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EXECUTIVE SUMMARY

There is no definite housing target for the Arne Neighbourhood Plan area in the adopted **2012 Local Plan**, but a pro-rata share of the Central Area target would suggest a potential target of **3 dwellings per annum**. However as the 2012 Local Plan target did not meeting the full objectively assessed needs, a slight upward adjustment may be appropriate.

There are no Neighbourhood Plan Area targets included in the emerging Local Plan. The most recent (2019) housing needs assessment does not contain any sub-area targets. Taking into account that no adjustment has been made for the Local Plan's spatial strategy, **the equivalent target for Arne would be between 4 - 5 dwellings**.

Past build rates have averaged **2 dwellings / annum**. Based on the need to boost growth, this would be an appropriate minimum target.

The affordable housing data is a snapshot in time and will change over the plan period. It indicates a likely need for at least 27 affordable homes for people with a local connection. To meet this level of need, based on sites delivering 50% as affordable homes (assuming some sites may be delivered as rural housing exception sites) would require a delivery rate of **4 to 5 dwellings per annum**.

The house type data highlights the general **lack of smaller and more affordable house types**.

The Census statistics indicate that **household sizes tend to be slightly lower than average, with over 70% being occupied by one or two people, the majority of which are one or two pensioners' households**. There are comparably few houses (less than 20%) occupied as family homes with children. The existing household stock is mainly 3 or 4 bedroom properties, and there are no obvious indications that a lack of family-sized dwellings is influencing the type of households living in the area.

The 2011 Census indicates that at that time up to 20 dwellings may have contained a concealed household that could not afford to buy or rent on the open market. This proportion is in line with the District average.

The data also indicates a particular need to cater for the mobility requirements of older residents as this demographic (aged 65 years and older) is likely to increase significantly in comparison to other age groups. As such, **the main need is likely to be for homes suited to older single and couple households**.

About 1 in 13 dwellings were vacant at the last Census, suggesting that demand for second / holiday homes is having a moderate impact on the local housing market.

The travel to work data suggests a relatively **high degree of commuting**, which is likely to deter economically active households from locating in the area unless the **growth in housing is matched by local job creation**.

Average house prices are typically higher than the District average, which appears to be explained by the prevalence of larger, detached properties within the available stock. Typical wage levels lag severely behind the level required to afford existing properties.

The provision of small-scale schemes prioritising more affordable housing (in its broadest sense, so including starter homes, and smaller / more affordable open market housing within the mix) is likely to be supported by the local community.

The analysis of all the various data sources suggests that a reasonable housing target for Arne would be **3-4 new dwellings per annum**. However it will be important for small sites to deliver affordable housing as part of the mix, or to ensure that opportunities for rural exception sites are maximised.

As population projections suggest that the number of older residents is likely to increase (in comparison to other age groups), and the local housing stock is over-inflated with large family homes, the **housing sites and mix should favour smaller (1 or 2 bedroom) homes, particularly geared towards affordability and the needs of the elderly**. This is likely to be supported by local residents.

1 Introduction

This document is an assessment of housing need for the parish of Arne in Purbeck, Dorset. This document forms part of the evidence base of the Arne Neighbourhood Plan.

The assessment was carried out in July 2017 by Jo Witherden BSc(Hons) DipTP DipUD MRTPI of Dorset Planning Consultant Ltd. A further check was undertaken in January 2019 to ensure that the findings remain robust, and where relevant text has been added / amended.

This document seeks to establish how much and what type of housing is required in Arne in the period up to 2034 (the suggested end date of the Neighbourhood Plan). It follows the guidance provided by *Housing Needs Assessment at Neighbourhood Plan Level - A toolkit for neighbourhood planners*

(<https://neighbourhoodplanning.org/wp-content/uploads/4-LOCALITY-HousingNeedsAssessment-HM-JW-JS.pdf>)

Information reviewed included:

- > 2012 Purbeck Local Plan Part 1 (and 2012 published Strategic Housing Market Assessment)
- > 2015 Purbeck Local Plan Review Options Consultation (and 2015 published Strategic Housing Market Assessment)
- > Past delivery rates based on published monitoring data
- > Purbeck District Council Housing Register data
- > 2011 Census data
- > Local House Prices (as recorded by Land registry sales) and estimated household wage levels

Additional information checked in the 2019 update included:

- > Purbeck Local Plan (2018-2034) Submission (January 2019)
- > Purbeck Local Plan - Housing Background Paper (January 2019)
- > Purbeck Local Plan - Housing Monitoring (January 2019)
- > Purbeck Local Plan – Second Homes Evidence Paper (January 2019)
- > Purbeck Local Plan - Strategic Housing Market Assessment (SHMA) update for Purbeck (January 2019)

2 Local Plan context and Strategic Housing Market Assessments

The statutory development plan is the Purbeck Local Plan Part 1 (hereafter ‘The 2012 Local Plan’). The Local Plan was adopted by Purbeck District Council in November 2012. In his report (October 2012), the Inspector recognised that the proposed level of housing was below the objectively assessed need. He concluded that the plan should commit to a partial review to commence in 2013

(with adoption in 2017), and if there was any evidence that this could not be achieved then the Plan would no longer be sound.

At the time of writing, a review had commenced, with an Options Consultation undertaken in July – August 2016. There has been some slippage against the March 2016 local development scheme which had anticipated the adoption of the revised plan in December 2017.

The Local Plan Review is supported by an updated Strategic Housing Market Assessment for the Eastern Dorset Housing Market Area - SHMA 2015 Purbeck Summary Report (hereafter the '2015 SHMA'). The figures in the 2015 SHMA have yet to be tested at examination, and the District Council have publicised their intention to work with other authorities to update the Eastern Strategic Housing Market Assessment (Minutes of Purbeck Local Plan Review Advisory Group 16 March 2017).

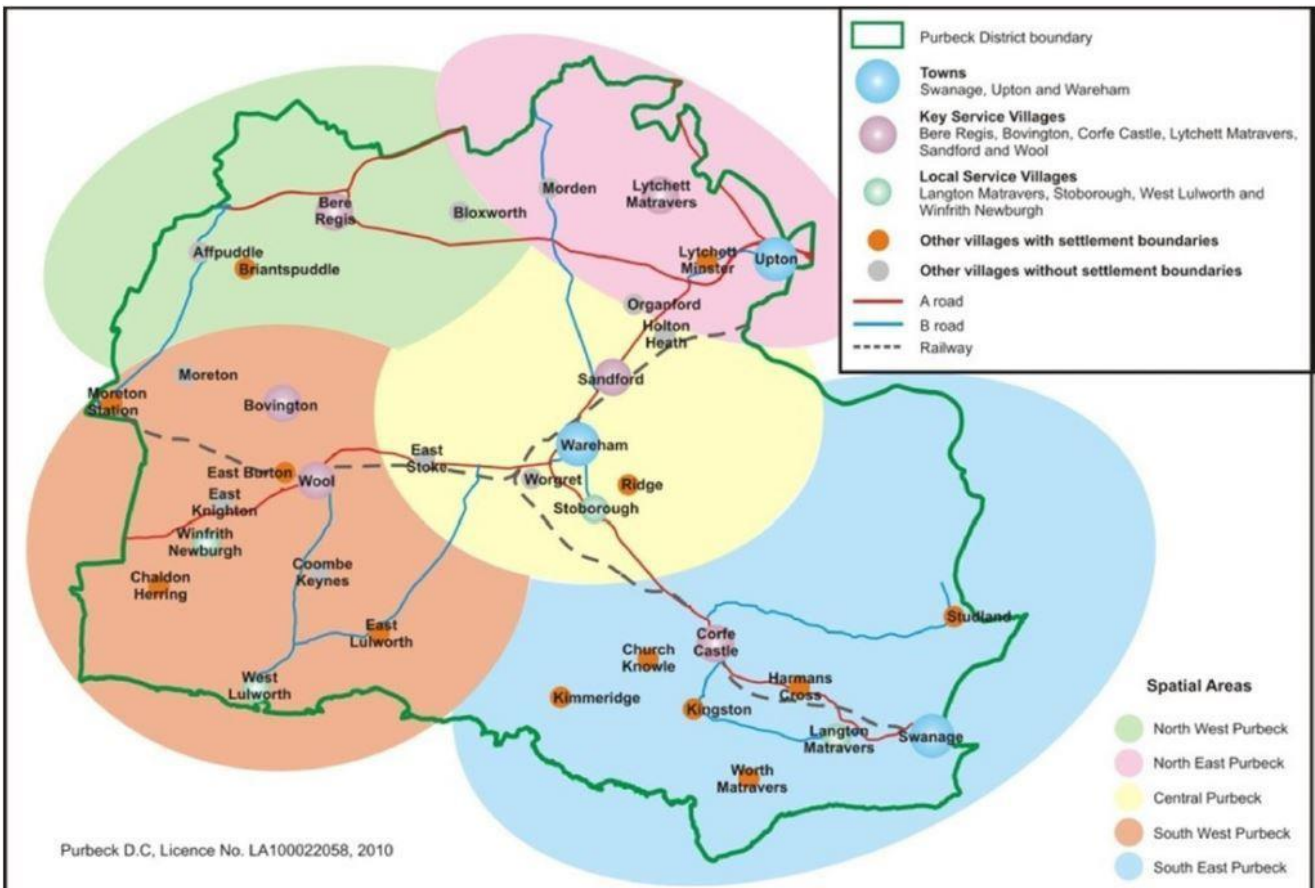
The Local Plan was submitted for its examination on 28 January, following its pre-submission consultation in late 2018. As part of this the supporting evidence was updated including the Strategic Housing Market Assessment, based on the new methodology required under the National Planning Policy Framework (NPPF) revision in July 2018. The updated Local Development Scheme (published in February 2018) anticipates the plan's adoption by September 2019.

2.1 Housing numbers: The 2012 Local Plan

The 2012 Local Plan is based on the delivery of 2,520 dwellings, equivalent to 120 dwellings / annum for the period 2006-2027. This was below the 170 dwellings / annum objectively assessed need estimated in the 2012 published Strategic Housing Market Assessment. As of March 2016 1,387 dwellings had been completed. This equates to an average delivery rate of 139 dwellings / annum across the plan area. **By March 2018 this had risen to 1,488 completions (lowering the average to 124 dwellings / annum).**

Policy CEN: Central Purbeck states that "In Central Purbeck, the settlements of Wareham, Sandford and Stoborough will provide the focus for service provision, where development will be managed through the use of settlement boundaries. Around 475 dwellings are required to meet housing supply needs for the period 2006-2027, of which around 170 dwellings should be affordable for local people." This equates to about 22 - 23 dwellings / annum (18.8% of the overall requirement).

The Central Purbeck area equates broadly to the parishes of Arne, East Holme, East Stoke, Wareham Town and Wareham St Mary. Looking at how dwellings were distributed across this area (according to the 2011 Census) Arne parish had 13.4% of the total housing stock. It would therefore be reasonable to assume that, given the focus on the towns, the 'fair share' of this Central Purbeck target would be no more than 13.4%, which equates to 3 dwellings per annum. A slight uplift on this figure (to reflect the fact that the Local Plan did not deliver the full objectively assessed needs) would increase this to 4 dwellings per annum



Extract showing Spatial Areas and main settlement in Purbeck (2016 Options Consultation)

During the period to March 2016, some 261 dwellings had been completed in the Central area (at an average rate of 26 dwellings per annum). This included a large ‘spike’ of 126 completions in 2015/16 due to the Worgret Road site being built. As such, the monitoring shows that the plan is now on schedule to meet this area-specific target.

There is no definite housing target for the Arne Neighbourhood Plan area in the adopted **2012 Local Plan**, but a pro-rata share of the Central Area target would suggest a potential target of **3 dwellings per annum**. However as the 2012 Local Plan target did not meeting the full objectively assessed needs, a slight upward adjustment may be appropriate.

2.2 Housing numbers: the 2015 and 2019 SHMAs

The 2015 SHMA concluded that the full objectively assessed needs for Purbeck for the period 2013 to 2033 is 4,760 (238 dwellings / annum). This comprises a population-based need of 121 dwellings / annum, 111 dwellings / annum to support economic growth based on an assessment of assessment of potential economic growth and deficit in available workforce which could be countered by providing more housing, and an additional 6 dwellings / annum to provide improved affordability (note: if the number of homes needed to support economic growth was lower, it is not clear whether or by how much the number of homes needed to provide improved affordability would need to increase).

The 2019 SHMA update of the emerging Local Plan uses the standard method as its starting point, based on the 2014-based projections (as advised by MHCLG). This includes an upward adjustment of 142% based on the affordability ratio, producing a suggested target of 168 dwellings per annum (significantly lower than the previous SHMA). It advises that this figure could be adjusted up to 192 dwellings per annum in order to support economic growth, but that neither the trend or strategy scenarios suggest the need for such an uplift is merited.

There are no Neighbourhood Plan Area targets included in the emerging Local Plan, despite this being a requirement in the NPPF. As such, the only reasonable assumption that can be made at this time is to take the pro-rata estimate of the total figure. Looking at how dwellings were distributed across this area (according to the 2011 Census) Arne parish had 2.8% of the total housing stock in Purbeck (628/22,140). The pro-rata share of this SHMA target would therefore equate to between 4 - 5 dwellings per annum. However this figure needs to be treated with some caution, as it does not reflect the proposed spatial strategy focusing on the towns.

There are no Neighbourhood Plan Area targets included in the emerging Local Plan. The most recent (2019) housing needs assessment does not contain any sub-area targets. Taking into account that no adjustment has been made for the Local Plan’s spatial strategy, **the equivalent target for Arne would be between 4 - 5 dwellings.**

2.3 Housing mix: the 2012 Local Plan

The 2012 Local Plan Policy AH requires that developments that result in a net increase of 2 or more dwellings, or are on a site area of 0.05 hectares or more will be required to provide at least 50% of the dwellings as affordable housing (or 40% in the area west of Wareham), split 90:10 between affordable and social rented to intermediate affordable housing. There was no specific policy regarding size of dwelling needed,

Table 3: Size of dwellings that are needed per annum¹⁰

Tenure	Size of dwelling needed				Total
	1 bed	2 bed	3 bed	4+ bed	
Owner-Occupation	9	28	82	44	163
Private Rented	15	-8*	-21*	-17*	-31*
Intermediate	0	21	26	0	46
Social Rented	24	49	16	3	92
TOTAL	48	90	103	30	271

*The minus reflects a current over supply.

2.4 Housing mix: the 2015 SHMA

The 2015 SHMA gave specific recommendations in relation to the mix of affordable and market housing for Purbeck as a whole. The requirements for market housing suggested were primarily for 2 to 3 bedroom,

	1 bed	2 bed	3 bed	4+bed
Market	6.0%	52.6%	41.1%	0.3%
Affordable	36.5%	39.8%	21.1%	2.6%

with a greater emphasis on 1 and 2 bedroom homes in the affordable housing provision. This is

based on a number of factors, including the existing stock profile, long-term changes in household composition and evidence from market signals (ie typical demand).

2.5 Housing mix: the 2019 SHMA

The 2019 SHMA gives slightly different recommendations in relation to the mix of affordable and market housing for Purbeck as a whole, allowing for a slightly greater element of larger (4+) open market homes and a slightly reduced need for 1-bedroom affordable homes. However smaller (1 and 2 bedroom) homes still account for nearly 50% of the projected needs.

Table 34: Recommended Mix of Housing in Purbeck

	1-bedroom	2-bedrooms	3-bedrooms	4+ bedrooms
Market Housing	0-5%	30-35%	40-45%	20-25%
Affordable Home Ownership	15-20%	45-50%	25-30%	5-10%
Affordable Rented	20-25%	40-45%	25-30%	5-10%

3 Most recent household projections

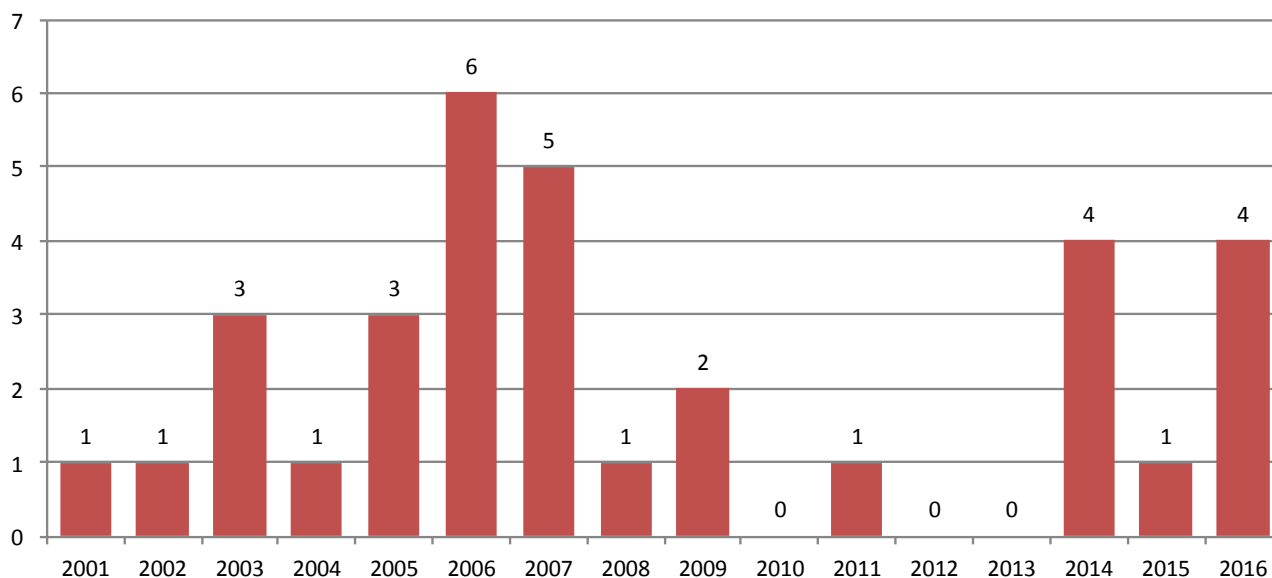
Government advice is that the most recent household projections available should be considered. As these projections have been taken into account in the 2019 SHMA calculations, this factor has not been examined in further detail.

4 Past delivery rates (dwelling completions)

Past build rates can give an impression of demand for housing, and what may be the baseline to judge whether the plan will ‘boost’ housing in line with national policy aims. However looking at past trends does not necessarily provide an indication of likely future need or demand. They are necessarily supply constrained as they relate to specific sites, whereas the assessment of housing need seeks to identify an unconstrained housing need figure.

Past build rates for Arne parish for the years ending March 2001 through to March 2016 have been taken from previously published monitoring statistics provided by Dorset County Council and data provided by Purbeck District Council. The total housing completion figure for Arne parish over the last 16 years was 33 dwellings, giving a mean average of 2 dwellings per annum. There has been no recent history of large estate building.

The monitoring data for 2016/17 showed no completions, and although specific data has not been published by parish for 2017/18 it can be inferred that 1 dwelling has been completed (as a commitment from 2016/17 does not show on the 2017/18 list).



Past build rates have averaged **2 dwellings / annum**. Based on the need to boost growth, this would be an appropriate minimum target.

5 Local housing waiting list

A Housing Needs Survey was commissioned to find out if a lack of affordable housing is a problem for some households in the parish, with questionnaires sent out in January 2014 to all households in the parish.

The analysis of the questionnaire responses identified 17 households who at that time met the District Council’s criterion for affordable housing. This compared to an existing stock of 36 affordable homes (that are rarely vacant). A summary of the housing need:

Purbeck Housing Register	Affordable / Social Rented				Affordable intermediate / home ownership			
	1bed	2bed	3bed	4+bed	1bed	2bed	3bed	4+bed
Total affordable housing stock (Apr14)	10	8	12	1	0	4	1	0
Questionnaire returns	7	5	3	0	1	0	1	0
Additional households on the housing register with a local connection (Apr14)	6	0	3	1	0	0	0	0
Total additional need	13	5	6	1	1	0	1	0

As part of the survey responses, 9 households reported that family members have moved away in the past five years because of difficulties in finding an affordable home. A further review of the housing register in May 2016 showed that there were an additional 19 households registered that have a local connection to Arne, indicating that the level of demand is unlikely to fall below the 2014 survey findings.

The affordable housing data is a snapshot in time and will change over the plan period. It indicates a likely need for at least 27 affordable homes for people with a local connection. To meet this level of need, based on sites delivering 50% as affordable homes (assuming some sites may be delivered as rural housing exception sites) would require a delivery rate of **4 to 5 dwellings per annum**.

6 Key statistics from the Census

(Source: Office for National Statistics 2011 Census unless stated)

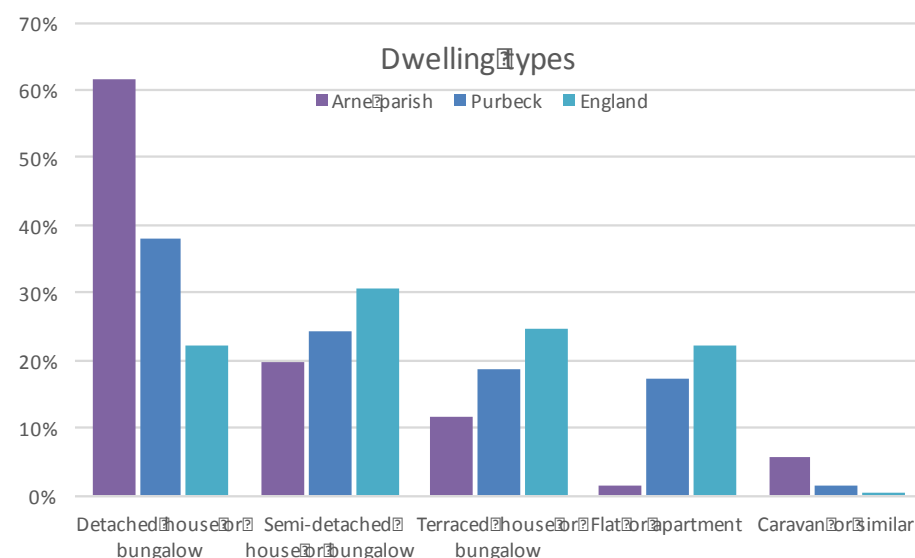
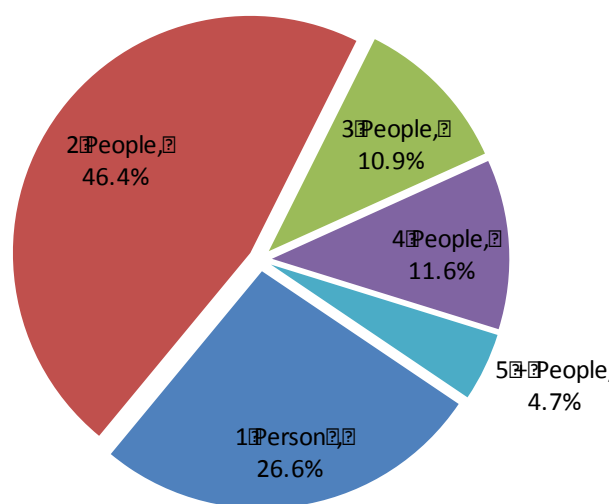
Census data on the following data was reviewed to establish whether different assumptions may need to be applied to household need, comparing the data with District and England levels.

6.1 Household Size, composition and available housing stock

7 out of 10 households (72.9%) are occupied by 1 or 2 people. The proportion is slightly higher than average (Purbeck 69.1%, England 64.4%).

2 in 5 households (40.7%) are made up of 1 or 2 people aged 65 or over. This is higher than the local and national average (Purbeck 36.3%, England 25.0%). Just under 1 in 5 households (18.3%) are families with children. This is lower than the local and national average (Purbeck 21.3%, England 26.2%).

The lower proportion of families with children is not due to a lack of family size homes. 3 or 4 bedroom properties account for about two-thirds of the total stock (35.0% and 29.8% respectively). The proportion of larger family homes (4+ bedroom) properties is 38.3% (compared to Purbeck 20.1%, England 19.0%), and significantly in excess of the proportion of larger (5+ people) households (4.7%).



About 3 in 5 properties (61.6%) are detached houses or bungalows, which is much higher than average (Purbeck 38.2%, England 22.3%).

At the time of the 2014 survey some 36 homes were managed as affordable housing.

Occupancy rating (based

on a measure of whether a household's accommodation is overcrowded or under occupied by comparing the number of bedrooms required (using on a standard formula) to the actual number of bedrooms) indicates that more than half (56.2%) of dwellings are typically under-occupied by 2 or more bedrooms (compared to Purbeck 39.8%, England 34.3%).

20 households (3.4%) contained possible 'concealed households', having more than one family, members of which do not include dependent children and are not all full-time students or not all aged 65 and over. This is broadly in line with the district average and lower than the national average (Purbeck 3.3%, England 4.5%).

Another factor considered in the supporting evidence of the Local Plan is the likely increase in older residents and in particular those with dementia or mobility problems that may have more specific housing needs. The 2011 Census shows that 7.6% of usual residents consider their day to day activities to be limited a lot by a health problem or disability. This is slightly lower than average (Purbeck 8.2%, England 8.3%), despite the higher number of dwellings occupied by people aged 65 or over. However, those with mobility problems are predicted to rise by approximately 62 cases per annum across Purbeck (which would equate to 1 to 2 cases per annum in Arne). Those with dementia are predicted to rise by approximately 30 cases per annum across Purbeck – however these are likely to require large-scale special care homes such as that consented in Sandford for 64 units (6/2015/0703).

The house type data highlights the general **lack of smaller and more affordable house types**.

The Census statistics indicate that **household sizes tend to be slightly lower than average, with over 70% being occupied by one or two people, the majority of which are one or two pensioners' households**. There are comparably few houses (less than 20%) occupied as family homes with children. The existing household stock is mainly 3 or 4 bedroom properties, and there are no obvious indications that a lack of family-sized dwellings is influencing the type of households living in the area.

The 2011 Census indicates that at that time up to 20 dwellings may have contained a concealed household that could not afford to buy or rent on the open market. This proportion is in line with the District average.

The data also indicates a particular need to cater for the mobility requirements of older residents as this demographic (aged 65 years and older) is likely to increase significantly in comparison to other age groups. As such, **the main need is likely to be for homes suited to older single and couple households**.

6.2 Vacant households

48 dwellings (7.6%) had no usual residents at the time of the 2011 Census. A proportion of these will be holiday or second homes. This is lower than the Purbeck average (11.5%) but higher than the national average (4.3%). The comparative Council tax data (2014) was 32 dwellings (5%) registered

as second homes, which is likely to be an under-estimate as some residents list their properties as Holiday Lets so pay business rates and not council tax and not all households claim the second homes discount.

The study undertaken to evidence the need for a second homes policy in the Local Plan indicates that about 38 properties (6% of the dwelling stock) are in use as second homes. This compared to 28% in places such as Studland (which had the highest recorded prevalence) and under 1% in the parishes adjoining Poole, putting Arne in the mid-range of impact. The overall conclusion from the research was that there is a strong case for introducing restrictions within the AONB.

About 1 in 13 dwellings were vacant at the last Census, suggesting that demand for second / holiday homes is having a moderate impact on the local housing market.

6.3 Employment base

Distance travelled to work data indicates that about 30% of working people have jobs within or close to the parish (based on those working from home or a travelling distance of under 2km), whereas over half (51%) travel more than 5km to work.

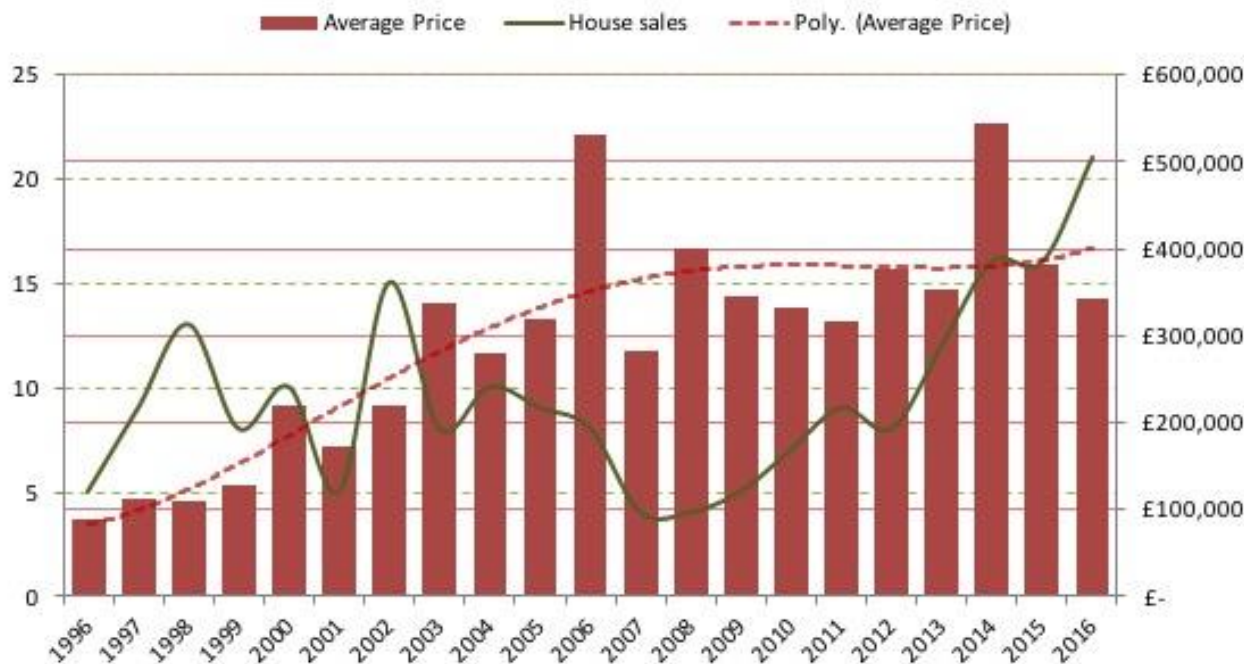
The travel to work data suggests a relatively **high degree of commuting**, which is likely to deter economically active households from locating in the area unless the **growth in housing is matched by local job creation**.

Distance travelled to work	2011	
Work mainly at or from home	105	19%
Less than 2km	66	12%
2km to less than 5km	50	9%
5km to less than 10km	63	11%
10km to less than 20km	132	23%
20km to less than 30km	35	6%
30km to less than 40km	7	1%
40km to less than 60km	15	3%
60km and over	34	6%
Other	56	10%

7 Market signals

7.1 Local House Prices

Land Registry data on house sales was reviewed for the last 20 years, for areas with a locality of Arne / Ridge / Sotoborough and Stoborough Green and the postcode area for Worgret. The data indicates that typically about 9 dwellings get bought and sold every year.



The average house price has increased gradually over this 20 year period, averaging about £400,000 in the last 5 years. In the last 5 years only 4 homes have been sold at below £200,000 compared to 26 homes sold at over £400,000. This compares to a 5 year average price of around £290,000 across Purbeck (however the 5 year district average is much closer at £390,000 when limited to detached dwellings).

Household wage levels are estimated to be in the region of £722/week (ONS small area income estimates data 2011). Using a 4x mortgage multiplier this would suggest a typical household could afford a mortgage of up to £150,000.

There is little historic data available on rental prices, and few advertised properties for rent from which to provide any reliable statistics. A wider area based on BH20 (which extends from Bere Regis to Corfe Castle) indicated rents currently are around £900 to £1,000 pcm for a two to three bedroom property.

Extract from http://www.home.co.uk/for_rent/bh20/current_rents?location=bh20 for June 2017

Property Rents in BH20 by Number of Bedrooms

	No. of properties	Average rent	Median rent	Average ToM
One bedroom	2	£550 pcm	£550 pcm	674 days
Two bedrooms	4	£875 pcm	£875 pcm	137 days
Three bedrooms	3	£1,025 pcm	£975 pcm	29 days
Four bedrooms	1	£1,400 pcm	£1,400 pcm	21 days
Five bedrooms	1	£1,700 pcm	£1,700 pcm	10 days

Average house prices are typically higher than the District average, which appears to be explained by the prevalence of larger, detached properties within the available stock. Typical wage levels lag severely behind the level required to afford existing properties.

8 Local Opinions

8.1 Household Questionnaire Responses

The opinion of local residents was also gathered as part of a household survey carried out in late 2014. Some 326 responses were received representing at least 298 households in the parish.

25 households reported that they were likely to be looking for housing within 5 years, the dominant reason was to set up home, as a 1-2 bedroom house or flat (86%) with most (79%) hoping to buy rather than rent.

There was general support for the provision of affordable housing and smaller (eg 2 bedroom) dwellings, with very few (8%) favouring larger 4 or more bedroom homes.

Very few respondents (less than 5%) wanted to see large-scale development (with most agreeing that this would be in excess of 20 dwellings).

The provision of small-scale schemes prioritising more affordable housing (in its broadest sense, so including starter homes, and smaller / more affordable open market housing within the mix) is likely to be supported by the local community.

9 Conclusion – Arne’s Housing Need

There is likely to be strong continuing demand from people who ‘desire’ to live in Arne, whether or not they have an existing local connection in terms of family or work. Meeting this demand however may not be sustainable. Given that there are a variety of sources of information on which to base the housing needs figure, these should be considered together to provide a reasonable housing needs estimate.

Table Average Overall Housing Need Figure

Source	Section	Notes	Annual requirement
2012 Local Plan	2.1	Based on pro-rata share of wider Central area target, however recognised as unlikely to meet the full objectively assessed needs	3 dwellings per annum
2019 SHMA	2.2	Based on pro-rata share of wider district target, which does not account for any spatial strategy distribution	4-5 dwellings per annum

Past delivery rates	4	Provides a baseline from which a 'boost' can be considered	2 dwellings per annum
Housing Register	5	Based on meeting current demand as 50% affordable	4-5 dwellings per annum
Key Census statistics	6	A key factor will be the type of housing provided – focusing on the local demand for homes suited to older single and couple households, the lack of smaller and more affordable accommodation. The pressure for holiday / second homes, and the need to increase opportunities to work locally to avoid further commuting, should also be considered.	
Market signals	7	The data shows a relatively buoyant housing market but one which is largely unaffordable to local people on average incomes, reinforcing the need for smaller and more affordable house types.	
Local opinions	9	Shows general support for small-scale schemes prioritising more affordable housing (in its broadest sense, so including starter homes, and smaller / more affordable open market housing)	
Proposed target			3-4 dwellings per annum

The analysis of all the various data sources suggests that a reasonable housing target for Arne would be **3-4 new dwellings per annum**. However it will be important for small sites to deliver affordable housing as part of the mix, or to ensure that opportunities for rural exception sites are maximised.

As population projections suggest that the number of older residents is likely to increase (in comparison to other age groups), and the local housing stock is over-inflated with large family homes, the **housing sites and mix should favour smaller (1 or 2 bedroom) homes, particularly geared towards affordability and the needs of the elderly**. This is likely to be supported by local residents.