below the Panel’s recommendations.

12.5.10 Looking at the Panel’s proposals it can be seen that they result in overall levels of housing across the two HMAs that lie between the 2.8% and 3.2% FTE labour demand projections. However when individual local authorities are examined it can be seen that there is a great deal of variation between the dwelling numbers proposed and the level of demand that they would meet. For instance, in Bournemouth there would be a 28% over supply of dwellings, at 2.8% FTE, whereas in Poole the 500 dwellings proposed would be 35% below the 2.8% FTE requirement. In Christchurch, North Dorset and Purbeck there would be an over supply of dwellings under the Panel’s proposals. In Christchurch this would be by as much as 246%. To conclude, when considered purely in labour demand terms, the proposed distribution of dwellings under the Panel’s proposals could lead to housing growth in the wrong areas, resulting in increased commuting.

12.5.11 In the Dorchester/Weymouth HMA the Panels proposed figures are closer to those needed to meet the 2.8% (FTE) growth level. They would result in just 9% over supply in West Dorset. Some of these dwellings may be located close to Weymouth, so may help boost the economy here.

12.5.12 Which Scenario is most likely to occur?

As to which scenario is likely to be more realistic for Dorset, 2.8% or 3.2% per annum growth over 2006-2026 in the South West, it is difficult to say. Looking at past performance over the previous two decades, the South West region saw GVA growth of 2.71% pa. Growth of just 0.09% pa would bring this up to 2.8% pa. However, for 2006-2026, and with this level of growth in the South West region as a whole, in the Dorset sub-region corresponding GVA growth of 2.70% pa would be expected. This would be a 0.17 percentage point increase per annum for Dorset – above the regional average.

12.5.13 The increase can be seen to involve very little change for the Bournemouth / Poole HMA area, but a considerable step up for the Dorchester / Weymouth HMA area where a 0.85 percentage point per annum increase would be required.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

Table 12.14 Annual HMA Growth Requirements to Meet 2.8% Growth in the South West Region, 2006 – 2026.

| | Growth in GVA: scenario 1 (2.8% growth in SW) | | |
|---------------------------|---|----------------------------------|----------------------------------|
| | Growth pa 1986-2006 | Growth pa 2006-2026 (scenario 1) | Change in growth pa (scenario 1) |
| South West | 2.71% | 2.80% | 0.09% |
| Dorset sub-region | 2.53% | 2.70% | 0.17% |
| Bournemouth & Poole HMA | 2.73% | 2.74% | 0.01% |
| Dorchester & Weymouth HMA | 1.70% | 2.55% | 0.85% |

Source Dorset County Council 2008

12.5.14 Raising performance in the South West to 3.2% per annum would involve a 0.49% pa increase. In the Dorset sub-region this would rise to 0.57% pa (with overall growth rising to 3.10% pa over 2006-2026). This would equate to 0.41% in the Bournemouth / Poole HMA and 1.13% pa in the Dorchester / Weymouth HMA.

Table 12.15 Annual HMA Growth Requirements to Meet 3.2% Growth in the South West Region, 2006 – 2026.

| Growth in GVA: scenario 2 (3.2% growth in SW) | Growth pa 1986-2006 | Growth pa 2006-2026 (scenario 2) | Change in growth pa (scenario 2) |
|---|---------------------|----------------------------------|----------------------------------|
| South West | 2.71% | 3.20% | 0.49% |
| Dorset sub-region | 2.53% | 3.10% | 0.57% |
| Bournemouth & Poole HMA | 2.73% | 3.14% | 0.41% |
| Dorchester & Weymouth HMA | 1.80% | 2.93% | 1.13% |

Source Dorset County Council 2008

12.5.15 Based on past performance and considering the current slowing in the national and international economies, a more cautious approach for Dorset would seem to be more appropriate.

12.5.16 Projection Assumptions

Given the number of assumptions built in to the projection process, the differences shown by the Labour Market accounts could be within the margins of error. This is compounded by the use of a range of datasets, each using their own set of assumptions, to compile the labour market accounts. For instance, on running the accounts for 2006, an immediate labour shortage of more than 10,000 is evident. In reality this imbalance does not exist. The National Employers Skills Survey (LSC 2005) found that the sub-region's labour market slackened noticeably between 2003 and 2005 with a smaller proportion of employers reporting vacancies and fewer of these reported as hard to fill⁶². Along with this it would be unrealistic to assume that these projections will be realised. In reality the labour market adjusts to supply and demand. The stated shortfalls or surpluses don't really exist.

12.5.17 Some argue that a lack of housing provision could result in a shortfall in labour supply which would in turn be detrimental to economic growth. However economic growth can be achieved through both employment growth and increased productivity. Emphasis on the latter could result in economic growth without huge increases in the labour market and therefore pressures for large amounts of new housing. This is dependant on getting the right type of jobs, and a workforce with the right skills to do them.

⁶² 'Papers on Economy, Demography, Housing and Environmental Quality' for the SWW RSS Examination in Public, March 2007, Bournemouth Borough Council, Dorset County Council, Borough of Poole

12.6 Future Housing Requirements

12.6.1 The Regional Spatial Strategy will in time, provide details on dwelling numbers for the next 20 years. It may be unrealistic to assume the 3.2% economic growth rate across the two HMAs. While Bournemouth and Poole have some potential to grow, the rural areas are likely to lag behind. Increasing housing levels too far in the periphery may result in more commuting or may only fuel further in migration.

12.6.2 Dwelling Types and sizes

In trying to make recommendations on what should be built, the picture is still complex. The data provides total number of dwellings - these will be the targets set out in the RSS. The projections indicate households by type. However the difficulty comes in translating household types to dwelling types/sizes.

12.6.3 Personal choice, often linked to financial status, means that people can live in what ever size of type of house suits them. For example, the 2001 Census showed that 16% of people living alone, lived in a property with 6+ rooms (which would be at least 3 bedroom). It is therefore not appropriate to determine dwelling sizes / types from household projections.

12.6.4 The household projections show a significant increase in one person households, but such households are unlikely to all want a small flat. In fact, due to the aging population, a large number of one person households projected by 2026 could be people living in the County now – perhaps as a couple in their 60's, in a larger dwelling. If one partner dies, a one person household is left, but he/she may not choose to downsize.

12.6.5 Simply looking at the household projections by type does not give a clear indication of the dwelling types that are required. However it is important that broad priorities for the County are identified such as:

- Need for adequate family housing in the core areas where economic growth is likely to be most significant.
- Adequate smaller dwellings in all areas, including rural areas where availability is currently limited, to meet the needs of the growing number of single person households.
- Provision of adapted housing to cater for the aging population, again in all areas including rural areas. Appropriate provision may free up some larger dwellings.

12.6.6 Suggested Future Dwelling requirements by HMA

Using the projections above and considering other information on the current supply of housing in the area, some broad suggestions for future housing requirements are made below. These can be used alongside the results of the Survey of Housing Need and Demand to give a better picture of market and affordable housing requirements in the future.

12.6.7 Bournemouth/Poole HMA

Future employment growth is expected to be concentrated in the Bournemouth / Poole core (60% of new jobs) and replacement demand will also have a significant impact here. There will be a need for a mix of family housing and smaller dwellings to house the various ages and types of household seeking jobs. Care should be taken to ensure that new housing is located in the areas where job growth is likely to occur.

12.6.8 The dwelling structure in the core, particularly in Bournemouth local authority area, is heavily weighted by detached properties and flats. There is a need to increase the proportion of smaller family dwellings and starter homes (semis and terraced) to

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

attract new working age households. Particular efforts should be made to meet market demand in Bournemouth, where labour may be under-supplied.

- 12.6.9 In view of the high level of retirement and current levels of under occupation in the area, more specialist retirement homes and dwellings designed for the elderly would encourage older households to downsize and release family housing.
- 12.6.10 In the periphery, some employment growth will continue, but at a much smaller scale than in the core. Filling the jobs made available through "replacement demand" is likely to maintain demand for all types of housing. Small dwellings (1 or 2-beds) are likely to be in high demand due to the relatively low levels of current supply in the rural areas. A proportion of "adapted" housing to cater for the ageing population will be required in all areas (including the core authorities).
- 12.6.11 Lower paid service sector jobs, supplying the needs of the growing elderly population, are likely to increase. A significant supply of affordable family housing in the market towns and larger villages will be needed to help meet this demand. It will be essential to try and supply the right type and price of housing in this area to ensure adequate labour supply.
- 12.6.12 Dorchester/Weymouth HMA
Here job growth prospects are lower than in the Bournemouth / Poole HMA but a concerted effort is needed to improve productivity and increase wage levels, particularly in Weymouth and Portland where prices are currently below average. More up-market properties of all sizes will be needed to attract higher paid professionals and reduce commuting.
- 12.6.13 The size of the current housing stock in both Dorchester and Weymouth fits the national pattern with no obvious shortages in any size. However, bearing in mind the growing number of one person households, there will be a need to increase the proportion of 1 and 2-bed dwellings to offer the opportunity for down-sizing and release family sized properties.
- 12.6.14 Most employment growth will be concentrated in Weymouth and Dorchester towns but there will be some growth in the market and coastal towns in the periphery. Lower paid jobs in tourism and care services will dominate. There will be a need to increase the provision of affordable housing of all sizes to meet the demands for labour in these sectors. A proportion of "adapted" housing to cater for the ageing population will also be required in developments throughout this HMA.

Section D Current Housing Need and Demand

13.0 Key Findings from the County-wide Survey

13.1 Introduction

13.1.1 To obtain up to date and consistent information on housing need and demand across the County, the Partnership commissioned primary research by Fordham Research Group Ltd.

13.1.2 The study involved a postal questionnaire survey across the whole of Dorset. Results were compiled by individual local authority and for the two main Housing Market Areas. For this purpose, Bournemouth Poole HMA is taken to comprise the six local authorities of Bournemouth, Christchurch, East Dorset, North Dorset, Poole and Purbeck, and the Dorchester / Weymouth HMA comprises West Dorset and Weymouth and Portland. The aim of the research was to provide household information on the current housing situation; past moves and future moving intentions; income and employment status; support needs and the requirements of newly forming households.

13.1.3 A total of 15,100 questionnaires were returned in the Bournemouth/Poole HMA and 6,750 in Dorchester/Weymouth. The full results can be found in the individual HMA and local authority reports. This section provides a summary of the key findings. Analysis follows in Chapters 14, 15 and 16.

13.2 Key Findings in the Bournemouth/Poole HMA

13.2.1 The Local Housing Market

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.

13.2.2 Latest Land Registry data suggests that the average property price in the HMA (at £243,433) is around 17% higher than the average for England and Wales. There is considerable variation within the HMA with the highest average prices being found in East Dorset. The rate of increase in property prices in the HMA 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 Bournemouth and Poole HMA rose by 67.5%. While this increase is lower than regional and national averages, there is considerable variation within the area with the largest increases occurring in Poole (74.5%) and the smallest in Christchurch (61.0%).

13.2.3 A survey of local estate and letting agents identified estimates of the minimum costs of housing to both buy and rent in the HMA. The survey suggested that entry level prices ranged from around £81,500 for a 1-bedroom property in North Dorset up to £323,000 for a 4-bedroom property in Christchurch. Entry-level weekly rents varied from £104 (1-bed in North Dorset) to £254 (4-bed in East Dorset).

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

Table 13.1 Entry-level Market Costs in Bournemouth / Poole HMA (to buy)

| Bedrooms | Bournemouth | Christchurch | East Dorset | North Dorset | Poole | Purbeck |
|----------|-------------|--------------|-------------|--------------|----------|----------|
| 1 | £110,000 | £124,000 | £142,000 | £81,500 | £110,000 | £132,000 |
| 2 | £159,000 | £180,000 | £190,000 | £135,000 | £176,000 | £178,000 |
| 3 | £218,000 | £251,000 | £243,000 | £170,000 | £220,000 | £229,000 |
| 4 | £290,000 | £323,000 | £318,000 | £247,000 | £285,000 | £309,000 |

Source: Fordham Survey of Estate and Letting Agents - 2006

Table 13.2 Entry-level Market Costs in Bournemouth / Poole HMA (to rent, weekly cost)

| Bedrooms | Bournemouth | Christchurch | East Dorset | North Dorset | Poole | Purbeck |
|----------|-------------|--------------|-------------|--------------|-------|---------|
| 1 | £114 | £125 | £133 | £104 | £114 | £104 |
| 2 | £150 | £160 | £153 | £115 | £156 | £132 |
| 3 | £190 | £180 | £196 | £138 | £183 | £162 |
| 4 | £242 | £230 | £254 | £173 | £230 | £196 |

Source: Fordham Survey of Estate and Letting Agents - 2006

13.2.4 The information about minimum prices and rents was used, along with financial information collected in the survey, to make an estimate of household ability to afford market housing without the need for subsidy.

13.2.5 Key Survey Findings

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. Some key findings from the household survey are highlighted below:

- In total 43.1% of households live in detached houses or bungalows, whilst 24.7% live in flatted accommodation. Households living in rented property are more likely to live in flats whilst those in owner-occupation are more likely to live in detached houses.
- Just under a third of all households are 'pensioner-only' and just over a fifth contain children. Lone parent households were found to be concentrated in the rented sectors, other families in owner-occupation with mortgages, and pensioners in owner-occupation without mortgages.
- Analysis of household moves in the last two years shows that private rented tenants are the most mobile. More than half of private renters had moved home in the past two years, compared to only 21.1% of social renters and 15.7% of owner-occupiers. There were more moves recorded within tenures than between them.
- Information on the source of moves into housing in Dorset revealed that pensioner households were the most likely to have moved into the HMA from outside Dorset and that households with children were the most likely to have stayed within the County. *It should be noted that, due to the survey being based only on district households, this is a gross figure and not a net one: it simply shows the types of household coming in, not whether there is a net addition to any particular type of household.*
- Some 3.2% of the population of the HMA were of an ethnic minority. This included those who were white but not British or Irish, totalling 2.0% of the overall population. There were no predominant ethnicities within the BME population, and the 'White Other' group appeared predominantly Western European in origins.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

- The level of overcrowding recorded in the HMA, at just 1.5%, is lower than the national average. The proportion of under-occupied households was much higher, at 37.4%.
- The proportion of employed household heads varied significantly across the tenures. Some 82.2% of households with a mortgage are headed by an employed person, while 70.5% of those in owner-occupation without a mortgage are retired. Only 27.5% of household heads in the social rented sector are in employment.
- Households buying with a mortgage have the highest housing costs and households in the social rented sector the lowest.

13.2.6 Future Movers

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.

13.2.7 Table 13.3 shows that around 20.2% 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, with over half expecting to move within two years, although more than three quarters of all moving households are currently owner-occupiers.

Table 13.3 Households who Need to or are Likely to Move in the next Two Years by Tenure, Bournemouth / Poole HMA

| Tenure | Number who need/likely to move | Total number of households | % need/likely to move |
|--------------------------------|--------------------------------|----------------------------|-----------------------|
| Owner-occupied (no mortgage) | 10,545 | 98,289 | 10.7% |
| Owner-occupied (with mortgage) | 16,235 | 89,773 | 18.1% |
| Social rented | 6,329 | 26,782 | 23.6% |
| Private rented | 16,208 | 29,456 | 55.0% |
| Total | 49,317 | 244,300 | 20.2% |

Source: Fordham Research Dorset HNDS 2007

13.2.8 In addition to the 49,300 existing households who need or are likely to move, the survey estimates that there are around 15,600 households who need to or are likely to form from households currently resident in the HMA over the next two years. Other key findings in relation to these moving households include:

- Some 70.6% of these households would like to remain in the district within which they currently reside, although only 66.3% expect to be able to do so.
- Significantly more moving households would like owner-occupied accommodation than expect it. This trend is particularly clear for newly forming households. Similarly, more households would like to live in a detached home than expect to do so.

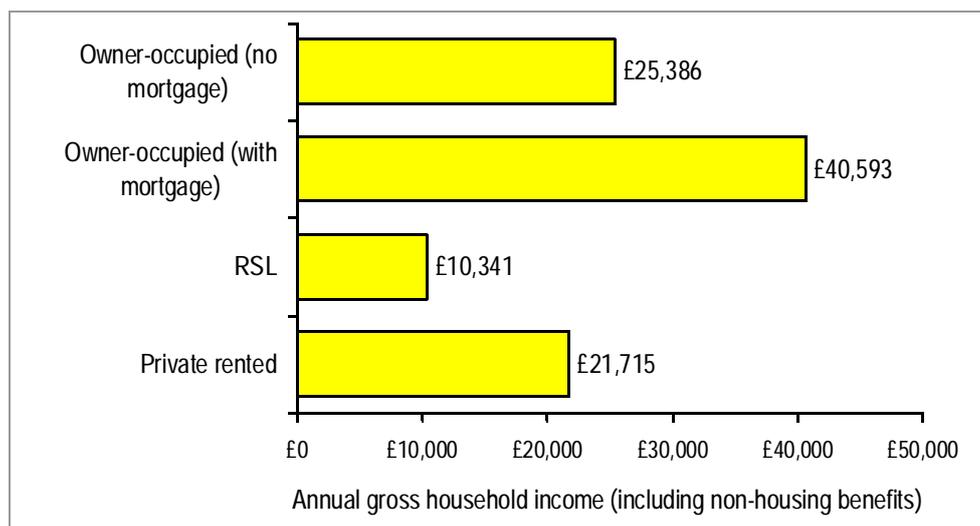
13.2.9 Financial Information

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

13.2.10 In Bournemouth and Poole HMA the survey estimated the average (mean) gross household income level to be £28,883 per annum. The median income is noticeably lower than the mean (at £22,250 per annum). There were also wide variations by tenure, with households living in social rented housing having particularly low income levels.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

Figure 13.1 Income and Tenure, Bournemouth / Poole HMA



Source: Fordham Research Dorset HNDS 2007

13.2.11 The survey also collected data about household savings and equity levels. It is estimated that the mean level of savings for all households is £36,981, but that the median is much lower at just £4,500. The mean equity level is £221,530, with a median of £150,000.

13.3 Current and Future Need in the Bournemouth/Poole HMA

13.3.1 Background

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

13.3.2 The assessment of need (which takes account of both the need for and supply of affordable housing) has been 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

13.3.3 Current Need

The survey looks at the number of households living in unsuitable housing and estimates how many would need to move home to resolve their problems. The number who cannot afford a suitable solution in the housing market is then calculated. Making allowance also for homeless households, it was found that 7,169 households were in this position, with households in the private rented sector most likely to be in housing need.

13.3.4 The current stock of affordable housing at the time of the survey was estimated to be 3,054 dwellings, which could be used to meet this need. This included dwellings becoming available as households in the social rented sector move to different dwellings. Hence it was estimated that the net backlog need for affordable housing is around 4,115 units (7,169 minus 3,054).

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

13.3.4 Future Need

The future need for affordable housing is 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 household formation (× proportion unable to buy or rent in market)
- Existing households falling into need

13.3.5 The data suggests that on an annual basis there will be 1,993 newly forming households requiring affordable housing and a further 4,720 existing households falling into need. The total gross future need for affordable housing is therefore estimated to be 6,713 units per annum.

13.3.6 The supply of affordable housing to meet this need has also been estimated from both future proposed supply and past trends. This data suggests that the stock of affordable housing is likely to provide around 1,832 units per annum (1,741 social rented and 91 intermediate i.e. shared ownership units). This generates a net need for affordable housing of approximately 4,881 units per annum (6,713 minus 1,832).

13.3.7 Finally, the current need and backlog need are combined. In order to meet the backlog of need over five years, 823 additional units of affordable housing will be needed (4,115 / 5). This brings the total net annual requirement for additional affordable housing in the Bournemouth and Poole HMA to 5,704 dwellings per annum for the first five years (2007-12) and, assuming this level of need is met, it would then reduce to 4,881 dwellings per annum. The details are shown in Table 13.4.

Table 13.4 Results of Dorset Wide Survey of Housing Need and Demand using the CLG Needs Model, Bournemouth / Poole HMA

| | Local Authority | Bnmth | Poole | Christch | EDDC | NDDC | Purbeck | B/P HMA |
|----|--|--------|--------|----------|--------|--------|---------|---------|
| | Total no of households in area | 76,000 | 61,700 | 21,500 | 37,600 | 28,000 | 19,500 | 244,300 |
| A | Housing Need Current backlog need for affordable housing (gross)* | 3,490 | 1633 | 302 | 711 | 543 | 489 | 7,169 |
| B | Current stock of affordable housing** | 1,052 | 935 | 179 | 325 | 355 | 210 | 3,054 |
| C | Net current need (ie A minus B) | 2,438 | 698 | 123 | 386 | 186 | 279 | 4,115 |
| D | Newly arising housing need (gross per annum)*** | 3,160 | 1563 | 348 | 525 | 672 | 445 | 6,713 |
| E | Affordable Housing Supply (annual)**** | 633 | 504 | 130 | 162 | 311 | 92 | 1,832 |
| F1 | Net annual level of need 2007 – 2012 (ie C/5 + D minus E) | 3,015 | 1199 | 243 | 440 | 399 | 409 | 5,704 |
| F2 | Net annual level of need, 2012 -2026 (ie D minus E) | 2,527 | 1,059 | 218 | 363 | 361 | 353 | 4,881 |
| I | Fordham Affordable Housing Need Index | 39 | 19 | 11 | 12 | 14 | 21 | 23 |

Notes * Backlog includes - Homeless households and those in temporary accommodation, overcrowded and concealed households.

** Current affordable stock includes – affordable dwellings occupied by households in need, surplus stock and committed supply of affordable housing.

***Newly arising need includes – new household formation x proportion unable to afford to buy or rent in the market, + existing households falling into need (ie those who have moved in past 2 years but have been unable to afford market prices and so need to claim housing benefit or spend more than 25% of income on rent/mortgage.)

****Affordable housing supply includes – Annual supply of social re lets + annual supply of intermediate housing available at sub market levels.

13.3.8 This level of need has been computed by Fordham Research to an index which measures the scale of need against the number of households in the study area. The level of need in the Bournemouth / Poole HMA equates to an index of 23 which is

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

high in comparison with a national average of 16, a South West regional average of 17 and an Inner London average of 35.

13.3.9 Balancing Housing Markets

PPS3 now requires not only an assessment of affordable housing needs but also an understanding of market demands across the HMA. To do this, Fordham Research has developed the "Balanced Housing Market" (BHM) assessment.

13.3.10 A 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, to provide a broad indication of the shortages (and in some cases surpluses) of particular types of dwelling.

13.3.11 The BHM model is not a purely technical assessment of housing requirements but combines a technical assessment of certain aspects, such as affordability, with a reasoned judgement about how exactly the housing market operates; for example, the fact that the private rented sector is often used to meet some affordable needs through the use of Housing Benefit. In addition the model looks at both household aspirations and expectations, to provide an indication of the most likely housing solution in the particular market.

13.3.12 The BHM Methodology

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/ Borough 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/ Borough 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/ Borough.
- 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/ Borough.
- 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/ Borough to another.

13.3.13 Table 13.5 shows the overall results of the BHM analysis for the Bournemouth / Poole HMA.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

Table 13.5 Balancing Housing Markets results for the Bournemouth and Poole HMA (per annum)

| Tenure | Size requirement | | | | Total |
|------------------|------------------|------------|------------|-------------|-------|
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | 168 | 808 | 630 | 351 | 1,957 |
| Private rented | 168 | -60 | -131 | -75 | -98 |
| Intermediate | 239 | 453 | 175 | 45 | 912 |
| Social rented | 259 | 447 | 362 | 259 | 1,327 |
| TOTAL | 834 | 1,648 | 1,036 | 580 | 4,098 |

Source: Fordham Research Dorset HNDS 2007

13.3.14 There is expected to be a greater demand for housing than the current stock of housing can meet. Across all tenures there is an apparent shortfall of some 4,100 dwellings per annum (excess demand over supply). The above table also looks at demand shortfall and surpluses by size and tenure.

13.3.15 *Owner-occupation*

In the owner-occupied sector there is an apparent shortfall of 1,957 units per annum, making up 48% of the overall shortfall. A large proportion of this excess demand, 41%, is for 2-bed units. There is also significant demand for all other sizes of dwelling.

13.3.16 *Private rented sector*

The private rented sector appears to be roughly in balance. The potential demand for this type of accommodation is a little less than the overall supply. However, by size of dwelling, there are still potential shortages of 1-bed homes, but small surpluses of all other sizes of accommodation.

13.3.17 *Intermediate housing*

The requirement for intermediate housing makes up around 22% of the net shortfall of housing in the HMA. Almost exactly half of the shortfall is for 2-bedroom homes.

13.3.18 *Social rented housing*

The shortage of social rented housing makes up around 32% of the total shortfall of housing in the HMA. Although there is a demand for all sizes of property, demand for large 4-bedroom properties is particularly strong in comparison to intermediate housing. This reflects a particularly low level of supply, rather than an unusually strong gross demand.

13.3.19 When the BHM model result is compared with the more idealistic CLG one it is seen that the level of need for affordable housing is reduced to about 40% of the total CLG figure. The difference is mainly households who expect to move into the private rented sector on Housing Benefit.

13.3.20 Sub Area HMAs

The main HMA has also been broken down into sub areas. BHM analysis has been applied to each of these. The tables below show the BHM results for the Bournemouth / Poole core sub-market, the Bournemouth / Poole periphery sub-market and the North West Dorset sub-market. The fourth table below shows just the part of the North West Dorset sub-market which is within the Bournemouth / Poole HMA (i.e. the Gillingham, Shaftesbury, Sturminster Newton area of North Dorset District). Balanced Housing Market tables for each local authority area are found in Appendix 1

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

Table 13.6 Balancing Housing Markets Results for the Bournemouth / Poole Core Sub-market (per annum)

| Tenure | Size requirement | | | | Total |
|------------------|------------------|--------------|------------|-------------|--------------|
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | 197 | 614 | 359 | 141 | 1,312 |
| Private rented | 70 | -63 | -58 | -6 | -56 |
| Intermediate | 212 | 336 | 114 | 30 | 692 |
| Social rented | 207 | 387 | 211 | 200 | 1,004 |
| TOTAL | 687 | 1,274 | 627 | 365 | 2,952 |

Source: Fordham Research Dorset HNDS 2007

Table 13.7 Balancing Housing Markets Results for the Bournemouth / Poole Periphery Sub-market (per annum)

| Tenure | Size requirement | | | | Total |
|------------------|------------------|------------|------------|-------------|------------|
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | -8 | 112 | 224 | 135 | 462 |
| Private rented | 36 | -32 | -41 | -46 | -83 |
| Intermediate | 20 | 82 | 43 | 14 | 158 |
| Social rented | 21 | 105 | 93 | 49 | 268 |
| TOTAL | 68 | 266 | 319 | 152 | 806 |

Source: Fordham Research Dorset HNDS 2007

Table 13.8 Balancing Housing Markets Results for the North West Dorset Sub-market (part) (per annum)

| Tenure | Size requirement | | | | Total |
|------------------|------------------|------------|------------|-------------|------------|
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | -21 | 82 | 46 | 74 | 181 |
| Private rented | 61 | 35 | -31 | -24 | 40 |
| Intermediate | 6 | 35 | 19 | 0 | 60 |
| Social rented | 30 | -45 | 58 | 10 | 53 |
| TOTAL | 76 | 106 | 91 | 61 | 334 |

Source: Fordham Research Dorset HNDS 2007

13.3.21 The data shows a strong demand for both market and affordable housing in all parts of the HMA.

13.3.22 The Bournemouth / Poole core area shows the highest demand, although it should be borne in mind that this is by far the largest area in terms of households. Overall it is estimated that there is a net demand for an additional 2,952 dwellings per annum in this sub area, of which 42.5% is for market homes with the remaining 57.5% in the affordable sector. There is almost twice as much demand for 2-bed dwellings as other sizes.

13.3.23 In the Bournemouth / Poole periphery area there is an estimated annual demand for 806 additional units (47.1% market and 52.9% affordable). Here 3-bed dwellings make up 40% of the demand and 2-bed dwellings make up 44% of the demand in the affordable sector.

13.3.24 In the part of the North West Dorset sub-market which is within the Bournemouth and Poole HMA the data suggests a demand for 334 additional units per annum; of these an estimated 33.8% is affordable housing. There is a fairly even split between

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

the demand for different dwelling sizes but 1-bed properties to buy appear in over-supply, as do 2-bed social rented dwellings and larger properties to rent privately.

13.4 Key Findings in the Dorchester/Weymouth HMA

13.4.1 The Local Housing Market

The latest available Land Registry data suggests that the average property price in the Dorchester / Weymouth HMA, at £236,680, is about 14% higher than the average for England and Wales, although slightly below the Dorset-wide average. The rate of increase in property prices in the area over the past few years has been faster than in the rest of Dorset. Information from the Land Registry shows that between the 4th quarter of 2001 and the 4th quarter of 2006 average property prices in Dorchester and Weymouth rose by 81.4%, above both regional and national averages. Within the HMA, a rapid rate of increase was experienced, particularly in Weymouth and Portland (91.0%).

13.4.2 The survey of local estate and letting agents identified estimates of the minimum costs of housing to both buy and rent for each district in the HMA. Overall, the survey suggested that prices ranged from around £95,000 for a 1-bedroom property up to £287,000 for 4-bedrooms, both in West Dorset. The range of prices was greater in West Dorset than in Weymouth and Portland. Entry-level weekly rents varied from £92 (1-bed in West Dorset) to £202 (4-bed in West Dorset).

Table 13.9 Entry-level Market Costs in Dorchester / Weymouth HMA (to buy)

| Property size | Weymouth and Portland | West Dorset |
|---------------|-----------------------|-------------|
| 1 bedroom | £103,000 | £95,000 |
| 2 bedrooms | £141,000 | £143,000 |
| 3 bedrooms | £173,000 | £211,000 |
| 4 bedrooms | £232,000 | £287,000 |

Source: Fordham Research, Survey of estate and letting agents 2006

Table 13.10 Entry-level Market Costs in Dorchester / Weymouth HMA (to rent)

| Property size | Weymouth and Portland (week) | West Dorset (week) |
|---------------|------------------------------|--------------------|
| 1 bedroom | £92 | £92 |
| 2 bedrooms | £115 | £121 |
| 3 bedrooms | £138 | £129 |
| 4 bedrooms | £173 | £202 |

Source: Fordham Research, Survey of estate and letting agents 2006

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

13.4.4 Key Survey Findings

Some key findings from the household survey are identified below:

- In total 44.6% of households live in detached houses or bungalows, whilst only 15.7% 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.
- Over a third of all households are 'pensioner-only' and about a fifth contain children. Lone parent households were found to be concentrated in the

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

rented sectors, while pensioner households were found primarily in owner-occupation without mortgages. A large proportion of families with children had mortgages.

- Analysis of household moves in the last two years shows that private rented tenants are the most mobile. An estimated 45.3% of private renters had moved home in the past two years, compared to only 21.1% of social renters and 14.2% of owner-occupiers. There were more moves recorded within tenures than between them.
- Considering moves in the last two years, pensioner households were more likely to have moved into the HMA from outside Dorset, while families with children were the most likely to stay within the same district when moving. It should be noted that, due to the survey being based only on district households, this is a gross figure and not a net one: it simply shows the types of household coming in, not whether there is a net addition to any particular type of household.
- About 2.1% of the population of the HMA is of a minority ethnic group, although only 0.6% overall are non-white. The data does not suggest any predominant ethnic group, and citizenship data suggests that the 'White Other' group are predominantly Western European in origin.
- The level of overcrowding recorded in the HMA, at 1.5%, is lower than the national average, although under-occupation is at a higher level than the rest of Dorset, at 42.3% of all households.
- The proportion of employed household heads varied significantly across the tenures. Some 79.8% of households buying with a mortgage are headed by an employed person, while 69.4% of those owner-occupiers without mortgages are retired. Only 33.7% of heads of household in social rented dwellings are employed.
- Households buying with a mortgage have the highest housing costs and households in the social rented sector the lowest.

13.4.5 Future Movers

The study also looked at the future aspirations and expectations of both existing households and potential newly forming households.

13.4.6 The table below shows that 17.3% of existing households need to 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 nearly three quarters of all moving households are currently owner-occupiers.

Table 13.11 Households Who Need or are Likely to Move in the Next Two Years by Tenure, Dorchester / Weymouth HMA

| Tenure | Number who need/likely to move | Total number of households | % need/likely to move |
|--------------------------------|--------------------------------|----------------------------|-----------------------|
| Owner-occupied (no mortgage) | 2,742 | 29,778 | 9.20% |
| Owner-occupied (with mortgage) | 3,609 | 23,140 | 15.60% |
| Social rented | 1,797 | 9,967 | 18.00% |
| Private rented | 4,333 | 9,360 | 46.30% |
| Total | 12,481 | 72,245 | 17.30% |

Source: Fordham Research Dorset HNDS 2007

13.4.7 In addition to the 12,481 existing households who need to or are likely to move, the survey estimates that over the next two years a further 4,532 households in similar circumstances are likely to form from households currently resident in the HMA. Other key findings in relation to these moving households include:

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Assessment

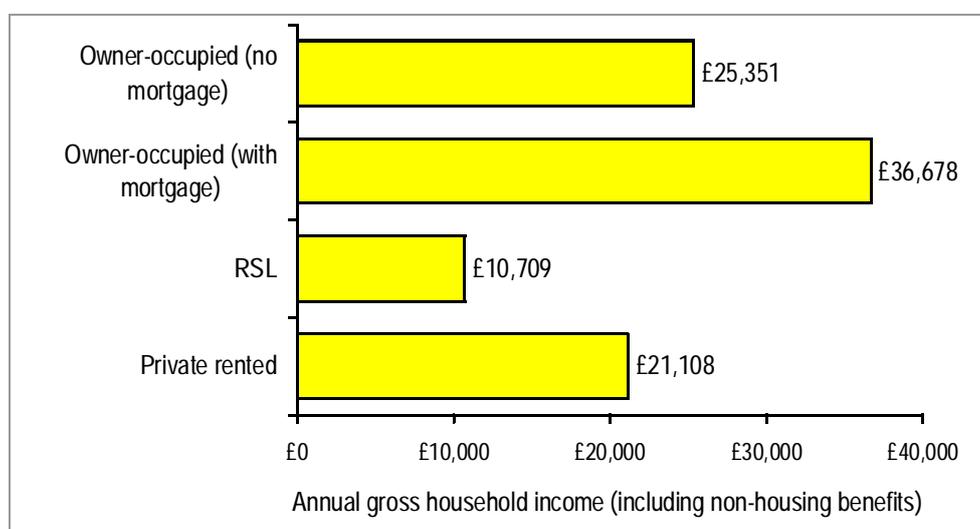
June 2008

- Over three quarters (75.1%) of these households would like to remain in their current district, but only 72.5% expect to be able to do so.
- Significantly more moving households would like owner-occupied accommodation than expect it. This finding is particularly clear for newly forming households. Similarly more moving households would like a detached home than expect it.

13.4.8 Financial information

Survey results for household income in the HMA estimate the average (mean) gross household income level to be £26,409 per annum. The median income, at £20,750 per annum, is noticeably lower than the mean. There were, however, wide variations by tenure, with households living in social rented housing having particularly low income levels.

Figure 13.2 Income and Tenure, Dorchester / Weymouth HMA



13.4.9 The survey also collected data about household savings and equity levels. It is estimated that the mean level of savings for all households was £39,884 whilst the median level was only £4,500, indicating significant inequality. The mean equity level was £222,540, with a median of £150,000.

13.5 Current and Future Need in the Dorchester / Weymouth HMA

13.5.1 Background

As in the Bournemouth/Poole HMA the analysis of housing need has followed the approach set out in the guidance.

13.5.2 Current Need

Making allowance also for the homeless, the number of people in current need is estimated to be 2,040. This is based on the fact that 4,839 households are living in unsuitable housing. Of these, 63% would need to move to find a solution to their problems and 66% could not afford a suitable solution in the housing market and are deemed to be in need. Households in the private rented and social rented sectors were most likely to be in housing need.

13.5.3 It is estimated that at the time of the survey there was a current stock of affordable housing of about 1,052 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 988 units (2,040 minus 1,052).

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

13.5.4 Future Need

Future need for affordable housing is 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 (x proportion unable to buy or rent in market)
- Existing households falling into need

13.5.5 The data suggests that annually there will be 625 newly forming households requiring affordable housing and a further 1,309 existing households falling into need. The total future need for affordable housing is therefore estimated to be 1,934 units per annum.

13.5.6 The supply of affordable housing to meet this need has also been estimated from proposed supply. This data suggests that the current stock of affordable housing is likely to provide around 594 units (578 social rented and 16 intermediate units (i.e. shared ownership)). This generates a net need for affordable housing of approximately 1,340 units per annum (1,934 – 594).

13.5.7 Finally, the current need and backlog need are combined. To meet the backlog of need over five years, 198 additional units of affordable housing will be required (988 / 5). This brings the total net annual requirement for additional affordable housing in the Dorchester / Weymouth HMA to 1,538 dwellings per annum for the first five years (2007-12) and assuming this level of need is met it would then reduce to 1,340 dwellings per annum. The details are shown in Table 13.12.

Table 13.12 Results of Dorset Wide Survey of Housing Need and Demand using the CLG Needs Model Dorchester / Weymouth HMA

| | WDDC | WPBC | W/D HMA | All Dorset |
|---|--------|--------|---------|------------|
| Total no of households in area | 43,545 | 28,700 | 72,245 | 316,545 |
| Housing Need | | | | |
| Current backlog need for affordable housing (gross)* | 922 | 1,118 | 2,040 | 9,205 |
| Current stock of affordable housing** | 501 | 552 | 1,052 | 4,106 |
| Net current need (ie A minus B) | 421 | 566 | 988 | 5,103 |
| Newly arising housing need (gross per annum)*** | 1001 | 933 | 1,934 | 8,647 |
| Affordable Housing Supply (annual) **** | 348 | 246 | 594 | 2,426 |
| Net annual level of need 2007 – 2012 (ie C/5 + D minus E) | 737 | 800 | 1,538 | 7,242 |
| Net annual level of need, 2012 -2026 (ie D minus E) | 653 | 687 | 1,340 | 6,221 |
| Fordham Affordable Housing Need Index | 17 | 28 | 21 | 23 |

Notes * Backlog includes - Homeless households and those in temporary accommodation, overcrowded and concealed households.

** Current affordable stock includes – affordable dwellings occupied by households in need, surplus stock and committed supply of affordable housing.

***Newly arising need includes – new household formation x proportion unable to afford to buy or rent in the market, + existing households falling into need (ie those who have moved in past 2 years but have been unable to afford market prices and so need to claim housing benefit or spend more than 25% of income on rent/mortgage.)

****Affordable housing supply includes – Annual supply of social re lets + annual supply of intermediate housing available at sub market levels.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

13.5.8 Measured against the Fordham Affordable Housing Need Index, the level of need in the Dorchester / Weymouth HMA equates to 21, which again is high in comparison with the national average of 16 and regional average of 17.

13.5.9 Balancing Housing Markets

As in the Bournemouth / Poole HMA a further Balanced Housing Market (BHM) analysis has been carried. The BHM assessment looks at the whole local housing market, considering the extent to which supply and demand are 'balanced' across tenure and property size. Table 13.13 shows the overall results of the analysis.

Table 13.13 Balancing Housing Markets Results for Dorchester and Weymouth HMA (per annum)

| Tenure | Size requirement | | | | Total |
|------------------|------------------|------------|------------|-------------|-------|
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | 47 | 359 | 252 | 144 | 802 |
| Private rented | 89 | 83 | -159 | -55 | -42 |
| Intermediate | 125 | 187 | 100 | 12 | 424 |
| Social rented | 155 | 145 | 83 | 17 | 400 |
| TOTAL | 416 | 775 | 275 | 118 | 1,584 |

Source: Fordham Research Dorset HNDS 2007

13.5.10 There is expected to be a greater demand for housing than the current stock of housing can meet. Across all tenures there is an apparent shortfall of 1,584 dwellings per annum (excess demand over supply). The above table also looks at demand shortfall and surpluses by tenure. The findings in each of these groups are discussed briefly below.

13.5.11 *Owner-occupation*

In the owner-occupied sector there is an apparent shortfall of 802 units per annum, which makes up 51% of the overall shortfall. Nearly half (45%) of excess demand in this sector is for two bedroom units, although there are also shortfalls for all other sizes of dwelling.

13.5.12 *Private rented sector*

Considered 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, looking at size of dwelling, there are small potential shortages of 1- and 2-bedroom homes and surpluses of larger accommodation, particularly 3-bed properties.

13.5.13 *Intermediate housing*

The requirement for intermediate housing makes up around 27% of the net shortfall of housing in the HMA. The main shortfalls are for 2 and 1-bedroom homes; the shortfall for intermediate 1-bedroom homes exceeds the shortfall for 1-bed owner-occupied housing.

13.5.14 *Social rented housing*

Social rented housing makes up around 25% of the total shortfall of housing in the HMA. The net need for units is spread across all sizes of accommodation, but tends to be for smaller units. Looking only at 1-bed homes, social housing makes up 37% of the total shortfall.

13.5.15 When the BHM model result is compared with the CLG assessment it is seen that the level of need for affordable housing is reduced to around 54% of the total CLG figure.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

The difference is mainly households who expect to move into the private rented sector on Housing Benefit.

13.5.16 Sub Area HMAs

The main HMA has also been broken down into sub areas and BHM analyses applied to these.

13.5.17 The tables below show the BHM results for the Weymouth core sub-market, the Dorchester core sub-market, the Dorchester / Weymouth periphery sub-market and the North West Dorset sub-market. The fifth table below shows the part of the North West Dorset sub-market which is within the Dorchester and Weymouth HMA – in essence, the Sherborne area.

Table 13.14 Balancing Housing Markets Results for the Weymouth Core Sub-market (per annum)

| Tenure | Size requirement | | | | Total |
|------------------|------------------|------------|------------|-------------|-------|
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | -17 | 131 | 68 | 55 | 237 |
| Private rented | -1 | 70 | -69 | -25 | -25 |
| Intermediate | 73 | 49 | 31 | 7 | 160 |
| Social rented | 20 | 56 | 25 | 0 | 101 |
| TOTAL | 75 | 306 | 55 | 37 | 473 |

Source: Fordham Research Dorset HNDS 2007

Table 13.15 Balancing Housing Markets Results for the Dorchester Core Sub-market (per annum)

| Tenure | Size requirement | | | | Total |
|------------------|------------------|------------|------------|-------------|-------|
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | 11 | 62 | -37 | 38 | 74 |
| Private rented | 45 | -14 | -13 | 0 | 18 |
| Intermediate | 14 | 23 | 11 | 0 | 48 |
| Social rented | 0 | 48 | 35 | 6 | 90 |
| TOTAL | 70 | 120 | -4 | 44 | 230 |

Source: Fordham Research Dorset HNDS 2007

Table 13.16 Balancing Housing Markets Results for the Dorchester and Weymouth Periphery Sub-market (per annum)

| Tenure | Size requirement | | | | Total |
|------------------|------------------|------------|------------|-------------|-------|
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | 50 | 147 | 155 | 23 | 376 |
| Private rented | 44 | 23 | -83 | -22 | -37 |
| Intermediate | 29 | 103 | 49 | 4 | 185 |
| Social rented | 139 | 18 | 37 | 7 | 201 |
| TOTAL | 263 | 291 | 159 | 13 | 725 |

Source: Fordham Research Dorset HNDS 2007

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

Table 13.17 Balancing Housing Markets Results for the North West Dorset Sub-market (part) (per annum)

| Tenure | Size requirement | | | | Total |
|------------------|------------------|------------|------------|-------------|-------|
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | 2 | 19 | 66 | 28 | 114 |
| Private rented | 2 | 4 | 5 | -8 | 3 |
| Intermediate | 10 | 13 | 8 | 0 | 31 |
| Social rented | -5 | 23 | -13 | 4 | 9 |
| TOTAL | 9 | 59 | 66 | 24 | 158 |

Source: Fordham Research Dorset HNDS 2007

13.5.18 The data reveals a strong demand for both market and affordable housing in all parts of the HMA.

13.5.19 The Weymouth core sub-market shows a net demand for an additional 473 dwellings per annum. Of this 44.9% of the demand is for market homes with the remaining 55.1% in the affordable sector. Demand for intermediate housing appears strong. Across all tenures, 65% of the demand is for 2-bed dwellings.

13.5.20 In the Dorchester core area there is an estimated annual demand for 230 additional units (40.1% market and 59.9% affordable). The proportion of the affordable housing demand which is for intermediate housing is noticeably lower than that found in the Weymouth core sub-market. Demand for 2-bed dwellings is again the strongest.

13.5.21 The largest net demand for housing of all the sub-markets in the Dorchester and Weymouth HMA was found to be in the Dorchester / Weymouth periphery sub-market. In total it was estimated that there is a net demand for around 725 additional units per annum in this area. Of this demand an estimated 46.7% is for market housing with 53.3% being for affordable homes. Three quarters of all the demand is for 1 and 2-bed dwellings. In the private rented sector, 3 and 4-bed dwellings are in over supply.

13.5.22 Within that part of the North West Dorset sub-market which is within the Dorchester and Weymouth HMA, the data suggests a demand for 158 additional units. An estimated quarter of this would be for affordable housing. The demand for 3-bed dwellings is as strong as for 2-beds. It should be noted that in household terms the part of the North West Dorset sub-market which is within the Dorchester and Weymouth HMA is very small.

North West Dorset Sub Area

Table 13.18 Balancing Housing Markets Results for the North West Dorset Sub-market (per annum)

| Tenure | Size requirement | | | | Total |
|------------------|------------------|------------|------------|-------------|-------|
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | -19 | 101 | 112 | 102 | 296 |
| Private rented | 62 | 39 | -26 | -32 | 44 |
| Intermediate | 17 | 47 | 27 | 0 | 91 |
| Social rented | 25 | -22 | 44 | 14 | 62 |
| TOTAL | 85 | 165 | 157 | 85 | 492 |

Source: Fordham Research Dorset HNDS 2007

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

13.5.23 Within the whole of the North West Dorset sub-market there is an estimated net demand for 492 additional units of which 31.0% is affordable housing. There is demand for all sizes of dwellings but 3 and 4-bed dwellings appear to be over supplied on the private rented side and 2-bed dwellings in the social rented sector.

Summary

The Survey of Housing Need and Demand has provided a useful base of information on the housing characteristics and needs of the Bournemouth / Poole HMA. These are examined in Chapters 15 and 16 to assess the level and type of housing required in the future. Chapter 14 now looks at the needs of different sectors of the population across the two HMAs

14.0 The Needs of Specific Household groups

14.1 Introduction

14.1.1 The Housing Needs survey investigated the needs of several particular groups, including:

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

14.1.2 In addition through the wider HMA research, the needs of students, migrant workers and Gypsies and Travellers have been investigated.

14.1.3 In this section, findings from across the two HMAs and by Local Authority area are drawn together.

14.2 Households with Special Needs

14.2.1 There are an estimated 50,086 households with one or more members with a special need in the Bournemouth/Poole HMA and 14,755 such households in the Dorchester/Weymouth HMA. This represents just over 20% of the total households in each area.

14.2.2 Of those with special needs, a "medical condition" comprises the largest category in both areas and affects around 55% of those households with a special need. The frail elderly and those with a physical disability were the two other categories with significant numbers, each accounting for about 45% of special needs households in each HMA.

14.2.3 Other features of those with a special need are shown in Table 14.1 for the two HMAs and each of the Districts/Boroughs.

14.2.4 On average around 48% of households with a special need in the Bournemouth/Poole HMA contain only older people. There is some variation within the local authorities, with only 44% in Poole and over 52% in Christchurch and East Dorset. Generally households with older people with special needs seem to be more heavily concentrated in the rural areas, mirroring the general distribution of older people. In the Dorchester/Weymouth HMA the overall figure is a little lower at just under 45% and it drops to around 42% in Weymouth and Portland.

14.2.5 Some 65% of households with a special need live in owner occupied accommodation. Although in numerical terms only about a third live in social rented housing, they form a relatively large proportion of all those living in this tenure. In Poole, for instance, they comprise over 45% of households in social rented housing, which is more than double the proportion in the general population. In Weymouth this drops to just 32%, but even this is significantly higher than the proportion across all tenures (19%)

14.2.6 It can also be seen that special needs households are generally more than three times as likely to be living in 'unsuitable' housing as households without a special need. Taking the government definition, unsuitable housing includes a number of different categories such as that the accommodation is too expensive, is overcrowded, difficult to maintain, or lacks facilities etc. Generally the proportion of

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment

June 2008

households with a special need living in unsuitable housing is higher in urban than rural areas. In Weymouth 20% of those with special needs are living in unsuitable housing, compared to an average of 15.4% across the HMA.

- 14.2.7 When asked what additional help may be required by households with special needs, the overwhelming response was for help to maintain the home, such as a handyman service. This was noted by over 14,000 households in the Bournemouth/Poole HMA (28% of those with a special need) and 3,300 (22%) in Dorchester/Weymouth. Physical adaptations such as hand rails, level access shower and stair lifts were needed by about half as many respondents in each area. More support services, such as a home carer or meals on wheels, were required by over 4,000 households in Bournemouth/Poole and 1,200 in Dorchester/Weymouth.
- 14.2.8 The income level of those with special needs is generally about 60% of those without special needs in the Bournemouth/Poole HMA and 67% in Dorchester/Weymouth. This highlights the difficulties that these households face in trying to overcome their housing conditions and the need for local authorities to target resources to improve their situation.
- 14.2.9 Over 3,600 special needs households in the Bournemouth/Poole HMA stated that they needed to move to alternative housing with specialist adaptations or care/support, including over 1,500 in Bournemouth and almost 900 in Poole. This gives some indication of the scale of provision needed for specialist housing in the core area of the HMA. In the Dorchester/Weymouth HMA, numbers were lower at just under 500 in West Dorset and 400 in Weymouth and Portland, but they still represent about 6% of all those households with a special need.
- 14.2.10 Tackling the challenges presented by an ageing population many of whom have special needs, in particular ensuring access to good quality flexible housing, is now high on the government's policy agenda. The Department of Community and Local Government's recently published national strategy for housing in an ageing society, "Lifetime Homes: Lifetime neighbourhoods" aims to encourage the development of lifetime neighbourhoods that promote inclusive design and accessibility to services. It also sets out the government's aspiration that all housing should be built to lifetime standards by 2013.
- 14.2.11 To meet the standards, developers need to incorporate a range of measures outlined in a 16 point checklist. These include for instance, improved wheelchair access and provision for future stairlifts. While many housing schemes sponsored by English Partnerships or funded by the Housing Corporation are already required to meet these standards, private developers have been allowed some discretion over whether they wish to apply them. However by April 2013 all new housing should meet the full standards.

Summary

Most special needs are related to the age of the household and as such are proportionately higher in the rural areas. Numerically far more households with a special need live in owner occupied property than other tenures.

The evidence shows that help with maintaining their homes and with physical adaptations are the most pressing requirements for those households with a special need, but as their income and savings levels tend to be lower than those without special needs, they may not all be able to afford these improvements.

The survey also shows that those with a special need are three times as likely to be living in unsuitable housing as other households.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth
Strategic Housing Market Assessment
June 2008

There are relatively high proportions of special need households in the social rented sector, particularly in Poole and Bournemouth.

Large numbers of households across the two HMAs indicated a need for alternative housing with specialist adaptations. Bearing in mind that the number of elderly households is likely to grow in the future, it indicates a need for more "lifetime homes" that can be adapted to meet their needs as they change.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Assessment
June 2008

Table 14.1 Households with Special Needs

| Households with special needs* | Bnmth | Poole | Christch | EDDC | NDDC | Purbeck | B/P HMA | WDDC | WPBC | W/D HMA |
|--|--------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total no of households in area | 76,000 | 61,700 | 21,500 | 37,600 | 28,000 | 19,500 | 244,300 | 43,545 | 28,700 | 72,245 |
| Hshlds with special needs | 16,510 | 12,329 | 4,983 | 6,975 | 5,390 | 3,900 | 50,087 | 8,345 | 6409 | 14,754 |
| <i>Hshlds with special needs as % of all hshlds</i> | <i>21.7</i> | <i>20</i> | <i>23.2</i> | <i>18.6</i> | <i>19.2</i> | <i>20</i> | <i>20.5</i> | <i>19.2</i> | <i>22.3</i> | <i>20.4</i> |
| Older people only hshlds with special need | 8,110 | 5,461 | 2,618 | 3,654 | 2,687 | 1,822 | 24,352 | 3,940 | 2672 | 6,612 |
| <i>Older people only hshlds as % of all with spec need</i> | <i>49.1</i> | <i>44.3</i> | <i>52.5</i> | <i>52.4</i> | <i>49.9</i> | <i>46.7</i> | <i>48.6</i> | <i>47.2</i> | <i>41.7</i> | <i>44.8</i> |
| Hshlds with special need living in soc rented accom | 3,328 | 3,235 | 999 | 1240 | 1,459 | 927 | 11,188 | 1,972 | 1431 | 3,403 |
| <i>Hshlds with spec need living in soc rent accom as % of all in soc rent accomm</i> | <i>42.8</i> | <i>45.5</i> | <i>38.2</i> | <i>39.6</i> | <i>38.9</i> | <i>38.6</i> | <i>41.8</i> | <i>32.3</i> | <i>37.1</i> | <i>34.1</i> |
| Special needs hshlds living in unsuitable housing | 3,016 | 1,651 | 549 | 658 | 654 | 459 | 6,988 | 997 | 1,279 | 2,276 |
| <i>% of spec need hshlds in unsuitable hs</i> | <i>18.3%</i> | <i>13.4%</i> | <i>11.0%</i> | <i>9.4%</i> | <i>12.1%</i> | <i>11.8%</i> | <i>14%</i> | <i>11.9%</i> | <i>20.0%</i> | <i>15.4%</i> |
| <i>% of no spec needs hshlds in unsuitable hsing</i> | <i>6.2%</i> | <i>4.4%</i> | <i>2.7%</i> | <i>2.9%</i> | <i>3.5%</i> | <i>4.6%</i> | <i>4.5 %</i> | <i>3.6%</i> | <i>5.8%</i> | <i>4.5%</i> |
| Annual gross hshld income of hshlds with spec need | £17,438 | £18,779 | £20,012 | £21,300 | £20,357 | £19,992 | £19,075 | £20,785 | £16,773 | £19,042 |
| <i>An gross hshld income as % of those without spec needs</i> | <i>65.95</i> | <i>57.86</i> | <i>70.05</i> | <i>62.9</i> | <i>63.13</i> | <i>64.68</i> | <i>60.72</i> | <i>69.49</i> | <i>65.11</i> | <i>67.29</i> |
| Hshlds needing alternative housing | 1,501 | 870 | 304 | 412 | 339 | 196 | 3,621 | 479 | 394 | 873 |

Source: Fordham Research Dorset HNDS 2007

NOTES: Special needs includes: frail elderly, physical disability, learning difficulty, mental health problem, severe sensory disability, medical condition + other
Unsuitable housing follows CLG criteria and includes: special needs/mobility; accommodation too expensive, overcrowding, home difficult to maintain, tenancy ending, harassment, repairs, lacks facilities, shared facilities.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

14.3 Older Person Households

- 14.3.1 The most characteristic feature of the population of Bournemouth, Dorset and Poole is the high proportion of older people. The 2006 ONS mid-year population estimates show that 25% of the population are over retirement age. The national average is just 18.8%. In each of the rural sub-HMA areas the proportion of older people increases to almost 28% (Bournemouth / Poole periphery, Dorchester / Weymouth periphery and North West Dorset).
- 14.3.2 Over the last ten years (1996 to 2006) the proportion of older people in Dorset, Bournemouth and Poole has remained constant at around 25%. The most significant increase has been of people aged 50-64 years, people who will reach retirement age over the next 15 years. Overall this age group makes up 20% of the population or 140,000 people. This has increased from 113,500 in 1996. In East Dorset and West Dorset districts the proportion of people aged 50-64 years is over 22%. These areas are likely to see the largest increases in retired population in the coming years. Similar patterns can be seen in each HMA with higher proportions of older people and those aged 50+ in the rural areas and lower in the core or urban areas.
- 14.3.3 The 2001 census showed that pensioners made up around 30% of all households, the majority of which were living alone, about 55% of all pensioner households. Overall the periphery areas and North West Dorset have the higher proportions of pensioner households, each with over 33%. However it is the core areas, particularly Dorchester and Bournemouth and Poole, which have a higher percentage of lone pensioners.
- 14.3.4 The population projections for each of the HMAs show that the majority of growth over the next twenty years will be in the 65+ age group, reflecting the large numbers and recent increase of those currently in their 50s. This increase is also seen in the household projections which show that one person households are going to increase significantly, the majority of which will be older people.
- 14.3.5 The Housing Needs Survey looked at the situation of older households, comparing the needs of households 'with older persons only' against those 'with both older and non older persons' and 'without older persons'. The data in Table 14.2 focuses on the needs of 'older person only households'. Across both HMAs around 52% of these are single person households and 47% are two person.
- 14.3.6 The high proportion of older people only households with special needs and their concentration in the more rural areas has been highlighted above. These needs will continue to grow as the proportion of older people increases.
- 14.3.7 Table 14.2 highlights the fact that older people only households make up around 33% of households in the two HMAs. This rises to 41% in Christchurch and 37% in both East and West Dorset. However, the elderly account for a much larger proportion of single person households – 66% in Christchurch and East Dorset, and 50% or more in all other areas.
- 14.3.8 The table also shows that a large proportion of these households are outright owners of their properties. About 73% of older people across the two HMAs own their properties outright. This rises to almost 80% in East Dorset.
- 14.3.9 As the vast majority of older person only households comprise just one or two people, it is interesting to see how many are occupying larger (3 or 4+ bed dwellings). In the Bournemouth / Poole HMA there are over 36,000 households (45% of all older person

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

only households) and in Dorchester / Weymouth some 13,200 (54%) households occupying larger properties. Although many older people may choose to remain in a larger property, some are certainly finding this a problem. Over 5,000 households in the Bournemouth / Poole HMA noted in respect of the suitability of their housing that their "accommodation was too expensive". Although this figure relates to all households (not just older persons) it indicates considerable potential for older households to downsize if the right size and type of accommodation can be provided.

14.3.10 There are also considerable numbers of older person only households in 3 or 4-bed social rented accommodation. The highest proportions are in North Dorset and Weymouth and Portland (17%) while East Dorset has the lowest at just 5%. This indicates that there is potential to make better use of this stock.

Summary

The proportion of elderly households in both HMAs is high and will continue to grow. The number of lone pensioner households is particularly likely to grow and most are currently located in the core urban areas.

Around 80% of older person only households are owner occupiers. Many are finding their property too expensive.

Around 45% of older person households in the Bournemouth / Poole HMA and 55% in Dorchester/Weymouth are living in 3 or 4+ bed accommodation, indicating considerable scope for equity release if the right size and type of property can be made available. This could make a significant difference to the supply of 3 and 4+ bed properties across both HMAs.

The survey shows that there are relatively large proportions of elderly living in 3 or 4+ bed social rented accommodation in North Dorset, Purbeck, West Dorset and Weymouth and Portland, indicating some scope to make better use of this stock.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Assessment
June 2008

Table 14.2 Older Person Households

| | Bnmth | Poole | Christch | EDDC | NDDC | Purbeck | B/P HMA | WDDC | WPBC | W/D HMA |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|
| Older person Households* | | | | | | | | | | |
| Total hshlds with older people only | 23,035 | 18,313 | 8,884 | 13,963 | 9,231 | 6,580 | 80,006 | 16,139 | 8143 | 24,282 |
| <i>Older person only hshlds as % of all hshlds</i> | <i>30.3</i> | <i>29.7</i> | <i>41.3</i> | <i>37.1</i> | <i>33</i> | <i>33.7</i> | <i>32.7</i> | <i>37.1</i> | <i>28.4</i> | <i>33.6</i> |
| Size of older person only hshld | | | | | | | | | | |
| <i>% of single person hshlds that are older person only</i> | <i>49.5</i> | <i>53.3</i> | <i>66.1</i> | <i>65.7</i> | <i>59.2</i> | <i>62.4</i> | <i>52.3</i> | <i>61.7</i> | <i>50.4</i> | <i>57.3</i> |
| <i>% of two person hseholds that are older person only</i> | <i>33.4</i> | <i>35.1</i> | <i>46.6</i> | <i>46.2</i> | <i>38.1</i> | <i>38.7</i> | <i>47.3</i> | <i>41.9</i> | <i>33</i> | <i>38.5</i> |
| Tenure of Older person only hshlds | | | | | | | | | | |
| <i>% Owner Occ (no Mortgage)</i> | <i>68.7</i> | <i>73.9</i> | <i>76.7</i> | <i>79.6</i> | <i>71.5</i> | <i>72.3</i> | <i>73.3</i> | <i>73.3</i> | <i>72.5</i> | <i>73</i> |
| <i>% Own occ (with mortgage)</i> | <i>9.4</i> | <i>7.8</i> | <i>7</i> | <i>6.6</i> | <i>7.6</i> | <i>7.3</i> | <i>7.9</i> | <i>7</i> | <i>8</i> | <i>7.3</i> |
| <i>% social rented</i> | <i>13.3</i> | <i>13.9</i> | <i>13.6</i> | <i>9.9</i> | <i>15.2</i> | <i>15.4</i> | <i>13.3</i> | <i>13.8</i> | <i>15.3</i> | <i>14.3</i> |
| <i>% private rented</i> | <i>8.6</i> | <i>4.3</i> | <i>2.7</i> | <i>3.9</i> | <i>5.7</i> | <i>4.9</i> | <i>5.5</i> | <i>5.9</i> | <i>4.2</i> | <i>5.3</i> |
| older person only hshlds in 3 or 4 bed accom | 8,113 | 8,266 | 3,987 | 7,265 | 5,280 | 3,186 | 36,097 | 9,103 | 4,137 | 13,240 |
| <i>Ditto as % of all older person only hshlds</i> | <i>35.22</i> | <i>45.14</i> | <i>44.88</i> | <i>52.03</i> | <i>57.19</i> | <i>48.45</i> | <i>45.12</i> | <i>56.41</i> | <i>50.8</i> | <i>54.53</i> |
| Hshlds noting accommodation too expensive. (Not just older person hshlds.) | 2,052 | 1,443 | 255 | 429 | 404 | 434 | 5,017 | 618 | 821 | 1,439 |
| older person only hshlds in 3 or 4 bed social rented accom | 321 | 221 | 121 | 73 | 249 | 145 | 1,130 | 317 | 217 | 534 |
| <i>older person only hshlds in 3 or 4 bed social rented accom as % of all opos in soc rent.</i> | <i>10.5</i> | <i>8.7</i> | <i>10.0</i> | <i>5.2</i> | <i>17.7</i> | <i>14.3</i> | <i>10.6</i> | <i>14.2</i> | <i>17.4</i> | <i>15.3</i> |

Source: Fordham Research Dorset HNDS 2007

NOTE *Older person only households includes only those households where one or both members are of pensionable age

14.4.12 In Dorchester / Weymouth a lower proportion are looking to move (41% as opposed to 47% in Bournemouth / Poole). This is despite the fact that a lower proportion is in owner occupied accommodation. In West Dorset, for instance, only 70% currently live in owner occupied housing and only 40% are looking to move. This may indicate that households are influenced by the general environment in which they are living, with families more content to stay where they are in an attractive rural location even though fewer may be able to buy a house.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Assessment
June 2008

14.4.83 Considering approximately 33% of lone parent families in the Borough to be in owner occupied accommodation, this is one of the highest proportions in the region (35.8% in Dorchester and 33% in Dorset). In Weymouth the proportion is even higher (49.5%) compared to about 12.5% in Dorchester and 12.5% in Dorset. This is a reflection of the difficulties of finding affordable accommodation, particularly in the Dorchester and Weymouth areas. The only area where family ambitions may be less easy to meet is in Christchurch, where 87% are looking to buy a property, but only 79% currently live in owner occupied properties.

14.4.9 Looking to buy a property, but only 79% currently live in owner occupied properties in unsuitable and overcrowded accommodation. The situation is particularly bad in Bournemouth where 27% of property is sought by families intending to move in the next two years, and 75% in Bournemouth / Poole and Dorchester. In Dorchester the proportion of owner occupied properties is relatively low (around 10%) compared to Bournemouth (around 27%) and Dorset (around 27%). This is the result of a high proportion of single person properties also higher levels of substantially overcrowded properties. In Dorchester 10% of the population live in overcrowded properties, compared to 13% in Bournemouth and 13% in Dorset. With the exception of Dorchester, the areas generally provide a flat score than sought by authorities in Bournemouth where 5% of families would like one. This may reflect the high proportion of flats currently existing in this Borough and the relative lack of this type of housing being available.

14.4.10 In Dorchester / Weymouth a lower proportion are looking to move (41% as opposed to 47% in Bournemouth / Poole). This is despite the fact that a lower proportion is in owner occupied accommodation. In West Dorset, for instance, only 70% currently live in owner occupied housing and only 40% are looking to move. This may indicate that households are influenced by the general environment in which they are living, with families more content to stay where they are in an attractive rural location even though fewer may be able to buy a house.

14.4.11 Between 40% and 50% of families intend to move within the next five years (Table 14.3). In Bournemouth this rises to 53% which may indicate that families are less content with their situation compared to other areas. Families seem most content with their accommodation in Poole, Christchurch and East Dorset, those areas where higher proportions are already living in owner occupied accommodation.

14.4.12 In Dorchester / Weymouth a lower proportion are looking to move (41% as opposed to 47% in Bournemouth / Poole). This is despite the fact that a lower proportion is in owner occupied accommodation. In West Dorset, for instance, only 70% currently live in owner occupied housing and only 40% are looking to move. This may indicate that households are influenced by the general environment in which they are living, with families more content to stay where they are in an attractive rural location even though fewer may be able to buy a house.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

- 14.4.15 In Chapter 9 changes in house prices 2000 and 2006 were examined. Detached prices had risen by as much as 250% over this period. Increases of at least 100% were widespread across the Dorchester / Weymouth periphery, North West Dorset and the Bournemouth / Poole periphery. Some wards within the Bournemouth / Poole core also experienced this level of increase. Semi detached prices have not increased quite as much and the highest rises were concentrated around Dorchester and Weymouth. The price of terraced housing had risen slightly higher (to 269%), but the largest increases occurred less widely than detached housing and were mostly concentrated in the Dorchester / Weymouth HMA. There appeared to be limited availability of terraced housing across the Bournemouth / Poole core. This reinforces the conclusion that there is strong demand for detached family housing across both HMAs and also for smaller terraced housing, which may suit young families, in the Dorchester / Weymouth HMA.
- 14.4.16 Although the desire for detached housing is consistent across both HMAs, size requirements vary. The main requirement in the Bournemouth / Poole HMA is for 3-bed accommodation (42%) and 4+ bed accommodation (45%). In some areas the requirement for 3-bed accommodation is higher the larger properties, such as Bournemouth, Christchurch, North Dorset and Purbeck. However, in Poole the demand for 4+ bed is almost twice as high as for 3-bed. In Dorchester / Weymouth the demand for 3-bed is higher than 4+ bed in both authorities.

property locally.

Most families are seeking detached or semi detached properties, with relatively few looking for terraced housing. This is surprising in an area where house prices are so high, but could be explained by lack of available terraced property in some localities and relatively high price rises in this type of housing in recent years. This is particularly evident in the Dorchester / Weymouth HMA.

Housing Market Assessment

June 2008

Size requirements vary with almost twice as many families seeking 4+bed (as 3 bed) accommodation in Poole, but higher proportions seeking 3 bed than 4+ bed in almost all the other housing areas including those in the Dorchester / Weymouth HMA.

Families currently comprise around 20% of all households in each HMA. The majority are two parent families, most of who live in owner occupied property. There are around 16 – 18% lone parent families in the Bournemouth / Poole and Dorchester / Weymouth HMAs. Projections indicate that lone parent families may rise slightly in Bournemouth / Poole but decrease in Dorchester / Weymouth.

Three times as many lone parents as other families live in social rented accommodation and higher proportions live in “unsuitable” and over-crowded accommodation, with the situation particularly poor in Bournemouth. Lone parents face particular difficulties in trying to move up the housing ladder with only a single income.

Generally between 40 and 50% of families intend to move within five years, but this figure rises in Bournemouth, indicating that more families here are dissatisfied with their current accommodation.

A lower proportion are looking to move in West Dorset despite a relatively low level of owner occupation here. This may signify that households are more content to remain in their current situation, or perhaps feel that their options for moving are relatively limited.

197

Some 73% of families who are intending moving in the next two years, hope to buy a property. These aspirations would appear to be reasonable as they match the level of owner occupation among families in the current population, apart from in Christchurch. This may mean that some families in Christchurch will have to look outside the Borough to find housing if they are to buy a property locally.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Assessment
June 2008

Table 14.3 Families.

| Families | Bnmth | Poole | Christch | EDDC | NDDC | Purbeck | B/P HMA | WDDC | WPBC | D/W HMA |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Total No of Households in area | 76,000 | 61,700 | 21,500 | 37,600 | 28,000 | 19,500 | 244,300 | 43,545 | 28,700 | 72,245 |
| Total No of Families in area | 13,896 | 14,213 | 3,779 | 7,325 | 6,207 | 4,104 | 49,526 | 8,419 | 6,327 | 14,747 |
| <i>Families as a % of all households</i> | <i>18.3</i> | <i>23.0</i> | <i>17.6</i> | <i>19.5</i> | <i>22.2</i> | <i>21.0</i> | <i>20.3</i> | <i>19.3</i> | <i>22.1</i> | <i>20.4</i> |
| <i>% Two Parent families in own occ accom.</i> | <i>72.0</i> | <i>79.0</i> | <i>79.0</i> | <i>83.0</i> | <i>73.0</i> | <i>74.0</i> | <i>77.0</i> | <i>70.5</i> | <i>75.0</i> | <i>72.5</i> |
| Lone parent families | | | | | | | | | | |
| <i>Lone Parent families as % of all families</i> | <i>20.8</i> | <i>14.6</i> | <i>17.9</i> | <i>9.9</i> | <i>14.8</i> | <i>15.0</i> | <i>16.0</i> | <i>14.5</i> | <i>22.7</i> | <i>18.0</i> |
| <i>% Lone Parent families in soc rent accom</i> | <i>33.0</i> | <i>27.8</i> | <i>39.4</i> | <i>34.1</i> | <i>45.6</i> | <i>28.5</i> | <i>33.4</i> | <i>45.8</i> | <i>41.7</i> | <i>43.5</i> |
| <i>% Lone Parent families in "unsuitable" accom</i> | <i>27.4</i> | <i>13.6</i> | <i>20.9</i> | <i>18.4</i> | <i>16.6</i> | <i>22.0</i> | <i>20.7</i> | <i>14.2</i> | <i>21.6</i> | <i>18.2</i> |
| <i>% Lone Parent families in Over crowded accom.(approx)</i> | <i>10.0</i> | <i>3.0</i> | <i>7.0</i> | <i>6.0</i> | <i>2.0</i> | <i>4.0</i> | <i>6.0</i> | <i>8.0</i> | <i>7.0</i> | <i>7.5</i> |
| Moving Families | | | | | | | | | | |
| Families wishing to move within 5 years | 7,383 | 6,216 | 1,613 | 3,137 | 3,076 | 1,832 | 23,277 | 3,348 | 2,676 | 6,024 |
| <i>% of families wishing to move within 5 years</i> | <i>53.0</i> | <i>44.0</i> | <i>42.7</i> | <i>42.8</i> | <i>50.0</i> | <i>45.0</i> | <i>47.0</i> | <i>40.0</i> | <i>42.0</i> | <i>41.0</i> |
| Families wishing to move within 2 years | 4,968 | 3,652 | 1,010 | 1,774 | 1,854 | 1,091 | 14,367 | 2,111 | 1,746 | 3,857 |
| <i>% of families wishing to move within 2 years</i> | <i>35.8</i> | <i>25.7</i> | <i>26.7</i> | <i>24.2</i> | <i>30.0</i> | <i>27.0</i> | <i>29.0</i> | <i>25.0</i> | <i>27.6</i> | <i>26.2</i> |
| <i>% Lone Parent families looking to move within 2 years, wanting soc rent (approx)</i> | <i>54.0</i> | <i>42.0</i> | <i>53.0</i> | <i>58.0</i> | <i>45.0</i> | <i>45.0</i> | <i>50.0</i> | <i>52.0</i> | <i>42.0</i> | <i>48.0</i> |
| <i>% Two Parent families looking to move within 2 years, looking for own occ (approx)</i> | <i>68.5</i> | <i>74.0</i> | <i>87.0</i> | <i>76.0</i> | <i>70.0</i> | <i>70.0</i> | <i>73.0</i> | <i>78.0</i> | <i>64.0</i> | <i>72.5</i> |
| Type of housing sought | | | | | | | | | | |
| <i>% moving families requiring: Detached</i> | <i>72.0</i> | <i>79.0</i> | <i>78.0</i> | <i>85.0</i> | <i>75.0</i> | <i>69.0</i> | <i>75.0</i> | <i>71.0</i> | <i>59.0</i> | <i>66.0</i> |
| <i>Semi detached</i> | <i>17.0</i> | <i>16.0</i> | <i>17.0</i> | <i>10.0</i> | <i>22.0</i> | <i>20.0</i> | <i>16.0</i> | <i>22.0</i> | <i>30.0</i> | <i>26.0</i> |
| <i>Terraced</i> | <i>6.0</i> | <i>5.0</i> | <i>3.0</i> | <i>4.0</i> | <i>2.0</i> | <i>11.0</i> | <i>6.0</i> | <i>6.0</i> | <i>9.0</i> | <i>7.0</i> |
| <i>Flat</i> | <i>5.0</i> | <i>0.0</i> | <i>2.0</i> | <i>1.0</i> | <i>1.0</i> | <i>0.0</i> | <i>3.0</i> | <i>1.0</i> | <i>2.0</i> | <i>1.0</i> |
| Size of housing sought | | | | | | | | | | |
| <i>% moving families requiring: 2 bed</i> | <i>10.0</i> | <i>17.0</i> | <i>24.0</i> | <i>14.0</i> | <i>10.0</i> | <i>6.0</i> | <i>12.0</i> | <i>10.0</i> | <i>16.0</i> | <i>14.0</i> |
| <i>3 bed</i> | <i>49.0</i> | <i>29.0</i> | <i>43.0</i> | <i>37.0</i> | <i>49.0</i> | <i>53.0</i> | <i>42.0</i> | <i>47.0</i> | <i>49.0</i> | <i>47.0</i> |
| <i>4+ bed</i> | <i>40.0</i> | <i>54.0</i> | <i>33.0</i> | <i>49.0</i> | <i>41.0</i> | <i>41.0</i> | <i>45.0</i> | <i>43.0</i> | <i>35.0</i> | <i>39.0</i> |

Source: Fordham Research Dorset HNDS 2007

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

14.5 Young People and First Time Buyers.

- 14.5.1 The proper functioning of the housing market depends on a steady supply of first time buyers at the bottom of the housing ladder. In recent years, as house prices have risen, the number of first time buyers has declined in number across the Country. Without exception, all estate agents interviewed during the Housing Needs Survey commented that housing affordability was a serious issue across Dorset and this was limiting the opportunities for young people to get on the housing ladder. The main solution they offered was to increase the supply of smaller, more affordable properties.
- 14.5.2 For the purpose of this study young people are defined as those between 21 and 35. Table 14.4 below captures data from the survey. The survey found that there were 68,855 young people in the Bournemouth / Poole HMA and 17,530 in Dorchester / Weymouth. Over 80% in both HMAs are in employment (full, part time or self employed.) Only around 3% in Bournemouth / Poole and 4% in Dorchester / Weymouth are unemployed, the remainder being students, permanently sick/disabled or having caring responsibilities.
- 14.5.3 The survey looked at four groups of young people: those living on their own; sharing a house with peers; living as a family with their own children; or living with their parents or others.
- 14.5.4 In the Bournemouth / Poole HMA the largest group of young people was that sharing a house with peers (34.7%). The proportion was particularly high in Bournemouth (43.3%) and reflects the large number of students living in shared accommodation in the Borough.
- 14.5.5 In the Bournemouth / Poole periphery authorities of East Dorset, North Dorset and Purbeck, a different pattern emerges, with a higher proportion living with parents/others. This illustrates the difficulties for young people to find their own home. Across the whole HMA only 9.3% of young people are living on their own.
- 14.5.6 In Dorchester / Weymouth the number of young people was distributed fairly evenly between the last three groups: sharing a home with peers, living with their own family or living with parents/others. The largest group was living with parents/others, at 31.8%. Only 8.3% of young people were living on their own. These figures again illustrate the difficulties that young people face in setting up a home on their own in this area.
- 14.5.7 In the Bournemouth / Poole HMA, the vast majority (72%) of young people living on their own are living in flats. This figure rises to 90.0% in Bournemouth where flats are most readily available. In the rural areas it is much lower (between 28% and 40%). As noted earlier, there are far fewer flats in rural areas on the market at any time.
- 14.5.8 In contrast, 38% of other households (i.e. not young people) live in flats in Bournemouth. In rural areas, only between 8% and 14% of other households have flats. So although the proportion of young people living in flats in the periphery is much lower than in the core urban areas, it is still high in comparison to the general population. This shows that flats are performing an important role in helping young people set up in their own home across the HMA.
- 14.5.9 Similar patterns can be seen in the Dorchester / Weymouth HMA, with the highest proportion of young on their own living in flats in Weymouth (53%) and much smaller proportions in the general population (16% in Weymouth). Here where average earnings

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

are relatively low, young people need the cheapest form of housing to be able to enter the market. Flats offer that opportunity.

- 14.5.10 The majority of young people who are sharing with peers, just under 63% in both HMAs, are living in 1 or 2-bed properties. This again is much higher than amongst 'other' households where just under 40% in Bournemouth / Poole and 36% in Dorchester / Weymouth live in this size of property.
- 14.5.11 Considering tenure patterns, 61% of young on their own and a similar proportion of young sharing with peers in the Bournemouth / Poole HMA are living in owner occupied accommodation. This would signify that accessing owner occupied accommodation is no more difficult for a young single person as for a couple or group.
- 14.5.12 However when the figures are broken down between authorities it can be seen that there is a higher proportion of 'young sharing' households buying than 'young on their own'. The exception is Bournemouth. The difference is particularly marked in the periphery authorities, where much lower proportions (25% to 48%) of young single households are living in owner occupied accommodation. This difference is emphasised when the situation of 'other' households is examined. This shows that between 78% and 86% of households live in owner occupied property in the periphery authorities. This again signals the difficulties for young people living on their own to purchase a property and even the proportion of sharing households is well down on the general population in these rural areas.
- 14.5.13 The only area where there is a higher proportion of 'young on their own' living in owner occupied accommodation than young 'sharing' households is in Bournemouth. This may signify that there is a good supply of property for young single households to buy, but less availability for couples or sharing households. It was shown earlier in this report that Bournemouth has a very high proportion of flats and low levels of terraced housing. This could be forming a blockage in the market for sharing households who are looking for more space than a flat can offer.
- 14.5.14 A similar situation can be seen in the Dorchester / Weymouth HMA with only 30% of 'young living on their own' in owner occupied accommodation compared with 51% young 'sharing' households and 77% 'other' households in the more rural West Dorset. In Weymouth the proportions of young 'on their own' and 'sharing' are much closer. This could indicate that prices across the bottom end of the market are lower and a dual income is less important to enable a purchase here.
- 14.5.15 Looking at the proportion of young single people living in private rented accommodation compared with 'other' households it appears that across the two HMAs around three times as many young single people choose this tenure as other households. This is to be expected as it is the most affordable and flexible tenure for most young people. The only exceptions to this are in Christchurch, East Dorset and Purbeck.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Assessment
June 2008

Table 14.4 Young People and First Time Buyers

| | Bnmth | Poole | Christch | EDDC | NDDC | Purbeck | B/P HMA | WDDC | WPBC | W/D HMA |
|--|--------|--------|----------|--------|--------|---------|---------|--------|--------|---------|
| Young People and first time buyers | | | | | | | | | | |
| No of Households in area | 76,000 | 61,700 | 21,500 | 37,600 | 28,000 | 19,500 | 244,300 | 43,545 | 28,700 | 72,245 |
| No of Young people in area | 27,056 | 18,012 | 4,200 | 7,707 | 7,336 | 4,544 | 68,855 | 9,058 | 8,472 | 17,530 |
| <i>% of Young people in employment</i> | 82.1 | 82.3 | 79.0 | 84.9 | 80.5 | 83.3 | 82.2 | 82.9 | 79.7 | 81.4 |
| <i>% unemployed</i> | 3.4 | 2.8 | 5.6 | 2.1 | 3.7 | 4.6 | 3.3 | 4.0 | 4.8 | 4.4 |
| Type of Young Household | | | | | | | | | | |
| <i>% Living on own</i> | 12.3 | 8.4 | 9.9 | 3.3 | 8.5 | 5.9 | 9.3 | 6.8 | 9.9 | 8.3 |
| <i>% Sharing house with peers</i> | 43.3 | 32.2 | 25.6 | 27.1 | 27.5 | 26.0 | 34.7 | 28.2 | 30.4 | 29.3 |
| <i>% Living in family with own kids</i> | 21.7 | 29.3 | 29.8 | 27.3 | 31.4 | 27.8 | 26.2 | 32.4 | 28.5 | 30.5 |
| <i>% Living with parents/others.</i> | 22.7 | 30.1 | 34.7 | 42.3 | 32.5 | 40.3 | 29.8 | 32.5 | 31.1 | 31.8 |
| Type/Size/tenure of accommodation | | | | | | | | | | |
| <i>% of Young on own living in flat (approx)</i> | 90.0 | 65.0 | 39.0 | 40.0 | 40.0 | 28.0 | 72.0 | 44.0 | 53.0 | 50.0 |
| <i>% of Other households in flat (approx)</i> | 38.0 | 20.0 | 20.0 | 9.0 | 8.0 | 14.0 | 22.0 | 12.0 | 16.0 | 14.0 |
| <i>% of Young sharing living in 1/2 beds</i> | 66.5 | 68.6 | 50.7 | 46.1 | 55.3 | 63.9 | 62.9 | 65.8 | 58.6 | 62.4 |
| <i>% of Other households in 1/2 beds</i> | 50.1 | 36.2 | 42.5 | 31.8 | 30.8 | 37.4 | 39.6 | 34.5 | 37.9 | 35.9 |
| <i>% Young on own buying (with+w'out mtg)</i> | 64.8 | 63.7 | 73.5 | 48.0 | 46.1 | 25.6 | 61.2 | 29.9 | 61.1 | 47.7 |
| <i>% Young sharing buying (with+w'out mtg)</i> | 51.3 | 70.0 | 77.0 | 72.6 | 72.3 | 66.1 | 61.4 | 51.2 | 67.8 | 59.0 |
| <i>% Other households buying (w+w'out mg)</i> | 75.4 | 81.7 | 83.7 | 86.3 | 79.0 | 77.8 | 80.2 | 76.6 | 76.2 | 76.4 |
| <i>% of Young on own in priv rent</i> | 33.2 | 20.1 | 9.7 | 32.2 | 30.8 | 64.3 | 29.4 | 49.2 | 24.1 | 35.8 |
| <i>% of Others in priv rent.</i> | 13.3 | 7.3 | 5.2 | 5.9 | 8.6 | 10.3 | 9.0 | 10.3 | 11.6 | 10.8 |
| <i>% of Young on own in soc rent</i> | 2.0 | 16.2 | 16.7 | 19.8 | 23.1 | 10.2 | 9.4 | 20.9 | 14.8 | 17.6 |
| <i>% of Young with family in soc rent</i> | 18.0 | 25.7 | 33.9 | 22.0 | 34.4 | 31.3 | 24.8 | 37.0 | 37.0 | 37.0 |
| <i>% of Other households in soc rent</i> | 11.2 | 11.0 | 11.1 | 7.8 | 12.4 | 11.9 | 10.8 | 13.2 | 12.2 | 12.8 |

Source: Fordham Research Dorset HNSD 2007

Young People includes those aged between 21 and 35. They are split into four categories: Living on own; Sharing a house with peers; Living in family with own children and Living with parents/others.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

- 14.5.16 In Christchurch the proportion of young single households living in private rented accommodation is low and those buying a property relatively high. The number of other households in private rented accommodation is also low, at 5.2%, and could signify low availability of this form of tenure. This is borne out by the recent study of affordability across England and Wales by Steve Wilcox⁶³ which showed that Christchurch did not have a high enough supply of rented properties to register a monthly rental (a minimum of 40 records per district was required to be registered). However this study also showed that the ratio of average mortgage to household earnings costs in Christchurch were exceptionally high at 51%, double the level recommended by the Government. This indicates that young single households have to really stretch themselves to buy, possibly because of low availability of rented housing.
- 14.5.17 In the Bournemouth / Poole periphery authorities, particularly East Dorset and Purbeck, a different situation occurs. In these districts higher ratios of 'young single' households to 'other' households are renting privately. In Purbeck over six times as many young singles and in East Dorset five and a half times as many. The proportion in Purbeck could be boosted by the armed forces population in the District, but in East Dorset this is not the case. The Steve Wilcox study shows that East Dorset suffers from the dual problem of very high mortgage costs as a proportion of household earnings (at 48.2%) and monthly rents that are a high proportion of mortgage costs (68.5% compared with 59.9 % across the South West). This means that not only is it very expensive for young working households to buy a property, but renting is also much more expensive here than in other parts of the South West. Not surprisingly this means that very few young people are living on their own (3.3% compared to 9.3% across the HMA) and a far higher proportion of are falling back on social rented housing (19.8% compared to 9.4% in the HMA as a whole.)
- 14.5.18 In the Dorchester / Weymouth HMA almost 50% of young single households in West Dorset are renting privately, five times the proportion of 'other' households. Here the Steve Wilcox study shows that the percentage of mortgage costs to household earnings is high (36.9%) and there is low availability of rented property. Here too a smaller proportion of young people are living on their own than in other parts of the HMA (6.8% compared to 9.9% in Weymouth.) The high price of property to buy and limited availability of rented property means that more young single households turn to social rent. About 21% of young single households are in social rented accommodation in West Dorset compared with 17.6% in the HMA as a whole.
- 14.5.19 The table also shows the problem of young households with their own family. In the Bournemouth / Poole HMA over twice as many young families are living in social rented accommodation than are 'other' households. In the Bournemouth / Poole HMA the proportion of young families living in social rented accommodation is generally higher in the rural areas, although Christchurch has an exceptionally high proportion (33.9%). This is most likely linked to the high cost to buy and limited availability of rented housing explained above. Although the proportion of young families in social rent is slightly below average in East Dorset, the proportion of 'other' households in this tenure is also low, so in comparative terms even 22.0% is high in East Dorset.
- 14.5.20 Similarly, in both West Dorset and Weymouth and Portland, about 37.0% of young families are living in social rented housing. This is around three times the proportion of 'other' households indicating that the problem for young families in finding their own accommodation is as bad in Weymouth as in the more rural areas.

⁶³ Steve Wilcox, Can't Buy: Can Rent, The affordability of private housing in Great Britain. 2007

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

14.5.21 First Time Buyers

The survey identified households who have moved into owner occupation from a different tenure in the last two years and assumes that these are first time buyers (FTBs), although some may have owned a home previously before a spell of renting. Table 14.5 captures some of the data.

14.5.22 The average age of FTB households is 29 years in Bournemouth, 36 in Purbeck and 40 in West Dorset. In all areas first time buyers are earning about 1.3 times as much as the average income of the area. Of those that are able to buy, about 40% in each HMA are spending a higher proportion of their income on their mortgage than recommended by the Government (i.e. more than 25% of their income). This rises to 47.4% in Bournemouth. So although a relatively large proportion of young households are living on their own in this Borough, nearly half are stretching themselves to do so. The proportion is lowest in Christchurch (27%), but this may be due to the high price of housing in this area and lack of availability of anything that younger households can attempt to buy.

14.5.23 Looking to the future, many more of the young households currently living on their own, sharing with peers or living with their own children, would like to buy their own property but, taking account of their income, only about 1,500 (22.5%) of those in the Bournemouth / Poole HMA and 400 (31.5%) in the Dorchester / Weymouth HMA would be able to do so. There are also many 'concealed' households living with their parents or others who would like to buy their own property. Only about 20% of these potential households might be able to afford to buy (2,000 in Bournemouth / Poole and 520 in Dorchester / Weymouth). This means that about 16,000 young households, including concealed households, in the Bournemouth / Poole HMA and 4,000 in the Dorchester / Weymouth HMA are being frustrated in their ambition to get on the housing ladder.

Summary

The situation for young people wishing to purchase/rent their first property in the Bournemouth / Poole and yhe Dorchester / Weymouth HMAs is extremely difficult.

In the Bournemouth / Poole HMA the situation varies between the core urban area (of which Bournemouth is an extreme example) and the rural periphery authorities.

In Bournemouth there is a large private rental market which young single people and sharing households make use of. Most young people live in flats and properties with 1 or 2-bedrooms. Although about 3,000 more young people would like to buy their own property only about 23 % could currently afford to do so. Those households that have managed to purchase in the last two years tend to be about 29 years of age and earning about £35,500 (household income). Another problem seems to be 'move on' accommodation. There is little available for those wishing to move up the ladder to buy or rent. Poole shows similar characteristics though on a smaller scale.

Christchurch has a much more restricted supply of rental property and those young households that can afford to buy, have to spend very high proportions of their income on the mortgage. There are higher proportions of young households in social rented accommodation in Poole and Christchurch than in Bournemouth.

To improve the situation for young people in the core urban authorities, more small properties at affordable prices/rents need to be provided. In Bournemouth, small terraced houses may improve the supply of move on accommodation to release flats for first time buyers. Failing this, more

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

young households will be forced to spend a very high proportion of their income on housing, stay at home with their parents or seek social rented housing.

In the periphery a higher proportion of young people are living at home with their parents due to the high cost of purchase and limited availability of property to rent. Those that do set up home tend to be couples or sharing households rather than young single people and they are spending much more of their income on their rent/mortgage than recommended by Government.

Social rented accommodation provides a back stop for some young people, particularly those with children, who cannot afford anything else and the proportion in this tenure tend to be higher in the periphery.

More small flats and housing to rent or buy would be useful, providing the costs can be kept at reasonable levels.

The Dorchester / Weymouth HMA shows similar characteristics. Relatively few young people live alone, but larger proportions live at home with their parents. Those that can afford to buy live in flats and small properties. First time buyer households tend to be in their late 30s and earning about £35,000 (household income), but those in West Dorset tend to be older and earning more than those in Weymouth.

In Weymouth and Portland similar proportions of single person and sharing households are living in owner occupied property, but in West Dorset far fewer young single people are owner occupiers. Almost half of young single households are renting privately, despite the fact that rented property is limited and relatively expensive. Consequently one in five young single households and almost two fifths of young households with their own family live in social rented accommodation in West Dorset.

More small properties for single young people to rent privately would help to fill a gap in the market, provided the rents were at affordable levels. Failing this, more pressure will be placed on social rented accommodation, both for young single people and young families.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Assessment
June 2008

Table 14.5 Young People and First Time Buyers (ii)

| Young People and First time Buyers (ii) | Bnmth | Poole | Christch | EDDC | NDDC | Purbeck | B/P HMA | WDDC | WPBC | W/D HMA |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| No of Households in area | 76,000 | 61,700 | 21,500 | 37,600 | 28,000 | 19,500 | 244,300 | 43,545 | 28,700 | 72,245 |
| Average (mean) household income | £27,183 | £29,723 | £26,584 | £31,534 | £29,958 | £28,725 | £28,883 | £28,160 | £23,753 | £26,409 |
| Average (mean) household savings | £28,700 | £34,778 | £40,428 | £48,370 | £43,911 | £40,507 | £36,981 | £50,314 | £24,058 | £39,884 |
| Median household savings | £3,000 | £4,550 | £8,500 | £9,000 | £6,000 | £4,900 | £4,500 | £7,700 | £2,900 | £4,500 |
| No of Young people in area | 27,056 | 18,012 | 4,200 | 7,707 | 7,336 | 4,544 | 68,855 | 9,058 | 8,472 | 17,530 |
| First Time Buyers (FTBs) | | | | | | | | | | |
| No of FTB in last 2 years | 4,058 | 1,603 | 431 | 697 | 996 | 463 | 8,248 | 1010 | 897 | 1907 |
| Median age of FTBs (years) | 29 | 34 | 32 | 32 | 35 | 36 | 30 | 40 | 32 | 36 |
| Av income of FTBs | £35,625 | £39,369 | £38,480 | £39,645 | £38,862 | £35,689 | £37,236 | £39,273 | £30,921 | £35,344 |
| <i>% of young hshlds using higher proportion of income on housing costs than recommended by gov.</i> | <i>47.4</i> | <i>44.0</i> | <i>27.1</i> | <i>39.4</i> | <i>37.8</i> | <i>40.8</i> | <i>43.4</i> | <i>34.6</i> | <i>41.4</i> | <i>37.8</i> |
| Average income of young households | £27,944 | £28,345 | £25,024 | £36,178 | £28,292 | £31,293 | £28,531 | £27,539 | £24,380 | £26,052 |
| Average savings of young households | £6,296 | £2,164 | £578 | £18,249 | £6,559 | £7,609 | £5,790 | £8,694 | £1,823 | £5,460 |
| No of young households wishing and able to buy | 729 | 423 | 32 | 108 | 169 | 62 | 1533 | 276 | 127 | 403 |
| <i>% of Young households wishing and able to buy</i> | <i>23.1</i> | <i>37.9</i> | <i>16.9</i> | <i>38.3</i> | <i>39.6</i> | <i>25.8</i> | <i>28.4</i> | <i>41.7</i> | <i>21.6</i> | <i>32.3</i> |
| Average income of concealed households | £14,623 | £13,798 | £13,249 | £14,990 | £15,113 | £14,968 | £14,224 | £13,087 | £14,535 | £11,604 |
| No of concealed hshlds able to buy | 724 | 453 | 168 | 416 | 89 | 152 | 2002 | 88 | 45 | 133 |
| <i>% concealed hshlds able to buy.</i> | <i>31.1</i> | <i>25.6</i> | <i>20.3</i> | <i>25.4</i> | <i>15.1</i> | <i>18.7</i> | <i>25.1</i> | <i>10.0</i> | <i>5.7</i> | <i>7.9</i> |

Source: Fordham Research Dorset HNSD 2007

First time buyers includes households that have moved into owner occupation from a different tenure in the last 2 years. It assumes all these households are first time buyers although some may have owned a home at some stage previously, before a spell of renting.

Concealed households includes those young people living with their parents/others who would like to form a household on their own

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

14.6 Student Accommodation Needs

14.6.1 While the existence of higher educational establishments in an area is good for the economy, the demand for student accommodation puts pressure on the housing market; creates additional demand for larger properties that can be converted as shared accommodation; and increases demand for rented accommodation. This section looks at the different pressures exerted by students in the two HMAs. Information has been obtained from websites and interviews with accommodation officers.

14.6.2 Bournemouth / Poole HMA

The Bournemouth / Poole HMA contains a number of higher education establishments, all of which are located within the core area.

14.6.3 Bournemouth University

The University has over 15,200 students⁶⁴ of which about 11,000 are full time, including postgraduates. In 2006/07, it accommodated about 2,650 students in halls or university-managed shared houses under the "Unilet" scheme. It is estimated⁶⁵ that approximately 2,200 of students (20%) live at home, leaving about 6,000 students seeking accommodation.

14.6.4 Information from the University indicates that students are not currently having difficulty in finding accommodation. The trend in "buy to let" has increased supply over the last ten years.

14.6.5 Although participation rates in higher education across the UK are likely to rise, absolute numbers of British students will be affected by falling numbers in the student age groups. This may be compensated for by increasing numbers of international students. Remote learning, such as on-line, will compliment rather than replace on-campus delivery. Therefore student numbers are expected to stay much the same as now over the next twenty years.⁶⁶

14.6.6 Currently new residential accommodation is being provided through private partnerships. Approximately 300 bed-spaces have recently been completed near Poole town centre. A further 1,000 bed-spaces are planned in Poole over the next five years.

14.6.7 The planning system has no control over the use of private dwellings by students if there are no more than six students living together, sharing facilities. A rise in the use of private dwellings could lead to a loss of much needed general housing, but as overall student numbers are not expected to rise significantly in the future and in view of the programme of construction of purpose built accommodation in Poole, this could reduce the need to use more private dwellings as student accommodation.

14.6.8 The Chiropractic College

The Anglo European Chiropractic College, based in Boscombe, is affiliated to Bournemouth University. The College currently has about 500 students, taking in about 100 per year from countries all over the world. Students mainly live in shared, privately rented accommodation or lodgings.

⁶⁴ Bournemouth university website, 2005 figures.

⁶⁵ Information provided by R Search Accommodation officer at Bournemouth university. April 2007.

⁶⁶ Information supplied by Bournemouth University as reported by Bournemouth Borough Council in a report for the LDF Steering Group 10th October 2006.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

14.6.9 Bournemouth Arts Institute

The Arts Institute offers high quality specialist education in art, design and media related to the creative industries, which is one of the fastest growing sectors in the national economy.⁶⁷ The Institute has just over 2,000 full time students and has seen an increase in applications of 2.2% against a national decline of 3.4%. The Institute has seen a doubling of student numbers over the last eight years and has plans for further development

14.6.10 The Institute only has halls to accommodate 128 students. The majority of the remainder live in shared student flats/houses arranged through the Institute's website or directly through agents /landlords in Bournemouth. Some live at home and others in lodgings, but there are no records of how many live in each type of accommodation. .

14.6.11 Bournemouth and Poole College of Further Education

Bournemouth and Poole College is the third largest further education college in the South West region and fifteenth largest out of 400 in England, with about 27,000 students in total. Most live at home. The main college base is at the Lansdowne in Bournemouth, with a second base at North Road, Poole. There are currently about 1,250 higher education students who are the most likely to be seeking separate accommodation in the locality and this sector is likely to grow.

14.6.12 The college does not currently provide residential accommodation in the form of halls but a 250 bed block is planned for 2010/11.

14.6.13 Language Schools

The language school industry is a large and significant market in the Bournemouth/ Poole core area. Bournemouth has one of the UK's principal concentrations of schools teaching English as a Foreign Language (EFL). There are currently 21 separate institutions⁶⁸ spread across the central/south area of the Borough. There are also numerous 'summer schools' which operate during the summer months from rented premises, such as church halls.

14.6.14 Most recent figures from RALSA (Regional Accredited Language Schools Association) show that there are 25,000 EFL students in Bournemouth at any one time, and 500,000 throughout the year. The EFL sector is currently estimated to contribute £70 million per year to the local economy (Gross Value Added) ⁶⁹, although overseas students as a whole, including those that attend colleges and the University, may contribute almost twice this amount. Students usually stay with host families. This provides direct additional income to local people and thereby helps to support the local economy. Some share rented accommodation.

14.6.15 Implications for the Housing Market of Student Education Requirements

The main aspects of the housing market to be considered are

- The type of accommodation sought by students
- The areas where accommodation is needed

⁶⁷ Ref BAI Annual report 2005/6

⁶⁸ British Council www.education.uk.org/english

⁶⁹ Bournemouth Council Economic Development Unit using information from Regional Accredited Language Schools Association (RALSA) 2005

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

14.6.16 Type of Accommodation Needed.

While Bournemouth University is planning to build up to 1,000 new bed-spaces of residential accommodation, the majority of full time students in Bournemouth and Poole core, who are estimated to require between 7,500 and 9,000 bed-spaces, will be continuing to look for accommodation in the private sector. This will mainly be in the form of shared houses or flats with several students living together as a single household, sharing kitchen and bathroom facilities. In addition there will be about 25,000 language students at any time that will require accommodation with a host family, or to rent, for periods of two to three weeks in the summer or for longer periods during academic term time. There will therefore be a continuing demand for larger houses to provide shared accommodation and to enable families to continue to host students.

14.6.17 Areas where accommodation is needed

In the past most accommodation appears to have been provided in Bournemouth, but with the University now developing in Poole town centre it could spread demand across a wider area and bring benefits in terms of a boost to the vitality and economy to Poole as well as Bournemouth. Whether the private sector follows the University accommodation may depend on good public transport links to and from the University being provided, in the way that the Uni Linx service currently operates.

14.6.18 Dorchester / Weymouth HMA

The Dorchester / Weymouth HMA contains far fewer higher educational establishments. The main colleges are Weymouth College and Kingston Maurward College, Dorchester.

14.6.19 Weymouth College

Weymouth College provides further education for 14 to 19 year olds, offering vocational courses, A levels and Foundation courses. It has over 7,000 students from across Dorset, the South West region and overseas, with about 250 students following Higher Education courses. The College does not currently provide residential halls but does signpost students aged 18 and over to accommodation. The accommodation list currently has about 70 self catering places and is growing.

14.6.20 The College hopes to expand its higher education provision, subject to the co-operation of its HE partners, and is planning to build some residential accommodation for students. Demand for accommodation is likely to focus on Weymouth.

14.6.21 Kingston Maurward

Kingston Maurward offers full and part time education to almost 4,500 students of all ages but most students are home or work based locally and so do not generate demand for residential accommodation.

14.6.22 Implications for the Housing Market of Student Education Requirements

The implications for the local housing market of the higher education students in Weymouth and Dorchester are far less than in Bournemouth and Poole. Neither college has a large number of residential students. Students in Weymouth may suffer from increased competition for accommodation as the market responds to demand generated in the run up to the 2012 Olympic event.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Summary

- Higher education establishments play a significant role in the economy of the Bournemouth/Poole HMA, particularly the core area.
- Students do not appear to be having difficulty in accessing accommodation at the present time. The buoyant “buy to let” market is thought to help.
- Student numbers are likely to remain steady (despite falling demographics) and demand for private accommodation may spread out into Poole, following the provision of purpose built accommodation.
- The language school industry is a large and significant market in Bournemouth, with numerous temporary summer schools as well as permanent institutions and about 25,000 students at any one time.
- Larger properties for students to share and to enable families to host students will continue to be needed.
- No significant student needs are anticipated in the Weymouth/Dorchester HMA, but demand generated by the Olympics may limit supply of larger properties for students to share in the run up to 2012.

14.7 Key Worker Households

14.7.1 Key workers have been defined in line with the Government definition of those eligible for the Key Worker Living scheme. It includes people working in any one of the six categories:

- Nurses and other NHS staff
- Prison/Probation staff
- Teacher
- Junior and retained fire fighter
- Police officer
- Social worker, educational psychologist, therapists.

14.7.2 The nature of the survey allowed analysis of those who were resident in the HMA, whether they worked within or outside the area, but excludes those who work in the area but live outside. The analysis looks at their current housing situation, future demands for housing and affordability. Table 14.6 below contains the key features from the survey.

14.7.3 The findings of a 2006 Halifax survey of key workers⁷⁰ indicated that affordability problems for key workers in the South West were growing at a faster rate than other regions and that the average house was unaffordable for key workers in all 34 towns surveyed in the South West. However the Housing Need Survey indicates that key workers in Dorset are in a better position to purchase market housing than other workers.

14.7.4 Table 14.6 shows that about 20% of working households in the Bournemouth / Poole HMA and 23% in Dorchester / Weymouth are headed by a key worker. The higher proportion in the Dorchester / Weymouth area probably reflects the fact that both County and District Council offices as well as the County Hospital are located in Dorchester.

⁷⁰ Halifax key Worker Housing Review July 2006

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

- 14.7.5 Looking at the current tenure patterns of key worker households it can be seen that 86.3% are living in owner occupied property in the Bournemouth / Poole HMA compared to 77.3% of other working households and only about 2.4% live in social rented accommodation, compared with 7.6% of all other working households.
- 14.7.6 The gross household incomes of key worker households are also some 30% higher than those of other workers. In the Dorchester / Weymouth HMA a similar pattern is apparent, with the difference in incomes as high as 36%.
- 14.7.7 When the ability of key worker households to afford minimum market prices is assessed it can be seen that the vast majority are able to access entry level prices.
- 14.7.8 In a follow up survey, Bournemouth Borough Council sent questionnaires to forty-six "Key Worker" organisations in Bournemouth or elsewhere in Dorset where a large proportion of their staff lived in Bournemouth, asking whether the organisation had difficulty in recruiting staff and if so whether this was because of the high cost of housing in Bournemouth. A total of 22 responses were received, of which 13 (59%) indicated some recruitment and retention difficulties and 10 agreed that the reason was the cost of accommodation in the Borough. However, when the comments were analysed it appeared that rather than those employees at the bottom of the ladder having difficulties it was more often the middle manager level, looking for family housing. Younger employees were able to house share or live at home. As the salary level for middle managers is above average wages in the town, these potential employees would be unlikely to be eligible for affordable housing schemes.
- 14.7.9 This research tends to confirm other findings of the studies, that in Bournemouth younger households are able to rent or sometimes buy accommodation to provide the first step on the housing ladder, but it is the larger, "move on" accommodation that is lacking in the market.

Summary

About 20% of households in each HMA are headed by a key worker, but it appears that contrary to findings of other regional studies, most of these households have higher incomes and less difficulty in accessing market housing than other working households. In Bournemouth, move on accommodation for families looking to take up jobs in or close to the Borough appears more of a problem than starter accommodation.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Assessment
June 2008

Table 14.6 Key Worker Households

| Key Worker Households* | Bnmth | Poole | Christch | EDDC | NDDC | Purbeck | B/P HMA | WDDC | WPBC | W/D HMA |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Total No of working households | 39,276 | 33,483 | 9334 | 18,032 | 14,539 | 10,006 | 124,670 | 21,087 | 14,420 | 35,507 |
| Hshlds headed by key worker | 7,722 | 6,671 | 1,996 | 3,487 | 2,612 | 1,920 | 24,408 | 4,993 | 3,240 | 8233 |
| <i>Key worker as % of working hshlds</i> | <i>20</i> | <i>19.9</i> | <i>21.3</i> | <i>19.3</i> | <i>18</i> | <i>19.2</i> | <i>19.6</i> | <i>23.7</i> | <i>22.5</i> | <i>23.2</i> |
| <i>% of all key worker hshlds living in own occ accom</i> | <i>78.6</i> | <i>89.6</i> | <i>89.0</i> | <i>93.1</i> | | <i>82.0</i> | <i>86.3</i> | <i>78.8</i> | <i>83.1</i> | <i>82.6</i> |
| <i>% of all other w'king hshlds living in own occ accom</i> | <i>74.4</i> | <i>81.7</i> | <i>81.8</i> | <i>84.5</i> | | <i>73.9</i> | <i>77.3</i> | <i>70.4</i> | <i>74.2</i> | <i>70.1</i> |
| <i>% of all key worker hshlds living in soc rent accom</i> | <i>2</i> | <i>1.6</i> | <i>4.5</i> | <i>1.7</i> | <i>3.2</i> | <i>4.4</i> | <i>2.4</i> | <i>4.5</i> | <i>3.6</i> | <i>3.5</i> |
| <i>% of other working hshlds living in soc rent accom</i> | <i>5.7</i> | <i>6.1</i> | <i>8</i> | <i>6.7</i> | <i>9.3</i> | <i>8.2</i> | <i>7.6</i> | <i>11.4</i> | <i>10.5</i> | <i>12.4</i> |
| Av gross hshd income of key worker hshlds | £42,412 | £46,499 | £41,209 | £49,269 | £43,270 | £44,403 | £45,643 | £40,587 | £37,779 | £41,023 |
| Av gross hshld income of Non key worker hshlds in employment | £34,971 | £36,622 | £35,476 | £42,359 | £36,972 | £35,602 | £35,042 | £34,773 | £29,472 | £30,159 |
| <i>% of key workers able to afford min market prices</i> | <i>80.2</i> | <i>88.3</i> | <i>88.6</i> | <i>90.6</i> | <i>89.8</i> | <i>84.4</i> | <i>87.3</i> | <i>89.2</i> | <i>90.8</i> | <i>91.3</i> |
| <i>% of key workers able to intermediate housing</i> | <i>8.4</i> | <i>4.4</i> | <i>4.1</i> | <i>2.9</i> | <i>4.6</i> | <i>2.6</i> | <i>5.2</i> | <i>1.8</i> | <i>1.2</i> | <i>1.5</i> |

Source: Fordham Research Dorset HNSD 2007

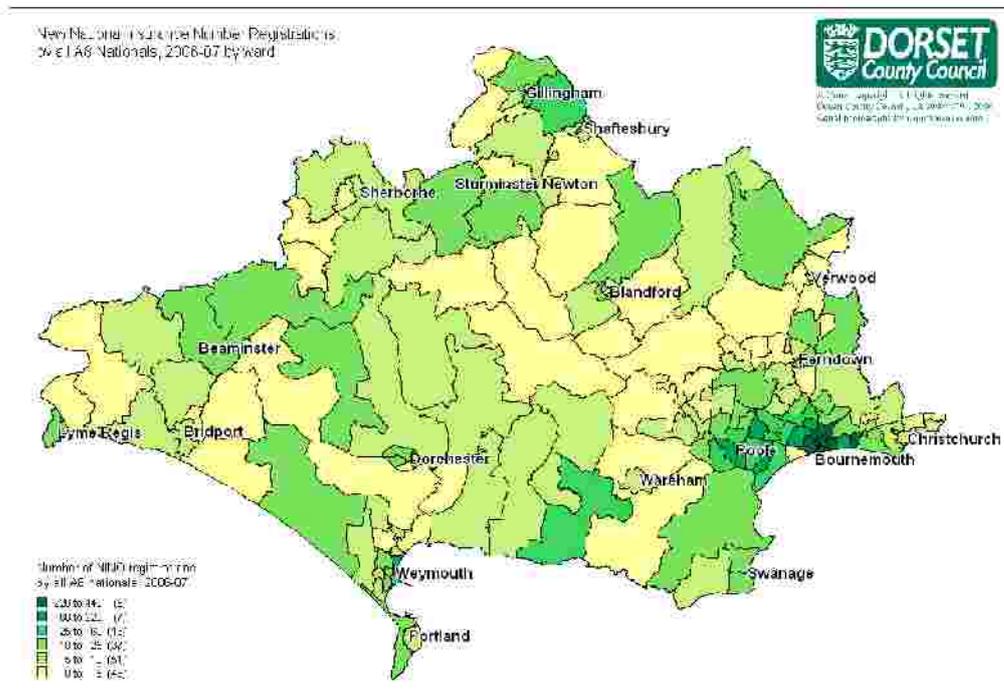
NOTE: Key Workers includes: Nurses and other NHS staff, Prison/Probation staff, Teachers, Junior and Retained Fire Fighters, Police Officers, Social workers, educational physiologists, the rapists

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

14.8 Migrant Workers

- 14.8.1 Information about migrant workers can be derived from National Insurance Number (NINo) statistics and the Accession Workers Registration Scheme.
- 14.8.2 NINos are required for employment/self-employment or to claim benefits and tax credits. NINo registration data is taken as a proxy for when migrants become active in the labour market but only gives an in-flow picture without stock or out-flow information.
- 14.8.3 For the Dorset sub-region, there were, in total, 6,890 NINo registrations in 2006-07. Over half of these gave Bournemouth as their area of residence.
- 14.8.4 In Dorset, the proportion of registrations from A8⁷¹ countries has doubled since 2004/05, and in Bournemouth and Poole is three times higher than in previous years.
- 14.8.5 Dorset sub-region registrations from the A8 countries are higher than the national average, with Dorset County area having the largest proportion. Most of these registrations are from Poland some 40% of Dorset sub-region registrations. This is nearly a third higher than the national average of 31%.
- 14.8.6 Ward level NINO data has recently been made available, split between the A8 countries and non-A8 countries. The maps below illustrate where new registrations occurred in 2006-07.

Figure 14.1 New National Insurance Number Registrations by all A8 National 2006/7



⁷¹ Accession Countries (A8) - Ten accession Countries joined the EU in May 2004: Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia, Malta & Cyprus. Those from Malta & Cyprus were already allowed to work in the UK; hence the data refers to the A8 for which the rules changed May 2004. Note: Romania & Bulgaria joined the EU in January 2007 but as yet no data has been released to assess the migration impact.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

- 14.8.12 There has been speculation regarding the impact of such a high level of migrants coming to the UK. The Department for Communities and Local Government has recently produced a publication on how local authorities can combat misinformation surrounding new migrants⁷². The document lists a number of key facts regarding the impact of migration, stating that migrants are coming to the UK to work, not claim benefits; that they fill low-skilled vacancies which locals do not want and thereby promote economic growth.
- 14.8.13 Whilst there is evidence to show migrants working and contributing, their impact on local authorities and service provision is yet to be fully recognised. Due to the transience of the migrant population, they are excluded from resident population estimates which are used to calculate local authority Government funding. Anecdotal evidence suggests most look to the private rented sector for housing and many occupy Houses in Multiple Occupation.
- 14.8.14 As the number of migrants moving to the UK continues to increase, the Government is considering reform of its 'open door' policy. The preferred option is a points scheme where highly skilled workers will have more chance of settling in the UK than those with fewer skills.

Summary

The number of migrant workers registered in the Dorset sub-region continues to rise, particularly from the A8 countries.
Most registrations are in the towns, particularly Bournemouth and Poole, but many have also spread out into the market towns.
While migrant worker contribution to the local economy has been recognised for several years, the implications for service provision are less well recorded.

14.9 Households in Rural Areas

- 14.9.1 The Bournemouth / Poole HMA and the Dorchester / Weymouth HMA both cover wide rural areas. The characteristics and needs of households in these areas do vary from those in the urban cores. This section looks at some of the basic characteristics of the rural population. More details will be found in the individual local authority reports.
- 14.9.2 In order to produce a database that could be compared with other data, each local authority was subdivided by Fordham Research Ltd, using 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 lies within settlements with a population of 10,000 or more. The remaining three categories comprise the 'rural' area, which is subdivided into 'town and fringe', 'villages' and 'hamlets', the latter includes isolated dwellings.
- 14.9.3 Each authority varies in the amount of 'rural' area it contains. Poole and Bournemouth have no rural output areas whereas North Dorset is classed as 100% rural. For those authorities where only a small proportion of the households fall into the rural category, the three rural sub categories were combined into one general rural classification. Table

⁷² This publication is available online at <http://www.communities.gov.uk/communities/racecohesionfaith/communitycohesion/combatingmisinformationabout/>

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

14.7 below pulls together some of the basic information from the Survey, showing differences between the urban and rural populations of each area. Where information is only available as a single rural area this is set alongside the 'villages' classification.

14.9.4 Bournemouth / Poole HMA

The Bournemouth / Poole HMA is predominantly urban, with only 20% of households living in rural areas. However this varies from Christchurch with just 1.2% living in a rural area to North Dorset with 100% rural households.

14.9.5 The table shows that the rural areas are generally characterised by higher proportions of households living in owner occupied property with no mortgage, than the urban areas. The HMA figures show that the percentage rises as the areas get more rural. The proportion of households in owner occupied properties are higher in the rural authorities than in Poole and Bournemouth.

14.9.6 There is not so much of a distinction between urban and rural areas in the proportion of households living in social rented accommodation. The Bournemouth / Poole HMA figures show that the highest proportion tends to be in the 'town and fringe' category. This would include the main market towns where most social rented housing is located.

14.9.7 The proportion of single pensioner households tends to be lower in the rural areas, supporting the findings of the census data shown in Chapter 4. The only exception is Christchurch. Here rural households only make up a very small proportion of the total and so may not be truly representative. Looking at the more detailed breakdown for North Dorset and the HMA, it can be seen that within the rural area the highest proportions are in the 'town and fringe' category where services would be most readily available.

14.9.8 The proportion of lone parent households is always higher in the urban areas or in the 'town and fringe' in North Dorset, probably due to the availability of cheaper accommodation and proximity to services.

14.9.9 Both average income and savings levels are clearly higher in the rural areas, with North Dorset showing the highest level of savings at £58,684. This again adds detail to the findings of the 'ACORN' categories described in Chapter 11, which showed that much of rural Dorset is categorised by 'wealthy achievers' and 'comfortably off'.

14.9.10 Accessibility is a problem in many rural areas and this is borne out by the high levels of car ownership seen in the table in the more rural authorities. More households have access to a car than in the urban areas.

14.9.11 Although these tables do not tell us about the different types of household in need in the rural areas, information can be gleaned from earlier tables. For instance, the proportion of young households living on their own and buying is much lower than the average in the predominantly rural authorities of North Dorset and Purbeck. There are also higher proportions of young people in private rented and in social rented accommodation in these authorities. There are clearly difficulties for young people to access the housing market in the more rural authorities.

14.9.12 Dorchester Weymouth HMA

The Dorchester / Weymouth HMA has a more even split between urban and rural with just over 55% of households categorised as living in an urban area. Almost 20% live in both the 'town and fringe' and 'village' categories, with only 5% in smaller 'hamlets'.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

However the two local authorities that make up the HMA are very different, with West Dorset being 60% rural and Weymouth and Portland only 19%.

- 14.9.13 The area is characterised by a higher proportion of owner occupiers with no mortgage in the more rural parts, particularly the 'villages', and a lower proportion of households living in social rented accommodation. However Weymouth, having a much smaller rural population, shows different patterns in both cases.
- 14.9.14 Looking at household types, there is again a lower proportion of single pensioners and lone parents in most of the rural area, but Weymouth shows a higher proportion of rural lone parents.
- 14.9.15 Average incomes and savings are considerably higher in the rural parts of West Dorset and the HMA generally, but again Weymouth shows a different trend, with lower incomes and savings in its rural areas.
- 14.9.16 Car ownership levels are also closer between the rural and urban parts of Weymouth, whereas they are higher in rural West Dorset. This shows that the households living in rural areas in Weymouth and Portland are not the characteristically "well off" households seen in many other parts of rural Dorset and their needs should be considered independently as a result.

Summary

The rural areas are generally characterised by high levels of owner occupation and lower than average levels of social rented accommodation.

Single pensioner households are slightly lower in the rural areas but tend to be concentrated in the 'town and fringe' areas, where services are most readily available.

There are generally fewer lone parent households in rural areas, other than in Weymouth and Portland. Income and savings levels are also higher in rural than urban areas, other than in Weymouth.

However, earlier tables show a higher than average proportion of young households in social rented and private rented accommodation in rural authorities, indicating the difficulties young people face in accessing the market.

The rural parts of Weymouth show different characteristics to the other rural areas. The needs of the households in this area need to be considered carefully.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Assessment
June 2008

Table 14.7 Rural Households

| Rural Households | Bnmth | Poole | Christch | EDDC | NDDC | Purbeck | B/P HMA | WDDC | WPBC | W/D HMA |
|---|--------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| No of households in area | 76,000 | 61,700 | 21,500 | 37,600 | 28,000 | 19,500 | 244,300 | 43,545 | 28,700 | 72,245 |
| <i>% living in urban area</i> | <i>100.0</i> | <i>100.0</i> | <i>98.7</i> | <i>77.2</i> | <i>0</i> | <i>42.5</i> | <i>80.3</i> | <i>39.3</i> | <i>81.1</i> | <i>55.9</i> |
| <i>% living in town and fringe</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>8.1</i> | <i>51.8</i> | <i>31.3</i> | <i>9.7</i> | <i>22.3</i> | <i>15.7</i> | <i>19.7</i> |
| <i>% living in villages</i> | <i>0</i> | <i>0</i> | <i>0.7</i> | <i>6.2</i> | <i>38.3</i> | <i>17.1</i> | <i>6.8</i> | <i>30.9</i> | <i>2.0</i> | <i>19.5</i> |
| <i>% living in hamlets</i> | <i>0</i> | <i>0</i> | <i>0.5</i> | <i>8.4</i> | <i>9.9</i> | <i>9.1</i> | <i>3.2</i> | <i>7.5</i> | <i>1.2</i> | <i>5.0</i> |
| Tenure | | | | | | | | | | |
| <i>% own occ no mortgage in urban area</i> | <i>34.1</i> | <i>38.3</i> | <i>49.8</i> | <i>48.4</i> | <i>0</i> | <i>48.4</i> | <i>39.8</i> | <i>41.5</i> | <i>36.6</i> | <i>38.7</i> |
| <i>% own occ no mortgage in town and fringe</i> | <i>N/A</i> | <i>N/A</i> | | | <i>35.8</i> | | <i>38.8</i> | <i>46.5</i> | | <i>41.6</i> |
| <i>% own occ no mortgage in villages / rural area</i> | <i>N/A</i> | <i>N/A</i> | <i>28.6</i> | <i>50.0</i> | <i>46.4</i> | <i>39.4</i> | <i>44.4</i> | <i>47.5</i> | <i>33.8</i> | <i>47.3</i> |
| <i>% own occ no mortgage in hamlets</i> | <i>N/A</i> | <i>N/A</i> | | | <i>40.1</i> | | <i>45.1</i> | <i>43.7</i> | | <i>44.4</i> |
| <i>% soc rented in urban area</i> | <i>10.2</i> | <i>11.5</i> | <i>12.1</i> | <i>8.5</i> | <i>0</i> | <i>12.4</i> | <i>10.7</i> | <i>15.6</i> | <i>13.3</i> | <i>14.3</i> |
| <i>% soc rented in town and fringe</i> | <i>N/A</i> | <i>N/A</i> | | | <i>16.9</i> | | <i>15.3</i> | <i>18.8</i> | | <i>18.2</i> |
| <i>% soc rented in villages / rural area</i> | <i>N/A</i> | <i>N/A</i> | <i>17.2</i> | <i>7.7</i> | <i>10.5</i> | <i>12.3</i> | <i>11.0</i> | <i>11.3</i> | <i>14.1</i> | <i>10.8</i> |
| <i>% soc rented in hamlets.</i> | <i>N/A</i> | <i>N/A</i> | | | <i>6.1</i> | | <i>5.0</i> | <i>3.2</i> | | <i>2.9</i> |
| Household type | | | | | | | | | | |
| <i>% single pensioners in urban area</i> | <i>17.8</i> | <i>15.2</i> | <i>21.3</i> | <i>16.8</i> | <i>0</i> | <i>19.4</i> | <i>17.3</i> | <i>18.5</i> | <i>15.2</i> | <i>16.6</i> |
| <i>% single pensioners in town and fringe</i> | <i>N/A</i> | <i>N/A</i> | | | <i>19.1</i> | | <i>18.7</i> | <i>25.5</i> | | <i>22.0</i> |
| <i>% single pensioners in villages / rural area</i> | <i>N/A</i> | <i>N/A</i> | <i>22.3</i> | <i>15.2</i> | <i>15.0</i> | <i>16.0</i> | <i>14.4</i> | <i>16.4</i> | <i>14.6</i> | <i>16.4</i> |
| <i>% single pensioners in hamlets</i> | <i>N/A</i> | <i>N/A</i> | | | <i>12.7</i> | | <i>13.4</i> | <i>12.2</i> | | <i>12.4</i> |
| <i>% lone parents in urban area</i> | <i>3.8</i> | <i>3.4</i> | <i>3.2</i> | <i>2.0</i> | <i>0</i> | <i>4.1</i> | <i>3.3</i> | <i>3.9</i> | <i>4.7</i> | <i>4.4</i> |
| <i>% lone parents in town and fringe</i> | <i>N/A</i> | <i>N/A</i> | | | <i>3.9</i> | | <i>3.6</i> | <i>2.3</i> | | <i>3.7</i> |
| <i>% lone parents in villages / rural area</i> | <i>N/A</i> | <i>N/A</i> | <i>0</i> | <i>1.7</i> | <i>2.6</i> | <i>2.5</i> | <i>2.3</i> | <i>2.0</i> | <i>6.1</i> | <i>2.0</i> |
| <i>% lone parents in hamlets</i> | <i>N/A</i> | <i>N/A</i> | | | <i>2.6</i> | | <i>1.4</i> | <i>1.8</i> | | <i>2.1</i> |

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Assessment
June 2008

| Rural Households (ii) | Bnmth | Poole | Christch | EDDC | NDDC | Purbeck | B/P HMA | WDDC | WPBC | W/D HMA |
|--|---------|---------|----------|---------|---------|---------|---------|---------|---------|---------|
| Income and Savings | | | | | | | | | | |
| Annual gross household income – urban area | £27,183 | £29,723 | £26,514 | £30,632 | N/A | £26,159 | £28,338 | £24,881 | £24,094 | £24,428 |
| Annual gross household income – in village/rural area | N/A | N/A | £32,030 | £34,596 | £33,873 | £30,623 | £34,425 | £32,255 | £22,292 | £32,145 |
| Average household savings - urban area | £28,701 | £34,778 | £40,540 | £46,107 | N/A | £40,479 | £34,921 | £34,747 | £25,484 | £29,049 |
| Average household savings – in village /rural area | N/A | N/A | £31,714 | £56,048 | £58,684 | £40,528 | £56,312 | £60,318 | £17,956 | £59,226 |
| Accessibility | | | | | | | | | | |
| Average no of cars per household – urban area | 1.12 | 1.28 | 1.21 | 1.45 | N/A | 1.21 | 1.23 | 1.13 | 1.09 | 1.11 |
| Average no of cars per household – in village / rural area | N/A | N/A | 1.79 | 1.63 | 1.56 | 1.42 | 1.57 | 1.52 | 1.12 | 1.52 |
| % households with no access to car - urban area | 23.0 | 16.2 | 17.2 | 10.0 | N/A | 17.9 | 18.1 | 20.3 | 24.5 | 22.7 |
| % households with no access to car - in village / rural area | N/A | N/A | 6.6 | 8.8 | 6.3 | 12.2 | 7.3 | 7.2 | 20.9 | 7.3 |

Source: Fordham Research Dorset HNS 2007

NOTE: Rural areas defined by 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 lies within settlements with a population of 10,000 or more. The remaining three categories comprise the "rural" area which is subdivided into "Town and Fringe", "Villages" and "hamlets", the latter includes isolated dwellings.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

14.10 Gypsies and Travellers

14.10.1 Source of information

Dorset has a different pattern of ethnicity to that seen in the Country generally. In England 13.0% of the population in the 2001 census recorded themselves as not being 'White British' whereas in Dorset only 3.2% fell into this category. Of the 'Non White British' group nationally, the largest sub group is 'British Asian' (35%). In Dorset it is 'White Other' (43%) followed by 'White Irish' (18%) while British Asians comprise only about 6% of the 'Non White British' group.

14.10.2 Within the 'White Other' and 'White Irish' categories in Dorset, Gypsies and Travellers form a significant group and as such their accommodation needs are relevant to this study. Information on the needs of Gypsies and Travellers in Dorset has been taken from the Dorset Traveller Needs Assessment which was undertaken by Anglia Ruskin University on behalf of Bournemouth, Poole and Dorset Councils in 2005. The aim of this study was to inform the councils on the level of need for Gypsies and Travellers accommodation. Advice was given to the South West Regional Assembly when planning for the number of sites/pitches needed in Dorset as part of the Regional Spatial Strategy.

14.10.3 The study used the definition of Gypsies and Travellers in current Government advice. This includes showmen, those leaving the settled community for a travelling lifestyle and ethnic gypsies in settled accommodation. The six main categories defined were:

- English Gypsies/Romanies
- Irish Travellers
- New Travellers
- Welsh or Scottish Gypsy
- Showmen
- Other (mostly New Travellers reluctant to accept classification.)

14.10.4 The main data source for the study was a new survey, undertaken by a supervised team of mainly Gypsy/Traveller interviewers, and comprising face to face interviews with 143 Gypsies and Travellers on sites of all types and in housing. The survey findings were cross-checked with other data sources including the bi-annual official counts of caravans, local data such as school roll records, and other research including a focus group of ethnic Gypsies on a site in Dorset.

14.10.5 The findings – The Gypsy /Traveller population

The survey estimates that there is a total residing/resorting population of 2,400-3,000 Gypsies and Travellers in Dorset, compared to about 7,000-9,000 in the South West region and about 250,000 nationally.

14.10.6 The evidence indicates that the Dorset Gypsy and Traveller population is particularly transient in summer months. Some 95% of survey respondents had travelled outside Dorset in the past year.

14.10.7 Average household size was 2.9 persons. Household size was higher for English Gypsies and Irish Travellers than other categories. The comparative figure for the resident population in Dorset is 2.15 persons per household. The larger household sizes for gypsies/travellers reflects their extended family structure and the effects of accommodation shortage.

14.10.8 While there is no official definition of overcrowding relating to caravans, using an average of 3 persons per caravan as an indication of overcrowding, it appears that the

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

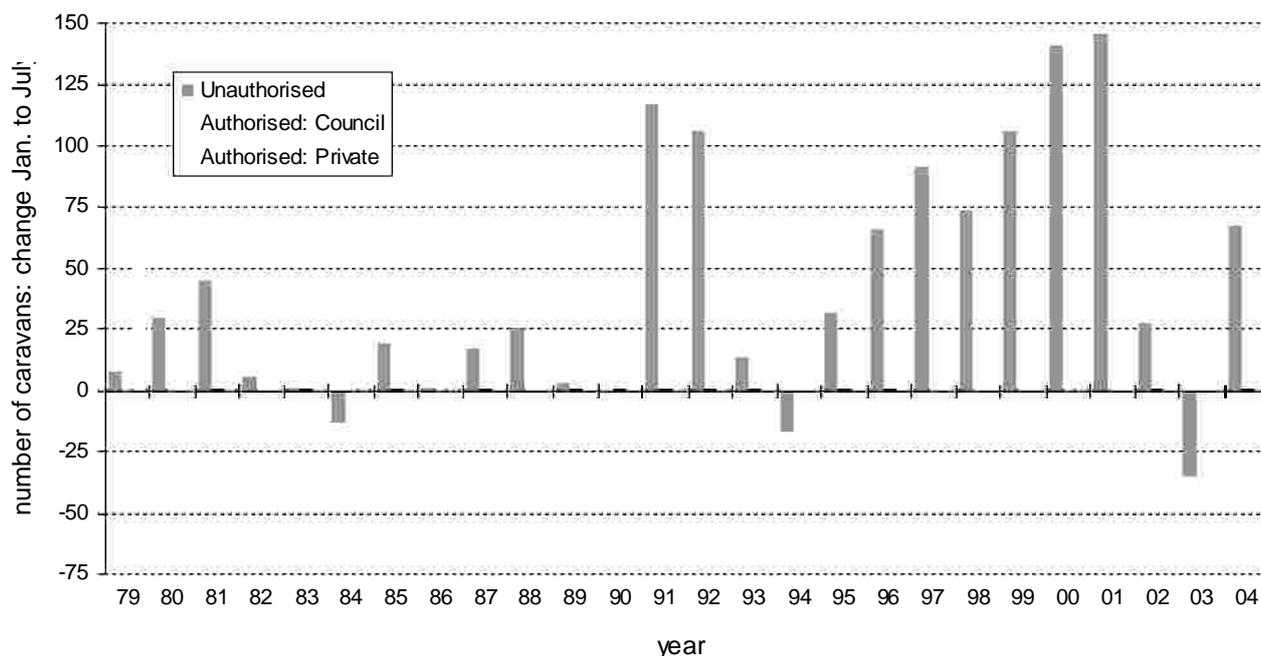
problem is as bad now as it was almost forty years ago. A 1965 census study estimated that about 65% of Gypsies were living in overcrowded accommodation compared with less than 3% of the settled population.

- 14.10.9 No official figures exist of Gypsy and Travellers living in conventional housing, but numbers have been estimated from various sources. The Traveller Education Service school roll data indicates that about a third of the Gypsy and Traveller population are in housing, mostly in the Bournemouth/Poole core area. It has been estimated that Bournemouth and Poole each have about 1,500 Gypsy and Traveller housed families with another 250 in both Christchurch and East Dorset. However the figures have not been accepted as accurate by the local authorities involved. A follow up survey of this issue in Bournemouth and Poole could not confirm the figures, mainly due to the poor response to this survey,⁷³ so they should be treated with caution.
- 14.10.10 At present there is insufficient site accommodation to meet needs. This creates cost to local authorities of monitoring and securing removal of unauthorised sites; and cost in terms of financial, health and other respects for gypsies and travellers. Those in unauthorised sites often experience difficulties in access to basic services, stress associated with impending eviction, poor relations with settled communities and sometimes splitting up of extended families and support networks which can particularly affect children.
- 14.10.11 Travelling Patterns
The study identified complex travelling patterns among the different groups. It was difficult to distinguish between those 'residing in' an area, that is as part of the local population, as opposed to 'resorting to' or passing through an area. Some 43% of respondents said they were looking for accommodation in Dorset.
- 14.10.12 Caravan count data shows the fluctuations between January and July, with a marked increase in unauthorised caravans in the summer months.

⁷³ Gypsy and Traveller Accommodation Needs in Bournemouth and Poole. A Supplementary Study: Housing Transfer. September 2007. Prof R Home.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Figure 14.3 Caravan Number Fluctuations January/July by Type of Site, All Districts in Dorset Sub Region, 1979-2004.



Source: Dorset Gypsy and Traveller Needs Assessment 2006.

14.10.13 During the period 1979 to 2004, total caravans in July averaged 35% more than in January. The increase was particularly noticeable during the 1990s, reflecting the increased number of New Travellers, leaving housing, and the rapid increase in house prices over this period, making housing unaffordable. Five districts experienced particularly strong summer demand, including Bournemouth, Poole, East, North and West Dorset.

14.10.14 Site Requirements

The counts distinguish between three site types: council (or public) authorised, private authorised and unauthorised. At the time of the survey there were about 58 public pitches with capacity for 71 caravans in the County. There were no official transit sites in Dorset, although provision has been made specifically to cater for the annual Steam Fair in North Dorset (100 pitches). Private sites, which are mostly owner occupied, have grown in recent years as public provision has declined. There were pitches for 15 caravans at the time of the survey.

14.10.15 On average 76 unauthorised caravans were recorded in counts between 2002 and 2004. These figures tend to underestimate the number of roadside encampments. Other local authority records indicate an average of about 60 encampments per annum, some of which lasted for over 200 days. The main locations for these unauthorised encampments were the rural areas, particularly North Dorset, West Dorset and Purbeck, although over 30 (14%) also occurred in Weymouth and Portland.

14.10.16 Projections of Need for Pitches

The report concludes by proposing numbers of pitches required for future needs. In the Bournemouth/Poole HMA it is proposed that there is a current net demand for 128

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

pitches, to meet needs from overcrowding and transfer from housing, and a further 317 pitches from unauthorised camping (Table 14.8). In the Dorchester/Weymouth HMA there is a net demand for 9 pitches due to over crowding, zero for demand from housing transfer and 90 from unauthorised camping. Allowance for family formation over the years indicates additional needs as set out in the Table by 2011 and 2026.

Table 14.8 Dorset Gypsy and Traveller Pitch Requirements 2007

| District | Supply | Demand (unauthorised) families | Demand (over-crowding) | Demand (Housing transfer) | Family formation from 2006 to 2011 (and 2006-2026 @ 3% & 4%) | Total demand 2006 | Total demand to 2011 (and 2026) |
|--|-----------|--------------------------------|------------------------|---------------------------|--|-------------------|---------------------------------|
| Bournemouth | 0 | 17 | 1 | 25 | 5-8 (27-39) | 43 | 48-51 (70-82) |
| Poole | 4 | 10 | 1 | 30 | 7-9 (31-47) | 41 | 48-50 (72-88) |
| Christchurch | 3 | 30 | 4 | 20 | 6-9 (32-47) | 54 | 60-63 (86-101) |
| East Dorset | 1 | 45 | 4 | 30 | 9-13 (44-64) | 79 | 88-92 (123-143) |
| North Dorset | 21 | 150 | 7 | 0 | 8-11* (40-57) | 157 | 165-168 (197-214) |
| Purbeck | 15 | 65 | 6 | 0 | 8-12 (40-57) | 71 | 79-83 (111-128) |
| Bournemouth/ Poole HMA | 44 | 317 | 23 | 105 | 43-62 (214-311) | 445 | 488-507 (649-756) |
| West Dorset | 14 | 65 | 7 | 0 | 8-12 (40-57) | 72 | 80-84 (112-129) |
| Weymouth | 0 | 25 | 2 | 0 | 2-3 (11-14) | 27 | 29-30 (38-41) |
| Dorchester/Weymouth HMA | 14 | 90 | 9 | 0 | 10-15 (51-71) | 99 | 109-114 (160-170) |
| Dorset, Poole and Bournemouth Total | 58 | 407 | 32 | 105 | 53-77 (265-382) | 544 | 597-621 (809-926) |

100 pitches required in connection with the Great Dorset Steam Fair are excluded from this calculation.

Source: Dorset Gypsy and Traveller Needs Assessment 2006.

14.10.17 These needs have been translated by the Dorset authorities into demand for 271 permanent and 326 transit pitches at 2011 of which 227 permanent and 261 transit pitches were in the Bournemouth / Poole HMA and 44 permanent and 65 transit in the Dorchester/Weymouth HMA.

14.10.18 Subsequent research commissioned by Bournemouth and Poole Councils into the demand from housed gypsies, as well as further analysis of the figures in comparison with the results of other GTAA studies in the South West, indicated that these figures were too high. Adjustments to compensate for these anomalies show a reduced demand for 79 permanent and 187 transit pitches in the Bournemouth / Poole HMA by 2011 and 20 permanent and 42 transit pitches in the Dorchester / Weymouth HMA.⁷⁴ Table 14.9 below shows the adjusted totals by local authority.

⁷⁴ Dorset 4/4 authorities submission to the Examination in Public of the SW RSS on Gypsies and Travellers. Feb 2008.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

14.10.19 These figures were debated at the Examination in Public of the Draft Regional Spatial Strategy single issue review of Gypsy and Traveller policy. Further figures are likely to emerge through this process before the RSS is finalised.

Table 14.9 Demand for Permanent (Residential) and Transit Gypsy and Traveller Pitch provision in Dorset HMAs to 2011.

| | Proposed Additional Pitch Requirements to 2011 in Public Consultation | | Suggested Adjusted Additional Pitch Requirements to 2011 | |
|---|---|---------|--|-------------------------|
| | Residential | Transit | Residential | Transit |
| Bournemouth and Poole Housing Market Area | 227 | 261 | 79 | 187 |
| Bournemouth | 28 | 20 | 8 | 10 |
| Poole | 35 | 13 | 8 | 7 |
| Christchurch | 33 | 27 | 11 | 13 |
| East Dorset | 50 | 38 | 12 | 20 |
| Purbeck | 44 | 35 | 20 | 17 |
| North Dorset | 37 | 128 | 20 | 20 + 100 for Steam Fair |
| Weymouth and Dorchester Housing Market Area | 44 | 65 | 20 | 42 |
| West Dorset | 44 | 36 | 20 | 17 |
| Weymouth and Portland | 0 | 29 | 0 | 25 |

Source, Bournemouth, Dorset and Poole Councils response to Draft RSS proposals. 2007

Summary

- Evidence from the Dorset Gypsy and Traveller Needs Assessment indicates that there are between 2,400 and 3,000 gypsies and travellers living in or passing through the County.
- While there is no official measure of overcrowding, it appears that the situation is as bad now as it was in the 1960s.
- Demand from Gypsies and Travellers currently living in housing appears high in the Bournemouth/Poole core area, although it has not been possible to verify the figures.
- Costs of inadequate pitch provision are high – both for the Local Authorities (financially) and gypsy/ traveller community in terms of health and social care.
- Demand generally rises in the summer months, particularly in the Bournemouth/Poole HMA.
- There are 58 public pitches and 15 private sites across Dorset, but no transit sites other than the temporary site for the Dorset Steam Fair.
- It is estimated that by 2011 there will be a need for 79 permanent and 187 transit pitches in the Bournemouth/Poole HMA and 20 permanent and 42 transit pitches in the Dorchester/Weymouth HMA.
- These figures are being considered through the review of RSS Gypsy and Traveller policy and revised figures may be determined through this process.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Section E Issues for Future Policy Consideration.

Chapter 15 Housing Market Gaps and the Housing Ladder.

15.1 Introduction

- 15.1.1 One of the most important functions of a strategic housing market assessment is to provide an understanding of the way the 'housing ladder' operates in any area. A well functioning housing ladder will enable newly forming households to enter the market and climb towards home ownership. As house prices have risen sharply over the last decade, this has become much more difficult.
- 15.1.2 To assess the difficulties households face in trying to get on to and climb the ladder, it is important to understand the entry points for different tenures and sizes of property and the gaps between these points. This knowledge also provides a benchmark against which to judge whether newly developed housing is really affordable.
- 15.1.3 Fordham Research looked at the costs and different tenures of housing available in each local authority area. This chapter pulls the findings together and presents an overview of the situation across the two HMAs. The detailed information for each local authority is found in the District/Borough reports which are appended separately.

15.2 Prices, Rents and the Gaps Between

- 15.2.1 There are many variations in house prices across the two HMAs. In order to draw comparisons, average prices across each District/Borough have been examined. The prices/rents used are the minimum (entry level) costs for each tenure. In order to draw comparisons between rental and purchase costs, the capital cost of buying a house has been expressed as a weekly cost (like a mortgage payment.)
- 15.2.2 The following table sets out the weekly costs for each of the local authorities in the two HMAs. It shows that, in the Bournemouth / Poole HMA, the lowest social rent is in Bournemouth. This is some 25% cheaper than social rented properties in Poole and Christchurch. The cheapest location of all other tenures is in North Dorset.
- 15.2.4 In the Dorchester / Weymouth HMA, Weymouth is clearly the cheaper area. West Dorset has low social rent costs, but all other tenures are slightly above North Dorset's.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Table 15.1 Entry Level Housing Costs for Two-bed Properties, Local Authorities in Bournemouth / Poole and Dorchester / Weymouth HMAs

| Local Authority | Weekly cost, 2 bed entry level price | | | |
|---------------------------|--------------------------------------|-------------|--------------|-----------|
| | Social rent | Market rent | 2nd hand buy | New build |
| Bournemouth / Poole HMA | | | | |
| Bournemouth | £59 | £150 | £183 | £240 |
| Poole | £74 | £156 | £203 | £272 |
| Christchurch | £75 | £160 | £207 | £257 |
| East Dorset | | | | |
| East Dorset | £73 | £153 | £219 | £267 |
| North Dorset | £74 | £115 | £156 | £199 |
| Purbeck | £69 | £132 | £205 | £258 |
| Dorchester / Weymouth HMA | | | | |
| West Dorset | £66 | £121 | £165 | £216 |
| Weymouth and Portland | £64 | £115 | £162 | £198 |

Source: Fordham Research Dorset HNDS 2007.

- 15.2.5 Table 15.2 shows the extent of the various gaps in the ladder, both in terms of additional weekly cost and percentage difference. It shows for instance in Bournemouth, that the weekly cost of a new build 2-bed properties is four times as much as a 2-bed social rented property and even second hand properties are three times as much. The gap between social renting and private renting is also the highest in the HMA. In all the core authorities it costs at least twice as much to rent privately than to rent from a social landlord.
- 15.2.6 The authority with the 'easiest' ladder to climb is North Dorset, although even here there are considerable gaps to overcome. The difference between social rent and a second hand property to buy, at about £82 per week, is a considerable sum to find.
- 15.2.7 In the Dorchester / Weymouth HMA it is at least three times as expensive to buy a new build property than it is to rent from a social landlord. The gaps between social rent and private rent and the social rent/new build are lower than in the Bournemouth / Poole HMA. It appears that the costs reduce slightly to the west of the County.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Table 15.2 Key Housing Market Gaps for Two-bed Properties, Local Authorities in Bournemouth / Poole and Dorchester / Weymouth HMAs

| Local Authority | Weekly cost and % difference between tenures | | | |
|----------------------------------|--|--------------------------------|----------------------------------|-------------------------------|
| | Social rent/ private rent gap | Priv rent/ 2nd hand buy gap | Social rent/ 2nd hand buy gap | Social rent/ new build gap |
| Bournemouth / Poole HMA | | | | |
| Bournemouth | £91 (254%) | £33 (122%) | £124 (310%) | £181 (407%) |
| Poole | £82 (211%) | £47 (130%) | £129 (274%) | £198 (368%) |
| Christchurch | £85 (213%) | £47 (129%) | £132 (276%) | £182 (343%) |
| East Dorset | | | | |
| East Dorset | £80 (210%) | £66 (143%) | £146 (300%) | £194 (366%) |
| North Dorset | £41 (155%) | £41 (136%) | £82 (211%) | £125 (269%) |
| Purbeck | £63 (191%) | £73 (155%) | £136 (315%) | £189 (374%) |
| Dorchester / Weymouth HMA | | | | |
| West Dorset | £55 (183%) | £44 (136%) | £99 (250%) | £150 (327%) |
| Weymouth and Portland | £51 (179%) | £47 (141%) | £98 (253%) | £134 (309%) |

Source: Fordham Research Dorset HNDS 2007.

15.2.8 Additional tables in the Housing Need Survey reports set out the costs of 1-, 3- and 4-bedroom property as well as 2-beds. These are appended (Appendix 2) to this evidence base. It is shown later how these tables are useful as a test for any new build housing that may be considered as affordable housing and as a basis for updating and monitoring.

15.3 What Types of Housing can be Provided to Fill the Gaps?

15.3.1 In terms of the affordability problem, the two gaps of most interest are the "Rent/Buy" gap and the "Intermediate" gap (between social rent and market rent).

15.3.2 In the Rent/Buy gap, households can afford market rent without the need for Housing Benefit, but cannot afford to buy outright. The Intermediate gap is the gap between social rent and the lowest form of market housing, namely market rent.

15.3.3 In order to be clear what is meant by affordable housing, the definition provided in PPS3 is set out below.

"Affordable housing includes social rented and intermediate housing, provided to specified, eligible households whose needs are not met by the market. "

The housing provided should

- meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
- include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.

Social rented housing is rented housing owned and managed by local authorities and registered social landlords for which guideline target rents are determined through the annual rent regime.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

The proposals set out in the Three Year Review of Rent Restructuring (July 2004) were implemented as 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 Housing Corporation as a condition of grant.

Intermediate housing is housing at prices or 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) or other low cost homes for sale and intermediate rent.

The definition does not exclude homes provided by the private sector or without grant funding. Where such homes meet the definition above, they may be considered for planning purposes as affordable housing. Homes that do not meet the definition, including low cost market housing, may not be considered for planning purposes as affordable housing.

15.3.4 In recent years several, housing products have been developed to try and meet the needs of those who fall outside the criteria for social rented housing but cannot afford the cheapest market housing. This is usually termed 'intermediate' housing. The main types of housing that have been used to fill this gap are the 'shared ownership' or 'shared equity' products, where the household purchases a share of the property and pays a rent on the remaining equity or else it is retained by the land owner who benefits from the rising capital value of the housing.

15.3.5 The main shared ownership product is "New Build Homebuy" which has been developed by Registered Social Landlords across Dorset. However, the cost of this type of housing, especially in the rural areas where land prices are high, is often above the private rent levels set out above and hence it is not meeting the needs of those for whom even renting in the market is too expensive. This does not totally remove its value as it does provide a step in equity ownership on the route to full ownership, however it often sits within the rent/buy gap, not the Intermediate gap, and so is accessible to far fewer households in need.

15.3.6 One other product that is now being considered in the South West is 'intermediate rent'. In other regions this has been targeted at key workers but, where there is an overwhelming local need, it is being considered by the South West Regional Housing Body for more general use. The findings of this study indicate that across Dorset, general housing needs are extremely high and much stronger than those of key workers, so there is a strong case for intermediate rent to be considered throughout the two HMAs.

15.4 How Affordable are Intermediate Housing Products?

15.4.1 Many products may be put forward to meet the need for intermediate housing. The one important test for any of them is whether they can be afforded by those in need?

15.4.2 Although technically, intermediate housing begins at £1 below market rent level, housing at this price would not be affordable by the vast majority of households in this gap. It is suggested that a better point to aim for is the middle of the range, which would normally address the needs of just under a half of those in intermediate housing need. This is a point termed 'usefully affordable'. It is the point used by Fordham Research to estimate the number of households preferring intermediate housing in the BHM assessment. The criteria for intermediate rent is that rents let on assured short-hold tenancies must not be set higher than 80% of local market levels as defined in relation to the Rent Assessment

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Committee's 'reasonable rent'⁷⁵. So intermediate rent at 80% of market rents would also fit the top end of this gap, but fewer households would be able to afford housing at this price.

15.4.3 To test how many households in need may be able to afford intermediate rent, Fordham Research assessed the number of households who would be able to afford rents at 80% of weekly Reference Rents⁷⁶ (or Local Housing Allowances as they are now termed) within Dorset. The LHAs are calculated from lettings information collected by Rent Officers and are split into categories based on the number of bedrooms in a property. Rent Officers compile a list of rents for each Broad Rental Market Area (BRMA) from which a median rent is calculated. The BRMAs and rents applicable within them are shown in Table 15.3.

15.4.4 As can be seen from the table, the rents for 2-bed properties are in line with those in Table 15.1 although at a slightly higher level as they represent the median rent as opposed to the entry level. Although they apply to slightly different geographic areas, there is some synergy with the Housing Market sub areas. Thus, 'Bournemouth BRMA' broadly covers the core of the Bournemouth / Poole HMA but also includes much of East Dorset and Purbeck Districts; 'Mid Dorset' represents the rest of the Bournemouth / Poole periphery; and 'West Dorset' covers the majority of the Dorchester / Weymouth HMA. The advantage of using these figures is that they are published on a monthly basis and can be used as a benchmark for monitoring and assessing whether housing is affordable in the future.

Table 15.3 Weekly Reference Rents/Indicative Local Housing Allowances for Dorset, Oct 2007

| BRMA | Number of Bedrooms | | | | | |
|-------------|--------------------|---------|---------|---------|---------|---------|
| | Bedsit | 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 |

Source Rent Service, Bournemouth Dec 2007.

NOTES:BRMA = Broad Rental Market Area.
' Bournemouth' BRMA generally covers the LA areas of Bournemouth, Poole, Christchurch, the area of East Dorset about Wimborne, and Purbeck, as far over as Wool.
' Mid Dorset' BRMA covers most of North Dorset District, including the Shaftesbury/Gillingham areas, the Blandford/Sturminster Newton area and the Northern part of East Dorset about Cranborne Chase.
' West Dorset' BRMA covers the LA areas of Weymouth and Portland and most of West Dorset, including Dorchester and the Western edge of Purbeck.
'Yeovil' BRMA includes the Sherborne area of West Dorset.

⁷⁵ The Rent Assessment Committee ("RAC") is a tribunal of two or three people set up by law under the provisions of the Rent Act 1977. It is an independent decision making body which is completely unconnected to the parties or any other public agency. The RAC defines what is reasonable by gathering evidence of market rents for comparable accommodation from sources such as valuers, estate agents accommodation agencies and classified ads in the local press, in order to establish the level of current "market rents" being charged.

⁷⁶ The Local Housing Allowance(LHA) is a flat rate allowance for the calculation of housing benefit entitlement.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

15.4.5 Table 15.4 shows the different costs attributed to the 'usefully affordable' and intermediate rent levels for local authorities in Dorset. The intermediate rent levels have been calculated as 80% of the 2-bedroom rent level from the table above, with the 'Bournemouth' figure applying to the Bournemouth / Poole core authorities, East Dorset and Purbeck; 'Mid Dorset' applying to North Dorset and 'West Dorset' applying to the Dorchester / Weymouth HMA authorities.

Table 15.4 Comparative Costs of "Usefully Affordable" and Intermediate Rent Properties, by Local Authority

| Local Authority | Weekly cost, 2 bed properties | | | |
|---------------------------|-------------------------------|----------------------|---------------------------|-------------------------|
| | Social rent | Usefully affordable* | Intermediate Rent level** | Entry level Market Rent |
| Bournemouth / Poole HMA | | | | |
| Bournemouth | £59.00 | £105.00 | £123.20 | £150.00 |
| Poole | £74.00 | £115.00 | £123.20 | £156.00 |
| Christchurch | £75.00 | £118.00 | £123.20 | £160.00 |
| East Dorset | | | | |
| East Dorset | £73.00 | £113.00 | £123.20 | £153.00 |
| North Dorset | £74.00 | £95.00 | £101.54 | £115.00 |
| Purbeck | £69.00 | £101.00 | £101.54 | £132.00 |
| Dorchester / Weymouth HMA | | | | |
| West Dorset | £66.00 | £94.00 | £108.00 | £121.00 |
| Weymouth and Portland | £64.00 | £90.00 | £108.00 | £115.00 |

Source: Fordham Research Dorset HNS 2007

NOTE: Usefully affordable assessed as midway between social rent and entry level market rent.

Intermediate Rent assessed as 80% of the Reference Rent/Local Housing Allowance level for each area.

15.4.6 It can be seen that the 'usefully affordable' level sits midway between social rent and entry level market rent, whereas the intermediate rent is somewhat higher (77% - 94%) of entry level market rent. This table provides a useful benchmark against which all affordable housing products can be measured. It can also be easily updated (as explained in Chapter 17) so that it can continue to be used in the future.

15.5 How Many Households can Afford Intermediate Rent?

15.5.1 As mentioned above, Fordham Research investigated the number of households in need (based on the CLG assessment) who could afford intermediate rent. The results are shown alongside those from the Balanced Housing Market tables, in Table 15.5 below.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Table 15.5 Comparison of Level of Need for Intermediate Housing.

| Area | A | B | C | D |
|---------|--|--|---|---|
| | BHM Annual demand for affordable housing | CLG Annual need for affordable housing | BHM proportion of affordable demand as intermediate (actual figs) | % of CLG affordable need that can afford Inter-mediate rent (actual figs) |
| B/P HMA | 2,234 | 5,704 | 41% (910) | 9% (524) |
| Bnm'th | 718 | 3,015 | 35% (250) | 5% (150) |
| Poole | 815 | 1,199 | 45% (364) | 13% (156) |
| Chrstch | 163 | 243 | 48% (78) | 9% (22) |
| EDDC | 180 | 440 | 35% (63) | 15% (66) |
| NDDC | 220 | 399 | 50% (109) | 30% (119) |
| Purbeck | 138 | 409 | 33% (46) | 3% (11) |
| D/W HMA | 824 | 1,538 | 52% (424) | 18% (271) |
| WDDC | 542 | 737 | 52% (281) | 3%(25) |
| WPBC | 282 | 800 | 51% (143) | 31% (246) |

15.5.2 The BHM assessment indicates that between 35% and 52% of households seeking affordable housing could afford Intermediate housing at the Usefully Affordable level, but far lower proportions of those identified in need under the CLG approach could afford Intermediate Rent. Only 3% of households in Purbeck and West Dorset could afford this product. The highest proportions (about 30%) are found in North Dorset and Weymouth and Portland.

15.5.3 Although the percentages in Columns C and D are calculated from different totals, (those in columns A and B respectively) they indicate the diminishing frequency of households able to afford housing as costs rise. They also show how this varies between authorities. In Bournemouth, for instance, there appears to be a sharp decrease between the proportion of households that can afford the Usefully Affordable level (41% of the demand for affordable housing under the BHM) and those that can afford the Intermediate Rent level (9% of those in need under the CLG approach). However in North Dorset the decrease between the two measures is less (50% to 30%). These differences can also be seen in the Dorchester / Weymouth HMA where there is a steep drop in West Dorset (52% to 3%) but far less in Weymouth and Portland. Ideally, a graph showing the frequency of households able to afford different prices of housing under both the BHM and CLG assessments should be plotted, so that actual numbers could be calculated under both approaches. In the absence of this information, it can only be assumed that the graphs follow similar patterns and that the figures in Columns C and D indicate the general proportion of households able to afford housing at those costs.

15.5.4 Actual figures for annual need/demand have been calculated alongside the percentages described above. Again they are not strictly comparable because they have been calculated from different totals, but they do indicate the scale of need that could be met by different products. In Purbeck, for instance, only 11 households per annum could afford Intermediate rent, whereas 46 could afford housing at the Usefully Affordable level. Knowing these actual figures can help in the monitoring and assessment of the type of housing that should be provided in the future.

15.5.5 Table 15.5 sets out the scope of intermediate housing in meeting needs in the two HMAs. It indicates that intermediate housing products have a much better chance of meeting needs in Weymouth and North Dorset than other areas, but that there is some scope for

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

them to address needs in all areas to a limited extent. However, products that lie within the rent/buy gap will meet the needs of very few households, particularly in those authorities where so few can afford even Intermediate rent.

15.6 Other Forms of Subsidised or Low Cost Market Housing

- 15.6.1 Intermediate housing is not the only form of housing that is subsidised in some way to help address needs of those who cannot afford market housing. Schemes such as 'Co housing', where households live as a community and share some facilities to keep costs lower, and Community Land Trusts, where a community trust owns the equity in a site and rents or part rent/part sells properties to households in need are other forms of subsidised housing that are being used in Dorset. The cost tables can also be used to assess whether these products are affordable by the households they are aimed at.
- 15.6.2 Low cost market housing is now defined by government as not being a constituent of affordable housing. Looking at the difference between new build costs and market rent for 2-bed properties in Table 15.1, it can be calculated that to be affordable, new build housing would require about a 40% subsidy in most authorities, rising to 49% in Purbeck. As the level of subsidy in low cost market housing has generally been in the region of 20-30%, it is unlikely that this product would ever fall into the affordable category in either of the Bournemouth / Poole or Dorchester / Weymouth HMAs.
- 15.6.3 So, having considered the gaps in the housing market ladder across the two HMAs and the different types of affordable housing that may help fill those gaps, the next section assesses the overall requirements for affordable and market housing and the opportunities in terms of housing supply that may arise across the two HMAs to help meet those requirements.

Summary

There are substantial gaps in the housing ladder across both the Bournemouth / Poole and Dorchester / Weymouth HMAs.

It is three times more expensive to buy a new build 2-bed property than to rent in the social rented sector across most of Dorset, rising to four times as expensive in Bournemouth.

The gaps of most significance are the 'intermediate gap' between social rent and market rent and the 'rent/ buy gap' between market rent and second hand market purchase.

Current intermediate housing products often fall within the rent/buy gap and although useful as a stepping stone to home ownership are too expensive for the majority of households in need who are seeking housing below market rent levels.

To be affordable to the majority of households in need of intermediate housing, it needs to be priced about the mid point of the intermediate gap.

Intermediate rent is a product that fits within the intermediate price gap, being priced at about 80% of market rent, so is affordable to some households in need.

The proportion of households that can afford intermediate rent ranges from 3% of those in need in Purbeck and West Dorset, to 30% in North Dorset and Weymouth.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Other forms of affordable housing such as Co Housing and Community Land Trusts can also be assessed against the cost tables.

Low cost market housing is unlikely to be provided at affordable levels, as it would require a subsidy of at least 40% to be affordable.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

Chapter 16 The Profile of Housing Needed

16.1 Introduction

16.1.1 The previous chapter identified the various gaps in the housing market ladder and costs of different forms of affordable housing that might be used to fill those gaps. In this chapter the overall housing requirements in the two HMAs are investigated and the requirements of PPS3 in respect of the different tenures and sizes of housing.

16.2 PPS3 Requirements

16.2.1 PPS3⁷⁷ states that, based upon the findings of the Strategic Housing Market Assessments and other local evidence, local planning authorities should set out in their local development documents (LDFs):

- the likely overall proportions of households that require market or affordable housing;
- the likely profile of household types requiring market housing (e.g. families, single people and couples); and
- the size and type of affordable housing required.

16.2.3 This section of the SHMA draws on the findings of the Housing Need/Demand study and earlier research set out in this report to provide evidence on the way to best meet these requirements.

16.3 Overall Proportion of Households that Require Market or Affordable Housing

16.3.1 Government guidance on Strategic Housing Market Assessments⁷⁸ sets out a step-by-step approach to assessing housing need in an area. This approach - the CLG Needs model - has been followed by Fordham Research in their analysis of needs across Dorset.

16.3.2 Table 16.1 shows the level of need using this approach and how it is broken down by district and HMA. Row F1 shows the level of annual need in the first five years, assuming that all the backlog need will be met in this period. Row F2 shows a lower annual need for the following years, assuming that the backlog need has been addressed and only future needs remain to be met.

16.3.3 To put the figures into context, Fordham Research have compared the annual level of net need in the first five years with the overall number of households in the area, to produce the Fordham Affordable Housing Need Index (Row I). For purpose of comparison, other surveys undertaken by the Consultant resulted in an average index of need across the Country of 16 and the South West Region of 17. Inner London Boroughs have an average of 35.

16.3.4 The table also shows the level of housing supply proposed across the two HMAs in the draft Regional Spatial Strategy (RSS). When finally approved, RSS will set out the overall number of dwellings to be built in each HMA and local authority area and set targets on

⁷⁷ Planning Policy Statement 3 Housing. CLG Nov 2006

⁷⁸ Strategic Housing Market Assessments – Practise Guidance, CLG August 2007.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

the amount of affordable housing to be built. The current draft policy on affordable housing states:

“Within the 23,060 dwellings per annum required for the region, at least 7,500 affordable homes 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 of up to 60% or higher in areas of greatest need.”

16.3.5 The Panel of Inspectors has recommended that this policy should be amended to state:

16.3.6 *“ Within the 28,000 dwellings per annum (at least) required for the region, the aim should be to provide at least 10,000 affordable homes per annum in the period to 2026. Policy provision should accordingly be made for at least 35% of all housing development annually across each local authority area and housing market area to be affordable, with authorities specifying rates of 60% or higher in areas of greatest need.*

16.3.7 The final overall housing figures and policy on affordable housing will be decided by the Secretary of State. Her decision may be influenced by the recent findings of the National Housing and Planning Advice Unit⁷⁹ which has recommended that housing supply nationally should rise to 270,000 new dwellings per annum by 2016 and that the target in the South West should be for an annual figure of 28,700 rising to 34,000 per annum at the highest point, compared with the flat rate of 28,500 recommended by the Panel. So it is possible that housing figures in the RSS may rise above those proposed by the Panel for the Bournemouth/Poole and Dorchester/Weymouth HMAs.

16.3.8 Table 16.1 compares the level of need from the CLG approach with the amount of total housing proposed in the draft RSS and the recommendations of the EIP Panel. The proportion of need as a percentage of the Panel's total proposals (these generally being the highest) is shown in column D.

Table 16.1 Comparison of Affordable Housing Need (CLG) and Housing Supply (RSS)

| HMA and LA area | A Fordham Affordable Housing Index | B Affordable dwelling shortage from CLG assessment (2007 – 12) | C Draft RSS proposals 2006-16 (all hsing) | D EIP Panel's proposals 2006-16 (all hsing) | E CLG need for Affordable dwellings as % of Panel figs. |
|-------------------|--|---|---|---|--|
| B / P HMA | 23 | 5,704 | 2,285 | 2,405 | 237.2 |
| Bournemouth | 39 | 3,015 | 720 | 805 | 374.5 |
| Poole | 19 | 1,199 | 700 | 500 | 239.8 |
| Christchurch | 11 | 243 | 200 | 173 | 140.5 |
| East Dorset | 12 | 440 | 270 | 320 | 137.5 |
| North Dorset | 14 | 399 | 290 | 350 | 114.0 |
| Purbeck | 21 | 409 | 105 | 258 | 158.5 |
| D / W HMA | 21 | 1,538 | 690 | 905 | 169.9 |
| West Dorset | 17 | 737 | 410 | 625 | 117.9 |
| Weymouth/Portland | 28 | 800 | 280 | 280 | 285.7 |

Source: Fordham Research Dorset HNDS 2007 and SW RSS Panel Report 2008.

⁷⁹ National Housing and Planning Advice Unit . Developing a target range for the supply of new homes in England. Oct 2007.

Final Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Assessment
June 2008

16.3.9 Bournemouth/Poole HMA

The table shows the very high level of need in the core area and, in particular, in Bournemouth. The Borough has an annual need of over 3,000 affordable dwellings per annum and an index of 39, which is higher than many London Boroughs. Poole also shows a need for over 1,000 affordable dwellings per annum and Christchurch 243. When compared to the level of overall housing supply proposed in the RSS over the 2006-16 period, the level of need can be seen to range from just above the maximum proposed supply in Christchurch to almost four times that in Bournemouth.

16.3.10 In the Bournemouth / Poole periphery the annual need is about 400 dwellings in each of the three authorities. This is also above the Panel's proposed overall housing supply levels.

16.3.11 Dorchester/Weymouth HMA

In the Dorchester/Weymouth HMA, the high level of need in Weymouth and Portland is apparent. With an index of 28, the scale of the problem is substantially above the regional average of 17. The level of need in Weymouth is almost three times the proposed level of overall provision. In West Dorset need is also above the Panel's proposed overall housing figures of 625 dwellings per annum.

16.3.12 In conclusion, the level of need shown through the CLG assessment process is substantially above the overall amounts of housing proposed by the draft RSS or the Panel. On the basis of need it could be argued that a target of 100% affordable housing is necessary.

16.4 What do Other Studies of Affordability Show?

16.4.1 While the overall level of need is high in comparison to the potential level of housing supply, the index figures are below average in some of authorities, including Christchurch, East Dorset and North Dorset. This does not imply that there is not an affordable housing problem in these areas, but simply that it is not of as large a scale compared to the overall size of those districts. As has been shown earlier in this study, these are areas which according to the ACORN classification⁸⁰ are dominated by 'wealthy achievers' and 'comfortably off' social groups. They are also districts with a high proportion of elderly owner-occupiers.

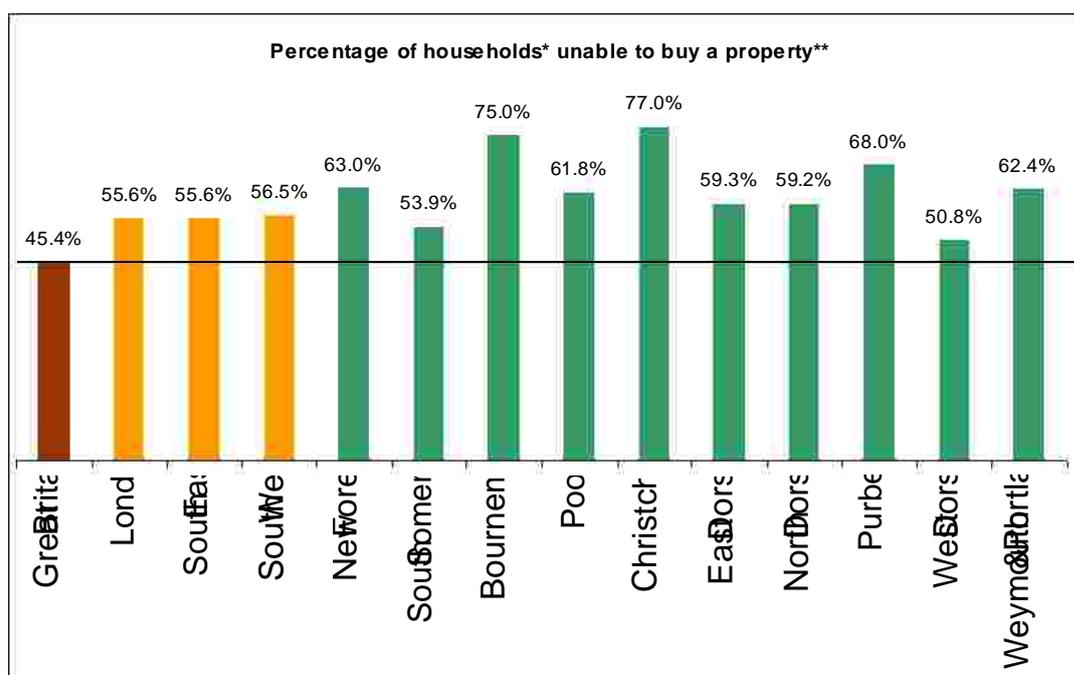
16.4.2 Considering affordable housing need from the perspective of young working households trying to access property at the bottom end of the market, research undertaken by the Joseph Rowntree Foundation⁸¹ shows that there is a very high level of need in those districts with a low index, as well as those with a high figure. Figure 16.1 shows that for these households the percentage unable to buy a property is highest in Christchurch and well above average in East and North Dorset. In fact on this measure, Christchurch has the worst affordability problem in the Country. So for those households with a need in these districts, including many rural households, the problems are severe.

⁸⁰ Acorn classification of social-demographic characteristics

⁸¹ ⁸¹ "The Geography of Affordable and Unaffordable Housing" Steve Wilcox (2006). Available for download at <http://www.jrf.org.uk/bookshop/eBooks/1951-affordability-housing-regions.pdf>

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

Figure 16.1 Households Unable to Purchase a Property



Source Joseph Rowntree Foundation, Geography of Affordable and Unaffordable Housing. 2006
* Households aged 20-39 ** 2-3 bedroom houses at or above the 25% cheapest (lower quartile)

16.5 How Realistic is the CLG Measure of Need?

- 16.5.1 The CLG Needs model produces a value for the annual amount of extra affordable housing which would result, over time, in there being no further need for affordable housing in an area. Households would no longer be in unsuitable housing, or living in the private rented sector on housing benefit. 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, not the current reality.
- 16.5.2 One particular assumption that affects the estimates is that it assumes that no more than 25% of income should be spent on housing. In reality, and evidenced by the Housing Needs Survey, many households will be spending a much higher percentage of their income than this on housing. This will be out of necessity but also, sometimes, because they prefer to achieve a particular type or location of housing and are prepared to make sacrifices to achieve it.
- 16.5.3 Many households will be found in the private rented sector who cannot afford market rents at 25% of income. Of these a proportion will be on housing benefit, but a substantial proportion will not be. In both cases, the private rented sector on short hold, does not provide affordable housing in the CLG definition and does not provide long term security for vulnerable households.
- 16.5.4 The CLG model is recommended by the current Guidance and so the calculation must be done to assess the level of housing need. However to provide a more realistic

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

understanding of housing needs and outputs for some of the other the key PPS3 requirements, Fordham Research have developed the Balanced Housing Market as described in Chapter 13 above.

16.6 Results of the BHM Analysis

16.6.1 Summary tables showing the results of the BHM analysis for the HMA and its sub areas are shown in Chapter 13 (Tables 13.5 – 13.8 and 13.13 -13.17). The tables for individual Local Authority areas are included in Appendix 1. Tables 16.2 and 16.3 below set out the market : affordable split found in individual BHMs for the HMA sub areas and for local authority areas.

16.6.2 Across the two HMAs there is a greater demand for housing than the current stock of dwellings can meet. Considering all tenures, there is an apparent shortfall of 4,095 dwellings per annum in the Bournemouth / Poole HMA and 1,584 in the Dorchester / Weymouth HMA. These figures include the parts of North and West Dorset that are within the North West Dorset sub area. The total of 492 dwellings for North West Dorset is also shown in the last row. Shortages can be seen in each of the sub areas of the HMAs.

16.6.3 Looking in particular at the relative demand for affordable as opposed to market housing at HMA and sub area level, Table 16.2 shows that the demand for affordable is over half the overall demand in all areas, apart from North West Dorset.

Table 16.2 BHM Market : Affordable Split in Housing Shortfall by HMA Sub area.

| HMA and Sub area | Overall housing shortage from BHM (Dwellings per annum) | BHM % Market housing | BHM % Affordable housing |
|-------------------|---|----------------------|--------------------------|
| B/P HMA | 4,095 | 45.36 | 54.64 |
| B/P core | 2,952 | 42.55 | 57.45 |
| B/P Periphery | 806 | 47.02 | 52.98 |
| NW Dorset (part) | 334 | 66.17 | 33.83 |
| D/W HMA | 1,584 | 47.98 | 52.02 |
| Weymouth core | 473 | 44.82 | 55.18 |
| Dorchester core | 230 | 40.00 | 60.00 |
| D/W Periphery | 725 | 46.76 | 53.24 |
| NW Dorset (part) | 158 | 74.05 | 25.95 |
| North West Dorset | 492 | 69.11 | 30.89 |

Source: Fordham Research Dorset HNDS 2007.

NOTE: The NW Dorset figures are also counted within the Bournemouth / Poole and Dorchester / Weymouth HMA totals.

16.6.4 When the individual districts and boroughs are examined (see Table 16.3), it can be seen that the proportion of market to affordable varies from 40:60 in Poole and Bournemouth, to 60:40 in Christchurch and about 50:50 in the more rural areas. In both North Dorset and West Dorset, the demand for affordable housing in the district as a whole is greater than in the parts of those districts that make up the North West Dorset sub area. This indicates that the demand for affordable housing must be greater in those parts of each district that lie outside the North West Dorset sub area.

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

Table 16.3 BHM Market : Affordable Split in Housing Shortfall by Local Authority area (dwellings per annum)

| HMA and LA area | Overall housing shortage from BHM (Dwellings per annum) | BHM % Market housing | BHM % Affordable housing |
|-----------------------|---|----------------------|--------------------------|
| B/P HMA | 4,095 | 45.36 | 54.64 |
| Bournemouth | 1,196 | 39.97 | 60.03 |
| Poole | 1,321 | 38.23 | 61.77 |
| Christchurch | 439 | 62.87 | 37.13 |
| East Dorset | 375 | 52.00 | 48.00 |
| North Dorset | 494 | 55.47 | 44.53 |
| Purbeck | 270 | 48.89 | 51.11 |
| D/W HMA | 1,584 | 47.98 | 52.02 |
| West Dorset | 1,104 | 50.91 | 49.09 |
| Weymouth and Portland | 480 | 41.25 | 58.75 |

Source: Fordham Research Dorset HNDS 2007.

16.6.5 However, when the housing supply that may come forward is examined, it can be seen that even the Panel's proposed housing figures are lower than the overall housing shortage identified in each local authority area through the BHM (see Table 16.4). In Poole, even the affordable housing numbers derived from the BHM assessment are above the overall housing numbers proposed by the draft RSS or the Panel. In several other districts, Bournemouth, Christchurch, West Dorset and Weymouth, they are within 80-100% of the overall amount of housing proposed. In all authorities they are above 50%.

16.6.6 As the amount of development coming forward through the RSS is likely to be less than the levels the BHM suggests are needed, a judgement needs to be made as to how much of the total future supply should be affordable housing. Evidence on the employment sectors that are likely to see most growth in the future show that it is the lower paid jobs, such as caring, personal services and sales occupations, where most new growth is anticipated (see Chapter 12). These types of job will increase to meet the demand as the population grows more elderly. To fill these jobs, there will be an increasing demand for more affordable housing, so the proportions indicated in the tables above are unlikely to diminish over the plan period.

Table 16.4 Comparison of Dwelling Demand (BHM) and Supply (RSS)

| HMA and LA area | A Affordable dwelling shortage from BHM | B Overall housing shortage from BHM | C Draft RSS proposals 2006-16 (all hsing) | D EIP Panel's proposals 2006-16 (all hsing) | E BHM Affordable dwellings as % of Panel figs. |
|-----------------------|--|--|--|--|---|
| Dwellings per annum. | | | | | |
| B/P HMA | 2234 | 4,095 | 2,285 | 2,405 | 92.9 |
| Bournemouth | 718 | 1,196 | 720 | 805 | 89.2 |
| Poole | 815 | 1,321 | 700 | 500 | 163.0 |
| Christchurch | 163 | 439 | 200 | 173 | 94.2 |
| East Dorset | 180 | 375 | 270 | 320 | 56.3 |
| North Dorset | 220 | 494 | 290 | 350 | 62.9 |
| Purbeck | 138 | 270 | 105 | 258 | 53.5 |
| D/W HMA | 824 | 1,584 | 690 | 905 | 91.1 |
| West Dorset | 542 | 1,104 | 410 | 625 | 86.7 |
| Weymouth and Portland | 282 | 480 | 280 | 280 | 100.7 |

Source: Fordham Research Dorset HNDS 2007 and SW RSS Panel Report 2008.

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

16.7 Conclusions on the Affordable : Market Split of Development

- 16.7.1 There is a clear need for additional development in both HMAs to satisfy the demand for market and affordable housing.
- 16.7.2 The CLG assessment indicates that need is so high that, even if every house built during the next ten years is an affordable dwelling, there would still be an outstanding need. However it is accepted that this is a somewhat idealistic assessment of need and does not account for the role that private rented housing plays in the market.
- 16.7.3 The Balanced Housing Market approach, which looks at the demand for both market and affordable housing, shows lower overall demand for affordable housing than the CLG approach but clear evidence that across both HMAs (other than the North West Dorset sub area) over 50% of the demand is for affordable housing. This approach also assumes a high level of housing supply will come forward.
- 16.7.4 When approved, the RSS will set the actual number of dwellings to be built in the area to 2026. In view of the many constraints to development in the Dorset sub region, the final figures are likely to be below the total suggested in the BHM approach. Both the draft RSS policy and the changes recommended by the EIP Panel, suggest that affordable housing should be within the range of between 30/35% to 60% "or higher in areas of greatest need". The draft RSS and the Panel's proposed changes allow for whatever levels of affordable housing can be justified in areas of greatest need.
- 16.7.5 The final RSS housing supply figures across the two HMAs are not yet known, but the evidence suggests that to meet either need or demand, at least 50% of all new housing should be affordable dwellings rising to 100% in several authorities.
- 16.7.6 Proportions as high as this may not be economically viable. Local authorities are now being urged to assess the viability of any housing sites that come forward for development. This being the case, it is suggested that the starting point for negotiation on the percentage of affordable housing should be the level of demand/need as a proportion of the total supply in any area, reducing to the highest proportion that is economically viable on any site. At this stage the percentages in column E of Table 16.4 and Table 16.1 should be used. When the final RSS figures are known, these will need to be revised.
- 16.7.7 Because of the very high level of need across the two HMAs the following approach to determine the overall proportion of market to affordable development is suggested:
- Assess the level of affordable housing demand presented in Table 16.4 above as a proportion of the RSS supply in the area concerned and use this to determine the minimum percentage of affordable housing required.
 - Assess the level of affordable housing need presented in Table 16.1 above as a proportion of the RSS supply in the area concerned and use this to calculate the maximum percentage of affordable housing required.
 - Assess the viability of providing affordable housing on the site at the highest proportion economically viable within the range identified above or as close to it as possible.

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

16.7.8 The final proportion of affordable housing provided will also depend on the mix of tenure types that is proposed. This is discussed further below.

16.8 Type of Affordable Housing Needed

16.8.1 PPS3 requires local authorities to define the size and type of affordable housing to be sought in each area (i.e. the mix between social rented and intermediate forms of affordable housing.) Social rented housing most readily meets the needs of those households on the lowest incomes, but as the gap between this and the private market has increased, so have the number of households who fall within it. Different housing products, often involving part rent and part ownership, have been designed to fill this 'intermediate' market, as discussed in Chapter 15 above.

16.8.2 In deciding what proportions of each should be sought in any area, the level of need shown through the CLG and BHM assessments needs to be considered alongside the overall amount of housing likely to be built.

16.8.3 Table 16.5 compares the findings of the CLG (Col A) and BHM (Col B) models regarding the amount of affordable housing required and also compares this with the proposed level of housings in the draft RSS (Col F) and the recommendations of the EIP Panel (Col G).

16.8.4 The table also shows both the proportions and numbers of dwellings per annum that each assessment proposes as 'intermediate' housing (Cols C and D) and the total amount of housing proposed through the BHM analysis (Col E). In the case of the CLG figures these are taken from Fordham's analysis of those in need who can afford Intermediate Rented housing as discussed in Chapter 15.

16.8.5 The requirement for intermediate housing implied in the BHM tables represents the number of households who could afford the 'Usefully affordable' level at the mid point of the intermediate gap.

16.8.6 The BHM figures assume a higher overall supply of housing in each area than proposed in the draft RSS or Panel recommendations, so it would not be appropriate simply to use the proportions of intermediate housing indicated by the BHM as the basis for negotiation.

16.8.7 It was shown in Chapter 15 how the proportion of households able to afford intermediate housing products diminishes as the costs of those products rise. In Bournemouth, for instance, there is a very marked difference between the percentage that can afford the Usefully Affordable level (35%) and those that can afford the Intermediate rent level (5%). The BHM demand for affordable housing, at 718 dwellings, is almost 90% of the Panel's proposed total housing supply of 805 dwellings. As such, the vast majority of the need is only likely to be met by social rented housing.

16.8.8 In Purbeck, there is a similar sharp drop in the proportions that can afford intermediate housing, but here the numbers of dwellings involved are far fewer. There may be opportunities to provide the actual number of intermediate dwellings proposed if the Panel's recommended number of dwellings for this District come forward and if at least 50% of that housing is affordable.

16.8.9 In West Dorset, there is a significant difference between the proportion of households that can meet the Usefully Affordable level and those that can afford the Intermediate

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

rent level. Even with the Panel's proposal for new housing, a very high proportion of social rented housing will be needed. In Weymouth, where house prices are generally lower, there appears to be a flatter curve in the distribution of households that can afford the different intermediate costs. About 30% of the households in need could afford Intermediate rent. The Panel proposed some 280 dwellings each year. This may be compared with the 800 dwellings per annum shown to be needed under the CLG approach. It is likely that actual number of intermediate dwellings to come forward will be much fewer the numbers needed.

16.8.10 In discussing the relative proportions of intermediate and social rented housing, it is essential to remember that the actual weekly cost of the proposed intermediate product is the critical factor. If this is higher than the costs set out in the cost tables for each authority in Appendix 2 then the housing will be unaffordable to the majority of those in need and will not meet the requirements of PPS3.

Table 16.5 Comparison of CLG and BHM Assessment of Annual Need for Intermediate Housing by HMA and Local Authority Area.

| Area | A | B | C | D | E | F | G |
|---------|--|--|--|---|--------------------------------------|---|---|
| | CLG Annual need for affordable housing | BHM Annual need for affordable housing | BHM proportion of annual affordable need as intermediate (actual figs) | % of CLG annual affordable need that can afford intermediate rent (actual figs) | BHM total housing demand (per annum) | Draft RSS housing proposals 2006-2016 (per annum) | EIP Panels' Housing recommendations 2006 – 2016 (per annum) |
| B/P HMA | 5,704 | 2,234 | 41% (910) | 9% (524) | 4,098 | 2,285 | 2,405 |
| Bnm'th | 3,015 | 718 | 35% (250) | 5% (150) | 1,196 | 720 | 805 |
| Poole | 1,199 | 815 | 45% (364) | 13% (156) | 1,321 | 700 | 500 |
| Chrstch | 243 | 163 | 48% (78) | 9% (22) | 439 | 200 | 173 |
| EDDC | 440 | 180 | 35% (63) | 15% (66) | 375 | 270 | 320 |
| NDCC | 399 | 220 | 50% (109) | 30% (119) | 494 | 290 | 350 |
| Purbeck | 409 | 138 | 33% (46) | 3% (11) | 270 | 105 | 258 |
| D/W HMA | 1,538 | 824 | 52% (424) | 18% (271) | 1,584 | 690 | 905 |
| WDDC | 737 | 542 | 52% (281) | 3%(25) | 1,104 | 410 | 625 |
| WPBC | 800 | 282 | 51% (143) | 31% (246) | 480 | 280 | 280 |

Source: Fordham Research Dorset HNDS 2007 and SW RSS Panel Report 2008.

Note: Although the percentages in Columns C and D are calculate from different totals (those in Columns B and A respectively) they indicate the diminishing frequency of households able to afford housing as costs rise. Ideally graphs showing the frequency of households able to afford the different costs of housing under both the BHM and CLG approaches should be plotted so the actual numbers could be calculated under both approaches. In the absence of this information it can only be assumed that the graphs would show similar patterns and that the figures in Columns C and D indicate the general proportions of households able to afford housing at those costs.

16.9 Conclusions on the Type of Affordable Housing Required.

16.9.1 Bearing in mind the level of housing that is likely to come forward within each HMA and the generally high level of need for social rented housing, it is suggested that the ratio of intermediate to social rented housing in any area should broadly follow the proportions

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

implied from the analysis of the CLG need figures for each local authority, shown in Table 16.5, Column D.

- 16.9.2 This will not rule out the possibility of varying the mix on any particular site to achieve a development that is economically viable, provided the costs of the intermediate housing proposed fall in line with the cost tables in Chapter 17. However, averaged across the local authority, it is suggested that the mix should follow the proportions indicated in Table 16.5, Column D.
- 16.9.3 The ratio of intermediate to social rented housing developed across the two HMAs should broadly follow the proportions indicated under Column D of Table 16.5, but should ultimately pay regard to the cost of the product proposed. If these can be shown to meet the Usefully Affordable level, proportions may be increased towards those shown in Column C of Table 16.5.

16.10 Size of Affordable Dwellings Required

- 16.10.1 The BHM assessment gives an indication of the number of dwellings of different sizes that would be required to meet the demands of household movements into and about each district or borough, by tenure. The survey is a snapshot at a particular point in time and cannot be used as a definitive assessment of the size of dwellings required over a longer period. However it does provide a broad indication of the demands for different sizes of property, taking into account both the supply of and demand for different types and sizes of property.
- 16.10.2 The only other source of information on the size of affordable housing needed in any area is the Housing Register. Statistics on the size of dwelling required by households registered are shown in Chapter 8. These figures have been taken from HSSA returns⁸² for each local authority in 2006. They reflect the size of household seeking accommodation and so will be a closer match to actual needs of the household concerned, than their stated preference. These figures relate to all households on the register, not just those in greatest need and for whom most new affordable housing will be focussed. They may also include some double counting where the register has not been adequately updated. Hence neither this nor the BHM assessment can be considered definitive, but looked at together they give a good idea of the general mix of dwelling sizes required.
- 16.10.3 For ease of comparison, tables showing the proportion of different size of affordable dwellings required from these two sources have been produced. In some cases, authorities may also be using other sources of information on dwelling sizes required and where these are known they have been included. The findings are discussed briefly below.
- 16.10.4 In Bournemouth, there is clearly a larger demand for 1-bed affordable properties than all other sizes. This fits well with the evidence of the Housing Register. This shows that just over 50 % of the excess demand in Bournemouth is for 1-bed accommodation. The fit between the Register and BHM for 2 and 3-bed accommodation is also good. On the other hand, the BHM indicates that 15% of social rented dwellings should be 4+ bed, whereas only 2% of those on the Housing Register are seeking 4+ bed accommodation. This may indicate that although the need from new people on the Register for larger

⁸² HSSA – Housing Strategy Statistical Appendix return for 2006.

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

properties is relatively low, there is still considerable demand from movements within the tenure.

Table 16.6 Comparison of Balanced Housing Market and Housing Register 2006
Proportion of Affordable Housing Required in Bournemouth.

| Tenure | Size of dwelling | | | | Total |
|------------------|------------------|-------|-------|---------|-------|
| | 1 bed | 2 bed | 3 bed | 4 + bed | |
| BHM analysis | | | | | |
| Intermediate % | 33.3 | 42.2 | 24.5 | 0 | 100 |
| Social rented % | 43 | 22 | 11.8 | 23.2 | 100 |
| % All affordable | 39.6 | 29 | 16.2 | 15.2 | 100 |
| Housing Register | | | | | |
| All affordable % | 53.1 | 29.3 | 15 | 2.6 | 100 |

Source: Fordham Research Dorset HNDS 2007 and HSSA 2006

16.10.5 In Poole, the BHM shows a larger demand for 2-bed dwellings while the Register indicates the highest need is for 1-bed dwellings. The proportion of 3-bed dwellings in both assessments are similar but, as in Bournemouth, the BHM indicates much higher need for 4+ bed than the Register. Also shown in this table are figures from the Borough of Poole's Housing Strategy which indicate the proportions of different sizes of shared ownership and social rent dwellings, based on the requirements of households in priority need as opposed to all households on the Register. These generally show a closer fit to the BHM figures than the Register.

Table 16.7 Comparison of Balanced Housing Market and Housing Register, 2006,
Proportions of Affordable Housing Required in Poole.

| Tenure | Size of dwelling | | | | Total |
|--|------------------|-------|-------|---------|-------|
| | 1 bed | 2 bed | 3 bed | 4 + bed | |
| BHM Analysis | | | | | |
| Intermediate % | 28.5 | 52.9 | 10.4 | 8.2 | 100 |
| Social rented % | 2.5 | 57.7 | 21.9 | 17.9 | 100 |
| All affordable % | 14.2 | 55.6 | 16.6 | 13.6 | 100 |
| Housing Register | | | | | |
| All Affordable % | 53.8 | 27.7 | 15.8 | 2.7 | 100 |
| Poole BC Housing Strategy requirements | | | | | |
| Shared ownership % | 21 | 67 | 12 | 0 | 100 |
| Social rent % | 26 | 51 | 19 | 3 | 99 |

Source: Fordham Research Dorset HNDS 2007 and HSSA 2006

16.10.6 In Christchurch the Register indicates the greatest need is for 1-bed dwellings, whereas the BHM indicates that 2 and 3-bed dwellings are in greater demand. In both cases 4-bed dwellings are a relatively small proportion of the total.

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

Table 16.8 Comparison of Balanced Housing Market and Housing Register 2006 proportions of affordable housing required in Christchurch.

| Tenure | Size of dwelling | | | | Total |
|------------------|------------------|-------|-------|--------|-------|
| | 1 bed | 2 bed | 3 bed | 4+ bed | |
| BHM Analysis | | | | | |
| Intermediate % | 28.5 | 52.9 | 10.4 | 8.2 | 100 |
| Social rented % | 2.5 | 57.7 | 21.9 | 17.9 | 100 |
| All affordable % | 13.5 | 37.4 | 43.6 | 5.5 | 100 |
| Housing Register | | | | | |
| All Affordable % | 58.5 | 25.2 | 14.2 | 2.1 | 100 |

Source: Fordham Research Dorset HNDS 2007 and HSSA 2006

16.10.7 In East Dorset the proportion of 1-bed from the Register is twice that of 2-bed, whereas in the BHM assessment the demand for 2-bed dwellings is higher. Both assessments indicate a need for about 15% of 3-bed dwellings, but when the BHM figures are broken down into intermediate and social rented it can be seen that all the need at this size is for social rented housing. The BHM analysis indicates higher proportions of 4+ bed housing. East Dorset District Council has recently undertaken further analysis of their Housing Register figures and consider that the figures shown in the bottom row of the table represent a better picture of current needs. These match the 2006 Register figures more closely than the BHM figures.

Table 16.9 Comparison of Balanced Housing Market and Housing Register, 2006, Proportions of Affordable Housing Required in East Dorset.

| Tenure | Size of dwelling | | | | Total |
|------------------------------------|------------------|-------|-------|--------|-------|
| | 1 bed | 2 bed | 3 bed | 4+ bed | |
| BHM Analysis | | | | | |
| Intermediate % | 12.7 | 71.4 | 0 | 15.9 | 100 |
| Social rented % | 12.6 | 31.1 | 23.5 | 32.8 | 100 |
| All affordable % | 12.6 | 45.1 | 15.4 | 26.9 | 100 |
| Housing Register | | | | | |
| All Affordable % | 54.9 | 28.7 | 14 | 2.4 | 100 |
| EDDC requirements as of 01.01.2008 | | | | | |
| All affordable | 51.7 | 28.8 | 17.6 | 1.9 | 100 |

Source: Fordham Research Dorset HNDS 2007 and HSSA 2006

16.10.8 In North Dorset the BHM figures indicate a demand for 3-bed dwellings, particularly in the social rented sector. This also indicates that 2-bed social rented dwellings are over supplied. On the other hand the Register data indicates that the highest demand is for 2-bed dwellings, and 3-bed dwellings are less than half this figure. There is more synergy in the demand for 1 and 4-bed dwellings between the two sources.

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

Table 16.10 Comparison of Balanced Housing Market and Housing Register, 2006,
Proportions of Affordable Housing Required in North Dorset.

| Tenure | Size of dwelling | | | | Total |
|------------------|------------------|-------|-------|--------|-------|
| | 1 bed | 2 bed | 3 bed | 4+ bed | |
| BHM Analysis | | | | | |
| Intermediate % | 16.4 | 46.4 | 32.7 | 4.5 | 100 |
| Social rented % | 10.8 | -23.4 | 96.4 | 16.2 | 100 |
| All affordable % | 13.6 | 11.3 | 64.7 | 10.4 | 100 |
| Housing Register | | | | | |
| All Affordable % | 16.5 | 56.4 | 22 | 5.1 | 100 |

Source: Fordham Research Dorset HNDS 2007 and HSSA 2006

16.10.9 In Purbeck, as in several of the other authorities, the Register indicates about half the demand is for 1-bed dwellings with less demand for all other sizes, whereas the BHM analysis indicates highest demand is for 2-bed dwellings. Both assessments show minimal demand for 4+ bed dwellings.

Table 16.11 Comparison of Balanced Housing Market and Housing Register, 2006,
Proportions of Affordable Housing Required in Purbeck.

| Tenure | Size of dwelling | | | | Total |
|------------------|------------------|-------|-------|--------|-------|
| | 1 bed | 2 bed | 3 bed | 4+ bed | |
| BHM Analysis | | | | | |
| Intermediate % | 0 | 44.7 | 55.3 | 0 | 100 |
| Social rented % | 26 | 53.3 | 17.4 | 3.3 | 100 |
| All affordable % | 17.3 | 50.4 | 30.2 | 2.1 | 100 |
| Housing Register | | | | | |
| All Affordable % | 53.9 | 30.6 | 14.2 | 0.3 | 100 |

Source: Fordham Research Dorset HNDS 2007 and HSSA 2006

16.10.10 In West Dorset, as in many other authorities, the demand for 1-bed accommodation is highest in the Register whereas 2-bed accommodation is in greater demand in the BHM analysis. The demand for 3 and 4 or more bed dwellings is of a smaller scale in both assessments.

Table 16.12 Comparison of Balanced Housing Market and Housing Register, 2006,
Proportions of Affordable Housing Required in West Dorset.

| Tenure | Size of dwelling | | | | Total |
|------------------|------------------|-------|-------|--------|-------|
| | 1 bed | 2 bed | 3 bed | 4+ bed | |
| BHM Analysis | | | | | |
| Intermediate % | 21.3 | 49.8 | 24.6 | 4.3 | 100 |
| Social rented % | 40.8 | 34.4 | 17.9 | 6.9 | 100 |
| All affordable % | 30.8 | 42.3 | 21.4 | 5.5 | 100 |
| Housing Register | | | | | |
| All Affordable % | 57.1 | 26.3 | 15.2 | 1.3 | 100 |

Source: Fordham Research Dorset HNDS 2007 and HSSA 2006

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

16.10.11 In Weymouth and Portland the demand for 1-bed dwellings is highest on both the Register and the BHM assessments. There is progressively less demand for the other dwelling sizes, although the gap between demand for 1 and 2-bed dwellings is smaller in the BHM.

Table 16.13 Comparison of Balanced Housing Market and Housing Register, 2006, Proportions of Affordable Housing Required in Weymouth and Portland.

| Tenure | Size of dwelling | | | | Total |
|------------------|------------------|-------|-------|--------|-------|
| | 1 bed | 2 bed | 3 bed | 4+ bed | |
| BHM Analysis | | | | | |
| Intermediate % | 45.4 | 32.9 | 21.7 | 0 | 100 |
| Social rented % | 34.8 | 39.9 | 26 | -0.7 | 100 |
| All affordable % | 40.2 | 36.3 | 23.8 | -0.3 | 100 |
| Housing Register | | | | | |
| All Affordable % | 53.1 | 26 | 15.8 | 5.1 | 100 |

Source: Fordham Research Dorset HNDS 2007 and HSSA 2006

16.11 Conclusions on Size of Affordable Housing Required

16.11.1 A general conclusion that can be drawn from these tables is that, in seven out of the eight authorities, the Housing Register indicates about 50% of the need is for 1-bed dwellings and 25% is for 2-beds. The only authority with a different pattern is North Dorset where 2-bed dwellings are in higher demand. The BHM analysis records different patterns in each authority, but generally the demand for 2-bed dwellings is highest and in North Dorset it is for 3-beds. This difference between the two measures may be as expected. The BHM looks at the preferences of individual households and the Register measures actual needs. Thus both sources probably indicate a consistent need /demand across both HMAs for accommodation for single person households, but in the register it is expressed as a requirement for 1-bed dwellings while in the BHM the household preference is for 2-beds, to provide a little more space.

16.11.2 This also accords with the evidence elsewhere in this report that household size is declining and the number of single person households growing. It has also been shown earlier that, in the rural areas in particular, the proportion of smaller properties in the dwelling stock is relatively low and so there is a need to increase the supply of smaller dwellings to meet the future needs of smaller households.

16.11.3 Authorities must also consider the relative cost and flexibility of 1-bed properties in the overall stock. While a 2-bed property could provide a home for a small family as well as a couple, a single bed dwelling can only provide a home for a maximum of two people.

16.11.4 It is suggested that the evidence on demand and need for different sizes of affordable dwellings in both the BHM assessment and the Housing Register records for each local authority area as shown in Tables 16.6 to 16.13 should be used to decide the most appropriate breakdown on the size of affordable housing required.

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

16.12 The Likely Profile of Market Housing Required

- 16.12.1 The final requirement of PPS3 is to identify the likely profile of households that require market housing, eg multi person including families and children, single people and couples, expressed as percentages. This is not easy. Household types will change over time and households are continually moving into and out of the area. In addition personal choice and financial circumstances mean that the size of property desired may vary from that indicated by household size alone.
- 16.12.2 To try and draw some conclusions, this section looks at migration patterns and future household projections as well as evidence from the Survey on household size and housing expectations.
- 16.12.3 Evidence from the census on the pattern of migration within the Dorset sub region in recent years shows that self containment is relatively low (62% in the Bournemouth/Poole HMA and 58% in Dorchester/Weymouth.) Of the 30,000 people who moved into the area in the year before the census around 40% came from London and the South East region. These are generally more expensive areas in terms of housing and many of these households will have the buying power to purchase a property in Dorset. (See Chapter 3).
- 16.12.4 Of those people moving in to both HMAs, the majority were in the pre retirement age groups. The only area where young people (aged 16-24) grew was the Bournemouth/Poole core. In all other areas this age group declined. There was a significant movement between the core and periphery in both HMAs with a trend of older people moving out from core to periphery and younger people moving in the reverse direction. (See Chapter 4).
- 16.12.5 In-migration clearly has an impact on the number of new dwellings needed in the area. The analysis of locally generated demand in Chapter 12 showed that if migration was taken out of the equation, there would only be a need for around 100 dwellings per annum to meet natural changes in household formation across the Dorset sub region, as opposed to the 2,780 new dwellings per annum proposed in the draft RSS.
- 16.12.6 Fordham Research looked at migration patterns from the survey results. Over the past 2 years almost 64,000 households moved into or within the Dorset sub region. 28% of all moves were from outside Dorset. Almost 30% of all moves were to or within Bournemouth. Levels of self containment appear higher than in the census, with over 62% of those moving within Bournemouth staying in the Borough and over 68% in Weymouth and Portland. The areas with the highest levels of in-migration were West Dorset (36%), Poole and North Dorset (35% each).
- 16.12.7 Fordham Research also examined households' expected movements over the next 2 years. These indicate possible higher levels of self containment (perhaps due to the high cost of housing in the area). Around 10,000 households expect to move out of the area, far fewer than actually moved in from outside Dorset over the previous 2 years (17,800). These figures are for different time periods so are not strictly comparable. They do indicate a continuing pattern of net in-migration.
- 16.12.8 The evidence therefore shows that there will be a continuing need for housing to accommodate the growing number of households moving to the area. In the Bournemouth / Poole core there will be a need for housing for young people as well as

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

older age groups, but in other areas the demand will be focussed more on pre retirement and older age groups.

- 16.12.9 Evidence from the ONS shows that trend based household projections indicate continued growth in the Dorset sub region over the 2006 – 2026 period, (see Chapter 12). The growth in one person households is particularly significant. In the Bournemouth / Poole HMA they are expected to increase from 75,900 (32%) to 106,700 (38%) of all households and in Dorchester/Weymouth from 23,600 (33%) to 37,400 (41%). Alongside this a decrease in the proportion of couple households across the HMA is projected, (married + cohabiting couples) from 56% to 50% in Bournemouth / Poole HMA and from 57% to 51% in Dorchester/ Weymouth, although in terms of actual numbers there is a small growth in both areas. These projections do not give a break down of families other than one parent families. A full analysis of the changes in the types of household defined in PPS3 cannot be achieved from these projections.
- 16.12.10 However, when looking at different age groups, more significant changes can be seen. In Bournemouth / Poole the number of one person households aged in their mid 50s to mid 70s is expected to increase from 24,000 in 2006 to 37,000 in 2026 (a 54% increase). In Dorchester/ Weymouth a similar pattern is expected, but with households in their mid 70s to mid 80s also increasing significantly. Working age households are expected to increase by around 17,500 across the sub region. The most significant increases are expected in Bournemouth (9,300) and North Dorset (2,000). An increase of 3,500 working age households is expected in the Dorchester/ Weymouth HMA.
- 16.12.11 These trends may be influenced by future policy decisions regarding the location of new jobs. Labour demand led forecasts indicate there could be a shortfall of housing to meet labour requirements in Poole where major regeneration work is underway, so housing to attract a working age population is required. In the periphery authorities however there could be an over supply of housing to meet labour requirements, so the needs of single elderly person households is a greater priority.
- 16.12.12 Chapter 12, Future Housing Requirements suggests that, overall in the Bournemouth/ Poole core there would be a need for a mix of family housing and smaller dwellings to house the various ages and types of household seeking jobs in the area. There would also be a need to provide specialist housing including retirement homes for the older age groups, to encourage down sizing and the release of larger properties. In the periphery employment led demand would be less, but smaller dwellings and “adapted” housing to cater for the needs of the elderly would be required. In the Dorchester / Weymouth HMA the main demand will be from the growing number of elderly, single person households, but an increased supply of smaller dwellings to provide opportunity for downsizing and to attract younger workers to stay in the area may also be required.
- 16.12.13 Finally, Fordham Research looked at the profile of households requiring market housing from the Survey response. They looked specifically at households’ expected moves over the next two years, focussing on moves within the market sector. The analysis was broken down into the three categories of household required by PPS3 as well as a separate category of older person households. The groups were not overlapping; all older person households (single and couples) are included as “older persons” not as “single person” or “multi adult”. Table 16.14 below shows the results of this analysis by Local Authority and HMA.

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

Table 16.14 Gross demand for market housing (per annum) by household type.

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

Source: Fordham Research, Dorset, Poole and Bournemouth HNSD 2008.

16.12.14 The results show that the most significant gross demand for market housing is by couple households (multi adult), which make up just under 40% of the overall demand. Within this category, the figures range from 34.5% in Christchurch to 44% in Poole and Purbeck. They are lower in the Dorchester / Weymouth HMA at around a third of the gross demand.

16.12.15 Single non pensioner households make up only 18.7 % of the total in both HMAs. In the Bournemouth / Poole HMA the figures vary from 11% in East Dorset to over 25% in Bournemouth. This is as expected, with the influence of the University pushing up Bournemouth's figures. The relatively low demand from single non pensioners may seem

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

surprising given that the household projections show increasing numbers of single person households. However it should be noted that many of the households in the "older persons" category will be single person households. Also, many more single person households whether pensioners or not, can arise through death or departure of a spouse/partner, without any house move at all.

- 16.12.16 Across the Dorset sub region "older persons" make up around 19% of all moving households. However there is considerable variation between the two HMAs with over 22% of demand in Dorchester / Weymouth being older persons compared to just 18% in Bournemouth / Poole. Within the Bournemouth / Poole HMA there is also variation between the local authorities, with over 30% in Christchurch and only 13% in Purbeck. Figures for the Boroughs of Bournemouth and Poole are below the HMA average, probably due to the influence of the younger population in these authorities.
- 16.12.17 Families (Households with children) make up 22% of all moving households in the Bournemouth / Poole HMA but over 25% in Dorchester / Weymouth where they are noticeably high in Weymouth (27.4%). The figures range from just under 19% in Bournemouth to almost 30% in Purbeck. The profile in Purbeck generally seems to be more influenced by younger households, both multi adult and families, than other parts of the HMA.
- 16.12.18 The evidence from both the projections and Fordham Research survey work suggest the size of households that might require market housing and so fulfil the requirements of PPS3. However the evidence does not indicate what size/type of housing those households may need. It ignores flows into and out of the market and individual households' willingness to pay for larger accommodation than strictly needed. For this reason, the BHM results which assess households' preferences against available stock of different sizes may be a more realistic indicator of the demand for different sizes of property. Table 16.16 shows the breakdown of demand for different sizes of property by local authority. It identifies both the demand for owner occupied property only and for all market housing (ie including private rent⁸³). This generally shows most demand for 2 bed properties in the core authorities and higher proportions for 3 bed property in the periphery. It may be concluded that many households are seeking dwellings that are slightly larger than strictly needed.

⁸³ It should be noted in Table 16.16 that the figures for "Total market housing" are often lower than just the owner occupied figure. This is due to the BHM tables showing an over demand for private rented housing in several local authorities.

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

Table 16.15 Size of market housing required from BHM

| Local Authority | Percentages | | | | Nos |
|--------------------------|-------------|-------|---------|-----------|-------|
| | 1 bed | 2 bed | 3 bed + | All sizes | All |
| Bournemouth | | | | | |
| Owner occupied | 16.3 | 54.5 | 29.2 | 100 | 661 |
| Total market housing | 16.5 | 34.7 | 48.7 | 100 | 478 |
| Poole | | | | | |
| Owner occupied | 11.1 | 35 | 53.9 | 100 | 360 |
| Total market housing | 25.2 | 54.5 | 20.3 | 100 | 505 |
| Christchurch | | | | | |
| Owner occupied | 16.7 | 44.4 | 39.3 | 100.4 | 293 |
| Total market housing | 22.1 | 40.9 | 37 | 100 | 276 |
| East Dorset | | | | | |
| Owner occupied | -1.2 | 51.2 | 50 | 100 | 203 |
| Total market housing | 15.4 | 46.7 | 37.4 | 99.5 | 195 |
| North Dorset | | | | | |
| Owner occupied | -12.0 | 21.7 | 90.3 | 100 | 277 |
| Total market housing | 5.5 | 30.3 | 63.9 | 99.7 | 274 |
| Purbeck | | | | | |
| Owner occupied | 5.5 | 17.2 | 77.3 | 100 | 163 |
| Total market housing | 18.2 | 15.2 | 66.7 | 100.1 | 132 |
| B/P HMA | | | | | |
| Owner occupied | 8.6 | 41.3 | 50.1 | 100 | 1,957 |
| Total market housing | 18.1 | 40.2 | 41.7 | 100 | 1,860 |
| West Dorset | | | | | |
| Owner occupied | 0.2 | 45 | 54.8 | 100 | 582 |
| Total market housing | 12.5 | 53 | 34.5 | 100 | 562 |
| Weymouth/Portland | | | | | |
| Owner occupied | 20.9 | 44.1 | 35 | 100 | 220 |
| Total market housing | 32 | 68 | 0 | 100 | 198 |
| D/ W HMA | | | | | |
| Owner occupied | 5.9 | 44.8 | 49.4 | 100.1 | 802 |
| Total market housing | 17.9 | 58.2 | 23.9 | 100 | 760 |

Source: Fordham Research, Dorset, Poole and Bournemouth HNSD 2008.

16.13 Conclusion on the Profile of Households Requiring Market Housing

16.13.1 There is no easy way to forecast the likely demand for different sizes of market housing. While we know that household size is declining and that there will be growing numbers of elderly households, we cannot assume that they will all require smaller properties. The best estimate of dwelling sizes required may be to follow the BHM approach and to allow for other factors that may also influence decisions on a more localised level. For instance, in an area where there may be a large number of new jobs proposed, the demand for family housing may rise, or in authorities with a high proportion of elderly people there may be scope to encourage downsizing by providing smaller 'lifetime' homes to a high specification. Future trends in the economy and demographics should be borne in mind

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

when making decisions on dwelling size and type. Ultimately it will be for local authorities to make an assessment in their own area depending on these factors.

- 16.13.2 It is suggested that local authorities should consider the demand for different sizes of market housing identified in the Balanced Housing Market assessment for their area and use this as a guide to the different size of market housing required in the future. In addition, authorities should consider localised demand that may arise from any new jobs proposed or any significant trends in household type evident in their area and make appropriate adjustments to the profile.

Chapter 17 Monitoring and Updating

17.1 Introduction

- 17.1.1 One of the central features of the SHMA Practise Guidance and an aim of the Dorset HMA Partnership is that the housing market research should be a continuing process, not just the production of a single report.
- 17.1.2 The SHMA provides a key source of information which local authorities may use to develop their Housing Strategies and LDF policies. It is essential that the main elements are kept up to date so that everyone involved in the process knows that the information is sound. However it is also important to understand the difference between monitoring and updating. The Guide explains that monitoring is concerned with what is happening now and what may happen in the future; it then compares these trends against existing policies and targets to determine what needs to be done. Updating is a continual process of tracking short term changes in housing market conditions. A few key indicators can be used to track these changes.
- 17.1.3 HMA Partnerships are encouraged to develop a co-ordinated approach to monitoring between themselves and the Region, to ensure the most efficient use of resources. County Councils are encouraged to play a key role in monitoring given their expertise in this area. Monitoring activities should be linked to the existing requirements for monitoring, i.e. the Annual Monitoring Reports that local planning authorities and regions are required to submit to the Secretary of State.
- 17.1.4 It is not anticipated that comprehensive assessments should take place more often than once every five years, however some aspects will need more frequent revision. This assessment included a comprehensive Survey of Housing Need and Demand across the County to provide valuable information on households' current housing situation and moving intentions. This type of survey is unlikely to be repeated more than every five years. Other secondary information is more easily updated on an annual basis; for instance changes in the price of housing to rent or buy, changes in housing need (from Housing Register data) and changes in housing supply.
- 17.1.5 The remainder of this chapter sets out some key indicators that may be tracked and updated so that local authorities can monitor the effectiveness of any housing policies they may include in their Local Development Frameworks.

17.2 Monitoring the Housing Market

- 17.2.1 The housing market is concerned with the interplay of three main factors: the demography, housing and economic structure of the area. To monitor what is happening now and what may happen in the future several key indicators need to be followed.
- 17.2.2 To incorporate any changes in demography, the latest population and household projections should be used. These will track any recent changes and predict what will happen in the future.
- 17.2.3 To capture changes in housing need/demand and the housing structure of the area, changes in dwelling prices and rents and the availability of different types and sizes of property should be tracked to help identify changes in demand for market housing. Analysis of Housing Register or Choice Based Letting data will indicate changes in need

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

for social rented and Intermediate housing. Changes in housing supply can be monitored by size and type of property and by affordable and market housing. These changes can be tracked against a trajectory of what is planned in the area. It is also suggested that weekly housing costs should be updated bi-annually to enable effective negotiation with new affordable housing providers. This is explained in more detail below.

- 17.2.4 What is happening in the economy can be measured through changes in productivity and unemployment rates and indicators such as change in the numbers unemployed in the area. Earnings and income can be tracked alongside those regionally and nationally and studies of affordability, such as that produced by Steve Wilcox for the Joseph Rowntree Foundation, also show how authorities in Dorset compare with other areas.
- 17.2.5 Table 17.1 identifies the information that is of most use for regular updating, what it should tell us and who should be gathering the information. In most cases it will be the County and Unitary Councils who already maintain many of the data sources on a regular basis. In other cases all local authorities will be involved. In the case of the monitoring of affordable housing supply, information gathered by the Dorset Affordable Housing Task Group may be of use, although it will not apply to Bournemouth and Poole.
- 17.2.6 Most information will be updated and reported on an annual basis. The Annual Monitoring Reports produced by local planning authorities would be a useful outlet to report the findings.
- 17.2.7 When the various information sources have been updated, local authorities will need to consider any changes observed and what implications these may have. This forms the monitoring element. For instance, if it can be seen that the price of one type of property is increasing at a faster rate than other property prices in a particular area, this may signify increased demand for that property type in that location. This may encourage the local authority to revisit the mix of dwelling types that it seeks in that area. Local authorities will need to decide the factors that are most useful in monitoring their own housing policies and set parameters for when action should be taken to change direction or modify a policy.
- 17.2.8 One element that will need to be updated on a more frequent basis is the table of weekly housing costs. The way to do this is explained below.

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Areas
June 2008

Table 17.1 Monitoring /updating requirements

| Factor to monitor/update | Area | Data Source | Frequency | What will it tell us? | Who should monitor? |
|---|--|--|----------------------|---|---|
| Demographic changes | | | | | |
| Population and household projections by age and sex and type of household | Local Authority, HMA, Region, national. | ONS | Annual | Changes in the make up of the population and household structure of the area and how these are changing over time. Comparison with regional and national situation. | DCC, Poole and Bournemouth |
| Housing changes | | | | | |
| Dwelling price and availability by size and type of property | Postcode sector, Local Authority, region, national | Land Registry | Quarterly | How prices and availability of different property types and sizes is changing within the HMA and in comparison with regional and national changes. This will indicate whether there are particular supply problems. | DCC, Poole and Bournemouth |
| Weekly costs to buy or rent | Local Authority, or smaller area if necessary | Rightmove.co.uk | Six monthly | The weekly costs of different sizes and types of property, to back up negotiation on new affordable housing. | Unitary and Local Authorities (Planning) , |
| Rental costs and availability by size and type of property | Local Authority, region, national | Rightmove.co.uk | Quarterly | How rents and availability of different property types and sizes is changing within the HMA and in comparison with regional and national changes. This will indicate whether there are particular supply problems in the rental sector. | DCC, Poole and Bournemouth |
| Nos on the Housing Register, no of homeless households and size of property required. In the future, demand for property of different sizes/types from analysis of Choice Base Letting data. | Local Authority, HMA, region. | LA or HSSA returns Analysis of Local Authorities' CBL data | Annual | Change in the overall level of need for social rented and intermediate housing and what sizes and types of property are needed. | Unitary and Local Authorities (Housing) |
| Nos of dwellings built by size and type and % affordable/market | Local Authority, HMA, region. | LA Annual Monitoring Report; AHTG monitoring of affordable housing. | Annual; Quarterly | How well the targets for the level of house building and percentage affordable housing are being achieved. | Unitary and Local Authorities (Planning) , DCC. |

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic Housing Market Areas
June 2008

| Factor to monitor | Area | Data Source | Frequency | What will it tell us? | Who should monitor? |
|---|---|--|-----------|--|----------------------------|
| Economic changes | | | | | |
| Structure of employment by employment sector, percentage in high and low paid sectors, comparisons with previous years. | Local Authority, HMA, regional, national. | Annual business inquiry, ONS | Annual | Any changes in employment structure over time | DCC, Poole and Bournemouth |
| Employment growth per annum, changes over time. | Local authority, HMA, regional, national | Annual business inquiry, ONS | Annual | Level of employment growth and changes over time compared to other areas. | DCC, Poole and Bournemouth |
| Productivity levels: GVA per resident head and employee head and changes over time. | Local authority, HMA, regional, national | ONS | Annual | Productivity within the area and changes over time compared to other areas. | DCC, Poole and Bournemouth |
| Local earnings: median gross weekly pay – workplace based and residence based, changes over time. | Local authority, HMA, regional, national | Annual Survey of Hours and Earnings, ONS | Annual. | How local earnings compare with those regionally and nationally and how they are changing over time. | DCC, Poole and Bournemouth |
| Local Incomes: gross domestic Household Income, changes over time. | Unitary Authority and Dorset County, Regional, national | ONS | Annual | How incomes compare with those regionally and nationally and how they are changing over time. | DCC, Poole and Bournemouth |
| Affordability: Ability of households to afford local house prices/rents. | Local Authority, Region. | Joseph Rowntree Foundation | Annual | Ability of households, including young person households to afford average house prices/rents. | DCC, Poole and Bournemouth |
| Unemployment: current claimant count and changes over time. | Local authority, HMA, regional, national | ONS | Quarterly | Changes in the economic conditions in the area and more widely. | DCC, Poole and Bournemouth |
| Qualifications: Percentage gaining 5 or more GCSEs at grades A* -C, average points score at age 16+, and changes over time. | Unitary Authority and Dorset County, Regional, national | Dept for Education and Skills | Annual | Changes in local education performance and how it compares with other areas. | DCC, Poole and Bournemouth |

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

17.3 Updating Housing Costs

17.3.1 In order for local authorities to be able to negotiate effectively with developers on the level and type of affordable housing provided, it is necessary to ensure that the housing cost tables are kept up to date. The following procedure to update the costs is recommended. This may also be found in the individual local authority reports on Housing Need and Demand. Also included are tables of costs for 1, 3 and 4-bed size properties.

17.3.2 The most fundamental set of data for monitoring and updating is the tabulation of weekly cost equivalents for purchase and rental.

17.3.3 How to calculate the updated prices
Before putting the purchase and weekly rent costs on a common basis, 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 local authority) area. The following table sets out some guidance.

| Table 17.2 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 or, for adjacent authorities, the Core data set. |
| 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

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

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

Table 17.3 Turning the Purchase Price for a house into a weekly cost

| |
|--|
| <p>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 $C * I = P$ $P / 52 = W$ $W / C = N$</p> |
| <p>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.</p> |

Source: Fordham Research 2007

- 17.3.5 Once a full set of weekly costs has been obtained, this can be compared with the Cost Tables in Appendix 2 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 submarkets.
- 17.3.6 For Intermediate Rent, a variant using the Reference Rents or Local Housing Allowances published monthly by the Rent Office⁸⁴, can be used. The relevant rent/LHA for the area is multiplied by 0.8 in order to set the Intermediate Rent level.
- 17.3.7 Tables setting out the relative costs per week for each of the local authorities in Dorset in 2007 are included in Appendix 2.

Summary

Monitoring and updating is a key requirement of all SHMAs and HMA Partnerships are encouraged to develop a co-ordinated approach between all the authorities involved in information gathering.

Updating involves the tracking of short term changes in housing market conditions. Monitoring is concerned with analysing what is happening and deciding whether changes in policy are required. Comprehensive new assessments should not take place more often than every five years.

Changes in demography, housing structure and the economy need to be tracked, to show how the local housing market is reacting to changes in policy. A series of items to update and monitor is identified, including who is responsible for the information gathering.

To be able to negotiate effectively on the type of affordable housing that is to be provided, authorities will need to ensure that tables of "Weekly Housing Costs" are updated regularly. It is suggested this should be on a six monthly basis.

⁸⁴ In Dorset the Rent Office in Bournemouth.

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

Analysis of this data should enable local authorities to monitor how the market is changing in their area and make any necessary adjustments to policy. Outcomes should be reported in Annual Monitoring Reports.

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

Glossary of Terms Used

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:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision. (PPS3)

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 (over crowding) or excesses (under occupancy). 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.

County (historic and administrative)

Due to the creation of two unitary authorities (Bournemouth and Poole) the historic county of Dorset is now different from the area administered by Dorset County Council, which excludes the two unitary councils. The administrative county consists of the local authorities of Christchurch, East Dorset, North Dorset, Purbeck, West Dorset, and Weymouth and Portland and is usually referred to as 'Dorset County'

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

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.

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.

Dorset Sub Region

The area including the whole of the historic County of Dorset (i.e. Dorset County, Borough of Poole and Bournemouth Borough)

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.

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).

Household living within another household

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

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

Households sharing

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 constitute 5 one-person households).

Housing demand

The quantity of housing that households are willing and able to buy or rent. (PPS3)

Housing Market Area

Geographical areas defined by household demand and preferences for housing. They reflect the key functional linkages between places where people live and work. (PPS3)

In the case of (historic) Dorset, two HMA's are identified, as follows:

- Bournemouth and Poole HMA: which includes the two unitary authorities (Bournemouth and Poole) plus the local authorities of East Dorset, North Dorset, Purbeck, and Christchurch
- Dorchester and Weymouth HMA: containing the local authorities of West Dorset and Weymouth and Portland

In this report much of the evidence gathered has been on further sub divisions of the 2 HMA as follows:

- Bournemouth / Poole core – The unitary authorities of Bournemouth and Poole and the local authority of Christchurch.
- Bournemouth / Poole periphery – The whole local authorities of East Dorset and Purbeck and the southern part of North Dorset District.
- Dorchester core – the wards comprising Dorchester town.
- Weymouth core – the wards comprising Weymouth town, including Chickerell ward in West Dorset.
- Dorchester / Weymouth periphery – the remaining wards in West Dorset and Weymouth and Portland excluding the Sherborne area.
- North West Dorset – the northern part of North Dorset, including the market towns of Gillingham, Shaftesbury, Sturminster Newton and Stalbridge and their hinterland as well as the town of Sherborne in West Dorset and its hinterland.

Housing need

The quantity of housing required for households who are unable to access suitable housing without financial assistance. (PPS3)

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.

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

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

Housing at prices and rents above those of social rent but below market prices or rents and which:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.

These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent. (PPS3)

Key Worker

Those groups eligible for the Housing Corporation funded Key Worker Living Programme and others employed within the public sector (ie outside of this programme) identified by the Regional Housing Board for assistance. (PPS3)

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.

Low cost market housing

Market housing at the bottom end of the range of market prices. This type of housing is not considered by the government to provide affordable housing.

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

Private housing for rent or sale, where the price is set in the open market.(PPS3)

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 authorities. 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.

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

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.

Projection

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.

Re lets

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 a result of the computer additions made.

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.

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

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 housing

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

Social rented housing

Rented housing owned and managed 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. (PPS3)

Special Needs

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

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).

Strategic Housing Market Assessment (SHMA)

An assessment of the factors that operate together to make a housing market work.

The outputs of an assessment should include:

- An estimate of housing need and demand in terms of affordable and market housing
- An understanding of how the distribution of need and demand varies across the area under study
- An understanding of future demographic trends and the accommodation requirements of specific groups, such as older people and Gypsies and Travellers.

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.

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 provides housing related support in many different forms which includes 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.

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

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)

DCLG or CLG – Department of Communities and Local Government

GIS - Geographical Information Systems

HMA – Housing Market Area

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)

RSS – Regional Spatial Strategy

RTB - Right to Buy

SEH - Survey of English Housing

SHMA – Strategic Housing Market Assessment

TTWA - Travel to Work Area

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

Appendix 1 Balanced Housing Market Assessments by Local Authority

Bournemouth /Poole HMA

Table A1.1 Balanced Housing Markets results for Bournemouth (per annum)

| Tenure | Size requirement | | | | TOTAL |
|------------------|------------------|------------|------------|-------------|-------|
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | 108 | 360 | 169 | 24 | 661 |
| Private rented | -29 | -194 | 27 | 13 | -183 |
| Intermediate | 83 | 105 | 61 | 0 | 250 |
| Social rented | 201 | 103 | 55 | 109 | 468 |
| TOTAL | 363 | 374 | 313 | 146 | 1196 |

Table A1.2 Balanced Housing Markets results for Poole (per annum)

| Tenure | Size requirement | | | | TOTAL |
|------------------|------------------|------------|------------|-------------|-------|
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | 40 | 126 | 131 | 63 | 360 |
| Private rented | 87 | 149 | -81 | -9 | 145 |
| Intermediate | 104 | 193 | 38 | 30 | 364 |
| Social rented | 11 | 261 | 99 | 81 | 451 |
| TOTAL | 242 | 728 | 187 | 164 | 1321 |

Table A1.3 Balanced Housing Markets results for Christchurch (per annum)

| Tenure | Size requirement | | | | TOTAL |
|------------------|------------------|------------|------------|-------------|-------|
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | 49 | 130 | 60 | 55 | 293 |
| Private rented | 12 | -17 | -4 | -9 | -17 |
| Intermediate | 26 | 38 | 14 | 0 | 78 |
| Social rented | -4 | 23 | 57 | 0 | 85 |
| TOTAL | 83 | 174 | 127 | 55 | 439 |

Table A1.4 Balanced 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 |

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

Table A1.5 Balanced Housing Markets results for North Dorset (per annum)

| Tenure | Size requirement | | | | TOTAL |
|------------------|------------------|------------|------------|-------------|-------|
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | -34 | 60 | 131 | 119 | 277 |
| Private rented | 49 | 23 | -45 | -30 | -3 |
| Intermediate | 18 | 51 | 36 | 5 | 109 |
| Social rented | 12 | -26 | 107 | 18 | 111 |
| TOTAL | 45 | 108 | 229 | 112 | 494 |

Table A1.6 Balanced Housing Markets results for Purbeck (per annum)

| Tenure | Size requirement | | | | TOTAL |
|------------------|------------------|------------|------------|-------------|-------|
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | 9 | 28 | 82 | 44 | 163 |
| Private rented | 15 | -8 | -21 | -17 | -31 |
| Intermediate | 0 | 21 | 26 | 0 | 46 |
| Social rented | 24 | 49 | 16 | 3 | 92 |
| TOTAL | 47 | 89 | 104 | 30 | 270 |

Dorchester/Weymouth HMA

Table A1.7 Balanced Housing Markets results for West Dorset (per annum)

| Tenure | Size requirement | | | | TOTAL |
|------------------|------------------|------------|------------|-------------|-------|
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | 1 | 262 | 225 | 94 | 582 |
| Private rented | 69 | 36 | -105 | -20 | -20 |
| Intermediate | 60 | 140 | 69 | 12 | 281 |
| Social rented | 107 | 90 | 47 | 18 | 261 |
| TOTAL | 237 | 529 | 235 | 103 | 1,104 |

Table A1.8 Balanced Housing Market results for Weymouth and Portland

| Tenure | Size requirement | | | | TOTAL |
|------------------|------------------|------------|------------|-------------|-------|
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | 46 | 97 | 26 | 51 | 220 |
| Private rented | 20 | 47 | -54 | -35 | -22 |
| Intermediate | 65 | 47 | 31 | 0 | 143 |
| Social rented | 48 | 55 | 36 | -1 | 139 |
| TOTAL | 180 | 246 | 40 | 15 | 480 |

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

Appendix 2 Comparative Weekly Housing Costs by Local Authority

Bournemouth / Poole HMA

Table A2. 3 Comparative outgoings by tenure Bournemouth Borough, 2007 prices

| Dwelling size | Tenure | | | | | |
|---------------|---------------|---------------------|---------------------------|-------------------|-------------------|--------------------------|
| | Social rent | Usefully Affordable | Intermediate rent | Private rent | Owner Occupation | New build |
| | Cost per week | Min cost per week | Approximate cost per week | Min cost per week | Min cost per week | Approx min cost per week |
| 1 bed | £53 | £84 | £97 | £114 | £127 | £160 |
| 2 bed | £59 | £105 | £124 | £150 | £183 | £240 |
| 3 bed | £70 | £130 | £147 | £190 | £251 | £311 |
| 4bed | £83 | £163 | £203 | £242 | £334 | £411 |

Source: Fordham Research Dorset HNDS 2007 and Rent Service, Bournemouth Dec 2007.

Table A2. 4 Comparative outgoings by tenure, Borough of Poole, 2007 prices

| Dwelling size | Tenure | | | | | |
|---------------|---------------|---------------------|---------------------------|-------------------|-------------------|--------------------------|
| | Social rent | Usefully Affordable | Intermediate rent | Private rent | Owner Occupation | New build |
| | Cost per week | Min cost per week | Approximate cost per week | Min cost per week | Min cost per week | Approx min cost per week |
| 1 bed | £64 | £89 | £97 | £114 | £127 | £150 |
| 2 bed | £74 | £115 | £124 | £156 | £203 | £272 |
| 3 bed | £80 | £132 | £147 | £183 | £253 | £309 |
| 4bed | £86 | £158 | £203 | £230 | £328 | £417 |

Source: Fordham Research Dorset HNDS 2007 and Rent Service, Bournemouth Dec 2007.

Table A2.5 Comparative outgoings by tenure Christchurch District 2007 prices

| Dwelling size | Tenure | | | | | |
|---------------|---------------|---------------------|---------------------------|-------------------|-------------------|--------------------------|
| | Social rent | Usefully Affordable | Intermediate rent | Private rent | Owner Occupation | New build |
| | Cost per week | Min cost per week | Approximate cost per week | Min cost per week | Min cost per week | Approx min cost per week |
| 1 bed | £67 | £96 | £97 | £125 | £143 | £173 |
| 2 bed | £75 | £118 | £124 | £160 | £207 | £257 |
| 3 bed | £90 | £135 | £147 | £180 | £289 | £379 |
| 4bed | £108 | £169 | £203 | £230 | £372 | £476 |

Source: Fordham Research Dorset HNDS 2007 and Rent Service, Bournemouth Dec 2007.

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

Table A2.6 Comparative outgoings by tenure East Dorset District, 2007 prices

| Dwelling size | Tenure | | | | | |
|---------------|---------------|---------------------|---------------------------|-------------------|-------------------|--------------------------|
| | Social rent | Usefully Affordable | Intermediate rent | Private rent | Owner Occupation | New build |
| | Cost per week | Min cost per week | Approximate cost per week | Min cost per week | Min cost per week | Approx min cost per week |
| 1 bed | £62 | £98 | £97 | £133 | £164 | £204 |
| 2 bed | £73 | £113 | £124 | £153 | £219 | £267 |
| 3 bed | £87 | £142 | £147 | £196 | £280 | £330 |
| 4bed | £104 | £179 | £203 | £254 | £366 | £421 |

Source: Fordham Research Dorset HNDS 2007 and Rent Service, Bournemouth Dec 2007.

Table A2.7 Comparative outgoings by tenure North Dorset District, 2007 prices

| Dwelling size | Tenure | | | | | |
|---------------|---------------|---------------------|---------------------------|-------------------|-------------------|--------------------------|
| | Social rent | Usefully Affordable | Intermediate rent | Private rent | Owner Occupation | New build |
| | Cost per week | Min cost per week | Approximate cost per week | Min cost per week | Min cost per week | Approx min cost per week |
| 1 bed | £64 | £79 | £79 | £104 | £94 | £128 |
| 2 bed | £74 | £95 | £102 | £115 | £156 | £199 |
| 3 bed | £80 | £109 | £125 | £138 | £196 | £257 |
| 4bed | £86 | £130 | £165 | £173 | £285 | £364 |

Source: Fordham Research Dorset HNDS 2007 and Rent Service, Bournemouth Dec 2007.

Table A2.8 Comparative outgoings by tenure Purbeck District, 2007 prices

| Dwelling size | Tenure | | | | | |
|---------------|---------------|---------------------|---------------------------|-------------------|-------------------|--------------------------|
| | Social rent | Usefully Affordable | Intermediate rent | Private rent | Owner Occupation | New build |
| | Cost per week | Min cost per week | Approximate cost per week | Min cost per week | Min cost per week | Approx min cost per week |
| 1 bed | £60 | £82 | £97 | £104 | £152 | £193 |
| 2 bed | £69 | £101 | £124 | £132 | £205 | £258 |
| 3 bed | £79 | £121 | £147 | £162 | £264 | £314 |
| 4bed | £90 | £143 | £203 | £196 | £356 | £434 |

Source: Fordham Research Dorset HNDS 2007 and Rent Service, Bournemouth Dec 2007.

Dorchester / Weymouth HMA

Table A2.9 Comparative outgoings by tenure West Dorset District, 2007 prices

| Dwelling size | Tenure | | | | | |
|---------------|---------------|---------------------|---------------------------|-------------------|-------------------|--------------------------|
| | Social rent | Usefully Affordable | Intermediate rent | Private rent | Owner Occupation | New build |
| | Cost per week | Min cost per week | Approximate cost per week | Min cost per week | Min cost per week | Approx min cost per week |
| 1 bed | £59 | £76 | £88 | £92 | £109 | £134 |
| 2 bed | £66 | £94 | £108 | £121 | £165 | £216 |
| 3 bed | £77 | £103 | £125 | £129 | £243 | £309 |
| 4bed | £90 | £146 | £171 | £202 | £331 | £446 |

Source: Fordham Research Dorset HNDS 2007 and Rent Service, Bournemouth Dec 2007.

Final Evidence Base for Bournemouth / Poole and Dorchester / Weymouth Strategic
Housing Market Areas
June 2008

Table A2.10 Comparative outgoings by tenure Weymouth and Portland, 2007 prices

| Dwelling size | Tenure | | | | | |
|---------------|---------------|--------------------------|----------------------------------|-------------------|-------------------|--------------------------|
| | Social rent | Usefully Affordable | Intermediate rent | Private rent | Owner Occupation | New build |
| | Cost per week | <i>Min cost per week</i> | <i>Approximate cost per week</i> | Min cost per week | Min cost per week | Approx min cost per week |
| 1 bed | £54 | £73 | £88 | £92 | £119 | £148 |
| 2 bed | £64 | £90 | £108 | £115 | £162 | £198 |
| 3 bed | £71 | £105 | £125 | £138 | £199 | £235 |
| 4bed | £79 | £126 | £171 | £173 | £267 | £307 |

Source: Fordham Research Dorset HNDS 2007 and Rent Service, Bournemouth Dec 2007.