

Sturminster Marshall Housing Needs Assessment (HNA)

December 2020

Quality information

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Revision History

Revision	Revision date	Details	Authorized	Name	Position
REV 01	15/09/20	Issue for internal review	TS	Tony Sloan	Town Planner
REV 02	16/09/20	Internal review	PA	Paul Avery	Senior Consultant
REV 03	30/09/20	Issue for neighbourhood review	TS	Tony Sloan	Town Planner
REV 04	02/11/2020	Neighbourhood review	JW	Jo Witherden	Planning Consultant
REV 05	01/12/2020	Issue for Locality review	TS	Tony Sloan	Town Planner
REV 06	08/12/2020	Final issue to neighbourhood	TS	Tony Sloan	Town Planner

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List of acronyms used in the text:

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
HNA	Housing Needs Assessment
HNF	Housing Need Figure
Housing LIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LHN	Local Housing Need
LPA	Local Planning Authority
LQAR	Lower Quartile Affordability Ratio
LTHPD	Long-Term Health Problem or Disability
MAR	Median Affordability Ratio
MH	Market Housing
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
NA	Neighbourhood (Plan) Area
NDO	Neighbourhood Development Order
NDP	Neighbourhood Development Plan
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

1. Executive Summary

1. Sturminster Marshall in the Unitary Authority of Dorset commissioned from Locality a Housing Needs Assessment (HNA) to inform their emerging Neighbourhood Plan. In consultation with the neighbourhood planning group, we developed three research questions (RQs) for the HNA to answer. The RQs serve to direct our research into the key neighbourhood-level issues and provide the structure for the study.

1.1 Research Questions

1.1.1 Findings of RQ 1: Tenure and Affordability and the Need for Affordable Housing

2. As seen at higher level geographies, home ownership represents the single largest tenure in Sturminster Marshall. The proportion of home ownership in Sturminster Marshall is slightly higher than that found in the wider county, but lower than average for East Dorset. The Shared Ownership sector is very limited in Sturminster Marshall, with just one household (0.1%) living in a Shared Ownership tenure at the time of the Census.
3. Sturminster Marshall has a significantly lower proportion of social rented households compared to the rates in Dorset and England, although it is slightly higher than the East Dorset average. The proportion of market private rentals in Sturminster Marshall is 13.1%, slightly lower than the private rented total for Dorset of 13.3%, but higher than the rest of East Dorset.
4. During the intercensal period, the proportion of owned and rented properties grew in Sturminster Marshall, at a higher rate than seen in Dorset. The proportion of social rented properties also grew in the neighbourhood area albeit at a lesser rate than experienced in the county. The number of shared ownership properties declined in Sturminster Marshall by 66.7%, contrasting the growth seen in Dorset.
5. Sturminster Marshall has experienced considerable fluctuations in house prices between 2010 and 2019. Overall, the mean house price rose by 19.14%, lower quartile price by 16.44% and median prices by 14.76%. Detached properties are more expensive than other house types on average. Between 2010 and 2019, terraced homes experienced the largest growth at 31.5%, followed by semi-detached at 10.1%. Detached homes experienced the largest growth at 22.27%, followed by terraced at 16.37%. Semi-detached properties experienced a more modest rate of growth at 10.43%. In terms of flats, only one transaction was recorded over the entire period (in 2014). This is perhaps unsurprising as there were only 19 flats existing in Sturminster Marshall in 2011.
6. The typical value of an 'entry level dwelling' at the current time is £303,750. In comparison, typical rents are £10,500 per year for a two-bedroom property.
7. It is apparent that the income required to buy an average market home for sale (£84,214) is considerably higher than what would be expected to be available to those on mean household incomes (£49,800). Likewise, the income required to buy an average entry-level home for sale (£78,107) is also higher than what those on mean household incomes can afford. Entry-level homes are therefore well out of the price range of those on lower quartile household earnings.
8. In Sturminster Marshall a 30% discount on average prices (as envisaged in the First Homes product) would not be sufficient to extend home ownership to households on median incomes. A discount 48% on average new build market homes would be appropriate for those on mean incomes. Whilst a discount of 36% would be required for entry level sale prices, however, it is unlikely that new homes would be built at these prices.
9. The mean income (£49,800) is just below the purchasing threshold for Discounted Market Sale at -40% (£50,529). The discount on the average market sale price required to enable households on mean incomes to afford to buy is 41%. Shared ownership at the 25% level has the greatest potential to extend homeownership to those on mean incomes. Whilst none of the discounts/ products appear to have potential to extend homeownership to those on lower quartile incomes.
10. Average market rents are affordable for those on mean incomes but are not affordable for those on lower quartile incomes. Rent to Buy therefore represents a viable route to affordable home ownership to those on mean incomes, however, is likely to be out of reach to those on lower quartile incomes.
11. The inability of those on lower quartile earnings to afford entry-level market rents, suggests that affordable and social rents are necessary to help those in most urgent need. The data would suggest affordable and social rents are largely unaffordable for those in single earning lower quartile households. However, it's important to caveat that the lower quartile earning data does not reflect housing benefits or other forms of financial assistance. For this reason, it is possible

that many lower quartile households would also be able to meet their housing needs in privately rented rooms in shared houses using housing benefit.

12. When the SHMA affordable housing figures are pro-rated to Sturminster Marshall based on its fair share of the population, this equates to a need for approximately 5.94 new affordable homes each year in Sturminster Marshall – approximately 89 in total over the plan period (rounded). If Sturminster Marshall was to meet its share of the need for Affordable Housing established by East Dorset's Local Area Plan, this would imply a need for approximately 88 (250 * 35%) homes over the plan period.
13. Data from Dorset Council suggests there are currently 10 households on the affordable housing register with a local connection and/or preference for Sturminster Marshall. Similarly, some 12 of the responses (3.8%) of the household survey returns indicated that they would be looking for an affordable home (either rent from a Housing Association / Trust (affordable rented), part buy / part rent from a Housing Association / Trust (shared equity) or to buy at a discounted rate (affordable home ownership) in the next 5 – 10 years. Extrapolating this evidence based on the sample size of the survey, suggests need of about 30 – 35 affordable homes, although this should be viewed with caution as it is not necessarily the case that a similar proportion of survey responders need affordable housing as the wider population.
14. If the two greenfield sites to the south of Sturminster Marshall identified for housing development in Draft Policy 5.36 of the previous Options Consultation proposals were to be included in the new Local Plan, these could provide a minimum of 250 dwellings (see Figure 4 5). These sites are within the South East Dorset Green Belt, and as such their release for general housing needs is a strategic matter.
15. Residential development on these two sites would comprise large scale proposals (i.e. more than 10 units). As previously set out, Local Policy requires 50% of all new homes on greenfield sites of over 10 dwellings or more than 1000sqm floorspace to be delivered as Affordable Housing. The implementation of this policy would enable a substantial provision of Affordable Housing to be delivered within the neighbourhood area, providing at least 125 affordable homes. For this reason, there may be no requirement for the neighbourhood group to identifying further sites specifically for the provision of affordable housing to meet local needs.
16. The SHMA suggests an appropriate policy approach would seek a mix of affordable housing provision on new developments where 25% is intermediate housing and 75% is social or affordable rented homes, whereas, East Dorset's Local Plan establishes a tenure split of 30% intermediate housing to 70% affordable /social rented. We recommend following the 25:75 split identified in the SHMA as this split better reflects the acute affordability issues present in the neighbourhood area.

1.1.2 Findings of RQ 2: Type and Size

17. This analysis provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site specific factors which may justify a particular dwelling mix.
18. Sturminster Marshall is notable for having a significantly higher proportion of detached properties (although not quite as high as the average for East Dorset). The NA also has a higher proportion of semi-detached properties compared to Dorset County, albeit at a lower proportion to the national average. Sturminster Marshall has lower proportions of terraced properties and flats compared to the local and national levels
19. Sturminster Marshall is, correspondingly, characterised by a greater proportion of larger properties when compared to Dorset County. The total proportion of large dwellings (five rooms+) in Sturminster Marshall is 87.1%, compared to 72.0% found in Dorset County and 76% in East Dorset. By contrast, the total proportion of small properties (one – four rooms) in the NA is 12.9%, compared to 28.0 % in the wider county.
20. The greatest change from the 2001 to 2011 Census is that growth in three and seven room households which both grew by 44.4%, more than double the rate of increase seen at the county level – although this represented growth of only 4 three-room dwellings, but 40 seven-room dwellings. There was no change in the proportion of one and two room households in Sturminster Marshall, compared to Dorset County which experienced a decline in one room households and a growth in two room households. Households of four and six rooms experienced a reduction in Sturminster Marshall over the census period. The key finding is the combined growth of 72 7+ bedroom homes – accounting for almost all of the (net) increase.
21. Looking at size in terms of the number of bedrooms, Sturminster Marshall significantly lags behind Dorset County and England in terms of smaller dwellings with two or fewer bedrooms. The number of three-bedroom households is also

lower in Sturminster Marshall, albeit at a more comparative level to Dorset County and England. Sturminster Marshall exhibits significantly higher proportions of larger properties with four or more bedrooms compared to the local and national level.

22. In terms of demographics, Census data reveals that Sturminster Marshall has a relatively young population when compared to the wider county. Sturminster Marshall has a larger population of those aged between 0-15 and 16-24 than Dorset County, although Dorset has a higher proportion of those 25-44. The 45-64 age band represent the largest single group in Sturminster Marshall, at a significantly higher rate than the wider geographies. Sturminster Marshall has a lower proportion of people in the 65-84 and 85 and over age groups compared to Dorset County.
23. In terms of demographic change, the analysis suggests that between 2001 and 2011 the population has increased in all but two age groups (0-15 and 25-44). The rates of decline in the 0-15 and 25-44 age groups in Sturminster Marshall were significantly greater than the declines experienced at the wider county level. The 16-24 age group experienced the largest growth, at a significantly higher rate than the growth recorded in the same age group in Dorset County. The 45-64 age group also experienced a greater rate of growth compared to Dorset, whilst the 65-84 and 85 and over groups experienced a lower comparative rate of growth in Sturminster Marshall.
24. In assessing Census data on household composition, we see that Sturminster Marshall differs from East Dorset and Dorset in that there are fewer one-person households and a high number of one-family households. These families are younger than their counterparts across Dorset, and are more likely in particular to have dependent and non-dependent children. There is also a significant cohort of families without children.
25. Data for East Dorset in 2011 shows that smaller one- and two-bedroom properties are more popular amongst households where the HRP is between 16 and 29. Larger properties get more popular in age groups 30 and above. In households where the HRP is aged 50 and over, smaller one- and two-bedroom properties become progressively more popular, although there is still a significantly high level of households in this age group occupying larger properties of three bedrooms or more. It's only when we get to the 85 and over age group where the proportion of those living in smaller one and two-bedroom properties is greater than those living in larger properties. This may indicate a lack of opportunity and/or reluctance to down or 'rightsized'.
26. The results of the life-stage modelling suggest that the size mix of new housing should focus on dwellings with one to three bedrooms, and suggests fewer large dwellings are needed. These results align with the preceding chapter which established the need for more affordable homes, which tend to be smaller dwellings. It's noted that this report is concerned with demand in the sense of need rather than in the sense of the preferences of potential occupants.
27. The household survey fills this gap in the evidence. It shows that a combined 46% of respondents are looking for one- and two-bedroom properties, which is lower than the 77% produced in the model above. The survey results also place a greater emphasis on three- and four-bedroom properties, where the HNA model suggests no further 4 bedroom homes are needed. This survey evidence should be given equal weight to the HNA findings, and would appear to justify seeking a larger dwelling mix than that proposed here.
28. The SHMA suggests the majority of additional dwellings required will be smaller two- and three-bedroom homes. The SHMA also recognises there will be a continuing market for larger family homes over the 20-year projection period across the HMA, however, the existing stock is expected to make a significant contribution to meeting this demand, as older households downsize (releasing equity from existing homes).
29. We therefore recommend that a broad mix of housing is provided, including all sizes of dwellings. In line with the life-stage modelling and survey results, the mild focus should be on smaller dwellings (especially affordable smaller homes). This would permit older households in larger dwellings to downsize and allow newly forming households to access housing through smaller and more affordable dwellings. However, it's recommended that larger dwellings also continue to be delivered in Sturminster Marshall to meet the demand evidenced in the household survey.

1.1.3 Findings of RQ 3: Specialist Housing for Older People

30. By the end of the plan period, Sturminster Marshall is forecast to have an over-75 population of 316, an estimated increase of 133 people from the 2011 Census. Despite this increase, Sturminster Marshall will continue to have a significantly lower proportion of people age 75+ compared to East Dorset
31. Elderly Accommodation Counsel (EAC) data shows there are no existing specialist housing for the elderly within the neighbourhood area. The 2011 Census identified 31 residents living within in a care home facility.
32. The data shows that overall Sturminster Marshall has a lower proportion of bungalows when compared to Dorset County.

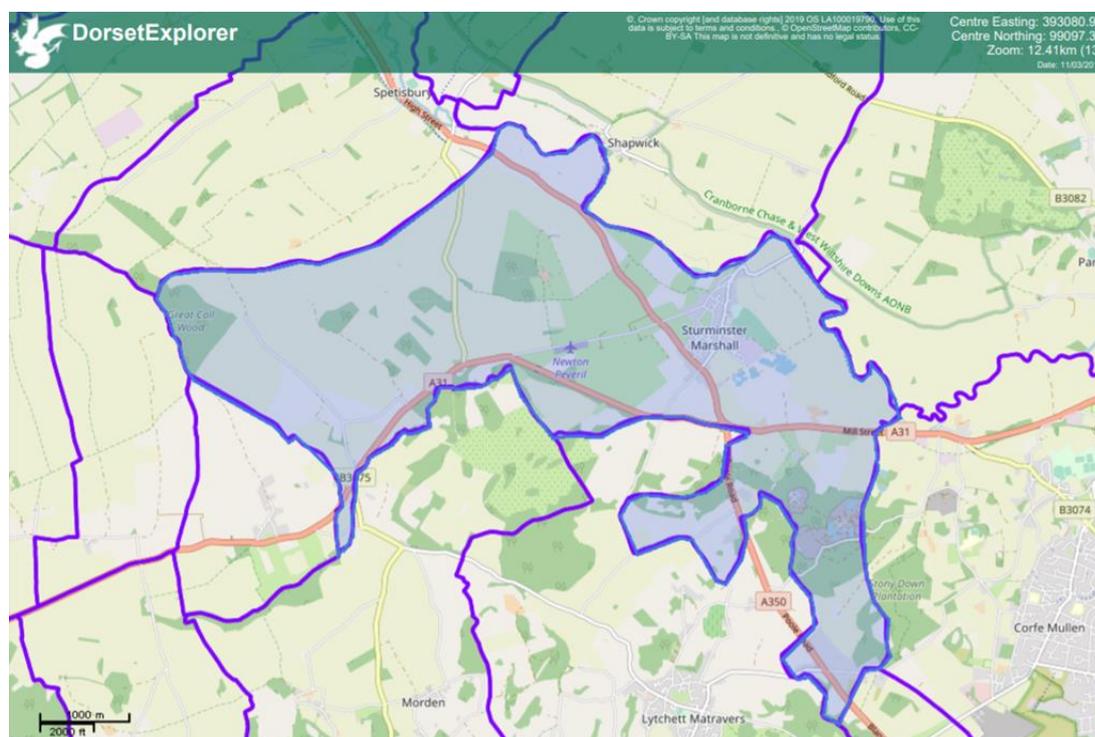
33. AECOM's estimates suggest there might be 33-35 specialist dwellings required by the end of the plan period to meet the needs of older people who may need care and support.
34. Of those with the highest need, the HLIN led projection identifies a need for 9 housing with care dwellings whilst the tenure led projection identifies a need for 10 such dwellings.
35. Recommend treating the 33-35 range as an upper, more aspirational target, to be provided if other constraints allow. In practice, much of this need may be met within the mainstream housing stock through adaptations and care provided in the home.
36. The tenure led projection (8.6% affordable, 91.4% market housing) suggests there is a much greater need for market specialist housing compared to affordable specialist housing. The HLIN led projection (36.4% affordable, 63.6% market housing) also suggests a greater need for market housing, albeit to a lesser degree than shown in the tenure led approach. In contrast the SHMA recommends an indicative split of specialist housing provision for older persons of 50% affordable, 50% market housing.
37. Bungalows can play an important role in meeting the current and future needs of older people and people with accessibility needs. Placing a heavier emphasis on delivering bungalows could help meet the needs of older people who wish to downsize.
38. New mainstream homes (both market and affordable) could be provided to improved accessibility and adaptability standards. The Neighbourhood Group may wish to discuss this policy option with the Dorset Council, this could help ensure that some stock of accessible dwellings is built up over time. It may be possible to apply optional building regulation standards M4(2) and M4(3) to some or all new homes so that they better meet the needs of occupants as they age and need care and support.
39. We note that there is no expectation, obligation or requirement for care homes to be provided within the Neighbourhood Area itself.
40. Sturminster Marshall's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. Wimborne Minster and Corfe Mullen are considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Plan area.

2. Context

2.1 Local context

41. Sturminster Marshall is a Neighbourhood Plan area located in the Unitary Authority of Dorset (Dorset Council), South West England. Dorset Council formed in April 2019, replacing the areas formerly served by the districts of North Dorset, East Dorset, West Dorset, Purbeck, and Weymouth and Portland. Sturminster Marshall lies within the former East Dorset District Council boundary.
42. The Neighbourhood Area (NA) was designated on 29th April 2019, the boundary aligns with that of the Civil Parish of Sturminster Marshall.
43. The proposed Neighbourhood Plan mirrors the planning period of the Dorset Council's emerging Local Plan. Dorset Council have confirmed the emerging Local Plan will look ahead until at least 2038 in order to ensure provision for growth for 15 years on adoption. This suggests a planning period starting in 2023 and extending to 2038.
44. A map of the Plan area appears below in Figure 2-1. Sturminster Marshall covers approximately 2,085 hectares, with the 2011 Census showing the Neighbourhood Plan area had a total of 1,969 residents.

Figure 2-1: Map of the Sturminster Marshall Neighbourhood Plan area¹



Source: Sturminster Marshall Parish Council

45. The village of Sturminster Marshall is the main settlement in the parish. Sturminster Marshall is located between Blandford Forum, approximately eight kilometres to the north west, and Poole, approximately nine kilometres to the south east. The A35, located to the south of Sturminster Marshall, runs through the parish and provides connections to Bournemouth, Dorchester and beyond. The much smaller settlements of Almer and Mapperton lie on the western edge of the parish, and Henbury and Jubilee Cross to the south.
46. The neighbourhood planners are interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

¹ Available at http://www.sturminstermarshall-pc.gov.uk/Neighbourhood_Plan_25622.aspx

2.2 Planning policy context

48. In line with the Basic Conditions² of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies.³ Consequently, the relevant elements of the Local Plan are reviewed as part of this Housing Needs Assessment (HNA).
49. In the case of Sturminster Marshall, the relevant local planning context is as follows:
50. As Sturminster Marshall lies within the former East Dorset District Council boundary, the adopted development plan comprises the Christchurch and East Dorset Core Strategy (adopted in April 2014)⁴ and the saved policies from the East Dorset District Local Plan (adopted in January 2002)⁵.
51. Until April 2019, East Dorset and Christchurch were working on separate local plan reviews. Between 16th July 2018 and 3rd September 2018, an “Options Consultation” was carried out on the East Dorset Local Plan Review document⁶. The East Dorset Local Plan Review set out the planning strategy for East Dorset District until 2033, suggesting a minimum 250 dwelling allocation for Sturminster Marshall enabled through rolling back the Green Belt. Dorset Council has since decided to stop work on the East Dorset Local Plan Review, in order to progress the production of a Dorset Local Plan, which is expected to be adopted in the spring of 2023.
52. The Dorset Council Local Plan will set out planning policies and propose allocations to meet the needs of the whole of the Dorset Council area. It will look ahead until at least 2038 in order to ensure provision for growth for 15 years on adoption, suggesting a plan period of 2023-2038. A revised Local Development Scheme outlining the timeline for the preparation for the plan was agreed for publication by Dorset Council Cabinet on 8th September 2020. Dorset Council expect to carry out an Options Consultation in January 2021.
53. Dorset Council state that the evidence generated during the East Dorset Local Plan Review is now being used to inform the Dorset Council Local Plan development. Dorset Council have also advised the neighbourhood group that it would be prudent to consider the minimum 250 dwelling allocation for Sturminster Marshall as set out in the East Dorset Local Plan Review as a reasonable indication of the likely housing target at this point in time. It is therefore considered reasonable and appropriate to include a summary of the relevant policies from the East Dorset Local Plan Review within this report as this provides an indication of the likely policy direction we can expect in the Dorset Council Local Plan, but bearing in mind that the new Local Plan is still at an early stage and could vary from this.

2.2.1 Policies in the adopted local plan⁷

Table 2-2: Summary of the former East Dorset District Council adopted policies having relevance to Sturminster Marshall Neighbourhood Plan Housing Needs Assessment

Policy	Provisions
Policy KS2 Settlement Hierarchy	Sets out the Settlement Hierarchy for the district. Sturminster Marshall is identified as a Rural Service Centre - Main provider for the rural areas where residential development will be allowed, of a scale that reinforces their role as providers of community, leisure and retail facilities to support the village and adjacent communities.
Policy KS4 Housing Provision in Christchurch and East Dorset	Sets a target of 8,490 new homes to be provided in the Local Plan area between the years 2013 - 2028. A total of 35% of the new homes should be affordable. Appendix 2 of the plan defines affordable housing to include social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. There is no specific housing target nor any housing site allocations for Sturminster Marshall (as a settlement or within the wider parish).

² Available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

³ However, this does not affect the potential for the evidence base underpinning the emerging local plan to inform or form part of the evidence base for the neighbourhood plan.

⁴ Available at <https://www.dorsetcouncil.gov.uk/planning-buildings-land/planning-policy/christchurch/local-development-framework/local-plan-part-1/pdfs/local-plan-part-1/christchurch-and-east-dorset-adopted-core-strategy.pdf>

⁵ Available at <https://www.dorsetcouncil.gov.uk/planning-buildings-land/planning-policy/east-dorset/pdfs/local-plan/schedule-of-saved-local-plan-policies.pdf>

⁶ Available at <https://www.dorsetcouncil.gov.uk/planning-buildings-land/planning-policy/dorset-council-local-plan/reviews-of-the-plans-from-the-former-council-areas/east-dorset-and-christchurch-local-plan-review.aspx>

⁷ Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

Policy	Provisions
Policy LN1 The Size and Type of New Dwellings	States that the overall size and type of new market and affordable dwellings will reflect current and projected local housing needs identified in the latest Strategic Housing Market Assessment and informed by future Annual Monitoring Reports to ensure that the proposed development contributes towards attaining a sustainable and balanced housing market.
Policy LN3 Provision of Affordable Housing	Sets the following policy percentage requirements: <ul style="list-style-type: none"> • All greenfield residential development which results in a net increase of housing is to provide up to 50% of the residential units as affordable housing. • All other residential development which results in a net increase of housing is to provide up to 40% of the residential units as affordable housing. • The tenure split within affordable housing should reflect housing needs identified in latest Strategic Housing Market Assessment. It should normally allow for 30% intermediate housing, with the remainder being affordable rented or social rented. • Where developments are required to provide 10 or more affordable homes, 10% of the affordable housing element should be planned for households requiring specially adapted or supported housing.
Policy LN4 Affordable Housing Exception Sites	Establishes that land adjoining or very close to the defined settlements (including Sturminster Marshall) which would otherwise be considered inappropriate for development may be developed to facilitate affordable housing, in perpetuity, provided that: <ul style="list-style-type: none"> • Secure arrangements are included to ensure that affordable housing will be enjoyed by successive as well as initial occupiers. • The proposed development would provide a mix of affordable housing size and type which meets demonstrated local housing needs. • The development is small scale and reflects the setting, form and character of the settlement and the surrounding landscape.
Policy LN6 Housing and Accommodation Proposals for Vulnerable People	States that new social, care or health related development proposals, or major extensions to existing developments, within the C2 use classification will not be subject to Policy LN3. All other residential development proposals for older and vulnerable people including sheltered housing, assisted-living and extra-care accommodation, must meet the requirements of policy LN3.

2.2.2 Draft Policies in the Options Consultation version of the East Dorset Local Plan⁸

54. The draft policies contained in the Options Consultation version of the East Dorset Local Plan do not significantly vary from the adopted policies, although the housing target was updated to reflect the longer timescales (and this will have to be considered in light of the more recent changes in how housing numbers are calculated and the Dorset-wide coverage of the Local Plan). The main change is with regard to the addition of Draft Policy 5.36 - Housing Options for Sturminster Marshall, which is summarised in the following table.
55. It should also be noted that the latest published Strategic Housing Market Assessment is the 2015 Strategic Housing Market Assessment⁹ but that research on the housing needs of specific groups is planned as part of the Dorset Local Plan evidence base¹⁰.

⁸ Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

⁹ <https://www.dorsetcouncil.gov.uk/planning-buildings-land/planning-policy/joint-planning-policy-work/shma/2015-update-and-review-of-the-strategic-housing-market-assessment.aspx>

¹⁰ <https://www.dorsetcouncil.gov.uk/planning-buildings-land/planning-policy/dorset-council-local-plan/dorset-council-local-plan-evidence.aspx>

Table 2-3: Summary of the former East Dorset District Council emerging policies having relevance to Sturminster Marshall Neighbourhood Plan Housing Needs Assessment

Policy	Provisions
Draft Policy 5.36 Housing Options for Sturminster Marshall	Identifies land to the south of Sturminster Marshall for housing development to provide a minimum of 250 dwellings. Development of land in this area will include, but is not limited to, the following sites: <ul style="list-style-type: none"> • Land bounded by Newton Road and Blandford Road • Land east of Station Road to the south of Bailie Gate industrial estate Development of the sites is likely to be subject to a number of criteria including up to 50% affordable housing.

2.2.3 Quantity of housing to provide

56. The NPPF 2019 requires, through paragraphs 65 and 66, Local Authorities to provide neighbourhood groups with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
57. Dorset Council has advised the neighbourhood group to retain the minimum allocation of 250 dwellings as an indicative number for Sturminster Marshall, as set out previously in the East Dorset Local Plan¹¹. Dorset Council have suggested that the housing requirement figures for neighbourhood plan areas may be re-examined through the development of the new Dorset Council Local Plan. Whilst the indicative minimum figure of 250 dwellings is subject to change, the conclusions in this HNA report, in terms of tenure mix, type and size of housing, will still apply irrespective of the overall quantity of housing to be provided in the neighbourhood area.
58. Given that the NPPF requirement has already been fulfilled, the question of how many houses to plan for has been answered. It is therefore outside the scope of this Housing Needs Assessment, and the issue of quantity has been excluded from the Research Questions (see Chapter 3).
59. It is important to note that the indicative minimum figure of 250 dwellings is subject to change. Dorset Council have suggested that the housing requirement figures for neighbourhood plan areas may be re-examined through the development of the new Dorset Council Local Plan. However, the conclusions in this HNA report, in terms of tenure mix, type and size of housing, will still apply irrespective of the overall quantity of housing to be provided in the neighbourhood area.
60. It is also relevant to note that the Government's August 2020 consultation proposals for 'Changes to the current planning system' include a temporary measure to lift the small sites threshold. This would mean that on sites of up to 40 or 50 units, developers would not need to contribute to Affordable Housing. The purpose of this time-limited change (its duration is currently unknown) is to support small housebuilders as the economy recovers from the impact of Covid-19. This temporary change does not impact sites allocated solely for Affordable Housing, or any Affordable Housing exception sites allocated in the Local or Neighbourhood Plan.
61. The housing requirement for Sturminster Marshall is sufficiently high that, if this temporary measure were to be in effect after the Neighbourhood Plan is made, given the housing target it is likely that sufficiently large sites may have been required and would deliver Affordable Housing contributions. The potential housing allocations for Sturminster Marshall identified in the Options Consultation draft would meet this threshold. When the temporary period ends, the Affordable Housing requirement in the NA will revert to the relevant adopted Local Plan policy, which, in this case, requires Affordable Housing contributions on all sites delivering more than 10 dwellings. The neighborhood planners are advised to take note of this proposal as it evolves through the consultation process.

¹¹ As confirmed in a phone conversation with Sturminster Marshall Neighbourhood Group (7th July 2020) and subsequent email correspondence with Dorset Council (26th August 2020)

3. Approach

3.1 Research Questions

62. Research Questions, abbreviated to 'RQ;' are formulated at the start of the project through discussion with the neighbourhood group. They serve to direct the research and provide the structure for the HNA.
63. The RQs relevant to this study, as discussed and agreed with Sturminster Marshall, are set out below.

3.1.1 Tenure and Affordability

64. The neighbourhood planning group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
65. This evidence will allow Sturminster Marshall to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

RQ 1: What quantity and tenures of Affordable Housing should be planned for over the Neighbourhood Plan period?

3.1.2 Type and Size

66. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community. The neighbourhood group recognises there is a need to provide adequate housing to retain young people within the area as well as fulfilling the needs of the elderly population.
67. The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.

RQ 2: What type (terrace, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?

3.1.3 Specialist Housing for Older People

68. The neighbourhood planning group wishes to ensure that future housing provision takes into account the needs of older people. In terms of housing, the group is particularly interested in how those needs might be met through a variety of solutions – including mainstream housing which meets the needs of households at all life stages and specialist accommodation which promotes independent living and access to care and support. There is significant overlap between this area and the question of housing type and size, but this question will specifically address the need for specialised housing for older people through the Plan period.

RQ 3: What provision should be made for specialist housing for older people over the Neighbourhood Plan period?

3.2 Relevant Data

3.2.1 Local authority evidence base

69. It is appropriate for neighbourhood planners to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As Sturminster Marshall Neighbourhood Area is located within the former area of East Dorset District Council, we therefore turned to the relevant Strategic Housing Market Assessment (SHMA). In 2014 the Bournemouth, Dorset and Poole Strategic Housing Group appointed consultants GL Hearn to undertake an update and review of the 2012 SMHA for the Eastern Dorset housing market area. This comprises the local authority areas of Bournemouth, Poole, Christchurch, East Dorset, North Dorset and Purbeck.
70. The Eastern Dorset 2015 SHMA was published in October 2015. The SHMA identifies two Housing Market Areas (HMA) in Dorset - the Bournemouth/Poole HMA which covers the six Local Authorities of Bournemouth, Poole, Christchurch, East Dorset, North Dorset and Purbeck and the Dorchester/Weymouth HMA which covers the authorities of West Dorset and Weymouth and Portland.
71. For the purpose of this HNA, data from Dorset Council's own evidence base to support their housing policies has been

considered applicable and relevant unless it conflicts with more locally specific and/or more recently-produced evidence. The housing market evidence draws upon a range of data including population and demographic projections, housing market transactions, and employment scenarios. As such, it contains a number of points of relevance when determining housing need within the Neighbourhood Plan area and has been referenced as appropriate.

3.2.2 Other relevant data

72. In addition to the Dorset Council evidence base, we have assessed other evidence to ensure our study is robust for the purposes of developing policy at the NP level and is locally specific. This includes data from both Census 2001 and 2011, as well as from a wide range of other data sources, including:
 - Land Registry data on prices paid for housing within the local market;
 - Population and household projections produced by the Office of National Statistics (ONS);
 - Information on current property asking prices, for housing for sale or rent, from [home.co.uk](https://www.home.co.uk);
 - Valuation Office Agency (VOA) data on local housing stock by dwelling type; and
 - The Housing Learning and Improvement Network (LIN)'s SHOP@ tool for estimating the need for differing types of specialist dwellings for older people.
73. Many of the data sources predate the creation of Dorset Council in April 2019. Where possible we have used Dorset County (which includes Christchurch, East Dorset, North Dorset, Purbeck, West Dorset Weymouth and Portland) as a proxy for the Dorset Council (the unitary authority which includes all previously listed districts except Christchurch). East Dorset data has also been provided for the majority of datasets as a point of further comparison with a closer geographic link to the NA despite the change to administrative boundaries. Where data isn't readily available at the county level for a calculation, we have used East Dorset as an appropriate comparative geography.
74. Data was also provided from the 2020 household survey undertaken by the Neighbourhood Plan Group and which achieved a 42% response rate with over 300 responses.

4. RQ 1: Tenure, Affordability and the Need for Affordable Housing

RQ1: What Affordable Housing (eg social housing, affordable rented, shared ownership, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

4.1 Introduction

75. This section examines the tenure of dwellings in the current stock and recent supply. It then considers the affordability of housing within the area to local households. Drawing on existing evidence and AECOM's estimates for the neighbourhood area, this section quantifies the need for affordable housing within the NA. This includes Affordable Housing for rent (typically social or affordable rents) and Affordable Housing to buy. The scale of need for these homes can justify policies that guide new developments to provide Affordable Housing.¹²

4.2 Definitions

76. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.

77. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, with capital letters, to denote those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and forms products designed to offer affordable routes to home ownership.¹³

78. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership (broadening a definition which had previously referred only to social and intermediate housing to include a range of low-cost housing opportunities for those aspiring to own a home). The Government has recently proposed to introduce First Homes to provide at least a 30% discount on new market housing for sale. However, the NPPF and Homes England funding for Affordable Housing recognises the important role of affordable rent tenures for those unable to afford home ownership.

4.3 Current tenure profile

79. The current tenure pattern is a key characteristic of the local neighbourhood area. Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing. Table 4-1 overleaf presents Census data from 2011; this table shows the distribution of how households occupy their homes within Sturminster Marshall, compared to the rest of Dorset County and England.

80. As seen at higher level geographies, home ownership represents the single largest tenure in Sturminster Marshall. The proportion of home ownership in Sturminster Marshall is slightly higher than that found in the wider county, but lower than average for East Dorset. The Shared Ownership sector is very limited in Sturminster Marshall, with just one household (0.1%) living in a Shared Ownership tenure at the time of the Census. Sturminster Marshall has a significantly lower proportion of social rented households compared to the rates in Dorset and England, although it is slightly higher than the East Dorset average. The proportion of market private rentals in Sturminster Marshall is 13.1%, slightly lower than the private rented total for Dorset of 13.3%, but higher than the rest of East Dorset.

¹² PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹³ NPPF 2019.

Table 4-1: Tenure (households) in Sturminster Marshall, 2011

Tenure	Sturminster Marshall	East Dorset	Dorset County	England
Owned; total	73.6%	80.9%	72.0%	63.3%
Shared ownership	0.1%	0.3%	0.7%	0.8%
Social rented; total	9.9%	8.3%	12.4%	17.7%
Private rented; total	13.1%	9.2%	13.3%	16.8%

Sources: Census 2011, AECOM Calculations

82. In Table 4-2, we note the changes in tenure during the intercensal period. The proportion of owned and rented properties grew in Sturminster Marshall, at a higher rate than seen in Dorset. The proportion of social rented properties also grew in the neighbourhood area albeit at a lesser rate than experienced in the county. The number of shared ownership properties declined in Sturminster Marshall by 66.7%, contrasting the growth seen in Dorset.

Table 4-2: Rates of tenure change in Sturminster Marshall, 2001-2011

Tenure	Sturminster Marshall	East Dorset	Dorset County	England
Owned; total	3.6%	1.3%	2.0%	-0.6%
Shared ownership	-66.7%	13.3%	45.1%	30.0%
Social rented; total	8.8%	8.6%	9.5%	-0.9%
Private rented; total	92.2%	100.5%	84.9%	82.4%

Sources: Censuses 2001 and 2011, AECOM Calculations

4.4 Affordability

83. Having reviewed the tenure of the existing housing stock in Sturminster Marshall, this report assesses the affordability of homes to those living in the Neighbourhood Plan area.
84. The following analysis considers house prices and rents in the neighbourhood area and whether these are affordable to local households on the basis of their incomes or earnings. Poor or worsening affordability of homes to rent or buy can indicate the need to provide Affordable Housing.

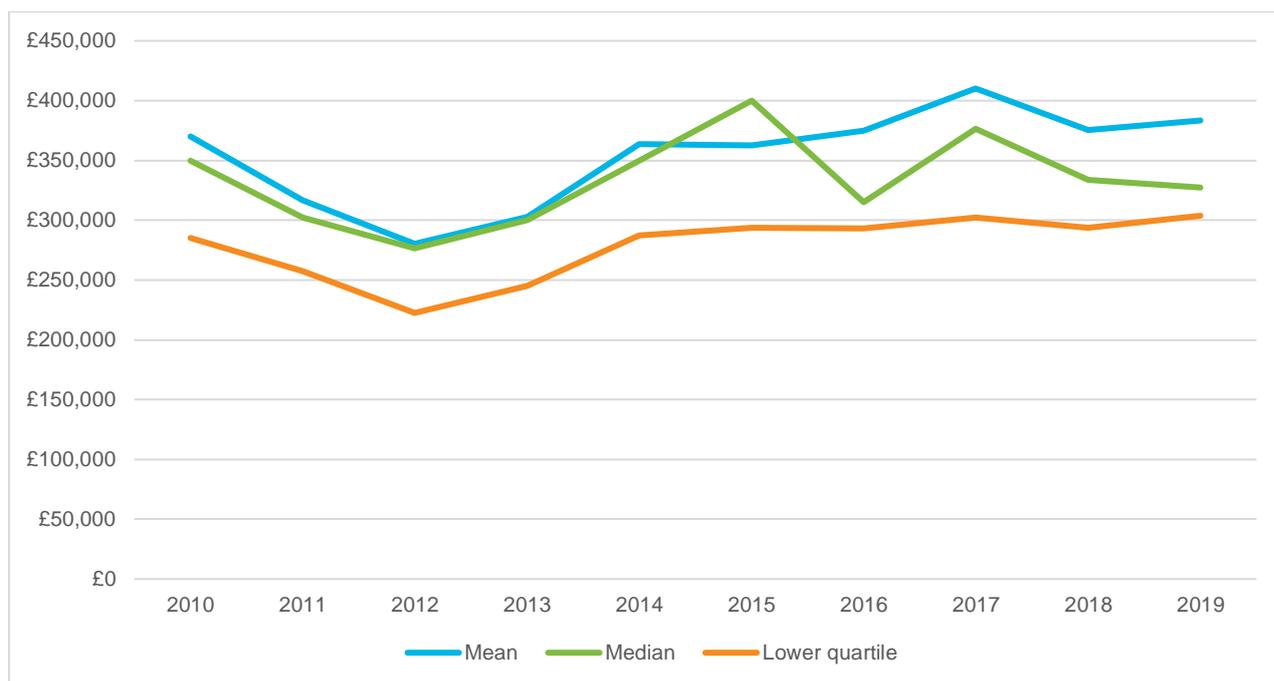
4.4.1 House prices

85. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.
86. Figure 4-1 on the following page looks at selected measures of house prices in Sturminster Marshall. It shows that there have been considerable fluctuations in house prices over the previous ten-year period (2010 to 2019 inclusive). Overall, mean house prices have risen by 19.14%, lower quartile prices by 16.44% and median house prices by 14.76%¹⁴.
87. PPG makes clear that lower-quartile house prices may be used as a benchmark for entry-level home prices.¹⁵ Entry-level properties are typically those with one or two bedrooms – either flats or houses.

¹⁴ Calculated by taking the difference between the average prices over 2010- 2014 and the average prices over 2015-2019

¹⁵ See Paragraph: 021 Reference ID: 2a-021-20190220, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

Figure 4-1: House prices by quartile in Sturminster Marshall between 2010 and 2019



Source: Land Registry PPD

88. Table 4-3 below breaks down house prices by type of house, as recorded by Land Registry Price Paid Data (PPD). It shows that overall house prices grew by 19.14% over the last decade. Detached properties are shown to be more expensive than other house types on average. Detached homes experienced the largest growth at 22.27%, followed by terraced at 16.37%. Semi-detached properties experienced a more modest rate of growth at 10.43%. In terms of flats, only one transaction was recorded over the entire period (in 2014). This is perhaps unsurprising as there were only 19 flats existing in Sturminster Marshall in 2011.

Table 4-3: House prices by type in Sturminster Marshall, 2010-2019

Type	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Average Growth ¹⁶
Detached	£439,688	£341,538	£317,286	£312,286	£402,376	£390,080	£440,615	£465,719	£438,778	£448,405	22.37%
Semi-detached	£273,317	£287,000	£276,980	£289,750	£298,479	£330,000	£294,700	£332,700	£293,000	£300,882	10.43%
Terraced	£237,000	£249,167	£219,763	£261,500	£295,000	£244,400	£283,250	£309,800	£294,701	£311,667	16.37%
Flats	-	-	-	-	£235,000	-	-	-	-	-	N/A
All Types	£370,112	£316,775	£280,309	£302,700	£363,837	£362,545	£374,685	£410,154	£375,532	£383,637	19.14%

Source: Land Registry PPD

89. This data has been used as a basis to calculate the typical costs of an entry-level dwelling (i.e. the segment of market housing most likely to be accessible to those on lower incomes) – the calculations for this are shown in Appendix A. These calculations suggest that the typical value of an ‘entry level dwelling’ at the current time is £303,750. In comparison, typical rents are £10,500 per year for a 2 bedroom property.

¹⁶ Calculated by taking the difference between the average prices over 2010- 2014 and the average prices over 2015-2019

4.4.2 Income

90. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.
91. The first source is locally specific but limited to the average total household income and the median net annual household income before housing costs (or take-home pay). This is the average household income estimates published by ONS¹⁷ at the level of the Middle-layer Super Output Area (MSOA)¹⁸. In the case of Sturminster Marshall the MSOAs most suitable for use as a proxy for the Neighbourhood Plan area boundary is East Dorset 005 (E02004247). Further details on the extent of this MSOA, including a map, and why it was selected as a proxy for the Neighbourhood Plan area, are set out in Appendix A.
92. The average total household income before housing costs (equalised) across East Dorset 005 in 2018 was £49,800. This figure is typically used by mortgage lenders to assess a household's ability to afford to borrow.¹⁹
93. The second source of data is Lower Quartile (LQ) average earnings²⁰. This is helpful for understanding affordability challenges among those with lower than average earnings. However, this data relates to individual earnings and whilst this is an accurate representation of household incomes where households have one earner, it does not represent household income where there are two people earning. It is also only available at the district level.
94. It is derived from ONS annual estimates of paid hours worked and earnings for UK employees to local authority level. Although 2019 provisional data has been published, the revised 2018 data is considered more robust and is therefore used here.
95. Dorset Council's gross LQ earnings for 2018 was £11,365 per year. This is the LQ income before taxes (or benefits) for individual earners and so only correlates with the measure of household incomes above for single-person households. This represents a significant change from 2017 data, which showed a LQ earnings average of £19,856 – probably a result of weaknesses in the data rather than an actual shift in earnings. The lower, more recent figure is used for a conservative approach, but it should be kept in mind that the estimates here may understate the buying power of LQ households. To estimate the income of LQ-earning households with two earners, the annual income is doubled, to £22,730.

4.4.3 Affordability Thresholds

96. In order to gain a clearer understanding of local affordability, it is also useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds'. Purchase thresholds denote the standard household income needed to access mortgage products, and income thresholds denote the maximum share of a family's income that should be spent on accommodation costs.
97. AECOM has determined thresholds for the income required to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed in Appendix A. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income.
98. Table 4-4 overleaf the cost of different tenures and the annual income required to support these costs within Sturminster Marshall. The income required column is the annual income needed to support ongoing housing costs, but does not reflect the cost of a deposit (which we have assumed to be 10% of the value to be purchased) or the possibility that households able to access market housing for purchase may already hold equity from an existing property.

¹⁷Available at

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/smallareamodelbasedincomeestimates/financialyearending2016>

¹⁸ An MSOA is a statistical area defined for Census purposes. For further information on MSOAs, see <https://www.ons.gov.uk/methodology/geography/ukgeographies/censusgeography>

¹⁹ Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

²⁰ Annual Survey of Hours and Earnings, Table 7.7a Annual pay - Gross (£) - For all employee jobs: United Kingdom, 2018, Office for National Statistics. Available at:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/placeofworkbylocalauthoritysheta>
[ble7](https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/placeofworkbylocalauthoritysheta)

Table 4-4: Affordability thresholds in Sturminster Marshall (income required, £)

Tenure	Mortgage Value	Rent	Income required	Affordable on mean incomes? £49,800	Affordable on LQ earnings (single earner)? £11,365	Affordable on LQ earnings (2 earners)? £22,730
Market Housing						
NA Median House Price	£294,750	-	£84,214	No	No	No
LA New Build Mean House Price	£338,109	-	£96,602	No	No	No
NA LQ/Entry-level House Price	£273,375	-	£78,107	No	No	No
Average Market Rent	-	£13,392	£44,640	Yes	No	No
Entry-level Market Rent	-	£10,500	£35,000	Yes	No	No
Affordable Home Ownership						
Discounted Market Sale (-20%)	£262,000	-	£67,371	No	No	No
Discounted Market Sale (-30%)	£229,250	-	£58,950	No	No	No
Discounted Market Sale (-40%)	£196,500	-	£50,529	No	No	No
Discounted Market Sale (-50%)	£163,750	-	£42,107	Yes	No	No
Shared Ownership (50%)	£42,107	£13,646	£55,753	No	No	No
Shared Ownership (25%)	£21,054	£20,469	£41,522	Yes	No	No
Affordable Rented Housing						
Affordable Rent (average)	-	£6,581	£21,935	Yes	No	Yes
Social Rent (average)	-	£5,287	£17,625	Yes	No	Yes

Source: AECOM Calculations

99. The income required to afford the different tenures is then benchmarked, in Figure 4-2 against the three measurements of household income set out above. These are the average total household income for East Dorset 005 (E02004247) at £49,800 and the lower quartile gross earnings for Dorset County for single-earners at £11,365 and dual-earning households at £22,730. Taking into consideration the affordability thresholds set out above, it is apparent that the income required to buy an average market home for sale is higher than what would be expected to be available to those on median household incomes. Likewise, the income required to buy an average entry-level home for sale is higher than what those on mean incomes can afford. Entry-level homes are therefore well out of the price range of those on lower quartile household earnings.
100. Table 4-4 shows that households with incomes between £35,000 and £78,107 are able to rent in the market but unable to buy. These households may need affordable home ownership options. There are a range of affordable routes to home ownership tenures, i.e. those aimed at households unable to afford to buy in the market. On this subject, a number of observations can be made:
- Government policy aimed at tackling the housing crisis continues to attach high priority on helping those on modest incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership²¹. In the case of Sturminster Marshall, the figure below suggests that the most appropriate tenure to help implement this policy goal locally is shared ownership at the level 25%. Discounted market housing at -40% may also be appropriate as the mean income is just below the purchasing threshold for this tenure.
 - The mean income (£49,800) is just below the purchasing threshold for Discounted Market Sale at -40% (£50,529). Shared ownership at the 25% level has the greatest potential to extend homeownership to those on mean incomes. None of the discounts/ products appear to have potential to extend homeownership to those on lower quartile incomes.

²¹ See the White Paper 'Fixing Our Broken Housing Market', at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf

- The discount on the average market sale price required to enable households on mean incomes to afford to buy is 41%.
- Whether discounted market sale is affordable will depend whether properties are priced in relation to average, new build or entry level homes so developers will view discounts differently. New build homes are often more expensive than properties for sale in the second-hand stock.
- Smaller discounts on new build or average prices (i.e. -20%) may make homes no more affordable than entry level properties in the existing stock.
- Discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq m and a build cost of £1,500 per sq m) would be around £105,000.²² This cost excludes any land value or developer profit.
- The income required to access Rent to buy is the same as that required to afford market rents. In Sturminster Marshall the income required to afford the average market rent is £44,640.
- Average market rents are affordable for those on mean incomes but are not affordable for those on lower quartile incomes. Rent to Buy therefore represents a viable route to affordable home ownership to those on mean incomes, however, is likely to be out of reach to those on lower quartile incomes.
- The neighbourhood group may have limited control or influence on the level of discount to be sought or required of developers of discounted market sale properties. It may be possible to guide section 106 discussions through provisions in the Neighbourhood Plan, but it is advisable to discuss potential options in this area with the LPA.
- The Government’s proposed First Homes product would provide a minimum discount of 30% on new homes. New build prices are not available at the neighbourhood level because the number of transactions is too low. However, median average prices provide a reasonable proxy for the price of entry-level new homes, since the ‘new build premium’ on a lower quartile value home would likely make it more expensive than entry-level homes in the existing stock. In Sturminster Marshall a 30% discount on average prices would not be sufficient to extend home ownership to households on median incomes.

101. Table 4-5 shows what discounts are required in order for properties to be affordable to households on average incomes. In Sturminster Marshall a 41% discount on average prices would be required for new homes to be affordable to households on average incomes. Therefore, a discount of 30% as envisaged in the First Homes product would not appear to be sufficient to extend home ownership to households on mean incomes. A discount 48% on average new build market homes would be appropriate for those on mean incomes. Whilst a discount of 36% would be required for entry level sale prices, however, it is unlikely that new homes would be built at these prices.

102. The latest Government consultation on ‘Changes to the current planning system’ proposes that Local Authorities will have discretion to increase the discount on First Homes to 40% or 50%, but that this would need to be evidenced in the Local Plan making process. Though it is expected that the decision to require a higher discount and the evidence supporting it would be undertaken at district- or borough-wide level, the evidence presented in this HNA may be helpful in advancing that discussion. The evidence gathered here suggests that seeking higher discount levels would be justified in Sturminster Marshall, given that a discount of 48% is required on average new build market homes for this tenure to be affordable for those on mean incomes.

Table 4-5 Discount on Sale Price Required for Households on Mean Incomes to Afford

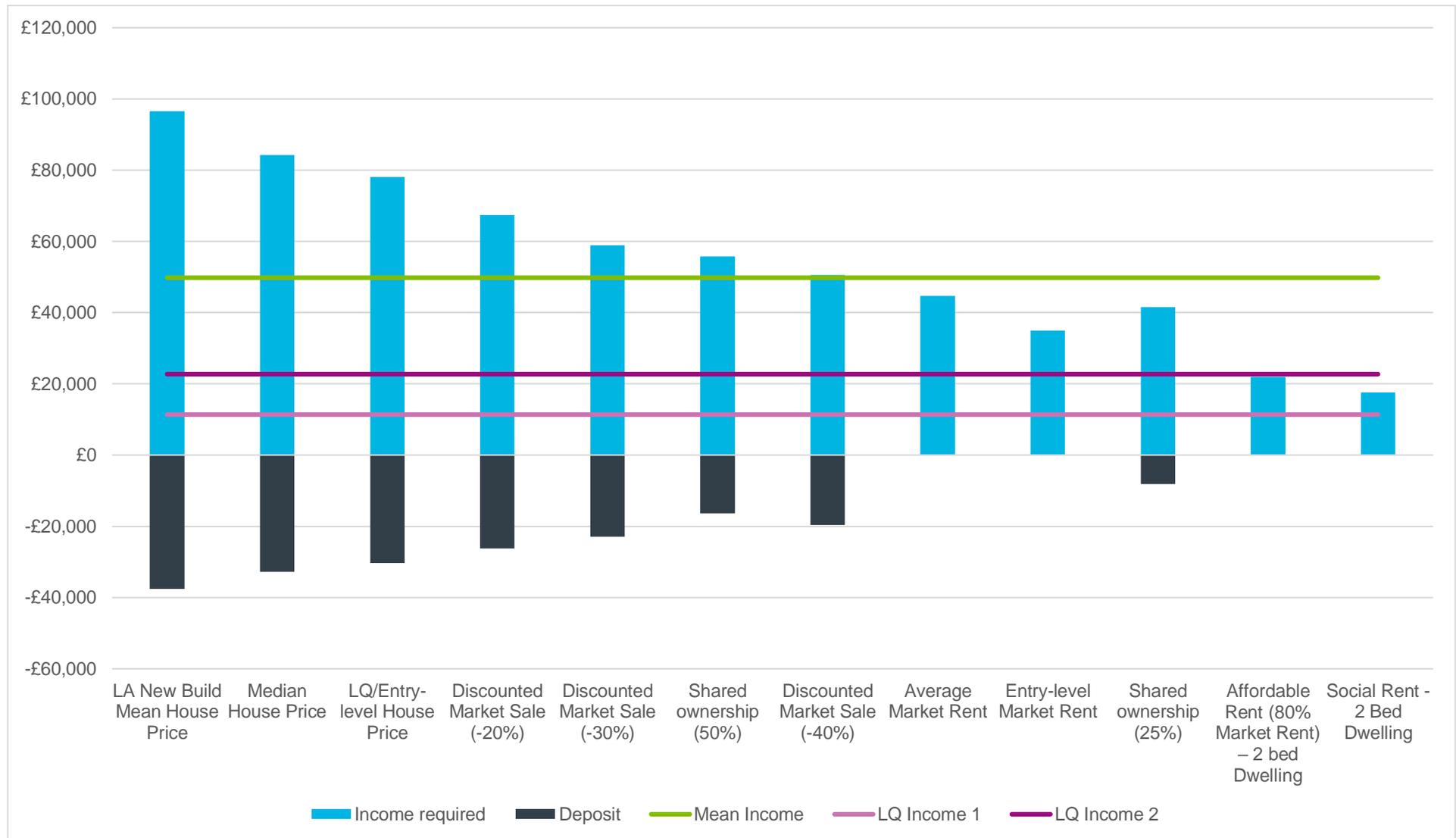
Mean household income in NA: £49,800	
Tenure/ product	Discount on sale price required
Market sale (Average)	41%
New build market sale (Average for LA)	48%
Entry level (LQ)	36%

Source: Land Registry PPD; ONS MSOA total household income

²² This estimate is included for illustration purposes. £1,500 build cost per sq m is a reasonable estimate of current costs (mid 2020); 70 sq m for a 2 bedroom property is consistent with the Government’s Nationally Described Space Standards

103. Finally, the inability of those on lower quartile earnings to afford entry-level market rents suggests that affordable and social rents are necessary to help those in the most urgent need. The data would suggest affordable and social rents are largely unaffordable for those in single earning lower quartile households. However, it's important to caveat that the lower quartile earning data does not reflect housing benefits or other forms of financial assistance. For this reason, it is possible that many lower quartile households would also be able to meet their housing needs in privately rented rooms in shared houses using housing benefit.

Figure 4-2: Affordability thresholds in Sturminster Marshall (income required, £)



Source: AECOM Calculations

4.5 Affordable housing- quantity needed

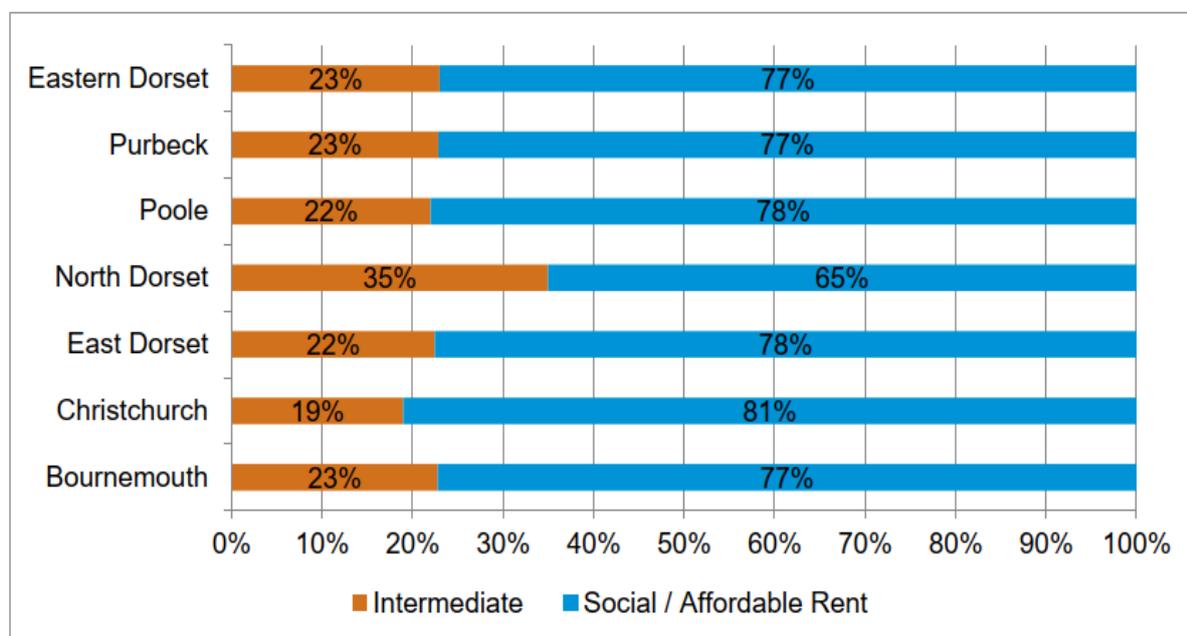
104. The starting point for understanding the need for affordable housing in Sturminster Marshall is the relevant Strategic Housing Market Assessment (SHMA). A SHMA was undertaken for the Eastern Dorset housing market area in 2012 and subsequently updated in 2015. This study estimates the need for affordable housing in the District based on analysis of Council waiting lists and analysis of other data sets in line with Planning Practice Guidance at the time. Table 82 of the SHMA Update (replicated below as Figure 4-3) sets out the estimated level of Housing Need (per annum) in the HMA.

Figure 4-3 Estimated level of Housing Need (per annum), SHMA Update 2015

Area	Backlog need	Newly forming households	Existing households falling into need	Total Need	Supply	Net Need
Bournemouth	129	954	283	1,366	407	958
Christchurch	13	197	35	245	55	191
East Dorset	18	277	50	346	83	263
North Dorset	17	185	95	296	150	146
Poole	53	659	160	872	212	660
Purbeck	15	157	40	212	63	149
Eastern Dorset	245	2,428	663	3,336	969	2,367

105. The SHMA identifies the need for 263 additional affordable homes each year in East Dorset as a whole. Table 92 of the SHMA Update (replicated below as Figure 4-4) shows the balance of need for intermediate housing products, and for social/ affordable rented homes.

Figure 4-4: Need for Different Types of Affordable Housing, SHMA Update 2015



106. This need is largely for social/affordable rent as it relates to households who live in unsuitable housing and who cannot afford to access market rents. A small proportion of these households may be able to afford shared ownership because in some cases it is more affordable than market rents, especially when available at a share of 25%.

107. Overall, the SHMA suggests an appropriate policy approach would seek a mix of affordable housing provision on new developments where 25% is intermediate housing and 75% is social or affordable rented homes for the majority of the HMA (including East Dorset).

108. When the SHMA figures are pro-rated to Sturminster Marshall based on its fair share of the population (2.26% of the East Dorset's population), this equates to the following need for affordable homes per annum over the Neighbourhood Plan period (2023-2038):

- 89.1 total affordable home need (5.94 per annum), of which
 - 22.3 homes for intermediate / affordable ownership (1.49 per annum)
 - 66.8 homes for social / affordable rent (4.45 per annum)

109. The SHMA based figure of 89.1 affordable dwellings is close to figure calculated from 35% of the overall minimum housing allocation for Sturminster Marshall of 250 dwellings as identified in the Local Plan options consultation for East Dorset District Council (i.e. approximately 88 dwellings). This should be achievable as it corresponds with the planning policy approach set out in the adopted Local Area Plan and the East Dorset Local Plan Review Options Consultation.

110. However, pro-rating District level estimates of affordable housing need to rural areas presents problems in practice. The District level figures are likely to represent higher needs in the urban areas of the District where there is a large social housing stock and larger numbers of households living in the PRS on housing benefit. Both of these factors tend to generate higher needs. By contrast, in rural villages like Sturminster Marshall the lack of social housing means there is no need generated from households already living in the sector. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing).

111. Data from Dorset Council suggests there are currently 10 households on the affordable housing register with a local connection and/or preference for Sturminster Marshall, broken down as following:

- Couple/single requiring one bedroom 4 households
- Family requiring two bedrooms 6 households
- **Total** **10 households**

112. Similarly, some 12 of the responses (3.8%) of the household survey returns indicated that they would be looking for an affordable home (either rent from a Housing Association / Trust (affordable rented), part buy / part rent from a Housing Association / Trust (shared equity) or to buy at a discounted rate (affordable home ownership) in the next 5 – 10 years. Extrapolating this evidence based on the sample size of the survey, suggests need of about 30 – 35 affordable homes, although this should be viewed with caution as it is not necessarily the case that a similar proportion of survey responders need affordable housing as the wider population.

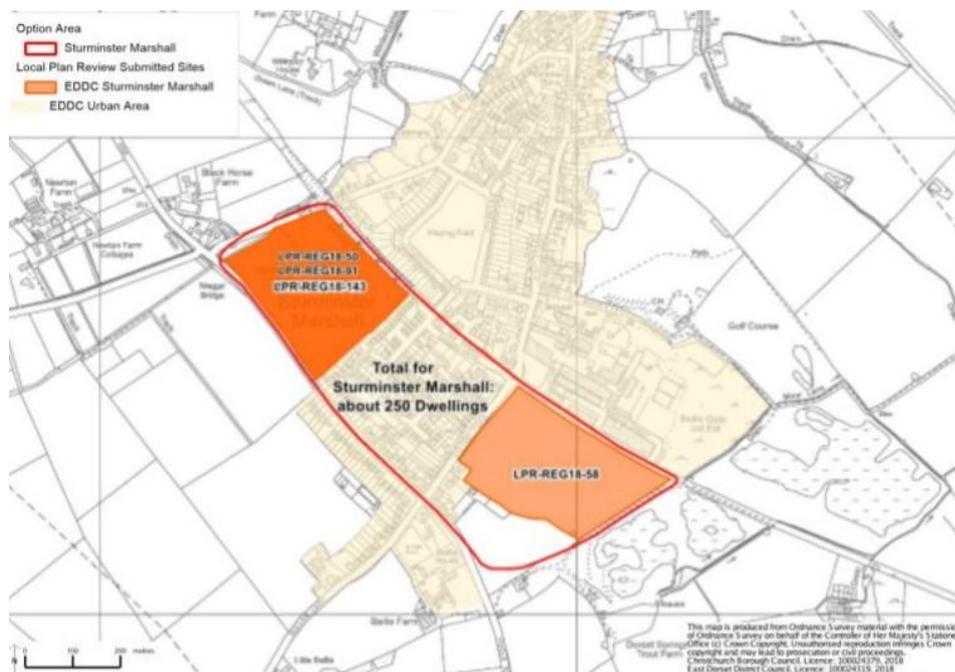
4.5.1 Affordable Housing Policies in Sturminster Marshall

113. The Neighbourhood Plan may wish to develop policies in relation to the delivery of Affordable Housing within Sturminster Marshall. As previously set out, Dorset County are currently preparing to carry out an Options Consultation on their new Local Area Plan in January 2021. In the meantime we have to turn to planning policy from the preceding East Dorset Council to provide an indication of the likely policy direction we can expect in the Dorset Council Local Plan.

114. East Dorset's Local Plan policy in relation to Affordable Housing delivery requires 50% of all new homes on greenfield sites of over 10 dwellings or more than 1000sqm floorspace to be delivered as Affordable Housing (Adopted Policy LN3 and Draft Policy 4.17). All other residential development on sites of over 10 units or more than 1,000sqm floorspace is to provide up to 40% of the residential units as affordable housing.

115. If the two greenfield sites to the south of Sturminster Marshall identified for housing development in Draft Policy 5.36 of the previous Options Consultation proposals were to be included in the new Local Plan, these could provide a minimum of 250 dwellings (see Figure 4-5). These sites are within the South East Dorset Green Belt, and as such their release for general housing needs is a strategic matter.

Figure 4-5 Sites Identified for Residential Development



116. Residential development on these two sites would comprise large scale proposals (i.e. more than 10 units). As previously set out, Local Policy requires 50% of all new homes on greenfield sites of over 10 dwellings or more than 1000sqm floorspace to be delivered as Affordable Housing. The implementation of this policy would enable a substantial provision of Affordable Housing to be delivered within the neighbourhood area, providing at least 125 affordable homes. For this reason, there may be no requirement for the neighbourhood group to identifying further sites specifically for the provision of affordable housing to meet local needs. However, we recommend the neighbourhood group continue to liaise with the LPA with regard to the likely policies in the emerging Local Area Plan for Dorset Council.
117. Note, however, that the Government's August 2020 consultation proposals for 'Changes to the current planning system' include a temporary measure to lift the small sites threshold. This would mean that developers would not need to contribute to Affordable Housing on sites of up to 40 or 50 units. This represents a significant increase on the threshold sought in the Local Plan (cited above), and therefore may reduce the delivery of Affordable Housing on normal development sites during the temporary period in which it applies.
118. It is expected that this temporary period will be short and, being introduced to combat the economic impacts of Covid-19 on small builders, may have already elapsed by the time the Neighbourhood Plan is made. Nevertheless, it could have an impact on Affordable Housing delivery in the short term, and warrants the attention of the neighborhood planners as the Government consultation proceeds. For more detail on this proposal in relation to the overall quantity of housing expected in the NA during the Plan period and a link to the consultation document, see the 'Quantity of housing to provide' section at the start of this report (section 2.2.3).
119. The neighbourhood group may also wish to develop policies on the mix of Affordable Housing delivered in Dorset Council. It is not the role of the HNA to develop policy, as there are a wider set of factors which apply and need to be considered by the neighbourhood planners. However, the following evidence and considerations may be used as a starting point in the development of policy. On the balance of the evidence in this HNA, AECOM set out a judgement on the starting point for an appropriate tenure mix in Sturminster Marshall.

- A. **Evidence of need for Affordable Housing:** The SHMA estimate of the potential demand for affordable home ownership options suggest there may be a need for these homes in Sturminster Marshall to address the aspirations of households who can rent but can't buy. The SHMA identifies a potential total demand for Affordable Housing of approximately 89 homes over the plan period, although local evidence suggests this may be lower given the more rural nature of the parish.

Census data indicates there is limited Affordable Housing (either to rent or for sale) within the NA at present. This suggests that some provision of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.

- B. **Can Affordable Housing needs be met in full?** The Housing Requirement Figure HRF for NA is 250 dwellings. East Dorset's Local Area Plan requires 35% of the overall housing provision to be affordable. If Sturminster Marshall was to meet its share of the need for Affordable Housing established by East Dorset's Local Area Plan this would imply a need for approximately 88 (250 * 35%) homes over the plan period. This level of housing delivery is similar to the need identified in the SHMA and higher than that suggested by extrapolating the household survey. We must also consider the additional affordable housing requirement set out in East Dorset's Local Area Plan for 50% affordable units on greenfield sites of over 10 dwellings or more than 1000sqm floorspace. Proposals on the two large greenfield sites identified to provide a minimum of 250 dwellings in Sturminster Marshall are likely to trigger this 50% requirement. Therefore, it is reasonable to expect that the affordable housing needs can be met in full within the NA, subject to the release of large greenfield sites from the Green Belt.
- C. **Government policy (eg NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA there is some evidence that going beyond the 10% threshold in Sturminster Marshall may prejudice the provision of much needed affordable rented homes, depending on which tenure split is followed. . Adopted policy sets out that 35% of homes should be affordable, applying the SHMA tenure split (75/25) suggests that 26.25% of homes should be affordable home ownership products, whilst 8.75% should be affordable rented. In this scenario going beyond the 10% threshold in Sturminster Marshall would prejudice the provision of affordable rented homes. Whereas, applying the Local Policy tenure split (70/30) suggests that 24.55% of homes should be affordable home ownership products, whilst 10.5% should be affordable rented.
- The August 2020 proposals relating to First Homes convey the Government's intention to require that 25% of all Affordable Housing is delivered as First Homes. The 25% First Homes requirement is likely to displace other affordable home ownership products in the first instance. Those affordable home ownership products providing the lowest discount should be displaced first. However, affordable rented products may also be affected depending on the tenure mix sought (i.e. if more than 75% of affordable housing is intended as affordable rent, this would need to be reduced to a maximum of 75% affordable rent so that First Homes can constitute 25% of all affordable housing). As yet, it is unclear whether there will be any flexibility over this 25% requirement to take account of local circumstances.
- D. **Local Plan policy:** East Dorset's adopted Policy LN3 (and draft Policy 4.17) states the mix of affordable housing units should reflect local housing needs identified in the latest SHMA. The policy sets out tenure split should normally allow for 30% intermediate housing, with 70% being affordable rented or social rented.
- E. **Emerging policy:** the Government is currently consulting on the introduction of First Homes (to provide at least 30% discount on new build home prices). The most recent consultation outlines the Government's intention to require that a minimum of 25% of all Affordable Housing secured through developer contributions should be first homes²³. The outcome of this consultation and the policy which emerges may shape the provision of different forms of Affordable Housing on new development sites, and the neighbourhood group will need to keep this emerging policy in mind when developing its Neighbourhood Plan policies.
- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site specific level. Viability issues are recognised in the Council's adopted/emerging Local Plan and it is acknowledged that higher, untested levels of affordable housing may affect the provision of affordable housing and/or the mix of tenures provided. Viability can also be assisted by the availability of funding to support the delivery of different forms of Affordable Housing at a particular point in time or on any one site. The neighbourhood group may wish to keep this in mind (potentially as a project) so that it can take up any opportunities to secure funding if they become available.
- G. **Wider policy objectives:** the neighbourhood group may wish to take account of broader policy objectives for Sturminster Marshall and/or the wider District, such as the impact of new housing on infrastructure and services.

120. Table 4-4 overleaf provides two alternative scenarios for the tenure mix of Affordable Housing in Sturminster Marshall. Note that we assume, in accordance with current practice, that most Affordable Housing will be brought forward through

²³ The original proposals are available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/864265/First_Homes_consultation_document.pdf. The latest proposals are available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>. Note that the latest proposals are not final, and could potentially be subject to further change.

developer contributions. If the neighbourhood planners are considering delivering Affordable Housing through other means, the national policy requirements reflected here may not apply.

121. The first scenario (Mix 1 – Indicative mix based on local needs) most closely reflects local needs in Sturminster Marshall as identified in the HNA evidence. Whilst East Dorset’s Local Plan establishes a tenure split of 30% intermediate housing to 70% affordable /social rented; we recommend Mix 1 follow the 25:75 split identified in the SHMA as this better reflects the acute affordability issues present in the neighbourhood area. We have also broken down affordable ownership into its component parts based on the analysis of affordability thresholds (presented in Figure 4-2). We have recommended a higher proportion of shared ownership (particularly at 25% level) as it is considered the most affordable tenure as it is more affordable than discounted market sale unless large discounts (of 50% of sale prices) can be secured. If this is possible, discounted market housing (eg First Homes) is comparable, in terms of affordability, with shared ownership at a 25% share.
122. The second scenario (Mix 2 – Indicative mix with 25% First Homes requirement) is aligned with the direction of travel in the Government’s most recent policy proposals, in which it is intended that 25% of all Affordable Housing will be required to be provided as First Homes. The overall proportion of affordable home ownership is also slightly increased to allow for a small quantity of shared ownership to still be delivered because this was found to be particularly suitable in Sturminster Marshall (a recommendation that might also be disregarded in line with community priorities). This outcome is more likely than the first scenario, because the Government proposals are at an advanced stage of development. However, this is proposed here as one of two alternative scenarios in case the First Homes policy proposals do not progress. Given that First Homes have been found to be generally not affordable to local people in Sturminster Marshall (at 30% discount), if the Government proposal requiring 25% First Homes does not come forward as currently proposed, it is recommended that the neighbourhood planners revert to the other indicative mix as their starting point for policy development in this area. Another way to achieve this would be to attempt to direct the first homes ‘share’ to smaller house types that would be more affordable.
123. Note also that the Government proposals state that if First Homes are required at 25% of Affordable Housing that comes forward through developer contributions and this results in displacing other tenures within the affordable mix, the tenure products providing the lowest effective discount should be displaced in the first instance. In this case, rent to buy has been displaced completely, as the target customers for this tenure may be better suited to affordable rented tenures. Shared ownership has been displaced to 5%, whilst 5% of affordable rented homes has been replaced by First Homes (in effect to allow for continued provision of 5% shared ownership). The overall 70 / 30 split also aligns with the tenure split established in the East Dorset Local Plan.
124. Where the neighbourhood planners wish to develop policy that requires a different mix to that set out in the Local Plan, it is important that they liaise with the LPA to gather more detailed income and viability information, and to ensure that departures from the district-level policy context have the LPA’s support. Liaising with the LPA will be particularly important where the Local Plan tenure split can be expected to be adjusted in light of the latest Government proposals, to ensure that the Neighbourhood Plan’s approach in reflecting these changes is in line with the LPA approach. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-size circumstances in addition to this evidence.
125. AECOM cannot provide guidance on the appropriate share of social/affordable rented homes as this will depend on the level of funding available to housing associations which will determine at what level rents can be set. Registered providers (eg housing associations) may be reluctant to deliver small numbers of homes where there are ongoing management costs involved. For this reason, the proportion of rented homes which can be secured may depend on the willingness of local housing association to maintain and manage small numbers of homes.
126. Mix 2 put forward overleaf aligns as closely as possible with emerging Government policy as currently proposed. If those proposals do not go forward, the recommended starting point for the tenure mix in the NA will be Mix 1 overleaf. However, the considerations detailed above will remain relevant for determining a more appropriate mix in the light of national policy changes or other unexpected developments.
127. These tenure mixes should be considered a guideline for the ideal mix of tenures to be delivered within the NA, but may not represent sufficient justification to be enforced precisely through a Neighbourhood Plan policy. The extent to which different products are prioritised will depend on the wider considerations (eg viability) and emerging Government requirements.

Table 4-4: Indicative tenure split (Affordable Housing)

Tenure	Mix 1. Indicative mix based on local needs	Mix 2. Indicative mix with 25% First Homes requirement	Considerations and uncertainties
Routes to home ownership, of which	25%	30%	Government proposing min 25% requirement for First Homes. Uncertainty over extent of requirement until policy finalised.
First Homes ²⁴	5%	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc
Shared ownership	15%	5%	Proposed changes to the model to allow purchases of 10% share ²⁵ - impact on viability unknown RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to buy	5%	0%	Emerging product with popularity and effectiveness as yet unknown Impact of displacement by First Homes unknown
Affordable Housing for rent, of which	75%	70%	
Social rent	To be set by Registered Providers	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area Uncertain whether RPs willing to own/manage stock in this area
Affordable rent	To be set by Registered Providers	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area

Source: AECOM calculations

- 128. Assuming that the Government’s proposal that 25% of all affordable Housing should be First Homes is formalised, the neighbourhood group will need to take account of how this could impact on affordable housing polices (particularly the tenure mix) in the Neighbourhood Plan. The evidence gathered here suggests that this proposal could impact the ability of Sturminster Marshall to accommodate those with the most acute needs, if the full expected quantity of housing supply is not delivered, as the proportion of affordable rental tenures would need to be reduced to accommodate 25% first homes with some shared ownership.
- 129. However, the neighbourhood planners should note that the First Homes product has not been formally implemented, and should await the outcome of the Government consultation.

4.6 Conclusions- Tenure and Affordability

- 130. As seen at higher level geographies, home ownership represents the single largest tenure in Sturminster Marshall. The proportion of home ownership in Sturminster Marshall is slightly higher than that found in the wider county, but lower than average for East Dorset. The Shared Ownership sector is very limited in Sturminster Marshall, with just one household (0.1%) living in a Shared Ownership tenure at the time of the Census.
- 131. Sturminster Marshall has a significantly lower proportion of social rented households compared to the rates in Dorset and England, although it is slightly higher than the East Dorset average. The proportion of market private rentals in Sturminster Marshall is 13.1%, slightly lower than the private rented total for Dorset of 13.3%, but higher than the rest of East Dorset.
- 132. During the intercensal period, the proportion of owned and rented properties grew in Sturminster Marshall, at a higher rate than seen in Dorset. The proportion of social rented properties also grew in the neighbourhood area albeit at a lesser rate than experienced in the county. The number of shared ownership properties declined in Sturminster Marshall by 66.7%, contrasting the growth seen in Dorset.
- 133. Sturminster Marshall has experienced considerable fluctuations in house prices between 2010 and 2019. Overall, the mean house price rose by 19.14%, lower quartile price by 16.44% and median prices by 14.76%. Detached properties

²⁴ In the event that the First Homes product does not go forward at all, the proportion of Affordable Housing allotted to First Homes in Mix 1 could be re-allocated to discounted market sales housing if this is available at broadly equivalent discounts, or to other forms of affordable home ownership also recommended in the table.

²⁵ <https://www.gov.uk/government/news/jenrick-unveils-huge-12-billion-boost-for-affordable-homes>

are more expensive than other house types on average. Between 2010 and 2019, terraced homes experienced the largest growth at 31.5%, followed by semi-detached at 10.1%. Detached homes experienced the largest growth at 22.27%, followed by terraced at 16.37%. Semi-detached properties experienced a more modest rate of growth at 10.43%. In terms of flats, only one transaction was recorded over the entire period (in 2014). This is perhaps unsurprising as there were only 19 flats existing in Sturminster Marshall in 2011.

134. The typical value of an 'entry level dwelling' at the current time is £303,750. In comparison, typical rents are £10,500 per year for a 2 bedroom property.
135. It is apparent that the income required to buy an average market home for sale (£84,214) is considerably higher than what would be expected to be available to those on mean household incomes (£49,800). Likewise, the income required to buy an average entry-level home for sale (£78,107) is also higher than what those on mean household incomes can afford. Entry-level homes are therefore well out of the price range of those on lower quartile household earnings.
136. In Sturminster Marshall a 30% discount on average prices (as envisaged in the First Homes product) would not be sufficient to extend home ownership to households on median incomes. A discount 48% on average new build market homes would be appropriate for those on mean incomes. Whilst a discount of 36% would be required for entry level sale prices, however, it is unlikely that new homes would be built at these prices.
137. The mean income (£49,800) is just below the purchasing threshold for Discounted Market Sale at -40% (£50,529). The discount on the average market sale price required to enable households on mean incomes to afford to buy is 41%. Shared ownership at the 25% level has the greatest potential to extend homeownership to those on mean incomes. Whilst none of the discounts/ products appear to have potential to extend homeownership to those on lower quartile incomes.
138. Average market rents are affordable for those on mean incomes but are not affordable for those on lower quartile incomes. Rent to Buy therefore represents a viable route to affordable home ownership to those on mean incomes, however, is likely to be out of reach to those on lower quartile incomes.
139. The inability of those on lower quartile earnings to afford entry-level market rents, suggests that affordable and social rents are necessary to help those in most urgent need. The data would suggest affordable and social rents are largely unaffordable for those in single earning lower quartile households. However, it's important to caveat that the lower quartile earning data does not reflect housing benefits or other forms of financial assistance. For this reason, it is possible that many lower quartile households would also be able to meet their housing needs in privately rented rooms in shared houses using housing benefit.
140. When the SHMA affordable housing figures are pro-rated to Sturminster Marshall based on its fair share of the population, this equates to a need for approximately 5.94 new affordable homes each year in Sturminster Marshall – approximately 89 in total over the plan period (rounded). If Sturminster Marshall was to meet its share of the need for Affordable Housing established by East Dorset's Local Area Plan, this would imply a need for approximately 88 (250 * 35%) homes over the plan period.
141. Data from Dorset Council suggests there are currently 10 households on the affordable housing register with a local connection and/or preference for Sturminster Marshall. Similarly, some 12 of the responses (3.8%) of the household survey returns indicated that they would be looking for an affordable home (either rent from a Housing Association / Trust (affordable rented), part buy / part rent from a Housing Association / Trust (shared equity) or to buy at a discounted rate (affordable home ownership) in the next 5 – 10 years. Extrapolating this evidence based on the sample size of the survey, suggests need of about 30 – 35 affordable homes, although this should be viewed with caution as it is not necessarily the case that a similar proportion of survey responders need affordable housing as the wider population.
142. If the two greenfield sites to the south of Sturminster Marshall identified for housing development in Draft Policy 5.36 of the previous Options Consultation proposals were to be included in the new Local Plan, these could provide a minimum of 250 dwellings (see Figure 4 5). These sites are within the South East Dorset Green Belt, and as such their release for general housing needs is a strategic matter.
143. Residential development on these two sites would comprise large scale proposals (i.e. more than 10 units). As previously set out, Local Policy requires 50% of all new homes on greenfield sites of over 10 dwellings or more than 1000sqm floorspace to be delivered as Affordable Housing. The implementation of this policy would enable a substantial provision of Affordable Housing to be delivered within the neighbourhood area, providing at least 125 affordable homes. For this reason, there may be no requirement for the neighbourhood group to identifying further sites specifically for the provision of affordable housing to meet local needs.
144. The SHMA suggests an appropriate policy approach would seek a mix of affordable housing provision on new developments where 25% is intermediate housing and 75% is social or affordable rented homes, whereas, East Dorset's

Local Plan establishes a tenure split of 30% intermediate housing to 70% affordable /social rented. We recommend following the 25:75 split identified in the SHMA as this split better reflects the acute affordability issues present in the neighbourhood area.

145. Table 4-6 below summarises Sturminster Marshall's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation, and shows the quantities of affordable housing for rent and sale that would be delivered if each of the tenure mixes proposed in this HNA were rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighborhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.
146. Note that this table assumes that most or all of the expected housing delivery in the NA will take place after the Government's proposal to temporarily lift the site size threshold for Affordable Housing has ended. If that period extends beyond the date on which the Neighbourhood Plan is made and also influences the rate of Affordable Housing delivery on relevant development sites, the quantity of Affordable Housing to be provided in the NA during the Plan period may be lower than the estimate below.

Table 4-6 Estimated delivery of Affordable Housing in Sturminster Marshall

	Step in Estimation	Mix 1 based on local needs	Mix 2 with 25% First Homes requirement
A	Provisional capacity figure	250	250
B	Affordable housing quota (%) in LPA's Local Plan	35%	35%
C	Potential total Affordable Housing in NA (A x B)	87.5	87.5
D	Rented % (e.g. social/ affordable rented)	75%	70%
E	Rented number (C x D)	65.6	61.3
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	25%	30%
G	Affordable home ownership number (C x F)	21.9	26.3

Source: AECOM estimate based on LPA's affordable housing policies, AECOM's indicative tenure mix

147. It is reasonable to expect that the affordable housing needs identified in the SHMA can be met in full within the NA through implementation of the implementation of existing local planning policy. However, it is recognised that Dorset Council are preparing a Local Area Plan. We therefore recommend the neighbourhood group liaise with Dorset Council to establish whether this affordable housing requirement policy will be carried forward into the emerging Local Area Plan.
148. It is not recommended that the Local Plan policy requirement be exceeded in the neighbourhood plan because such steps are rarely accepted by planning inspectors on the grounds that an extremely high standard of justification is required which goes beyond the scope of this HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could, furthermore, have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.
149. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy, and implemented by the LPA. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all tried and tested ways of boosting the supply of affordable housing above the minima indicated by Local Plan policy.

5. RQ 2: Type and Size

RQ 2: What type (terrace, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?

5.1 Introduction

150. The Sturminster Marshall Neighbourhood Plan may benefit from the inclusion policies informed by evidence on what sizes and types of housing would be best suited to the local community. This will help ensure that future developments give local people options within the housing market at all stages of life.
151. PPG recommends a consideration of the existing housing provision and its suitability, having regard to demographic shifts in age and household composition, to address future, as well as current community need. For this reason, we firstly consider the type and size of the existing housing stock in Sturminster Marshall. Demographic shifts in age and household composition will then be considered. Finally, the future demand for housing by size and type is determined by the way different household types currently occupy their dwellings in the Local Authority, and then applying demographic projections of how the Neighbourhood Plan area population is likely to change by the end of the Plan period.

5.2 Existing types and sizes

5.2.1 Background and definitions

152. Before beginning our consideration of dwelling type and size, it is important to understand how different types of households occupy their homes. Crucially, and unsurprisingly, household ‘consumption’ of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth, income, and age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability.
153. In this context, even smaller households (those with fewer than three inhabitants) may be able to choose to live in larger homes than they require, and would be defined in Census terms as under-occupying their homes. This is a natural feature of the housing market, and can distort considerations of future housing needs, with market dynamics and signals giving a very different picture to demographics, household type and size.
154. In order to understand the terminology surrounding dwelling size analysis, it is important to note that the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls. Dwelling size data is collected by determining the number of rooms being occupied by each household. In the section that follows, ‘dwelling sizes’ can be translated as follows²⁶:
- 1 room = bedsit
 - 2 rooms = flat/house with one bedroom and a reception room/kitchen
 - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
 - 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
 - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
 - 6 rooms = house with 3 bedrooms and 2 reception rooms and a kitchen, or 4 bedrooms and one reception room and a kitchen
 - 7+ rooms = house with 4 or more bedrooms
155. It is also useful to clarify the Census terminology around dwellings and households spaces. These can be confusing where different terminologies such as flats, apartments, shared and communal dwellings, and houses in multiple occupation, are used. Dwellings are counted in the Census by combining address information with Census returns on whether people’s accommodation is self-contained.²⁷ As such, all dwellings are classified into either “shared” or “unshared” dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.
156. The key measure of whether a dwelling is shared or unshared relates to the Census’ definition of a household. A household is defined as “One person living alone or a group of people (not necessarily related) living at the same

²⁶ At <https://www.nomisweb.co.uk/census/2011/qs407ew>

²⁷ At <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

address who share cooking facilities and share a living room or sitting room or dining area.”²⁸ On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

5.2.2 Dwelling type

157. The 2011 Census shows that there were 744 households in Sturminster Marshall, living in 433 detached houses, 202 semi-detached houses, 90 terraced houses, and 19 flats. Compared with the Dorset County, Sturminster Marshall is characterised by a significantly high proportion of detached properties (although not quite as high as the average for East Dorset). Sturminster Marshall also has a higher proportion of semi-detached properties compared to Dorset County, albeit at a lower proportion to the national average. Finally, Sturminster Marshall has lower proportions of terraced properties and a particularly low level of flats and apartments compared to the local and national levels (see Table 5-1 below).

Table 5-1: Accommodation type (households), Sturminster Marshall 2011

Dwelling type		Sturminster Marshall	East Dorset	Dorset County	England
Whole house or bungalow	Detached	57.1%	60.5%	40.6%	22.4%
	Semi-detached	26.6%	15.6%	22.1%	31.2%
	Terraced	11.9%	9.5%	19.7%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	0.7%	10.1%	12.3%	16.4%
	Parts of a converted or shared house	1.3%	1.1%	2.9%	3.8%
	In commercial building	0.5%	0.8%	1.2%	1.0%

Source: ONS 2011, AECOM Calculations

5.2.3 Dwelling size

158. Table 5-2 overleaf sets out the distribution of the number of rooms by household space. The housing stock in Sturminster Marshall is characterised by a greater proportion of larger properties when compared to Dorset County. The total proportion of large dwellings (five rooms+) in Sturminster Marshall is 87.1%, compared to 72.0% found in Dorset County and 76% in East Dorset. By contrast, the total proportion of small properties (one - four rooms) in the NA is 12.9%, compared to 28.0% in the wider County. Five room houses exist at a greater share than any other size of dwelling at both geographies, and 7+ room properties represent a combined share of 45%, more than 10% above the East Dorset or Dorset County shares.

²⁸ Ibid.

Table 5-2: Number of rooms per household in Sturminster Marshall, 2011

Number of Rooms	2011	2011	2011
	Sturminster Marshall	East Dorset	Dorset County
1 Room	0.0%	2.2%	0.3%
2 Rooms	0.4%	11.4%	1.9%
3 Rooms	1.7%	44.5%	7.5%
4 Rooms	10.7%	162.6%	18.3%
5 Rooms	21.2%	220.1%	23.8%
6 Rooms	19.7%	174.4%	19.6%
7 Rooms	17.4%	122.1%	12.1%
8 Rooms or more	13.9%	89.5%	8.0%
9 Rooms or more	15.0%	2.2%	8.5%

Source: ONS 2011, AECOM Calculations

159. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. The greatest change from the 2001 Census findings is that growth in three and seven room households which both grew by 44.4%, more than double the rate of increase seen at the county level – although this represented growth of only 4 3 room dwellings, but 40 7 room dwellings. There was no change in the proportion of one and two room households in Sturminster Marshall, compared to Dorset County which experienced a decline in one room households and a growth in two room households. Households of four and six rooms experienced a reduction in Sturminster Marshall over the census period. The key finding is the combined growth of 72 7+ bedroom homes – accounting for almost all of the (net) increase.

Table 5-3: Rates of change in number of rooms per household in Sturminster Marshall, 2001-2011

Number of Rooms	Sturminster Marshall %		East Dorset %	Dorset County %
1 Room	0.0%	0 to 0	-26.4%	-27.3%
2 Rooms	N/A	0 to 3	7.9%	13.0%
3 Rooms	44.4%	9 to 13	14.2%	19.8%
4 Rooms	-11.1%	90 to 80	-5.4%	-2.8%
5 Rooms	3.9%	152 to 158	-9.0%	-4.6%
6 Rooms	-0.7%	148 to 147	12.2%	8.4%
7 Rooms	44.4%	90 to 130	13.0%	20.7%
8 Rooms or more	11.3%	194 to 226	26.1%	27.0%

Source: ONS 2001-2011, AECOM Calculations

160. Returning to the most recent Census data, it is also useful to compare the figures for number of rooms with figures for the number of bedrooms for each household. Table 5-4 overleaf summarises the proportion of households occupying each size of home in terms of the number of bedrooms. This data shows that Sturminster Marshall significantly lags behind Dorset County and England in terms of smaller dwellings with two bedrooms or fewer. The number of three-bedroom houses is also lower in Sturminster Marshall, albeit at a more comparative level to Dorset County and England. Sturminster Marshall exhibits significantly higher proportions of larger properties with four or more bedrooms compared to the local and national level.

Table 5-4: Number of bedrooms in household spaces in Sturminster Marshall, 2011

Bedrooms	Sturminster Marshall		East Dorset		Dorset County		England	
All categories: no. of bedrooms	747	100.0%	37,564	100.0%	180,213	100.0%	22,063,368	100.0%
No. bedrooms	0	0.0%	58	0.2%	343	0.2%	54,938	0.2%
1 bedroom	19	2.5%	2,117	5.6%	15,687	8.7%	2,593,893	11.8%
2 bedrooms	142	19.0%	10,242	27.3%	51,104	28.4%	6,145,083	27.9%
3 bedrooms	301	40.3%	14,971	39.9%	73,400	40.7%	9,088,213	41.2%
4 bedrooms	223	29.9%	7,888	21.0%	30,476	16.9%	3,166,531	14.4%
5 or more bedrooms	62	8.3%	2,288	6.1%	9,203	5.1%	1,014,710	4.6%

Source: ONS 2011, AECOM Calculations

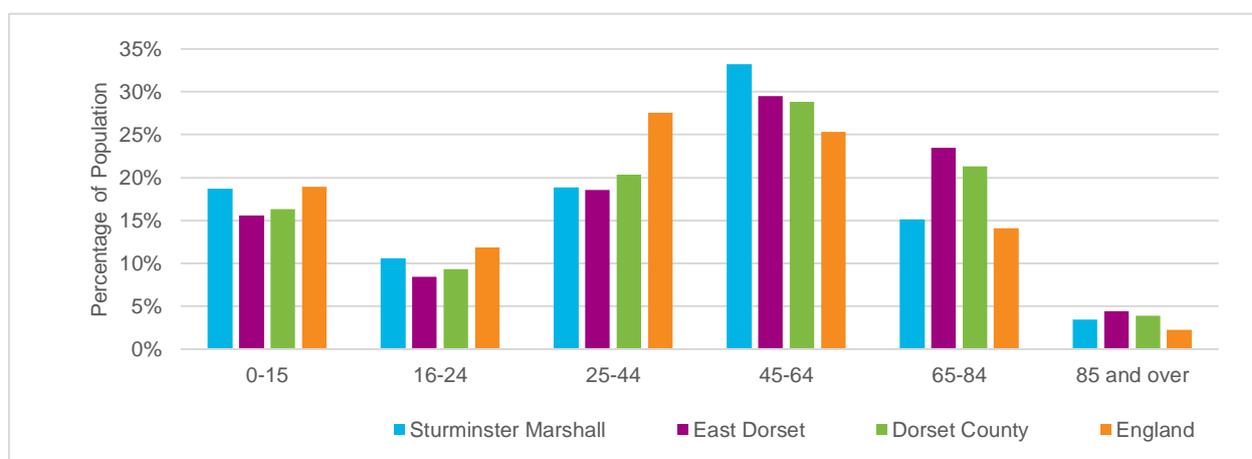
5.3 Household composition and age structure

161. Having established the current stock profile of Sturminster Marshall and identified recent changes in its composition, the evidence assembled below examines the composition and age structure of households in the 2011 Census and in future years. Through a consideration of the types of households projected to form over the Neighbourhood Plan period, and the mix of age groups suggested by demographic projections, it becomes possible to consider the type and size of housing needed in the Neighbourhood Plan area by the end of the planning period.

5.3.1 Age structure

162. The 2011 Census data reveals that Sturminster Marshall has a relatively young population compared to the wider county (see Figure 5-1 below). Sturminster Marshall has a larger population of those aged between 0-15 and 16-24 than Dorset County, although Dorset has a higher proportion of those 25-44. The 45-64 age band represent the largest single group in Sturminster Marshall, at a significantly higher rate than the wider geographies. Sturminster Marshall has a lower proportion of people in the 65-84 and 85 and over age groups compared to Dorset County.

Figure 5-1: Age structure in Sturminster Marshall, 2011



Source: ONS 2011, AECOM Calculations

163. In terms of the changing age structure of the Neighbourhood Plan area population, Census data shows that since 2001 the NA population has increased in all but two age groups (see Table 5-5 overleaf). The rates of decline in the 0-15 and 25-44 age groups in Sturminster Marshall were significantly greater than the declines experienced at the wider county

level. The 16-24 group experienced the largest growth of any age group in Sturminster Marshall, at a significantly higher rate than the growth recorded in the same age group in Dorset County. The 45-64 age group also experienced a greater rate of growth compared to East Dorset and Dorset, whilst the 65-84 and 85 and over groups experienced a lower comparative rate of growth in Sturminster Marshall.

Table 5-5: Rate of change in the age structure of Sturminster Marshall population, 2001-2011

Age group	Sturminster Marshall	East Dorset	Dorset County	England
0-15	-15.4%	-4.9%	-3.6%	1.2%
16-24	43.2%	18.0%	18.2%	17.2%
25-44	-20.0%	-12.9%	-9.5%	1.4%
45-64	26.3%	9.7%	14.1%	15.2%
65-84	8.8%	10.4%	11.2%	9.1%
85 and over	19.3%	42.9%	31.5%	23.7%

Source: ONS 2001-2011, AECOM Calculations

5.3.2 Household composition

164. Household composition (i.e the mix of adults and children in a dwelling) is a critical factor in driving the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.
165. In assessing Census data on household composition, we see that Sturminster Marshall differs from East Dorset and Dorset in that there are fewer one-person households and a high number of one-family households (Table 5-6). These families are younger than their counterparts across Dorset, and are more likely in particular to have dependent and non-dependent children. There is also a significant cohort of families without children.
166. Note that non-dependent children refer to households in which adult children are living at home, or students still call their primary residence despite living for most of the year near to university. This category can often indicate the relative unaffordability of entry-level homes in an area as many such young people may wish to move out and form their own households if they were financially able.

Table 5-6: Household composition (by household), Sturminster Marshall, 2011

Household composition		Sturminster Marshall	East Dorset	Dorset County	England
One person household	Total	19.4%	26.1%	29.8%	30.2%
	Aged 65 and over	11.2%	16.6%	16.7%	12.4%
	Other	8.2%	9.5%	13.2%	17.9%
One family only	Total	74.4%	68.9%	65.0%	61.8%
	All aged 65 and over	10.3%	16.9%	13.9%	8.1%
	With no children	24.9%	20.1%	20.0%	17.6%
	With dependent children	28.1%	22.2%	22.1%	26.5%
	All children Non-Dependent ²⁹	11.1%	9.6%	8.9%	9.6%
Other household types	Total	6.2%	5.0%	5.2%	8.0%

Source: ONS 2011, AECOM Calculations

167. Again, it is relevant to consider rates of change in this indicator during the period between Censuses. Between 2001 and 2011, the proportion of one person households in Sturminster Marshall increased at a significantly greater rate than across Dorset and England (see Table 5-7). The proportion of those aged over 65 within one person households increased by 27.3% in Sturminster Marshall, compared to the modest 1.2% growth seen at the county level.

²⁹ Refers to households containing children who are older than 18 e.g. students or young working people living at home.

168. Sturminster Marshall experienced a similar rate of growth in the one family households compared to Dorset. Within this household type those aged 65 and over decreased in the neighbourhood area by 20.6%, compared to a modest decrease of 1.1% seen in Dorset, but in contrast the number of single person households of people aged 65 and over grew by 27.3%. Those with dependent children also fell in Sturminster Marshall by 9.1% (which also reflects the decline in children in the 0 – 15 age range), contrasting the modest 1.0% growth at the county level. Sturminster Marshall experienced significant growth in families with no children and families with all children non-dependent (the latter reflected in the increase in young adults in the 16 – 24 age range), compared to the local and national levels. Sturminster Marshall experienced a small growth in 'other household types' of 2.2%, compared to the growth of 21.1% seen in Dorset.

Table 5-7: Rates of change in household composition, Sturminster Marshall, 2001-2011

Household composition		Sturminster Marshall	East Dorset	Dorset County	England
One person household	Total	26.1%	9.8%	11.1%	8.4%
	Aged 65 and over	27.3%	2.8%	1.2%	-7.3%
	Other	24.5%	24.7%	26.9%	22.7%
One family only	Total	4.7%	2.6%	4.6%	5.4%
	All aged 65 and over	-20.6%	-1.5%	-1.1%	-2.0%
	With no children	28.3%	2.6%	7.3%	7.1%
	With dependent children	-9.1%	-0.9%	1.0%	5.0%
	All children Non-Dependent ³⁰	43.1%	21.6%	19.9%	10.6%
Other household types	Total	2.2%	23.4%	21.1%	28.9%

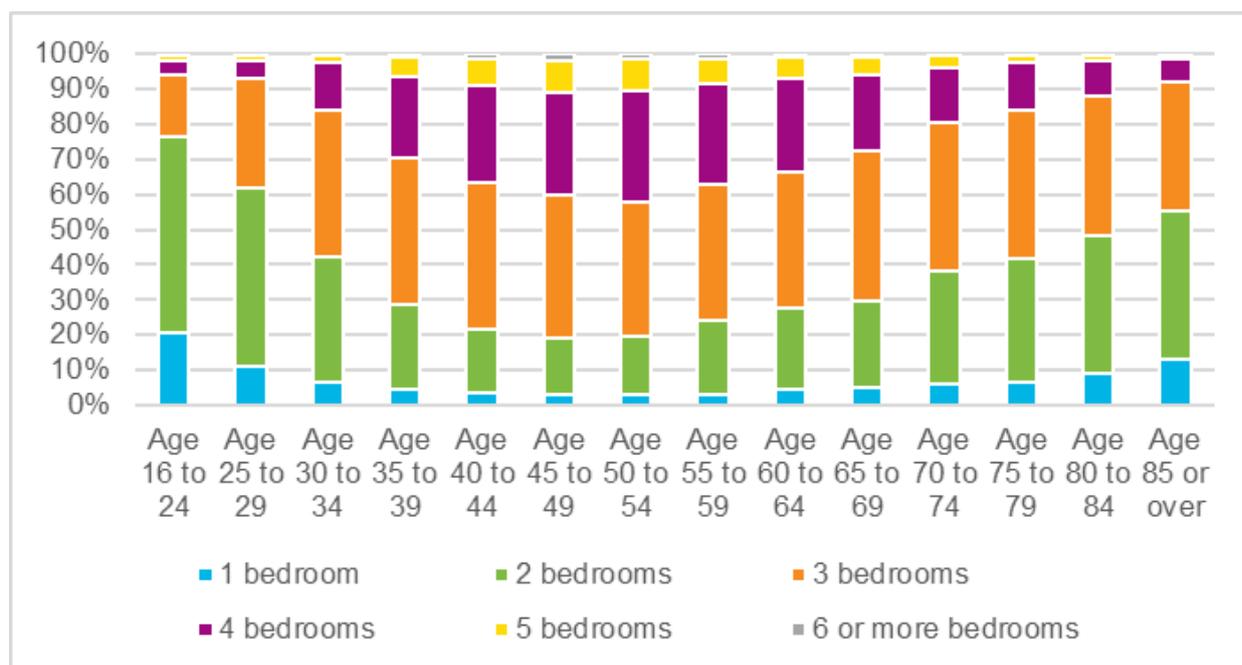
Source: ONS 2011, AECOM Calculations

5.4 Dwelling mix determined by life-stage modelling

169. Recognising the fact that households of different ages may have different housing needs, the housing mix needed to meet demographic change by the end of the Plan period is estimated by an approach based on current occupation patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future. For example, projected growth in households aged under 24 will lead to an increase in the need for the type of housing currently occupied by households of that age.
170. It is important to keep in mind that this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the propensity of households to occupy more or less space than they 'need'. This approach also embeds existing patterns of occupancy which may or may not be desirable. This is particularly important to keep in mind in areas where housing affordability has worsened because it means that many households are forced to occupy less space than they need or want.
171. However, no data on housing size occupation by age of the Household Reference Person (HRP- a more modern term for 'head of household') is available at neighbourhood or new unitary authority level. For this reason, East Dorset data has to be used as the closest proxy.
172. Figure 5-2 overleaf sets out the relationship in the 2011 Census at East Dorset between the age of the HRP and the size of dwelling occupied. This provides the starting point for determining the most appropriate dwelling size mix by the end of the Neighbourhood Plan period. The data shows that that smaller one- and two-bedroom properties are more popular amongst households where the HRP is between 16 and 29. Larger properties get more popular than smaller properties as we move into the 30 and beyond age group. In households where the HRP is aged 50 and over, smaller one- and two-bedroom properties become progressively more popular, although there is still a significantly high level of households in this age group occupying larger properties of three bedrooms or more. It's only when we get to the 85 and over age group where the proportion of those living in smaller one and two-bedroom properties is greater than those living in larger properties. This may indicate a lack of opportunity and/or reluctance to down or 'rightsized'.

³⁰ Refers to households containing children who are older than 18 e.g. students or young working people living at home.

Figure 5-2: Age of household reference person by dwelling size in East Dorset, 2011



Source: ONS 2011, AECOM Calculations

173. Household projections provided by MHCLG are then used to understand the future distribution of households by the age of the HRP. Again, this data is only available at the East Dorset level and for the years 2014 and 2039 (using 2014-based household projections, which are the source for deriving overall housing need using the standard method and thus used here also). Therefore, the distribution of households by the age of the HRP would be in 2038 is estimated, i.e. the end of the Neighbourhood Plan period (red in the table). The data is presented in Table 5-8 overleaf.

Table 5-8: Projected distribution of households by age of HRP, East Dorset

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	449	2,194	12,137	7,470	15,314
2014	398	2,367	11,549	6,813	17,068
2038	468	2,048	11,165	6,941	24,647
2039	471	2,035	11,149	6,947	24,963

Source(s): MHCLG 2014-based household projections, ONS 2011, AECOM Calculations

174. It is then necessary to extrapolate from this East Dorset-level data (most recent data only available for the former East Dorset District Council) an estimate of the corresponding change in the age structure of the population in Sturminster Marshall. To do so, the percentage increase expected for each group across Dorset Council, derived from the data presented above was mapped to the population of Sturminster Marshall. The results of this calculation are detailed in Table 5-9 below:

Table 5-9: Projected distribution of households by age of HRP, Sturminster Marshall

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	8	38	315	175	211
2014	7	41	300	160	235
2038	8	35	290	163	340
% change 2011-2038	4.2%	-6.6%	-8.0%	-7.1%	60.9%

Source: AECOM Calculations

175. Finally, having established the likelihood shown by households at different life-stages towards dwellings of different sizes in Figure 5-2, and the approximate number of households in Dorset Council and Sturminster Marshall falling into each of these stages by the end of the Plan period in 2038, it is possible to estimate how the housing stock might evolve in terms of size over the Neighbourhood Plan period in response to demographic change (see Table 5-10 below).
176. The table takes in turn each projected age group in 2038, estimating how many of the households in that age bracket will want or need to occupy each size of dwelling. This is repeated for each age bracket and added together to arrive at an estimation of what proportion of each size of dwelling will be required overall.

Table 5-10: Likely dwelling size distribution in Sturminster Marshall by the end of the Plan period, based on modelled household life-stages (totals may not sum due to rounding)

Size	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total households requiring dwelling sizes
Households 2038	8	35	290	163	340	-
1 bedroom	2	3	10	6	26	47
2 bedrooms	5	15	53	36	116	224
3 bedrooms	1	13	117	63	138	334
4 bedrooms	0	4	83	45	47	179
5+ bedrooms	0	1	28	12	11	52

Source: Census 2011, AECOM Calculations. Figures may not sum due to rounding

177. It is now possible to compare the 2011 housing mix in terms of size with the projected requirement based on the estimates set out in Table 5-10 above modelling the change in the age structure of the population in Sturminster Marshall.
178. Table 5-11 below indicates that, by 2038, the size distribution of dwellings should be more focused on the smaller end of the size spectrum. In comparison with 2011, the proportions of homes with one and two bedrooms will need to increase and the proportions of homes with three or more bedrooms should decrease.

Table 5-11: 2011 housing sizes compared to likely distribution at end of Plan period, Sturminster Marshall

Number of bedrooms	2011		2038	
1 bedroom	19	2.5%	47	5.7%
2 bedrooms	142	19.0%	224	26.8%
3 bedrooms	301	40.3%	334	39.9%
4 bedrooms	223	29.9%	179	21.4%
5 or more bedrooms	62	8.3%	52	6.2%
Total households	747	100.0%	836	100.0%

Source: Census 2011, AECOM Calculations

179. Table 5-12 overleaf sets out the estimated misalignment between future demand for housing, based on the modelled preferences of households at different life-stages, and the current stock available in the Neighbourhood Plan area.

Table 5-12: Future potential misalignments of supply and demand for housing, Sturminster Marshall

Number of bedrooms	2011	2038	Change to housing mix	Recommended split
1 bedroom	19	47	28	19.8%
2 bedrooms	142	224	82	57.2%
3 bedrooms	301	334	33	23.0%
4 bedrooms	223	179	-44	0.0%
5 or more bedrooms	62	52	-10	0.0%

Source: AECOM Calculations

180. The result of this life-stage modelling exercise is to suggest that, in terms of demographic change, new development might involve the following share of dwelling sizes: 19.8% as 1 bedroom, 57.2% as two bedrooms, 23.0% as three bedrooms.
181. Note that the changes to the housing mix given above for four- and five-bedroom dwellings are negative numbers. Because in light of the national and local housing shortage, it is rarely advisable or practicable to remove dwellings from the available stock, as would otherwise be suggested here for dwellings with three or more bedrooms, we have instead set the recommended split at 0% rather than a negative number, and rebalanced the other sizes as percentages of the additional dwellings they represent in total. In other words, the interim results of the life-stage modelling suggest that there will be no need for further four and five-bedroom dwellings over the Neighbourhood Plan period, and that the subdivision of existing large homes would not be an issue in terms of reducing the availability of that house size. It is important to stress that there may be other good reasons to provide a particular size or type of dwelling in the NA, for example the need to improve the mix of homes in a particular location, improving choice or meeting needs in the wider housing market area.
182. Note that only the percentage mix in the right-hand column is relevant to the purposes of this HNA and the neighbourhood planning process. The actual numbers of dwellings required to adjust the size mix do not reflect that actual quantity of housing needed in the NA and are simply a step in the calculation necessary to produce a percentage split. As a general point, this dwelling mix in percentage terms stands alone from the overall quantity of housing needed or allocated over the Plan period, and could equally apply to windfall development, allocations beyond the plan period, or any other source of housing supply.

5.5 SHMA and survey findings

183. Table 47 of the SHMA (replicated below as Figure 5-3) shows estimates of the sizes of market housing required from 2013 to 2033 based on demographic trends for the whole HMA. The data suggests a requirement for homes for 30,437 additional households with the majority of these being two- and three-bedroom homes. It is based on earlier housing projections and covers a wider geographic area than the above calculations.

Figure 5-3 Estimated Size of Dwellings Required 2013 to 2033 – Market Housing, SHMA Update 2015

Size	2013	2033	Additional households 2013-2033	% of additional households
1 bedroom	22,908	25,905	2,997	9.8%
2 bedrooms	72,196	85,162	12,966	42.6%
3 bedrooms	84,563	95,556	10,993	36.1%
4+ bedrooms	50,776	54,257	3,481	11.4%
Total	230,444	260,881	30,437	100.0%

Source: Housing Market Model

184. The SHMA recognises that housing requirements broadly reinforce the existing profile of stock, but with a slight shift towards a requirement for smaller dwellings relative to the distribution of existing housing. In the short-term the SHMA expects a stronger demand in relative terms for larger family homes as the market for smaller properties is restricted by mortgage finance constraints. Over the 20-year projection period it is anticipated that there will be a continuing market for larger family homes, but the existing stock is expected to make a significant contribution to meeting this demand, as older households downsize (releasing equity from their existing homes).

185. It is also relevant to consider the household survey data. This asked residents to think about the next 5 – 10 years, and indicate which statement below best describes what the situation of your household is most likely to be. The answers were as follows:

Where I / we live now will still suit my / our needs.	201	65%
I / We may need to move to a smaller home.	67	22%
I / We will need to move to a bigger home.	13	4%
We will need an additional home (for example adult children may move out).	12	4%
Other (Please specify.)	17	5%

186. Respondents were then asked what size or type of house would best fit their needs (and to only tick more than one box if the household will be needing more than one house in the local area). The results are presented below. They show that a combined 46% of respondents are looking for one- and two-bedroom properties, which is lower than the 77% produced in the model above. The survey results also place a greater emphasis on three- and four-bedroom properties, where the model above suggests no further 4 bedroom homes are needed. This survey evidence should be given equal weight to the HNA findings, and would appear to justify seeking a larger dwelling mix than that proposed here.

1 bed flat / apartment	2 bed flat / apartment	2 bed terraced or semi-detached house	1 - 2 bed bungalow	3-4 bed bungalow	3-4 bed house	5 bedroom	Shared accommodation with care facilities	Live-work unit (with a large dedicated workspace)	Adapted housing e.g., for a disabled person
0	5	9	18	13	21	2	2	1	1
0%	7%	13%	26%	19%	30%	3%	3%	1%	1%

Source: Sturminster Marshall Household Survey

5.6 Conclusions- Type and Size

187. This analysis provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site specific factors which may justify a particular dwelling mix.

188. Sturminster Marshall is notable for having a significantly higher proportion of detached properties (although not quite as high as the average for East Dorset). The NA also has a higher proportion of semi-detached properties compared to Dorset County, albeit at a lower proportion to the national average. Sturminster Marshall has lower proportions of terraced properties and flats compared to the local and national levels

189. Sturminster Marshall is, correspondingly, characterised by a greater proportion of larger properties when compared to Dorset County. The total proportion of large dwellings (five rooms+) in Sturminster Marshall is 87.1%, compared to 72.0% found in Dorset County and 76% in East Dorset. By contrast, the total proportion of small properties (one – four rooms) in the NA is 12.9%, compared to 28.0 % in the wider county.

190. The greatest change from the 2001 to 2011 Census is that growth in three and seven room households which both grew by 44.4%, more than double the rate of increase seen at the county level – although this represented growth of only 4 3 room dwellings, but 40 7 room dwellings. There was no change in the proportion of one and two room households in Sturminster Marshall, compared to Dorset County which experienced a decline in one room households and a growth in two room households. Households of four and six rooms experienced a reduction in Sturminster Marshall over the census period. The key finding is the combined growth of 72 7+ bedroom homes – accounting for almost all of the (net) increase.

191. Looking at size in terms of the number of bedrooms, Sturminster Marshall significantly lags behind Dorset County and England in terms of smaller dwellings with two or fewer bedrooms. The number of three-bedroom households is also lower in Sturminster Marshall, albeit at a more comparative level to Dorset County and England. Sturminster Marshall

exhibits significantly higher proportions of larger properties with four or more bedrooms compared to the local and national level.

192. In terms of demographics, Census data reveals that Sturminster Marshall has a relatively young population when compared to the wider county. Sturminster Marshall has a larger population of those aged between 0-15 and 16-24 than Dorset County, although Dorset has a higher proportion of those 25-44. The 45-64 age band represent the largest single group in Sturminster Marshall, at a significantly higher rate than the wider geographies. Sturminster Marshall has a lower proportion of people in the 65-84 and 85 and over age groups compared to Dorset County.
193. In terms of demographic change, the analysis suggests that between 2001 and 2011 the population has increased in all but two age groups (0-15 and 25-44). The rates of decline in the 0-15 and 25-44 age groups in Sturminster Marshall were significantly greater than the declines experienced at the wider county level. The 16-24 age group experienced the largest growth, at a significantly higher rate than the growth recorded in the same age group in Dorset County. The 45-64 age group also experienced a greater rate of growth compared to Dorset, whilst the 65-84 and 85 and over groups experienced a lower comparative rate of growth in Sturminster Marshall.
194. In assessing Census data on household composition, we see that Sturminster Marshall differs from East Dorset and Dorset in that there are fewer one-person households and a high number of one-family households (Table 5 6). These families are younger than their counterparts across Dorset, and are more likely in particular to have dependent and non-dependent children. There is also a significant cohort of families without children.
195. Data for East Dorset in 2011 shows that smaller one- and two-bedroom properties are more popular amongst households where the HRP is between 16 and 29. Larger properties get more popular in age groups 30 and above. In households where the HRP is aged 50 and over, smaller one- and two-bedroom properties become progressively more popular, although there is still a significantly high level of households in this age group occupying larger properties of three bedrooms or more. It's only when we get to the 85 and over age group where the proportion of those living in smaller one and two-bedroom properties is greater than those living in larger properties. This may indicate a lack of opportunity and/or reluctance to down or 'rightsized'.
196. The results of the life-stage modelling suggest that the size mix of new housing should focus on dwellings with one to three bedrooms, and suggests fewer large dwellings are needed. These results align with the preceding chapter which established the need for more affordable homes, which tend to be smaller dwellings. It's noted that this report is concerned with demand in the sense of need rather than in the sense of the preferences of potential occupants.
197. The household survey fills this gap in the evidence. It shows that a combined 46% of respondents are looking for one- and two-bedroom properties, which is lower than the 77% produced in the model above. The survey results also place a greater emphasis on three and four-bedroom properties, where the HNA model suggests no further 4 bedroom homes are needed. This survey evidence should be given equal weight to the HNA findings, and would appear to justify seeking a larger dwelling mix than that proposed here.
198. The SHMA suggests the majority of additional dwellings required will be smaller two- and three-bedroom homes. The SHMA also recognises there will be a continuing market for larger family homes over the 20-year projection period across the HMA, however, the existing stock is expected to make a significant contribution to meeting this demand, as older households downsize (releasing equity from existing homes).
199. We therefore recommend that a broad mix of housing is provided, including all sizes of dwellings. In line with the life-stage modelling and survey results, the mild focus should be on smaller dwellings (especially affordable smaller homes). This would permit older households in larger dwellings to downsize and allow newly forming households to access housing through smaller and more affordable dwellings. However, it's recommended that larger dwellings also continue to be delivered in Sturminster Marshall to meet the demand evidenced in the household survey.

6. RQ 3: Specialist housing for older people

RQ 3: What provision should be made for specialist housing for older and disabled people over the Neighbourhood Plan period?

6.1 Introduction

200. A key component of national planning policy around meeting the more intensive housing needs of older people, people with disabilities, and others with support needs, is to provide specialist accommodation schemes which offer housing with support or extra care. The level of care associated with such products can vary widely, and is broadly categorised, in descending order from most care, as follows:

- Specialist schemes that have 24-hour onsite care and support, typically including onsite catering (e.g. extra care, flexicare, and enhanced care).
- Specialist housing that is designed with the relevant group in mind. It may be suitable for receiving care or support, but this is not typically provided onsite or at all times of day (e.g. sheltered housing). Note that the precise offering depends on the Local Authority's arrangements for care and support, as well as the suitability of the accommodation to those arrangements.
- Mainstream housing that is adapted or capable of adaptation so that the inhabitant can live independently and care or support can be provided in the home. Note this is also dependent on the Local Authority's arrangements for care and support as well as the suitability of the accommodation itself.

201. Care homes are a level above specialist accommodation in the hierarchy, and are not counted as residential dwellings. While referenced at certain points, they are not within the scope of this analysis. This chapter also explores the need for bungalows as an issue relevant to older people's housing need. Bungalows are also not classed as specialist accommodation for older people – they are merely a type within mainstream housing that are appropriate to the needs of the same group.

202. This chapter considers in detail the specialist housing needs for older and disabled people in Sturminster Marshall. It considers the quantity, tenure and size of dwellings that might be required. It is important to keep in mind that there is no formal definition of 'old age'. People experience ageing differently and much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age whilst others may need support and care much earlier in their lives. It is useful to think of two main stages in later life: the '3rd age' – where people are healthy and active and may or may not continue to work and the '4th age' – where older people need care and support to meet their health needs.³¹ These two stages are not necessarily related to age though most people in advanced old age (85+) will need care or support at some point in their lives. The housing needs of these two groups can be markedly different.

203. In the Planning Practice Guidance (PPG), the Government states that plans need to provide for specialist housing for older people where a need exists. Innovative and diverse housing models will need to be considered where appropriate.³²

204. It is important to note that, as stated in the PPG, the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the overall (i.e. the total) housing need figure. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method.³³

205. In considering the need or demand for specialist housing for older people it is appropriate to consider the population aged 75+ since this group is more likely to access this type of housing. The needs of this sector of the population have been assessed through two methods. The first is a tenure-led projection, based on the tenure of dwellings typically occupied by people in this age group. The second, included for the purposes of comparison, is based on the Housing

³¹ University of Sheffield & DWELL (2016) Designing with Downsizers

³² See Paragraph: 012 Reference ID: 63-012-20190626 at <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

³³ See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

Learning and Improvement Network's (HLIN) Strategic Housing for Older People (SHOP) tool³⁴, which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.

206. Housing needs assessment covers the need for houses that fall for the purposes of the planning system into Use Class C3 (private dwellings)³⁵. Any assessment of need for residences that fall into Use Class C2 (residential institutions, which include prisons, boarding schools and some care homes for the elderly) would be a separate exercise outside the scope of a standard HNA. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. In some cases, extra care schemes, particularly those where independent living is emphasised and care provision is more limited, will be counted as C3. However, in other cases, particularly where care provision is higher, they will be counted as C2. There is no hard and fast rule- clear differentiation between the two has not been set in government policy.
207. As such, existing and future specialist housing for older people may be either C2 or C3, but the important point is that it is not possible to state definitively at the time of assessment whether any new provision forecast to be needed on the basis of current evidence will fall into use class C2 or C3. The distinction is important because accommodation in C2 buildings does not count towards the overall housing target for the neighbourhood plan areas whereas C3 accommodation units do. Therefore, it is not possible to state at this point the extent of overlap, if any, between the overall quantity of specialist housing forecast to be required and the overall housing quantity figure for the plan area.

6.2 Housing for older people - context

208. MHCLG's guidance on housing for older and disabled people states that the need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing. In mid-2016 there were 1.6 million people aged 85 and over; by mid-2041 this is projected to double to 3.2 million.
209. Almost a third of UK homes are occupied by the 55+ age group, yet only 7% of UK stock is currently recognised as meeting minimum accessibility standards, which means few older people can find options that will improve their quality of life. This is reflected in evidence that just 3.4% of 50+ households move home each year, which is half as many moves as rest of population. Perhaps surprisingly, just under half of moves result in fewer habitable rooms because many older people need or want to retain space for activities, to retain a life time of possessions, accommodating visitors or caring for grandchildren. For some, social status can be a in deciding to move to a home with significantly fewer rooms.³⁶
210. The concept of 'rightsizing' (formally referred to as downsizing) recognizes that the situations, desires and needs of the older population are no less diverse than their family circumstances. The actual choices available to older people, however, are limited to the housing provisions that are both available and accessible to them. Not surprisingly the vast majority of older people currently tend to age in place until circumstances mean their home environment becomes a decisive barrier to their well-being. Research indicates that very few properties are designed to support ageing in place (see below). Thus whilst many people do not wish to move home, there is also evidence that there is large scale unmet demand to move³⁷ with many older people stuck in a 'rightsizing gap'.³⁸ The household survey for Sturminster Marshall showed that the greatest need for housing was among those wishing to move to a smaller property, with bungalows accounting for 44% of the expressed preferences. It can therefore reasonably be understood that there is a significant amount of unmet need for properties for downsizing in the NA.
211. A Demos survey of over 60s conducted in 2013 found a "considerable appetite" amongst this age group to move to a new property, with one quarter of all those surveyed suggesting they would be interested in buying a specialist property, and one quarter considering renting a specialist home.³⁹
212. Indeed, 76% of those in homes of three or more bedrooms wished to rightsize, and this increased to 99% of those in homes of five or more bedrooms, with two bedrooms the preferred choice for both.⁴⁰ However, in spite of evidence of high demand, currently only 5% of older people's housing is made up of specialist homes,⁴¹ with Demos suggesting

³⁴ Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>

³⁵ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

³⁶ Rightsizing: Reframing the housing offer for older people, 2018, Phase and Manchester School of Architecture

³⁷ Pannell et al., 2012

³⁸ Rightsizing: Reframing the housing offer for older people, 2018, Phase and Manchester School of Architecture

³⁹ <https://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

⁴⁰ Ibid.

⁴¹ https://www.housinglin.org.uk/assets/Resources/Housing/OtherOrganisation/for-future-living_Oct2014.pdf

that, “the chronic under-supply of appropriate housing for older people is the UK’s next housing crisis”,⁴² and local authorities are often, “accused of reluctance to approve development plans for specialist housing...out of fear of increased care costs”.⁴³ Indeed, whilst many of those surveyed may consider moving, the percentage that ultimately do is likely to be relatively low, and many who downsize may move into mainstream housing.

213. Offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems. Therefore, an understanding of how the ageing population in Sturminster Marshall affects housing needs is something to be considered from the early stages of plan-making through to decision-taking.⁴⁴
214. The need to access housing with support or care is often driven by health considerations, particularly disabilities. Disabilities can include, but are not limited to, people with ambulatory difficulties, blindness, learning difficulties, autism and mental health needs, which may generate a range of housing requirements which can change over time. Unsuitable housing or housing which is not capable of adaptation can have a negative impact on occupants and their carers. Disability is strongly linked to age and an ageing population will see the numbers of disabled people continuing to increase. It is important to plan early to meet their needs throughout their lifetime.
215. Older people typically occupy a broad range of accommodation types and tenures depending on their individual needs, including both market housing and more specialist accommodation. The latest PPG⁴⁵ adopts the following planning approach:
- a. Where an identified need exists, plans are expected to make use of the optional technical housing standards (footnote 46 of the National Planning Policy Framework) to help bring forward an adequate supply of accessible housing. In doing so planning policies for housing can set out the proportion of new housing that will be delivered to the following standards:
 - i. M4(1) Category 1: Visitable dwellings (the minimum standard that applies where no planning condition is given unless a plan sets a higher minimum requirement)
 - ii. M4(2) Category 2: Accessible and adaptable dwellings
 - iii. M4(3) Category 3: Wheelchair user dwellings
 - b. Planning policies for accessible housing need to be based on evidence of need, viability and a consideration of site specific factors.
216. In the case of Sturminster Marshall, this HNA, together with any local housing survey conducted will form the evidence required to justify policies proposing the Category 2 or 3 standards above for both market and affordable housing and the two main types of specialist housing for older people - sheltered housing and extra care (see Appendix B for definitions).
217. In 2014, there were approximately 450,000 units of sheltered social rented and private sector retirement housing in England, with approximately one quarter of these in private sector and the rest provided at social rent levels.⁴⁶ This situation reflects historic patterns of development, significant constraints on the delivery of such housing in the market sector as well as changing aspirations and expectations amongst older people today in comparison with previous generations.
218. Local planning authorities can plan for older co-housing communities through their implementation of the Self-build and custom-build legislation 2015⁴⁷, as some communities will be looking to build the development themselves. Local authorities can also identify sites suitable for older co-housing communities as part of their overall assessment of land available for housing over the plan period.⁴⁸

⁴² <https://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

⁴³ <http://researchbriefings.files.parliament.uk/documents/CBP-7423/CBP-7423.pdf>

⁴⁴ Available at <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

⁴⁵ Housing for Older and disabled people, Guidance June 2019, MHCLG

⁴⁶ https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/safe-at-home/rb_july14_housing_later_life_report.pdf

⁴⁷ <https://www.gov.uk/guidance/self-build-and-custom-housebuilding>

⁴⁸ See Paragraph: 011 Reference ID: 63-011-20190626 at <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

219. Given that the vast majority of people over 75 live in their own homes, but that the current stock is primarily for social rent, AECOM has developed a 'tenure-led' approach to calculating the need for specialist housing, which also takes into account the health and mobility of population of the Neighbourhood Plan area so as to develop projections for future need for specialist housing provided with some level of care or other services.

6.3 Approach

220. In accordance with NPPF guidance, this chapter applies a three stage process to determine the potential incidence of need for specialist housing for the elderly, based on tenures, projections of the future population of elderly people in the Neighbourhood Plan area, and Census data relating to mobility limitations and overall health.⁴⁹ These are then compared with rates of provision that have been recommended by the Housing Learning and Improvement Network (HLIN), as well as with existing rates of provision across Dorset Council.

221. Clearly, this calculation represents an assumption, with the actual decision for an older or disabled person to enter specialist housing highly dependent on individual circumstances. As already noted, the actual proportion of older people that can be considered in need of specialist housing is affected both by overall levels of health as well as by individual lifestyle choices, given that the vast majority of older people currently choose to continue to live in their homes for their entire lives.

222. The charity Age UK suggests that "inaccessible housing should not force anyone out of their home or local community against their wishes. It's much better to have 'pull factors' that attract older people towards housing alternatives."⁵⁰ By understanding the tenure breakdown of specialist housing need, it is possible to better understand the extent to which demand will be a factor in this market segment.

6.3.1 Current supply of specialist housing for older people

223. When determining a final target for the need for specialist dwellings, it is necessary first to take account of current supply. There are a number of ways to do this. Data may be available within Dorset Council's housing evidence base. Alternatively, data may be collated manually on the amount of specialist housing within a given area using the search function on the Elderly Accommodation Counsel's Website: <http://www.housingcare.org>.

224. A review of <http://www.housingcare.org> shows there is no existing specialist housing for the elderly within the neighbourhood area.

225. It is important to note that bed spaces in communal establishments such as live-in care homes are not included in the calculation below.⁵¹ This is because for the purposes of the UK planning system, such institutions occupy a different land-use class from other housing (use class C2, which comprises residential institutions, versus C3, which comprises private dwellings)⁵². However, all other types of specialist housing for older people fall within use class C3 and, as such, are within the scope of this Housing Needs Assessment. Having said this, we will note the existing provision of such institutional accommodation where it exists in Sturminster Marshall.

226. The 2011 Census highlights the number of residents living in different types of communal establishments. Within Sturminster Marshall, it identified 31 residents living in a care home facility with nursing and no care homes without nursing.⁵³ This is likely to count residents living in Forest Hill House, which falls just within the NA boundary. Note that there are further care homes (Castle Farm and Spetisbury Manor) outside but close to the NA boundary also.

227. Given that communal establishments (care homes) are generally outside the scope of housing needs assessments for the reasons described above, these are discounted from this analysis.

6.3.2 Tenure-led projections

228. Turning to determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across East Dorset, as this is the smallest geography for which tenure by age bracket data is available. The age cohort-based approach is taken because it is these households which, over the next 20 years, will be reaching the

⁴⁹ <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

⁵⁰ See <https://www.ageuk.org.uk/documents/EN-GB/Political/Age%20UK%20ID201813%20Housing%20Later%20Life%20Report%20-%20final.pdf?dtrk=true>

⁵¹ Further details on the definition of different types of housing within the English planning system are available at <https://www.gov.uk/guidance/definitions-of-general-housing-terms>

⁵² See Paragraph: 009 Reference ID: 13-009-20140306 at <https://www.gov.uk/guidance/when-is-permission-required>

⁵³ ONS, 2011 (KS405EW)

age of 75+, where the need for specialist housing provision is more likely. The existing tenure split within this cohort is used to project forward the need for specialist housing according to different tenure.

229. The projection is based on the premise that those currently occupying their own home will also wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented accommodation of some kind.
230. According to Table 6-1 overleaf, 88.1% of all households between the ages of 55-75 in Sturminster Marshall own their homes. Of this percentage, 63.5% own their homes outright and approximately 24.6% own their homes with a mortgage, loan or as shared ownership. The table also shows that 11.9% of the households in this group rent their homes, of which almost 6.3% lived in social rented homes. 4.7% of households rent on the market and 0.9% live rent free. From the table, it is evident that most households falling in the age band own their homes outright, while living rent free is the least common.

Table 6-1: Tenure of households aged 55-75 in East Dorset, 2011

All owned	Owned outright	Owned with a mortgage or loan or Shared Ownership	All Rented	Social rented	Private rented	Living free rent free
88.1%	63.5%	24.6%	11.9%	6.3%	4.7%	0.9%

Source: Census 2011

231. The next step is to project how the overall number of older people in Sturminster Marshall is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for East Dorset at the end of the Plan period. 2014-based projections are used in line with the guidance for establishing overall housing need using the standard method. The figure must be extrapolated from the Local Authority data because such projections are not available at neighbourhood level. The results are set out in Table 6-2 below.
232. This calculation indicates that by the end of the plan period, Sturminster Marshall is forecast to have an over-75 population of 316, an estimated increase of 133 people from the 2011 Census. Despite this increase, Sturminster Marshall will continue to have a significantly lower proportion of people age 75+ compared to East Dorset.

Table 6-2: Modelled projection of elderly population in Sturminster Marshall by end of Plan period

Age group	2011		2038	
	Sturminster Marshall (Census)	East Dorset (Census)	Sturminster Marshall (AECOM Calculation)	East Dorset (ONS SNPP 2014)
All ages	1,969	87,166	2,189	96,916
75+	183	12,510	316	21,607
%	9.3%	14.4%	14.4%	22.3%

Source: ONS SNPP 2016, AECOM Calculations

233. The results of this exercise provide us with a projection of the number of people in Sturminster Marshall living in each tenure in the 55-75 cohort by 2011, as shown in the table below. This projection is calculated by multiplying the projected increase in the number of people aged 75 and over by the end of the Plan period by the tenure split for East Dorset presented in Table 6-1 above, and is set out in Table 6-3 below.
234. A key assumption made here is that, for the purposes of determining the proportion of households aged 75+ falling into different tenures in 2038, and consequently the number of specialist units they might need, the growth in the overall population of those aged 75 is used.

Table 6-3: Projected tenure of households aged 75+ in Sturminster Marshall to the end of the Plan period

Owned	Owned outright	Owned with a mortgage or loan or shared ownership	All rented	Social rented	Private rented	Living free rent free
117	84	33	16	8	6	1

Source: Census 2011, ONS SNPP 2013, AECOM Calculations

235. The population figures in Table 6-3 above are then translated into households, as set out in Table 6-4 below. The translation factor used was 1.44 persons per household, which was the rate in East Dorset for people aged over 75 in the Census 2011 (there were 12,510 people in this age group and 8,687 households headed by those in that age group).

Table 6-4: Projected tenure by household aged 75+ in the NA by the end of the plan period

Owned	Owned outright	Owned with a mortgage or loan or shared ownership	All rented	Social rented	Private rented	Living rent free
81	59	23	11	6	4	1

Source: Census 2011, ONS SNPP 2013, AECOM Calculations

236. Next the incidence of mobility limitations is considered, as defined by the Census, within each tenure group for those aged 65+ in Sturminster Marshall. This allows us to link the levels of need (as defined by extent of mobility limitations within the population) to tenure (based on the premise that such needs can be used as a proxy for the need for specialist housing in this age group).

237. The tendency for people in rented housing to have higher dependency levels is well established. It arises partly because people with higher dependency levels tend to have lower incomes; they are therefore less able to afford to buy, even at earlier stages in their lives. It also reflects the fact that as people develop support and care needs they may find that the only suitable and affordable option to them is available in the social rented sector.

Table 6-5: Tenure and mobility limitations of those aged 65+ in Sturminster Marshall, 2011

Tenure	All categories: Long-term health problem or disability	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories: Tenure	335	38	11.3%	90	26.9%	207	61.8%
Owned or shared ownership: Total	287	32	11.1%	80	27.9%	175	61.0%
Owned: Owned outright	235	25	10.6%	62	26.4%	148	63.0%
Owned: Owned with a mortgage or loan or shared ownership	52	7	13.5%	18	34.6%	27	51.9%
Rented or living rent free: Total	48	6	12.5%	10	20.8%	32	66.7%
Rented: Social rented	17	3	17.6%	4	23.5%	10	58.8%
Rented: Private rented or living rent free	31	3	9.7%	6	19.4%	22	71.0%

Source: DC3408EW Health status

238. Focusing on those whose activities are limited a lot, the calculations suggest that of the 81 projected owning households and 11 projected new renting households over 75 years of age in 2038 in Sturminster Marshall, there could be a need for 9 (rounded) specialist homes for owner occupiers ($11.1\% \times 81$) and 1 (rounded) for renters of all kinds ($13.5\% \times 11$), or 10 new specialist homes in total.

239. These findings are set out in the table overleaf, based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

Table 6-6: AECOM estimate of specialist housing need in Sturminster Marshall by the end of the Plan period

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	Multiply the number of people across all rented tenures (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	Multiply the number of people across all owner-occupied housing by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	10
	1	9	
Adaptations, sheltered, or retirement living	Multiply the number of people across all rented housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	Multiply the number of people across all owned housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	25
	2	23	
Total (rounded)	3	32	35

Source: Census 2011, AECOM Calculations. Note, figures may not sum due to rounding.

240. The number of households falling into potential need for specialist accommodation is therefore 35, which is 38% of the 92 additional households aged 75 and above projected to live in Sturminster Marshall by the end of the Plan period.

6.3.3 Housing LIN-recommended provision

241. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the respected models for planning for the housing needs of older people. In Table 6-7 below we reproduce the key table from their Strategic Housing for Older People (SHOP) toolkit. The table serves as a guide, based on best practice research, to the numbers of specialist dwellings for older people that should be provided given the increase in their numbers over the Plan period, and how these should be split into the different tenures.

Table 6-7: Recommended provision of specialist housing for older people from the SHOP toolkit

FORM OF PROVISION	ESTIMATE OF DEMAND PER THOUSAND OF THE RELEVANT 75+ POPULATION
Conventional sheltered housing to rent	60
Leasehold sheltered housing	120
Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) ³⁶	20
Extra care housing for rent	15
Extra care housing for sale	30
Housing based provision for dementia	6

Source: Housing LIN SHOP Toolkit

242. As Table 6-2 shows, Sturminster Marshall is forecast to have an over-75 population of 316 by the end of the Plan period, an estimated increase of 133 people from the 2011 Census. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent = $60 \times (133/1000) = 8$
- Leasehold sheltered housing = $120 \times (133/1000) = 16$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = $20 \times (133/1000) = 3$

- Extra care housing for rent = $15 \times (133/1000) = 2$
- Extra care housing for sale = $30 \times (133/1000) = 4$
- Housing based provision for dementia = $6 \times (133/1000) = 1$

243. This produces an overall total of 33 specialist dwellings which might be required by the end of the plan period.

244. Table 6-8 sets out the HLIN recommendations in the same format as Table 6-6 above. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates. This means that the requirements expressed by the SHOP toolkit are higher than those implied by a straightforward projection based on the growth of the over 75 population.

Table 6-8: HLIN estimate of specialist housing need in Sturminster Marshall by the end of the Plan period

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia	Includes: enhanced sheltered housing for sale + extra care housing for sale	9
	4	5	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	24
	8	16	
Total	12	21	33

Source: Housing LIN, AECOM calculations

6.4 SHMA Findings

245. The SHMA indicates that the population of persons aged over 55 accounted for 35% of the wider HMA's population in 2013. The number of residents aged over 55 is expected to grow by a third between 2013-33, with 42% growth in those aged between 75-84 and 98% growth in those aged over 85 expected. As a result of a growing older population and increasing life expectancy, the HMA projects an increase of 7,180 people with dementia and 15,150 people with mobility problems over the 2013-33 period.

246. For East Dorset, the SHMA estimates a need for an additional 1,341 specialist dwellings for older persons (sheltered and extra care housing) over the 2013-33 period. This can be prorated to the Sturminster Marshall NA with reference to the proportion of the East Dorset 2011 population living in Sturminster Marshall (2.26%) to give a result of 30 units over the 2011-33 period. This is in line with the figure of 33 above. An indicative split of specialist housing provision for older persons of 50% affordable, 50% market housing is recommended in the SHMA, which is more even weighting than the emphasis on market dwellings recommended for Sturminster Marshall in particular.

6.5 Bungalows

247. The neighbourhood group considers that bungalows can play an important role in meeting the current and future needs of older people and people with accessibility needs. This is validated by the finding in the household survey that 44% of respondents indicating a dwelling preference selected bungalows.

248. As the ONS Census data does not capture bungalows as a distinct type, we have used Valuation Office Agency data to investigate their presence in Sturminster Marshall. Lower Layer Super Output Area (LSOA) East Dorset 005C (E01020409) and East Dorset 005D (E01020410) which cover a larger area than the Plan area itself but can be used as a reasonable proxy for it. The result is presented in Table 6-9 overleaf.

249. The data shows that overall Sturminster Marshall has a lower proportion of bungalows, accounting for approximately 16% of the total housing stock, when compared to the wider county. Sturminster Marshall also has lower proportions of bungalows in all size categories compared to Dorset. The greatest divergence can be seen in three-bedroom bungalows although these properties are likely to be too large to suit older people. Increasing the number of smaller bungalows (one to two bedrooms) could help meet the needs of older people who wish to downsize in Sturminster Marshall.

250. As the LSOA proxy areas cover a larger geography than the NA, the figures overleaf may not be entirely accurate.

Given that 12% of the households responding to the household survey indicated that they lived in bungalows, the finding of 16% below may be an over-estimate.

Table 6-9 Number of bungalows by property size, 2018

	Sturminster Marshall (numbers)	Sturminster Marshall (%)	Dorset County (numbers)	Dorset County (%)
1 bedroom	10	1.0%	2440	1.2%
2 bedrooms	90	8.7%	18170	9.0%
3 bedrooms	50	4.8%	16910	8.3%
4 bedrooms +	20	1.9%	3440	1.7%
Unknown	0	0.0%	160	0.08%
Total	170	16.3%	41120	20.3%
Total properties	1,040	100%	202,870	100%

Source: Valuation Office Agency, Council tax: stock of properties, 2018, Table CTSOP3.0 and Table CTSOP3.1

6.6 Conclusions- Specialist Housing for the Older People

251. Overall, the HLIN led projection identifies a need for 33 dwellings whilst the tenure led projection identifies a need for 35 dwellings. Our recommendation would be to treat this range as an upper, more aspirational target, to be provided if other constraints allow. Those who require housing with care are considered to be in the highest need. The HLIN led projection identifies a need for 9 housing with care dwellings whilst the tenure led projection identifies a need for 10 such dwellings.

252. Table 6-10 provides an overview of each recommended tenure split for future specialist housing provision.

Table 6-10 Recommended tenure split for future specialist housing provision

Source	Affordable	Market
Tenure led	8.6%	91.4%
HLIN led	36.4%	63.6%
SHMA recommendation	50.0%	50.0%

Housing LIN, <https://housingcare.org>, AECOM Calculations

253. The findings from the tenure led projection seem to suggest there is a much greater need for market specialist housing compared to affordable specialist housing. However, this projection is informed by the existing tenure split within the 55-75 age cohort, who in general are more likely to own their own homes. The HLIN led projection also suggests a greater need for market housing, albeit to a lesser degree than shown in the tenure led approach. In contrast the SHMA recommends an indicative split of specialist housing provision for older persons of 50% affordable, 50% market housing.

254. Given that specialist housing for older people costs more to build, it is considered that HLIN recommend AH tenure split is reasonable and realistic, midway between the tenure-led and SHMA recommendations. This target should be monitored for viability as it is implemented, with neighbourhood planners seeking a higher proportion where appropriate.

255. Elderly Accommodation Counsel (EAC) data shows there is no existing specialist housing for the elderly within the neighbourhood area (though one care home was counted, care homes do not fall under the umbrella of specialist residential dwellings. This suggests the elderly population in most need are already living in mainstream housing within Sturminster Marshall, with their needs being met through care and support in the home, or care homes either within or just outside of the NA. Indeed, some may have made adaptations to their dwellings to improve accessibility of other features.

256. It's recognised that bungalows can play an important role in meeting the current and future needs of older people and people with accessibility needs. The data shows that overall Sturminster Marshall has a lower proportion of bungalows when compared to Dorset County. Placing a heavier emphasis on delivering bungalows could help meet the needs of older people who wish to downsize or have specific mobility requirements and would benefit from single-level accommodation. It would also meet the needs clearly identified in the household survey (which found a 44% preference for bungalows).

257. Likewise, we suggest a key consideration for the neighbourhood planners is whether new mainstream homes (both market and affordable) could be provided to improved accessibility and adaptability standards. It may be possible to apply optional building regulation standards M4(2) and M4(3) to some or all new homes so that they better meet the needs of occupants as they age and need care and support. The Neighbourhood Group may wish to discuss this policy option with the Dorset Council, this could help ensure that some stock of accessible dwellings is built up over time.
258. We note that there is no expectation, obligation or requirement for all of the specialist dwellings to be provided within the Neighbourhood Area itself and clearly in some cases, such as providing a single specialist dementia care dwelling, it would not be economically feasible to do so. As such, these units need not be thought of as all needing to be provided within the neighbourhood plan housing target or the Neighbourhood Area itself.
259. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
- so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
 - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
 - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
260. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or neighbourhood plan areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
261. It is considered that Sturminster Marshall's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from Sturminster Marshall entirely within the Neighbourhood Plan area boundaries, it is recommended it could be provided in a 'hub and spoke' model. In the case of Sturminster Marshall, Wimborne Minster or Corfe Mullen may be considered potential locations to accommodate the specialist housing need arising from the Neighbourhood Plan area (i.e. to be the hub in the hub-and-spoke model). Poole would also serve this purpose to a higher degree if it can be considered sufficiently local for Sturminster Marshall residents. If this were to take place, then the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Plan area itself would not overlap.
262. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

7. Conclusions

7.1.1 Findings of RQ 1: Tenure and Affordability and the Need for Affordable Housing

263. As seen at higher level geographies, home ownership represents the single largest tenure in Sturminster Marshall. The proportion of home ownership in Sturminster Marshall is slightly higher than that found in the wider county, but lower than average for East Dorset. The Shared Ownership sector is very limited in Sturminster Marshall, with just one household (0.1%) living in a Shared Ownership tenure at the time of the Census.
264. Sturminster Marshall has a significantly lower proportion of social rented households compared to the rates in Dorset and England, although it is slightly higher than the East Dorset average. The proportion of market private rentals in Sturminster Marshall is 13.1%, slightly lower than the private rented total for Dorset of 13.3%, but higher than the rest of East Dorset.
265. During the intercensal period, the proportion of owned and rented properties grew in Sturminster Marshall, at a higher rate than seen in Dorset. The proportion of social rented properties also grew in the neighbourhood area albeit at a lesser rate than experienced in the county. The number of shared ownership properties declined in Sturminster Marshall by 66.7%, contrasting the growth seen in Dorset.
266. Sturminster Marshall has experienced considerable fluctuations in house prices between 2010 and 2019. Overall, the mean house price rose by 19.14%, lower quartile price by 16.44% and median prices by 14.76%. Detached properties are more expensive than other house types on average. Between 2010 and 2019, terraced homes experienced the largest growth at 31.5%, followed by semi-detached at 10.1%. Detached homes experienced the largest growth at 22.27%, followed by terraced at 16.37%. Semi-detached properties experienced a more modest rate of growth at 10.43%. In terms of flats, only one transaction was recorded over the entire period (in 2014). This is perhaps unsurprising as there were only 19 flats existing in Sturminster Marshall in 2011. T
267. The typical value of an 'entry level dwelling' at the current time is £303,750. In comparison, typical rents are £10,500 per year for a 2 bedroom property.
268. It is apparent that the income required to buy an average market home for sale (£84,214) is considerably higher than what would be expected to be available to those on mean household incomes (£49,800). Likewise, the income required to buy an average entry-level home for sale (£78,107) is also higher than what those on mean household incomes can afford. Entry-level homes are therefore well out of the price range of those on lower quartile household earnings.
269. In Sturminster Marshall a 30% discount on average prices (as envisaged in the First Homes product) would not be sufficient to extend home ownership to households on median incomes. A discount 48% on average new build market homes would be appropriate for those on mean incomes. Whilst a discount of 36% would be required for entry level sale prices, however, it is unlikely that new homes would be built at these prices.
270. The mean income (£49,800) is just below the purchasing threshold for Discounted Market Sale at -40% (£50,529). The discount on the average market sale price required to enable households on mean incomes to afford to buy is 41%. Shared ownership at the 25% level has the greatest potential to extend homeownership to those on mean incomes. Whilst none of the discounts/ products appear to have potential to extend homeownership to those on lower quartile incomes.
271. Average market rents are affordable for those on mean incomes but are not affordable for those on lower quartile incomes. Rent to Buy therefore represents a viable route to affordable home ownership to those on mean incomes, however, is likely to be out of reach to those on lower quartile incomes.
272. The inability of those on lower quartile earnings to afford entry-level market rents, suggests that affordable and social rents are necessary to help those in most urgent need. The data would suggest affordable and social rents are largely unaffordable for those in single earning lower quartile households. However, it's important to caveat that the lower quartile earning data does not reflect housing benefits or other forms of financial assistance. For this reason, it is possible that many lower quartile households would also be able to meet their housing needs in privately rented rooms in shared houses using housing benefit.
273. When the SHMA affordable housing figures are pro-rated to Sturminster Marshall based on its fair share of the population, this equates to a need for approximately 5.94 new affordable homes each year in Sturminster Marshall – approximately 89 in total over the plan period (rounded). If Sturminster Marshall was to meet its share of the need for Affordable Housing established by East Dorset's Local Area Plan, this would imply a need for approximately 88 (250 * 35%) homes over the plan period.

274. Data from Dorset Council suggests there are currently 10 households on the affordable housing register with a local connection and/or preference for Sturminster Marshall. Similarly, some 12 of the responses (3.8%) of the household survey returns indicated that they would be looking for an affordable home (either rent from a Housing Association / Trust (affordable rented), part buy / part rent from a Housing Association / Trust (shared equity) or to buy at a discounted rate (affordable home ownership) in the next 5 – 10 years. Extrapolating this evidence based on the sample size of the survey, suggests need of about 30 – 35 affordable homes, although this should be viewed with caution as it is not necessarily the case that a similar proportion of survey responders need affordable housing as the wider population.
275. If the two greenfield sites to the south of Sturminster Marshall identified for housing development in Draft Policy 5.36 of the previous Options Consultation proposals were to be included in the new Local Plan, these could provide a minimum of 250 dwellings (see Figure 4 5). These sites are within the South East Dorset Green Belt, and as such their release for general housing needs is a strategic matter.
276. Residential development on these two sites would comprise large scale proposals (i.e. more than 10 units). As previously set out, Local Policy requires 50% of all new homes on greenfield sites of over 10 dwellings or more than 1000sqm floorspace to be delivered as Affordable Housing. The implementation of this policy would enable a substantial provision of Affordable Housing to be delivered within the neighbourhood area, providing at least 125 affordable homes. For this reason, there may be no requirement for the neighbourhood group to identifying further sites specifically for the provision of affordable housing to meet local needs.
277. The SHMA suggests an appropriate policy approach would seek a mix of affordable housing provision on new developments where 25% is intermediate housing and 75% is social or affordable rented homes, whereas, East Dorset's Local Plan establishes a tenure split of 30% intermediate housing to 70% affordable /social rented. We recommend following the 25:75 split identified in the SHMA as this split better reflects the acute affordability issues present in the neighbourhood area.

7.1.2 Findings of RQ 2: Type and Size

278. This analysis provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site specific factors which may justify a particular dwelling mix.
279. Sturminster Marshall is notable for having a significantly higher proportion of detached properties (although not quite as high as the average for East Dorset). The NA also has a higher proportion of semi-detached properties compared to Dorset County, albeit at a lower proportion to the national average. Sturminster Marshall has lower proportions of terraced properties and flats compared to the local and national levels
280. Sturminster Marshall is, correspondingly, characterised by a greater proportion of larger properties when compared to Dorset County. The total proportion of large dwellings (five rooms+) in Sturminster Marshall is 87.1%, compared to 72.0% found in Dorset County and 76% in East Dorset. By contrast, the total proportion of small properties (one – four rooms) in the NA is 12.9%, compared to 28.0 % in the wider county.
281. The greatest change from the 2001 to 2011 Census is that growth in three and seven room households which both grew by 44.4%, more than double the rate of increase seen at the county level – although this represented growth of only 4 3 room dwellings, but 40 7 room dwellings. There was no change in the proportion of one and two room households in Sturminster Marshall, compared to Dorset County which experienced a decline in one room households and a growth in two room households. Households of four and six rooms experienced a reduction in Sturminster Marshall over the census period. The key finding is the combined growth of 72 7+ bedroom homes – accounting for almost all of the (net) increase.
282. Looking at size in terms of the number of bedrooms, Sturminster Marshall significantly lags behind Dorset County and England in terms of smaller dwellings with two or fewer bedrooms. The number of three-bedroom households is also lower in Sturminster Marshall, albeit at a more comparative level to Dorset County and England. Sturminster Marshall exhibits significantly higher proportions of larger properties with four or more bedrooms compared to the local and national level.
283. In terms of demographics, Census data reveals that Sturminster Marshall has a relatively young population when compared to the wider county. Sturminster Marshall has a larger population of those aged between 0-15 and 16-24 than Dorset County, although Dorset has a higher proportion of those 25-44. The 45-64 age band represent the largest single group in Sturminster Marshall, at a significantly higher rate than the wider geographies. Sturminster Marshall has a lower proportion of people in the 65-84 and 85 and over age groups compared to Dorset County.

284. In terms of demographic change, the analysis suggests that between 2001 and 2011 the population has increased in all but two age groups (0-15 and 25-44). The rates of decline in the 0-15 and 25-44 age groups in Sturminster Marshall were significantly greater than the declines experienced at the wider county level. The 16-24 age group experienced the largest growth, at a significantly higher rate than the growth recorded in the same age group in Dorset County. The 45-64 age group also experienced a greater rate of growth compared to Dorset, whilst the 65-84 and 85 and over groups experienced a lower comparative rate of growth in Sturminster Marshall.
285. In assessing Census data on household composition, we see that Sturminster Marshall differs from East Dorset and Dorset in that there are fewer one-person households and a high number of one-family households (Table 5 6). These families are younger than their counterparts across Dorset, and are more likely in particular to have dependent and non-dependent children. There is also a significant cohort of families without children.
286. Data for East Dorset in 2011 shows that smaller one- and two-bedroom properties are more popular amongst households where the HRP is between 16 and 29. Larger properties get more popular in age groups 30 and above. In households where the HRP is aged 50 and over, smaller one- and two-bedroom properties become progressively more popular, although there is still a significantly high level of households in this age group occupying larger properties of three bedrooms or more. It's only when we get to the 85 and over age group where the proportion of those living in smaller one and two-bedroom properties is greater than those living in larger properties. This may indicate a lack of opportunity and/or reluctance to down or 'rightsized'.
287. The results of the life-stage modelling suggest that the size mix of new housing should focus on dwellings with one to three bedrooms, and suggests fewer large dwellings are needed. These results align with the preceding chapter which established the need for more affordable homes, which tend to be smaller dwellings. It's noted that this report is concerned with demand in the sense of need rather than in the sense of the preferences of potential occupants.
288. The household survey fills this gap in the evidence. It shows that a combined 46% of respondents are looking for one- and two-bedroom properties, which is lower than the 77% produced in the model above. The survey results also place a greater emphasis on three- and four-bedroom properties, where the HNA model suggests no further 4 bedroom homes are needed. This survey evidence should be given equal weight to the HNA findings, and would appear to justify seeking a larger dwelling mix than that proposed here.
289. The SHMA suggests the majority of additional dwellings required will be smaller two- and three-bedroom homes. The SHMA also recognises there will be a continuing market for larger family homes over the 20-year projection period across the HMA, however, the existing stock is expected to make a significant contribution to meeting this demand, as older households downsize (releasing equity from existing homes).
290. We therefore recommend that a broad mix of housing is provided, including all sizes of dwellings. In line with the life-stage modelling and survey results, the mild focus should be on smaller dwellings (especially affordable smaller homes). This would permit older households in larger dwellings to downsize and allow newly forming households to access housing through smaller and more affordable dwellings. However, it's recommended that larger dwellings also continue to be delivered in Sturminster Marshall to meet the demand evidenced in the household survey.

7.1.3 Findings of RQ 3: Specialist Housing for Older People

291. By the end of the plan period, Sturminster Marshall is forecast to have an over-75 population of 316, an estimated increase of 133 people from the 2011 Census. Despite this increase, Sturminster Marshall will continue to have a significantly lower proportion of people age 75+ compared to East Dorset
292. Elderly Accommodation Counsel (EAC) data shows there are no existing specialist housing for the elderly within the neighbourhood area. The 2011 Census identified 31 residents living within in a care home facility.
293. The data shows that overall Sturminster Marshall has a lower proportion of bungalows when compared to Dorset County.
294. AECOM's estimates suggest there might be 33-35 specialist dwellings required by the end of the plan period to meet the needs of older people who may need care and support.
295. Of those with the highest need, the HLIN led projection identifies a need for 9 housing with care dwellings whilst the tenure led projection identifies a need for 10 such dwellings.
296. Recommend treating the 33-35 range as an upper, more aspirational target, to be provided if other constraints allow. In practice, much of this need may be met within the mainstream housing stock through adaptations and care provided in the home.

297. The tenure led projection (8.6% affordable, 91.4% market housing) suggests there is a much greater need for market specialist housing compared to affordable specialist housing. The HLIN led projection (36.4% affordable, 63.6% market housing) also suggests a greater need for market housing, albeit to a lesser degree than shown in the tenure led approach. In contrast the SHMA recommends an indicative split of specialist housing provision for older persons of 50% affordable, 50% market housing.
298. Bungalows can play an important role in meeting the current and future needs of older people and people with accessibility needs. Placing a heavier emphasis on delivering bungalows could help meet the needs of older people who wish to downsize.
299. New mainstream homes (both market and affordable) could be provided to improved accessibility and adaptability standards. The Neighbourhood Group may wish to discuss this policy option with the Dorset Council, this could help ensure that some stock of accessible dwellings is built up over time. It may be possible to apply optional building regulation standards M4(2) and M4(3) to some or all new homes so that they better meet the needs of occupants as they age and need care and support.
300. We note that there is no expectation, obligation or requirement for care homes to be provided within the Neighbourhood Area itself.
301. Sturminster Marshall's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. Wimborne Minster and Corfe Mullen are considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Plan area.

7.2 Recommendations for next steps

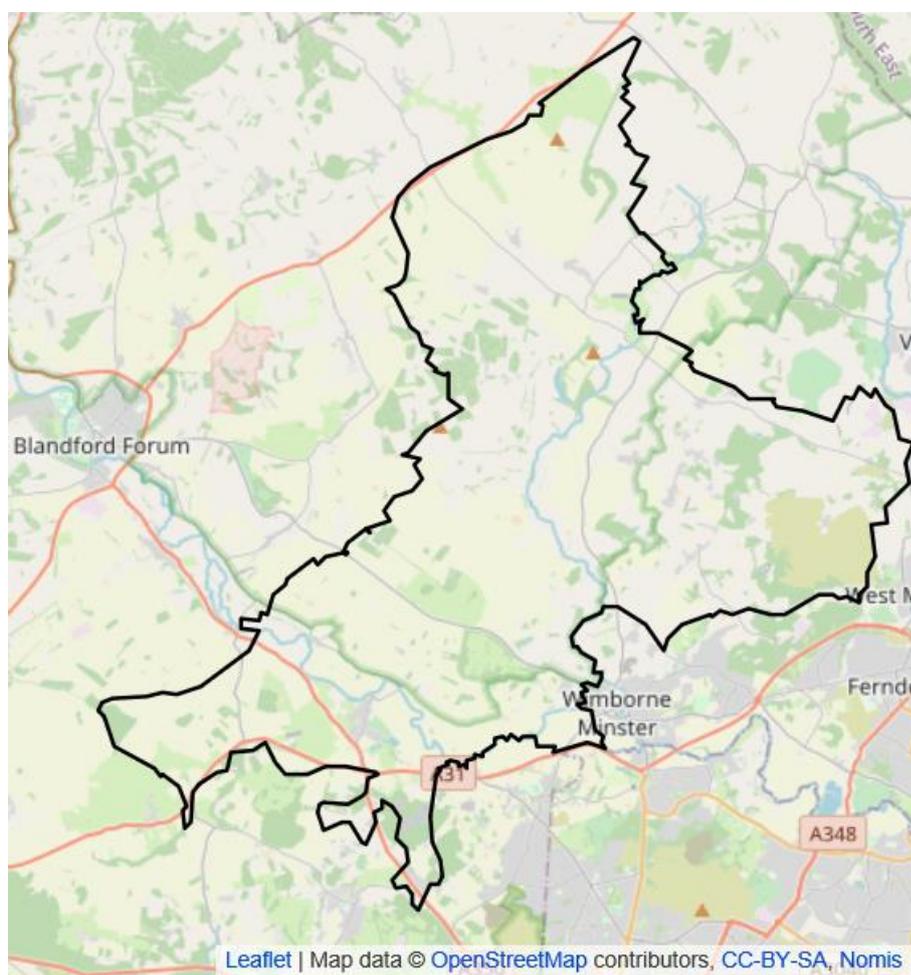
302. This Neighbourhood Plan housing needs assessment aims to provide Sturminster Marshall with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with Dorset Council with a view to agreeing and formulating draft housing policies, bearing the following in mind:
- All Neighbourhood Planning Basic Conditions, but in particular the following: Condition A, namely that the Neighbourhood Plan has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the Neighbourhood Plan contributes to the achievement of sustainable development; and Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
 - The views of Dorset Council – in particular in relation to the quantity of housing that should be planned for;
 - The views of local residents;
 - The views of other relevant local stakeholders, including housing developers and estate agents;
 - The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Dorset Council, including but not limited to the Strategic Housing Land Availability Assessment (SHLAA);
 - The recommendations and findings of this study; and
 - The impact of the Government's Standard Methodology on calculating housing need for Dorset Council and the neighbourhood plan areas within it.
303. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.
304. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Dorset Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
305. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

306. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas.
307. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Sturminster Marshall, it is considered that MSOA East Dorset 005 (E02004247) is the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map of East Dorset 005 appears below in Figure 7-1. This MSOA was chosen as it overlaps with the extent of the Neighbourhood Plan area.

Figure 7-1: MSOA East Dorset 005 used as a best-fit geographical proxy for the Neighbourhood Plan area



Source: ONS

A.2 Market housing

308. Market dwellings are accessible to people on higher incomes. Choices in the housing market are driven principally by spending power, life stage, and personal taste.
309. The operation of the housing market is, in most circumstances, the best means of addressing the demand for different types of housing for sale. For this reason, it is important that planning policy does not place unnecessary burdens on the market preventing its ability to respond to demand, because this is the principal way equilibrium is achieved in the market and thus house price growth kept in check.
310. In this sense, the notion of development viability is essential. It is important not to deter development in the context of

clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of resources for infrastructure improvements.

311. To determine affordability in market housing, the assessment considers two primary indicators: income thresholds, which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

i) Market sales

312. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.

313. To produce a more accurate assessment of affordability, both the savings available for a deposit and the equity in the home from which the buyer is moving (if not a first-time buyer) should be taken into account. However, this data is not available for Sturminster Marshall. As such, a reasonable assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.

314. The value of an entry-level dwelling is considered the best representation of the segment of market housing most likely to be accessible to those on lower incomes.⁵⁴ The value of an entry level dwelling used here is the lower quartile average house price from sales data from Land Registry over the year 2019.

315. The calculation is therefore:

- Value of an 'entry level dwelling' = £303,750;
- Purchase deposit = £30,375 @10% of value;
- Value of dwelling for mortgage purposes = £273,375;
- Loan to income ratio = value of dwelling for mortgage purposes divided by 3.5;
- **Purchase threshold = £78,107.**

ii) Private Rented Sector (PRS)

316. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. Households are deemed able to afford a private rented property if the lower quartile private rent does not exceed 30% of gross household income. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Plan area. The best available data is derived from properties available for rent within the BH21 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.

Entry-level Market Rent

317. It is assumed that lower quartile private rent equates to the average rent paid in the Neighbourhood Plan area for a two-bedroom dwelling (enough living space for two or three individuals). In order to be in conformity with the Government guidance on overcrowding,⁵⁵ such a home would require three habitable rooms (a flat or house with two bedrooms).

318. According to [home.co.uk](https://www.home.co.uk), there are five two-bed properties currently listed for rent across BH21, with an average price of £875 per calendar month.

319. It is possible to derive from this data the estimated income threshold for private rental sector dwellings in the Neighbourhood Plan area; the calculation is therefore:

- Annual rent = £875 x 12 = £10,500;
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = £35,000;
- **Income threshold (private rental sector) = £35,000.**

⁵⁴ 'Entry-level dwelling' can be understood to comprise a property that costs the average value of dwellings falling into the lower quartile of house prices in the Neighbourhood Plan area, as set out in the Tenure and Affordability chapter above.

⁵⁵ This is based on the concept of the 'room standard', which indicates a dwelling is legally overcrowded if two people of the opposite sex have to share a room to sleep in (this does not apply when couples share a room). See: http://england.shelter.org.uk/housing_advice/repairs/overcrowding

320. The NPPF 2018 acknowledges that build-to-rent dwellings have a role to play in providing affordable market homes and may meet affordable housing need where they include a component of affordable private rent.

Average Market Rent

321. According to home.co.uk, there is a total of 24 properties currently listed for rent across BH21, with an average price of £1,116 per calendar month.

322. It is possible to derive from this data the estimated income threshold for private rental sector dwellings in the Neighbourhood Plan area; the calculation is therefore:

- Annual rent = £1,116 x 12 = £13,392;
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = £44,640;
- **Income threshold (private rental sector) = £44,640.**

A.3 Affordable Housing

323. There are a range of tenures that constitute the definition of Affordable Housing within the 2019 NPPF: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership.

324. This variety of tenures reflects an ambition by the Government to provide a pathway to home ownership for more households, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide affordable housing into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer in line with people’s ability to pay.

325. We consider each of the affordable housing tenures in turn.

i) Social rent

326. Rents in socially rented properties reflect a ‘formula rent’ based on a combination of individual property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on low incomes and is subject to strict eligibility criteria.

327. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level (pre-April 2019) so East Dorset must act as a proxy for Sturminster Marshall. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for East Dorset in the table below.

328. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This HNA uses two bedroom homes in the main report tables to illustrate affordability of this tenure. These homes are a good proxy for affordability in this tenure as they are typically the most numerous property size.

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent PCM	£86.89	£97.65	£110.63	£132.39	£101.68
Annual average	£4,518	£5,078	£5,753	£6,884	£5,287
Income needed	£15,061	£16,926	£19,176	£22,948	£17,625

Source: Homes England, AECOM Calculations

ii) Affordable rent

329. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000). Even an 80% discount on the market rent may not be sufficient to ensure that households can afford it, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.

330. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for East Dorset (above). Again, it is assumed that no more than 30% of income should be spent on rent.

Table A-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent PCM	£100.75	£123.92	£146.97	£169.49	£126.55
Annual average	£5,239	£6,444	£7,642	£8,813	£6,581
Income needed	£17,463	£21,479	£25,475	£29,378	£21,935

Source: Homes England, AECOM Calculations

iii) Intermediate tenures

331. Intermediate housing includes homes for sale and rent provided at a cost above social rent, but below market levels, subject to the criteria in the affordable housing definition above. They can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing.

Discounted Market Homes

332. In paragraph 64 of the NPPF 2019, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership”.

333. Whether to treat discounted market sale homes as affordable housing or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to access market housing for purchase.

334. Applying a discount of 20% provides an approximate selling price of £262,000 (20% discount on median average prices of £327,500). Allowing for a 10% deposit further reduces the value of the property to £235,800. The income threshold at a loan to income ratio of 3.5 is £67,371.

335. In practice, developers are likely to price these homes in relation to new build prices, particularly in locations where discounting in relation to entry level prices may not make these homes viable to develop in relation to build costs. When new build prices are discounted by 20% they may not offer any discount on entry level prices. Median second-hand dwelling prices are used here rather than second-hand entry level prices, which would be unrealistic to achieve with new build housing. As a cross-check, new build sales data for 2014/15 started at £349,950 for a semi-detached property, which is broadly in line with the slightly lower overall median used here.

336. The Government is consulting on proposals to introduce First Homes which would provide a minimum discount of 30% on new market homes for eligible households. A 30% discount on median prices would require an income threshold of £58,950.

Shared ownership

337. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the leaseholder can be varied by 'staircasing'. Generally, staircasing will be upward, thereby increasing the share owned over time.

338. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.

339. To determine the affordability of shared ownership, calculations are based on the median house price of £327,500.⁵⁶ The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover

⁵⁶ It is important to note that current shared ownership models are only available for new build homes, which are assumed to cost more than this average taken from all open market housing, which also includes property re-sale.

the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).

340. A 25% equity share of £327,500 is £81,875, from which a 10% deposit of £8,188 is deducted. The mortgage value of £73,688 (£81,875 - £8,188) is then divided by 3.5. To secure a mortgage of £73,688, an annual income of £21,054 (£73,688/3.5) is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £245,625. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £6,141 and requires an income of £20,468.75 (multiplied by 3.33 so that no more than 30% of income is spent on rent). Therefore, an income of around **£41,522** (£21,054 + £20,468.75) is required to afford a 25% shared equity purchase of an entry-level home. The same calculations were undertaken for equity shares of 50% and 75%, producing income thresholds of **£55,753** and **£69,984** respectively.

Appendix B : Housing Needs Assessment Glossary

Adoption

This refers to the final confirmation of a local plan by a local planning authority.

Affordability

The terms 'affordability' and 'affordable housing' have different meanings. 'Affordability' is a measure of whether housing may be afforded by certain groups of households. 'Affordable housing' refers to particular products outside the main housing market.

Affordability Ratio

Assessing affordability involves comparing housing costs against the ability to pay. The ratio between lower quartile house prices and the lower quartile income or earnings can be used to assess the relative affordability of housing. The Ministry for Housing, Community and Local Governments publishes quarterly the ratio of lower quartile house price to lower quartile earnings by local authority (LQAR) as well as median house price to median earnings by local authority (MAR) e.g. income = £25,000, house price = £200,000. House price: income ratio = £200,000/£25,000 = 8, (the house price is 8 times income).

Affordable Housing (NPPF Definition)

Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

b) Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

c) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods⁵⁷.

Age-Restricted General Market Housing

A type of housing which is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens but does not include support or care services.

⁵⁷ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

Annual Monitoring Report

A report submitted to the Government by local planning authorities assessing progress with and the effectiveness of a Local Development Framework.

Basic Conditions

The Basic Conditions are the legal tests that are considered at the examination stage of neighbourhood development plans. They need to be met before a plan can progress to referendum.

Backlog need

The backlog need constitutes those households who are eligible for Affordable Housing, on account of homelessness, overcrowding, concealment or affordability, but who are yet to be offered a home suited to their needs.

Bedroom Standard⁵⁸

The bedroom standard is a measure of occupancy (whether a property is overcrowded or under-occupied, based on the number of bedrooms in a property and the type of household in residence). The Census overcrowding data is based on occupancy rating (overcrowding by number of rooms not including bathrooms and hallways). This tends to produce higher levels of overcrowding/ under occupation. A detailed definition of the standard is given in the Glossary of the EHS Household Report.

Co-living

Co-living denotes people who do not have family ties sharing either a self-contained dwelling (i.e., a 'house share') or new development akin to student housing in which people have a bedroom and bathroom to themselves, but share living and kitchen space with others. In co-living schemes each individual represents a separate 'household'.

Community Led Housing/Community Land Trusts

Housing development, provision and management that is led by the community is very often driven by a need to secure affordable housing for local people in the belief that housing that comes through the planning system may be neither the right tenure or price-point to be attractive or affordable to local people. The principle forms of community-led models include cooperatives, co-housing communities, self-help housing, community self-build housing, collective custom-build housing, and community land trusts. By bringing forward development which is owned by the community, the community is able to set rents and/or mortgage payments at a rate that it feels is appropriate. The Government has a range of support programmes for people interested in bringing forward community led housing.

Community Right to Build Order⁵⁹

A community right to build order is a special kind of neighbourhood development order, granting planning permission for small community development schemes, such as housing or new community facilities. Local community organisations that meet certain requirements or parish/town councils are able to prepare community right to build orders.

Concealed Families (Census definition)⁶⁰

The 2011 Census defined a concealed family as one with young adults living with a partner and/or child/children in the same household as their parents, older couples living with an adult child and their family or unrelated families sharing a household. A single person cannot be a concealed family; therefore one elderly parent living with their adult child and family or an adult child returning to the parental home is not a concealed family; the latter are reported in an ONS analysis on increasing numbers of young adults living with parents.

Equity Loans/Shared Equity

An equity loan which acts as a second charge on a property. For example, a household buys a £200,000 property with a 10% equity loan (£20,000). They pay a small amount for the loan and when the property is sold e.g. for £250,000 the lender receives 10% of the sale cost (£25,000). Some equity loans were available for the purchase of existing stock. The current scheme is to assist people to buy new build.

⁵⁸ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

⁵⁹ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

⁶⁰ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

Extra Care Housing or Housing-With-Care

Housing which usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24 hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are included in retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.

Fair Share

'Fair share' is an approach to determining housing need within a given geographical area based on a proportional split according to the size of the area, the number of homes in it, or its population.

First Homes

The Government is consulting on the introduction of First Homes as a new form of discounted market homes which will be provided at least 30% discount on new homes. The intention is that these homes are available to first time buyers as a priority but other households will be eligible depending on agreed criteria. New developments may be required to provide a proportion of Affordable Housing as First Homes (40-80%).

Habitable Rooms

The number of habitable rooms in a home is the total number of rooms, excluding bathrooms, toilets and halls.

Household Reference Person (HRP)

The concept of a Household Reference Person (HRP) was introduced in the 2001 Census (in common with other government surveys in 2001/2) to replace the traditional concept of the head of the household. HRPs provide an individual person within a household to act as a reference point for producing further derived statistics and for characterising a whole household according to characteristics of the chosen reference person.

Housing Market Area

A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case that housing market areas overlap.

The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate.

Housing Needs

There is no official definition of housing need in either the National Planning Policy Framework or the National Planning Practice Guidance. Clearly, individuals have their own housing needs. The process of understanding housing needs at a population scale is undertaken via the preparation of a Strategic Housing Market Assessment (see below).

Housing Needs Assessment

A Housing Needs Assessment (HNA) is an assessment of housing needs at the Neighbourhood Area level.

Housing Products

Housing products simply refers to different types of housing as they are produced by developers of various kinds (including councils and housing associations). Housing products usually refers to specific tenures and types of new build housing.

Housing Size (Census Definition)

Housing size can be referred to either in terms of the number of bedrooms in a home (a bedroom is defined as any room that was intended to be used as a bedroom when the property was built, any rooms permanently converted for use as bedrooms); or in terms of the number of rooms, excluding bathrooms, toilets halls or landings, or rooms that can only be used for storage. All other rooms, for example, kitchens, living rooms, bedrooms, utility rooms, studies and conservatories are counted. If two rooms have been converted into one they are counted as one room. Rooms shared between more than one household, for example a shared kitchen, are not counted.

Housing Type (Census Definition)

This refers to the type of accommodation used or available for use by an individual household (i.e. detached, semi-detached, terraced including end of terraced, and flats). Flats are broken down into those in a purpose-built block of flats, in parts of a converted or shared house, or in a commercial building.

Housing Tenure (Census Definition)

Tenure provides information about whether a household rents or owns the accommodation that it occupies and, if rented, combines this with information about the type of landlord who owns or manages the accommodation.

Income Threshold

Income thresholds are derived as a result of the annualisation of the monthly rental cost and then asserting this cost should not exceed 35% of annual household income.

Intercensal Period

This means the period between the last two Censuses, i.e. between years 2001 and 2011.

Intermediate Housing

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing. Homes that do not meet the above definition of affordable housing, such as 'low-cost market' housing, may not be considered as affordable housing for planning purposes.

Life Stage modelling

Life Stage modelling is forecasting need for dwellings of different sizes by the end of the Plan period on the basis of changes in the distribution of household types and key age brackets (life stages) within the NA. Given the shared behavioural patterns associated with these metrics, they provide a helpful way of understanding and predicting future community need. This data is not available at neighbourhood level so LPA level data is employed on the basis of the NA falling within its defined Housing Market Area.

Life-time Homes

Dwellings constructed to make them more flexible, convenient adaptable and accessible than most 'normal' houses, usually according to the Lifetime Homes Standard, 16 design criteria that can be applied to new homes at minimal cost: <http://www.lifetimehomes.org.uk/>.

Life-time Neighbourhoods

Lifetime neighbourhoods extend the principles of Lifetime Homes into the wider neighbourhood to ensure the public realm is designed in such a way to be as inclusive as possible and designed to address the needs of older people, for example providing more greenery and more walkable, better connected places.

Local Development Order

An Order made by a local planning authority (under the Town and Country Planning Act 1990) that grants planning permission for a specific development proposal or classes of development.

Local Enterprise Partnership

A body, designated by the Secretary of State for Communities and Local Government, established for the purpose of creating or improving the conditions for economic growth in an area.

Local housing need (NPPF definition)

The number of homes identified as being needed through the application of the standard method set out in national planning guidance (or, in the context of preparing strategic policies only, this may be calculated using a justified alternative approach as provided for in paragraph 60 of this Framework).

Local Planning Authority

The public authority whose duty it is to carry out specific planning functions for a particular area. All references to local planning authority apply to the District Council, London Borough Council, County Council, Broads Authority, National Park Authority or the Greater London Authority, to the extent appropriate to their responsibilities.

Local Plan

This is the plan for the future development of the local area, drawn up by the local planning authority in consultation with the community. In law this is described as the development plan documents adopted under the Planning and Compulsory Purchase Act 2004. Current core strategies or other planning policies form part of the Local Plan and are known as 'Development Plan Documents' (DPDs).

Lower Quartile

The bottom 25% value, i.e. of all the properties sold, 25% were cheaper than this value and 75% were more expensive. The lower quartile price is used as an entry level price and is the recommended level used to evaluate affordability; for example for first time buyers.

Lower Quartile Affordability Ratio

The Lower Quartile Affordability Ratio reflects the relationship between Lower Quartile Household Incomes and Lower Quartile House Prices, and is a key indicator of affordability of market housing for people on relatively low incomes.

Market Housing

Market housing is housing which is built by developers (which may be private companies or housing associations, or Private Registered Providers), for the purposes of sale (or rent) on the open market.

Mean (Average)

The mean or the average is, mathematically, the sum of all values divided by the total number of values. This is the more commonly used "average" measure as it includes all values, unlike the median.

Median

The middle value, i.e. of all the properties sold, half were cheaper and half were more expensive. This is sometimes used instead of the mean average as it is not subject to skew by very large or very small statistical outliers.

Median Affordability Ratio

The Lower Quartile Affordability Ratio reflects the relationship between Median Household Incomes and Median House Prices, and is a key indicator of affordability of market housing for people on middle-range incomes.

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years⁶¹, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

An NDO will grant planning permission for a particular type of development in a particular area. This could be either a particular development, or a particular class of development (for example retail or housing). A number of types of development will be excluded from NDOs, however. These are minerals and waste development, types of development that, regardless of scale, always need Environmental Impact Assessment, and Nationally Significant Infrastructure Projects.

Neighbourhood plan

A plan prepared by a Parish or Town Council or Neighbourhood Forum for a particular neighbourhood area (made under the Planning and Compulsory Purchase Act 2004).

⁶¹ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

Older People

People over retirement age, including the active, newly-retired through to the very frail elderly, whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs.

Output Area/Lower Super Output Area/Middle Super Output Area

An output area is the lowest level of geography for publishing statistics, and is the core geography from which statistics for other geographies are built. Output areas were created for England and Wales from the 2001 Census data, by grouping a number of households and populations together so that each output area's population is roughly the same. 175,434 output areas were created from the 2001 Census data, each containing a minimum of 100 persons with an average of 300 persons. Lower Super Output Areas consist of higher geographies of between 1,000-1,500 persons (made up of a number of individual Output Areas) and Middle Super Output Areas are higher than this, containing between 5,000 and 7,200 people, and made up of individual Lower Layer Super Output Areas. Some statistics are only available down to Middle Layer Super Output Area level, meaning that they are not available for individual Output Areas or parishes.

Overcrowding

There is no single agreed definition of overcrowding, however, utilising the Government's bedroom standard, overcrowding is deemed to be in households where there is more than one person in the household per room (excluding kitchens, bathrooms, halls and storage areas). As such, a home with one bedroom and one living room and one kitchen would be deemed overcrowded if three adults were living there.

Planning Condition

A condition imposed on a grant of planning permission (in accordance with the Town and Country Planning Act 1990) or a condition included in a Local Development Order or Neighbourhood Development Order.

Planning Obligation

A legally enforceable obligation entered into under section 106 of the Town and Country Planning Act 1990 to mitigate the impacts of a development proposal.

Purchase Threshold

Purchase thresholds are calculated by netting 10% off the entry house price to reflect purchase deposit. The resulting cost is divided by 4 to reflect the standard household income requirement to access mortgage products.

Proportionate and Robust Evidence

Proportionate and robust evidence is evidence which is deemed appropriate in scale, scope and depth for the purposes of neighbourhood planning, sufficient so as to meet the Basic Conditions, as well as robust enough to withstand legal challenge. It is referred to a number of times in the PPG and its definition and interpretation relies on the judgement of professionals such as Neighbourhood Plan Examiners.

Private Rented

The Census tenure private rented includes a range of different living situations in practice, such as private rented/ other including households living "rent free". Around 20% of the private rented sector are in this category, which will have included some benefit claimants whose housing benefit at the time was paid directly to their landlord. This could mean people whose rent is paid by their employer, including some people in the armed forces. Some housing association tenants may also have been counted as living in the private rented sector because of confusion about what a housing association is.

Retirement Living or Sheltered Housing

Housing for older people which usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services, but provides some support to enable residents to live independently. This can include 24 hour on-site assistance (alarm) and a warden or house manager.

Residential Care Homes and Nursing Homes

Housing for older people comprising of individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

Rightsizing

Households who wish to move into a property that is a more appropriate size for their needs can be said to be rightsizing. This is often used to refer to older households who may be living in large family homes but whose children have left, and who intend to rightsize to a smaller dwelling. The popularity of this trend is debatable as ties to existing communities and the home itself may outweigh issues of space. Other factors, including wealth, health, status and family circumstance also need to be taken into consideration, and it should not be assumed that all older households in large dwellings wish to rightsize.

Rural Exception Sites

Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. Small numbers of market homes may be allowed at the local authority's discretion, for example where essential to enable the delivery of affordable dwellings without grant funding.

Shared Ownership

Housing where a purchaser part buys and part rents from a housing association or local authority. Typical purchase share is between 25% and 75%, and buyers are encouraged to buy the largest share they can afford. Generally applies to new build properties, but re-sales occasionally become available. There may be an opportunity to rent at intermediate rent level before purchasing a share in order to save/increase the deposit level

Sheltered Housing⁶²

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bedroomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

Strategic Housing Land Availability Assessment

A Strategic Housing Land Availability Assessment (SHLAA) is a document prepared by one or more local planning authorities to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the Plan period. SHLAAs are sometimes also called LAAs (Land Availability Assessments) or HELAAs (Housing and Economic Land Availability Assessments) so as to integrate the need to balance assessed housing and economic needs as described below.

Strategic Housing Market Assessment (NPPF Definition)

A Strategic Housing Market Assessment (SHMA) is a document prepared by one or more local planning authorities to assess their housing needs under the 2012 version of the NPPF, usually across administrative boundaries to encompass the whole housing market area. The NPPF makes clear that SHMAs should identify the scale and mix of housing and the range of tenures the local population is likely to need over the Plan period. Sometimes SHMAs are combined with Economic Development Needs Assessments to create documents known as HEDNAs (Housing and Economic Development Needs Assessments).

⁶² See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

Specialist Housing for the Elderly

Specialist housing for the elderly, sometimes known as specialist accommodation for the elderly, encompasses a wide range of housing types specifically aimed at older people, which may often be restricted to those in certain older age groups (usually 55+ or 65+). This could include residential institutions, sometimes known as care homes, sheltered housing, extra care housing, retirement housing and a range of other potential types of housing which has been designed and built to serve the needs of older people, including often providing care or other additional services. This housing can be provided in a range of tenures (often on a rented or leasehold basis).

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.⁶³

⁶³ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

