



GL Hearn

# Eastern Dorset 2015 Strategic Housing Market Assessment

## Bournemouth Borough Summary

August 2015

### **Prepared by**

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## 1 INTRODUCTION

- 1.1 This report has been prepared alongside the Eastern Dorset 2015 SHMA. It summarises the findings and recommendations of the SHMA with regard to the Borough of Bournemouth.
- 1.2 The National Planning Policy Framework (NPPF) set out the Government's planning policies for England. It outlines that in planning for housing, councils must work with neighbouring authorities to prepare a Strategic Housing Market Assessment (SHMA) which identifies the full need for both market and affordable housing in their housing market area.
- 1.3 The SHMA defines the Objectively Assessed Need (OAN) for housing as national planning policy requires, as well as considering the need for different types of housing and the housing needs of different groups within the community. The preparation of the 2015 SHMA has been commissioned to respond to the requirements of the NPPF to provide a fit-for-purpose evidence base to inform and support planning and housing policies, including to:
- Reflect the latest datasets including population and household projections;
  - Comply with the requirements of the NPPF, the PPG and objectively assessed need guidance;
  - Comprehensively inform duty to cooperate requirements;
  - Incorporate and have full regard for housing and economic growth imperatives and the connections between them; and enable improved alignment between housing and workspace evidence bases.
- 1.4 The SHMA reviews the definition of the Housing Market Area (HMA), building upon previous national and sub-regional studies, as well as considering up to date guidance and data on migration, commuting and house price dynamics. The analysis clearly identifies an East-West distinction within Dorset:
- An Eastern Dorset market which includes Bournemouth, Poole and Christchurch and parts of both Purbeck, Eastern and North Dorset including Wimborne, Blandford Forum, Wareham and Swanage;
  - A Western Dorset market which includes Weymouth and Portland and Dorchester, and stretches east to Bridport.
- 1.5 In the case of both markets, the migration, travel to work, and house prices evidence all broadly align.
- 1.6 For pragmatic reasons HMAs boundaries are drawn on the basis of local authority boundaries. The SHMA therefore considers to which areas Purbeck and North Dorset most closely relate. In terms of gross migration, travel to work, and house prices the majority of Purbeck, including the most densely populated areas, relate to Poole. North Dorset shows strong links to Poole in terms of commuting and house prices, and its largest settlement, Blandford Forum, falls within Poole's commuting catchment. On this basis and given the balance of evidence, we would therefore group

Purbeck and North Dorset along with Christchurch, East Dorset, Bournemouth and Poole in an Eastern Dorset HMA.

1.7 The SHMA therefore identifies an Eastern Dorset Housing Market Area, as a 'best fit' to local authority boundaries as containing the following:

- Bournemouth;
- Christchurch;
- East Dorset;
- North Dorset
- Poole; and
- Purbeck.

1.8 The SHMA considers the future need for housing in the above local authorities over the period 2013 to 2033. It considers how many homes are needed; what types of homes – both market and affordable; as well as what housing is needed to meet the needs of specific groups within the population including students, older people, and those with disabilities.

1.9 The SHMA is intended to inform the Councils' work on developing future planning policies and housing strategies, and inform discussions regarding the mix of housing on new development schemes. It does not however set policies regarding the future levels of housing provision nor automatically render existing plans and policies out-of-date.

## **2 OVERALL NEED FOR HOUSING**

2.1 The Planning Practice Guidance sets out how SHMAs should be undertaken. This sets out that the starting point for assessing housing need should be household projections, but also identifies that the level of need identified in the projections may require adjustment to take account of factors affecting population trends and household formation rates; to support expected growth in jobs; to take account of market signals pointing towards a need to improve the affordability of market housing; or to increase the delivery of affordable housing to meet identified need. The SHMA has considered these issues.

### **Trend-based Demographic Projections**

2.2 The SHMA takes account of the most up-to-date demographic projections which are the 2012-based Sub-National Population Projections (SNPP) issued by ONS in March 2014 and the associated Household Projections, published by CLG in February 2015. The demographic projections cover the period from 2013 to 2033.

2.2 The 2012-based SNPP shows that Bournemouth is expected to grow by around 30,700 people (an increase of 16.3%) over this period. This constitutes 39% of total HMA growth. The population of Eastern Dorset is expected to grow by around 79,300 people (an increase of 13.5%) from 2013 to 2033.

**Table 1: Projected Population Growth (2013-2033)**

	Population 2013	Population 2033	Change in population	% change
<b>Bournemouth</b>	188,733	219,423	30,690	16.3%
<b>Eastern Dorset</b>	589,303	668,599	79,296	13.5%
<b>South West</b>	5,372,400	6,083,400	711,000	13.2%
<b>England</b>	53,843,600	61,022,500	7,178,900	13.3%

2.3 The next step in the process is to convert this information into estimates of the number of households in the area. To do this the concept of headship rates is used. Headship rates can be described in their most simple terms as the number of people who are counted as heads of households.

2.4 The SHMA has considered the most up-to-date household projections which are the 2012-based CLG household projections (published Feb 2015). These rates are considered to be more positive than the previous set (2011-based) and typically suggest higher rates of household growth for a given population. At a national level (in the 2012-21 period considered by CLG) the new projections show 10% higher growth in households, this figure is the same for Bournemouth.

2.5 The data suggests an increase in households in Bournemouth of about 18,100 over the 20-year period (a 21% increase). The number of households in Eastern Dorset is expected to grow by about 46,800 (18%) over this period. This is very slightly higher than expected across the South West but slightly below the national average.

**Table 2: Projected Household Growth, 2012-based Household Projections (2013-2033)**

	Households 2013	Households 2033	Change in households	% change from 2013
<b>Bournemouth</b>	84,848	102,952	18,104	21.3%
<b>Eastern Dorset</b>	258,474	305,300	46,826	18.1%
<b>South West</b>	2,308,994	2,721,252	412,258	17.9%
<b>England</b>	22,499,536	26,797,826	4,298,290	19.1%

2.6 The table below brings together outputs in terms of household growth and housing need using the 2012-based headship rates and our core projection linked to the 2012-based SNPP. To convert households into dwellings the data includes an uplift to take account of vacant homes. Analysis of 2011 Census data on unoccupied household spaces shows that Bournemouth has a vacancy rate of 5.6%.

2.7 This projection suggests an annual housing need in Bournemouth of 956 additional dwellings per annum over the 20-years 2013-33. This figure equates to 39% of the annual housing need for Eastern Dorset as a whole of 2,477 dwellings per annum.

**Table 3: Projected Household Growth 2013-33 – 2012-based SNPP with 2012-based Household Formation Rates**

	Bournemouth	Eastern Dorset
<b>Households 2013</b>	84,848	258,474
<b>Households 2033</b>	102,952	305,300
<b>Change in households</b>	18,104	46,826
<b>Per annum</b>	905	2,341
<b>Dwellings (per annum)</b>	956	2,477

2.8 This figure would be considered as the “starting point” for considering housing need, following the approach in the PPG. However it is necessary to overlay other factors – considering economic growth potential, market signals and affordable housing need – and examine whether these provide a basis for adjusting the estimate of future housing need.

### Economic Growth Potential

2.9 The SHMA has also sought to consider if higher housing provision is needed (relative to the demographic-led projections) to support growth in employment. The SHMA considers two economic growth scenarios:

- A baseline employment growth forecast from Cambridge Econometrics (CE); and
- A Local Knowledge Economic Growth Scenario developed by Dorset County Council in conjunction with the Eastern Dorset local authorities to provide a more realistic and informed assessment of potential economic growth in each area, and incorporates the implications of the Dorset LEP’s Strategic Economic Plan.

2.10 For Bournemouth, the Local Knowledge Scenario takes account of the latest Census and BRES data regarding the economic structure, and growth opportunities in creative industries.

2.11 The SHMA relates growth in employment to that of the overall population, and thus considers the level of housing delivery required to support growth in the resident work force. The following factors are relevant:

- Relationship between jobs and people in work: recognising that some people may hold down more than one job (‘double jobbing’);
- Commuting patterns: recognising that commuting patterns may influence the balance between jobs and residents in employment in different areas; and
- Employment rates: which describe the proportion of people who are in work.

- 2.12 To support the CE 'baseline' employment forecasts around 834 additional homes per annum would be needed in Bournemouth to 2033; with around 860 homes needed per annum to support the Local Knowledge Scenario.

**Table 4: Jobs Growth and Change in Resident Workforce, 2013-33**

	CE Baseline Forecast		Local Knowledge Scenario	
	Bournemouth	Eastern Dorset	Bournemouth	Eastern Dorset
<b>Change in jobs</b>	12,179	41,731	12,825	43,029
<b>Change in resident workforce</b>	12,909	41,764	13,594	42,909
<b>Change in households to support jobs growth</b>	15,786	51,308	16,291	52,170
<b>Household Growth Per annum</b>	789	2,565	815	2,608
<b>Dwellings (per annum)</b>	834	2,715	860	2,762

- 2.13 The evidence does not suggest that an upward adjustment to the figure identified in the demographic projections (956 dwellings per annum) would be required to support economic growth in Bournemouth. Government policy advises against using economic forecasts to reduce levels of planned future housing provision.

### Affordable Housing Needs

- 2.14 The SHMA includes an assessment of the need for affordable housing. The approach follows the Basic Needs Assessment Model, in accordance with the Planning Practice Guidance. The model considers households who are currently living in unsuitable housing, the proportion of newly-forming households who cannot afford to buy or rent market housing without financial support, and existing households that will fall into housing need.
- 2.15 Households with affordable housing need includes those households that are overcrowded or at risk of becoming homeless due to being unable to afford their housing costs. The need for affordable housing is compared against the current affordable housing supply, which is principally related to the re-letting of existing affordable housing. This is used to derive a net need for affordable housing.
- 2.16 The SHMA provides estimates of the need for affordable housing based on a range of secondary data sources, including the 2011 Census, data on household incomes, modelling of population trends, lettings, re-lettings and the future supply of affordable housing.

2.17 The SHMA indicates that if all households who were unable to meet their needs in the market without financial support were to be allocated an affordable home, 958 new affordable homes would be needed in Bournemouth each year. The net need is calculated as follows:

$$\text{Net Need} = \text{Backlog Need} + \text{Need from Newly-Forming Households} + \text{Existing Households falling into Need} - \text{Supply of Affordable Housing}$$

**Table 5: Estimated level of Affordable Housing Need (per annum)**

Area	Backlog need	Newly forming households	Existing households falling into need	Total Need	Supply	Net Need
<b>Bournemouth</b>	129	954	283	1,366	407	958
<b>Eastern Dorset</b>	245	2,428	663	3,336	969	2,367

2.18 Of the identified net affordable housing need in Bournemouth, 23% could be met through provision of intermediate affordable housing, with 77% needed social or affordable rented homes. This is the same proportion as seen across the Eastern Dorset HMA as a whole.

2.19 While a deficiency in affordable housing is identified, in practice this partly reflects needs from households who are already housed (but in homes which are unsuitable or unaffordable for them). Meeting the needs of these households will not necessarily result in a need for additional housing overall.

2.20 Some households who are unable to secure affordable housing are able to live within the Private Rented Sector supported by housing benefit, It seems likely that the Private Rented Sector will continue to be used to make up for any shortfall of affordable housing.

2.21 The evidence in this section does however indicate a substantial need for affordable housing. In terms of overall housing provision, this suggests that some younger households may be constrained from forming should an increase in housing supply not be achieved. The next section considers this further, taking account of wider evidence of affordability pressures, and considers what scale of additional housing might be necessary to improve affordability.

### Market Signals and Affordability

2.22 Responding to Government planning policy and guidance, the SHMA considers whether there is a case for adjusting the level of housing provision to take account of market signals.

- 2.23 The median house price in Bournemouth (over the 2013-2014 period) is £197,000 while the mean house price is £217,000. Bournemouth has the lowest average house prices of the HMA authorities. By comparison the HMA median is £225,000 and the mean is £263,000.
- 2.24 House prices in Bournemouth grew substantially between 1998 and 2007, with the median house price increasing from £63,000 in 1998 to £200,000 by the end of 2007, an increase of 217%. House prices fell following the economic downturn in 2008. Over the period from 2008 to mid-2013, Bournemouth saw a decline in the median house price of £10,025 – a decrease of 5%. By comparison, nationally there was a 3% increase during this period. Sales volumes also remain notably below pre-2007 levels, which was a trend seen across the HMA and nationally.
- 2.25 Housing delivery in Bournemouth has been above the housing target over the period 2006 – 2013, delivering 20% above target over this period. This level of delivery is among the highest of the HMA authorities during this period. Across the HMA as a whole delivery was 95% of the combined target over this period.

**Table 6: Housing Delivery Performance vs. Targets, 2006-2013**

	Delivery	Target	%
<b>Bournemouth</b>	6,149	5,110	120%
<b>Eastern Dorset</b>	13,617	14,385	95%

- 2.26 Across all areas of the HMA the affordability of property has worsened quite markedly over the past 15 years. In Bournemouth the affordability of market housing, measured using the lower quartile house price to lower quartile income ratio is 7.6 (2013 figure). This is the lowest figure of all the HMA authorities – the HMA average is 9.5 – indicating that affordability in the Borough is not as acute an issue as elsewhere in the HMA. The Bournemouth figure is slightly below the South West regional figure of 7.8 but well above the national average of 6.5.
- 2.27 Levels of overcrowding in Bournemouth are high with 14% of households having fewer than the number of bedrooms needed to avoid undesirable sharing (2011 Census). This is higher than the HMA rate of 7.9%, and the national rate of 8.7%. Similarly, the number of residents living in HMOs is higher in Bournemouth than elsewhere. The figure is 8.8% in Bournemouth compared to 6.1% across the HMA and 5.8% nationally.
- 2.28 The housing market signals show that the housing market in Bournemouth (as with all of the HMA authorities) has seen strong and steady increase in house prices and increasing affordability pressures through the pre-recession decade. Since the recession market conditions have declined and brought with it tighter regulation and lending restrictions. The evidence considered in this section suggests that this has impacted on the household formation rates in the Borough, and that

younger households have been particularly affected. However, affordability pressures are less acute in Bournemouth than elsewhere in the HMA.

- 2.29 Drawing the evidence together, the SHMA concludes that the market signals in Bournemouth suggest that a modest uplift to the demographic projections is required in order to support a stronger level of household formation from younger households. This is the case in all of the Eastern Dorset HMA authorities. In Bournemouth an uplift of 24 dwellings per annum is considered appropriate.

### Conclusions on Future Housing Needs

- 2.30 The SHMA has, in line with PPG guidance, used the most up-to-date demographic projections as a starting point and then considered the suitability of adjusting this to account for economic growth and housing affordability.
- 2.31 The demographic projections identified a housing need of 956 dwellings per annum over the 2013-33 period. Employment growth has been considered using the Local Economic Growth Scenario. This provides no justification for an increase to housing numbers above the demographic projections.
- 2.32 Assessment of affordable housing needs and the housing market signals shows that local market conditions are constraining household formation, particularly for younger households. Therefore a modest uplift of 23 dwellings per annum in addition to the demographic projections is required.
- 2.33 **This is added to the demographic based projection figure of 956 to give a total annual need of 979 dwellings per annum. This is considered to be the objectively assessed need for Bournemouth.**

**Table 7: Objectively Assessed Housing Need, 2013-33**

	Bournemouth	Eastern Dorset
<b>Base Demographic</b>	956	2,477
<b>Supporting Economic Growth – Additional Housing</b>	0	285
<b>Improving Affordability – Additional Housing</b>	23	121
<b>Full OAN</b>	979	2,883

- 2.34 It should be noted that the SHMA does not set housing targets. It provides an objective assessment of the future need for housing. Government guidance and advice is explicit that the SHMA itself must not apply constraints to the overall assessment of need, for example environmental constraints or issues related to congestion and/or local infrastructure. Such issues are particularly

relevant when considering how much development can be sustainably accommodated and where new development should be located. These issues will be considered, as appropriate, in the development of new Local Plans, alongside any issues related to unmet need from other areas; and policies for economic growth in local plans. The SHMA defines objectively assessed need for housing within the HMA on a policy-off basis, and it is important to recognise that in translating this into housing targets issues regarding the distribution of homes within the HMA, unmet needs from other authorities and ‘jobs-homes balance’ will need to be considered alongside the evidence herein.

### 3 NEED FOR DIFFERENT SIZES AND TYPES OF HOMES

3.1 The NPPF requires Local Planning Authorities, through the SHMA, to identify the range of types and sizes of accommodation likely to be needed by the future population, including that required by those groups with specific housing needs.

3.2 A range of factors have been considered in assessing the types of homes which will be needed in Bournemouth over the period to 2033. This includes an assessment of the current housing profile, gaps in the current housing offer, housing affordability and trends in the structure of the population over the plan period.

#### Need for Different Sizes of Homes

3.3 The SHMA models the need for different sizes of homes, taking account of the existing profile, evidence from market signals, issues related to management of the affordable housing stock and long-term demographic trends.

3.4 The SHMA identifies that housing provision in Bournemouth should be monitored against the broad mix of market housing as set out in the table below. Across the HMA the focus of demand for new market housing will be on two and three-bed properties. However, Bournemouth stands out as having a particular need in both the market sector for one- and four or more bedroom homes.

**Table 8: Estimated dwelling requirement by number of bedrooms (2013 to 2033) – Market Sector**

Area	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Bournemouth	13.7%	40.9%	29.8%	15.7%
Eastern Dorset	9.8%	42.6%	36.1%	11.4%

3.5 The mix identified above should inform strategic authority-wide policies and help to inform the ‘portfolio’ of sites which are considered and ultimately allocated through the Local Plan process. However, we would recommend that strategic policy retains a reasonable degree of flexibility to

ensure that, in applying a mix to individual development sites, appropriate regard is given to the nature of the development sites, the character of existing housing stock of the area, as well as the most up-to-date local evidence of need/demand.

3.6 With regard to the need for different types of affordable housing, the analysis points to a distribution of need shown below. As with the market housing, Bournemouth has a particular need for one- and four or more bedroom homes. Local Plan policies on affordable housing mix should be informed by these figures considered together with plan-wide viability studies.

**Table 9: Estimated dwelling requirement by number of bedrooms (2013 to 2033) – Affordable Sector**

Area	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
<b>Bournemouth</b>	52.1%	29.5%	15.1%	3.3%
<b>Eastern Dorset</b>	46.3%	32.4%	18.5%	2.9%

### Need for Different Types of Homes

3.7 As well as looking at the sizes of homes required the SHMA considers the likely need for different types of homes (by built form). This has taken a two-staged process:

- Firstly, to establish the likely split between flatted accommodation and houses/bungalows. This split can readily be ascertained from the modelling as there is a clear link between the size of homes needed and the built form at this level (i.e. the vast majority of one-bedroom homes would be expected to be flats along with some proportion of two-bedroom accommodation).
- Secondly, once the need for houses/bungalows is established, the analysis considers the profile of dwellings in each area and the extent to which there appear to be gaps in the offer (or alternatively large proportions of particular types). This part of the analysis is to some extent driven by judgement and also takes account of the role of different areas in terms of the housing offer that might be expected (e.g. that households seeking accommodation in rural areas are more likely to be seeking detached homes).

3.8 The analysis shows that Bournemouth has a relatively high need for flats. For market housing the SHMA estimates a required housing mix for 40% of dwellings to be flats and 60% houses. In the affordable sector the estimated requirement is for 55-60% flats and 40-45% houses.

3.9 This draws on the modelled data but makes some adjustments in line with the analysis of dwelling size requirements. Consistent with the suggested outputs for dwelling sizes, the figures for affordable housing are set out as a range – this reflects the fact that the recommendations are driven less by the outputs of the modelling than in the case for market housing.

3.10 To consider this information in more detail the analysis moves on to look at the profile of accommodation currently available in each of the market and affordable sectors by type. The analysis draws on Census data and can be split into four main built-forms, these are:

- Detached houses/bungalows
- Semi-detached houses/bungalows
- Terraced houses/bungalows
- Flat, maisonette, apartment

3.11 Based on this analysis the table below brings together a suggested profile of market housing in each area by dwelling type. In Bournemouth the analysis suggests a need for around 30% of homes to be detached, 15% semi-detached, 15% terraced, and 40% flats.

3.12 By comparison, across the HMA the analysis suggests a need for around 35% of homes to be detached, 20% semi-detached, 15% terraced, and 30% flats.

**Table 10: Suggested mix of market housing by dwelling type (built form)**

	Detached	Semi-detached	Terraced	Flat
<b>Bournemouth</b>	30%	15%	15%	40%
<b>Eastern Dorset</b>	35%	20%	15%	30%

3.13 A similar analysis has been carried out in the affordable sector. This analysis shows a slightly higher proportion of detached and semi-detached homes and fewer terraced properties – the difference between areas is not as significant as for the analysis of market housing.

3.14 In Bournemouth the suggested mix of dwelling types is for 0-5% of homes to be detached, 20-25% semi-detached, 15-20% terraced, and 55-60% flats.

3.15 By comparison, across the HMA the analysis suggests a need for around 0-5% of homes to be detached, 25-30% semi-detached, 15-20% terraced and 50-55% flats.

**Table 11: Suggested mix of affordable housing by dwelling type (built form)**

	Detached	Semi-detached	Terraced	Flat
<b>Bournemouth</b>	0%-5%	20%-25%	15%-20%	55%-60%
<b>Eastern Dorset</b>	0%-5%	25%-30%	15%-20%	50%-55%

### Needs of Particular Groups within the Population

3.16 The SHMA Guidance recognises the need to provide housing for older people as part of achieving a good mix of housing. A key driver of change in the housing market over the next 20-years is expected to be the growth in the population of older persons.

3.17 The data shows that the HMA (in line with other areas) is expected to see a notable increase in the older person population. In Bournemouth the total number of people aged 55 and over expected to increase by 38% over the period 2013-33; this compares with overall population growth of 16%. The projected growth in the population aged 55 and over is however slightly above the regional and

national levels (although this will to a considerable degree be influenced by the current proportion of older people in the population).

**Table 12: Projected Change in Population of Older Persons, 2013-33**

	Under 55	55-64	65-74	75-84	85+	Total	Total 55+
<b>Bournemouth</b>	7.8%	21.9%	41.4%	39.3%	75.6%	16.3%	37.8%
<b>Eastern Dorset</b>	2.8%	10.7%	30.3%	42.0%	97.8%	13.5%	33.2%
<b>South West</b>	2.8%	6.5%	30.2%	53.6%	120.3%	13.2%	34.2%
<b>England</b>	4.3%	12.6%	34.5%	50.2%	120.7%	13.3%	36.0%

3.18 In addition to providing projections about how the number and proportion of older people is expected to change in the future the SHMA looks at the likely impact on the number of people with specific illnesses or disabilities. For the purposes of the SHMA analysis has focussed on estimates of the number of people with dementia and mobility problems. For both of these health issues the figures relate to the population aged 65 and over.

3.19 The table below shows that both of the illnesses/disabilities are expected to increase significantly in the future although this would be expected given the increasing population. In particular there is projected to be a large rise in the number of people with dementia (up 58%) along with a 52% increase in the number with mobility problems. These expected increases are lower in Bournemouth than the HMA average.

**Table 13: Estimated Population Change for Range of Health Issues (2013 to 2033)**

	Type of illness/disability	2013	2033	Change	% increase
<b>Bournemouth</b>	Dementia	2,765	4,379	1,614	58.4%
	Mobility problems	6,756	10,280	3,524	52.2%
<b>Eastern Dorset</b>	Dementia	10,359	17,538	7,180	69.3%
	Mobility problems	26,000	41,152	15,153	58.3%

3.20 Given the ageing population and higher levels of disability and health problems amongst older people there is likely to be an increased requirement for specialist housing options moving forward. The analysis shows a potential need for 1,500 units – 77 per annum. This is around 8% of the total need identified in the demographic modelling (linked to the 2012-based SNPP and household projections).

3.21 The SHMA considers changes to the number of people aged 75 and over who are expected to be living in some form of institutional housing. This is a direct output of the demographic modelling which indicates an increase of 853 people living in institutions over the 2013-33 period (43 per annum). This figure is important to note if the Council intends to include C2 class uses in their

assessment of 5-year housing land supply as it will be necessary to include figures on both the need and supply side of the equation.

### Student Housing

- 3.22 There are two universities in Eastern Dorset – the University of Bournemouth and the Arts University Bournemouth. The universities have their main campus on the Poole side of the Bournemouth/Poole boundary and another campus in Bournemouth. The Anglo European College of Chiropractic (AECC) has its campus in East Boscombe, Bournemouth.
- 3.23 According to HESA, there were 20,657 postgraduate and undergraduate higher education students attending the Bournemouth universities during the academic year 2013/14. Student Numbers in Bournemouth have seen steady growth in recent years, however demographic projections expect more modest population growth in student age groups moving forwards.
- 3.24 In terms of student accommodation, Bournemouth University provides accommodation for approximately 3,500 students. This is equivalent to about 26% of its full-time student population in 2013/14. Arts University Bournemouth provides accommodation for almost 500 students. This is equivalent to around 17% of the full-time student population in 2013/14. The majority of this is in halls of residence but also includes a small number of places in hotels, lodging with local families, and in hospital accommodation (health and social care students).
- 3.25 The majority of student residences are found in the Borough of Bournemouth although there are some in the Borough of Poole. The universities did not report any new student accommodation becoming available in the foreseeable future.
- 3.26 Looking forwards, the household projections set out in this SHMA report do not expect the number of students living in halls to change. Common with the CLG Household Projections model, the ‘institutional population’ aged under 75 is held constant. This means that student growth is expected to be accommodated within the household population, and therefore counted within the calculations of the Objectively Assessed Housing Need (OAN) in this report.
- 3.27 Student accommodation (either through university- or privately-managed halls) can therefore be counted towards housing numbers, on the basis of the expected accommodation within the Private Rented Sector that it could be expected to release. We would consider that it is reasonable to assume that delivery of six student bedspaces would be equivalent to one dwelling.

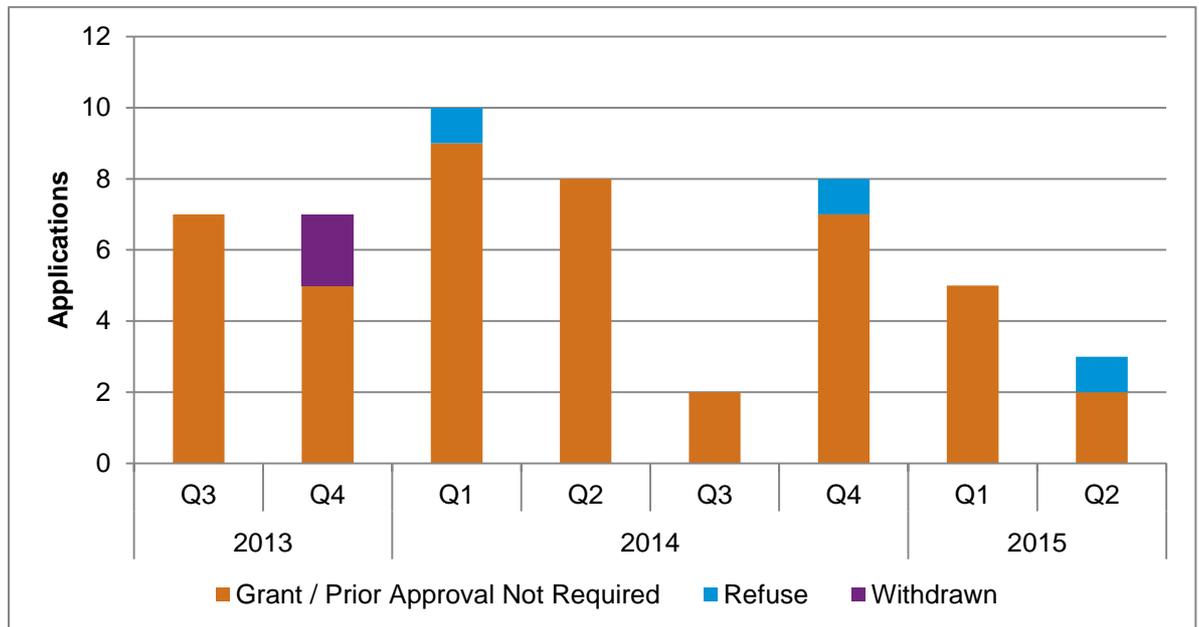
### The Non-student House Sharing Market

- 3.28 House sharing is most common in Bournemouth and Poole. Young professionals early in their careers will exercise a lifestyle choice and prefer house sharing to equivalent price self-contained rented housing which tends to be of poor quality. At the time of our research the [www.spareroom.com](http://www.spareroom.com) website was advertising a significant number of vacancies for double and single rooms. Prices range from £300 to £450pcm depending on whether single or double rooms with or without en suite facilities.
- 3.29 There were 500 vacancies across the study area. In Bournemouth there were 230 vacancies mostly in Winton, Charminster and East of the railway station. There was some overlap with the student market in the larger shared houses.

## 4 OFFICE TO RESIDENTIAL CONVERSION

- 4.1 Changes to permitted development rights were extended in May 2013 to cover conversion of B1 office floorspace to C3 residential use. This allows office space to be converted to residential use without the need for planning permission. However, prior approval from the relevant local authority is required. Since May 2013 there have been a considerable number of prior approval applications in Eastern Dorset, with the majority in Bournemouth and Poole.
- 4.2 Since May 2013 there have been 50 prior notification applications for change of use from office to residential use in Bournemouth. Of these, 45 have been granted or deemed that prior approval is not required, 3 were refused, and 2 were withdrawn. It should be noted that some of these applications apply to the same buildings and so the figures contain an element of double-counting.

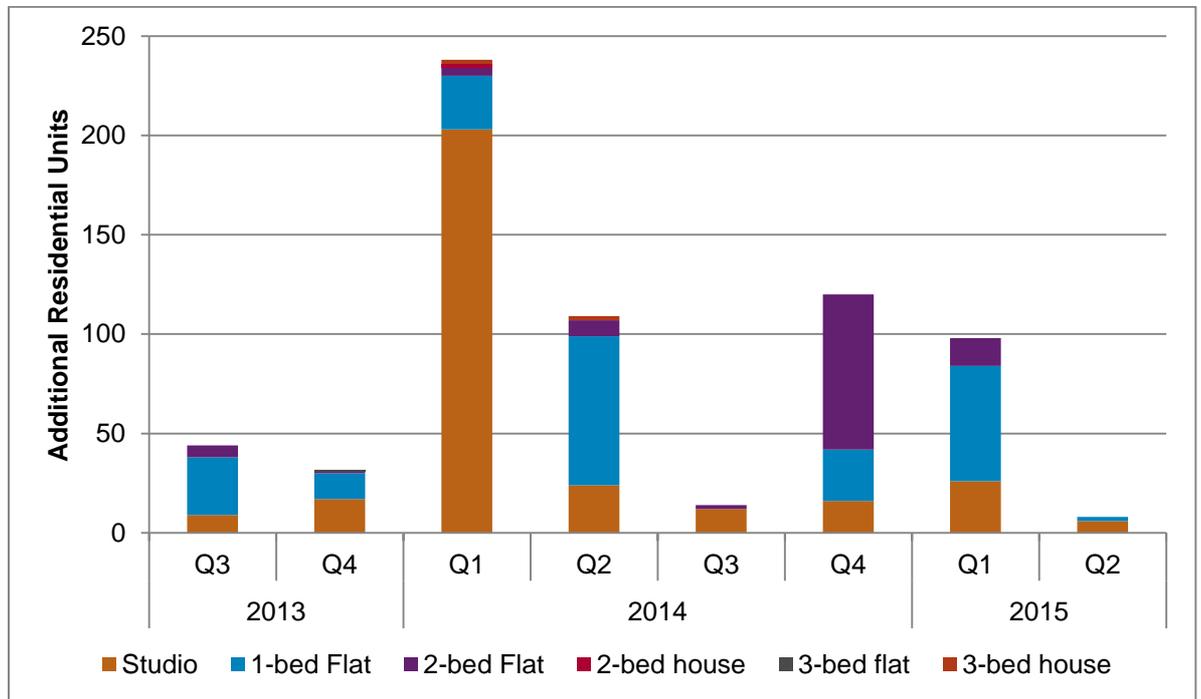
**Figure 1: Office to Residential Prior Approval Applications, Bournemouth**



Source: GLH analysis of planning applications

- 4.3 31 (69%) applications were to create between 1 and 9 new residential units. 10 (22%) were to create between 10 and 49 units. There were 4 (9%) applications to create 50 or more units.
- 4.4 The larger schemes were all on Christchurch Road in the town centre. These include two applications at 8-10 Christchurch Road – one for the conversion of seven storeys of office floorspace to form 79 flats (26 studios, 40 one-bed, and 13 two-bed) and another for the creation of 70 flats (17 studios, 46 one-bed, and 7 two-bed). Other large applications include for the conversion of five storeys of office floorspace at 18 Christchurch Road to form 60 flats (3 one-bed and 57 two-bed); one for the conversion of a seven storey office building to form 191 flats (178 studios, 12 one-bed, and 1 two-bed) at 14-16 Christchurch Road.
- 4.5 In Bournemouth, since mid-2013 a total of 663 new residential units have been granted prior approval or prior approval has been deemed not required. 313 (47%) of these units are studio flats, 230 (35%) are one-bed flats, 113 (17%) are two-bed flats, as well as 2 two-bed houses, 1 three-bed flats, and 4 three-bed houses.

**Figure 2: Office to Residential – Additional Residential Units, Bournemouth**



Source: GLH analysis of planning applications