

Dorchester / Weymouth Strategic Housing Market Assessment

Final Summary Report



June 2008

Dorset Housing Market Area Partnership

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1.0 KEY FINDINGS

1.0.1 Introduction

This report summarises the findings of the Strategic Housing Market Assessment (SHMA) for the Dorchester / Weymouth Housing Market Area. The SHMA has been undertaken by a Partnership of local authorities and other stakeholders to provide an evidence base on which all can draw to inform their housing policies and strategies.

1.0.2 This first section provides an executive summary of the main findings.

FEATURES OF THE HOUSING MARKET AREA

1.1 Key Finding 1: Housing Market Area Boundary

The HMA should comprise the whole local authorities of West Dorset and Weymouth and Portland

1.1.1 The evidence suggests that the housing market areas in Dorset do follow the broad sub areas identified in the DTZ study. However, for ease of monitoring in the future and following government advice, it is suggested that future analysis of data should follow Local Authority boundaries within the main Dorchester / Weymouth HMA, rather than the core, periphery and North West Dorset sub areas used in this study.

1.2 Key Finding 2: Population and Migration

The HMA is characterised by its elderly population, which will continue to grow in proportionate significance.

1.2.1 The population of the HMA is already heavily weighted towards the elderly and is likely to become more skewed in this way in the future. This is even more apparent in the rural area than in the Dorchester and Weymouth cores. Migration, both from the South East Region and internally is resulting in increasing numbers of older people, especially in the rural areas. Policy makers will need to consider the challenges of housing a growing elderly population and ways to encourage younger people to stay in the HMA and in the rural areas in particular.

1.3 Key Finding 3: Household Composition

Single person households are a significant feature of the HMA, and will continue to grow as a proportion of overall population.

1.3.1 Single person households are expected to rise from 33% to 41% of all households by 2026. Pensioners make up at least 50% of these small households. Household size is well below average and falling. This is putting more pressure on the housing stock as more dwellings are needed to house the same population.

1.3.2 Working age households are also changing, with more single person households and fewer couples. While the pattern of change in household size is clear, the implications for demand for different sizes and types of property are less predictable.

1.4 Key Finding 4: Housing Stock

There is mismatch in parts of the area between the existing housing stock and housing requirements

1.4.1 The housing stock across the Dorchester / Weymouth HMA is in average condition, but is characterised by a high proportion of older properties. In terms of size and tenure, the core areas tend to have more small properties, including



flats, while the rural area has a high proportion of larger detached and semi detached houses. Dorchester has a much more balanced mix of dwelling types with fewer detached and more terraced properties. Recent developments have generally reinforced the mix of sizes. Demand for second homes creates particular hotspots in coastal parishes, but is not a major factor in the towns.

1.5 Key Finding 5: Employment Structure

The economy of the HMA features a high proportion of low paid, service sector jobs. Productivity per head of the resident population is below the national average.

- 1.5.1 The employment structure of the Dorchester / Weymouth HMA is typical of the South West Region, being dominated by the service sector. The HMA has an above average proportion of people working in low pay jobs, with particular concentrations in Weymouth. Self employment is high, particularly in the periphery, but new business start ups are low.
- 1.5.2 Employment growth has been in line with the regional average in the towns in recent years but there has been a loss of jobs in their peripheral areas. North West Dorset has also performed well. Across the HMA, productivity per resident head is well below the national average but, if assessed per employee, shows better performance.
- 1.5.3 To improve its economic performance in the future the HMA faces a considerable challenge in increasing the number of jobs throughout the rural area and in increasing the proportion of higher paid jobs.

1.6 Key Finding 6: Earnings

Relatively high general income levels across the HMA hide the difficulties faced by many employed people on relatively low wages.

- 1.6.1 Many people working in the area are on relatively low wages, especially in Weymouth. A growing number of working households are claiming benefits to assist in meeting their housing costs. Unemployment is low. Migrant workers have been attracted to the area, particularly the towns, filling low paid jobs and keeping wage levels down. If improvements to productivity are to be made, skills levels will have to improve, especially in Weymouth.
- 1.6.2 Self containment is particularly low in Dorchester and indicates potential to increase the supply of housing in this town to help reduce commuting - but the right type of property must be built to attract working households rather than retirees.

FUTURE GROWTH

1.7 Key Finding 7: Implications of Future Growth

Continued job growth will have implications for provision of new housing. A shift in the types of housing may be needed to match requirements.

- 1.7.1 Productivity is forecast to remain below the regional average across the Dorchester / Weymouth HMA. Around 5,200 new jobs could be created over the next 10 years, two thirds of which will be in West Dorset and most of which will be in the service sector. Replacement demand could increase the total demand for new jobs. Many of these jobs will be part time and so could be filled by existing workers or by people who may delay retirement. However as the number of working age, economically active population is only projected to increase by up to 17,000 across the Dorset sub region, there could be significant requirements for re-training.



- 1.7.2 If the economy grows at around 2.8% housing supply should meet demand. However if a higher growth rate occurs, further additional housing will be required. Productivity could also be increased to meet economic growth requirements, through development of the higher value, knowledge based sector.
- 1.7.3 Particular types of housing that may be needed include: more family housing in the towns (particularly Dorchester) where job growth will be highest; more small dwellings in all areas but particularly in the rural areas to accommodate the growing number of single person households; and more adapted/lifetime housing to cater for the ageing population in all parts of the HMA.

THE NEEDS OF DIFFERENT HOUSING GROUPS

1.8 Key Finding 8: Households with Special Needs

Special needs households will require alternative housing with specialist adaptations or care/support

- 1.8.1 Most special needs are related to the age of the household and so are proportionately higher in the rural areas. There are relatively high proportions of special need households in the social rented sector, particularly in Weymouth. Those with a special need are three times as likely to be living in unsuitable housing as other households.
- 1.8.2 Large numbers of special needs households indicated a need for alternative housing with specialist adaptations or care/support, but as their income and savings levels tend to be lower than those without special needs, many may be unable to afford these improvements. 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 needs as they change and more specialist care services.

1.9 Key Finding 9: Older Person Households

The proportion of older person households is high and will continue to grow across the HMA, presenting their own special housing requirements.

- 1.9.1 The proportion of households comprising only elderly people is high and will continue to grow across the HMA. Between 50% and 60% of single person households comprise older people. The highest proportion of older households is in West Dorset. Around 80% of older person only households are owner occupiers. Some are finding their property too expensive to maintain.
- 1.9.2 Around 55% of older person households 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.
- 1.9.3 There is also a relatively large proportion of elderly people living in 3 or 4+ bed social rented accommodation in both West Dorset and Weymouth, indicating some scope to make more efficient use of this stock.

1.10 Key Finding 10: Families with Children

The needs of families with children may not be being met by existing housing

- 1.10.1 Families currently comprise around 20% of all households in the HMA. The majority are two parent families, most of whom live in owner occupied property. Around 18% of families have a lone parent. Higher proportions of single parent than two parent families live in “unsuitable” and over-crowded accommodation and more than 2 out of 5 lone parent families live in social rented



accommodation, with markedly high levels in West Dorset. Lone parents face particular difficulties in trying to move up the housing ladder with only a single income.

- 1.10.2 Around 73% of two parent families who are intending to move in the next two years, hope to buy a property. These aspirations may not be achievable for all families in West Dorset.
- 1.10.3 Almost half of all moving families are seeking 3 bed accommodation and most are seeking detached properties, with relatively few looking for terraced housing. This may be explained in part by the greater availability of detached property, particularly in West Dorset.

1.11 Key Finding 11: Young People and First Time Buyers

Young people wishing to rent or purchase their first property are frustrated by a lack of available and suitable housing at an appropriate price.

- 1.11.1 The average age of first time buyers is 36 and two out of five are spending more on housing than recommended prudent by the government. Over 2,000 more young households would like to get on the housing ladder.
- 1.11.2 In Weymouth around 60% of young households living on their own are living in owner occupied property. In West Dorset only half as many young single households are able to do so.
- 1.11.3 Three times as many young households as other households live in private rented accommodation and many are living in flats which provide a first step on the housing ladder.
- 1.11.4 Over one third of young households living as a family, live in social rented accommodation, nearly three times as many as other households. Social rented housing is forming a back stop for young people who cannot afford to buy or rent privately.
- 1.11.5 To improve the situation for young people in this HMA, more small properties at affordable prices/rents need to be provided. In West Dorset, accommodation for young single person households is in particular need. Failing this, young people will have to resort to spending a very high proportion of their income on housing, stay at home with their parents or seek social rented housing.

1.12 Key Finding 12: Students

Students will continue to rely on private rented property, which may be put under competing pressure in the build-up to the 2012 Games

- 1.1.1 Higher education establishments do not play a major role in the Dorchester / Weymouth housing market. Although some new residential accommodation is planned, most higher education students will use the private rental market. The demand generated by the Olympic events may put pressure on this market.

1.13 Key Finding 13: Key Workers

Contrary to findings of other studies, key workers in the HMA appear to be in a better position than other working households in respect of their ability to access market housing.

1.14 Key Finding 14: Migrant Workers

Migrant worker numbers are growing and are seeking accommodation in both town and rural areas



- 1.14.1 The number of migrant workers registered in the Dorset sub-region continues to rise, particularly from the A8 countries. Many have settled in the market towns and rural areas.
- 1.14.2 While the valuable contribution of migrant workers to the local economy has been recognised for several years, the implications for service provision are less well documented. For accommodation, most workers look to the private rented sector.

1.15 Key Finding 15: Rural Households

Despite an outward appearance of prosperity, rural areas have problems associated with low incomes and high house prices

- 1.15.1 The rural areas are generally characterised by high levels of owner occupation and lower than average levels of social rented accommodation. Income and savings levels are generally higher in rural than urban areas. However this generality hides the difficulties faced by those households with lower incomes.
- 1.15.2 There are above average proportions of pensioner households, particularly comprising two or more pensioners, in the rural area. Pensioners and single parent families tend to be concentrated in the "town and fringe" areas, where services are most readily available.
- 1.15.3 There is 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.
- 1.15.4 The rural parts of Weymouth show different characteristics to the other rural areas, with higher concentrations of less well off households. The needs of the households in this area need to be considered carefully.

1.16 Key Finding 16: Gypsies and Travellers

Assessment of the needs of gypsies and travellers is being addressed in the RSS and may result in an increase and more focussed provision of sites

- 1.16.1 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. There are 50 public pitches and 8 private sites across Dorset, of which 14 public pitches are in West Dorset. There are also many unauthorised sites, mostly in the rural areas. While there is no official measure of overcrowding, it appears that the situation is as bad now as it was in the 1960s. Costs of inadequate pitch provision are high – both for the Local Authorities (financially) and gypsy/ traveller community in terms of health and social care. The Local Authorities have made the case for a need by 2011 for 20 permanent/residential and 42 transit pitches in the Dorchester / Weymouth HMA.

AFFORDABILITY AND HOUSING NEED

1.17 Key Finding 17: Affordability

Affordability is a problem throughout the area. House prices are above the national and regional average and have been increasing faster than the rest of Dorset and nationally over the last five years.

- 1.17.1 Overall price increases have been heavily influenced by rises in Weymouth. Despite these recent increases, entry level prices and rents are generally cheapest in Weymouth and Portland. Availability of flats to rent or buy is a problem in the rural areas.



- 1.17.2 Analysis of moves in recent years and future moving intentions show the importance of the private rented sector to housing mobility. However, incomes of those in private rented housing are well below those of households buying a property and the proportion of newly forming households able to buy is lower than in the Bournemouth / Poole HMA.
- 1.17.3 In West Dorset there is a large difference between local earnings and average house prices and in Weymouth there are particular problems for young working households trying to access the market.

1.18 Key Finding 18: Levels of Housing Need

There is an indicative demand for over 1,580 dwellings per annum, of which over half should be affordable.

- 1.18.1 Assessing need by the government (CLG) approach indicates a need for around 1,550 affordable dwellings per annum across the HMA, 800 of which are needed in Weymouth and 750 in West Dorset.
- 1.18.2 Using a more realistic, Balanced Housing Market (BHM) approach indicates a total demand for over 1,580 dwellings per annum, of which 820 (52%) should be affordable. Overall demand is over twice as high in West Dorset as in Weymouth, but a higher proportion of affordable housing is needed in Weymouth.
- 1.18.3 Under the BHM approach, private rented housing appears to be in over-supply, but this may not fully reflect the role of this tenure. Intermediate housing could meet some of the need for affordable housing, provided it is priced at the right level.
- 1.18.4 In Weymouth, over half the need is for affordable dwellings and 2 bed dwellings are in exceptionally strong demand. Small 1 bed market homes appear to be in over supply. In Dorchester, 60% of the demand is for affordable housing and 2 bed properties are also in strong demand.
- 1.18.5 In the rural areas the need for 3 bed dwellings becomes more apparent, but in the social rented sector, 1 bed dwellings are in strong demand. In North West Dorset, the demand for market housing is more dominant and intermediate housing could play a role, provided it is at the right price.

1.19 Key Finding 19: Housing Market Gaps

There are large gaps between the entry level costs of different forms of housing.

- 1.19.1 For those trying to access the market, the intermediate and rent/buy gaps are most significant. To be of most use to those in need, intermediate housing should be priced around the mid point of the intermediate gap. Intermediate rent at 80% of market rents may also provide some help. The cost tables presented in this report should be used to assess the affordability of any intermediate products proposed by developers.

THE PROFILE OF HOUSING NEEDED IN THE HMA

1.20 Key Finding 20: The Market/Affordable mix

The viability of providing affordable housing on a site should be assessed within a range defined by housing demand and need (see Section 9.1).

1.21 Key Finding 21: Type of Affordable Housing required



It is suggested that the ratio of intermediate to social rented housing in any area should broadly follow the proportions implied from an analysis of the CLG need figures for each local authority (see Section 9.2).

- 1.21.1 This will not rule out the possibility of varying the mix on any particular site to achieve a development that is economically viable, but, averaged across a local authority, it is suggested that the mix should follow the proportions indicated in Column D in Table DWSR 9.3

1.22 Key Finding 22: Size of Affordable Housing required

It is proposed that the evidence on demand and need for different sizes of affordable dwellings in both the Balanced Housing Market assessment and the Housing Register records for each local authority area should be used to decide the most appropriate breakdown on the size of affordable housing required (see Appendix 3, Tables DWSR A3.1 – A3.2).

1.23 Key Finding 23: Profile of Market Housing required

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.

- 1.23.1 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.

MONITORING AND UPDATING

1.24 Key Finding 24: Monitoring and Updating

Updating and monitoring of how the housing market is changing is a key requirement of a Strategic Housing Market Assessment. A number of elements to be updated have been identified. It is suggested that local authority partners should report on the findings in their Annual Monitoring Reports and use these to monitor future progress of their housing policies and strategies.





2.0 HOUSING – THE BIG DEBATE

- 2.1 England has a prosperous and growing population and demand for housing is growing. But by any measure, affordability is getting worse.
- 2.2 In 2004 Kate Barker identified the tensions that exist in community cohesion and the price of housing when housing supply is restrained. She recognised that continuing the current rate of house building was not an option unless we accept increasing problems of homelessness, affordability and social division as well as increased costs for business.
- 2.3 The government responded to her recommendations by addressing both planning and housing policy through a new Planning Policy Statement on Housing in 2006 and the Housing Green Paper in 2007. The Housing Green Paper outlines plans for delivering more homes – up to 3 million by 2020 at a rate of 240,000 per annum, of which at least 70,000 should be affordable.
- 2.4 The National Housing and Planning Advice Unit, which was set up in 2007 to provide advice to the government on the affordability of market housing, has recently suggested ¹ that an even higher target – 270,000 homes per annum by 2016, might be needed if we are to make any real impact on affordability.
- 2.5 Strategic Housing Market Assessments (SHMA) are seen as key tools in the development of housing and planning policy. They aim to provide an understanding of how housing, planning and economic factors interplay in any area, to inform local authorities and their partners in decision making and resource allocation
- 2.6 This report provides a summary of the findings of the SHMA for the Dorchester / Weymouth Housing Market Area. It draws on information from the Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth SHMA and supporting documents².
- 2.7 Figure DWSR 2.1 below shows how the summary fits alongside the other main documents that together make up the Strategic Housing Market Assessment.

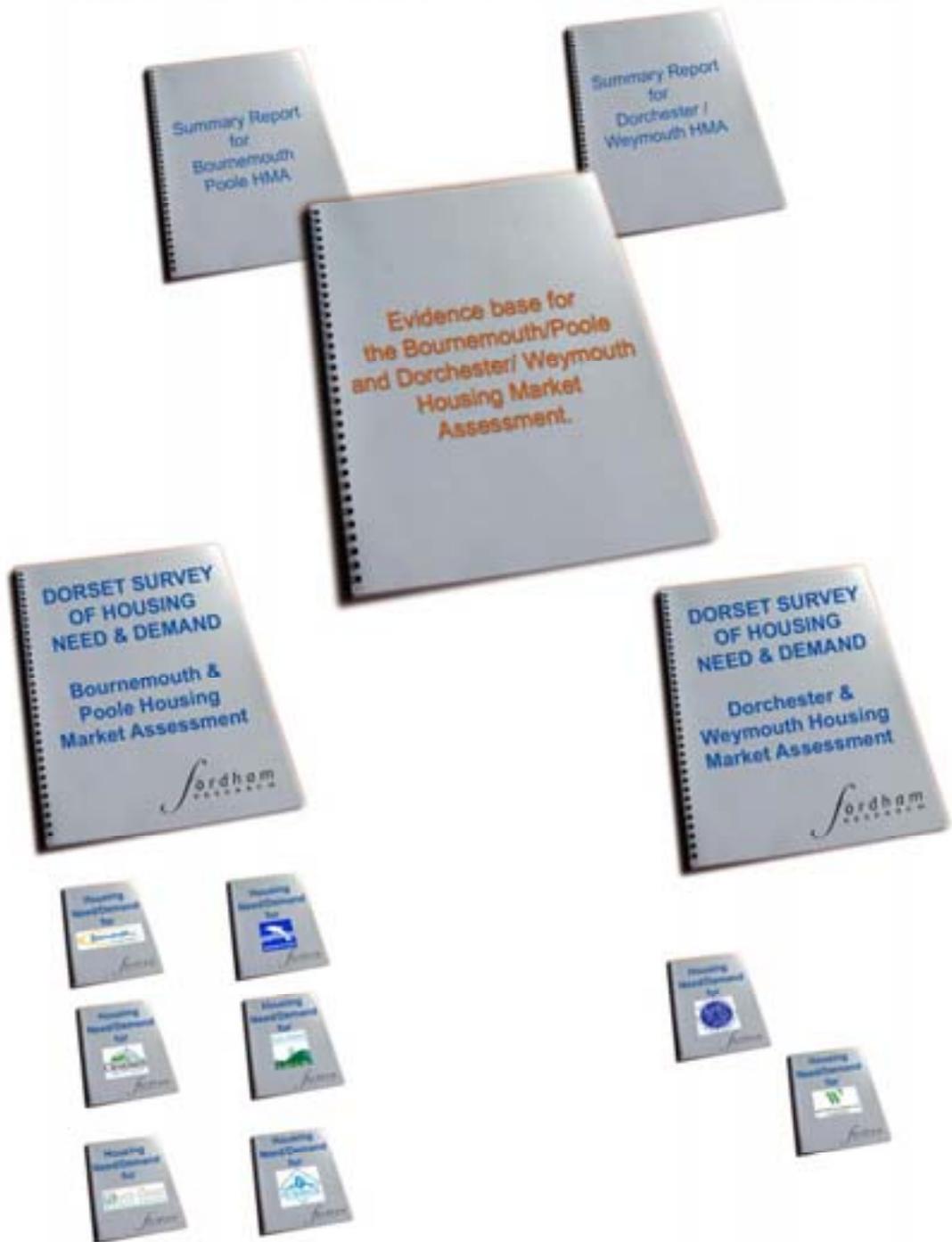
¹ NHPAU, Developing a target range for the supply of new homes across England. 2007.

² Dorset HMA Partnership, Bournemouth / Poole and Dorchester / Weymouth SHMA Evidence Base 2008 and Fordham Research Dorset Surveys of Housing Need and Demand, 2007.



Figure DWSR 2.1 Diagram showing structure of HMA and HNDS reports

Diagrammatic Structure of HMA / HNDS reports



3.0 THE APPROACH TO THE STUDY

3.1 This assessment has been undertaken in accordance with the requirements for SHMAs provided by the government.³ It is one of three pilot studies supported by the South West Housing Body. The assessment was commissioned by the Dorset Housing Market Area Partnership. The Partnership comprised a working group of officers from both planning and housing functions of each of the constituent local authorities as well as representatives of regional government, neighbouring authorities, the Housing Corporation and other housing and economic stakeholders.

3.2.1 The day to day management of the project was steered by a multi disciplinary Project team of officers from Dorset County Council, four other local authorities and the Regional Housing Body. Wider interest groups, such as community partnerships, local developers and agents, have been involved through two Stakeholder events at key stages in the process.

The main aims of the study are set out below:

1. To analyse trends and survey data in order to provide a detailed understanding of the Dorchester / Weymouth housing market and any sub markets. This should then be used to:

develop long term, strategic views on the need and demand for market and affordable housing to inform planning policy at both the regional and local level;

aid decisions on the amount and mix of market and affordable housing required in different parts of the HMA;

identify the accommodation needs of particular groups (eg older people, young people, key workers and gypsies and travellers);

back up decisions on housing policy such as housing allocation priorities and stock renewal options;

provide an understanding of the linkages between the housing market and the local economy to help inform decisions on other services such as education and transport needs;

2. To provide the information in a way that can be easily monitored and regularly updated by the Partnership members and

3. To share and disseminate the findings among a wide range of interested parties.

3.3 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 an SHMA should be considered robust and credible if, as a minimum, it meets a series of specified core outputs and process requirements. These core outputs and processes are repeated in Tables DWSR 3.1 and DWSR 3.2 and the way that they have been addressed in the main Evidence Base is shown in the third column.

³ CLG Strategic Housing Market Assessments Practise Guidance. 2007.



Table DWSR 3.1 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 for 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



Table BPSR 3.2 Strategic Housing Market Assessment process checklist.

	Requirement of the SHMA Guidance	Approach adopted in preparing the Evidence Base for 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 as the Partnership would have liked.
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.



	Requirement of the SHMA Guidance	Approach adopted in preparing the Evidence Base for 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.

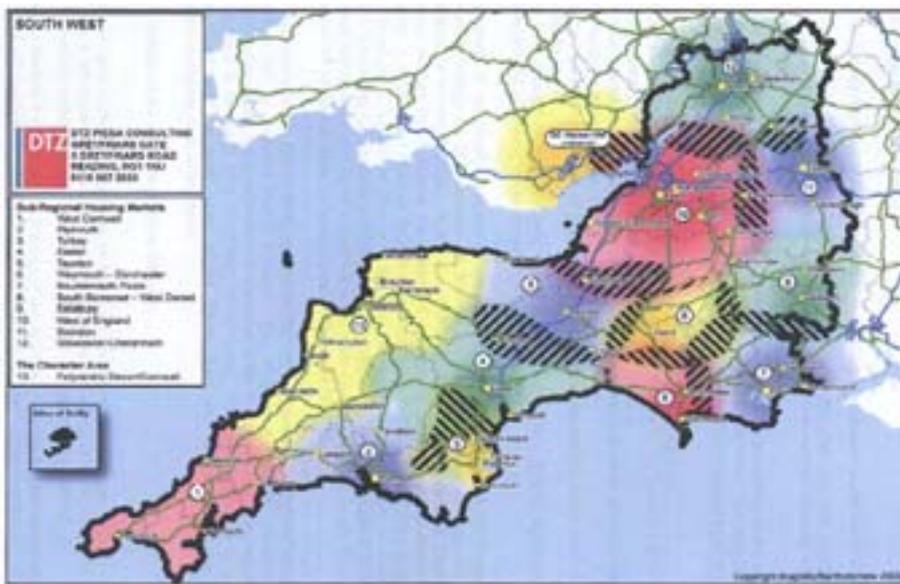
3.4 From the analysis set out in the tables above it is considered the suite of documents that make up the Bournemouth / Poole and Dorchester / Weymouth SHMA, meet the criteria set out in the guidance for robust and credible assessments.



4.0 THE DORCHESTER / WEYMOUTH HOUSING MARKET IN CONTEXT

- 4.1 Dorchester and Weymouth are two towns in the south of the County that provide important economic centres for the surrounding area. Dorchester is an attractive, historic County town whose major role today is as a centre for public administration, health and education services as well as a prime retail and tourism centre for the west of the county.
- 4.2 Weymouth became established as a port and holiday resort over 200 years ago. Its historic town and harbour side assets are now being regenerated to enhance the role of the town as a centre for leisure and tourism. The impetus of the 2012 Olympic sailing event is helping to revitalise Weymouth's economy and housing market.
- 4.3 These two towns are only seven miles apart. Their economies and housing markets are inextricably linked. Many people living in Weymouth commute to Dorchester and vice versa. They are served by a wide hinterland of smaller market towns and villages that look to these two main centres for jobs and services.
- 4.4 The Dorchester / Weymouth HMA was first defined in a study by DTZ Consulting, commissioned by the South West Housing Body in 2004.⁴ The study identified 13 HMAs across the South West as can be seen in Fig DWSR 4.1.

Fig DWSR 4.1 Housing Market Areas in the South West



Source: DTZ Housing Market Areas in the South west 2004

- 4.5 This shows the bulk of Dorset within two market areas, based on Bournemouth / Poole and on Dorchester / Weymouth. Yeovil's market area takes in a large part of North Dorset and the Sherborne area of West Dorset. Salisbury's market area also runs into North Dorset. So the picture is not as straight forward as it first seems. One aim of the SHMA was to investigate these findings to see whether local information supported the broad sub markets defined by DTZ.
- 4.6 One important factor which this map does not show, but which is noted in the Draft Regional Spatial Strategy (RSS) for the South West⁵, is the influence that London and the wider South East Region has on the housing markets in this area. Dorset has grown rapidly in recent years, but almost entirely through in-migration rather than natural change. Many of the migrants have come from outside Dorset, particularly from the South East region.

⁴ DTZ Housing Market Areas in the SW Region 2004.

⁵ South West Regional Assembly, Draft Regional Spatial Strategy 2006 – 26.



- 4.7 Another significant influence on the housing market is the constraint on development imposed by the internationally important environmental assets that exist throughout Dorset. Weymouth sits within the World Heritage Coast which provides a tourism asset but also a constraint to development. As a consequence, opportunities to expand the urban area are limited. Dorchester is also constrained, being surrounded by an Area of Outstanding Natural Beauty.
- 4.8 These issues have to be borne in mind alongside the likely levels of housing supply that may arise from the proposals of the RSS. The Draft Plan proposes around 700 new dwellings per annum across the Dorchester / Weymouth HMA between 2006 and 2026, but much higher growth has already been recommended by the EiP Panel.
- 4.9 The Regional Economic Strategy for the South West recognises Dorchester as a centre for employment growth within the Dorchester/ Weymouth Travel to Work area, but notes that transport connections need to be improved and the retention of young workers is seen as a challenge.
- 4.10 At Weymouth and Portland, high-tech business growth is thought to have led economic recovery in recent years. The 2012 Games may open up more business opportunities. However, here too, the RES sees retention of young workers as a major challenge.
- 4.11 An Economic Vision has recently been developed for the two towns through partnership working. The vision 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."*
- 4.12 The Strategic Development Objectives to support 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 between 2006 and 2026, as well as expansion and enhancement of the town centres and improvements to strategic road, rail and sea infrastructure and public transport.
- 4.13 As well as the need to improve the physical infrastructure of the two towns, it is recognised that skills levels must be raised, particularly in Weymouth.
- 4.14 The next section of this study examines the key findings from the research undertaken for the Partnership by Dorset County Council's Research and Information Team and the Housing Need and Demand Study undertaken by Fordham Research Group Ltd. Some key findings are identified and these are then addressed and recommendations made to policy makers.

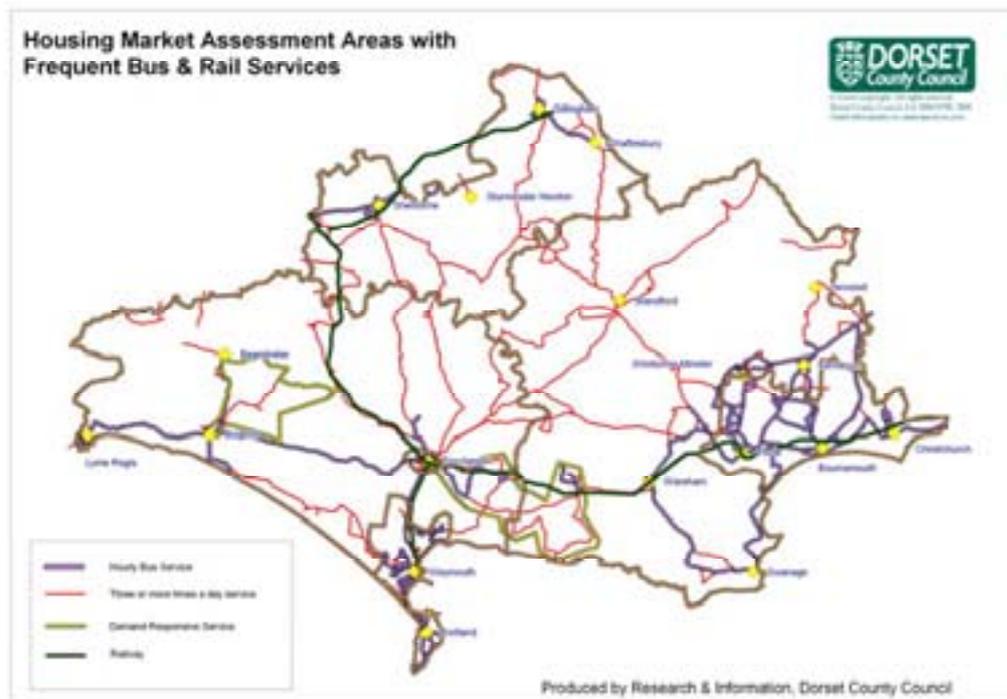


5.0 KEY FEATURES OF THE HOUSING MARKET AREA

5.1 The extent of the HMA

- 5.1.1 The first task of the assessment was to examine the findings of the DTZ study in order to firm up the boundaries of the HMA and any sub markets within it. Government advice at the time was to ignore local authority boundaries and to examine the true extent of housing market areas. The SHMA examined migration data, transport links, hospital and school catchments to test the findings of the DTZ study.
- 5.1.2 Migration data from the 2001 census can show how well “self contained” an area is (i.e. the proportion of households who, when moving, stay within the area under study). Analysis showed no conclusive pattern of housing market areas based on self containment data alone, largely because of the influence of London and the South east and high levels of in-migration from this area. Of the 30,000 people who moved to Dorset in the year before the census, 42% came from London and the South East. Although the London/South East influence was slightly lower towards the west of the County, there were still more people moving to West Dorset from London and the South East than from any other part of the Country.
- 5.1.3 However, when looking at bus links, clear breaks could be seen between the two main market areas (Bournemouth / Poole and Dorchester / Weymouth) and between the urban areas and their hinterlands. These also showed that parts of the north of the County focussed more on Yeovil. Information on hospital catchment areas also identified the influence of Yeovil in the north west of the county.

Fig DWSR 5.1 Public Transport Networks in Dorset



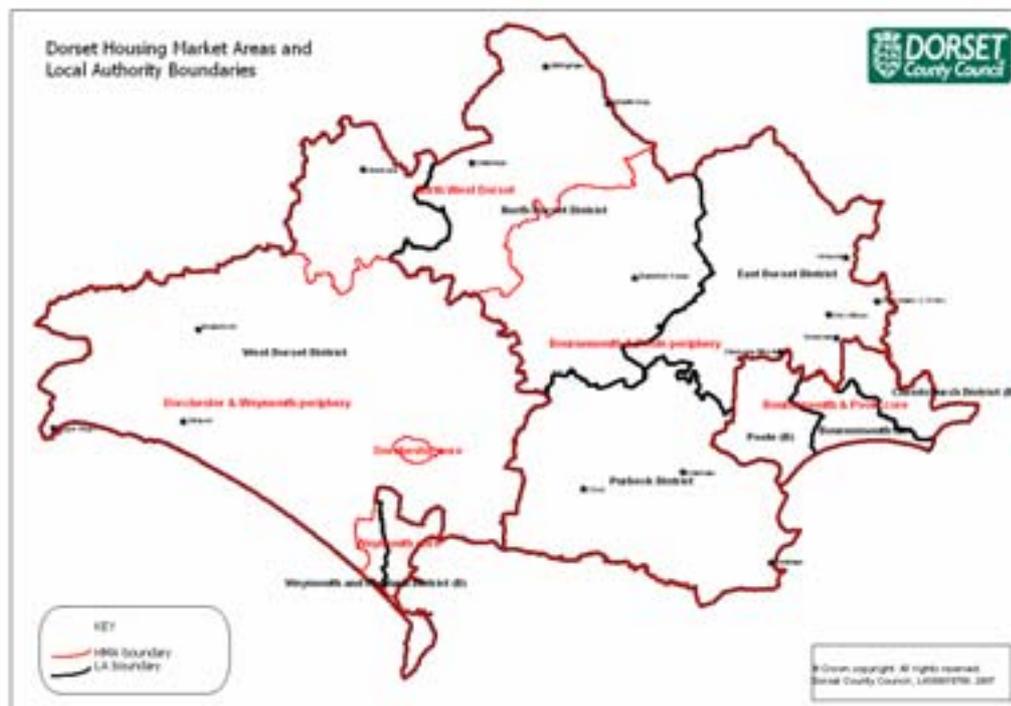
Source: Dorset County Council 2007

- 5.1.4 The information on school catchments did not add to the evidence on the broader market areas but did indicate local hotspots, where schools with good results encourage greater demand in the local housing market. This was backed up by the views of local Estate Agents in the survey undertaken by Fordham Research.⁶

⁶ Fordham Research. Dorset Survey of Housing Need and Demand, Supplementary Report 2007.

5.1.5 It was concluded that the broad divisions identified by DTZ were supported by the more detailed evidence, but with Yeovil playing a more dominant role than Salisbury in the north of the County. Within these broad areas there was a need for further sub-division in recognition of the differences between urban and rural areas. Fig DWSR 5.2 shows the broad divisions of the County that were identified. In the Dorchester / Weymouth HMA, two core areas were defined based on Dorchester and Weymouth (the latter including the parish of Chickerell, in West Dorset). The surrounding rural area, including Portland and the market towns to the west of Dorchester (Bridport, Beaminster and Lyme Regis) formed the periphery. The Sherborne area to the north fell within the North West Dorset sub market area.

Figure DWSR 5.2 HMA and Local Authority Boundaries



5.1.6 Much of the analysis in the Evidence Base uses the sub divisions highlighted above. However, since this analysis was undertaken, the Government has published revised guidance on Housing Market Areas⁷ which recommended that for the purpose of building evidence bases and policy, local authorities may wish to use:

“ a pragmatic approach that groups local authority administrative areas together as an approximation for functional sub-regional housing market areas.”

5.1.7 It became clear during the course of gathering evidence, that it was difficult to maintain analysis below local authority level. While some data is available at ward or post code level, much is not. The findings of the Housing Need Survey were predominantly analysed by District and whole HMA. So, despite the findings that the housing market in the north and west of the County is more closely aligned to Yeovil than to Bournemouth or Dorchester, for ease of monitoring in the future, it is considered that evidence should be analysed on a local authority basis. It is therefore suggested that in the future, the whole of West Dorset, as well as Weymouth and Portland, should be included in the Dorchester / Weymouth HMA.

⁷ CLG Identifying Sub regional Housing market areas, Advice Note , March 2007.



5.1.8 Key Finding 1: Housing Market Area Boundary

The evidence suggests that the housing market areas in Dorset do follow the broad sub areas identified in the DTZ study. However, for ease of monitoring in the future and following government advice, it is suggested that future analysis of data should follow Local Authority boundaries within the main Dorchester / Weymouth HMA, rather than the core, periphery and North West Dorset sub areas identified above and used in this study.

5.2 Population and Migration

- 5.2.1 At the last census the population of the Dorchester / Weymouth HMA was just under 140,000 persons, of which 16,000 live in the Dorchester core, 56,000 in Weymouth core and almost 67,000 in the surrounding periphery. A further 50,000 people live in North West Dorset.
- 5.2.2 Over the last 10 years (1996–2006) the population of the Dorset, including Bournemouth and Poole, increased by 3.6%. However, whereas the rural area (particularly North and West Dorset) grew rapidly, Weymouth showed a below average rate of growth.
- 5.2.3 Across the Dorchester / Weymouth HMA as a whole there was a 26% fall in the number of people aged 20-34 years and a 33% increase in the number aged 50-64 years.
- 5.2.4 The most distinctive feature of the population across Dorset, Bournemouth and Poole is the high proportion of older people. Mid 2006 population estimates show that 25% of the sub region's population is over retirement age compared with just 18.8% nationally. In the Dorchester / Weymouth periphery and North West Dorset the proportion rises to 28%.
- 5.2.5 While the proportion of older, retirement age people has remained constant over the last ten years, significant increases have occurred in the 50-64 year old age group, people who will reach retirement over the next 15 years. Across the sub region this group makes up 20% of the population, having increased by 23% since 1996. The highest proportions of those aged 50-64 are also seen in the rural areas.
- 5.2.6 Overall, migration statistics show a significant net inflow to Dorset with over 10,300 more people moving in than leaving. A further 4,200 people arrived from outside the UK but outflows are not recorded. Of those people moving into the County, the largest net gains were from areas in the South East region, including Test Valley, Basingstoke, Hillingdon, Hounslow and Wokingham. The largest net losses were to Southampton and South Somerset.
- 5.2.7 The majority of people moving stayed within the HMA. Of those moving from the core to the periphery, more tended to be older while those moving in the opposite direction were younger. Almost 80% of people moving to North West Dorset were from outside the county.
- 5.2.8 Table DWSR 5.1 shows the net migrant figures by age group within the Dorchester / Weymouth and North West Dorset areas. It highlights the loss of 16-24 year olds as well as the growth of pre-retirement age groups throughout the area.



Table DWSR 5.1 Net Migration in Dorset by Age Group and HMA sub area.

	Dorchester Core	Weymouth Core	D&W periphery	North West Dorset
total	102	603	1163	837
0 to 4	17	48	103	38
5 to 15	9	136	142	293
16 to 24	-86	-90	-211	-84
25 to 34	17	15	278	163
35 to 44	42	133	259	97
45 to 59	57	198	380	165
60 to 64	27	84	81	84
65+	19	79	131	81

Source: Census 2001

- 5.2.9 Approximately 45% of migrants to Dorchester core area are from outside of Dorset, Bournemouth and Poole. Most are from London and the South East. A further 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.
- 5.2.10 About 11% of people moving into Dorchester are from Weymouth core area. However the reverse migration is not so pronounced. Just 4% of people moving to Weymouth come from Dorchester. Weymouth does have a significant number of migrants from the surrounding peripheral area (21%). These tend to be 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.
- 5.2.11 Looking to the future, population projections show that the HMA is likely to continue to grow through in-migration. The amount of growth will ultimately depend on the number of dwellings built. Projections based on past trends indicate that growth could take the population of the HMA to around 182,000 by 2026, an increase of 12.6% from 2006. Policy based projections that look at the likely number of dwellings to be built in the area under current planning policies, indicate a lower figure of around 167,000 (3.3%) is likely. Whichever scenario takes place, the market must be ready to meet the needs of a growing population and one that is likely to become increasingly elderly.
- 5.2.12 **Key Finding 2: Population and Migration**

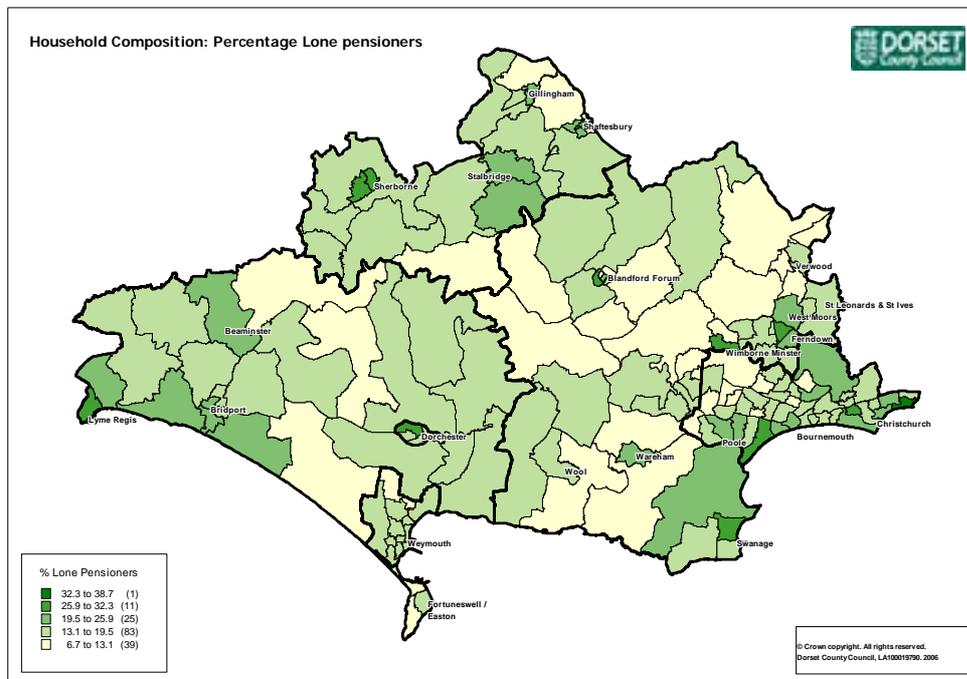
The population of the HMA is already heavily weighted towards the elderly and is likely to become more skewed in this way in the future. This is even more apparent in the rural area than in the Dorchester and Weymouth cores. Migration, both from the South East Region and internally is resulting in increasing numbers of older people, especially in the rural areas. Policy makers will need to consider the challenges of housing a growing elderly population and ways to encourage younger people to stay in the HMA and in the rural areas in particular.



5.3 Household Composition

5.3.1 The 2001 Census gives information on household characteristics. The information has been aggregated into six broad types: lone pensioners, pensioner couples, one person, married and co-habiting couples, lone parents and others. There are high proportions of pensioner households across the County. Lone pensioners are more likely to be living in the core areas, although there are concentrations in the market towns too as can be seen in Fig DWSR 5.3. Pensioner couples are more prevalent in the periphery.

Figure DWSR 5.3 Percentage of Lone Pensioners by Ward



Source 2001 Census

5.3.2 One third of households in the Dorchester core have just one resident, over half of which are pensioners. Weymouth has a slightly lower proportion at 30%, with half being pensioners. In the periphery there are fewer single person households, but a higher proportion of these (60%) are pensioners. In North West Dorset the proportion of lone pensioners among the single person households is even higher (63%). With the growth in pre-retirement age groups highlighted above, these proportions are set to rise in the future.

5.3.3 As a consequence of the large number of single person households in the HMA average household size is relatively low at 2.2 persons per household compared to 2.36 nationally.

5.3.4 The Survey of Housing Need and Demand⁸ (the Survey) also provides information on households. It confirmed the high proportion of pensioner households in the HMA and showed that just over 20% of households contained children.

5.3.5 Overcrowding is often a sign of pent up demand for housing. The census showed only 1.21% overcrowded households in the Weymouth core, higher than the SW average of 1.0%, but below the national average of 1.85%. Dorchester core and the periphery were lower at 0.9%. With the rapid rise in house prices since the census it would be expected that this proportion might have risen.

5.3.6 The Survey showed that about 1.5% of households in the HMA were overcrowded, compared with a national average of 2.5%⁹ and regional figure of

⁸ Dorset Survey of Housing Need and Demand for Dorchester/Weymouth HMA, 2007 Fordham Research.

⁹ National Survey of English Housing 2006.



1.6%. About half of these households contained children. The majority stated a need to move home over the next two years. Table DWSR 5.2 shows the levels of overcrowding and under occupation in the HMA.

Table DWSR 5.2 Overcrowding and Under-occupation in Dorchester / Weymouth HMA

Number of bedrooms	Number of bedrooms in home				TOTAL
	1	2	3	4+	
1 bedroom	7,007	16,013	18,450	7,429	48,899
2 bedrooms	253	3,961	7,342	3,771	15,327
bedrooms	18	412	3,735	2,803	6,968
4+ bedrooms	0	24	333	694	1,051
TOTAL	7,277	20,410	29,860	14,697	72,245

KEY:  Overcrowded households  Under-occupied households

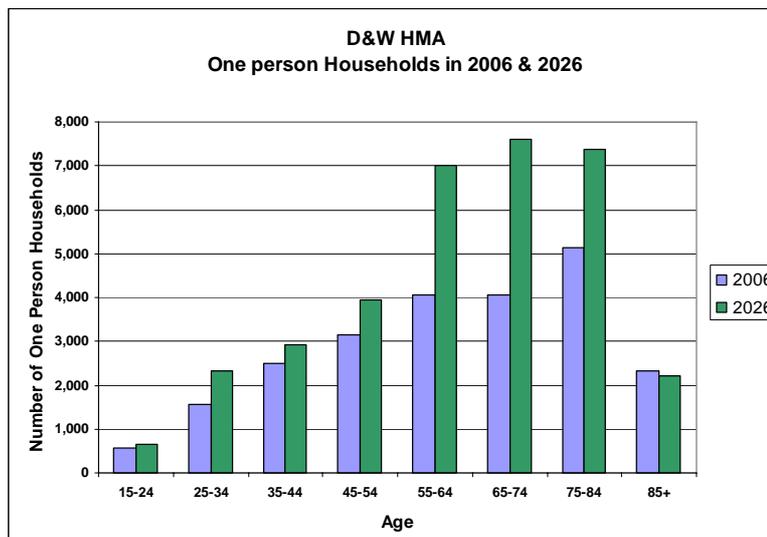
Source; Fordham Research HMA for Bournemouth Poole 2007: Primary data

5.3.7 The Survey estimated that there were around 30,500 under-occupied households (42.3%). This high figure is associated with high levels of owner occupation. Those who can afford ownership often choose to live in larger homes than they technically require. This demonstrates that it is never easy to try and determine the size of property that different size households will require. However it does indicate considerable potential for downsizing if the right sort of property can be provided in the right place, to attract older people with the financial means to make the choice.

5.3.8 Looking to the future, both trend based and policy based projections clearly show a significant increase in one person households. In the Dorchester / Weymouth HMA it is expected that one person households will make up 41% of all households by 2026, a rise from 33% in 2006. The result of this change will be a decrease in average household size that will mean that, over time, more dwellings will be needed to accommodate the same population, increasing the demand for housing.

5.3.9 Figure DWSR 5.4 shows the projected change in age profile of one person households. The most significant increases are expected in the mid 50-mid to mid 80 age groups.

Figure DWSR 5.4 One Person Households 2006 and 2026



Source ONS 2004



5.3.10 The increase in one person households is also seen in the working age groups (16-64 years). The number of single, working age households is expected to increase by almost 50%, from 11,800 to 17,500. Conversely, a reduction of around 2,400 is likely to occur among working age couple households, resulting overall in more balance between the size of working age households in the future.

5.3.11 It is important that the right size and type of housing is available in the future to meet these household needs if the economy is to grow. Unfortunately projections cannot tell us what size and type of housing will be required, as personal choice and financial capacity mean that households will often choose a bigger property than they technically need. However, some indications of households' preferences can be gleaned from responses to the Housing Need Survey and these are discussed later in this report.

5.3.12 **Key Finding 3: Household Composition and change**

Single person households are expected to rise from 33% to 41% of all households by 2026. Pensioners make up at least 50% of these small households. Household size is well below average and falling. This is putting more pressure on the housing stock as more dwellings are needed to house the same population.

5.3.13 **Working age households are also changing, with more single person households and fewer couples. While the pattern of change in household size is clear, the implications for demand for different sizes and types of property are less predictable.**

5.4 Characteristics of the Housing Stock

5.4.1 The urban areas of Dorchester and Weymouth have a higher proportion of smaller properties, either flats or terraced houses. The peripheral areas, however, are dominated by detached houses, which make up almost 39% of the dwelling stock.

5.4.2 In both core areas flats account for about 22% of properties. This falls to just 13% in the periphery. Dorchester is the only part of the County where the most common accommodation type is not detached. A third of dwellings are terraced, 24% are semi-detached and just 20% are detached. This pattern is more similar to the national average.

5.4.3 The housing stock in the HMA is of average condition. Levels of unfitnes are slightly above the national average and are most marked in older properties and the private rented sector. About 30% of properties in the HMA are pre 1919, compared with only 25% nationally. Weymouth has a high proportion of houses in multiple-occupation, almost double the national average.

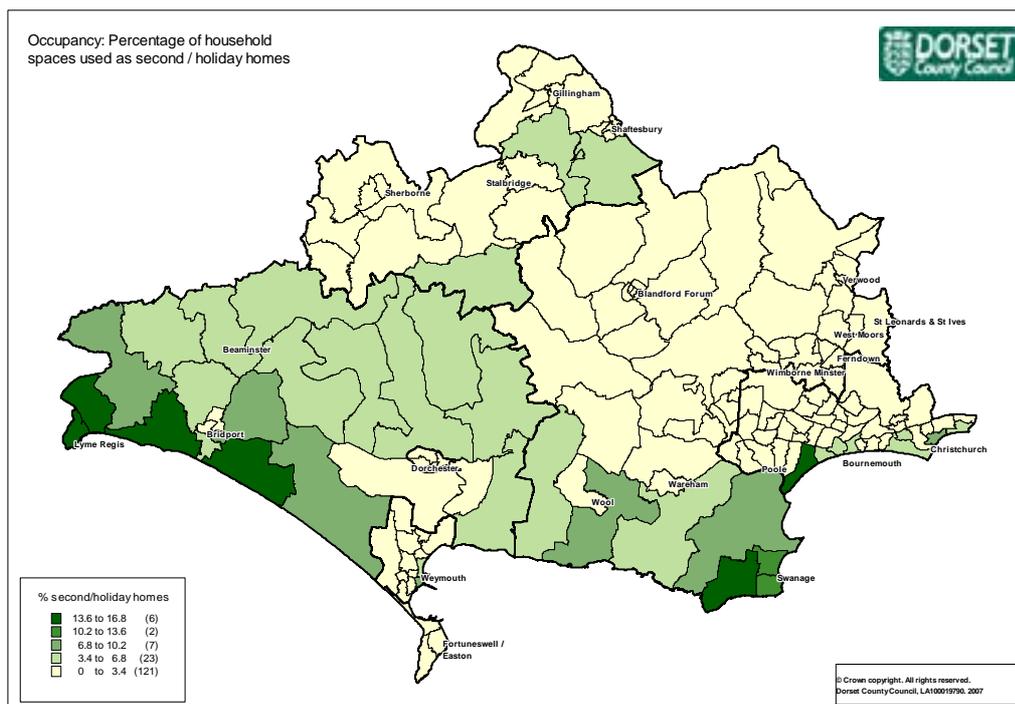
5.4.4 In terms of tenure, there is a distinct difference between the core and periphery areas. In the cores about 35% of dwellings are owned outright. This rises to 42% in the periphery. However when ownership with a mortgage is taken into account, the proportions are much more similar, at around 72%. A marked difference can be seen between Dorchester and the other areas in terms of rented housing. Dorchester has a high proportion of public rented housing (18.7%) and much lower proportion of private rent (9.6%) than either Weymouth or the rural area.

5.4.5 The Survey showed that nearly three quarters of all pensioner households live in owner occupied accommodation without a mortgage, while over 60% of two parent families have a mortgage. The groups most likely to live in social rented housing are lone parents and single pensioners, while lone parents and single non pensioners were most likely to live in private rented housing.



- 5.4.6 The size of household spaces also varies. In the core areas about a third of households live in smaller properties with 4 or less habitable rooms (i.e. 2 bed or smaller). This compares with only 27% in the periphery and North West Dorset. The rural areas have a much higher proportion of large, 7+ habitable room properties, 28% compared with 20% in the towns.
- 5.4.7 Over the last five years (2001–06) almost 4,000 dwellings have been built in the Dorchester / Weymouth HMA. Just less than 12% were affordable dwellings. Whereas in the Bournemouth / Poole HMA there was an obvious distinction between the type of new dwelling built in the core (mainly flats) and those in the periphery (large houses), this is not so evident in the Dorchester / Weymouth HMA. In Weymouth there has been an even split between new houses and flats built and in Dorchester, a bias towards houses (about 60%). Three quarters of new dwellings in the periphery were houses and over 80% in North West Dorset.
- 5.4.8 In terms of dwelling size, there is a more even spread than seen in the Bournemouth / Poole HMA. Dorchester again exhibits a pattern of new dwelling size more typical of a rural area than the other core areas, with over 56% of new development being 3 or 4+ bed size. 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.
- 5.4.9 In the rural areas, a much higher proportion of 3 and 4+ bed dwellings has been built. In the periphery this size of dwelling accounted for 70% of new builds. In North West Dorset the proportion was 72%. Clearly, this has reinforced the existing pattern of larger properties in the rural areas.
- 5.4.10 The proportion of vacant properties in Dorchester, at 3.5%, is above the national average (3.2%). This is higher than in the Bournemouth / Poole HMA. The census showed that second homes are most heavily concentrated in the rural and coastal areas (6% on average). This nearly ten times the national average. In the core urban areas the proportion of second homes was lower, some 1.75% in Weymouth and 0.7% in Dorchester. Figure DWSR 5.5 illustrates the heavy concentration of second homes along the coast, particularly around Lyme Regis and Bridport.

Figure DWSR 5.5 Percentage of Household Spaces used as Second / Holiday Homes by Ward



Source: 2001 Census.



5.4.11 However the competition facing local, first time buyers is not just with those seeking second homes. Many households now purchase property as an investment. This has led to increased demand across the HMA for property to let.

5.4.12 Key Finding 4: Housing Stock

The housing stock across the Dorchester / Weymouth HMA is in average condition, but is characterised by a high proportion of older properties. In terms of size and tenure, the core areas tend to have more small properties, including flats, while the rural area has a high proportion of larger detached and semi detached houses. Dorchester has a much more balanced mix of dwelling types with fewer detached and more terraced properties. Recent developments have generally reinforced the mix of sizes. Demand for second homes creates particular hotspots in coastal parishes, but is not a major factor in the towns.

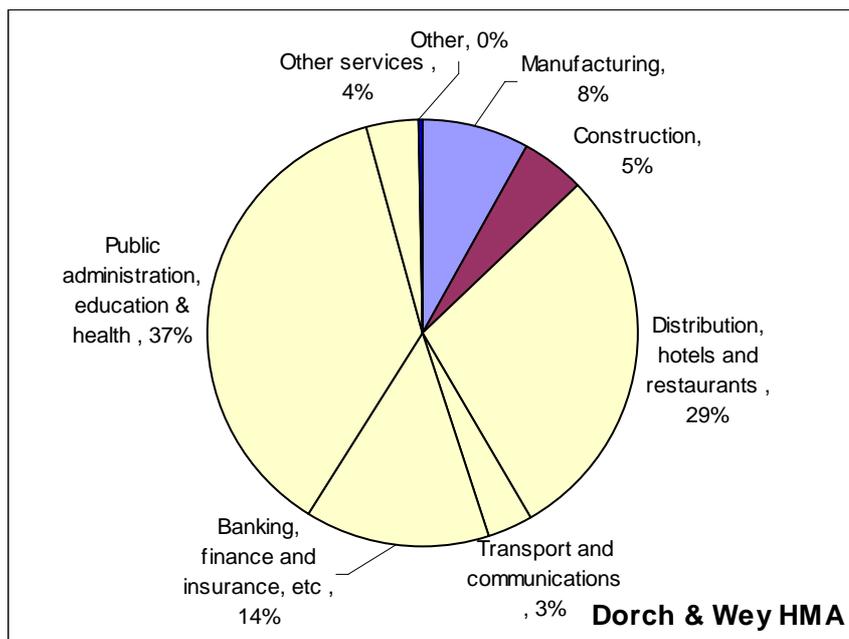
5.5 The Economic Make up of the Area

5.5.1 Employment and firms

With around 51,200 employees in employment and 5,870 firms, the Dorchester / Weymouth HMA offers a range of job opportunities. Two thirds of the employees and half of the firms are based in the core. North West Dorset has around 18,000 employees working in 2,500 firms. Employment density is much lower in the rural areas than in the core.

5.5.2 In common with the national and regional picture, the employment structure is service sector led, with most jobs in the HMA in the public administration and education and health. Weymouth has higher levels of employment in distribution, hotels and catering, manufacturing and leisure and in tourism. In Dorchester about half the employees work in public administration and education and health. Employment in manufacturing is particularly low. Across the HMA, 16% of employment is in the knowledge-based sector, led by Weymouth (18%). The periphery and North West Dorset have lower proportions.

Figure DWSR 5.6 Distribution of Employment 2005 Dorchester/Weymouth HMA

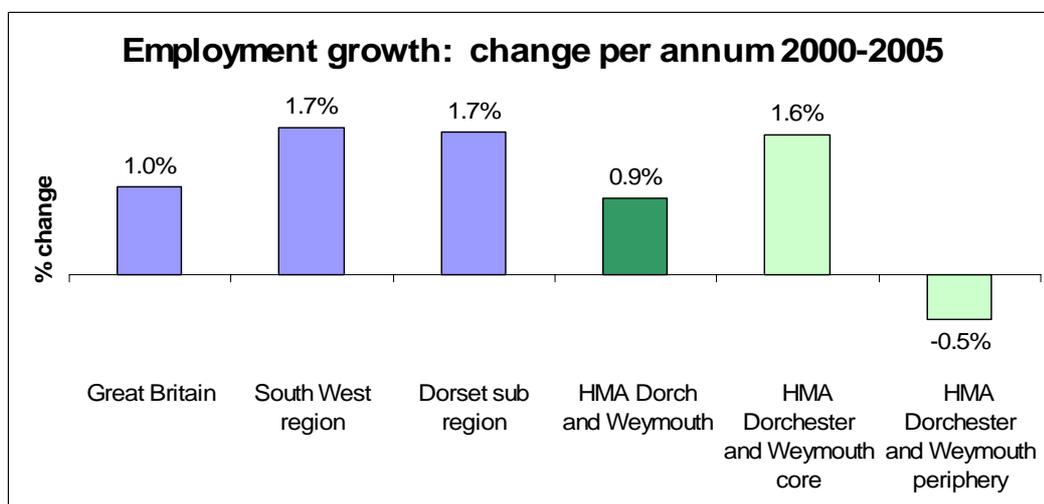


Source: Annual Business Inquiry 2005, Office for National Statistics



- 5.5.3 With about one in four Dorset employees working in the distribution, hotels and restaurants sector, the sub region has an above average proportion working in the low pay industrial sectors (24% compared with 21% nationally). In the Dorchester / Weymouth HMA 25% work in the low pay sectors. This is heavily influenced by Weymouth where the proportion is 32%. There are lower than average proportions working in the high pay sectors. In the HMA, only 2% on average have high paid jobs, compared to 5% nationally. In Dorchester it is only 1%. In North West Dorset a high proportion (27%) work in the low pay sectors and only 2% in the high pay category.
- 5.5.4 The proportion of the HMA workforce that is self employed (11%) is above the national and regional averages. The proportion is higher in the rural areas (14%) than in the Weymouth or Dorchester (9%). There are about twenty large firms (employing 200 or more) in the HMA, mostly in the core areas. The proportion of very small firms (1-4 employees) is in line with the regional average at 71%, but rises in the periphery where 77% of businesses fall into this category.
- 5.5.5 New business start ups have been low in the Dorchester / Weymouth HMA. In Weymouth and Portland there have been only 6 new start ups per 10,000 working age residents, compared to 12 nationally. West Dorset was also below average at 11 start ups per 10,000 working age residents.¹⁰ These figures are in stark contrast to Bournemouth and Poole which had some of the highest start up rates.
- 5.5.6 Over the five year period 2000 to 2005 the HMA saw employment growth of 0.9% per annum, just below national performance (1.0% pa) and that of the South West Region (1.7%). Within the HMA there was a marked difference between the core and periphery, with the towns seeing growth of 1.6% (2,700 jobs) and the periphery a decline of 0.5% (-500 jobs). In contrast, North West Dorset saw the strongest growth of 4.2% per annum (3,100 jobs).

Figure DWSR 5.7 Employment Growth by HMA 2000 – 2005



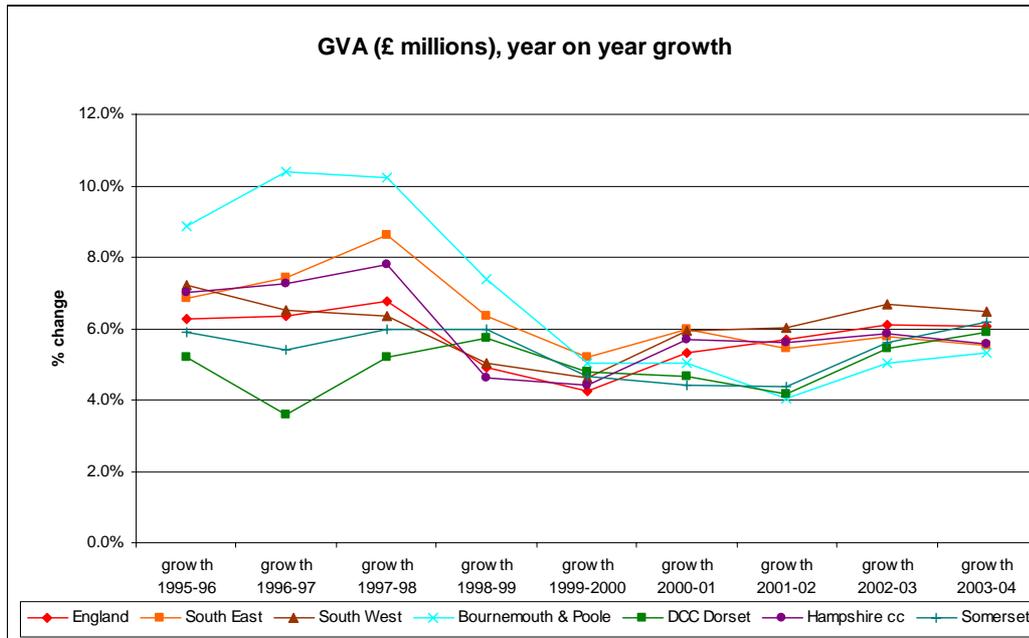
Source: Office of National Statistics

- 5.5.7 Data on productivity is only available for the wider Dorset County area and so cannot be provided for the HMA. Measured by gross value added (GVA) per resident head between 1995 and 2004, productivity in Dorset was well below national and regional average performance (Figure DWSR 5.8)

¹⁰ Barclays SME Starts and Closures Research, Review of 2005. Barclays SME Analysis Team.



Figure DWSR 5.8 Year on Year Growth in GVA.

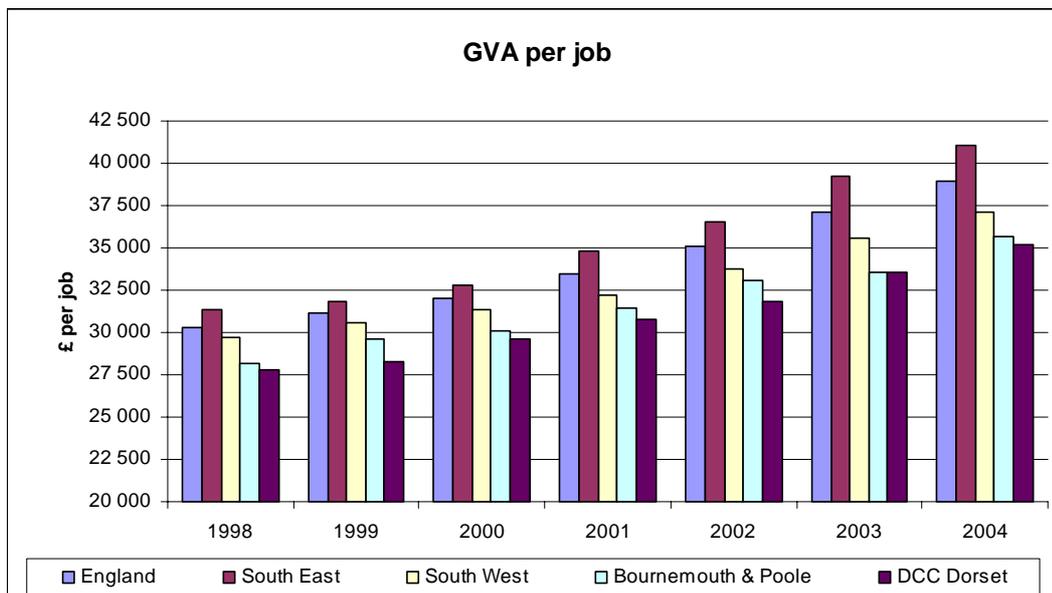


Source: Office for National Statistics

5.5.8 As a percentage of national GVA levels, Dorset County is well down at just 70%. This is probably a reflection of the structure of the Dorset population. With a growing number of elderly who are less likely to make a full contribution to the productivity of the area, GVA per resident head is likely to fall further in the future. Dorset County also has a net commuting loss which means that residents are contributing to the GVA of other areas rather than the area in which they live. This is in contrast to Bournemouth and Poole where GVA is 94% of the national level and above the regional average.

5.5.9 Using an alternative measure, GVA per full time equivalent employee (as opposed to resident) shows a much better performance in Dorset County as this approach removes the distortions caused by commuting and demographics. Although there is still a gap compared to national levels, this narrows to 90% in Dorset. Looking at the changes between 1998 and 2004, Dorset still sees a slight decline compared to national levels, but a slight increase against regional performance.

Figure DWSR 5.9 GVA per Job 1998–2004



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



5.5.10 Key Finding 5: Employment Structure

The employment structure of the Dorchester / Weymouth HMA is typical of the South West Region, being dominated by the service sector. The HMA has an above average proportion of people working in low pay jobs, with particular concentrations in Weymouth. Self employment is high, particularly in the periphery, but new business start ups are low.

5.5.11 Employment growth has been in line with the regional average in the towns in recent years but there has been a loss of jobs in their peripheral areas. North West Dorset has also performed well. Across the HMA, productivity per resident head is well below the national average but, if assessed per employee, shows better performance.

5.5.12 To improve its economic performance in the future the HMA faces a considerable challenge in increasing the number of jobs throughout the rural area and in increasing the proportion of higher paid jobs.

5.6 Earnings and Income

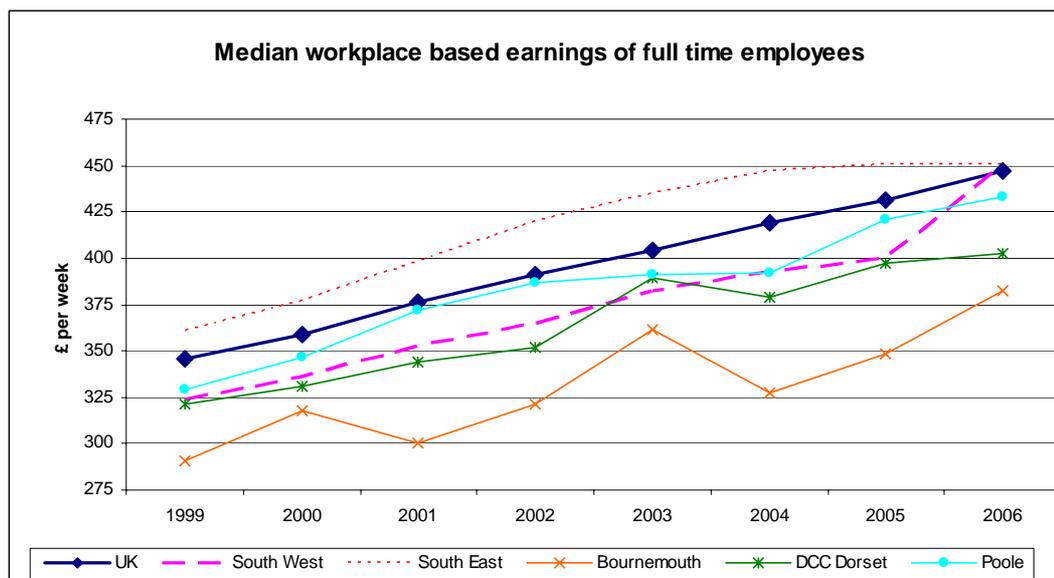
5.6.1 The HMA has a slightly lower proportion of economically active people aged 16–74 (64%) than nationally (67%) or regionally (68%). The towns have more economically active (Weymouth 66%, Dorchester 68%) than the periphery (63%) and North West Dorset (64%). The growth in the number of people of retirement age may have some further impact on the proportion of economically active, but with many people working on past normal retirement age and with many part time jobs being available, the impact may not be as clear as first imagined.

5.6.2 Unemployment levels in Dorset are below the national average and have fallen faster than other areas in recent years, but since 2005 have risen slightly in line with national trends. Weymouth and Portland has traditionally had a higher level of unemployment than other parts of the County, but this gap has narrowed over the decade. Long term unemployment is generally below average across the sub region, suggesting that people do have the skills needed to fill vacancies on offer. However, having a low level of unemployment means that there is a very small pool of workers readily available to meet labour demand. Any significant increases in demand are likely to require net additions to the labour supply. This is likely to raise demand for housing if new workers need to move into the area. As shown earlier, the economy is dominated by a large number of small firms, who may be less able than larger companies to support new employees while they find a home in the area. For these companies a flexible and active housing market is essential.

5.6.3 Both residence based and workplace based earnings are below the national average, with Weymouth and Portland (-20.5%) having the lowest (work place based) median earnings in the Dorset sub region. Fig DWSR 5.10 shows how earnings in Dorset have traditionally been below the national average. Residence based earnings generally tend to be slightly higher than work place based, signifying that some residents are commuting outside the area for higher paid jobs.



Figure DWSR 5.10 Median Workplace based Earnings – Full Time Employees.



Source: Annual Survey of Hours and Earnings, (ONS)¹¹

- 5.6.4 However, earnings alone do not reflect the full picture of income in the sub-region. Gross disposable household income per head suggests that household incomes in Dorset, Bournemouth and Poole are above the national and regional averages. The Acorn¹² classification of social demographic characteristics also shows rural Dorset to be dominated by “Wealthy achievers” and “Comfortably off” categories, although there are far more of “moderate means” and “hard pressed” in Weymouth. These findings reflect the attractiveness of the area as a retirement destination. Those with higher disposable income are moving into the area pushing up house prices and making it difficult for working residents in lower paid jobs to afford a home.
- 5.6.5 The Survey of Housing Need and Demand also investigated income levels in the HMA. The Survey estimated the average (mean) gross household income level to be £26,409 per annum, with the median noticeably lower at £20,750 per annum. Incomes are markedly lower than in the Bournemouth / Poole HMA. There were also wide variations by tenure, with households in social rented housing having particularly low income levels (£10,700 per annum.) These figures are discussed further in the section on affordability of housing.
- 5.6.6 However, while many in the HMA may be well off, for those that are on low incomes, the high cost of living in the area is forcing more households into claiming benefits. In 2006 the Dorset sub region had approximately 39,400 Housing Benefit claimants, up 13% from 2002 compared with a 6% rise nationally. Almost a quarter of these claimants were resident in West Dorset and Weymouth and Portland. Similarly, Council Tax Benefit claimants rose 19% in the sub region compared with 11% nationally, with a quarter of claimants in West Dorset and Weymouth and Portland. To reduce the number of claimants, wages in the area will need to rise, or housing and council tax costs come down.
- 5.6.7 It is evident that migrant workers have been attracted to Dorset in recent years. National Insurance Registrations from A8 countries¹³ have been higher than the national average. In the Dorset sub region there were almost 7,000 registrations

¹¹ Exclusive dataset, except for 2004 and 2005

¹² Acorn is a national data set compiled by CACI Ltd which classifies each unit post code by its social demographic characteristics.

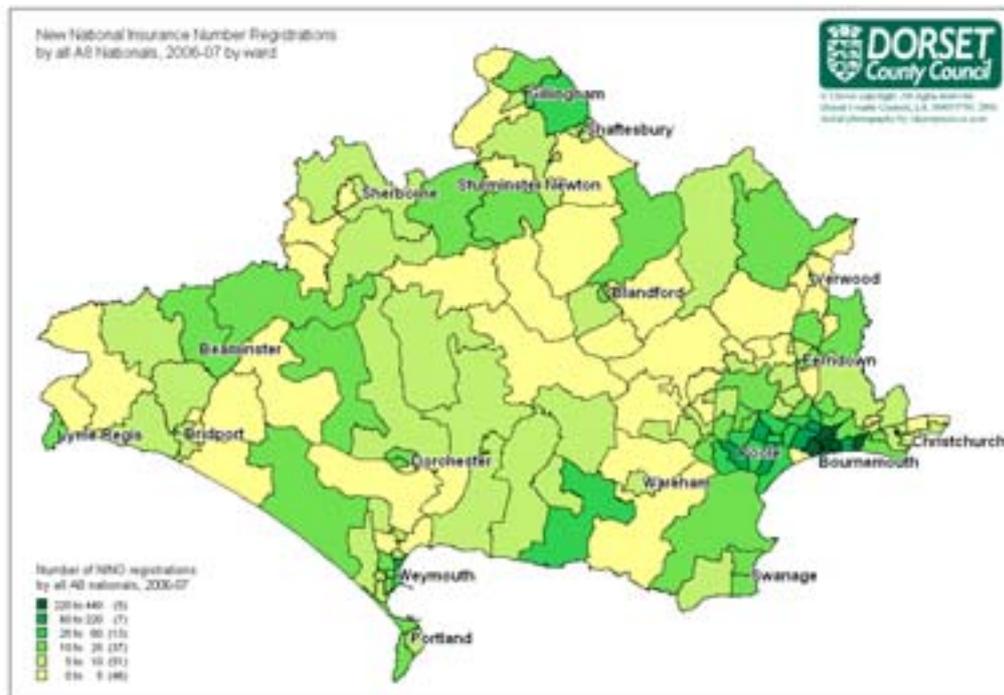
¹³ Accession Countries (A8) - Ten accession Countries joined the EU in May 2004: Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia, Malta & Cyprus. Those from Malta & Cyprus were already allowed to work in the UK; hence the data refers to the A8 for which the rules changed May 2004.

Note: Romania & Bulgaria joined the EU in January 2007 but as yet no data has been released to assess the migration impact.



in 2006/07. Figure DWSR 5.11 shows the distribution of A8 nationals across Dorset. Registrations are focussed on the towns but have become common also in the rural areas as well. This large new labour pool could be helping to keep wage rates down, and may also be indirectly stimulating a rise in the number of benefit claimants as local wages are not keeping up with the increased housing costs in the area.

Figure DWSR 5.11 New National Insurance Number Registrations by all A8 National 2006/07, Dorset, Poole and Bournemouth.



Source: National Insurance Number Registrations, 2006/07, DWP

5.6.8 If the HMA is going to become more economically competitive it must increase the proportion of its workforce skilled to higher levels. The 2001 census showed that just over a quarter of people aged 16 – 74 had no qualifications (just below the national average and in line with the region). Weymouth had the highest proportion. However at level 4 (degree or above) the Dorchester / Weymouth HMA fell behind national and regional levels. School examination performance since 2001 has seen the proportion of pupils gaining five or more GCSEs at grades A*-C increasing, but not as fast as nationally. At post 16 level, Dorset County performance has also been below average. If progress is to be made in attracting more knowledge based sector industries to the area, the higher skills level will have to improve significantly right across the HMA but particularly in Weymouth where skills levels are particularly low but where most new jobs are anticipated.

5.6.9 Census figures show that commuting levels have increased since 1991. In Weymouth and Portland commuting has increased by as much as 43%, the highest rise in the Dorset sub region. Commuting in West Dorset increased by 33%. Table DWSR 5.3 shows the commuting flows between different areas. It is clear that there are some significant flows between the periphery and North West Dorset, between Weymouth and Dorchester and between the periphery and both towns.



Table DWSR 5. 3 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

5.6.10 The Dorchester / Weymouth HMA is a net exporter of workers. On balance, over 5,500 more people travelling out of the area to work than travelling in. While Weymouth core and the periphery have relatively high levels of economic self-containment (76% and 73%, respectively, both live and work in the area), this drops to 35% in the case of Dorchester, indicating high levels of commuting to and from this town. Commuting is also an issue in North West Dorset which has a net loss of 2,700 workers and only 51% self containment.

5.6.11 In-commuters generally tend to be older and working in higher level occupations than those who live and work in the area. While those on higher wages may choose to live elsewhere and be happy to commute, some may prefer to live closer to their work but may be unable to find a property of the right size or type.

5.6.12 Key Finding 6: Earnings

Many people working in the area are on relatively low wages, especially in Weymouth. A growing number of working households are claiming benefits to assist in meeting their housing costs. Unemployment is low. Migrant workers have been attracted to the area, particularly the towns, filling low paid jobs and keeping wage levels down. If improvements to productivity are to be made, skills levels will have to improve, especially in Weymouth.

5.6.13 **Self containment is particularly low in Dorchester and indicates potential to increase the supply of housing in this town to help reduce commuting - but the right type of property must be built to attract working households rather than retirees.**





6.0 FUTURE GROWTH

- 6.1 Looking to the future, forward projections of GVA indicate that the Dorchester / Weymouth HMA will see productivity rise in the 2006-2016 period. Between 2016 and 2026, productivity is expected to decline. Overall, productivity in the HMA is expected to remain below the average for the South West Region. North West Dorset could still benefit from strong growth in South Somerset.

Table DWSR 6.1 GVA Projected Change 1996 – 2026

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 LEFM 2005-06, Cambridge Econometrics

- 6.2 These figures on productivity provide an important measure of the way the local economy is performing. However, it should not be assumed that productivity performance and population growth are integrally linked. While some argue that economic growth creates demand for labour which, in turn, attracts workers into the area resulting in population growth, other research¹⁴ suggests that population growth does not necessarily play a major role in stimulating economic growth. Instead, the research concludes, there are a number of interacting factors that are significant, including the structure of industry – especially a strong knowledge driven sector - innovation (the presence of a university helps), high level skills in the workforce, investment in the urban fabric (including business premises) and transport infrastructure. The Dorchester / Weymouth HMA lacks many of these features and in view of the demographic changes highlighted above, it will need to increase the number of high paid jobs considerably if it is to improve its economic position in the region.
- 6.3 Considering the type of job growth that may occur in the future, based on 2.8% economic growth across the region, projections indicate that approximately 9,500 jobs will be created in the Dorchester / Weymouth HMA (5,200 between 2006-2016 and 4,300 from 2016–2026). A higher 3.2% growth scenario would result in an additional 2,400 jobs. These figures are **total** jobs (i.e. full time and part time). Recent research¹⁵ has shown that part time jobs are significant in the Dorset economy and over 70% of jobs in the County are likely to be part time. This means that many people could take up 2 or more jobs, so the demand for housing to meet the needs of the workforce would be less than if all are full time.
- 6.4 Between 2006 and 2016, only one out of five new jobs in Dorset, Bournemouth and Poole are likely to be located in the Dorchester / Weymouth HMA. Of these, almost two thirds will be in West Dorset. Growth will be predominantly in the service sector, specifically in distribution, education and health and other business services. Public administration and defence and electronics are likely to see a decline in jobs. Caring and personal services and sales occupations are likely to make up over half the jobs. These tend to less well paid.
- 6.5 In addition, there will be a replacement demand – the filling the jobs being vacated through retirement or ill health. This is likely to have a significant impact, particularly as many of those leaving work are unlikely to move away from the area and in doing so vacate their house. Across Dorset, Bournemouth and Poole as a whole it is estimated that this could give rise to around **six times**

¹⁴ Securing economic growth within environmental limits: a comparative study of growth in 26 local economies in the South East of England. Chris Elton Consultancy for Dorset County Council 2007.

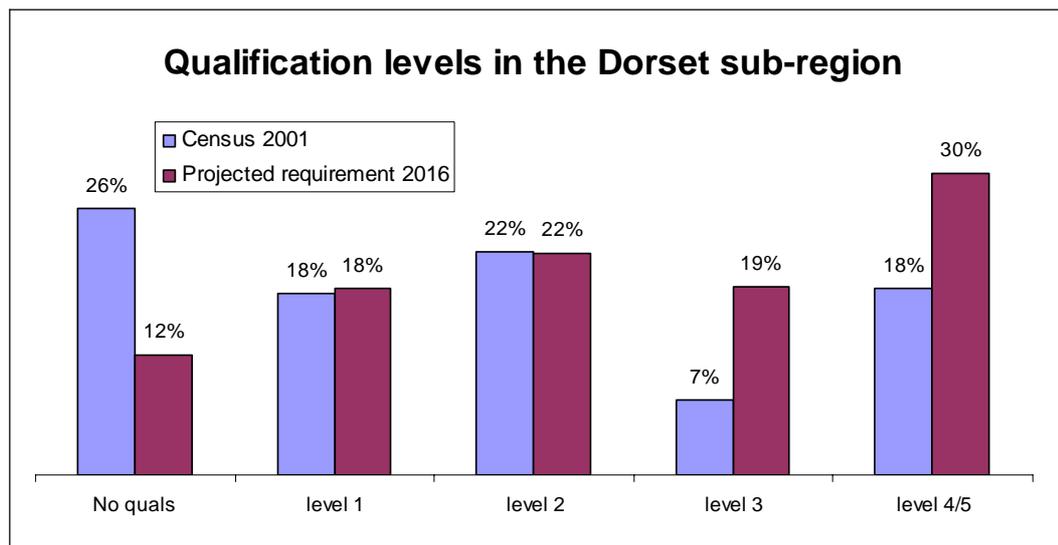
¹⁵ Local Economic Forecasting model 2004 (Cambridge Econometrics) commissioned by Dorset County Council.



the number of new jobs projected for 2006–2016. The type of jobs that will need to be filled cover all sectors of the economy ranging from some of the less well paid sectors, such as caring /personal services and sales, up to teaching professionals and corporate managers.

- 6.6 There are two main risks associated with such a large turnover in labour; a loss of skills and recruitment difficulties. If workers with the required skills cannot be found, businesses may relocate, leaving the HMA with a low skill, low value added economy. Qualification levels needed by the workforce in the future are set to rise (See Figure DWSR 6.1). This is likely to have implications for the higher and further education infrastructure in the area and employers, who will need to plan ahead for training needs.

Figure DWSR 6.1 Qualification Levels in the Dorset Sub Region 2001 and 2016



Source: Census of Population 2001, Cambridge Econometrics/Dorset County Council

- 6.7 Secondly firms may have difficulty in recruiting new workers. Between 2006 and 2016 the population of working age is projected to grow less strongly than the population over retirement age. With projected growth of 26,000 jobs across the Dorset sub region between 2006–2016, but an increase of only 13,000–17,000¹⁶ 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, reducing the amount of housing available for the working age groups.

- 6.8 It must be stressed that there are many uncertainties in these projections and actual numbers cannot be relied on as anything more than a broad guide. Market adjustments are likely to avert an actual labour shortage; firms may retrain existing workers; people may work longer into retirement; or migrants from elsewhere in Europe may fill jobs. On the down side, firms may move from the area to locations where labour is more plentiful or cheaper. As far as the housing market is concerned though, these trends need to be considered carefully and the implications in terms of the amount and location of new housing required, need to be built into the proposals for future supply.

- 6.9 Having considered the likely number of jobs that may be created, it is necessary to look at how this translates into labour demand and how this might be met by different levels of labour supply. This is known as the “labour market accounts”. Several scenarios have been examined, based on different levels of economic growth on the labour demand side and on different levels of housing supply on the labour supply side. The Total Jobs scenario adds full time jobs to part time jobs to give a combined total. In Dorset the majority of growth (70%) is likely to

¹⁶ The projected increase in economically active population is based on the Population Projections Scenarios : ‘DRSS Lower’ and ‘Preferred Option’



be in part time jobs, so the sets that use Full Time Equivalents (FTEs) (ie using ratios to convert part time jobs to full time equivalents to combine with the full time jobs) seem to be more realistic.

- 6.10 Table DWSR 6.2 shows the outcome for a growth rate of 2.8% across Dorset. A negative figure indicates that labour demand is higher than labour supply (there are too few people to fill the projected number of jobs). A positive figure indicates labour supply is higher than projected demand (i.e. there is an over-supply of labour)

Table DWSR 6.2 Labour Market Accounts, 2.8% Growth, Dorset sub region.

2006-2016	2.8% growth							
	total jobs				FTEs			
	DRSS lower	DRSS Upper	Preferred	Panel proposed	DRSS Lower	DRSS Upper	Preferred	Panel proposed
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	-1,240	-770
North Dorset	-1,270	-1,270	-880	-280	1,190	-670	-280	320
Purbeck	-1,440	-1,440	-1,290	-900	-	-1,160	-1,020	-620
West Dorset	-2,720	-2,720	-510	-490	1,160	-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

- 6.11 For the 2.8% growth scenario the projections of total jobs show a shortfall of labour in the Dorchester / Weymouth HMA ranging, from -3,490 under the lowest housing proposals in the draft RSS to -930 under the RSS "preferred" scenario. The Panel's recommended growth levels would result in an under supply of around 1,000 employees. However the second set of figures, based on full time equivalents (FTEs), which appears more likely to occur in Dorset, shows a surplus of labour of up to 3,000 by 2016.
- 6.12 Even where there appears to be a shortfall of labour this must be put in context. By 2016 the Dorchester / Weymouth HMA is projected to have a total of 69,750 jobs, a shortfall in labour supply of 3,490. This would be the worst case scenario based on the figures above and represents just 5% of the total projected demand.
- 6.13 With a higher 3.2% growth rate scenario the differences between labour demand and supply are greater due to the higher projected levels of job growth.
- 6.14 An alternative approach is to run the process in reverse, to establish how many dwellings would be required to meet the labour demand from each of the economic growth scenarios. This is shown in Table DWSR 6.3.



Table DWSR 6.3 Dwellings Required to Meet Labour Demand, Dorset sub Region.

2006-2016	Proposed dwellings					Dwellings required to meet labour demand			
	DRSS lower	DRSS Upper	Preferr ed	Trend - DCLG projectio ns	Panel proposa l	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

- 6.15 The number of dwellings required to meet labour demand for the 2.8% FTEs scenario is 900 in the Dorchester / Weymouth HMA. This figure is virtually the same as the Panel recommendation, of 905, and just below the 940 of the draft RSS 'preferred scenario'. It is well below the level indicated by the DCLG trend projections.
- 6.16 Looking at the dwellings required to meet the 2.8% FTE scenario by local authority, it can be seen that slightly fewer dwellings would be built in West Dorset (625) under the Panel's recommendations than are projected to be required (640). In Weymouth and Portland slightly more would be required (280, compared to the projected 260). The difference would be exaggerated under the RSS Preferred scenario. Housing levels based on the trend projections would result in higher levels of housing in both authorities.
- 6.17 As to which rate of growth is likely to be most realistic in Dorset, based on past performance and considering the current slow-down in the economy, a 2.8% per annum growth rate would seem to be the more likely. It should be remembered that 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 labour and hence demand for more housing. However this is dependant on getting the right type of jobs and a workforce with the right skills.
- 6.18 Finally, when considering future housing requirements based on these projections, it must be recognised that personal preference cannot be predicted, as to the size, type and location of property that individuals may choose. It is not safe to assume that small households will require a small dwelling. The census showed that 16% of people living alone, lived in a property with 6 or more rooms (i.e. at least 3 bedrooms). The existing dwelling stock would appear to be reasonably well balanced, but Dorchester has a relatively low supply of detached properties, for Dorset, and bearing in mind the high levels of commuting into the town, may benefit from more family size accommodation.
- 6.19 Some broad priorities that can be identified are the need for:
- o Adequate family housing in the core areas where economic growth is likely to be most significant.
 - o Adequate smaller dwellings in all areas, including rural areas where availability is currently limited.



- Provision of adapted/lifetime housing to cater for the aging population, again in all areas including rural areas. Appropriate provision may free up some larger dwellings.

6.20 **Key Finding 7: Implications of Future Growth**

Productivity is forecast to remain below the regional average across the Dorchester / Weymouth HMA. Around 5,200 new jobs could be created over the next 10 years, two thirds of which will be in West Dorset and most of which will be in the service sector. Replacement demand could increase the total demand for new jobs. Many of these jobs will be part time and so could be filled by existing workers or by people who may delay retirement. However as the number of working age, economically active population is only projected to increase by up to 17,000 across the Dorset sub region, there could be significant requirements for re-training.

6.21 **If the economy grows at around 2.8% housing supply should meet demand. However if a higher growth rate occurs, further additional housing will be required. Productivity could also be increased to meet economic growth requirements, through development of the higher value, knowledge based sector.**

6.22 **Particular types of housing that may be needed include: more family housing in the towns (particularly Dorchester) where job growth will be highest; more small dwellings in all areas but particularly in the rural areas to accommodate the growing number of single person households; and more adapted/lifetime housing to cater for the ageing population in all parts of the HMA.**





7.0 THE NEEDS OF SPECIFIC GROUPS

- 7.0.1 PPS 3 requires local authorities to plan for a mix of housing on the basis of the needs of the different types of households that are likely to require housing over the plan period.
- 7.0.2 The Housing Needs survey investigated the needs of several groups, including:
Households with special needs
Older person households
Young people (including first time buyers)
Key Workers
Families
Households in rural areas.
- 7.0.3 In addition through the wider HMA research, the needs of students, migrant workers and Gypsies and Travellers have been investigated. Some of the key findings are set out below.

7.1 Households with Special Needs

- 7.1.1 Overall there are an estimated 14,755 households in the Dorchester and Weymouth HMA, within which one or more member of the household has a special need. They represent just over 20% of all households.
- 7.1.2 Those with a “medical condition” comprises the largest category and this affects around 55% of special needs households. The frail elderly and those with a physical disability were the two other categories with significant numbers (noted by 41% and 45% of special needs households respectively).

Table DWSR 7.1 Special Needs Categories

Category	Number of households	% of all households	% of special needs households
Frail elderly	6,126	8.50%	41.50%
Physical disability	6,646	9.20%	45.00%
Learning difficulty	1,332	1.80%	9.00%
Mental health problem	2,592	3.60%	17.60%
Severe sensory disability	1,367	1.90%	9.30%
Medical Condition	8,066	11.20%	54.70%
Other	635	0.90%	4.30%

Source: Dorchester / Weymouth HMA Fordham Research 2007

- 7.1.3 On average around 45% of households with a special need contain only older people. There is some variation between local authorities, with only 42% in Weymouth but over 47% in West Dorset. Generally, households with older people with special needs seem to be more heavily concentrated in the rural areas, in line with the general distribution of older people.
- 7.1.4 Looking at tenure, 65% of special needs households live in owner occupied accommodation. Only 23% live in social rented housing, but form a relatively large proportion of all those living in this tenure. In Weymouth, for instance, over 37% of households in social rented housing have special needs. This is one and a half times the proportion in the general population.
- 7.1.5 Special needs households are generally more than three times as likely to be living in “unsuitable housing” as households without a special need. This definition of unsuitable housing is provided by government definition and includes a number of different categories, such as the accommodation is too expensive, overcrowded, difficult to maintain, or lacks facilities. The proportion of households living in unsuitable housing is higher in Weymouth than in West Dorset.

- 7.1.6 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 3,300 households, or 22% of those with a special need. Physical adaptations such as hand rails, level access shower, alterations to the bathroom and stair lifts were needed by about half as many respondents. More support services, such as a home carer, meals on wheels etc, were required by over 1,200 households.
- 7.1.7 Just fewer than 900 special needs households in the Dorchester / Weymouth HMA stated that they needed to move to alternative housing with specialist adaptations or care/support, including over 480 in West Dorset and 400 in Weymouth and Portland. This gives some indication of the scale of provision needed for specialist housing in the two local authorities. However households with special needs are generally on a much lower income level (about 67%) than those without needs. Their savings stand at about 75% compared to household with no needs. This illustrates the difficulties that these households face in trying to overcome their housing conditions and highlights the need for the local authorities to target resources to improve their situation.
- 7.1.8 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.
- 7.1.9 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.

7.1.10 **Key Finding 8: Households with Special Needs**

Most special needs are related to the age of the household and so are proportionately higher in the rural areas. There are relatively high proportions of special need households in the social rented sector, particularly in Weymouth. Those with a special need are three times as likely to be living in unsuitable housing as other households.

- 7.1.11 **Large numbers of special needs households indicated a need for alternative housing with specialist adaptations or care/support, but as their income and savings levels tend to be lower than those without special needs, many may be unable to afford these improvements. 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 needs as they change and more specialist care services.**

7.2 Older Person Households

- 7.2.1 The most distinctive feature of the population across the 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, rising to 28% in the rural areas. The national average is just 18.8%. Over the last 10 years (1996 to 2006) there has been a significant increase in people aged 50-64 years, who in turn will reach retirement age over the next 15 years.



- 7.2.2 The 2001 census showed that pensioners made up about 30% of all households, the majority of which were living alone (55%). Rural areas have the highest proportion of pensioner households, with over 33%. However it is the core which has a higher percentage of **lone** pensioners.
- 7.2.3 Population projections show that most growth in the next 20 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 older people.
- 7.2.4 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”. Older person only households are of most interest. These include only those households where one or both members are of pensionable age. Across the HMA around 52% of older person only households are single person households and 48% two person.
- 7.2.5 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 are likely to grow as the proportion of older people increases.
- 7.2.6 The Survey showed older people only households make up around 33% of all households in the HMA, but this rises to 37% in West Dorset. However they make up much larger proportions of single person households – 61% in West Dorset and 50% in Weymouth.
- 7.2.7 Table DWSR 7.2 below shows that a large proportion of these households own their property outright (73%). A further 7% own with a mortgage.

Table DWSR 7.2 Older Person Only Households: Size of Accommodation and Tenure, Dorchester / Weymouth HMA

Tenure	Size of Accommodation				TOTAL
	1 bed	2 bed	3 bed	4+ bed	
Owner-occupied (no mortgage)	726	5,776	7,763	3,466	17,731
Owner-occupied (with mortgage)	94	587	803	292	1,776
Social rented	1,709	1,237	499	35	3,480
Private rented	277	636	290	91	1,295
TOTAL	2,806	8,235	9,356	3,885	24,282

Source: Dorchester / Weymouth HMA Fordham Research 2007

- 7.2.8 The vast majority of older person only households comprise just one or two people, but many are occupying large dwellings. Over 13,200 older person only in the Dorchester / Weymouth HMA occupy large properties, representing 55% of all older person only households. Although many older person households may choose to remain in a larger property, some are certainly finding this a problem. Over 1,400 households 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 potential for older households to downsize if the right size and type of accommodation can be provided.
- 7.2.9 There are also considerable numbers of older person only households in 3 or 4 bed social rented accommodation. In Weymouth 17% of older person only households are in this position and in West Dorset the proportion is 14%. In comparison, East Dorset, in the Bournemouth / Poole HMA, had just 5% of older person households in this position. This indicates that there is potential to make better use of this stock in the Dorchester / Weymouth HMA.



7.2.10 Key Finding 9: Older Person Households

The proportion of households comprising only elderly people is high and will continue to grow across the HMA. Between 50% and 60% of single person households comprise older people. The highest proportion of older households is in West Dorset. Around 80% of older person only households are owner occupiers. Some are finding their property too expensive to maintain.

7.2.11 **Around 55% of older person households 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.**

7.2.12 **There is also a relatively large proportion of elderly people living in 3 or 4+ bed social rented accommodation in both West Dorset and Weymouth, indicating some scope to make more efficient use of this stock.**

7.3 Families with Children

7.3.1 PPS3 acknowledges the importance of providing suitable housing for families, especially those with dependant children, to ensure well mixed communities.

7.3.2 The household projections referred to earlier do not give a breakdown of the likely changes in families, other than lone parent families, which are expected to remain at the same level between 2006 and 2026. Couple households are expected to increase by around 12% over the period, but it is not known how many of these will have children.

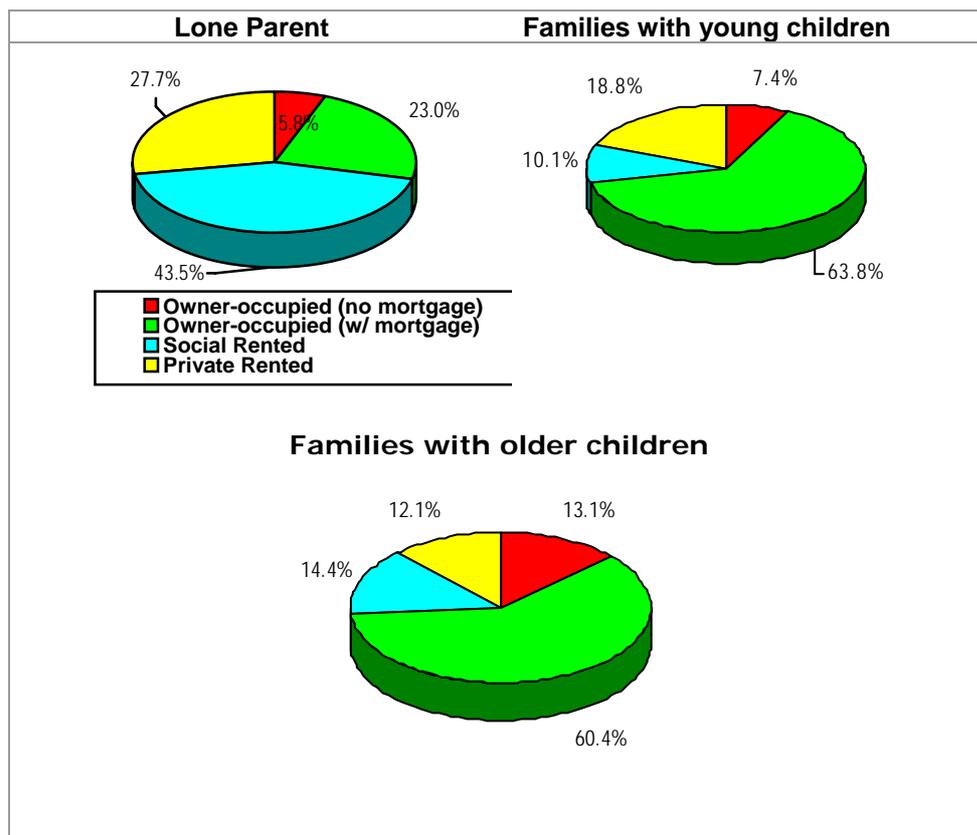
7.3.3 In the Survey of Housing Need and Demand, families with children were split into three groups: lone parent families, families with younger children (age under 9, or average age under 9) and families with older children (over 9 or average age over 9).

7.3.4 The Survey found that overall there are an estimated 14,750 families with children in the HMA representing just over 20% of all households in the area. The proportion ranged from 19% in West Dorset to 22% in Weymouth.

7.3.5 The vast majority of families are two parent families and across the HMA, 73% are currently living in owner occupied accommodation, most with a mortgage. The lowest occurrence of two parent, owner occupier families is in West Dorset (70%). This is the lowest proportion in Dorset. Here there are relatively high proportions of families in social rented and private rented accommodation.



Figure DWSR 7.1 Tenure of Families, Dorchester / Weymouth HMA



Source: Dorchester / Weymouth HMA Fordham Research 2007

7.3.6 Lone parent families make up around 18% of families. The highest proportion is in Weymouth (23%). This is the highest proportion in Dorset. Throughout the HMA a higher proportions of lone parent families live in unsuitable and overcrowded accommodation. A very high proportion, compared to two parent families, live social rented accommodation. There is a particularly high proportion of lone parent families in social rented accommodation in West Dorset (45.8%). This could signify the difficulty of lone parents being able to afford to buy in this area.

7.3.7 The Survey established that about 3,850 (41%) of families would like to move home within the next five years. In the Bournemouth / Poole HMA moving intentions seemed to be highest where levels of owner occupation were lower and private renting high, such as in Bournemouth. However this does not hold true in the Dorchester / Weymouth HMA. For instance, the highest proportions intending to move are in Weymouth, where levels of owner occupation are highest.

Table DWSR 7.3 Moving Intentions of Families

When need/likely to	Households with children		
	Lone parent families	Families with older children	Families with young children
Now	8.70%	7.00%	5.80%
Within a year	12.80%	7.40%	9.10%
1 to 2 years	14.10%	6.50%	13.20%
2 to 5 years	16.50%	13.60%	15.30%
No need/not likely to move	47.90%	65.40%	56.70%
TOTAL	100.00%	100.00%	100.00%
Total count	2,655	6,778	5,314

Source: Dorchester / Weymouth HMA Fordham Research 2007



- 7.3.8 Just over a quarter of families would like to move within two years. Amongst two parent families who intend to move within two years, about 73% are hoping to buy a property. However, the proportion varies considerably from just 64% in Weymouth to over 78% in West Dorset. This is a reversal of the proportions currently living in owner occupied property. It suggests that some families hoping to buy in West Dorset may be unable to achieve their aim.
- 7.3.9 Some 66% of families hoping to move in the next two years would like to move into a detached property. This comprises 71% wanting a detached property in West Dorset but only 59% in Weymouth. This probably reflects the greater availability of detached properties in West Dorset. A relatively small proportion are looking for terraced housing (7.0%) despite the fact that almost a quarter of all households currently live in this type of property. Flats are seldom sought.
- 7.3.10 Almost half of moving households would require 3 bedrooms; 39% would prefer a larger, 4+ property; but only 14% require 2 bed.

7.3.11 **Key Finding 10: Families with Children**

Families currently comprise around 20% of all households in the HMA. The majority are two parent families, most of whom live in owner occupied property. Around 18% of families have a lone parent. Higher proportions of single parent than two parent families live in "unsuitable" and over-crowded accommodation and more than 2 out of 5 lone parent families live in social rented accommodation, with markedly high levels in West Dorset. Lone parents face particular difficulties in trying to move up the housing ladder with only a single income.

- 7.3.12 **Around 73% of two parent families who are intending to move in the next two years, hope to buy a property. These aspirations may not be achievable for all such families in West Dorset.**
- 7.3.13 **Almost half of all moving families are seeking 3 bed accommodation and most are seeking detached properties, with relatively few looking for terraced housing. This may be explained in part by the greater availability of detached property, particularly in West Dorset.**

7.4 Young People

- 7.4.1 The proper functioning of the housing market depends on a steady supply of first time buyers at the bottom of the housing ladder.
- 7.4.2 For the purpose of this study young people were defined as those between 21 and 35. The Survey found that there were 17,530 young people in the HMA, of whom over 80% are in employment (full, part time or self employed.)
- 7.4.3 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.

Table DWSR 7.4 Type of Household Resided in by Young People

Type of Household	No of people	% of all people
On own	1,457	8.30%
Sharing house with others the same age	5,135	29.30%
Live in family with own children	5,354	30.50%
Live with parents/others	5,583	31.80%
TOTAL	17,530	100.00%

Source: Dorchester / Weymouth HMA HNS Fordham Research 2007



- 7.4.4 Young people in the HMA were fairly evenly spread between the last three groups: sharing with peers; living in a family with their own children; and living with parents/others. The largest group was that living with parents/others. Only 8.3% were living on their own. This varied from 9.9% in Weymouth to just 6.8% in West Dorset, indicating the local difficulties faced by young people in West Dorset wishing to set up home on their own.
- 7.4.5 Half of young people living on their own have flats. This figure rises to 53% in Weymouth where flats are most readily available. In West Dorset it is just 44%. For comparison, only 14% of 'other' households (i.e. not young people) live in flats in the HMA. This shows that flats are performing an important role in helping young people set up in their own home.
- 7.4.6 The majority of young people who are sharing with peers (just under 63%) are living in 1 or 2 bedroom properties. This is much higher than amongst 'other' households, where just under 36% live in this size of property. Table DWSR 7.5 shows the tenure pattern of young households.

Table DWSR 7.5 Tenure of Younger Households

Tenure	Household type			
	Young on own	Young sharing	Young with own family	Other households
Owner-occupied (no mortgage)	7.50%	5.80%	1.00%	45.80%
Owner-occupied (with mortgage)	39.20%	53.20%	37.10%	30.60%
Social rented	17.60%	6.60%	37.00%	12.80%
Private rented	35.80%	34.40%	24.90%	10.80%
TOTAL	100.00%	100.00%	100.00%	100.00%

Source: Dorchester / Weymouth HMA HNDS Fordham Research 2007

- 7.4.7 The proportion of young people living on their own in owner occupied accommodation is less than young people sharing with peers. This points to the advantages of sharing, to cover the costs of owner occupation. In Weymouth 61% of young owner occupiers live on their own compared to 68% sharing. In West Dorset, 30% of young owner occupiers are on their own and 51% share. This difference between the two authority areas points again to the difficulties faced by young people living on their own face in West Dorset, trying to purchase property.
- 7.4.8 Across the HMA, about three times as many young single people as 'other' households choose private rented housing. This is to be expected as it is the most affordable and flexible tenure for most young people.
- 7.4.9 Almost three times as many young households with their own families are living in social rented accommodation than are 'other' households. The proportions are similar in both authorities.

7.5 First Time Buyers

- 7.5.1 The average age of first time buyers across the HMA is 36 years old (considerably older, by 6 years, than the average in the Bournemouth / Poole HMA). This varies between 32 in Weymouth and 40 in West Dorset. First time buyers earn about 1.3 times as much as the average earnings in the area. Of those that are able to buy, around 38% are spending a higher proportion of their income on their mortgage than is recommended prudent (the government advises no more than 25% of income). This rises to 41% in Weymouth. So although a larger proportion of young households are living on their own in the Borough, nearly half are stretching themselves to do so. The fact that fewer



households are stretching themselves in West Dorset is probably due to the lack of property rather than property being cheaper.

7.5.2 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. Taking account of their income and savings, only around 400 (32%) would be able to do so. There are also many “concealed” households comprising grown up children living with their parents or others, who would like to buy their own property. Only around 8% (130) of these potential households might be able to afford to buy. This means that around 2,400 young households (including concealed households) are being frustrated in their ambition to get on the housing ladder.

7.5.3 **Key Finding 11: Young People and First Time Buyers**

The average age of first time buyers is 36 and two out of five are spending more on housing than recommended prudent by the government. Over 2,000 more young households would like to get on the housing ladder.

7.5.4 **In Weymouth around 60% of young households living on their own are living in owner occupied property. In West Dorset only half as many young single households are able to do so.**

7.5.5 **Three times as many young households as other households live in private rented accommodation and many are living in flats which provide a first step on the housing ladder.**

7.5.6 **Over one third of young households living as a family, live in social rented accommodation, nearly three times as many as other households. Social rented housing is forming a back stop for young people who cannot afford to buy or rent privately.**

7.5.7 **To improve the situation for young people in this HMA, more small properties at affordable prices/rents need to be provided. In West Dorset, accommodation for young single person households is in particular need. Failing this, young people will have to resort to spending a very high proportion of their income on housing, stay at home with their parents or seek social rented housing.**

7.6 **Students**

7.6.1 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.

7.6.2 The Dorchester / Weymouth HMA contains far fewer higher educational establishments than Bournemouth / Poole HMA. The main colleges are Weymouth College and Kingston Maurward College at Dorchester.

7.6.3 **Weymouth College** provides further education for 14–19 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 around 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 around 70 self catering places and is growing.

7.6.4 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 its students. Demand for accommodation is likely to focus on Weymouth.

7.6.4 **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.

7.6.6 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, however, experience increased competition for accommodation as the market responds to demand generated in the run up to the 2012 Olympic event.

7.6.7 **Key Finding 12: Students**

Higher education establishments do not play a major role in the Dorchester / Weymouth housing market. Although some new residential accommodation is planned, most higher education students will use the private rental market. The demand generated by the Olympic events may put pressure on this market.

7.7 **Key Workers**

7.7.1 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.

7.7.2 The findings of a 2006 Halifax survey of key workers¹⁷ 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.

7.7.3 The Survey allowed analysis of those who were resident in the HMA, whether they worked within or outside the area, but excluded those who work in the area but live outside. The analysis looks at their current housing situation, future demands for housing and affordability.

7.7.4 Around 23% of working households in the HMA are headed by a key worker. This is slightly higher than in the Bournemouth / Poole HMA. Over 80% live in owner occupied property, compared to 72% of 'other' working households. Only 4.2% live in social rented accommodation, compared with 11% of all other working households.

¹⁷ Halifax key Worker Housing Review July 2006



Table DWSR 7.6 Tenure of Key Worker Households

Tenure	Key worker household		Not key worker household	
	Number of households	% of households	Number of households	% of households
Owner-occupied (no mortgage)	1,788	21.70%	6,012	22.00%
Owner-occupied (with mortgage)	4,837	58.80%	13,624	50.00%
Social Rented	344	4.20%	3,013	11.00%
Private rented	1,264	15.40%	4,625	17.00%
TOTAL	8,233	100.00%	27,275	100.00%

Source: Dorchester / Weymouth HMA Fordham Research 2007

7.7.5 The gross household income of key worker households is some 36% higher than those of other workers and when the ability of key worker households to afford minimum market prices is assessed it can be seen that the majority are able to access entry level prices.

7.7.6 Key Finding 13: Key Workers

Contrary to findings of other studies, key workers in the HMA appear to be in a better position than other working households in respect of their ability to access market housing.

7.8 Migrant workers

7.8.1 There were 6,890 National Insurance NINO¹⁸ registrations of migrant workers in the Dorset sub region in 2006-07. The proportion of registrations from A8¹⁹ countries was higher than the national average in 2006/07 and has doubled since 2004/05. Registrations from Poland (40%) were nearly a third higher than the national average of 31%. The following maps illustrate where new registrations occurred in 2006-07.

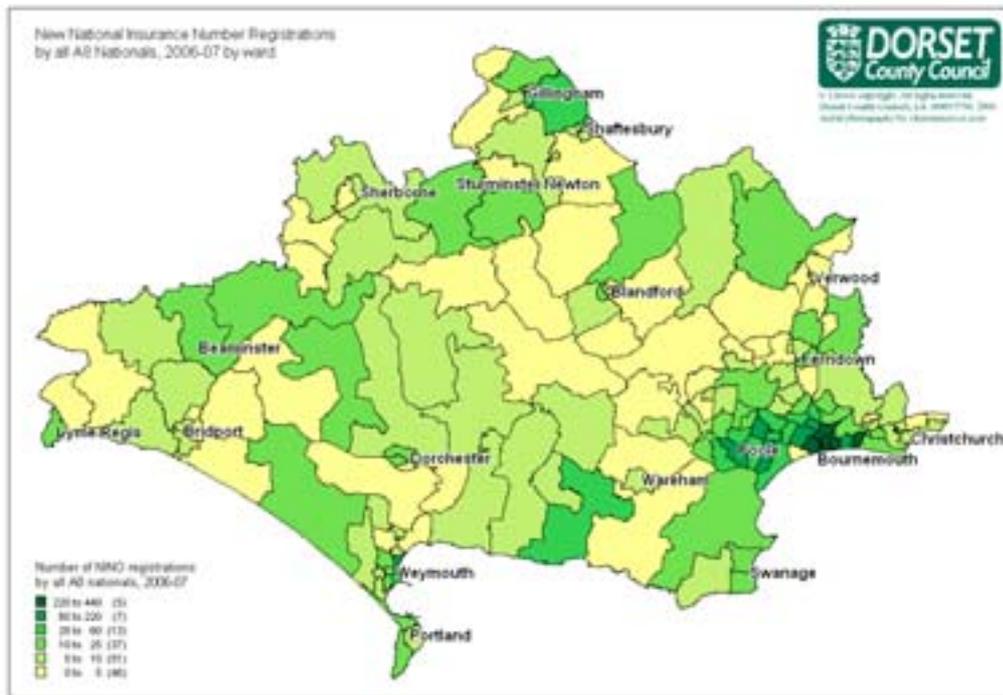
¹⁸ NINO – National Insurance Number statistics.

¹⁹ **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.

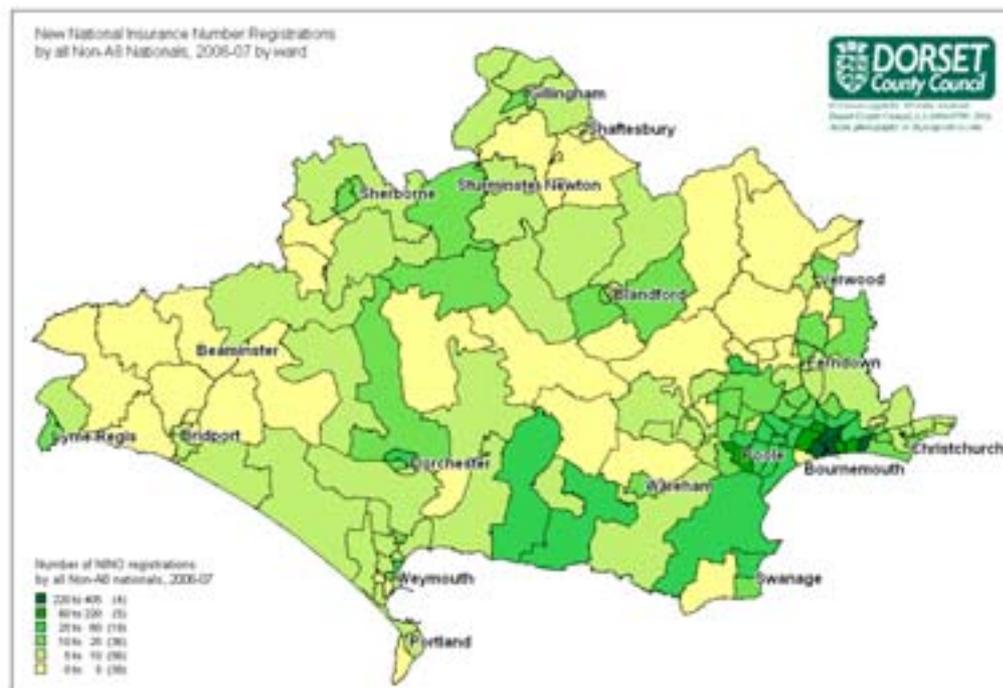


Figure DWSR 7.2 New National Insurance Number Registrations by all A8 National 2006/07, Dorset, Poole and Bournemouth.



Source: National Insurance Number Registrations, 2006/07, DWP

Figure DWSR 7.3 New National Insurance Number Registrations by Ward by Non-A8 Nationals, Dorset, Poole and Bournemouth.



Source: National Insurance Number Registrations, 2006/07, DWP

7.8.2 Most registrations from both A8 and non-A8 Countries are in the towns, with the highest numbers in Bournemouth and Poole, but many migrants have also registered in rural parts of Dorset. It is difficult to ascertain what determines the choice of location for migrant workers, but it may be related to job availability and/or affordable housing.

7.8.3 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.

7.8.4 Whilst there is evidence to show the positive contribution to the economy of migrant workers, their impact on local authorities and service provision is yet to be fully understood. Due to the transience of the migrant population, they are excluded from resident population estimates which are used to calculate government funding to local authorities. Anecdotal evidence suggests most migrant workers look to the private rented sector for housing and many occupy Houses in Multiple Occupation.

7.8.5 **Key Finding 14: Migrant Workers**

The number of migrant workers registered in the Dorset sub-region continues to rise, particularly from the A8 countries. Many have settled in the market towns and rural areas. While the valuable contribution of migrant workers to the local economy has been recognised for several years, the implications for service provision are less well documented. For accommodation, most workers look to the private rented sector.

7.9 Rural Households

7.9.1 The Dorchester / Weymouth HMA extends beyond the urban cores over a wide rural area. The characteristics and needs of households in the rural area do vary from those in the main towns. Some of the basic characteristics of the rural population are examined here. More details will be found in the individual Local Authority reports.

7.9.2 The HMA was subdivided 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 including isolated dwellings.

7.9.3 Just under half (45%) of the HMA households fall into one of the three rural categories. Almost 20% live in both the 'town and fringe' and 'village' categories, with only 5% in smaller 'hamlets'. However the two local authorities that make up the HMA are very different in their make up, with West Dorset being 60% rural and Weymouth and Portland only about 19%.

7.9.4 As in the Bournemouth / Poole HMA, a higher proportion of owner occupiers with no mortgage generally live in the more rural parts, particularly the 'villages'. These areas have a lower proportion of households living in social rented accommodation. Weymouth, having a much smaller rural population, shows different patterns in both cases.

7.9.5 Looking at household types, there are again lower proportions of single pensioners and lone parents in most of the rural area, but Weymouth shows a higher proportion of rural lone parents.

7.9.6 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.

7.9.7 Accessibility is a problem in many rural areas and this is borne out by the high level of car ownership seen in West Dorset. Car ownership in Weymouth shows less variation between the urban and rural parts.



Table DWSR 7.7 Rural households and Tenure

Tenure	Urban	Town and Fringe	Village	Hamlet	Total
Owner-occupied (no mortgage)	38.70%	41.60%	47.30%	44.40%	41.20%
Owner-occupied (with mortgage)	33.80%	28.80%	32.40%	23.80%	32.00%
Social Rented	14.30%	18.20%	10.80%	2.90%	13.80%
Private rented	13.30%	11.40%	9.50%	28.90%	13.00%
Total %	100.00%	100.00%	100.00%	100.00%	100.00%
TOTAL	40,364	14,210	14,053	3,618	72,245

Source: Dorchester / Weymouth HMA Fordham Research 2007

7.9.8 While information on housing need in the rural areas is not directly available, information can be gleaned from the analysis of other groups' needs. For instance, the proportion of young households living on their own and buying is much lower than average in the predominantly rural West Dorset. There is also a higher proportion of young people in private rented and in social rented accommodation in West Dorset.

7.9.9 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. There will also be pockets of need across rural West Dorset that are hidden behind the averages. More details may be found in appendices of the individual District Reports.

7.9.10 **Key Finding 15: Rural Households**

The rural areas are generally characterised by high levels of owner occupation and lower than average levels of social rented accommodation. Income and savings levels are generally higher in rural than urban areas. However this generality hides the difficulties faced by those households with lower incomes.

7.9.11 **There are above average proportions of pensioner households, particularly comprising two or more pensioners, in the rural area. Pensioners and single parent families tend to be concentrated in the "town and fringe" areas, where services are most readily available.**

7.9.12 **There is 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.**

7.9.13 **The rural parts of Weymouth show different characteristics to the other rural areas, with higher concentrations of less well off households. The needs of the households in this area need to be considered carefully.**

7.10 **Gypsies and Travellers**

7.10.1 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.

7.10.2 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 groups defined were: English Gypsies / Romanies, Irish Travellers, New Travellers, Welsh or Scottish Gypsy, Showpeople and Other (mostly New Travellers reluctant to accept classification).



- 7.10.3 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 then cross-checked with other data sources.
- 7.10.4 Evidence from the Assessment indicates that there are between 2,400 and 3,000 gypsies and travellers living in or passing through the County, compared to around 7,000-9,000 in the South West region and around 250,000 nationally.
- 7.10.5 Average household size was 2.9, but this varied, being higher for English Gypsies and Irish Travellers than other categories. The comparative figure for the resident population in Dorset is 2.15. The larger household sizes for gypsies/travellers reflects their extended family structure and the effects of accommodation shortage.
- 7.10.6 While there is no official definition of overcrowding relating to caravans, it appears that, using an average of 3 persons per caravan as an indication of overcrowding, the problem is as bad now as it was almost 40 years ago. A 1965 census study estimated that around 65% of gypsies were living in overcrowded accommodation compared with less than 3% of the settled population.
- 7.10.7 Demand for sites generally rises in the summer months, this trend being particularly noticeable in West Dorset.
- 7.10.8 At the time of the Survey there were 58 public sites (with capacity for 71 caravans) and 15 private pitches across Dorset, but no official transit sites other than the temporary site for the Dorset Steam Fair. Of the public pitches, 14 were in West Dorset. There was none in Weymouth. On average between 60 and 76 unauthorised sites were counted over the 2002-04 period, most of which were in the rural areas. Costs of inadequate pitch provision are high, both for the Local Authorities (financially) and the gypsy/ traveller community in terms of health and social care.
- 7.10.9 The report concluded by proposing numbers of pitches required for future needs. Altogether it proposed that in the Dorchester / Weymouth HMA there was a current net demand for 9 pitches to meet needs from overcrowding and transfer from housing, and 90 pitches from unauthorised camping.
- 7.10.10 These needs have been translated by the Dorset authorities into demand for permanent (residential) and transit pitches. Further analysis of the figures, comparing them with the results of other GTAA studies in the South West, indicates that the original figures in Dorset may have been too high. Adjustments to compensate for these anomalies indicate a demand for 20 residential and 42 transit pitches in the Dorchester / Weymouth HMA by 2011. 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 DWSR 7.8 Demand for Permanent (Residential) and Transit Gypsy and Traveller Pitch Provision in Dorset, 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 submission to the SW RSS EIP Feb 2008

7.10.11 Key Finding 16: Gypsies and Travellers

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. There are 50 public pitches and 8 private sites across Dorset, of which 14 public pitches are in West Dorset. There are also many unauthorised sites, mostly in the rural areas. While there is no official measure of overcrowding, it appears that the situation is as bad now as it was in the 1960s. Costs of inadequate pitch provision are high – both for the Local Authorities (financially) and gypsy/ traveller community in terms of health and social care. The Local Authorities have made the case for a need by 2011 for 20 permanent/residential and 42 transit pitches in the Dorchester / Weymouth HMA.



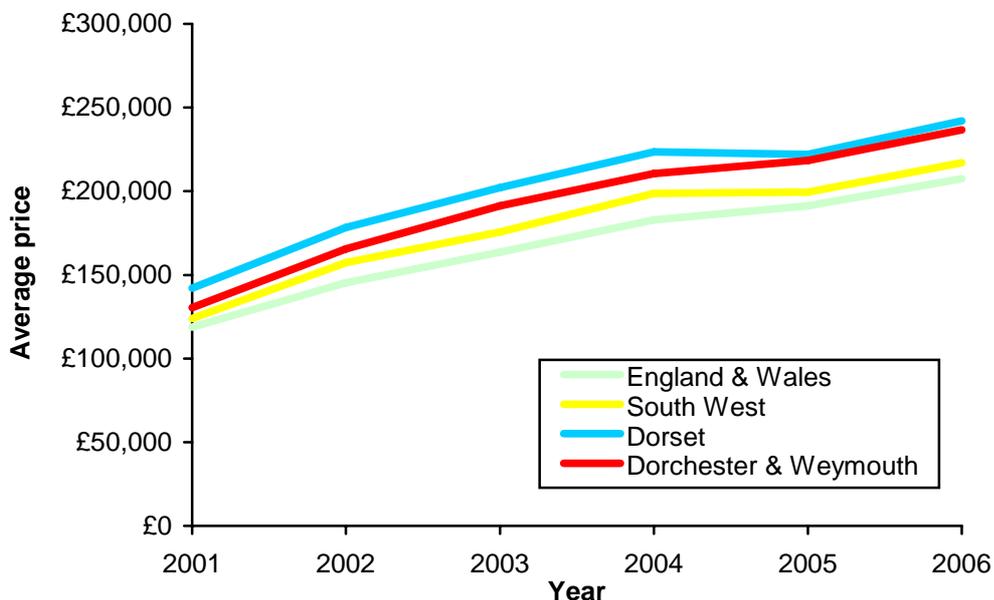
8.0 AFFORDABILITY AND HOUSING NEED

8.1 House prices across the HMA

8.1.1 House prices and rents across the County were assessed by Fordham Research through face to face interviews with estate agents and landlords as well as use of the Land Registry and internet searches. The evidence showed that the average property price in the County was around 17% higher than those nationally and 15% above the regional average. There is considerable variation across the HMA with the highest prices tending to be in the rural areas. This is in part due to the higher proportion of detached and semi detached properties in the rural areas. Prices in Weymouth were just below the national average.

8.1.2 House prices have increased significantly (81.4%) across the HMA, a faster rise than regionally or nationally, where prices rose by about 75% over the same period. Price rises vary in different parts of the HMA. The fastest rises have been in those areas with lower average prices, such as a 91% rise in Weymouth. In more expensive West Dorset the increase was 76%.

Figure DWSR 8.1 Price Rises in All House Prices between 2001 -2006 (4th Quarter)



Source: HM Land Registry/ Fordham Research HMA for Dorchester / Weymouth 2007

8.1.3 Entry level prices ranged from £95,000 for a 1-bed property in West Dorset to £103,000 for a similar size property in Weymouth. Larger properties were cheaper in Weymouth at £232,000 for a 4-bed property, compared with £287,000 in West Dorset. Entry level rentals started at £92 per week in both authorities, but it was cheaper to rent larger properties in Weymouth and Portland than in West Dorset (Tables DWSR 8.1 and DWSR 8.2)

Table DWSR8.1 Entry Level Market Costs (to Buy)

Bedrooms	Weymouth and Portland	West Dorset
1	£103,000	£95,000
2	£141,000	£143,000
3	£173,000	£211,000
4	£232,000	£287,000

Source: Survey of Estate and Letting Agents – 2006 / Fordham Research HMA for Dorchester / Weymouth 2007



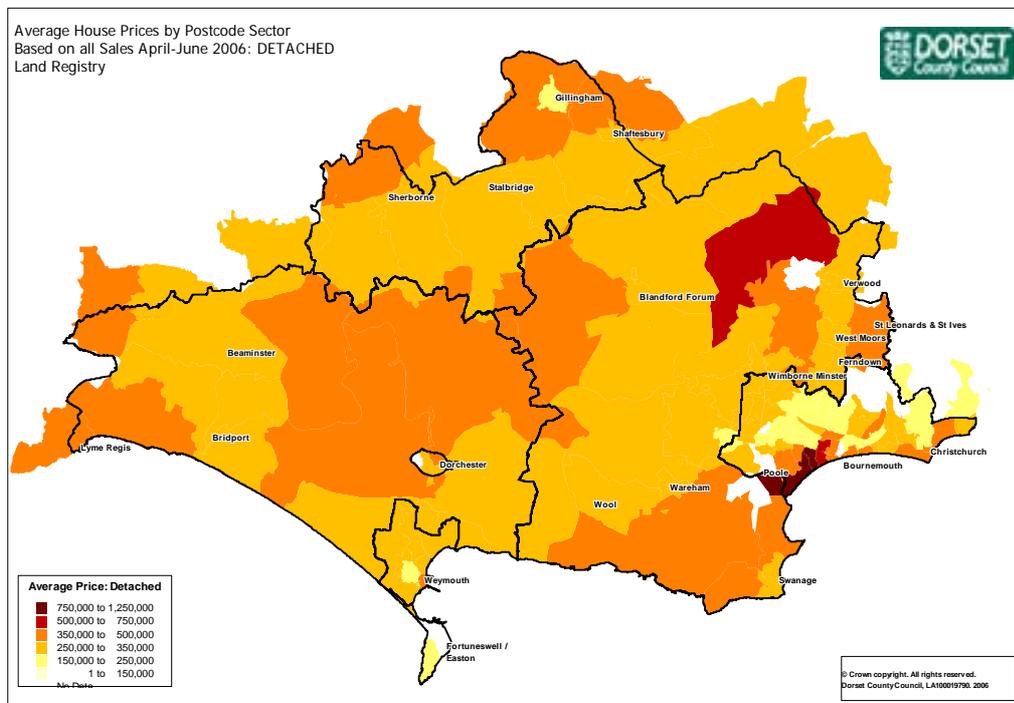
Table DWSR 8.2 Entry Level Market Costs (Weekly Rent)

Bedrooms	Weymouth and Portland (week)	West Dorset (week)
1	£92	£92
2	£115	£121
3	£138	£129
4	£173	£202

Source: Survey of Estate and Letting Agents – 2006 / Fordham Research HMA for Dorchester / Weymouth 2007

8.1.4 Availability of property is a further key factor. While some property types are available across the whole area, others are not. Figures DWSR 8.2 and DWSR 8.3 show the average price of property and also the variation in availability of detached properties and flats in the second quarter (April – June) 2006. ‘White’ areas on the maps indicating “no data” on sales. It is clear that flats, which are often the cheapest entry point to the market have limited availability across much of the Dorchester / Weymouth periphery and North West Dorset.

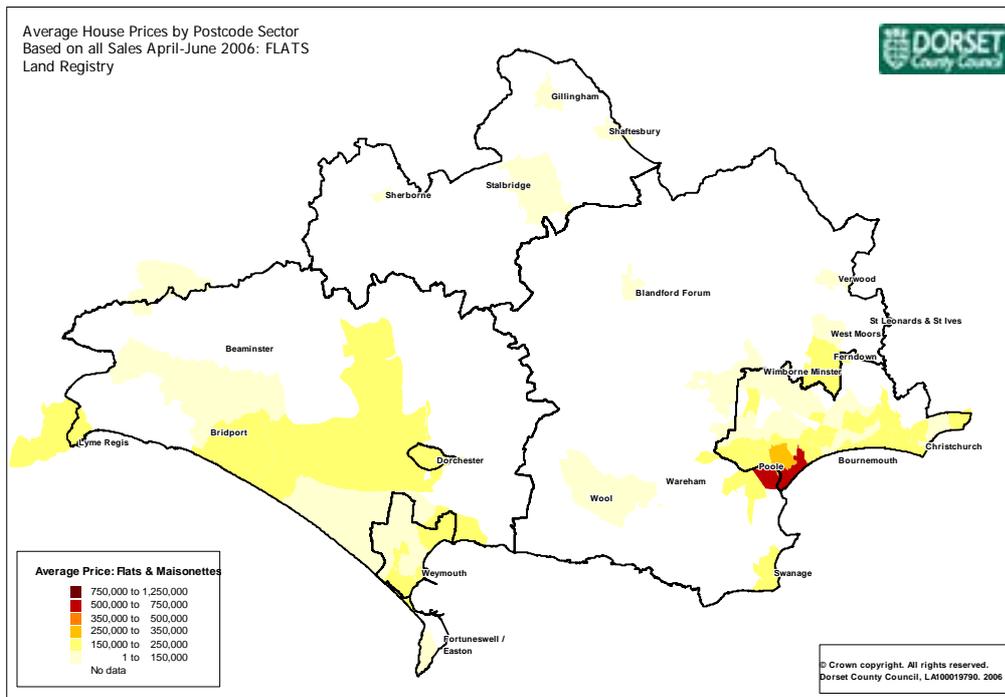
Figure DWSR 8.2 Average Price of Detached Properties Sold, April-June 2006, Dorset, Poole and Bournemouth.



Source HM Land Registry 2006



Figure DWSR 8.3 Average Price of Flats Sold, April-June 2006, Dorset, Poole and Bournemouth.



Source HM Land Registry 2006

8.1.5 A similar pattern can be seen in rental properties, with the more rural areas having a smaller range of property available.

8.1.6

Table DWSR 8.3 Number of Private Rented Properties Available, July 2006 Dorchester / Weymouth HMA.

	No. of Bedrooms	1	2	3	4	5	6	7	8	total
Dorchester core	House	1	2	3						6
	Flat	6	8	1						15
Weymouth core	House		14	20	5			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

8.2 Affordability Assessments

8.2.1 Studies of house prices and earnings have shown that all Dorset authorities suffer from affordability problems. Looking at average house prices against workplace based earnings shows the greatest affordability problems in the east of the County. However West Dorset has suffered house prices 25% above the national average, with workplace based earnings 10% below the national . Another measure, developed by Steve Wilcox for the Joseph Rowntree Foundation²⁰ looks at the percentage of young working households that would be unable to afford a house priced above the lowest quartile (i.e. the bottom 25%). This shows the greatest problems in Dorset to be in Christchurch and Bournemouth, but Weymouth and Portland also had higher proportions of young working households unable to afford this price of housing than the average in London and the South East region.

²⁰ Steve Wilcox, The Geography of affordable and Unaffordable Housing . 2006.



- 8.2.2 In undertaking the Survey of Housing Need, Fordham Research looked at the relative scale of need across the Dorchester / Weymouth HMA and within individual local authorities. The Index of Affordable Housing Need showed an average scale of need across the HMA of 21, which is high in comparison with the national average of 16 and regional average of 17. The highest level of need by far was in Weymouth and Portland which had a score of 28 and was second only, within Dorset, to Bournemouth.
- 8.2.3 To assess the ability of households to afford housing within the HMA, Fordham Research looked at household movements over the past two years and their future moving intentions, as well as the financial capacity of households.
- 8.2.4 Analysis of recent household moves showed the importance of the private rented sector to mobility in the market. Almost half (45%) of all private rental households had moved home in the past two years compared to 21% of social renters and 14% of owner occupiers. Nearly half of households without a mortgage had moved in from outside the HMA. Those with a mortgage or private renting were more likely to have moved within the same council area. Pensioner households were more likely to have moved into the HMA from outside the County and households with children were most likely to have moved within the area. Over 80% of those moving in the social rented sector stayed within the same local authority, but this will be influenced by allocation policies.
- 8.2.5 Newly formed households were most likely to have moved into private rented accommodation (46%). Only 31% moved into owner occupation and 22% into a social rented dwelling. This marks a difference with the Bournemouth / Poole HMA where the proportion able to buy was similar to that renting privately. Here the proportion able to buy was noticeably lower.
- 8.2.6 The survey also investigated the future aspirations and expectations of existing and potential new households. Table DWSR 8.4 shows that just under 12,500 (17%) of existing households need to or are likely to move in the next two years. This includes 46% of all households in the private rented sector. Half of all moving households are currently living in owner occupied accommodation.

Table DWSR 8.4 Households Who Need to 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%

Fordham Research HMA for Bournemouth / Poole 2007

- 8.2.7 The financial capacity of households in the area was also investigated to assess whether households would be able to afford the type of housing they were seeking. The survey estimated the average (mean) gross household income level to be £26,400 per annum, with the median noticeably lower at £20,750 per annum. There were also wide variations by tenure as can be seen in Table DWSR 8.5 with households in social rented housing having particularly low income levels.
- 8.2.8 Savings also varied, with the mean household having £39,880 in savings, but the median level only being £4,500. Over 50% of households had less than £5,000.



Table DWSR 8.5 Income and Tenure, Dorchester / Weymouth HMA

Tenure	Average annual gross household income	Average savings	Average equity
Owner-occupied (no mortgage)	£25,351	£76,567	£275,863
Owner-occupied (with mortgage)	£36,678	£17,107	£153,922
Social rented	£10,709	£4,643	n/a
Private rented	£21,108	£17,013	n/a
All tenures	£26,409	£39,884	£163,006

Fordham Research for Dorchester / Weymouth HMA 2007

8.2.9 Key Finding 17: Affordability

Overall price increases have been heavily influenced by rises in Weymouth. Despite these recent increases, entry level prices and rents are generally cheapest in Weymouth and Portland. Availability of flats to rent or buy is a problem in the rural areas.

8.2.10 **Analysis of moves in recent years and future moving intentions show the importance of the private rented sector to housing mobility. However, incomes of those in private rented housing are well below those of households buying a property and the proportion of newly forming households able to buy is lower than in the Bournemouth / Poole HMA.**

8.2.11 **In West Dorset there is a large difference between local earnings and average house prices and in Weymouth there are particular problems for young working households trying to access the market.**

8.3 Assessing the Scale of Housing Need - The CLG approach

8.3.1 The scale of need for affordable housing was assessed against two measures. First, the approach prescribed in government guidance, here termed the CLG or Communities and Local Government approach. Both backlog need and future needs were assessed, using the information on financial capacity to calculate how many would be able to afford to meet their needs in the market and how many would need some form of subsidy (i.e. affordable housing).

8.3.2 Across the HMA as a whole, it was calculated that there was a net backlog need for around 988 affordable dwellings and a future need for around 1,340 dwellings per annum. Assuming the backlog need could be addressed over five years indicates a total net need of 1,538 dwellings per annum for the first five years, $(1,340 + 988/5)$. Assuming all the backlog need has been addressed in that period, would result in a reduced need of 1,340 dwellings per annum thereafter.

8.3.3 The individual reports for each local authority show the different scale of need in each area. The results are shown in Table DWSR 8.6

Table DWSR 8.6 Annual Need for Affordable Housing by Local Authority and HMA – CLG approach

	West Dorset	Weymouth and Portland	Dorchester / Weymouth HMA
Net annual level of need 2007 – 2012	737	800	1,538
Net annual level of need, 2012 -2026	653	687	1,340
Fordham Affordable Housing Need Index	17	28	21

Source: Fordham Research for Dorchester / Weymouth HMA 2007



8.3.4 The CLG model produces a figure for the amount of additional affordable housing that would, after a period, mean that there was no further need for affordable housing in an area. Clearly, this model is geared to an ideal state, rather than current reality. One particular assumption used is that households should not spend more than 25% of their income on housing. However in reality many households will spend much more than this, sometimes as much as 50%, to achieve a particular type or location of housing.

8.4 The BHM Approach

8.4.1 To better reflect current practice in terms of the income spent on housing and decisions made when moving, Fordham Research produced what is called a “Balanced Housing Market” (BHM) assessment. The assessment looks at the whole housing market considering the extent to which supply and demand are balanced across tenure and property size. The details of the approach are explained in full in the main Evidence Base and supporting reports on Housing Need. Table DWSR 8.7 brings together all the supply and demand information.

Table DWSR 8.7 Annual shortfall of housing supply in the Dorchester / Weymouth HMA – BHM approach.

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 HMA for Dorchester / Weymouth 2007

8.4.2 The table shows that overall there is expected to be a greater demand for housing than the current stock of housing can meet. Across all tenures there is likely to be a shortfall of 1,584 dwellings per annum. Market housing (i.e. owner occupied and private rented) makes up 48% of the shortfall, whereas affordable housing makes up 52%.

8.4.3 Private rented housing appears to be in over supply. This does not imply that there will be empty rented flats. It is more a result of household aspirations for other forms of tenure – be that owner occupied or social rented. Many will however have to resort to rented housing.

8.4.4 The table also shows relatively strong demand for intermediate housing. This is unusual bearing in mind there is relatively little housing of this type currently available, so it is unlikely to feature as a preference of many households. To address this, rather than simply using households’ stated expectations of the type of housing they would like to move into, Fordham Research applied a test of their ability to afford something more than social rented housing. The number of households in the intermediate band is calculated as those unable to afford market housing, but who can afford the **mid point** of the intermediate range, termed the “usefully affordable” level.

8.4.5 Looking at the size of dwellings required, there is a clear preference for 2-bed size, particularly in the owner occupied sectors. 1-bed properties make up over a quarter of the demand and this rises to almost 40% in the social rented sector.

8.4.6 As well as looking at the whole HMA, BHM assessments have been undertaken for each of the sub market areas and for each Local Authority. These are included in Appendix 1.



- 8.4.7 Looking at the assessment by District shows that the demand in West Dorset is considerably higher (2.3 times) that in Weymouth. Whereas the demand is evenly split between market and affordable housing across West Dorset, in Weymouth and Portland it is more heavily in favour of affordable housing (58% affordable to 42% market).
- 8.4.8 Within the Weymouth core there is a net demand for an additional 473 dwellings per annum, of which 45% is for market homes with the remaining 55% in the affordable sector. Small 1-bed market homes appear to be in over supply, as do larger social rented properties. Around 20% of the demand is for intermediate housing, provided it can be provided at the right cost. By far the most demand is for 2-bed dwellings (65%).
- 8.4.9 In Dorchester there is less than half the demand that there is in Weymouth, but more of the demand, some 60%, is for affordable housing. Private rented housing appears to be over supplied in all except the smallest 1-bed properties. Most demand is again for 2-bed dwellings (52%).
- 8.4.10 In the periphery there is an estimated demand for 725 additional units per annum, 47% market and 53% affordable. Within the owner occupied sector there is fairly even demand for 2- and 3-bed properties, but within the rented sector, 1-bed dwellings predominate. Some 70% of demand in the social rented sector is for 1-bed properties.
- 8.4.11 The research suggests that in that part of the North West Dorset sub-market which is within the Dorchester / Weymouth HMA, the demand is for just 158 additional units per annum (however, due to the smaller size of the assessment here, there is a greater possibility of statistical error). Of this total, 74% is for market housing, with demand for 3- bed properties predominant (58% of the owner-occupied sector). Social rented housing of 1- and 3-bed properties appears to be in over supply. Intermediate housing could have a role to play here, at the right price.
- 8.4.12 **Key Finding 18: Levels of Housing Need**
- Assessing need by the government (CLG) approach indicates a need for around 1,550 affordable dwellings per annum across the HMA, 800 of which are needed in Weymouth and 750 in West Dorset.**
- 8.4.13 **Using a more realistic, Balanced Housing Market (BHM) approach indicates a total demand for over 1,580 dwellings per annum, of which 820 (52%) should be affordable. Overall demand is over twice as high in West Dorset as in Weymouth, but a higher proportion of affordable housing is needed in Weymouth.**
- 8.4.14 **Under the BHM approach, private rented housing appears to be in over-supply, but this may not fully reflect the role of this tenure. Intermediate housing could meet some of the need for affordable housing, provided it is priced at the right level.**
- 8.4.15 **In Weymouth, over half the need is for affordable dwellings and 2 bed dwellings are in exceptionally strong demand. Small 1 bed market homes appear to be in over supply. In Dorchester, 60% of the demand is for affordable housing and 2 bed properties are also in strong demand.**
- 8.4.16 **In the rural areas the need for 3 bed dwellings becomes more apparent, but in the social rented sector, 1 bed dwellings are in strong demand. In North West Dorset, the demand for market housing is more dominant and intermediate housing could play a role, provided it is at the right price.**



8.5 But what is Affordable?

8.5.1 In trying to address the affordability problem it is essential that there is a common understanding of what is meant by affordable housing. The government sets out a definition in PPS3 which, broadly summarised, states that:

"Affordable housing includes social rented and intermediate housing provided to specified, eligible households whose needs are not met by the market. The housing should be affordable with regard to local incomes and prices and should remain affordable in the future, or any subsidy used be recycled to provide alternative affordable housing. Homes that do not meet this definition, such as low cost market housing are not considered to be affordable."

8.5.2 In assessing what is truly affordable in Dorset, Fordham Research looked at entry level costs of different tenures and sizes of property within each Local Authority area. In order to compare costs, the price of property to buy was translated into a weekly cost in the way of a mortgage payment. Table DWSR 8.8 shows the entry level price for 2-bed properties for social rent, for market rent, for second hand purchase and for new build purchase. It can be seen that, at this size of property, entry level prices are slightly cheaper in Weymouth, but the gap widens to 9% difference with new build.

Table DWSR8.8 Entry Level Housing Costs, 2-Bed Properties, Local Authorities in Dorchester / Weymouth HMA

Local Authority	Weekly cost, 2 bed entry level price			
	Social rent	Market rent	2nd hand buy	New build
West Dorset	£66	£121	£165	£216
Weymouth and Portland	£64	£115	£162	£198

Source: Fordham Research Dorset HNDS 2007.

8.5.3 The gaps between the entry levels of different tenures were also examined to show how difficult it is for households to move between tenures. Table DWSR 8.9 shows the price and scale difference between different tenure bands. It shows, for instance, that the weekly cost of a new build 2-bed property is over three times as much as a 2-bed social rented property. Second hand properties are two and a half times as much. The difference between social renting and private renting is slightly wider in West Dorset. In Weymouth, the big difference is between private renting and second hand purchase.

8.5.4 Neither authority has an easy housing ladder to climb. The difference between social rent and a second hand property to buy, at just under £100 per week, is a considerable sum to find.

Table DWSR 8.9 Key Housing Market Gaps, 2-Bed Properties, Local Authorities in Dorchester / Weymouth HMA.

Local Authority	Weekly cost and scale (%) difference			
	Social rent/ private rent gap	Priv rent/ 2nd hand buy gap	Social rent/ 2nd hand buy gap	Social rent/ new build gap
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.



- 8.5.5 The difference between social renting and private renting is substantial in each authority. This should be the focus for intermediate housing products. However products such as “New build Homebuy” which is designed as intermediate housing often falls above this level and into the rent/buy gap. This is not to deny that this type of housing can help some households into ownership, but it will still be out of reach for the majority.
- 8.5.6 In assessing the demand for intermediate housing in the BHM approach, Fordham Research used what they term the “Usefully affordable” level to means test those in need. Table DWSR 8.10 shows the actual weekly costs for 2-bed properties at this level in each authority. The table also shows what is termed the “Intermediate rent” level. Intermediate rent is another housing product approved by the Housing Corporation that is being considered for use in the South West. The cost of intermediate rented housing should be no more than 80% of the **median** market rents in the area.

Table DWSR 8.10 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
West Dorset	£66	£94	£108.00	£121
Weymouth and Portland	£64	£90	£108.00	£115

Source: Fordham Research Dorset HNDS 2007

***Usefully affordable** assessed as midway between social rent and entry level market rent.

** **Intermediate Rent** assessed as 80% of Reference Rent/Local Housing Allowance level for each area.

- 8.5.7 These figures provide a useful benchmark against which any new intermediate housing products can be tested. Tables for each size of dwelling (1-bed through to 4-bed) for each Local Authority are included in Appendix 2. Means of updating the costs are also included (in Section 10) so that they can be used in future negotiations over the amount and type of affordable housing to be provided on any site.
- 8.5.8 The tables can also be used to test the costs of other types of intermediate housing such as “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. The same applies with “Co-Housing” schemes, where households live as a community and share some facilities to keep costs lower. Both types of intermediate housing are being developed in Dorset.
- 8.5.9 Low Cost Market housing is unlikely to provide an affordable option in the HMA. Looking at the difference between new build costs and market rent for 2-bed properties in Table DWSR 8.8, it can be calculated that to be affordable, new build housing would require more than a 40% subsidy in each authority. As the level of subsidy in low cost market housing has generally been in the realm of 20-30% it is unlikely that this product would ever fall into the affordable category in the Dorchester / Weymouth HMA.
- 8.5.10 Having considered the current structure of the housing market, the likely changes in population, household and economic structure in the future, the needs of different sectors of the population and the demand for different types of housing, the final section addresses 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.



8.5.11 Key Finding 19: Housing Market Gaps

For those trying to access the market, the intermediate and rent/buy gaps are most significant. To be of most use to those in need, intermediate housing should be priced around the mid point of the intermediate gap. Intermediate rent at 80% of market rents may also provide some help. The cost tables presented in this report should be used to assess the affordability of any intermediate products proposed by developers.



9.0 THE PROFILE OF HOUSING NEEDED IN THE DORCHESTER / WEYMOUTH HMA

9.0.1 PPS3 sets out three key requirements for local authorities to address in their Local Development Documents:

The likely overall proportions of households that require market or affordable housing

The likely profile of household types requiring market housing (eg families, single people and couples) and

The size and type of affordable housing required.

9.0.2 The SHMA is seen as a key source of evidence in helping to address these requirements. Attention also needs to be paid to the proposals of the RSS on housing supply, since that will ultimately set out the amount of development that will take place in the HMA.

9.1 The Overall Proportions Requiring Market or Affordable Housing

9.1.1 The assessments of housing need described above make it clear that, under any assessment, there is very strong evidence of the need for affordable housing in the Dorchester / Weymouth HMA.

9.1.2 Comparing the level of need from the CLG approach to the amount of housing proposed in the draft RSS, or the recent recommendations of the Examination in Public (EIP) Panel, Table DWSR 9.1 shows that the level of need, at 1,538 affordable dwellings, is well above the 905 total dwellings being proposed each year by the Panel.

Table DWSR 9.1 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.
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.

9.1.3 On the basis of need it could therefore be argued that a target of 100% affordable housing is necessary.

9.1.4 However, as discussed above, the CLG approach does not truly reflect the way the housing market works. People do spend more than 25% of their income on housing and many use the private rented sector despite the lack of long term security this offers.

9.1.5 The BHM approach tries to adapt to these realities, but it too shows that there is a greater demand for housing than the current stock of dwellings can meet. Of this demand, across the HMA as a whole, 52% is for affordable housing. In Weymouth core the proportions rise to 55% and in Dorchester to 60%.

9.1.6 These figures can be compared with the levels of new housing proposed by the RSS. Table DWSR 9.2 shows that even the Panel's total housing proposals for 905 dwellings per annum would barely meet the demand for affordable housing across the HMA (824 dwellings). In Weymouth the affordable dwelling demand is equivalent to the total amount of housing proposed by the Panel.



Table DWSR 9.2 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 housing)	D EIP Panel's proposals 2006-16 (all housing)	E BHM Affordable dwellings as % of Panel figs.
	Dwellings per annum.				
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.

- 9.1.7 The evidence clearly supports the need for high proportions of affordable housing based on the overall level of housing currently proposed in the draft RSS and Panel's proposals.
- 9.1.8 The RSS will set out the overall number of dwellings to be built in the area up to 2026. Both the draft RSS policy and the changes recommended by the EIP panel, suggest that affordable housing should be within the range 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.
- 9.1.9 The final RSS housing supply figures across the two HMAs are not yet known, but the evidence here suggests that to meet either need or demand at least 80% of all new housing should be affordable dwellings.
- 9.1.10 Such a high proportion may not be considered 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 could be argued that the starting point for negotiation on the percentage of affordable housing should be the level of need/demand reducing to the highest proportion that is economically viable on any site. At this point in time, it is recommended that the percentages in column E of Table DWSR 9.1 and Table DWSR 9.2 should be used, but when the final RSS figures are known, these should be revised.
- 9.1.11 **Key Finding 20: The Market/Affordable mix**

The viability of providing affordable housing on a site should be assessed within a range defined by housing demand and need.

Assess the level of affordable housing demand presented in Table DWSR 9.2 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 DWSR 9.1 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.



9.2 The Type of Affordable Housing required

- 9.2.1 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. However, 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 above.
- 9.2.2 In deciding what proportions of each should be sought in any area, the levels of need shown through the CLG and BHM assessments need to be considered alongside the overall amount of housing likely to be built. Table DWSR 9.3 compares the findings of the CLG (Col A) and BHM (Col B) needs models and also shows the proposed housing levels in the draft RSS (Col F) and the recommendations of the EIP Panel (Col G).
- 9.2.3 The table also shows both the proportion and number 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 Rent at 80% of median rent levels. 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.
- 9.2.4 As the cost of intermediate housing products rises, the number of households able to afford them diminishes. Although the assessments of need/demand have followed different approaches, this same principle applies. Ideally a graph showing the frequency of households able to afford different prices of housing should be plotted under both the BHM and CLG approaches. In the absence of this information, it can only be assumed that the graphs follow broadly similar patterns and that the figures in columns C and D of Table DWPR 9.3 below indicate the general proportion of households able to afford housing at these costs.
- 9.2.5 Looking at the table it can be seen that there is a steep drop between the proportion of households that can meet the Usefully Affordable level (52%) and those that can afford the Intermediate rent level (18%). In West Dorset this means that, even if the Panel’s proposed supply levels are adopted, a very high proportion of social rented housing will still 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. Here around 30% of the households expecting affordable housing could afford Intermediate rent. In the final analysis the actual number of intermediate dwellings likely to come forward from RSS will be well down on the numbers implied by the CLG or BHM assessment. Again when the final RSS housing figures are known, the figures in Table 9.3 can be revised.
- 9.2.6 In discussing the relative proportions of intermediate and social rented housing, it is essential to realise that the actual weekly cost of the proposed intermediate product is the critical factor. To be affordable, the costs should be as close as possible to the “Usefully affordable” level and certainly no more than the “Intermediate rent” level set out in Table DWSR 8.10 (and the tables in Appendix 2). If weekly costs are higher than this, they will not meet the criteria of PPS3 for housing, namely, affordable with regard to local incomes and prices.



Table DWSR 9.3 Comparison of CLG and BHM Assessment of Annual Need for Affordable Housing by HMA and Local Authority Area.

Area	A CLG Annual need for affordable housing	B BHM Annual need for affordable housing	C % of BHM affordable demand that can afford the "Usefully Affordable" level (actual figs)	D % of CLG affordable need that can afford Intermediate Rent (actual figs)	E BHM total housing demand	F Draft RSS housing proposals 2006- 2016	G EIP Panel housing proposals 2006 – 2016
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 calculated 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 cost.

9.2.7 Key Finding 21: Type of Affordable Housing required

It is suggested that the ratio of intermediate to social rented housing in any area should broadly follow the proportions implied from an analysis of the CLG need figures for each local authority (see Section 9.2).

9.2.8 **This will not rule out the possibility of varying the mix on any particular site to achieve a development that is economically viable, but, averaged across a local authority, it is suggested that the mix should follow the proportions indicated in Column D in Table DWSR 9.3**

9.3 Size of Affordable Dwellings Required

9.3.1 Evidence from the BHM assessment provides a snapshot of the demand for different sizes of affordable dwellings at a point in time. It does take into account both the supply of and demand for different sizes of property.

9.3.2 Another source of information on the size of affordable housing needed in any area is the Housing Register maintained by each authority. Statistics on the size of dwelling required by households registered have been taken from HSSA returns²¹ for each Local Authority in 2006. They reflect the size of household seeking accommodation and so will be more closely matched to **actual needs** rather than the **preferences** of the household concerned. These figures relate to **all** households on the register, not just those in greatest need, 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. Looked at together they give a good idea of the general mix of dwelling sizes required. Tables DWSR A3.1 to DWSR A3.2 in Appendix 3 set out the requirements by each Local Authority.

²¹ HSSA – Housing Strategy Statistical Appendix return for 2006.



9.3.3 When considered together, the two sources of information do show some correlation. In both authorities the evidence from the BHM analysis shows highest demand for 2-bed dwellings, while the Housing Registers record greater need for 1- bed dwellings. This is to be expected, as the BHM looks at the preferences of individual households and the Register records 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.

9.3.4 This also accords with the earlier evidence that household size is declining and the number of single person households is growing. It has also been shown 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.

9.3.5 However, 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. The continuing need for some family sized housing as indicated in the tables must also be accommodated.

9.3.6 **Key Finding 22: Size of Affordable Housing required**

It is proposed that the evidence on demand and need for different sizes of affordable dwellings in both the Balanced Housing Market assessment and the Housing Register records for each local authority area should be used to decide the most appropriate breakdown on the size of affordable housing required (see Appendix 3, Tables DWSR A3.1 – A3.2).

9.4 **The Likely Profile of Market Housing Required.**

9.4.1 The final requirement of PPS3 is to identify the likely profile of households requiring 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 required may vary from that indicated by size of household alone.

9.4.2 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.

9.4.2 Evidence from the census on the **pattern of migration** shows that self containment is relatively low (58% in the Dorchester/Weymouth HMA.) Of the 30,000 people who moved into the Dorset sub region 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).

9.4.3 Of those people moving into the HMA, the majority were in the pre retirement age groups. Young people (aged 16-24) were in decline in all parts of the HMA. There was a significant movement between the core and periphery, with a trend of older people moving out from core to periphery and younger people moving in the reverse direction. (See Chapter 4).



- 9.4.4 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 across the sub region 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, as opposed to the 2,780 new dwellings per annum proposed in the draft RSS.
- 9.4.5 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. Levels of self containment appear higher than in the census, with over 68% of those moving within Weymouth and Portland staying in the Borough. West Dorset showed the highest level of in migration across the whole of the Dorset sub region (36%).
- 9.4.6 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.
- 9.4.7 The evidence therefore shows a continuing number of households moving to the area. The demand will be heavily focussed on pre retirement and older age groups in the Dorchester / Weymouth HMA.
- 9.4.8 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 Dorchester / Weymouth HMA they are expected to increase from 23,600 (33%) to 37,400 (41%) of all households. Alongside this a decrease in the proportion of couple households is projected, (married + cohabiting couples) from 57% to 51% across the HMA although in terms of actual numbers there is a small growth from 41,200 to 46,200. 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 cannot be achieved.
- 9.4.9 However, when looking at different age groups, significant changes can be seen. Across the HMA there is a significant rise in the number of single person households in their 50s to mid 80s. The increase in 75 – 84 year olds is more marked in this area than in the Bournemouth / Poole HMA and will have implications for housing and care needs in the future. Working age households are expected to increase by around 17,500 across the sub region. An increase of 3,500 working age households is expected in the Dorchester/ Weymouth HMA.
- 9.4.10 These trends may be influenced by future policy decisions regarding the location of new jobs. It is known for instance that redevelopment of Weymouth Pavilion and ferry terminal as well as developments associated with the National Sailing Academy in the run up to the Olympics will bring more jobs to the town, so housing to attract a working age population is required. In the periphery however there could be an over supply of housing to meet labour requirements, so the needs of single elderly person households should be the priority.
- 9.4.11 Chapter 12, future housing requirements, suggests that in the Dorchester / Weymouth HMA the main demand will be from the growing number of elderly, single person households, but efforts should also be made to increase the supply of smaller dwellings to provide opportunity for downsizing and to attract younger workers to stay in the area.



9.4.12 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 a separate category of older persons. The groups were not overlapping; all older person households (single and couples) are included as "older persons" not as "multi adult". Table DWSR 9.4 below shows the results of this analysis by Local Authority in the Dorchester / Weymouth HMA.

Table DWSR 9.4 Gross demand for market housing (per annum) by household type

Area	Older persons	Single Non Pensioner	Multi adult	Household with children	Total
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					
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 HNDS 2008.

- 9.4.14 The results show that the most significant gross demand is for multi adult households, which makes up around a third of the total. However this is not as high as across the whole of Dorset where almost 40% of households are couples.
- 9.4.15 Older persons are a significant group at 22.5% and form a higher proportion in this HMA than in Dorset as a whole (19%) The proportion in West Dorset is particularly high at 25%. Single non pensioner households follow the County trend at around 18%. The relatively low demand from single non pensioners may seem 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 person" category will be single person households. Also, many more single person households whether pensioners or not, can arise through the death or departure of a spouse, without any house move at all.
- 9.4.16 Families make up about a quarter of the households, higher than the County average of 23%. They are noticeably higher in Weymouth and Portland (27.4%) than West Dorset (24%).
- 9.4.17 The projections and Fordham Research survey work suggest the size of households that might require housing and so fulfil the requirement of PPS3, but do not tell us what size/type of housing those households may need. It might be assumed that smaller households would require smaller dwellings, but this would ignore 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 DWSR 9.5 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 rent). This shows most demand for 2 bed properties in the core authorities and higher proportions for 3 bed property in the



periphery. This indicates that many households are seeking dwellings that are slightly larger than strictly needed.

Table DWSR 9.5 Size of market housing required from BHM by Local Authority, Dorchester / Weymouth HMA

Local Authority	Percentages				Nos
	1 bed	2 bed	3 bed +	All sizes	All
West Dorset					
Owner occupied	0.2	45.0	54.8	100	582
Total market housing	12.5	53.0	34.5	100	562
Weymouth/Portland					
Owner occupied	20.9	44.1	35.0	100	220
Total market housing	32.0	68.0	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 HNDS 2008.

9.4.18 These general conclusions should also be borne in mind when deciding the appropriate mix of market housing for any area.

9.4.19 There is no easy way to forecast the likely demand for different sizes of market housing. So while it is known that household size is declining and that there will be growing numbers of elderly households, it cannot be assumed that they will all require smaller properties. The best estimate of dwelling sizes required may be to follow the BHM approach and allow for 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 areas 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 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.

9.4.20 **KEY FINDING 23** **Profile of Market Housing**

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.



10.0 Monitoring and Updating

- 10.1 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.
- 10.2 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, but many secondary information sources can be updated more frequently to keep track of how the housing market is changing.
- 10.3 Changes in demography, housing structure and the economy need to be tracked, to show how the local housing market is reacting to the policy approach adopted. A series of items to update and monitor including who is responsible for the information gathering is included in Table DWSR 10.1
- 10.4 To be able to negotiate effectively on the type of affordable housing that is to be provided, authorities will also need to ensure that tables of “Weekly Housing Costs” in Appendix 2 are updated regularly. It is suggested this should be on a six monthly basis.
- 10.5 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.

10.6 Key Finding 24: Monitoring and Updating

Updating and monitoring of how the housing market is changing is a key requirement of a Strategic Housing Market Assessment. A number of elements to be updated have been identified. It is suggested that local authority partners should report on the findings in their Annual Monitoring Reports and use these to monitor future progress of their housing policies and strategies.



Table DWSR 10.1 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.

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

Source: Dorset HMA Partnership 2008

Appendix 1

Balanced Housing Market Assessments by Local Authority

Dorchester/Weymouth HMA

Table DWSR A1.1 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 DWSR A1.2 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

Table DWSR A1.3 Balanced Housing Market Results for Dorchester Core

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

Table DWSR A1.4 Balanced Housing Market Results for Weymouth Core

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

Table DWSR A1.5 Balanced Housing Market Results for Dorchester/Weymouth periphery.

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

Table DWSR A1.6 Balanced Housing Market Results for part of North West Dorset in Dorchester / Weymouth HMA

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: Dorchester and Weymouth Housing Market Assessment Fordham Research 2007

Appendix 2

Comparative Weekly Housing Costs by Local Authority

Table DWSR A2.1 Comparative Outgoings by Tenure West Dorset District, at 2007 prices

Dwelling size	Tenure					
	Social rent	<i>Usefully Affordable</i>	<i>Intermediate rent</i>	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	£59	<i>£76</i>	<i>£88</i>	£92	£109	£134
2 bed	£66	<i>£94</i>	<i>£108</i>	£121	£165	£216
3 bed	£77	<i>£103</i>	<i>£125</i>	£129	£243	£309
4bed	£90	<i>£146</i>	<i>£171</i>	£202	£331	£446

Source: Fordham Research Dorset HNDS 2007 and Rent Service, Bournemouth Dec 2007.

Table DWSR A2.2 Comparative Outgoings by Tenure Weymouth and Portland, at 2007 prices

Dwelling size	Tenure					
	Social rent	<i>Usefully Affordable</i>	<i>Intermediate rent</i>	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	<i>£73</i>	<i>£88</i>	£92	£119	£148
2 bed	£64	<i>£90</i>	<i>£108</i>	£115	£162	£198
3 bed	£71	<i>£105</i>	<i>£125</i>	£138	£199	£235
4bed	£79	<i>£126</i>	<i>£171</i>	£173	£267	£307

Source: Fordham Research Dorset HNDS 2007 and Rent Service, Bournemouth Dec 2007.

Appendix 3 Size of Affordable Housing Required by Local Authority

Table DWSR A3.1 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

Table DWSR A3.2 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

