

# Strategic Housing Market Assessment: Pilot study for Dorset

## Stakeholder Event **2**



Housing Market Assessment – Dorset  
Stakeholder Event 2 – Friday 4<sup>th</sup> April 2008

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## 1.0 Background

Government guidance encourages Local Authorities to undertake strategic housing market assessments (HMAs) of their areas. The purpose of such an assessment is to:

- Estimate housing need and demand in terms of affordable and market housing.
- Determine how the distribution of need and demand varies across the plan area.
- Consider future demographic trends and identify the accommodation requirements of specific groups such as homeless households, first time buyers, older people, gypsies and travellers.

The Dorset authorities have worked together to prepare two such assessments; the Bournemouth/Poole and Dorchester/Weymouth Strategic Housing Market Assessments (SHMAs).

### 1.1 The Dorset Strategic Housing Market Partnership

One requirement of a HMA is that it should be prepared collaboratively with stakeholders. To help steer the project the Dorset authorities established a working group (partnership) of housing and planning officers from each of the constituent authorities and two neighbouring authorities as well as representatives of GOSW, the South West Regional Assembly, South West Housing Corporation, Registered Social Landlords, the Home Builders Federation, National Landlords Association, and local Estate Agents.

### 1.2 First Stakeholder Event

To raise awareness of the work that was going on and to involve a wider group of stakeholders, an event was held on Friday 1st December 2006 to launch the project. Around 50 representatives of the development industry (house builders, planning and estate agents), housing associations, local members, community representatives, business, environmental and voluntary organisations attended.

The outcomes of that event were fed into the work on the HMA. Generally the event was considered successful and the feedback was positive. One concern however was that the workshop sessions did focus heavily on local needs rather than the broader economic and general housing market issues. Despite a wide range of participants, the views of the development and business interests were perhaps not as clearly heard as those of the community interests.

### 1.3 Second Stakeholder Event

Following the completion of survey work and other research studies, the Draft Housing Market Assessment has now been published. A second Stakeholder Event was held on Friday 4<sup>th</sup> April 2008 to enable stakeholders to respond to the documents.

The event was attended by 30 people representing development, housing, business and community interests, a number of whom attended the first event in 2006. Appendix A contains a list of attendees and those invited. A total of 146 individuals and organisations were invited to attend or be represented.

## 2.0 Purpose and follow up of the Second Stakeholder event

The main purpose of the event was to present the findings of the research and give stakeholders a final opportunity to have an input to the Housing Market Assessment (HMA). Appendix B comprises the presentations made at this event. Appendix C is a report on the discussion which took place at the event.

There followed a consultation period extending until the 2<sup>nd</sup> May 2008 to allow stakeholders to make any further comments on the assessment. A follow-up letter/email requesting comments was sent to all invited persons, or organisations, who did not attend, or were not represented, at the event.

The Partnership considered comments, agreed changes, and formally approved the Bournemouth/Poole and Dorchester/Weymouth Strategic Housing Market Assessments (SHMAs) on 23<sup>rd</sup> May 2008.

### 3.0 The Future

Following its formal acceptance by the Partnership, the SHMAs will become an essential part of the evidence base for a number of statutory and non-statutory functions of the relevant public sector bodies operating at local, sub-regional and regional level. They will form an input to regional and sub-regional planning. Local planning authorities will be required to take them into account in preparing their LDFs, and will use them in evidence to support their spatial planning policies at LDF public inquiries, and in relation to appeals. Local housing authorities will need to refer to the SHMAs when applying to central government for funding.

The private sector (builders, developers, landowners and their agents), housing associations and other RSLs (Registered Social Landlords) should also be mindful of the SHMAs when formulating planning applications and funding proposals.

There will be a continuing process of monitoring and updating to ensure that the relevance of these documents is maintained.

## Appendix A List of Attendees

List of Speakers and Invited Stakeholders	Speakers	Attended	Unable to Attend
Mrs N Aitchison, Youth Theme Action Group			ü
Mrs J Amey, Purbeck Housing Trust			ü
Mr Peter Atfield, Goadsby			ü
Clr E Atkinson, Borough of Poole			ü
Mr Danny Balkwill, East Dorset Housing Association			ü
Mr Matthew Beaumont, LAA			ü
Clr John Beesley, Bournemouth Borough Council			ü
Ms Sue Bellamy, Purbeck District Council		ü	
Ms Susan Bennett, CPRE North Dorset			ü
Mr Derek Blake, Christchurch Older Peoples' Partnership			ü
Mr Brian Bleese, Dorset Wildlife Trust			ü
Mr Mark Bonnett, Hull Regson and Hull			ü
Ms Anne Bowen, Dorchester Citizens' Advice Bureau			ü
Mr Colin Brady, Dorset Churches Together			ü
Col Geoffrey Brerley OBE, Dorset County Council			ü
Ms Fiona Brown, Purbeck District Council			ü
Clr David Budd, Purbeck District Council			ü
Clr Derek Burt, East Dorset District Council			ü
Ms C Buxton, Citizens Advice Bureau			ü
Ms Susi Calder, Three Rivers Partnership			ü
Mr Angus Campbell, Dorset County Council			ü
Mr Dion Carpendale, Brimble Lea and Partners		ü	
Clr Graham Carr-Jones, North Dorset District Council			ü
Clr Peter Charon, Bournemouth Borough Council			ü
Ms Hillary Chittenden, Environment Theme Action Group		ü	
Ms Pauline Cole, Dorchester Area Partnership			ü
Mr Graham Colls, Magna Housing Group			ü
Mr Simon Conibear, Duchy of Cornwall		ü	
Mr David Corben, Corben and Sons			ü
Clr Hilary Cox, Dorset County Council			ü
Clr Michael Cox, North Dorset District Council			ü
Mr Paul Dament, Charter (SW) on behalf of Magna		ü	
Mr Tim Davies, West Dorset District Council		ü	

Mr Hugh de Longh, Sturquest			ü
Mr Colin Dew snap, Christchurch Action Group			ü
Mr Kevin Dey, Weymouth and Portland Community Partnership			ü
Cllr X Dixon, Borough of Poole			ü
Mr Marcus Dixon, Lyme Regis Development Trust			ü
Cllr M Duckworth, Christchurch Borough Council			ü
Cllr Dyer, East Dorset District Council			ü
Cllr Mrs Sarah East, West Dorset District Council			ü
Ms Fiona Elder, Elder and Froy Estate agents		ü	
Mr Nigel Engert, Sherborne Town Council			ü
Dr David Evans, West Dorset District Council			ü
Mr Duncan Ferguson, Weymouth and Portland Partnership			ü
Mr Eddie Fitzsimmons, Lom and Homes			ü
Ms Hilary Foggo, Age Concern			ü
Dr Richard Fordham, Fordham Research	ü		
Mr Stuart Gallacher, Dorset County Council			ü
Ms Jane Gibbs, Linden Homes			ü
Ms Margaret Gibson, Somerset Housing Research and Information Officer		ü	
Dr Bob Gilbertson, Christchurch Community Partnership			ü
Mr Don Gobbett, Dorset County Council	ü		
Cllr Mike Goodman, Weymouth and Portland BC			ü
Mr Terry Gorgeon, Michael Adam Estate Agents			ü
Ms Anne Gray, Dorset County Council	ü		
Cllr Alan Griffiths, Christchurch Borough Council		ü	
Dr D Haines, Purbeck Locality Executive Committee			ü
Mr David Hall, Raglan Housing			ü
Mr Derek Hardy, North Dorset District Council		ü	
Ms A Harries, Hastoe Housing Association Ltd			ü
Chief Superintendent Lynn Hart, Dorset Police			ü
Mr Hedley Harrison, Dorchester Volunteer Centre			ü
Mr P J Hartigan, House and Son			ü
Ms Jo Hartley, Dorset Primary Care Trust			ü
Ms Janet Healy, CPRE		ü	
Mr Kevin Hitchcock, Spectrum Housing Group		ü	
Cllr Doug Hollings, Weymouth and Portland BC			ü
Mr Matthew Holmes, Tanner and Tiley		ü	

Mr Tim Hoskinson, FPD Savills		ü	
Mr Hum e, Town and Country Planning			ü
Cllr J Hyde, Purbeck District Council			ü
Mr Illingworth, David Illingworth Architects			ü
Mr P Janes, Poole Primary Care Trust			ü
Ms Amy Jeenes, The National Trust			ü
Mr David Jones, G O SW		ü	
Cllr D Jones, Christchurch Borough Council			ü
Mr Grant Jones, Persimmon Homes			ü
Mr Gary Josey, Bournemouth Borough Council			ü
Ms Christine Kemp, Ethnic Minority			ü
Ms Ann Khanbatta, Dorset Race Equality Council			ü
Mr Peter Langdown, Defence Housing Executive			ü
Cllr Robert Lawton, Bournemouth Borough Council			ü
Ms Sylvia Leonard, Bellway Homes (Wessex)		ü	
Ms Sue Levett, Dorset Sure Start Unit		ü	
Mr David Littlewood, Three Rivers Partnership			ü
Mr Andy Lbyd, West Dorset/Purbeck District Councils			ü
Mr David Lohfink, C G Fry and Sons			ü
Mr John Loosemore, Betterment Properties (Weymouth) Ltd		ü	
Cllr Mike Lovell, Purbeck District Council		ü	
Ms Jill Marsden, Social Care and Health			ü
Ms Lorraine Mealings, Bournemouth Borough Council			ü
Cllr Ken Meech, West Dorset District Council			ü
Mr Martin Miller, Terence O'Rourke		ü	
Mr Richard Miller, Symonds and Sampson			ü
Mr Chris Moglia, Synergy Housing Group		ü	
Ms K Morris, Connellys			ü
Mr Rob Murray, Bournemouth Local Area Partnership		ü	
Ms Helen Owens, Dorset County Council	ü		
Dr Sheila Owens, Kindle Homes Ltd			ü
Mr Ken Parke, Ken Parke Planning			ü
Dr Guy Patterson, Help the Aged			ü
Ms Kate Parker, Shelter			ü
Cllr Ron Parker, Borough of Poole		ü	
Mr Pearce, R T Pearce Associates			ü
Mr Peak, Bournemouth Churches Housing Association			ü

Mrs Carole Lawrence Parr, Dorset Primary Care Trust			ü
Mr Steve Place, Dorset Community Action			ü
Ms Louise Plumridge, Shaftesbury Taskforce			ü
Val Potter, Dorset Association for the Disabled			ü
Ms Karyn Punchard, W PBC and SHLAA Panel			ü
Mr Simon Raynes, Dorset Strategic Partnership			ü
Mr Reynolds, East Dorset District Council			ü
Mr Mike Robinson, West Dorset District Council			ü
Mr Phil Robinson, Bournemouth Borough Council		ü	
Ms Nicole Sharp, Twynham Housing Association		ü	
Mr Simon Rutter, Philip Proctor Associates		ü	
Mr June Salt, DAPTC Executive			ü
Mr Marcus Scrace, Tchester Estates			ü
Mr Ron Scholes, West Dorset District Council		ü	
Ms Gill Smith, HMA Project Manager	ü		
Ms Rachelle Smith, DT11 Forum			ü
Mr Nick Sparks, Holloway Estate Agents		ü	
Mr J Spencer, Christchurch Borough Council			ü
Mr Jason Spiers, Richards Estate Agents			ü
Mr Sue Spittle, Christchurch Borough Council			ü
Ms Valerie Stevens, Federation of Small Businesses			ü
Sir Ronald Stuart-Paul, East Dorset Community Partnership			ü
Jinder Takhar, Spectrum Housing			ü
Mr Ronald Tetlow, Tetlow King Planning			ü
Ms Anne Thomas, Dorset Primary Care Trust			ü
Mr Bill Trite, Purbeck District Council			ü
Mr Dennis Tuffin, Sherborne Area Partnership		ü	
Mr Jonathan Walsh, Dorset Primary Care Trust			ü
Mr Tim Watton, HBF			ü
Mr Peter Webb, North Dorset District Council		ü	
Ms Jo Wilkins, South Somerset District Council		ü	
Mr John Young, Humberts			ü

## Appendix B – Presentations

- 1) Setting the Context For the Strategic Housing Market Assessment  
Gill Smith
- 2) Defining the Housing Market and Demographic Trends  
Helen Owens
- 3) The Economy and the Labour Market

## Setting the Context for the Dorset Strategic Housing Market Assessment

Gill Smith  
GMS Consultants Ltd



### Why carry out a Strategic housing Market Assessment?

- Government move from PPG3 and Local Housing Needs Assessment (2000)
- Housing Market Assessment Manual (2004) and draft HMA Guidance (2005)
- DTZ study for SW Housing Body (2004)
- 3 Pilot study areas in SW – Bournemouth/Poole, Swindon and West Cornwall.





## What were the aims of the SHMA?



1. To analyse trends and survey data to:
  - Develop long term views on the need and demand for market and affordable housing to inform policy at regional and local levels.
  - Aid decisions on the amount and mix of housing needed in different parts of the HMAs.
  - Identify the accommodation needs of particular groups (old, young, families)



## What were the aims of the SHMA?



- To analyse trends and survey data to:
- Back up decisions on housing policy
  - Provide an understanding of the linkages between the housing market and local economy.
2. To provide the information in a way that can be monitored and updated
  3. To share and disseminate the findings.



## How has the SHMA been tackled?



- Project Brief agreed March 2006.
- Initial desk top research undertaken Summer / autumn 2006.
- Fordham Research Ltd appointed October 2006 (major contract for whole of Dorset).
- Initial Stakeholder meeting December 2006 – results published on Dorset For You website.
- Survey of Housing Need and Demand carried out Spring 2007.
- Analysis of survey results and further in-house research summer/autumn 2007



## Where are we now in the process?



Dorset-wide Survey of Housing Need and Demand completed. Final Reports produced for all 8 x Local Authorities + 2 x Housing Market Areas.

Wider HMA Research completed. Evidence Base to be available on "Dorset for you"

2 x HMA Summary Reports prepared for the Bournemouth / Poole and Dorchester / Weymouth HMAs also to be available on website and as hard copy.

Now a final opportunity for stakeholders to have input



## The outputs of the Assessment



Diagrammatic Structure of HMA / HNDS reports



## What Happens Next?



- Stakeholder Event – today 4<sup>th</sup> April 2008.
- Consultation period until Friday 2<sup>nd</sup> May.
- Project Team consider comments by Friday 9<sup>th</sup> May.
- Partnership consider comments / agree any changes and sign off the Bournemouth / Poole and Dorchester / Weymouth SHMAs on 23<sup>rd</sup> May.
- Ongoing monitoring and updating.



# Dorset Housing Market Assessment

Stakeholder Event

4<sup>th</sup> April 2008

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## Dorset Housing Market Assessment

### What have we got?

- 2 broad market areas
- Patterns of migration
- Population & household characteristics
- Prices

### What might we have in the future?

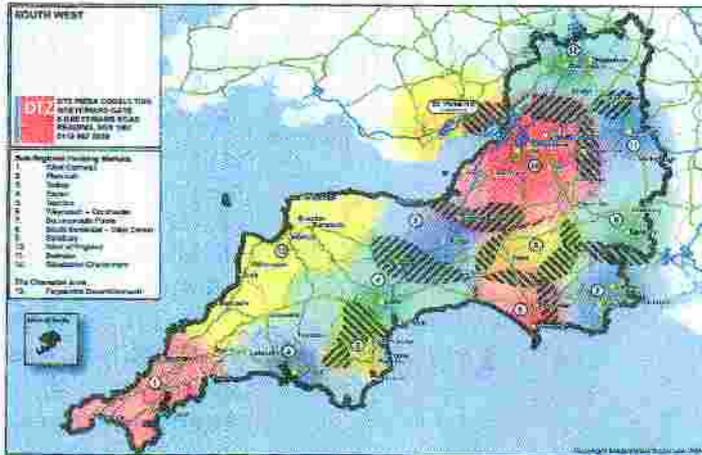
- Population projection scenarios
- Household projection scenarios
- Common trends

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# Dorset Housing Market Assessment

2 broad housing market areas:

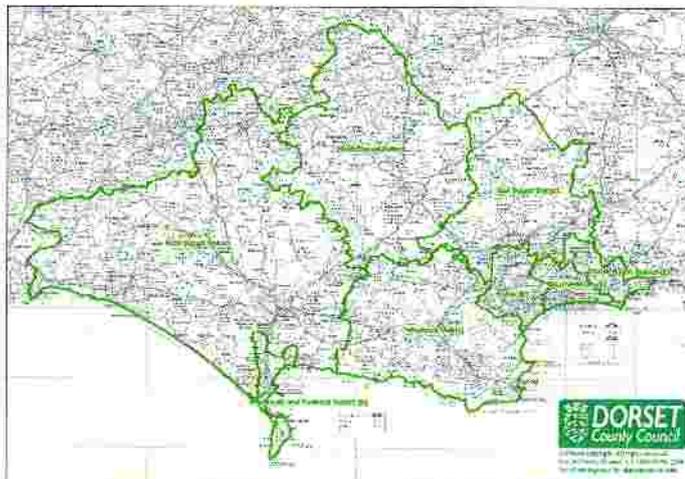


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# Dorset Housing Market Assessment

2 broad housing market areas:

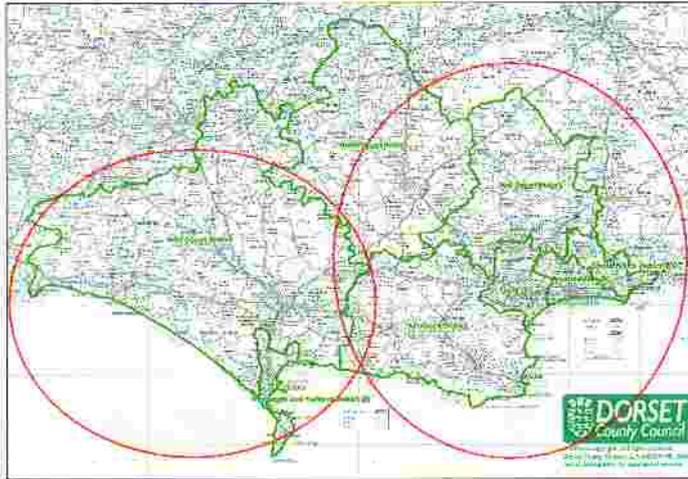


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# Dorset Housing Market Assessment

2 broad housing market areas:

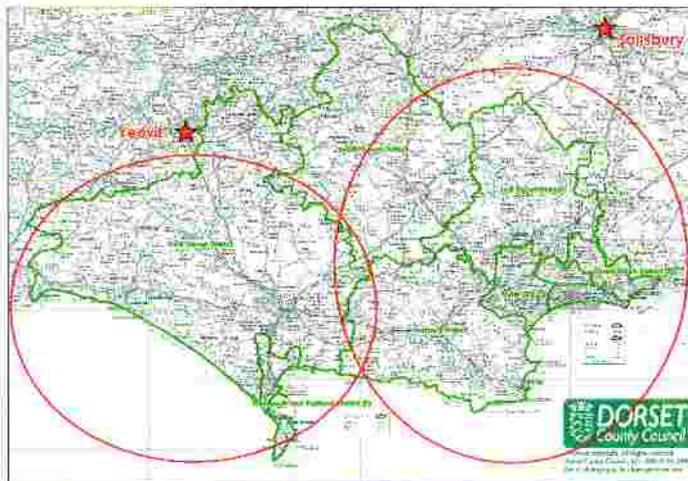


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# Dorset Housing Market Assessment

2 broad housing market areas:

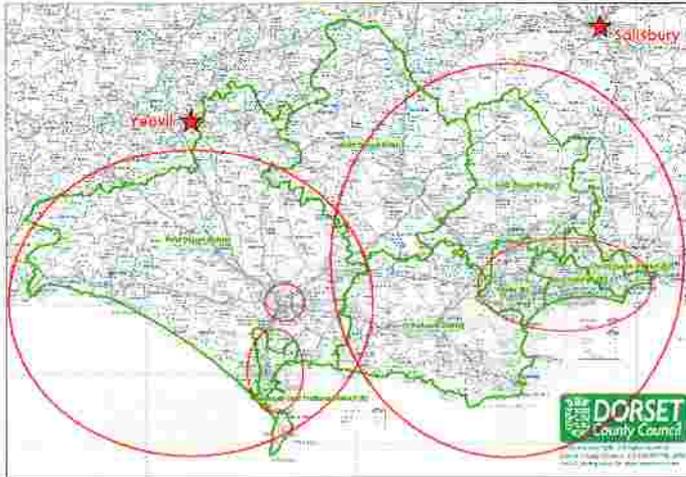


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## Dorset Housing Market Assessment

2 broad housing market areas:



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## Dorset Housing Market Assessment

**Self Containment** – 2001 Census migration data

2001 Census recorded just under 7% of people in Dorset had moved in the previous year, of these:

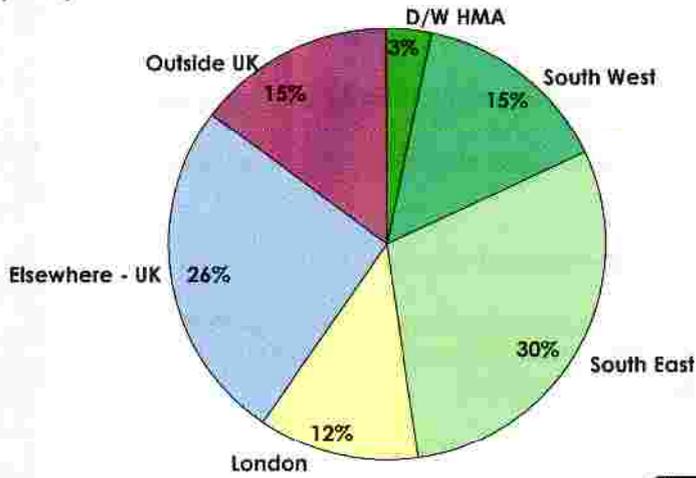
- In **Bournemouth / Poole**, **63%** of movers had stayed within the broad market area
- In **Dorchester / Weymouth**, **58%** of movers stayed within the broad market area

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## Dorset Housing Market Assessment

Bournemouth / Poole HMA –  
people who moved from outside the area

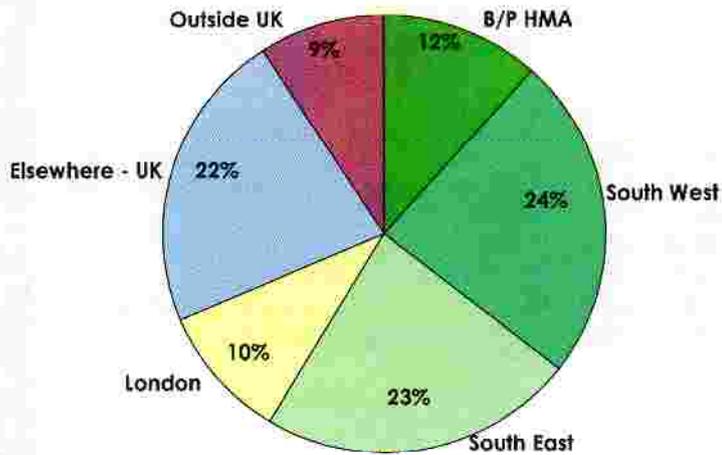


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## Dorset Housing Market Assessment

Dorchester / Weymouth HMA –  
people who moved from outside the area



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# Dorset Housing Market Assessment

## Moves within the HMA

- flows between urban and rural areas
  - generally older people move towards the more rural areas
  - younger people move towards the urban areas
- smaller sub-market areas
  - other influences at lower levels – such as school catchment areas and local services / facilities.

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# Dorset Housing Market Assessment

## Bournemouth / Poole HMA: characteristics

- large area with a total population of almost 550,000
- significant difference between the core and periphery (urban / rural)

Core	Periphery
<ul style="list-style-type: none"><li>• 17% aged 16-29 years</li><li>• 39% detached</li><li>• 32% flats</li><li>• 35% owned outright</li><li>• 18% with 7+ rooms</li><li>• average price: £229,300</li><li>• 11,650 sold in 2006</li></ul>	<ul style="list-style-type: none"><li>• 13% aged 16-29 years</li><li>• 52% detached</li><li>• 12% flats</li><li>• 42% owned outright</li><li>• 27% with 7+ rooms</li><li>• average price: £246,500</li><li>• 5,200 sold in 2006</li></ul>

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# Dorset Housing Market Assessment

## Dorchester/Weymouth HMA: characteristics

- total population of over 160,000
- differences between the core and periphery (urban / rural)
- differences within the periphery: market towns and villages/hamlets

### Dorchester –core

- 21% aged 65+
- 20% detached
- 33% terraced
- 35% owned outright
- 19% council/HA rent
- 21% with 7+ rooms
- average price: £220,000
- 450 sold in 2006

### Weymouth –core

- 21% aged 65+
- 28% detached
- 28% terraced
- 35% owned outright
- 13% council/HA rent
- 20% with 7+ rooms
- average price: £201,000
- 1,600 sold in 2006

### Periphery

- 23% aged 65+
- 39% detached
- 13% flats
- 42% owned outright
- 13% council/HA rent
- 27% with 7+ rooms
- average price: £241,000
- 2000 sold in 2006

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# Dorset Housing Market Assessment

## Future Population trends

range of population projection scenarios:

### 1. ONS Sub-National Population Projections

- Trend based projections
- use observed levels of births, deaths and migration over the previous 5 years and assume that these trends will continue throughout the projection period
- tell us what population growth will be if past trends continue

### 2. Bournemouth, Dorset & Poole Population Projections

- Policy based projections
- constrain overall population growth to proposed housing development– based on Policy, e.g. RSS
- tell us what population growth might be if this level of housing development occurs

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# Dorset Housing Market Assessment

## Future Population trends

ONS Sub-National Population Projections

If past trends continue the total population will grow by:

Bournemouth/Poole HMA	Dorchester/Weymouth HMA
9% between 2006 and 2026	17% between 2006 and 2026
reaching <b>589,300</b> by 2026	reaching <b>188,800</b> by 2026

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# Dorset Housing Market Assessment

## Future Population trends

Bournemouth, Dorset and Poole Population Projections

Housing Numbers stated in *Draft RSS*

Bournemouth/Poole HMA	Dorchester/Weymouth HMA
5% between 2006 and 2026	3% between 2006 and 2026
reaching <b>569,400</b> by 2026	reaching <b>166,800</b> by 2026

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# Dorset Housing Market Assessment

## Future Population trends

Bournemouth, Dorset and Poole  
Population Projections

Housing Numbers recommended by *RSS EIP Panel*

Bournemouth/Poole HMA	Dorchester/Weymouth HMA
8% between 2006 and 2026	8% between 2006 and 2026
reaching <b>583,800</b> by 2026	reaching <b>175,100</b> by 2026

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# Dorset Housing Market Assessment

## Future Population trends

- Large number of scenarios, all show different levels of growth
- Trend based projections subject to change – now in consultation with ONS on the 2006-based projections
- Policy based projections subject to change – waiting for recommendations from the Secretary of State
- Despite the different numbers the projections all share some common trends
- These common trends will help identify possible future housing need

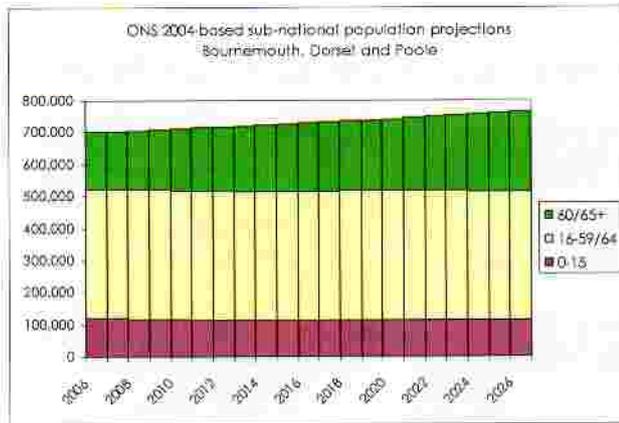
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# Dorset Housing Market Assessment

## Future Population trends

population growth concentrated in 60/65+ age group



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# Dorset Housing Market Assessment

## Future Population trends

Population growth concentrated in 60/65+ age group.  
Between 2006 and 2026:

### ONS trend projections 2004-based

- The number aged 60/65+ years will increase by 71,600 (40%)
- The number of children will fall by 7,580
- Working age population (16-59/64 years) will remain fairly constant

### Policy projections (panel recommendations)

- The number aged 60/65+ years will increase by 60,000 (36%)
- The number of children will fall by 13,000
- Working age population (16-59/64 years) will remain fairly constant

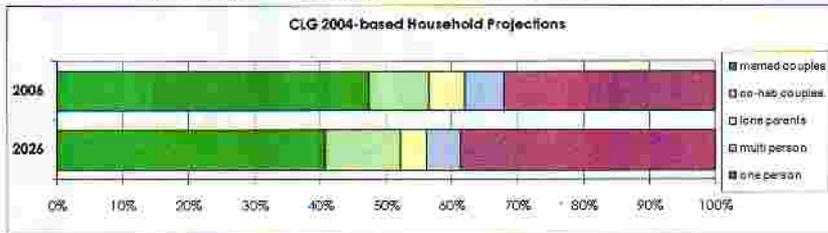
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# Dorset Housing Market Assessment

## Household projections

- Similar patterns can be seen in both Bournemouth/ Poole HMA and Dorchester/Weymouth HMA.
- Most significant increase in the number of one person households, by 2026 almost 38% of households will be one person
- Married couple households will decrease slightly whilst co-habiting couple households will increase by around 50%



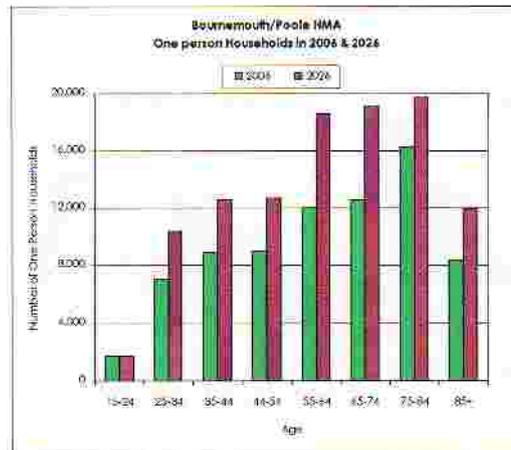
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# Dorset Housing Market Assessment

## Household projections

- The most significant increases in the number of one person households are amongst those aged from mid-50s to mid-70s



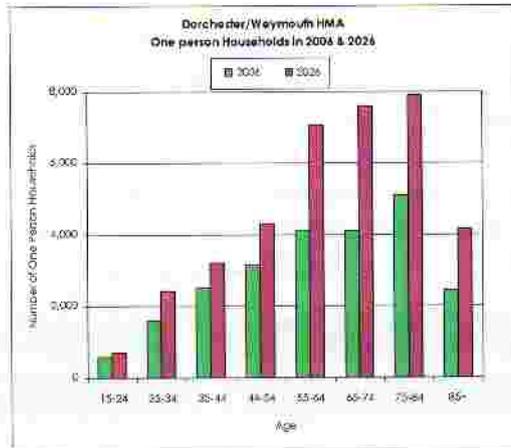
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# Dorset Housing Market Assessment

## Household projections

- In Dorchester/Weymouth HMA there is also a significant increase in the 75-84 year age group

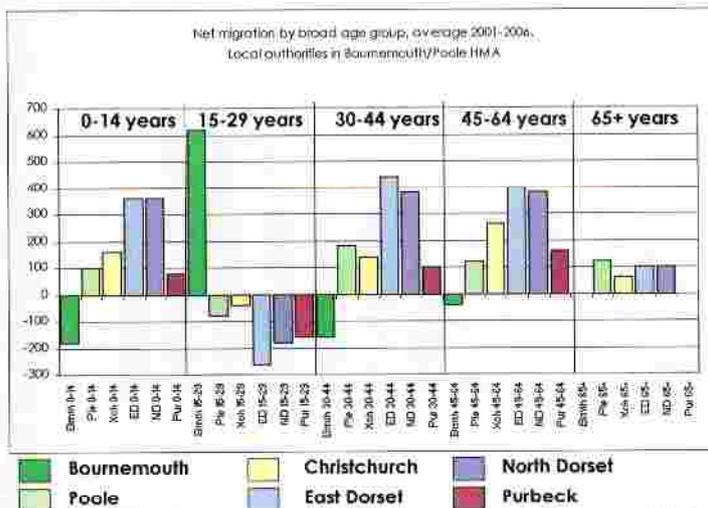


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# Dorset Housing Market Assessment

## Migration patterns

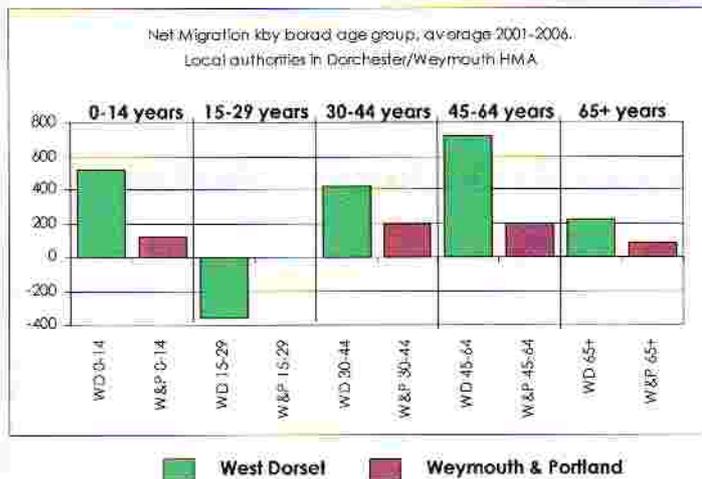


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# Dorset Housing Market Assessment

## Migration patterns



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# Dorset Housing Market Assessment

## The future?

- Majority of people moving into Dorset are of working age – 30s, 40s and 50s
- The projections show population growth will be concentrated in the 65+ age group
- Household projections show the most significant increase will be in the number of one-person households
- Ageing migrants – many couple households may be one person households in the future
- Do smaller households demand smaller dwellings?
- Do older people downsize & free up family housing or keep their larger dwelling if they can?
- Are smaller dwellings not suitable for older people?

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## Dorset Housing Market Assessment

- **Economy and Labour Market**

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## Dorset Housing Market Assessment

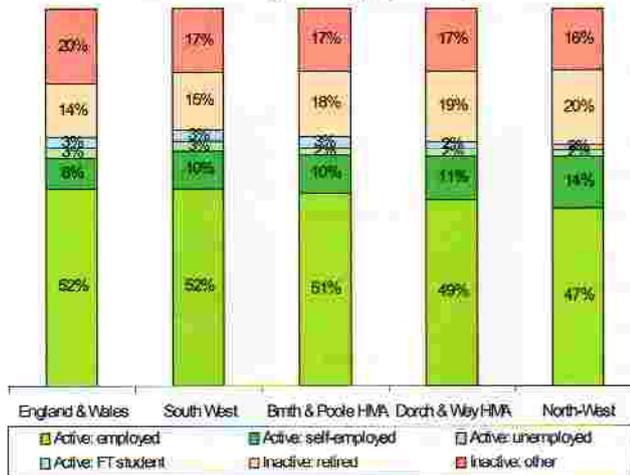
- What are people doing and where do they work?
- Do people live in the same place as they work?
- How does the economy shape the characteristics of the area and the prosperity of its residents?
- What future growth expected to take place?
- Have we the workforce supply to meet future demand?
- What housing do we need for them?

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## Dorset Housing Market Assessment

Economic activity/inactivity, age 16-74 years



Source: Census of Population 2001, ONS

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## Dorset Housing Market Assessment

### • Unemployment

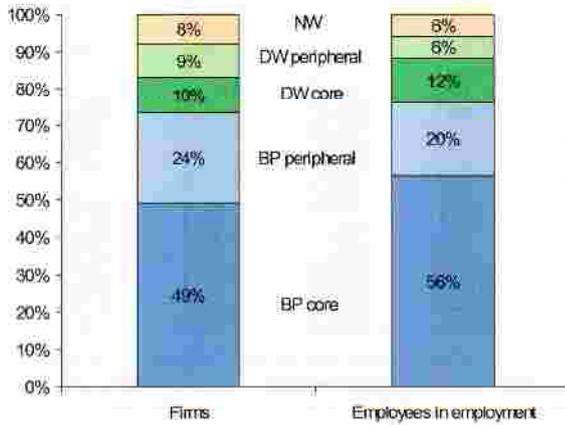
- Unemployment has fallen more than average.
- Most unemployment is probably frictional – a temporary period of unemployment whilst people switch between jobs.
- Low unemployment suggests a small pool of workers available to meet labour demand with potential skill mismatch problems. Significant increase in labour demand is likely to require net additions to Dorset's labour supply as workers cannot be sourced from the unemployed and the economically inactive may be reluctant to return to work.

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# Dorset Housing Market Assessment

Distribution of firms and employment



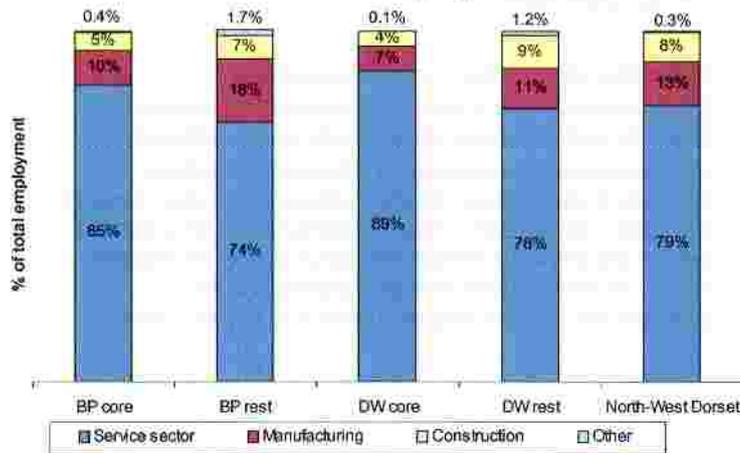
Source: Annual Business Inquiry 2004, ONS

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# Dorset Housing Market Assessment

Distribution of employment



Source: Annual Business Inquiry 2004, ONS

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## Dorset Housing Market Assessment

- Characteristics of commuters
  - Bournemouth & Poole
    - Self-containment is highest here, especially the core with 83% of residents aged 16-74 in employment both living and working in the area
    - Net loss of 6,111 commuters
    - In-commuters to the core tend to be older than local workers
    - In-commuters to the core are more likely to be in higher level occupations than local workers
    - About one-quarter of working residents in the periphery commute to the core to work
    - Figures suggest that highly skilled working residents in the periphery are likely to be commuting away from their home area to work

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## Dorset Housing Market Assessment

- Characteristics of commuters
  - Dorchester & Weymouth
    - Self-containment is fairly high in the core with about two-thirds of residents aged 16-74 in employment both living and working here
    - Net loss of 5,486 commuters
    - About one-fifth of working residents in the periphery commute to the core to work
    - More than one in ten working Weymouth residents commutes to Dorchester
    - In-commuters to Dorchester are likely to be in higher level occupations

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# Dorset Housing Market Assessment

- Characteristics of commuters
  - North-West Dorset
    - Self-containment is lower here with 63% of residents aged 16-74 in employment both living and working in North-West Dorset
    - Net loss of 2,700 commuters
    - North-West Dorset working residents are most likely to commute outside the Dorset sub-region to work
    - Higher skilled residents are likely to be commuting outside the area to work

Source: Census of Population 2001, ONS

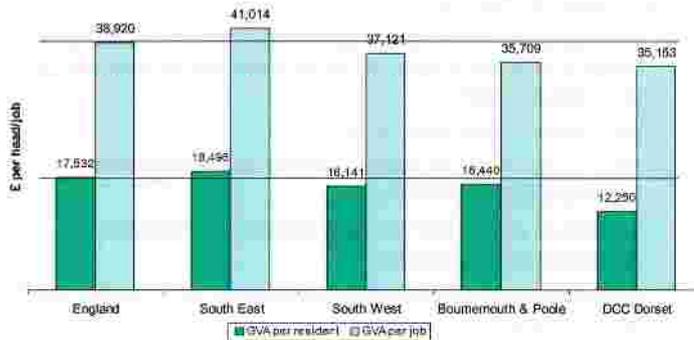
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# Dorset Housing Market Assessment

- Productivity

GVA per resident and per job



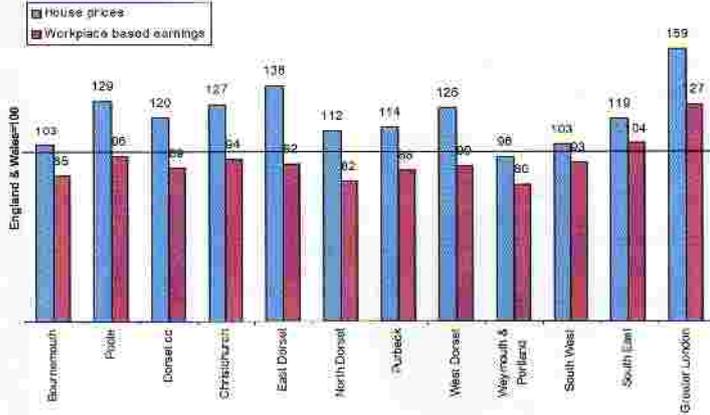
Source: GVA data and Annual Business Inquiry 2004, ONS

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# Dorset Housing Market Assessment

Comparison of house prices and workplace based earnings relative to England & Wales



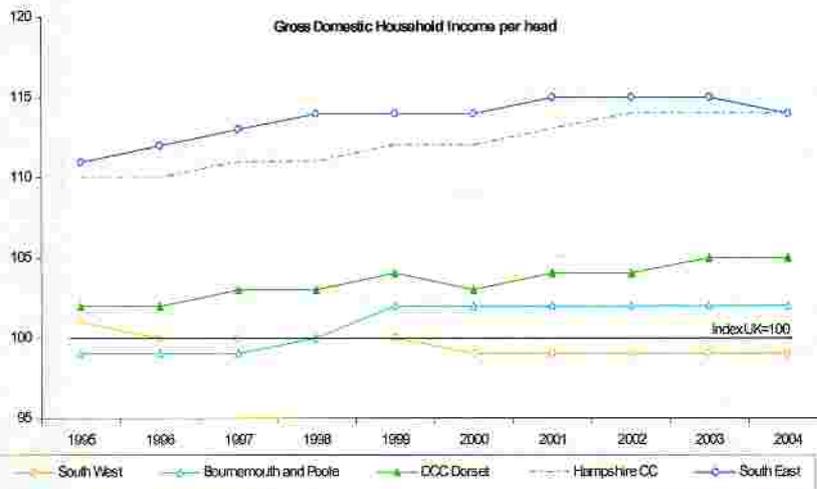
Source: HM Land Registry Apr-Jun 06 All properties; ASHE 2006 ONS

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# Dorset Housing Market Assessment

Gross Domestic Household Income per head



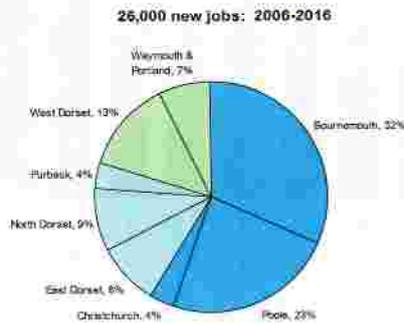
Source: GDHI data, ONS

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## Dorset Housing Market Assessment

- Future employment growth
  - Three out of five jobs in the Bournemouth & Poole core area
  - Largely service sector based
  - Much the same expected in the next decade



Source: DCC from Cambridge Econometrics LEFM05, SWRA

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## Dorset Housing Market Assessment

Replacement demand:

- the need to replace workers who leave eg through ill health or retirement.
- Around six times expansion demand alone:
- So 2006-2016:
  - 26,000 new jobs in Dorset sub-region
  - 141,800 more through replacement demand

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## Dorset Housing Market Assessment

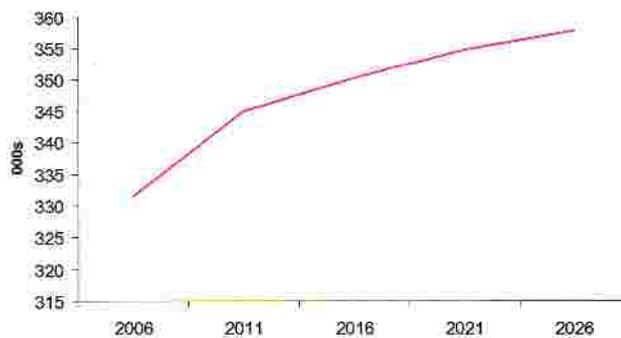
- Caring Personal Service Occupations
- Sales Occupations
- Corporate Managers
- Teaching/Research Professionals
- Business/Public Service Associate Professionals

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## Dorset Housing Market Assessment

Economically active projections



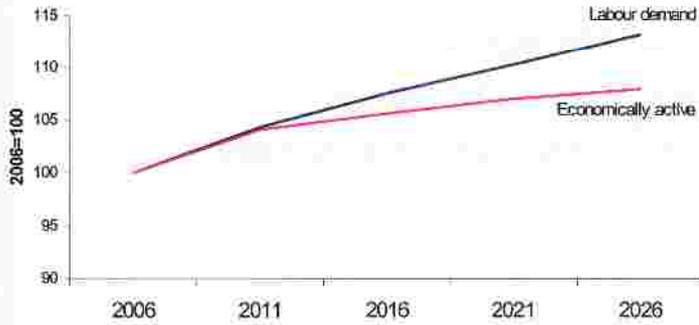
Source: Dorset panel recommendations, without updates, policy based

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# Dorset Housing Market Assessment

### Projections of labour demand and number economically active



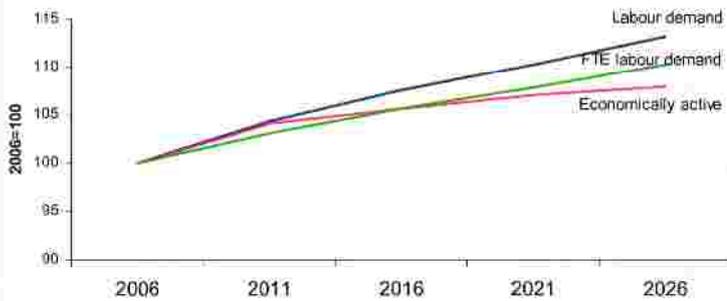
Source: Dorset: panel recommendations, without updates; DCC from Cambridge Econometrics LEFM05, SWRA

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# Dorset Housing Market Assessment

### Projections of labour demand and number economically active



Source: Dorset: panel recommendations, without updates; DCC from Cambridge Econometrics LEFM05, SWRA

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## Dorset Housing Market Assessment

- How many dwellings?
  - Panel recommendations fall between the 2.8% and 3.2% growth FTE jobs scenarios.
  - Based on past performance – and current slowing – a more cautious approach to economic growth in Dorset would seem appropriate.
  - Productivity growth to mitigate need for employment growth?

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## Dorset Housing Market Assessment

### Future dwelling requirements?

- Bournemouth & Poole: core
- Employment and employment growth concentrated here.
- Replacement demand impact likely to be high.
- Mix of family housing/smaller dwellings where jobs growth likely to occur.
- Requirement to attract new working age households – particularly in Bournemouth
- Accommodation for the elderly to encourage older households to downsize.

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## Dorset Housing Market Assessment

### Future dwelling requirements?

- Bournemouth & Poole: periphery
- Smaller scale employment growth – service sector/population support.
- Replacement demand will maintain demand for all housing types.
- Small dwellings likely to be needed due to current low supply.
- Housing for the elderly.
- Affordable family housing in market towns and larger villages to ensure adequate labour supply.

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## Dorset Housing Market Assessment

### Future dwelling requirements?

- Dorchester & Weymouth: core
- Slower employment growth, mostly in the core.
- Need to improve productivity and increase earnings, particularly in Weymouth & Portland.
- Up-market properties of all sizes needed to attract higher paid professionals and reduce commuting.
- Smaller dwellings to offer opportunity for downsizing.

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## Dorset Housing Market Assessment

### Future dwelling requirements?

- Dorchester & Weymouth: periphery
- some employment growth, most likely in market and coastal towns.
- Tourism and care jobs in particular.
- Affordable housing of all sizes required.
- Adapted housing for ageing population.

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## Dorset Housing Market Assessment

END

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# Dorset Housing Market Assessment

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# Dorset Councils

## Survey of Housing Need and Demand

Speaker: Dr Richard Fordham  
Fordham Research  
Date: 4<sup>th</sup> April 2008



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# Introduction



## Background

- Commissioned by Dorset County Council on behalf of local authorities in the historic county
- Part of the Strategic Housing Market Assessment for Dorset
- Designed to produce primary data based results on housing need and demand



## Purpose

- To produce major elements of the evidence base, in accordance with Brief
- Using primary data to complement County's secondary database
- To provide basis for County's SHMA work



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## Guidance background

- History of housing needs assessments
- PPS3: Housing (Nov 06)
- Practice Guidance (March/July 07)



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## Key Guidance Requirements (PPS3)

- The likely overall proportions of households that require market or affordable housing, for example, x% market housing and y% affordable housing
- The likely profile of household types requiring market housing e.g. multi-person, including families and children (x%), single persons (y%), couples (z%)
- The size and type of affordable housing required



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## Housing market areas

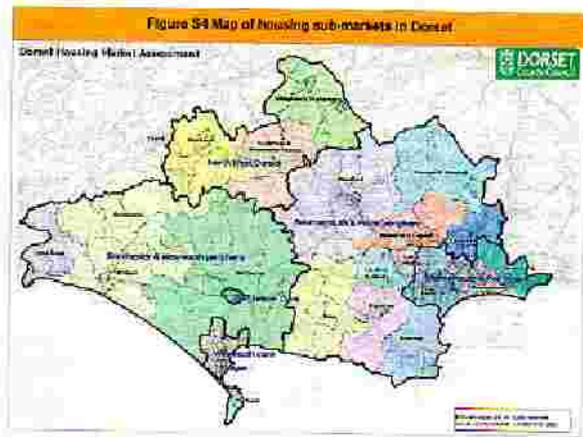
- Self-containment
- Home moves
- Travel to work
- House price



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Figure S4 Map of housing sub-markets in Dorset

Dorset Housing Market Assessment




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### Self-containment in Dorset

- In 2001 a net in-migration of 10,000
- Mid 50's: B'mth;Poole; Wymth + Pld
- Mid 40's: Chch;E,N,W Drst, Purbeck
- 2007 increase B'mth, N Drst,Prbck



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### General Context



## Bournemouth/Poole HMA base data

Table S1 Number of households in each tenure group

Tenure	Total number of households	% of households	Number of returns	% of returns
Owner-occupied (no mortgage)	58,292	40.2%	7,840	48.5%
Owner-occupied (with mortgage)	89,773	56.7%	5,122	33.9%
Social Rented	25,752	11.0%	1,550	10.1%
Private Rented	20,486	12.1%	1,392	9.2%
of which Two Accommodates	1,743	8.7%	784	1.2%
<b>TOTAL</b>	<b>244,300</b>	<b>100.0%</b>	<b>16,104</b>	<b>100.0%</b>



## Dorchester & Weymouth HMA base data

Table S1 Number of households in each tenure group

Tenure	Total number of households	% of households	Number of returns	% of returns
Owner-occupied (no mortgage)	29,770	41.2%	3,263	48.3%
Owner-occupied (with mortgage)	23,145	32.6%	3,061	36.5%
Social Rented	8,507	13.8%	700	10.4%
Private Rented	9,560	12.9%	728	10.8%
of which Two Accommodates	358	1.0%	82	1.2%
<b>TOTAL</b>	<b>72,945</b>	<b>100.0%</b>	<b>6,759</b>	<b>100.0%</b>



## Housing market trends



## HMA house prices

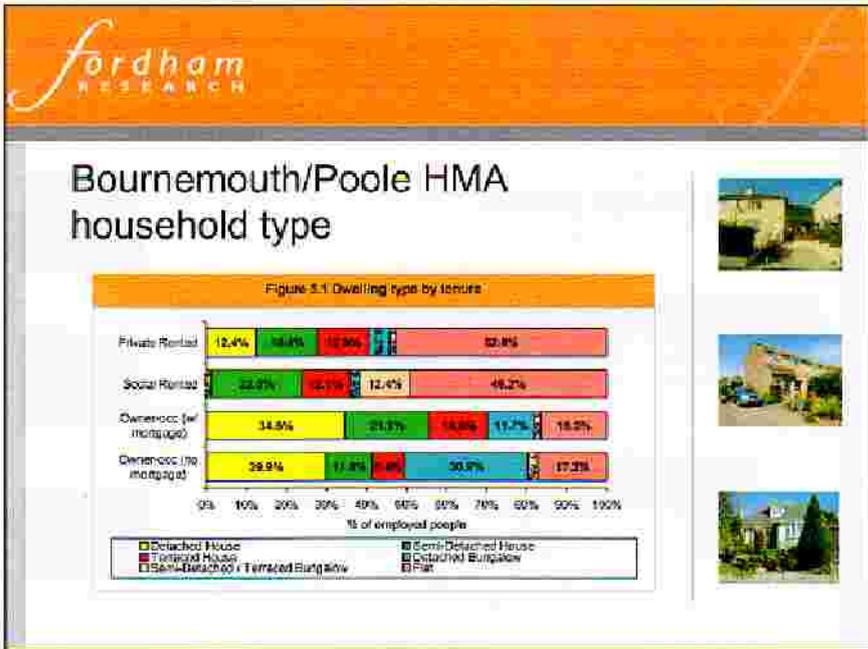
Table S2 Entry-level market costs in Bournemouth and Poole HMA (to buy)

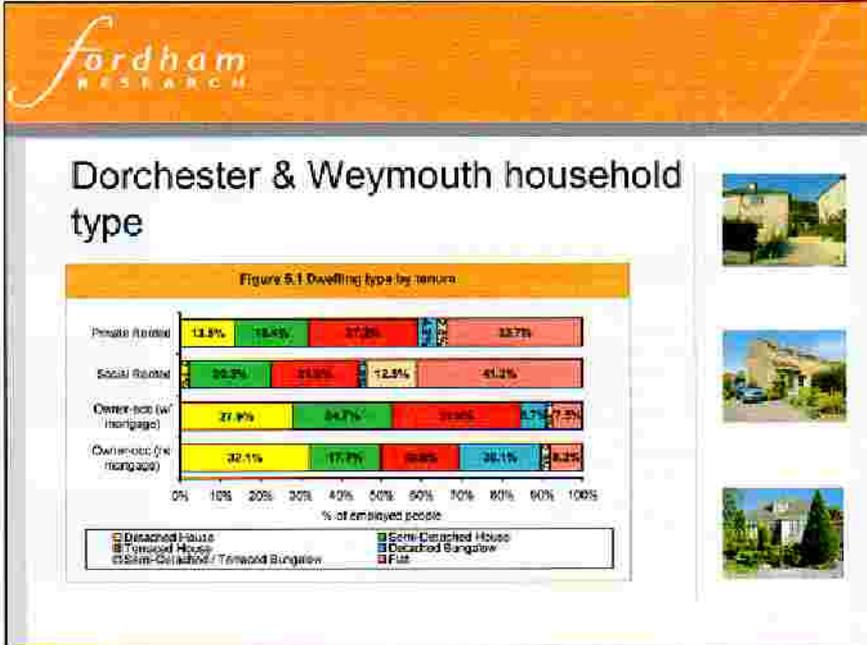
Bedrooms	Bournemouth	Christchurch	East Dorset	North Dorset	Poole	Purbeck
1	£110,000	£124,000	£142,000	£81,000	£110,000	£132,000
2	£150,000	£180,000	£190,000	£135,000	£175,000	£175,000

Table S2 Entry-level market costs in Dorchester and Weymouth HMA (to buy)

Property size	Weymouth and Portland	West Dorset
1 bedroom	£102,000	£65,000
2 bedrooms	£141,000	£142,000

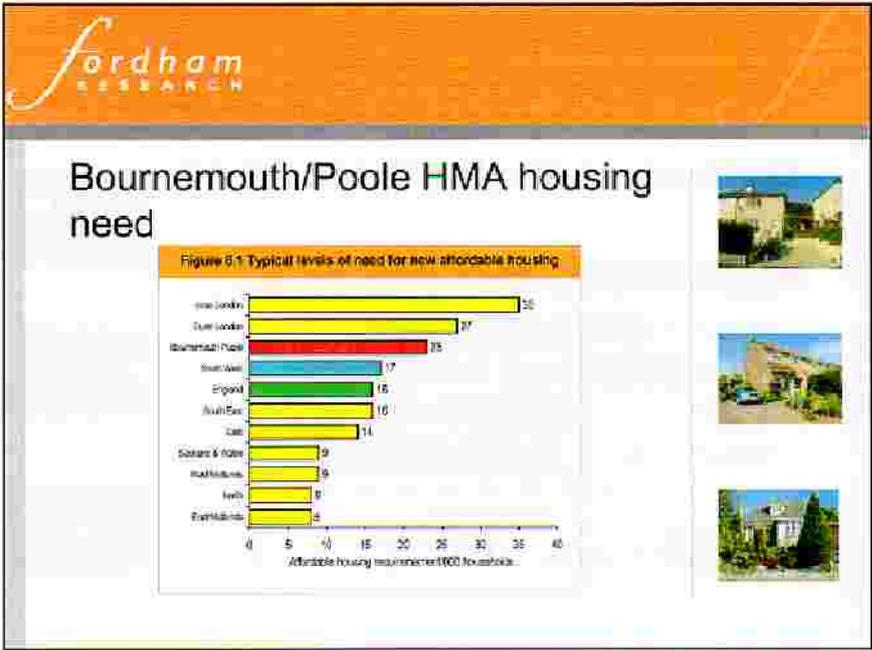






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## Housing Need



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All (historic) county: need by tenure group (both HMA's virtually the same)

Figure S4 Housing need by tenure

Tenure Group	% Housing Need
Generalist (one wing)	0.1%
Generalist (two wings)	3.7%
Social rental	5.9%
Private rental	12.2%

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Housing market dynamics

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### Bournemouth/Poole HMA financial capacity

Owner-occupied (no mortgage)	£25,388	£72,482	£284,793
Owner-occupied (with mortgage)	£40,593	£16,149	£152,265
Social rented	£10,341	£3,474	n/a
Private rented	£21,715	£12,538	n/a
<b>All tenures</b>	<b>£28,882</b>	<b>£36,981</b>	<b>£221,530</b>



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### Dorchester & Weymouth financial capacity

Owner-occupied (no mortgage)	£25,351	£76,587	£275,063
Owner-occupied (with mortgage)	£36,678	£17,107	£153,822
Social rented	£16,709	£4,843	n/a
Private rented	£21,108	£17,013	n/a
<b>All tenures</b>	<b>£26,408</b>	<b>£39,884</b>	<b>£163,006</b>



## Bournemouth/Poole HMA balancing the housing market

**Table 11.1** 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	-97
Intermediate	239	453	175	45	910
Social rented	259	447	362	259	1,324
<b>TOTAL</b>	<b>832</b>	<b>1,846</b>	<b>1,036</b>	<b>679</b>	<b>4,095</b>



## Dorchester & Weymouth balancing the housing market

**Table 11.1** 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	-169	-55	-52
Intermediate	128	187	100	12	424
Social rented	155	145	83	17	400
<b>TOTAL</b>	<b>416</b>	<b>775</b>	<b>276</b>	<b>116</b>	<b>1,584</b>



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## The needs of specific groups



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## Bournemouth/Poole HMA special needs

Category	Number of households	% of all households	% of special needs households
Frail elderly	22,630	9.3%	45.6%
Physical disability	22,653	9.3%	45.2%
Learning difficulty	5,182	2.1%	10.3%
Mental health problem	6,690	2.7%	13.4%
Severe sensory disability	5,317	2.2%	10.6%
Medical condition	27,972	11.6%	55.8%
Other	2,986	1.2%	6.0%



## Dorchester & Weymouth special needs

Category	Number of households	% of all households	% of special needs households
Frail elderly	6,126	8.5%	41.5%
Physical disability	6,646	9.2%	45.0%
Learning difficulty	1,332	1.8%	9.0%
Mental health problem	2,592	3.6%	17.6%
Severe sensory disability	1,567	1.9%	9.3%
Medical Condition	8,066	11.2%	54.7%
Other	835	0.9%	4.3%



## Older persons

- Nearly 75% Owner (no mort)
- 60% of all such hh are older
- 13% of older in social rent
- 40% of social rent hh are older



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## Bournemouth/Poole HMA rural/urban incomes

Categories	Annual gross household income	Average household savings
Urban	£28,338	£24,921
Town and Fringe	£27,179	£23,110
Village	£34,426	£26,312
Hamlet	£35,895	£29,080
Total	£28,683	£26,981



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## Dorchester & Weymouth rural/urban incomes

Categories	Annual gross household income	Average household savings
Urban	£24,426	£20,409
Town and Fringe	£24,863	£24,345
Village	£32,146	£26,226
Hamlet	£33,099	£24,098
Total	£28,409	£26,884



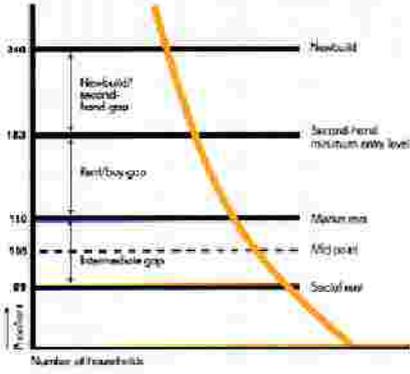
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# Policy analysis



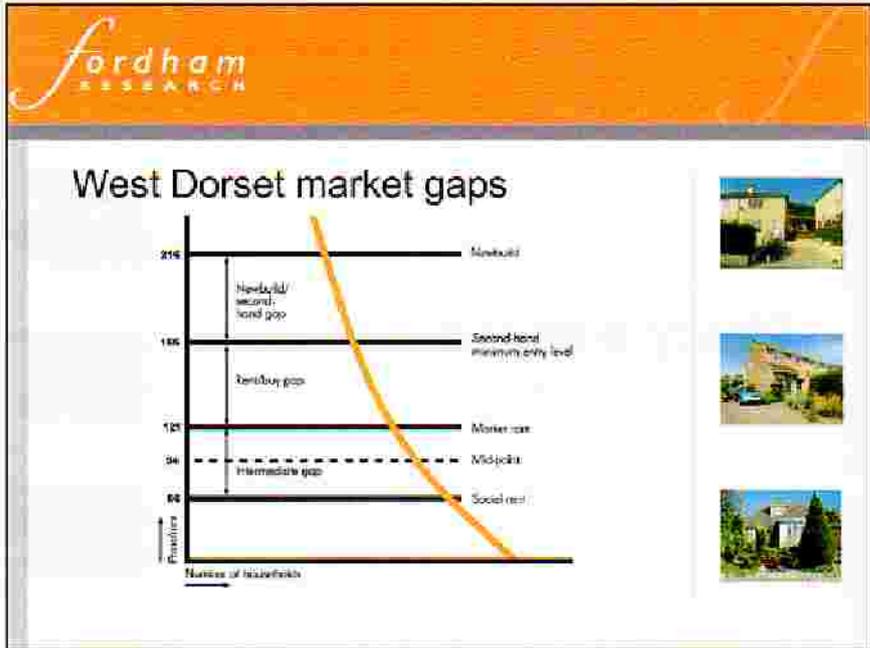
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# Bournemouth market gaps

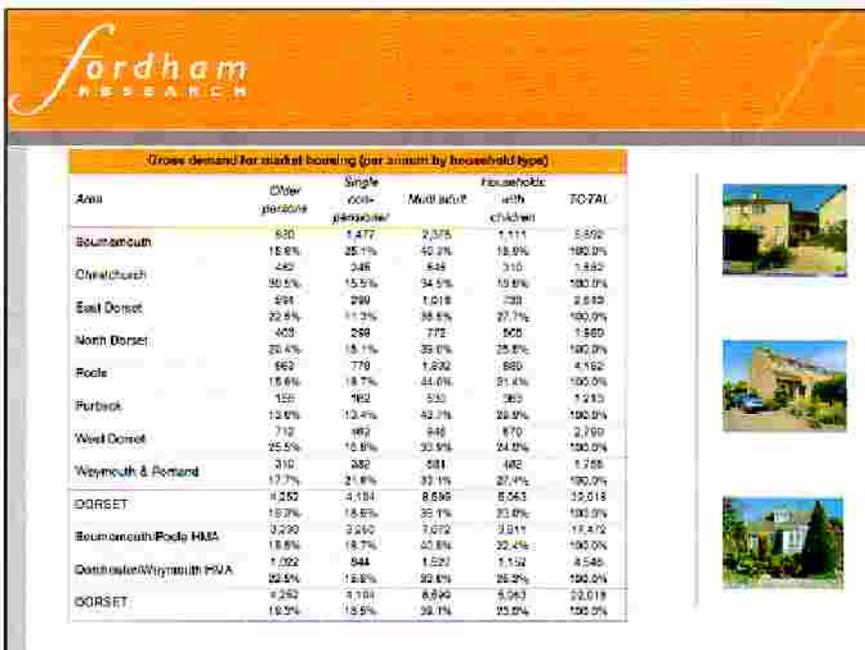


Market Level	Number
Newbuild	340
Second hand minimum entry level	183
Market mix	110
Mid point	95
Social rent	89





Area	CLG Needs (total annual requirement)	Fordham Research Index (national average: 19)	BRM model annual need for affordable housing	BHM as a fraction of CLG need	BRM percentage of need on site profile	Proportion of CLG need which can be met without additional intermediate rent
Bournemouth	3,015	38	718	24%	36%	5% (183 dwgs pp)
Christchurch	242	11	103	42%	48%	9% (22 dwgs pp)
East Dorset	440	13	243	55%	36%	13% (84 dwgs pp)
North Dorset	399	14	220	55%	27%	30% (119 dwgs pp)
Poole	1,199	19	615	51%	48%	13% (163 dwgs pp)
Poolebeck	408	21	138	34%	50%	3% (11 dwgs pp)
West Dorset	737	17	542	74%	52%	3% (25 dwgs pp)
Weymouth & Portland	800	28	282	35%	51%	31% (245 dwgs pp)
Dorchester/Weymouth HMA	1,538	21	824	54%	51%	n/a
Bournemouth/Poole HMA	5,704	23	3,234	57%	36%	n/a



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END



**Drawing the results together –  
Balanced Housing Markets and  
Implications for Policy Makers.**

Gill Smith  
GMS Consultants Ltd



**Balanced Housing Markets - Implications  
for Policy Makers**

- Requirements of PPS3
- Needs of specific household groups
- Outcomes for each SHMA
- Policy implications



## What do policy makers need to know?



PPS3 /SHMA Guide - core requirements:

1. Proportions of households that require market : affordable housing.
2. Size and Type of affordable housing
3. Likely profile of household types requiring market housing (eg single people, couples and families.)
4. Needs of specific groups, eg older people, young people, key workers, gypsies and travellers etc.



## 1. Market : affordable split



Two assessments of affordable requirements

- CLG approach
- BHM approach

Have to assess need against potential housing supply in RSS

Have to consider viability of level of provision



## RSS policy on Affordable Housing



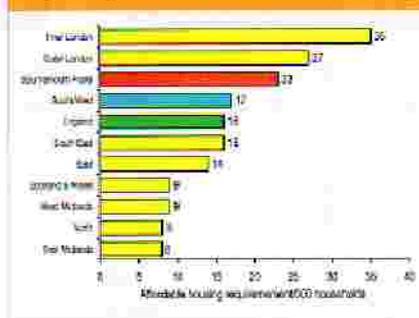
Draft RSS and EIP Panel suggest that affordable housing should be within the range of 30/35% to 60% of total housing supply ...  
*"or higher in areas of greatest need"*



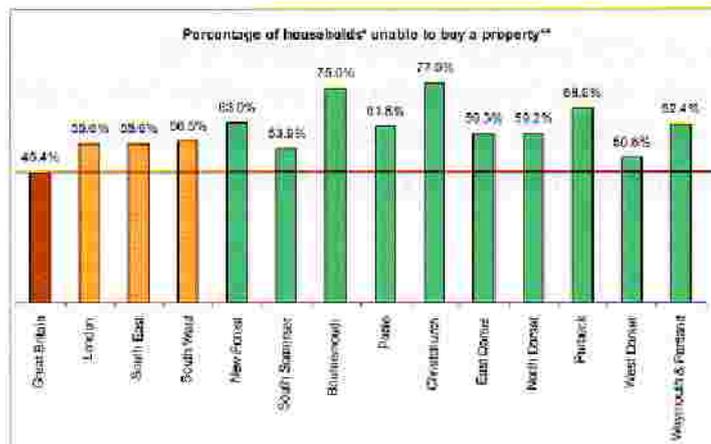
## Levels of Affordable need



Figure 6.1 Typical levels of need for new affordable housing



## Need by working age households



## Affordable Need / Demand



HMA / LA area	BHM affordable demand as % of RSS total	CLG affordable need as % of RSS total
<b>B/P HMA</b>	<b>92.9</b>	<b>237.2</b>
Bournemouth	89.2	374.5
Poole	163.0	239.8
Christchurch	94.2	140.5
East Dorset	56.3	137.5
North Dorset	62.9	114.0
Purbeck	53.5	158.5
<b>D/W HMA</b>	<b>91.1</b>	<b>169.9</b>
West Dorset	86.7	117.9
Weymouth and Portland	100.7	285.7



## Key Finding 1 Market : Affordable mix



Because of high level of need:

- Assess level of BHM demand as minimum
- Assess level of CLG need as maximum
- Provide affordable housing at the highest proportion economically viable within this range or as close to it as possible.



## 2 a Type of Affordable Housing

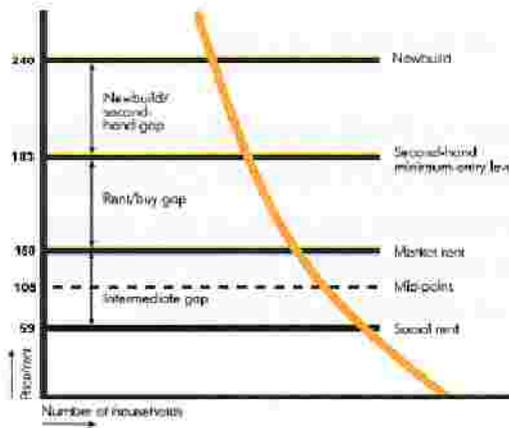


Need to decide the mix between "social rented" and "intermediate" housing.

Definition of the actual cost of intermediate housing is essential.



## Market Gaps - Bournemouth



## Affordability of Intermediate housing



HMA / LA Area	A % of BHM affordable demand that can afford the mid point of Intermediate gap	B % of CLG affordable need that can afford Intermediate rent
<b>B/P HMA</b>	<b>41%</b>	<b>9%</b>
Bournemouth	35%	5%
Poole	45%	13%
Christchurch	48%	9%
East Dorset	35%	15%
North Dorset	50%	30%
Purbeck	33%	3%
<b>D/W HMA</b>	<b>52%</b>	<b>18%</b>
West Dorset	52%	3%
Weymouth and Portland	51%	31%



## Key Finding: 2a Type of Affordable Housing



Bearing in mind the high level of need for affordable housing but limited means of those in need

- The ratio of intermediate : social rented housing should broadly follow the proportions that can afford Intermediate rent
- The mix may be varied to achieve a development that is economically viable

The cost of the intermediate housing provided will be critical.



## 2b Size of Affordable Housing



Two main sources of information

- BHM tables for each authority - showing households preferences
- Housing Register – showing households needs.

Consistent evidence that predominant need is for smaller dwellings



## Size requirements - Bournemouth



Tenure	Size of dwelling				Total
	1 bed	2 bed	3 bed	4+bed	
<b>BHM analysis (preference)</b>					
Intermediate %	33.3	42.2	24.5	0	100
Social rented %	43.0	22.0	11.8	23.2	100
<b>% All affordable</b>	<b>39.6</b>	<b>29.0</b>	<b>16.2</b>	<b>15.2</b>	<b>100</b>
<b>Housing Register (need)</b>					
All affordable %	53.1	29.3	15.0	2.6	100



## Size requirements - West Dorset



Tenure	Size of dwelling				Total
	1 bed	2 bed	3 bed	4+bed	
<b>BHM Analysis (preference)</b>					
Intermediate %	21.3	49.8	24.6	4.3	100
Social rented %	40.8	34.4	17.9	6.9	100
<b>All affordable %</b>	<b>30.8</b>	<b>42.3</b>	<b>21.4</b>	<b>5.5</b>	<b>100</b>
<b>Housing Register (need)</b>					
All Affordable %	57.1	26.3	15.2	1.3	100



## Key Finding 2b - Size of Affordable Housing



Evidence from the BHM and Housing Register should be used to decide the proportions of different sized dwellings to be provided.

Cost and flexibility of different dwelling sizes also to be considered.



## 3 Profile of households requiring market housing



Sources of information

- Migration patterns
- Household projections
- Survey responses



## Research findings



- Majority of people moving into Dorset are of working age – 30s - 50s
- Projections show population growth will be concentrated in 65+ ages
- Household projections show the most significant increase will be in the number of one-person households
- Ageing migrants – many couple households may be one person households in the future
- There is a gross demand for market housing from around 17,500 households per annum in the Bournemouth / Poole HMA and 4,500 households in the Dorchester / Weymouth HMA.
- Families make up around 25% of gross demand.
- Under occupation has a major influence on the housing market - 48% (B.P core) - 65% (D.W periphery) of one person households under occ.



## Demand for market housing



Gross demand for market housing by household type.					
Area	Older persons	Single (non pensioners)	Multi Adult	Households with Children	Total
Bournemouth / Poole HMA	18.5	18.7	40.5	22.4	100
Dorchester / Weymouth HMA	22.5	16.6	33.6	25.3	100

Balanced Housing Market demand for market housing by dwelling size				
	1 bed	2 bed	3 bed +	All sizes
Bournemouth / Poole HMA	18.1	40.2	41.7	100
Dorchester / Weymouth HMA	17.9	58.2	23.9	100



### Key Finding 3 Profile of households requiring market housing



Research indicates trends in the type of households but cannot define their housing requirements.

The BHM provides the best source of information on the demand for different sizes of housing to meet market preferences.

In addition authorities need to consider local influences such as the impact of new employment proposals on their area.



### Questions for policy makers



- How can you entice older households to release family size housing?
- What type of housing would best suit older households in their 60s and 70s?
- Should "lifetime" homes play a bigger role?
- Will the need to release equity to help younger family members encourage down-sizing?
- What local impact will new employment proposals have on the demand for housing?



## 4 Needs of Specific Household groups



### Young people and First Time Buyers

#### Bournemouth / Poole HMA

- Large private rental market, 3000 would like to buy, only 23% can afford to.
- Good supply of flats in the core, but little "move on" housing.
- Rural areas - more living at home, few set up home on own.

#### Dorchester / Weymouth HMA

- Average age of FTB is 36, 40% spend higher proportion of income than recommended by Government.
- 2,000 more young households want to get on housing ladder.

*More small properties at affordable prices/rents are needed in all areas. Move on housing needed in Bournemouth.*



## 4 Needs of Specific Household groups ctd



### Key Workers

#### Bournemouth / Poole HMA

- Over 86% live in owner occupied housing.
- Gross household income is 30% higher than other workers.
- More problems for middle manager KWs looking for family housing than young employees.

#### Dorchester / Weymouth HMA

- Over 80% live in owner occupied housing.
- Gross household income is 36% higher than other workers and the majority are able to access entry level prices.

*Key workers are in a better position than other working households in respect of their ability to access market housing.*



## 4 Needs of Specific Household groups ctd



### Gypsies and Travellers

- 2,400 – 3,000 gypsies and travellers living in or passing through Dorset.
- Average household size 2.9 compared to 2.15 of housed pop.
- 66% live in overcrowded conditions.
- Only 58 public pitches and 15 private sites across Dorset.  
(*Dorset Traveller Needs Assessment 2006*)

### Proposed pitch provision to 2011

Bournemouth / Poole - 79 Residential pitches; 187 Transit pitches

Dorchester / Weymouth – 20 Residential pitches; 42 Transit pitches



## Conclusions



- SHMA provides evidence base for all to use
- It answers many questions, but raises others
- Monitoring and updating essential
- Need to disseminate findings across the County
- Comments and questions welcome.



## Appendix C - Report of the discussion at the event

A number of questions were asked and comments made by the invited stakeholders to which the panel of speakers responded.

Some of the stakeholders felt that the analysis of population trends was too historical and that a more topical view was needed with regard to what motivates people to act as they do in the housing market. The answer from the panel was that, while a survey of estate agents had been carried out in an attempt to elicit such information, it did not provide the hard figures which were needed.

It was asked whether the analysis of population distinguished short term and long term migrants. The answer from the panel was that short term migrants (here for less than a year) are not included in the official statistics.

It was asked why the house price data used in the research was not up to date. The answer was that it was given for 2006 so as to match the earnings data.

Another stakeholder asked how the current mix of dwellings matched requirements. The answer was that it does not always match. In some areas there are too many flats (often replacing family housing), while in others there are not enough small properties for young households.

One of the building industry representatives commented that their firm was looking to build family housing as there is a glut of flats. Another building industry stakeholder commented that developers were forced to take down existing houses by the general shortage of land to build anything.

A community representative remarked that there was little in any of this to show where houses should be provided given that overall Dorset has more houses than jobs.

A question was put to the consultant, Dr Richard Fordham. What does 'housing need' mean? He said that it was the unsatisfied need of people who cannot afford market housing - the social and market rented sectors contain most of it.

Another questioner asked why he did not seem to have considered the role of shared equity. He replied that it was too small to make any significant difference to the supply of housing.

It was commented that there are many below average income people in rural areas. Dr Fordham agreed that this was so, and said that housing need is often understated because the limited supply of affordable housing in rural areas puts people off applying.