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# Puddletown Parish Housing Needs Assessment (HNA)

May 2018

## Quality information

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**List of acronyms used in the text:**

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
DCC	Dorset County Council
HNA	Housing Needs Assessment
LEP	Local Economic Partnership
LPA	Local Planning Authority
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
NA	Neighbourhood Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PNPS16	Puddletown Neighbourhood Plan Survey 2016
PAPC	Puddletown Area Parish Council
QB	Qualifying Body
rLP	Revised Local Plan
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
SHMA14.1	West Dorset, Weymouth and Portland Strategic Housing Market Report (Part 1: Objectively Assessed Housing Needs)
SHMA14.2	Strategic Housing Market Assessment (Part 2)
WDDC	West Dorset District Council

# 1. Executive summary

## Headlines

1. AECOM's assessment of housing need in Puddletown is **124 homes, or approximately 10 dwellings per annum (dpa)**.
2. Home ownership is **not affordable** for a large proportion of the population of Puddletown despite being the **dominant tenure**; and mortgages are **particularly difficult for young people to access**.
3. The Parish should consider how their policies might best deliver **social, affordable and market rent housing**, particularly as **discounted market sale housing** such as Starter Homes are unlikely to be affordable for at least **75% of the population**.
4. As such, **smaller homes of one and two bedrooms** are likely to be most effective in meeting Puddletown's housing needs, both for younger and older people, with these likely to be provided as flats.
5. The population of Puddletown aged 75+ will likely grow by **144 people**, which may result in the need for **34 specialist dwellings for the elderly by the end of the Plan Period**. Whilst it is unlikely that these will all be provided within Puddletown, the Parish should consider whether some of this need could be met within its boundaries.

## Introduction

6. **Puddletown Area Parish Council (PAPC)** is designated as a **Qualifying Body (QB)** and has decided to prepare a Neighbourhood Plan for the Parish area, referred to here as the **Neighbourhood Area (NA)**. The 2011 Localism Act introduced neighbourhood planning, allowing Parishes, town councils or neighbourhood forums across England to develop and adopt legally binding development plans for their neighbourhood area. We have been asked to prepare a Housing Needs Assessment by the Area Parish Council, based on a robust methodology, local data, and focused on a number of research questions agreed with the Area Parish Council.
7. As more and more town and Parish Councils and forums seek to address housing growth, including tenure and type of new housing, it has become evident that housing policies need to be underpinned by robust, objectively assessed housing data.
8. In the words of the national Planning Practice Guidance (Planning Practice Guidance), establishing future need for housing is not an exact science, and no single approach will provide a definitive answer.<sup>1</sup> The process involves making balanced judgements based on the qualitative and statistical evidence gathered as well as having regard for relevant national and local planning policies and guidance.
9. At a neighbourhood planning level, one important consideration is determining the extent to which the neighbourhood diverges from the local authority average, reflecting the fact that a single town, village, or neighbourhood almost never constitutes a housing market area on its own and must therefore be assessed in its wider context.
10. The guidance quoted above on housing needs assessment is primarily aimed at local planning authorities preparing Strategic Housing Market Assessments (SHMAs), which are used to determine housing need at a local authority and/or housing market area level. However, it helpfully states that those preparing neighbourhood plans can use the guidance to identify specific local needs that may be relevant to a neighbourhood, but that any assessment at such a localised level should be proportionate.
11. Our brief was to advise on data at this more local level to help PAPC understand the quantity, tenure, type, and size of housing needed to inform neighbourhood plan policies.

## Planning Practice Guidance-based assessment

12. This objective and independent housing needs advice note follows the Planning Practice Guidance approach where relevant. This ensures our findings are appropriately evidenced. The Planning Practice Guidance advises that assessment of development needs should be thorough but proportionate and does not require planners to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.

## Summary of methodology

13. Housing Needs Assessment (HNA) at neighbourhood plan level can be focused either on quantity of housing needed, type of housing needed, or both. In most cases, there is a need to focus on quantity where the housing

<sup>1</sup> Planning Practice Guidance Paragraph: 014 Reference ID: 2a-014-20140306 Revision date: 06 03 2014

target for the area is unclear, for example where the local authority has not set a specific target for the area, or where there is no Local Plan in place.

14. The West Dorset Local Plan (adopted 2015) identifies Puddletown as having its own development boundary, meaning that “development in rural areas will be directed<sup>2</sup>” there as opposed to settlements without such a boundary. However, there is no specific target set for housing in the Parish. PAPC have suggested that there may be unmet housing needs within the Parish now and in future, and that initial engagement work suggests that the community agrees with this assessment.
15. As such, PAPC has asked us to consider the potential quantity of housing needed in the Parish up to 2031, the end of the neighbourhood and local Plan Period, as well as the types, tenures and sizes of housing, and any specialist housing needed by the local population living in the Parish.
16. The rationale for this approach is that neighbourhood plans need to meet the basic conditions, the fulfilment of which is tested through an independent examination. One of these, Basic Condition E, requires the Neighbourhood Plan to be in ‘general conformity with the strategic policies’ of the Local Plan.
17. The Government’s Planning Practice Guidance indicates that the level of housing development is likely to count as a strategic policy.<sup>3</sup> As such, this HNA investigates specific local needs that are relevant to the neighbourhood whilst supporting the strategic development needs set out in the emerging review of the local plan. This means a neighbourhood plan can propose more housing where there is demonstrable need, but not less than the Local Plan requirement.
18. In terms of the types of housing needed, there is generally more flexibility on what neighbourhood plans can cover. In order to understand the types of housing needed in Puddletown, we have gathered a wide range of local evidence and distilled this into policy recommendations designed to inform decisions on both housing quantity and characteristics.

### Focus on demand rather than supply

19. Our approach is to provide advice on the housing required based on need and/or demand rather than supply. This is in line with the Planning Practice Guidance, which states that *‘the assessment of development needs should be an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints.’*<sup>4</sup>
20. For this reason, we advise that the conclusions of this report should be assessed against supply-side considerations (including, for example, factors such as transport infrastructure, landscape constraints, flood risk and so on) as a separate and follow-on exercise.<sup>5</sup>

### Quantity of housing needed

21. Our assessment of a wide range of data sources identified three separate projections of dwelling numbers for Puddletown of between 91 and 149 based on:
  - A ‘proportionate share’ derivation from the SHMA, Objectively Assessed Need<sup>6</sup> (OAN); total of 149 dwellings over the period to 2031 (rounded to the nearest whole number);
  - MHCLG household projections derived figure of 100 dwellings;
  - A projection forward of net dwelling completion rates 2001-2017 of 91 dwellings.
22. These dwelling number projections are illustrated in Figure 1-1 on the following page.

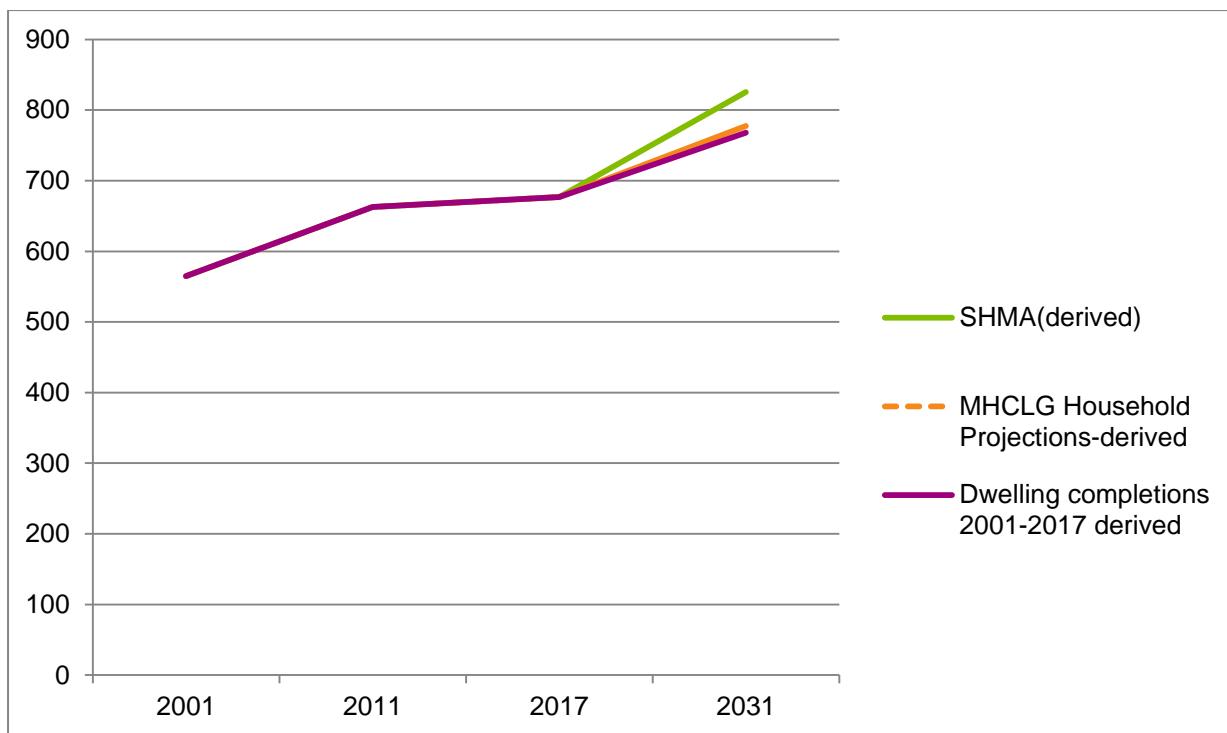
<sup>2</sup> West Dorset, Weymouth and Portland Local Plan 2015, pp. 72

<sup>3</sup> Planning Practice Guidance Paragraph: 006 Reference ID: 2a-006-20140306

<sup>4</sup> See Planning Practice Guidance, Paragraph: 004 Reference ID: 2a-004-20140306 Revision date: 06 03 2014

<sup>5</sup> Such an approach, clearly separating housing need assessment from dwelling capacity assessment, was endorsed by the Government for calculating housing need at local authority level in the ministerial statement and press release ‘Councils must protect our precious green belt land’ (MHCLG, 4 October 2014, available at <https://www.gov.uk/government/news/councils-must-protect-our-precious-green-belt-land>)

<sup>6</sup> The OAN includes the baseline demographic need, plus any adjustments made to official forecasts to account for projected rates of household formation post 2021, past suppression of the formation of new households, the effect of past under-supply, employment forecasts, market signals and affordable housing need (as set out in paragraph ID2a-004 of the NPlanning Practice Guidance).




**Figure 1-1: Dwelling projections for Puddletown, 2001-2031**

Source: AECOM

23. The graph above sets out the total number of homes under each of the projections we have identified for Puddletown. So, for example, factoring in MHCLG derived data (orange line) to the number of dwellings that have already been built in the NA between 2011 and 1st January 2017 (14) generates a total need requirement for 777 homes by the end of the Plan Period (adding together existing dwellings, and new homes needed under the projection).
24. The starting point to arrive at an overall projection for housing numbers to be delivered in the NA over the Plan Period is the average of the three projections set out above; we depart from this approach if we have reason to believe a given projection should be awarded more weight than others, or should be excluded.
25. In the case of Puddletown, we do not see any justification for awarding any one projection greater weight, therefore the initial housing projection for the town is 113 dwellings to 2031.
26. Moreover, a further assessment applied to this initial projection indicates that market signals (for example the economic context in which the NA sits, together with the performance of the housing market) are likely to impact on it. These are discussed in more detail in Chapters 4, 5 and 8, and are summarised in the table on the following page. Factors include employment and commuting, migration, house prices and sales volumes, overcrowding, and the past rate of development, as well as affordability, in line with Planning Practice Guidance recommendations.
27. We have applied our professional judgment on the scales of increase and decrease associated with each factor on a scale from one to three, where one arrow indicates 'some impact', two arrows 'stronger impact' and three arrows indicates an 'even stronger impact'. Factors are set out in the table below in alphabetical but no other order.
28. As a result of the affordability issues in Puddletown, we make a recommendation of an uplift of up to 10%. This would imply an uplift in need from 113 to 124 dwellings. However, on an annual basis the difference between these scenarios is relatively small (9 versus 10 dpa). We would recommend that the Area Parish Council plan for 10 dpa, or 124 dwellings from 2011-2031, and should clear evidence of jobs growth emerge, this would justify a further 10% uplift to 136 total additional dwellings by the end of the Plan Period.

## 1.1 Overview




**Table 1-1: Summary of factors specific to Puddletown with a potential impact on neighbourhood plan housing quantity**

Factor	Source(s) (detailed in Chapter 8)	Possible impact on future housing need	Rationale for judgement
<b>Employment and commuting</b>	ONS Census Data, SHMA14.2, Dorset LEP, Joint Local Plan Review for West Dorset, Weymouth and Portland Initial Issues and Options Consultation - February 2017		<p>The evidence suggests that West Dorset's economy is both stable and growing. Levels of unemployment are low in West Dorset, and even lower within the NA, with a higher number of residents who are economically active. The average distance to work in Puddletown is also higher, demonstrating that economic growth in Dorset has the potential to affect residents in Puddletown.</p> <p>Based on the relative ease of access to the eastern and northern parts of the region which are expected to grow significantly, and based on the 'Western Growth Hub' which is expected to bring growth to Dorchester and Weymouth, an evaluation of one up arrow has been deemed appropriate.</p> <p>It should also be noted that the NA has a significantly high proportion of retired residents which is projected to increase. This will create a shortage in the labour force needed to sustain the growth expected in Dorset. Consequently, we would highlight the necessity to not only provide for an ageing population but also, and in line with the Local Plan, to provide "<i>sufficient market and affordable housing to encourage young people to stay in the area and to attract people to provide local businesses with the workforce they need to deliver economic growth</i>".<sup>7</sup></p>
<b>Migration</b>	ONS, SHMA14.2, West Dorset, Weymouth & Portland Local Plan - October 2015		<p>There is little indication that the migration rate for the Puddletown NA differs from the trends in West Dorset shown within the SHMA.</p>
<b>Housing sales (prices)</b>	Land Registry Price Paid Data for 2007-2016, SHMA14.2		<p>The price for terraced dwellings has experienced an uplift of 1% between 2007 and 2016. It is the only housing type cheaper in the NA than in the District. Semi-detached has experienced the most significant uplift in price since 2007 (11%).</p> <p>Although average house prices are slightly higher in the NA than in the District, both are noticeably higher than the national average, and there is little indication that the trends in the Puddletown NA differ from those in West</p>

<sup>7</sup> West Dorset, Weymouth & Portland Local Plan - October 2015

Dorset. In both areas, flats are the only housing type where prices are lower than the national average.

Consequently, an assessment of a 'neutral' arrow has been deemed appropriate as trends in the NA and the District are relatively similar.

<b>Housing sales (volume)</b>	Land Registry Price Paid Data for 2007-2016, Census 2001/2011 data, SHMA14.2		Regarding quantity, the sale volumes across the NA have fluctuated over time, but sales have not recovered their pre-recession levels, hence the 'neutral arrow'.
<b>Overcrowding and concealment (families living with other families in a multi-family household, e.g. a young couple living with their parents)</b>	Census 2001/2011		However, concerning the profile of sales, increased demand has been shown for terraced dwellings (and semi-detached to a lesser extent). This translated into an increase in price for both types. The price for terraced dwellings has experienced an uplift of 1% between 2007 and 2016. Its relative affordability (the only type which is cheaper in the NA than in the District) might be one of the factors explaining a demand for terraced dwellings. There is a risk of this type of housing becoming less affordable if the gap between sales and stock was to grow wider.  In contrast, semi-detached is the most popular house type (41% of sales) in the NA and has experienced the most significant uplift in price since 2007 (11%). The gap between sales and stock is not as wide as it is for terraced dwellings.  In conclusion, sales are slowly recovering, driven by a demand for mid-size dwellings types such as semi-detached and terraced housing. Yet, the increasing cost for semi-detached and terraced houses might end up choking off demand. That, combined with a deflated demand for other types, creates risks for the housing market.
			There is very little evidence of concealment and overcrowding in the NA, with concealed families accounting for only 1.1% of all families and overcrowded households being almost non-existent. As a result, an assessment of one down arrow has been deemed appropriate.
			The rate of development seen in West Dorset is slightly under planned targets, with a shortfall of 324 dwellings. The rate of development in Puddletown in recent years has been low, with approximately two houses built per year. This suggests an under-delivery of homes in Puddletown. Two up arrows have been deemed appropriate to compensate for the under-supply.
<b>Rate of development</b>	Land Registry Data/AECOM calculations		

**Table 1-2: Summary of local factors specific to Puddletown with a potential impact on housing characteristics**

Factor	Sources (see individual chapters)	Possible impact on housing needed	Conclusion
<b>Affordable housing<sup>8</sup></b>	Census 2001/2011, Land Registry PPD, SHMA14.2, DCC	We have considered the cost and affordability of housing in Puddletown, and found that average prices have remained up to 11% higher than in West Dorset, around the region of £300,000, in spite of significant drops in sales volumes both in Puddletown and across the District. Indeed, entry level properties are in very short supply, with just four sold in Puddletown in 2016, and still require very high incomes of up to £40,000 per annum to be affordable, with affordability ratios worsening for all market sale housing and up to two thirds of earners unable to afford to buy a home on typical mortgage terms. So too, rents have increased significantly, and the supply of rental properties is relatively constrained.	<p>Given the scale of need, and the fact that the housing register only records a relatively small percentage (20%) of households in need of low-cost ownership properties, it is recommended that the vast majority of Affordable Homes be provided for social rent, i.e. approximately 80%. These recommendations fall broadly into line with the recommendations put forward by the SHMA for the whole of West Dorset. Our calculations also show that the vast majority of the population may not be able to access discounted market sale housing given local incomes.</p> <p>However, there is certainly potential for intermediate housing products such as new affordable rented to fill housing market gaps between the social rented, private rented, and owner occupied sectors. Similarly, housing Built to Rent could help to provide more affordable forms of housing for younger households.</p>
<b>Demand/ need for smaller dwellings</b>	Census 2001/2011, PNPS16, SHMA14.2	Census data suggests that there is already a significant trend towards older people choosing to downsize, with those aged 65+ more likely to occupy 1-2 bedroom properties than any other age group save those aged 16-34, and 40% of those aged 65+ already choosing such smaller homes.	To accommodate this clear trend, it is likely that smaller homes of 2-3 bedrooms are most appropriate for Puddletown, and it is likely that some degree of one bedroom properties will be necessary, given that these have not increased whatsoever over the inter-censal period. Indeed, residents of Puddletown have expressed a clear view that the type of housing most required is social rented and affordable homes of 1-2 bedrooms, and these are likely to be suitable for attracting younger people as well.
<b>Demographic change</b>	Census 2001/2011	With a significant ageing population, which could increase the number of people aged 75+ by up to 40% to the end of the Plan Period; the change in the population could begin to affect the viability of local services and businesses in Puddletown. Indeed, Census data suggests that Puddletown currently has a significantly higher proportion of older people than the District average.	Demographic change is likely to have a significant impact on Puddletown, particularly given regional and national trends. See sections below on housing for older and younger people for more detailed considerations.

<sup>8</sup> The term 'Affordable Housing' denotes the planning definition set out on page 50 of the National Planning Policy Framework, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/6077/2116950.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6077/2116950.pdf)

Factor	Sources (see individual chapters)	Possible impact on housing needed	Conclusion
<b>Dwelling type</b>	Census 2001/2011	Puddletown has fewer detached homes and more semi-detached homes and terraces than the District average, although homes tend to be slightly larger.	Based on the sizes of homes recommended above, it is likely that the most appropriate type of housing for Puddletown will be flats, given the relative difficulty of providing one and two bedroom detached and semi-detached homes. Terraced homes may also be able to play a role in meeting local needs, although their financial viability may make this difficult to achieve. Specialist housing could be provided either as flats with some form of communal areas, given the need for additional services such as care, or as bungalows, which might offer those with mobility limitations the best kind of home to meet their needs.
<b>Family-sized housing</b>	Census 2001/2011, PNPS16	There have been quite significant increases in the amount of family housing available in the NA over the inter-censal period, totalling 69 additional homes of 6 rooms or more, in spite of there being approximately the same number of families in Puddletown with no children at all as there are with dependent children.	Population projections suggests that that the number of families in the NA is not likely to increase as significantly as other, smaller household types. However, local people expressed the view when surveyed that family housing is needed in the NA, and such housing, where affordable, could help to attract younger and working age people to the village. In this context, 2-3 bedroom homes are likely to be appropriate to meet family housing needs.
<b>Housing for independent living for older people</b>	Census 2001/2011, HLIN, 2014 SNPP	The population of elderly people aged 75+ is likely to increase by up to 144 people (24%) to the end of the Plan Period. Such people are on average likely to live in smaller homes (with less than 20% of those aged 65+ having four or more bedrooms), and many wishing to downsize. However, the vast majority of elderly people currently choose to continue to live in their homes.	Dorset County Council currently runs a pioneering programme called Dorset Early Help/POPP, a partnership between the council and the local NHS body, the Dorset Clinical Commissioning Group (CCG), alongside the third sector. It would be prudent to work together with such a body and local providers to consider the trajectory of care requirements and how the housing stock can best reflect this in the future.  It is worth considering however whether, in future, some of the 34 additional specialist dwellings that may be needed in Puddletown to the end of the Plan Period could be met within the Parish boundaries, thereby allowing members of the community who have lived in the village up to the time they become elderly to remain in the Parish even when they choose to enter more specialist accommodation.

Factor	Sources (see individual chapters)	Possible impact on housing needed	Conclusion
<b>Specialist housing for young people</b>	UKHPI, EHS, ONS House Price Statistics for Small Areas	Data from the Land Registry for Puddletown and from the English Housing Survey suggests that young people may be struggling to access mortgage finance, with 42% living in the private rented sector across West Dorset as a result. Land registry data also suggests that the average first time buyer is not average in terms of their income, their ability to pay a deposit, and thus their ability to access a mortgage.	<p>Whilst it is not possible to address mortgage finance issues through land use planning, it is likely that, given the high proportions of young people aged 16-24 who choose to rent privately, and the relatively high number of young people living in social rented housing, increases in homes of these tenures are likely to help meet the needs of young people in Puddletown and to attract more young people to the area to off-set the ageing population.</p> <p>In spite of the focus of government policy on aiding first time buyers through various equity schemes, housing for young people developed through planning policies has yet to bear fruit, and these may not be genuinely affordable for the vast majority of the population. Similarly, there may be legal difficulties with restricting certain types of housing to young people, particularly where this is affordable.</p>
<b>Tenure of housing</b>	SHMA14.2, PNPS16	We have considered the tenure profile of households in Puddletown, which demonstrates the dominance of owner occupation, broadly in line with levels in the District. Owner occupation has also grown in Puddletown in recent years, in contrast to much smaller growth across the District, and decline across England.	In terms of market housing, it is recommended that some form of purpose-built rented housing be provided, to accommodate the relative increase in this tenure seen across the District and the country. However, planning policy cannot be used to control the specific tenure of market housing, and therefore these recommendations can only be carried forward as aspirations for the Puddletown Neighbourhood Plan. Affordable and intermediate housing for rent would be appropriate for Puddletown, particularly given the relative shortage of both social rented and private rented properties.

### Recommendations for next steps

30. This neighbourhood plan housing needs advice has aimed to provide PAPC with evidence on housing trends from a range of sources. We recommend that the Parish should, as a next step, discuss the contents and conclusions with West Dorset District Council with a view to agreeing and formulating draft housing policies, in particular the appropriate approach to identifying the level of need for new housing in the NA bearing the following in mind:
- Neighbourhood Planning Basic Condition A, that it 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<sup>9</sup>; and Condition E, which is the need for the neighbourhood plan to be in general conformity with the adopted strategic development plan;

<sup>9</sup> As defined in the National Planning Policy Framework, see <https://www.gov.uk/guidance/national-planning-policy-framework/achieving-sustainable-development>

- the views of West Dorset District Council – in particular in relation to the housing need figure that should be adopted;
  - the views of local residents;
  - the views of other relevant local stakeholders, including housing developers;
  - the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by West Dorset District Council, including but not limited to the SHLAA;
  - the findings and recommendations of this study; and
  - The impact of the new Government proposed standard methodology on calculating housing need on the District and its neighbourhoods.
31. Recent changes to the planning system, forthcoming changes to the NPPF, as well as the implementation of the Housing and Planning Act 2016, will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
32. This advice note has been provided in good faith by AECOM on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).
33. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by West Dorset District Council or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.
34. At the same time, monitoring on-going demographic or other trends over the period in which the neighbourhood plan is being developed (factors summarised in Table 1-2) would help ensure the relevance and credibility of its policies.

## 2. Context

### 2.1 Local Context

35. Puddletown is a village and civil Parish and is found in the West Dorset District of South West England. The village of “Weatherbury” in Thomas Hardy’s novel *Far from the Madding Crowd* was inspired by Puddletown.
36. The village of Puddletown lies 6 miles to the north-east of Dorchester at the junction of the A35 and A354. It is one of the District’s larger villages, with a First and Middle School. Additionally, it is situated about 16 miles (26 km) west of Poole and 11 miles (18 km) southwest of Blandford Forum.
37. PAPC designated the NA based on the current civil Parish boundary. Puddletown civil Parish extends between the floodplain and water meadows of the River Frome in the south to the chalk watershed of Puddletown Down in the north. It is bisected by the River Piddle, which crosses it from west to east. The River Frome forms the southern boundary of the Parish. The NA is bisected by the A35 which passes through Dorset and links Puddletown to Dorchester in the west and Poole in the east. To the east and west of the village, there are Sites of Nature Conservation Interest, and a Conservation Area was designated in 1976, with an extension in 1994.

**Figure 2-1: Puddletown NA boundary**



Source: Puddletown Parish Neighbourhood Plan

### 2.2 Planning policy context

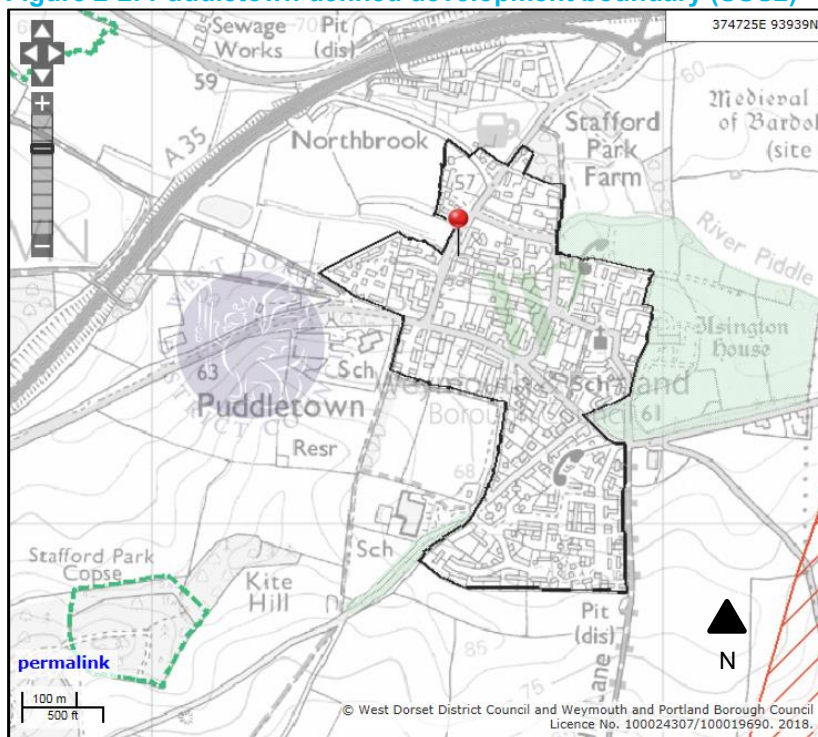
38. In line with the basic conditions of Neighbourhood Planning, Neighbourhood Plans (NPs) are required to be in general conformity with the adopted strategic local policies. Consequently, there is a requirement for the relevant Local Plan to be reviewed as part of this HNA.
39. The ‘**West Dorset, Weymouth & Portland Local Plan**’, which was adopted in October 2015, currently forms the main part of the statutory development plan for the two council areas of West Dorset and Weymouth & Portland. **It covers the period 2011 to 2031.**

40. However, paragraph 1.5.1 of the Local Plan states that “it is likely that a review of the plan will be in place by 2021.”<sup>10</sup> This Local Plan review will plan for housing, employment land and other development needs to 2036. A ‘**Joint Local Plan Review for West Dorset, Weymouth and Portland Initial Issues and Options Consultation**’ was published in February 2017.
41. The revised Local Plan (rLP) will only be adopted in December 2019 and its preparation has only reached the Issues and Options consultation stage. It is addressing changes in Government planning policy such as the introduction of ‘starter homes’ and ‘self-build and custom housebuilding’ part of the Government’s commitment to build more homes. Therefore, it is necessary to review this document to pinpoint the considered revisions in response to changes in national policy and legislation. It is important to note however that NP policies do not need to be in conformity with the policies in the rLP but should take them into account given that, once adopted, they will supersede those in the West Dorset, Weymouth & Portland Local Plan. Indeed, the rLP “will start to gain some weight as a material planning consideration as it progresses towards adoption”.<sup>11</sup>

### 2.2.1 West Dorset, Weymouth & Portland Local Plan - October 2015

42. The current adopted Local Plan includes the following six policies that are relevant to this HNA:
43. **SUS1. The level of economic and housing growth** – which provides for **a housing target of 15,500 dwellings (775 dpa)**.<sup>12</sup>
44. **SUS2. Distribution of development** – which states that development will be distributed according to the settlement hierarchy, and that a greater proportion of development will be achieved in larger and more sustainable settlements. Within these defined boundaries, residential, employment and other development to meet the needs of the local area will normally be permitted.
45. The Local Plan distinguishes between settlements with defined development boundaries, where development will generally be accepted, and settlements of 200+ population without a defined development boundary, where development will be highly restricted. Puddletown is listed as a settlement with defined development boundaries, which can be seen below in Figure 2-2.

**Figure 2-2: Puddletown defined development boundary (SUS2)**



Source: <http://www.planvu.co.uk/wdwp/index.php>

<sup>10</sup> West Dorset District Council (2015), West Dorset, Weymouth & Portland Local Plan, p.16

<sup>11</sup> <https://www.dorsetforyou.gov.uk/local-plan-review>

<sup>12</sup> Note to the policy: The population of the plan area is ageing and deaths outnumber births. In-migration is strong particularly from those in older age groups. Therefore the plan aims to provide new housing and decent affordable homes over the plan period to reduce the need for young people to move away from the area and support the economy by housing the local workforce. West Dorset District Council (2015), West Dorset, Weymouth & Portland Local Plan, p.57

46. The settlement hierarchy comprises:

- The main towns of Dorchester and Weymouth;
- Elsewhere in the plan area, the market and coastal towns of Beaminster, Bridport, Lyme Regis, Portland and Sherborne and the village of Crossways; and
- Development in rural areas, where Puddletown is situated and where development will take place “at an appropriate scale to the size of the settlement”.

47. HOUS1. Affordable housing (AH) – which states the following:<sup>13</sup>

- Affordable housing will be sought in open market housing development. The level of AH will reflect the viability of development land in the local area. **There is a target of 35% AH in Weymouth and West Dorset.**
- AH should be provided on the open market sites. Financial contributions will be provided for any shortfall that cannot be delivered on site.
- A lower level of AH will have to be justified through an assessment of viability.
- AH should be **a minimum of 70% social/affordable rent and a maximum of 30% intermediate** affordable housing, unless local needs suggests an alternative provision.
- This point introduces the notion of ‘tenure blind’ AH. This means that the type, size and mix of AH should be proportionate to the scale and mix of market housing and will address the identified and prioritised housing need of the area.
- Development will prioritise the provision of AH that can be adapted to meet a variety of needs, such as catering for disabled people, when there is an identified local need.

48. HOUS3. Open market housing mix – which states that “residential developments should include a mix in the size, type and affordability of dwellings proposed, taking into account the current range of house types and sizes and likely demand in view of the changing demographics in that locality.”

49. HOUS5. Residential care accommodation – which states that applications for new and existing care homes should:

- Be located within a defined development boundary.
- Meet with the strategic aims and objectives of Dorset County Council and NHS Dorset.
- Provide sufficient amenity space.

50. The plan does not make any specific provision through allocation for residential care accommodation.

### 2.2.2 Joint Local Plan Review for West Dorset, Weymouth and Portland Initial Issues and Options Consultation - February 2017

51. Detailed below are revisions to the current adopted policies that are being considered through the Local Plan review:

52. Policy SUS1 – Despite the modest increase in the 2014-based projections and the shortfall in the provision of housing land, it is considered that the figure of 775 dpa should not be changed.

53. Policy SUS2 – The new proposed approach is to introduce some future growth in larger villages like Puddletown. The settlement hierarchy is also clarified and broken down into three categories by estimated population and shown on the following page.<sup>14</sup>

<sup>13</sup> Note to the policy:

- The total projected need for affordable housing is not expected to be met in the plan period.
- The Housing Register and the SHMA indicated that the greatest demand for AH at the beginning of the plan period was for two bedroom homes, with a significant demand for one and three bedroom homes.
- At the beginning of the Plan period, there were 3,000 people on the housing register in West Dorset. The house price to wage ratio in West Dorset is significantly higher than national and regional comparators.

<sup>14</sup> The reason for changes to the policy are described as the need to accommodate further growth in the period to 2035 and a lack of clarity about what development ‘at an appropriate scale to the size of the settlement’ means.

Table 2-1: Settlement estimated population (2014 mid-year population estimates)

TIER 1 - MAIN TOWNS		
	Weymouth	52,168
	Dorchester	19,481
TIER 2 - COASTAL AND MARKET TOWNS & CROSSWAYS		
	Bridport (inc. Allington, Bothenhampton and Bradpole)	13,661
	Portland	12,966
	Sherborne	9,645
	Chickerell	5,524
	Lyme Regis	3,637
	Beaminster	3,097
	Crossways	2,363
TIER 3 - OTHER SETTLEMENTS WITH DDB'S (PARISH POPULATION)		
Population over 1,000	Charminster	2,979
	• Charminster village	about 1,500
	• Chariton Down	about 1,500
	Puddletown	1,452
	Broadwindsor	1,319
	Charmouth	1,310
	Broadmayne	1,250
	Maiden Newton and Higher Frome Vauchurch	1,106
Population between 600 and 1,000	Yetminster	1,028
	Burton Bradstock	925
	Bradford Abbas	880
	Thornford	831
	Cerne Abbas	819
	Portesham	670
	Piddletrenthide	655
	Mosterton	636
	Buckland Newton	609

Source: Initial Issues and Options - February 2017

54. Policy HOUS1 – In the Housing and Planning Act 2016, the Government seeks to shift the emphasis from the provision of AH to rent to AH to buy, through the provision of ‘starter homes’. This change will have major implications for the AH policies in the plan. The different proposed approaches are listed below:
- Affordable housing priorities: in anticipation of change, views on the priorities for the provision of AH are still being sought through on-going consultation with the public.<sup>15</sup>
  - Meeting the need for other forms of affordable housing alongside ‘starter homes’: it is not proposed to revise the AH targets set out in Policy HOUS1. If Government decides to require that 20% of all homes on sites of 10 units or more must be provided as starter homes, the councils would seek 20% starter homes; 15% other forms of AH; and 65% market housing. Since starter homes are only available to those under the age of 40, the document raises the question of whether the emphasis should be more on meeting the needs of specific groups such as the elderly.

<sup>15</sup> “What should the priorities be for the provision of different types of affordable housing in the local plan, such as: affordable rent; social rent; shared equity; elderly persons’ affordable housing (including extra care); key worker accommodation; and specialist accommodation (for example for disabled people).” Initial Issues and Options - February 2017, p.108

55. Self-Build Housing – The adopted local plan does not contain a specific policy on self-build and custom housebuilding. The councils are seeking to consult on the different mechanisms to promote the provision of serviced plots of land for self-build and custom building.

### 3. Approach

#### 3.1 Research Questions

56. Housing Needs Assessment at neighbourhood plan level can be focused either on quantity of housing needed, type of housing need, or both. In most cases, there is a need to focus on quantity where the housing target for the settlement being assessed is unclear, for example where the local authority has not set a specific target for the settlement, or where there is no local plan in place.
57. Research questions, abbreviated to 'RQ,' are arrived at the start of the project through discussion with the Area Parish Council. They serve to direct our research and provide the structure for the HNA. The key research questions can be summarised as follows:

##### 3.1.1 Quantity

58. The Local Plan identifies Puddletown as having its own development boundary, meaning that "development in rural areas will be directed" there as opposed to settlements without such a boundary.<sup>16</sup> However, there is no specific target set for housing in the Parish. PAPC has suggested that there may be unmet housing needs within the Parish now and in future, and that initial engagement work suggests that the community agrees with this assessment. As such, PAPC would like to understand the potential quantity of housing needed in the Parish up to 2031, the end of the neighbourhood and local Plan Period, leading to the following research question:
59. *RQ1: What quantity of new housing is appropriate for the neighbourhood area over the Plan Period?*

##### 3.1.2 Tenure

60. PAPC has expressed significant concern about the affordability of housing in the village, and they would like to understand what tenures of housing could be genuinely affordable for local people. As such, we consider the following question:
61. *RQ2: What affordable housing (social housing, affordable rented, shared ownership, intermediate rented) and market tenures should be included in the housing mix?*

##### 3.1.3 Type and size

62. PAPC has suggested that they are concerned that the size of the existing housing stock may not meet the needs of residents, particularly as a result of the affordability of housing. As such, the following research question is deemed appropriate:
63. *RQ3: What size (number of habitable rooms) and type (terrace, semi, bungalows, flats and detached) of housing is appropriate?*

##### 3.1.4 Specialist Housing

64. PAPC has suggested that the village has many elderly residents and that, although there are numerous children in the area, this is not the case for young adults in their 20s and 30s. As such, they would like to consider both the needs of older people and younger people within the Parish, leading to the following question:
65. *RQ4: What provision should be made for specialist housing for the elderly and for young people within the NA?*

#### 3.2 Study objectives

66. The objectives of this report can be summarised as:
  - Collation of a range of data with relevance to housing need in Puddletown relative to West Dorset (and Weymouth & Portland);
  - Analysis of that data to determine patterns of housing need and demand; and

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<sup>16</sup> West Dorset, Weymouth and Portland Local Plan 2015, pp. 72

- Setting out recommendations based on our data analysis that can be used to inform the Neighbourhood Plan's housing policies.

67. The remainder of this report is structured around the research questions set out above; save for Chapter 9 which sets out our conclusions and recommendations based on our data analysis that can be used to inform the Neighbourhood Plan's housing policies.

### 3.3 Relevant data

#### 3.3.1 SHMA

68. The Planning Practice Guidance states that neighbourhood plans can refer to existing needs assessment prepared by the local planning authority as a starting point. As Puddletown is located within West Dorset and Weymouth & Portland Housing Market Area, we therefore turned to the West Dorset and Weymouth & Portland Strategic Housing Market Assessment (July 2014, henceforth SHMA) which covers the Housing Market Area and informs emerging housing policies at a local authority level, including affordable housing policy.
69. The SHMA draws upon a range of data including population and demographic projections, housing market transactions and employment scenarios to derive the objectively-assessed housing need for the District. As such, it contains a number of points of relevance when determining housing need within the NA.
70. This provides a strong starting point for policy development that aims to build on and add local specificity to those of the Local Planning Authority by enabling a comparison to be made with Parish-level data (gathered as part of the preparation of this study), given that such an exercise reveals contrasts as well as similarities.
71. It should be noted that the SHMA14.1 and 14.2 was published in 2014, prior to the most recent household projections, in which MHCLG estimates the number of households in each District and borough across England in future years. As such, a range of household projections were considered and, in addition, Peter Brett Associates (PBA) prepared a series of their own projections, based on a range of assumptions to arrive at the most appropriate result in their professional judgement. The results of these calculations are shown below, showing how the preferred dpa figure of 775 differs from previous dwellings targets, and other targets based on past trends in migration, delivery, and on population projections and the previously submitted plan.

**Table 3-1: Summary of projections and housing targets, dpa**

	<b>DPA</b>
<i>Former RSS (examined but not adopted)</i>	<i>900</i>
<i>Structure Plan</i>	<i>830</i>
<b>01-07 'Pre Recession' Trends (Preferred)</b>	<b>775</b>
<i>Past Delivery 91 - 12</i>	<i>706</i>
<b>01 - 11 Trends</b>	<b>679</b>
<b>ONS / CLG 2008</b>	<b>672</b>
<i>Submitted Plan</i>	<i>659</i>
<i>Pre-Submission Plan</i>	<i>630</i>
<b>ONS / CLG 2011</b>	<b>625</b>
<i>Past Delivery 06 - 12</i>	<i>579</i>
<b>SNPP 2012</b>	<b>554</b>
<b>07 - 12 Trends</b>	<b>529</b>

Source: SHMA 14.1

72. In their 2015 update and response to comments from the Planning Inspector, PBA suggested that their projections still held for the plan area, and that no adjustments were needed to the SHMA estimates and, as such, we have used these as part of the basis for our consideration of housing need in Puddletown.

#### 3.3.2 Other relevant data

73. We have also drawn on data provided by Dorset Councils Partnership from the housing register as well as records of and dwellings completions from West Dorset District Council.
74. Additionally, we have referred to the Puddletown Neighbourhood Plan 2016 Survey Report (PNPS16), so as to bring local knowledge and community views into our consideration of the technical evidence on housing needs.

## 4. Quantity

### RQ1. What quantity of new housing is appropriate for the neighbourhood area over the Plan Period?

75. We have estimated the quantity of housing needed in the NA according to four different sources;
  - a. SHMA - proportional share drawn from OAN
  - b. MHCLG household projections
  - c. Net home completion rates 2001-2017
76. These calculations are set out below. First, we consider the Local Plan (both adopted and emerging), and how this relates to the Parish.

### 4.1 Local Plan

77. The Local Plan identifies Puddletown as having its own development boundary, meaning that “development in rural areas will be directed”<sup>17</sup> to the town, as opposed to other settlements without such a boundary. However, there is no specific target set for housing in the Parish, and as such, we cannot base an estimate of housing need around this source.
78. It is worthwhile noting however that the plan suggests that “it is likely that...neighbourhood plans will add to the housing supply but no reliance is placed on the numbers anticipated in these categories until there is convincing evidence of the contribution they will make.”<sup>18</sup>
79. It is also relevant to note that, as part of their Local Plan Review Issues and Options Consultation (February-April 2017), West Dorset District Council and Weymouth & Portland Borough Council asked residents whether they supported opportunities for housing in settlements with populations of more than 1,000, which would include Puddletown.<sup>19</sup> Should the Local Plan Review progress this intent, it may be that some level of housing growth may be allocated to Puddletown in future.
80. It should also be noted that the Plan Period for the rLP has changed from 2011-2031 to 2011-2036. It will be for Puddletown Area Parish Council to decide whether it wishes to extend its Neighbourhood Plan Period in the same way.

### 4.2 SHMA

81. It is important to remember that the SHMA presents a demand-side only, or ‘unconstrained’ assessment of need (often identified as Objectively Assessed Need, or OAN<sup>20</sup>), as opposed to a final housing target. The final housing target will take into account other factors, including for example the availability of land, the viability of development, infrastructure availability, environmental constraints and consultation findings. This applies to Neighbourhood Plans in the same way as it does to Local Plans, with the flow of evidence and logic being broadly the same.
82. The SHMA presents an appropriate starting point for deriving need at the NP level because it is the most up-to-date evidence available at the local authority level and it provides a baseline from which to understand need within the NA. The most recent SHMA for West Dorset is the Weymouth & Portland and West Dorset Councils SHMA 2014, which is divided into two parts, one focusing on quantity and one on other housing issues, namely type and size.
83. The SHMA identifies an OAN for West Dorset of 605 dpa, or 12,100 dwellings over the Plan Period, from 2011 to 2031, which forms part of the wider need across the two local authorities making up the HMA (totalling 775 dpa, or 15,500 over the Plan Period).
84. To calculate the NA’s ‘fair share’ of this target, it is possible to use PAPC’s proportion of dwellings in the District, i.e. 1.34%, based on 2011 figures. This produces a figure of 163 dwellings between 2011 and 2031, or 8 dpa (rounded). Furthermore, it is necessary to take into consideration homes built in the NA in recent years; since 2011, 14 dwellings

<sup>17</sup> West Dorset, Weymouth and Portland Local Plan 2015, pp. 72

<sup>18</sup> West Dorset, Weymouth and Portland Local Plan 2015, pp. 70

<sup>19</sup> Joint Local Plan Review for West Dorset, Weymouth and Portland: Issues and Options Consultation 2017, pp.22

<sup>20</sup> The OAN includes the baseline demographic need, plus any adjustments made to official forecasts to account for projected rates of household formation post 2021, past suppression of the formation of new households, the effect of past under-supply, employment forecasts, market signals and affordable housing need (as set out in paragraph ID2a-004 of the NPlanning Practice Guidance). This is sometimes described as ‘policy off’ because it does not take account of final policy responses as a result of taking into account capacity, environmental and infrastructure constraints.

have been built; producing a final target of **149 new dwellings over the Plan Period, or 11 per annum from 2017-2031 (rounded)**.

### 4.3 MHCLG household projections

85. The Ministry for Housing, Communities and Local Government (MHCLG) publishes household projections, every two years, which are the anticipated number of households in each local authority. The Planning Practice Guidance recommends that these household projections should form the starting point for the assessment of housing need.
86. The most recent (2014-based) household projections were published in July 2016,<sup>21</sup> and extend to 2039. Although population projections are only available at a local authority level, a calculation of the share for the NA is nevertheless possible for the household projections based on the NA's household numbers in the 2011 Census.
87. At the 2011 Census, West Dorset had 44,386 households and Puddletown had 614 households, or 1.38% of the total (rounded). Under the 2014-based household projections, the projection for 2031 is for 51,922 households in West Dorset. Assuming it continues to form 1.38% of the District total, the NA's new total number of households would be 718 (rounded); therefore 104 new households would form in the NA between 2011 and 2031 (a rate of growth of approximately 5 households per year).
88. Number of households does not, however, equate precisely to the number of homes needed, with the latter slightly higher in most places. The NA is no exception; in the 2011 Census, there were 614 households but 663 homes in Puddletown. This gives a ratio of 0.93 households per home. In the case of the NA, then, the projection of 104 new households translates into a need for 113 new homes, or 6 per annum (rounded).
89. These figures are based on the assumption that the 2014-based projections as to household growth at the Local Authority level are accurate. As the annual mid-year population estimates have now been released for 2016, the 2014-based household projections may need to be 'rebased' for accuracy. The mid-2015 population estimates give the actual number of people in the NA at that point, meaning the difference between the estimated and the previously projected number of households can be taken into account in future projections.
90. The 2014-based household projections were based on the 2014-based Sub-National Population Projections, which estimated that, by 2016, there would be 101,100 people in West Dorset. The mid-2016 estimates show that, based on the latest information, there were estimated to be 101,382 people, which is higher than the projections by 282 people. Assuming average household sizes remain constant (in 2011 there were an average of 2.24 people per household, obtained by dividing population by number of households) this equates to 126 additional households across West Dorset.
91. Taking 52,048 (51,922 + 126) as our revised number of households in West Dorset at 2031, this equates to 720 households in the NA (rounded), producing a revised growth in the number of households between 2011 and 2031 of 106. Taking into account the disparity between household numbers and dwelling numbers (0.93 households per dwelling), this produces a figure of 114 homes. Netting off the 14 dwellings completed since 2011, we arrive at **a re-based household projections-derived dwellings figure of 100, or 7 dwellings (rounded) over the Plan Period 2011-2031**.
92. This projection is an entirely unconstrained, theoretical figure comprising a relative proportion of the overall projected increase for the District, and thus does not take into account political, economic, demographic; or any other factors that might have influenced, or may in future influence, the Local Plan quantum and spatial distribution of housing in West Dorset.

### 4.4 Home growth 2001 – 2011

93. Consideration of home growth 2001-2011 provides a projection based on the rate of delivery of net new homes between the two Censuses. The 2011 Census shows that there was a significant increase in the number of dwellings in Puddletown, totalling 98 dwellings, over this period, or an average annual rate of increase of 10 homes (rounded). Multiplying this annual figure by the number of years remaining from 2018-2031 (13) **would generate a projection of 127 additional homes**.

<sup>21</sup> See 2014-based MHCLG Household Projections live tables at <https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections>

## 4.5 Dwelling completions since 2011

94. It is also helpful to consider a projection based on the rate of delivery of net new homes since the last Census (2011), using data gathered and monitored by the LPA. Between 1st April 2011 and the 31<sup>st</sup> March 2017, 14 new dwellings were completed.<sup>22</sup> This equates to an annual delivery rate of 2 homes (14 divided by 6, the number of years elapsed). If this rate of delivery was continued to 2031, this would equate to **a projection of 30 homes over the period 2018-31.**
95. It is important to note the disparity between the two 'home growth' figures; this reflects the susceptibility of the development industry to fluctuations in demand and costs of development, among other factors. To allow for these peaks and troughs, and provide a more realistic picture of the quantum of development that could be delivered over the Plan Period, we have taken the aggregate of the homes growth between 2001 and 2017; this comes to 112 (98 + 14) dwellings. Expressed as an annual average rate, this is 7 dwellings /year. This generates a **projection derived from homes growth between 2001 and 2017 of 91 homes over the remaining Plan Period to 2031.**

## 4.6 The standard methodology

96. On 14<sup>th</sup> September 2017, MHCLG published 'Planning for the right homes in the right places: consultation proposals' (the consultation proposals), a consultation on a new proposed Standard Methodology for Assessing Housing Need (SMAHN) for arriving at an OAN for housing for individual local authorities, thus avoiding both the expense of producing complex SHMAs and the disagreements surrounding their methodologies. MHCLG has stated that "this consultation sets out a number of proposals to reform the planning system" including "how neighbourhood planning groups can have greater certainty on the level of housing they need to plan for".<sup>23</sup>
97. It is important to consider the implications of this emerging policy guidance for potential housing need calculations in the NP. Therefore, what follows is an assessment of the NA's housing need based on the new proposed methodology which, should the approach be put in place in its current form, provide the likely figures for housing need in the area. This projection is included *for information only*, bearing in mind that the consultation makes clear that LPAs will have the option of using alternative methods of calculating their OAN, so long as the number they arrive at exceeds that produced by the new standard methodology.
98. Proposed updates to the Planning Practice Guidance include a requirement that LPAs provide a housing need figure to neighbourhood planning groups, and that they may do this by making a reasoned judgement based on the settlement strategy and housing allocations in their plan, so long as the local plan provides a sufficiently up-to-date basis to do so.<sup>24</sup> The starting point for using the SMAHN for the neighbourhood level is therefore whether the current Local Plan was adopted based on examination before or after the introduction of the NPPF.
99. In the case of West Dorset (with Weymouth & Portland), the Local Plan was adopted in October 2015, and therefore provides an up-to-date basis for arriving at a housing needs figure for the NA. However, the indicative assessment using the SMAHN formula is 780 dpa across both West Dorset and Weymouth & Portland dwellings per annum, encompassing both council areas. This is an uplift on the current figure for both area of 605 dpa, asset out in the joint Local Plan, which, if taken from 2011-2031, would mean an increase of 3,500 dwellings to the end of the Plan Period (over and above the current total target set forth in the local plan of 15,500, i.e. a total of 19,000 dwellings over the plan period).
100. However, in light of several factors - the lack of clarity as to how this might be apportioned between and within West Dorset and Weymouth and Portland Council areas, the relative up-to-datedness of the Local Plan and the ongoing Local Plan Review - this policy development is not considered to be of major significance for calculating housing need in Puddletown as yet. However, it should be noted that Draft Planning Practice Guidance, published in March 2018, makes clear that the standard methodology will apply, although its timing is as yet unclear, and proposals for need to be proportionately allocated to individual neighbourhood planning areas have not been carried through in the draft.

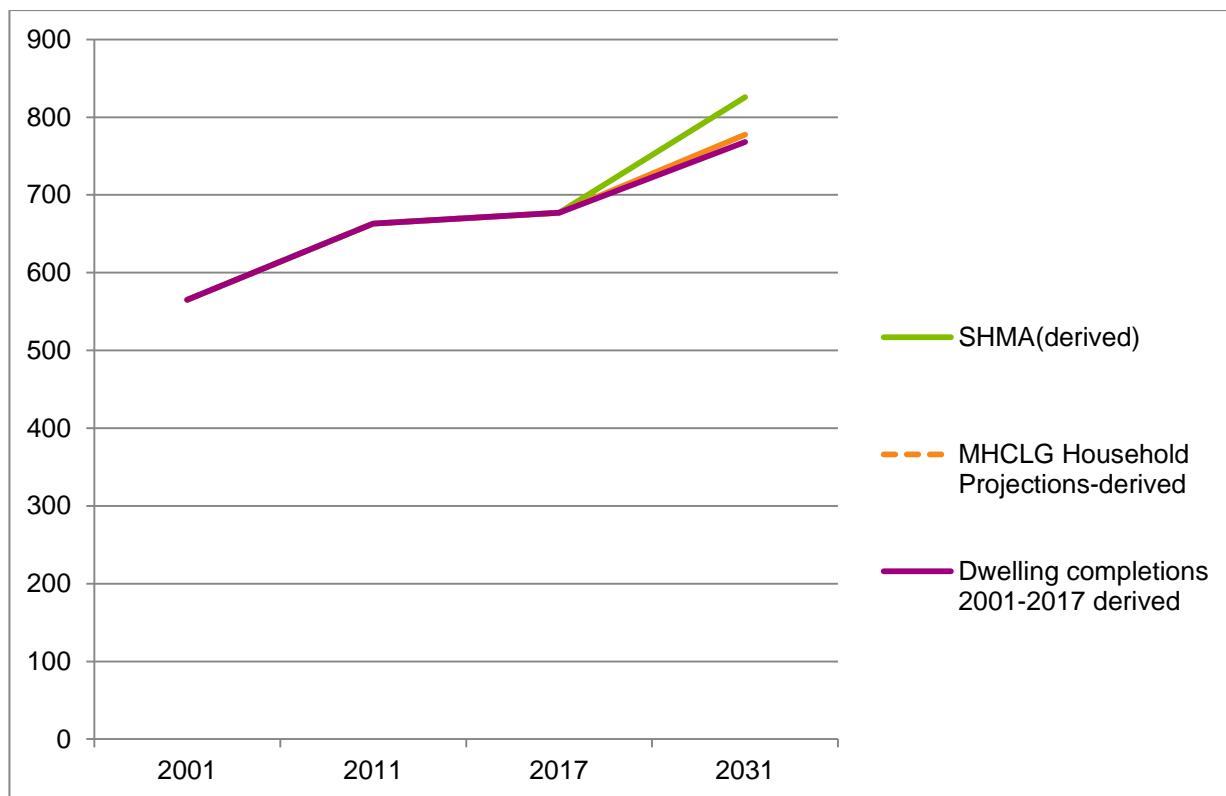
## 4.7 Market signals adjusted total

101. The projections outlined above generate an average projection of 790 dwellings needed in the Puddletown NA in 2031 or 113 additional dwellings between 2018 and 2031. This is a net addition of approximately 9 dwellings per annum from 2018-2031. These projections are shown in in the figure on the following page.

<sup>22</sup> Email from West Dorset District Council, 25/01/2018

<sup>23</sup> MHCLG, planning for the right homes in the right places: consultation proposals, page 28

<sup>24</sup> MHCLG, planning for the right homes in the right places: consultation proposals, page 31

**Figure 4-1: Dwelling projections for Puddletown, 2001-2031**

Source: AECOM

102. However, the Planning Practice Guidance states that:

*“The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings. Prices rising faster than the national/local average may well indicate particular market undersupply relative to demand.”*

103. Market signals research has been conducted for the Puddletown NA which is summarised in Table 1-1 in the Executive Summary and outlined further in the Market Signals section in Chapter 8 of this document. The research suggests that there is evidence to support a significant uplift to housing need on the basis of a strong economic and employment outlook in Puddletown. Furthermore, our analysis of affordability in Chapter 5, which the Planning Practice Guidance also considers as an appropriate reason to increase the housing needs figure. On this basis, we would recommend an uplift of 10% to the housing need figure, given that affordability in Puddletown is a significant issue, as discussed in more detail in Chapter 5.

104. This uplift should be put into the context of the pre-existing uplift to demographic projections applied by SHMA14.1 to housing need across the HMA, and factored into our calculations, which was further emphasized by Peter Brett Associates (who were responsible for SHMA14.1) in their Objectively Assessed Housing Need: Latest Evidence Technical Note of August 2017. This makes clear that the uplift applied, from 593 to 775 dwellings per annum, was in the region of 31%, based on the need for headroom in the labour supply in the area.

105. As a result, we make a recommendation the provision of a range of 124 new dwellings for the period 2018-2031, which the Area Parish Council should adjust upwards by a further 10% should jobs growth continue over this period.

## 5. Tenure

### **RQ2. What affordable housing (social housing, affordable rented, shared ownership, intermediate rented) and market housing tenures should be included in the housing mix?**

106. The provision of more affordable forms of housing is critical to the continuation of most communities as viable settlements; it needs however to be understood in relation to other tenures. The Planning Practice Guidance states that HNAs should investigate household tenure in the current stock and recent supply it also states that they should make an assessment, based on a reasonable interpretation of the evidence gathered, whether continuation of these trends would meet future needs. Conversely, the HNA should consider whether, on account of significant misalignments between supply of housing falling into different tenure types and local need/demand, policies should support a change to the profile of tenure within the NA's housing stock.<sup>25</sup>

### 5.1 Definitional issues

107. It is necessary at this stage of the study to make clear the distinction between affordable homes as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. We mean by this those forms of housing tenure that fall within the definition of Affordable Housing set out in the current National Planning Policy Framework (NPPF): social, affordable rented and various forms of intermediate housing<sup>26</sup>. To distinguish this from the colloquial definition, we refer to the latter as Affordable Market Housing (AMH).

108. In this paragraph we review the tenures that appear under the new definition of Affordable housing set out in the consultation draft of the NPPF published in March 2018 (henceforward, NPPF18). These revisions make clear the government's commitment to home ownership but recognise the important role of affordable rent for those not currently seeking home ownership. The changes remove references to 'social rented,' although its definition remains, those dwellings where 'rent is set in accordance with the Government's rent policy.' The revisions seek to broaden the definition of affordable housing to include a range of low cost housing opportunities for those aspiring to own a home, including starter homes. **For the purposes of this HNA we assume this new definition will be introduced following the consultation process broadly unchanged.**

109. The NPPF18 puts in place the revised definition of Affordable housing envisaged in the Housing White Paper<sup>27</sup> as 'housing that is provided for sale or rent to those whose needs are not met by the market (this can include 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, 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. **Starter homes:** is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute at the time of plan preparation or decision-making. Income restrictions should be used to limit a household's eligibility to purchase a starter home to those who have maximum household incomes of £80,000 a year or less (or £90,000 a year or less in Greater London).
- C. **Discounted market sale 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.
- D. **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 and rent to buy (which includes a period

<sup>25</sup> Planning Practice Guidance Paragraph: 021 Reference ID: 2a-021-20160401

<sup>26</sup> At the time of writing the 2018 version of the NPPF is out for consultation and includes the following tenures, Affordable housing for rent, Starter homes, Discounted market sales housing, and other affordable routes to home ownership.

<sup>27</sup> DHCLG (2017) Fixing our Broken Housing Market (para A.120)

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.<sup>28</sup>

110. In paragraph 65 of the NPPF18, 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'. In line with Planning Practice Guidance<sup>29</sup>, the assumption should be that 'major housing development' can be defined as sites of more than 10 units, and that affordable home ownership includes starter homes, shared ownership homes and homes available for discount market sale.
111. The evidence assembled to answer RQ2 seeks to populate a series of 'key indicators'; these are the age structure of the population, household composition and income both now and how they are forecast to change in future years. Through a consideration of these trends and how they interrelate to each other, it is possible to arrive at recommendations as to how not only the tenure of housing in the plan area, but also type and size should be modified through planning policy.
112. The evidence assembled to answer RQ2 seeks to populate a series of 'key indicators' with which to understand affordable housing need. These indicators are affordability of housing expressed as a multiple of household income, known as the 'Affordability Ratio'; and secondly 'Income Thresholds'.
113. The latter denotes the maximum share of a family's income that should be spent on accommodation costs if enough resources are to remain to cover other needs, as well as discretionary spending. The Income Threshold enables us to identify that proportion of the population able to afford dwellings at different price points based on an assumed proportion of household income devoted to housing costs. Thirdly, we review Housing Waiting List data provided by the LPA to understand the demand for AH based on actual enquiries lodged with the LPA.
114. Through a consideration of these trends and how they interrelate to each other, it is possible to arrive at recommendations as to how the tenure of housing in the plan area, should be modified through planning policy. Before we present this data, it is necessary to present a picture of tenure in the NA at the moment.

## 5.2 Current tenure profile

115. The table below presents Census data from 2011 that shows the vast majority of households in Puddletown own their own homes, broadly in line with the rate of ownership in West Dorset, which is higher than the rate across England.

**Table 5-1: Tenure (households) in Puddletown, 2011**

Tenure	Puddletown	West Dorset	England
Owned; total	70.0%	69.4%	63.3%
Shared ownership	2.4%	0.8%	0.8%
Social rented; total	11.4%	13.9%	17.7%
Private rented; total	13.8%	13.7%	16.8%

Source: Census 2011, AECOM Calculations

116. In addition, it is worth considering the way tenures have shifted during the inter-censal period. The following table shows the change in the total number of households occupying each tenure. In the case of Puddletown, the greatest increase has been amongst homeowners, although there has also been some increase in shared ownership properties. This is set against a much less significant increase in homeownership across the District, and in the context of a decrease in home ownership in England as a whole.

**Table 5-2: Rates of tenure change in Puddletown, 2001-2011**

Tenure	Puddletown			West Dorset	England
	2001	2011	% Change	% Change	% Change
Owned; total	356	430	20.8%	5.7%	-0.6%
Shared ownership	13	15	15.4%	75.4%	30.0%
Social rented; total	69	70	1.4%	8.8%	-0.9%
Private rented; total	79	85	7.6%	67.9%	82.4%

Source: Census 2001/2011, AECOM Calculations

<sup>28</sup> NPPF18, page 62

<sup>29</sup> Planning Practice Guidance 031 Reference ID: 23b-031-20161116

117. It should be noted that the actual increase in shared ownership was just two dwellings, and therefore this is not considered significant. More significant is the extent to which Puddletown appears to diverge from national trends across all other tenures, with increases in social-rented homes (set against decreases in this tenure nationally). Indeed, this appears to be as a result of a significant increase in households occupying this tenure in Dorset.
118. More difficult to explain is the relatively small increase in private rented housing, in marked contrast to significant increases seen across West Dorset and indeed England. This may be as a result of the specific nature of the housing stock, given that housing in the private rented sector must appeal to both landlords as an investment as well as tenants as a place to live.

### 5.3 Factors affecting housing need: cost and affordability

119. To further understand the picture of housing need in Puddletown, it is necessary to consider the issues of cost and affordability of housing, which can help us to identify gaps in housing provision which may be affecting housing need in a negative way.
120. Affordability considers the relationship between price of a good, and the resources available to purchase it. In the context of housing, a useful though crude indicator for this relationship is the Lower Quartile Affordability Ratio (LQAR); this generates a number that expresses lower quartile house-prices as a multiple of lower quartile household income. This is helpful both as a way of understanding the extent to which those on lower incomes can access Affordable Market Housing (AHM) for sale and the relative affordability of housing in the NA compared to other places.
121. First, it is necessary to consider the cost of market sale housing in the NA, particularly as this is the dominant tenure of housing. Below we have analysed Land Registry Price Paid Data to provide up-to date annual average prices, divided by type according to Planning Practice Guidance recommendations, for Puddletown. This data consists of 273 property sales over the 10 years in question.

**Table 5-3: Average house prices by type in Puddletown, 2007-2016**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	GROWTH
Detached	£400,704*	£482,917	£264,772	£281,250	£300,000	£311,111	£357,500	£410,200	£389,500	£374,111	-7%
Semi-Detached	£243,346	£253,786	£225,764	£212,900	£243,778	£244,238	£263,400	£233,714	£373,071	£270,975	11%
Terraced	£243,645	£192,000	£216,722	£205,328	£201,378	£218,550	£218,800	£230,287	£267,083	£245,571	1%
Flats	£275,000	No sales	£173,750	£186,700	£149,000	No sales	£183,750	£164,000	£155,000	£200,000	-27%
All Types	£284,952	£320,118	£231,108	£219,584	£219,257	£259,237	£269,293	£272,500	£321,750	£296,139	4%

Source: Land Registry PPD \*outlier removed (sale of detached house at £6m)

122. The table shows how house prices in Puddletown have fluctuated significantly in the period in question, and that overall average house prices have not returned to their peak before the financial crisis in 2008. It is also relevant to consider how this compares to house prices in West Dorset as a whole, with average prices higher in Puddletown for each type of home in both 2007 and 2016. The relatively small number of homes sold in each year in Puddletown can make average price comparisons difficult.

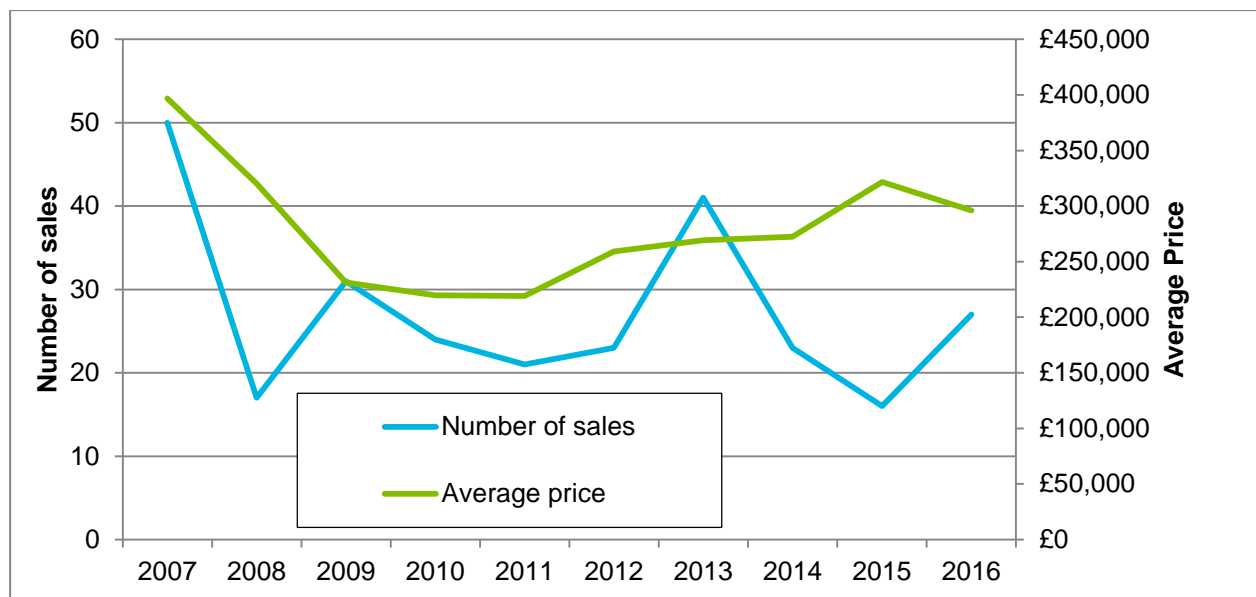
**Table 5-4: Comparison of 2007 and 2016 house prices in Puddletown and West Dorset**

	2007*		2016	
	Puddletown	West Dorset	Puddletown	West Dorset
Detached	£400,704	£321,795	£374,111	£396,712
Semi-Detached	£243,346	£223,817	£270,975	£265,319
Terraced	£243,645	£191,169	£245,571	£222,487
Flats	£275,000	£154,175	£200,000	£162,997
All Types	£284,952	£227,722	£296,139	£266,849

Source: Land Registry PPD \*outlier removed

123. It is particularly interesting then to consider sales volumes in the NA and in West Dorset in comparison with prices. The figure on the following page describes sales volumes and prices in the NA as recorded by the land registry. This shows how prices and demand, as measured by sales volumes, are only very broadly linked.

**Figure 5-1: Changes in prices and sales levels in Puddletown, 2007-2016**



Source: Land Registry PPD, AECOM Calculations

124. The same trends can be seen across West Dorset. The following figure, which reproduces Figure 3.3 from the SHMA 14.2, shows how unaffected median (rather than mean average) prices are even in the context of a recession, and even though the number of sales dropped significantly over the period. Indeed, the second dip of the recession seen in 2011 appears to have barely impacted house prices at all. This is a natural feature of housing markets, but it does help to understand why affordability continues to be a concern even in the face of low demand (i.e. low levels of sales).

**Figure 5-2: Changes in prices and sales levels in West Dorset, 2003-2013**

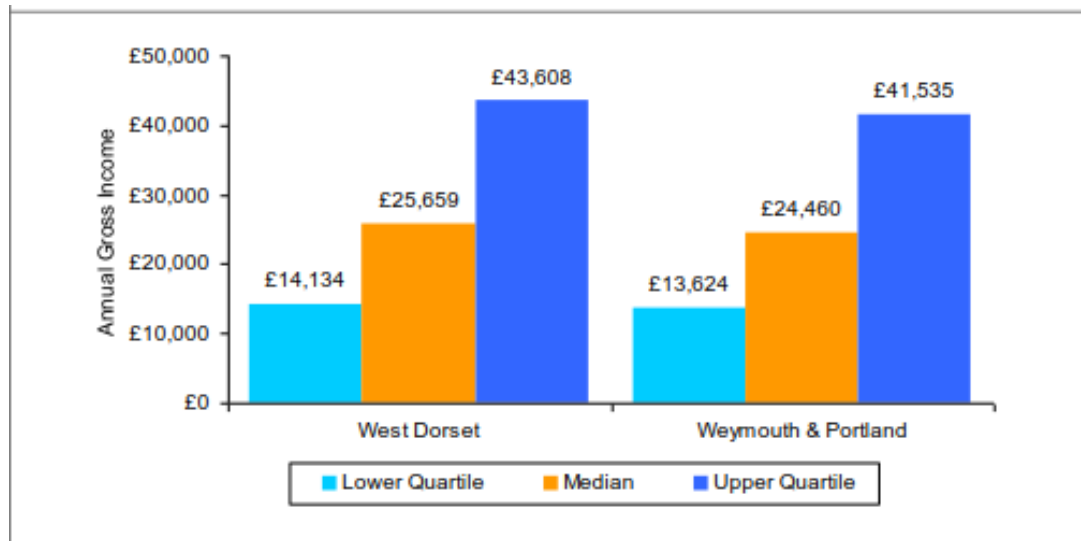


Source: SHMA14.2

125. However, the most significant concern in terms of affordability is the relationship between house prices and local incomes. In circumstances where local incomes rise and support house price growth, there is less of a concern given this merely reflects sustainable house price growth as result of growing demand from the resident population. However, the issue arises where local incomes are not keeping pace with local house price growth, thus making access to housing increasingly difficult for local people.

126. The figure below reproduces Figure 2.13 from the SHMA, which shows the relative income distribution across West Dorset in 2014.

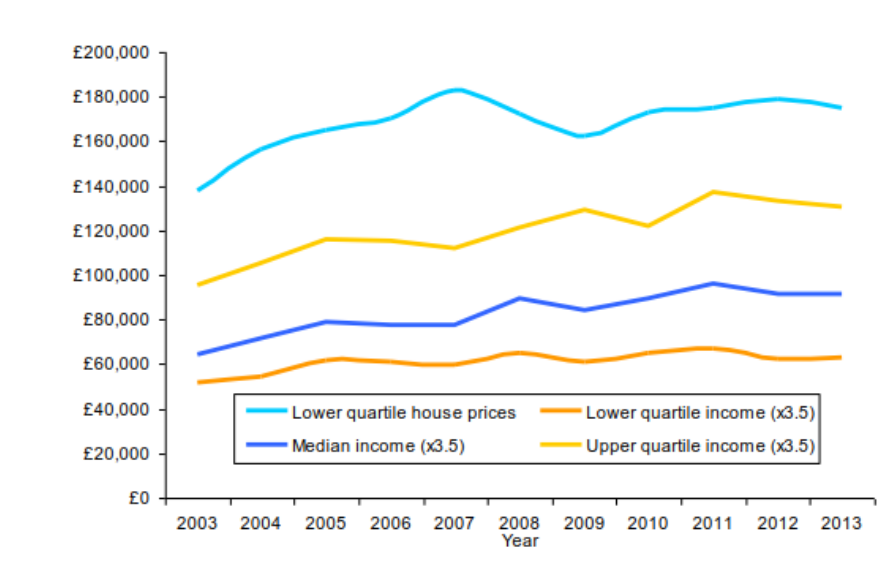
**Figure 5-3: Distribution of annual gross household income, 2014**



Source: SHMA14.2

127. Clearly, people's incomes are only used to pay for housing directly in the case of the private rented sector, which in 2011 was a relatively small proportion of all households. The affordability of rental housing is discussed in more detail below, but in terms of owner-occupied housing, it is clearly the mortgage system which determines people's ability to access housing.
128. On this basis, we consider typical mortgage conditions specifying that loans not exceed annual household income by a factor of 3.5 times. This allows us to consider the 'purchase threshold', or the minimum income required to purchase housing at a given price point. The figure below shows how the incomes of those in the lower quartile (representing 25% of households), those at the median level, and those at the upper quartile (below which 75% of the population's incomes fall) and how these compare with house prices.
129. Part of the reason for using these quartiles as a measure of affordability is because the ratio of house prices to incomes can often be a key factor in determining whether households can access a mortgage, as noted above, and, as such, it can help us to understand the extent to which people on different income levels can access home ownership.

**Figure 5-4: Earnings compared with lower quartile prices in West Dorset**



Source: SHMA14.2

130. Indeed, by 2016, the median affordability (i.e. the ratio between median incomes and median house prices), in West Dorset stood at 10.73 (the same as across Dorset) and the lower quartile affordability ratio (the same ratio for lower quartile incomes and house prices) stood at 10.60, higher than the average of 10.26 for Dorset. Whilst this would suggest that housing is actually more affordable for those on lower incomes, this is likely a result of people's relative ability to access mortgages, with many households in lower income brackets in fact renting rather than buying.
131. In fact according to ONS statistics the entry level (Lower quartile) house price for the area was £215,000, and yet in 2016, just four out of a total of 27 homes that were sold were below this price. In Puddletown itself the Lower Quartile price in 2016 was in fact £248,000 even at £215,000, the required household earnings would be approximately £40,000 per annum, alongside a deposit of £36,000. Based on the income data shown above for the whole of West Dorset, this is likely to exclude a very significant proportion (in the region of two thirds) of the population in the District from buying homes.
132. As such, we turn to private rental prices in West Dorset. This data suggests that those on lower quartile incomes are likely to be spending up to 49% of their income on rent, verses 34% for those on median incomes. Whilst this data is now somewhat dated, it is clear that incomes, particularly in the lower quartile, have not kept up with rental price inflation, leading to those on lower quartile incomes spending a disproportionate amount of that income on housing costs. This situation is partly ameliorated by the housing benefit system, which helps to subsidise both private and social renting costs for families in need; however rents are still very high. The SHMA notes that a typical 'affordability threshold' for households in the private rented sector would suggest that no more than 35% of gross household income should be spent on housing costs<sup>30</sup> so as to be considered affordable, further demonstrating that even those on median incomes may be struggling to pay 34% of their income on housing.

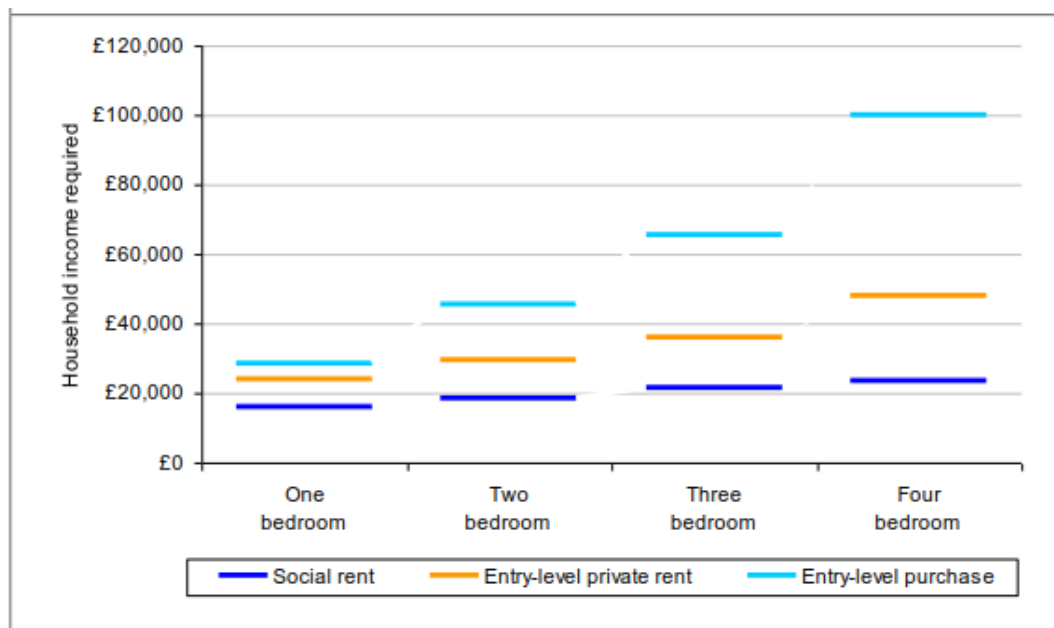
**Table 5-5: Ratio of entry-level private rents to earnings**

<i>Income level</i>	<b>West Dorset (lq rent £8,800 per year)</b>		<b>Weymouth &amp; Portland (lq rent £8,160 per year)</b>	
	<i>Earned income</i>	<i>Price/income ratio</i>	<i>Earned income</i>	<i>Price/income ratio</i>
Lower quartile	£18,028	0.49	£18,262	0.45
Median	£26,140	0.34	£23,176	0.35
Upper quartile	£37,289	0.24	£30,534	0.27

Source: SHMA14.2

133. This data feeds into the SHMA14.2's analysis of the housing market and the relative incomes required for each tenure of home, as shown in the figure on the following page. This makes clear that for larger homes, the purchase price dramatically increases, and thus the household income required also dramatically increases. This analysis is based around understanding what size of housing different households might need, and assessing affordability on this basis. This is discussed in more detail in the following chapter, but the SHMA suggests that these gaps provide strong evidence for intermediate housing products, with shared ownership filling the gap between purchase prices and private rental prices, and affordable rented products filling the gap between private rents and social rents.

<sup>30</sup> SHMA14.2 pp.68

**Table 5-6: Household income required to access housing in West Dorset**

Source: SHMA14.2

## 5.4 Housing register data

134. So far, we have considered housing need based on a statistical understanding of affordability derived from household income. A necessary additional component to quantify need for AH in the NA is identifiable demand expressed through entries on the housing register.
135. The Local Authority was approached for data on the housing waiting list register that would be helpful in understanding housing need in Puddletown. The housing register for West Dorset consists of the Dorset-wide Home Choice lettings system. This data showed that there were 25 households on the waiting list for housing in Puddletown. Of these, 7 were considered to be adequately housed already, although just 5 of the total from the list were considered ineligible for social rented housing.

**Table 5-7: Categories of housing need in Puddletown, January, 2018**

Housing need	Count
Adequately housed	7
Homeless/Threatened with homeless	1
Low Medical / welfare	1
Medium disrepair needs	1
Medium Medical/Welfare Needs	2
Overcrowded by one bedroom	1
Rural sustainability	1
Service Personnel	1
Shared/Low Cost Ownership	5
Sheltered Housing	5
<b>Grand Total</b>	<b>25</b>

Source: Dorset County Council

136. This data presents compelling evidence of local need within Puddletown, as assessed by the LPA, and also shows that entries for Puddletown represent 1.54% of all entries in West Dorset, despite representing 1.42% of the District's population District, and just 1.38% of the total number of households. This suggests that affordable housing need in Puddletown may be higher than the average across the District based on the number of households living there.

## 5.5 Conclusion

137. To conclude, we have considered recent changes to the definitions of AH, and the tenure profile of households in Puddletown at the 2011 Census. This demonstrates the dominance of owner occupation, broadly in line with levels in the District, with slightly more shared ownership properties in Puddletown than the District, likely as a result of a single scheme. In terms of changes in the tenure profile, the most significant increase in Puddletown was in households who owned their homes, against District and national trends which saw much more significant increases in the private rented sector.
138. We then considered the cost and affordability of housing in Puddletown and found that whilst prices have not in fact returned to their pre-recession peak, they still remain higher than the average across West Dorset, and prices have remained high in spite of significant drops in sales volumes, both in Puddletown and across the District. Indeed, entry level properties are in very short supply, and still require very high incomes to be affordable.
139. However, when considering actual lower, median and upper quartile wages in West Dorset, affordability ratios for market sale housing have become worse, with up to two thirds of earners unable to afford to buy a home on typical mortgage terms. So to, rents have increased significantly, and the supply of rental properties is relatively constrained.
140. In this context, affordable and intermediate housing for rent would be appropriate for Puddletown, particularly given the relative shortage of both social rented and private rented properties. Given the scale of need, and the fact that the housing register only records a relatively small percentage (20%) of the total number of households on the register as in need of low-cost ownership properties, it is recommended that the vast majority of affordable homes be provided for social, affordable and intermediate rent, i.e. approximately 80%. This is broadly in line with the split of rented properties specified in policy HOUS1, although slightly higher than the 70% minimum recommended there.
141. These recommendations fall broadly into line with the recommendations put forward by the SHMA for the whole of West Dorset, as shown in the table below although a slightly higher percentage of shared ownership housing is recommended for Puddletown given the relative dominance of owner occupation in the town and the relative lack of rented housing.

**Table 5-8: Tenure of new accommodation required in West Dorset to 2031**

<i>Tenure</i>	<i>Current tenure profile</i>	<i>Tenure profile 2031</i>	<i>Change required</i>	<i>% of change required</i>
Owner-occupied	31,992	38,891	6,899	71.7%
Private rent	7,018	7,941	924	9.6%
Shared ownership	258	470	212	2.2%
Social rent/Affordable Rented	6,516	8,096	1,580	16.4%
Total	45,784	55,399	9,615	100.0%

Source: SHMA 14.2

142. In terms of market housing, it is recommended that some form of purpose-built rented housing be provided, to accommodate the relative increase in this tenure seen across the District and the country. However, planning policy cannot be used to control the specific tenure of market housing, and therefore these recommendations can only be carried forward as aspirations for the Puddletown Neighbourhood Plan.

## 6. Type and size

**RQ3. What size (number of bedrooms) and type (terrace, semi, bungalows, flats and detached) of housing is appropriate?**

143. As identified earlier in this study, Planning Practice Guidance 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 start with a consideration type and size within the existing housing stock in Puddletown.

### 6.1 Background and definitions

144. Before beginning our consideration of type and size, it is important to understand how different types of households occupy their homes. Crucially, 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 and income, with age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability.<sup>31</sup>
145. In this context, even smaller households (those with smaller numbers of inhabitants, including just one or two people) may be able to choose to live in larger homes than their needs would suggest, and thus would be defined in Census terms as under occupying their homes. This is a natural feature of the housing market, although it can make considerations of future housing needs as much a matter of market dynamics and signals, as of demographics and household type and size projections in future years.
146. In order to understand the terminology surrounding size of dwellings, it is important to note the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls; and to be clear that data on dwelling size is collected on the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' should be translated as follows:<sup>32</sup>
- 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 2 bedrooms and 2 reception rooms and a kitchen, or 3 bedrooms and one reception room and a kitchen
  - 7+ rooms = house with 3, 4 or more bedrooms
147. It is also useful to clarify somewhat the Census terminology around dwellings and households spaces, which can be confusing in the context of flats, apartments, shared and communal dwellings, and houses in multiple occupation types which may typically fall into the private rented sector. Dwellings are counted in the Census by combining address information with Census returns on whether people's accommodation is self-contained,<sup>33</sup> and, 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.
148. 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 address who share cooking facilities and share a living room or sitting room or dining area."<sup>34</sup> 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.
149. Whilst it is unlikely that these issues are of particular relevance to Puddletown, given that their main applicability is to students and other people likely to be sharing homes, it is still helpful to understand the terms as a background to the data in this chapter.

<sup>31</sup> SHMA15, pp.130, para 8.5

<sup>32</sup> <https://www.nomisweb.co.uk/Census/2011/qs407ew>

<sup>33</sup> <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

<sup>34</sup> Ibid.

## 6.2 Existing types and sizes

150. Below we consider the existing types and sizes of dwellings in Puddletown. The table below shows the relative split between types of houses, as defined by the Census, in Puddletown in comparison to West Dorset and England.

**Table 6-1: Types of dwellings, 2011**

Dwelling type		Puddletown	West Dorset	England
Whole house or bungalow	Detached	26.5%	37.0%	22.4%
	Semi-detached	39.5%	24.1%	31.2%
	Terraced	26.4%	22.6%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	5.1%	11.4%	16.4%
	Parts of a converted or shared house	2.0%	2.7%	3.8%
	In commercial building	0.5%	1.2%	1.0%

Source: Census 2011

151. This data shows the extent to which the housing stock in Puddletown differs from that in West Dorset as a whole and indeed across England. Most notable is the relative dominance of semi-detached homes in Puddletown, which appears atypical in the context of West Dorset, and also England. Given that the number of semi-detached properties in Puddletown was 262 in the 2011 Census (of a total of 664 dwellings), it is likely that even a single large development that took place historically, of say, 50-100 dwellings, could account for this relative difference.
152. It should be noted that the Census data does not capture the housing stock in its entirety, as only those households that are usually resident and return the Census questionnaire are captured. Therefore, a small percentage of homes are not accounted for.
153. The result is that the share of detached properties is significantly smaller in Puddletown than in West Dorset, whilst in both this is somewhat larger than in England. Similarly, there are fewer flats in Puddletown than in West Dorset as a whole, and both have significantly lower averages than England, reflecting the Parish area's relatively rural character.
154. The data below allows us to consider a broad picture of the size of the housing stock in Puddletown and West Dorset. Again, like the data above on housing type, this Census-derived data only covers homes and dwelling spaces (i.e. homes in a shared dwelling) that are occupied, and does not cover vacant or second homes.

**Table 6-2: Household spaces by number of rooms, 2011**

Number of Rooms	Puddletown		West Dorset	
1 Room	1	0.2%	124	0.3%
2 Rooms	3	0.5%	647	1.5%
3 Rooms	27	4.4%	3625	8.2%
4 Rooms	123	20.0%	7674	17.3%
5 Rooms	181	29.5%	10129	22.8%
6 Rooms	111	18.1%	8437	19.0%
7 Rooms	68	11.1%	5455	12.3%
8 Rooms or more	39	6.4%	3869	8.7%

Source: Census 2001/2011, AECOM Calculations

155. The table above considers the total number of rooms in each household, that is, the self-reported count of the number of rooms available to each household in the Census, including kitchens but excluding bathrooms. By this measure, the size of homes in Puddletown is broadly similar to those in West Dorset, though they tend to be slightly larger, with 65% of homes 5 rooms or more (usually a 3 bedroom house), verses 62.8% across West Dorset.
156. It is particularly interesting to compare this data with Census estimates of the number of bedrooms for each household in Puddletown and West Dorset, using ONS estimates from the 2011 Census. The table on the following page summarises the proportion of households occupying each size of home in terms of number of bedrooms only.

**Table 6-3: Number of bedrooms in household spaces, 2011**

Number of bedrooms	Puddletown	West Dorset
1 bedroom	3.6%	9.2%
2 bedrooms	31.3%	26.9%
3 bedrooms	42.2%	41.1%
4 bedrooms	15.5%	16.9%
5 or more bedrooms	7.5%	5.9%

Source: Census 2011, AECOM Calculations

157. This data shows that the vast majority of homes in Puddletown are indeed 3 bedrooms, slightly more than the average across West Dorset. There are also slightly more two bedroom homes in Puddletown, and slightly more larger homes of five bedrooms or more. Broadly however, Puddletown is quite similar to West Dorset in terms of the size profile of homes in the village, save for far fewer one bedroom homes, again not surprising given the village's rural nature.
158. In terms of housing need however, it is relevant to consider whether it is the number of rooms overall that is the more important measure of housing size, or the number of bedrooms. On the one hand, additional reception rooms may be converted for use as extra bedrooms where necessary. However, this is more likely to be true in larger homes where there is more overall flexibility in terms of space, and the data above suggests that the vast majority of 1-3 room homes have only one bedroom, with relatively greater constraints on potential conversion to accommodate a second bedroom in a purpose-built living room for example.
159. Furthermore, recent research by the ONS suggests that the data on rooms collected by the Census may not be particularly accurate due to a lack of understanding by Census respondents as to which rooms should be included in the count, with the Census Quality survey suggesting that up to 30% of past responses may not have been accurate.<sup>35</sup> For this reason, the ONS is now trialling new methods of collecting this data, namely based on Valuations Office Data (VOA, collected for the purposes of calculating council tax), in preparation for the 2021 Census.
160. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. This data is presented below, and shows quite clearly there has been a decrease over the Census period in 4 and 5 room homes in Puddletown, broadly mirroring a similar trend in West Dorset, although to a greater extent.

**Table 6-4: Households by number of rooms (including living spaces), 2001-2011**

Number of Rooms	Puddletown 2001	West Dorset 2001	Puddletown 2011	West Dorset 2011	Puddletown Change	West Dorset Change
1 Room	3	149	1	124	-2	-25
2 Rooms	3	552	3	647	0	95
3 Rooms	15	2965	27	3625	12	660
4 Rooms	130	7638	123	7674	-7	36
5 Rooms	185	10339	181	10129	-4	-210
6 Rooms	101	8077	111	8437	10	360
7 Rooms	34	4355	68	5455	34	1100
8 Rooms or more	75	6435	100	8295	25	1860

Source: Census 2001/2011, AECOM Calculations

161. It is crucial to remember however that these changes describe the way that households occupy dwellings rather than merely describing the size of the existing stock. So, for example, some mid-sized homes of 4-5 rooms may have been lost as a result of additions and conservatories being built, with these homes falling into larger categories following the changes.
162. Even so, it is still significant that these mid-sized homes and one room homes are the only sizes of homes that declined in Puddletown over the inter-censal period. What is also clear is that the most significant shift over the period has been an increase in large homes with 7 or more rooms (likely to be 4+ bedroom homes). This is likely as a

<sup>35</sup> <https://www.ons.gov.uk/Census/Censustransformationprogramme/progressanddevelopment/questiondevelopment/estimatingthenumberofroomsandbedroomsinthe2021Censusinenglandandwalesanalternativeapproachusingvaluationofficeagencydata>

result of an increase in market demand for such homes, given what has been discussed above about factors affecting the way that households occupy dwelling spaces.

163. In summary, Puddletown has more semi-detached homes than either the District or England, with house sizes tending to be slightly larger than across the District. Between the two Censuses, households in Puddletown occupied fewer mid-sized homes, with a gap widening between smaller and large homes, broadly mirroring similar trends across West Dorset. However, the most significant increase over the period was in very large homes of 7 or more rooms.
164. It is helpful then to turn to actual demographic factors affecting housing needs to better understand how the future needs of Puddletown's population might be met in terms of new housing. The evidence assembled below seeks to populate a series of 'key indicators'; these are the household composition and age structure of the population both now and how they are likely to change in future years.
165. Through a consideration of these trends and how they interrelate, it is possible to arrive at recommendations as to how the type and size of housing in Puddletown should be influenced through planning policy.

### 6.3 Factors affecting housing need: household composition

166. In Table 6-5 below, we set out the distribution of the population across the types of households defined by the Census. This data shows the high proportion of families in Puddletown, at 66.3%, somewhat higher than the average across the District and indeed England. A significant proportion of these comprised families aged 65 and over, 12.2%, much higher than the average for England, although broadly in line with the average for West Dorset of 13.9%.

**Table 6-5: Household composition (by household) in Puddletown, 2011**

Household Type		Puddletown	West Dorset	England
One person household	Total	28.0%	31.9%	30.2%
	Aged 65 and over	16.4%	17.6%	12.4%
	Other	11.6%	14.3%	17.9%
One family only[1]	Total	66.3%	63.5%	61.8%
	All aged 65 and over	12.2%	13.9%	8.1%
	With no children	23.0%	20.4%	17.6%
	With dependent children	23.1%	21.1%	26.5%
	All children Non-Dependent	8.0%	8.2%	9.6%
Other household types	Total	5.7%	4.6%	8.0%

Source: Census 2011, AECOM Calculations

167. In Table 6-6 on the following page we present data that shows shifts in household composition over the inter-censal period. This shows broadly similar increases between one person and family households, with a very significant increase in other household types, which include a range of categories, including adults sharing, multi-family households etc. Such households often form as a result of affordability pressures, and are much more likely to be overcrowded, i.e. living without adequate bedrooms, than other household types.

**Table 6-6: Rates of change in household composition in Puddletown, 2001-2011**

Household type		Puddletown	West Dorset	England
One person household	Total	9.6%	14.5%	8.4%
	Aged 65 and over	14.8%	3.4%	-7.3%
	Other	2.9%	31.8%	22.7%
One family only	Total	10.3%	6.6%	5.4%
	All aged 65 and over	1.4%	0.7%	-2.0%
	With no children	13.7%	10.7%	7.1%
	With dependent children	6.0%	1.2%	5.0%
	All children non-dependent	32.4%	24.6%	10.6%
Other household types	Total	105.9%	20.3%	28.9%

Source: Census 2011, AECOM Calculations

168. In general, the data presents a mixed picture. Some household types in Puddletown have grown as a result of national trends which were not necessarily reflected in West Dorset, for example the growth in households with dependent children. However, in many cases, Puddletown has experienced trends such as the increase in elderly households aged 65 and over and the increase in households with no children and with non-dependent children, to a greater extent than either West Dorset or England.
169. These trends are a result of certain types of households being attracted to live in specific places which would not affect national or even District-level trends. The increasing attractiveness of Puddletown to older people, both those working and retired, is fairly clear from this data.
170. Below we consider how different types of households are likely to change in future, drawing on data from the SHMA14.2.

**Table 6-7: Projected household population in 2031 by household type**

Household type	West Dorset			Weymouth & Portland		
	2014 Number	2031 Number	2031 Percentage	2014 Number	2031 Number	2031 Percentage
One person	14,512	18,313	33.1%	9,262	10,806	34.1%
Couple with no children	15,518	18,625	33.6%	8,398	8,527	26.9%
Couple with child/children	10,205	10,970	19.8%	6,413	6,002	18.9%
Lone parent	3,382	4,967	9.0%	3,014	4,093	12.9%
Other	2,167	2,524	4.6%	1,900	2,260	7.1%
Total	45,784	55,399	100.0%	28,987	31,687	100.0%

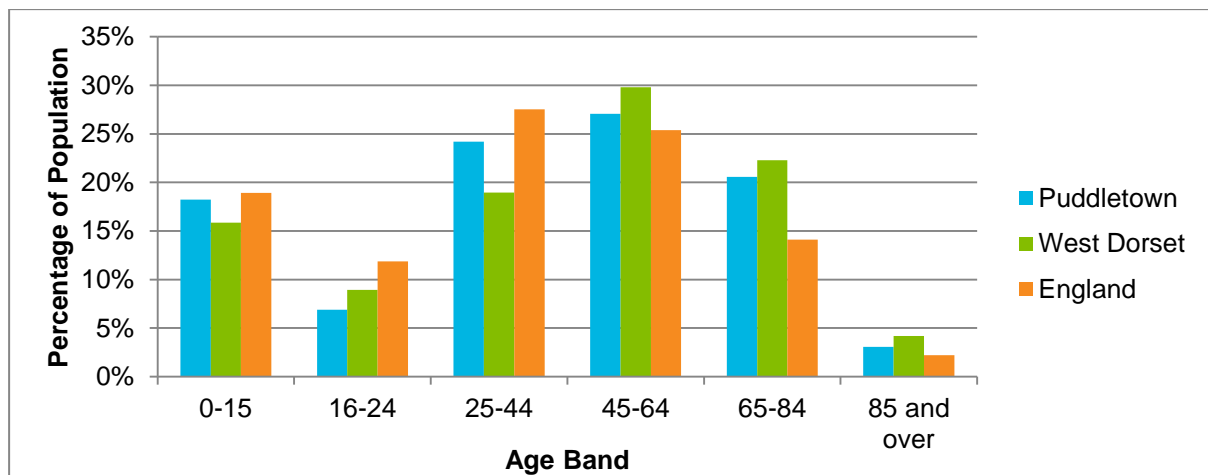
Source: SHMA14.2

171. This data suggests that the greatest growth in West Dorset to 2031 will be among one person households and households with no children, with these increases making up a large share of the overall increase in the population, and very small increases in the number of couples with children. Lone parents with children will also increase, although this is likely to increase the need for affordable housing more than any specific size and type of housing.
172. Bringing together the data relating to household composition, within the NA, there are a range of household types, with households with dependent children making up a relatively small proportion of the population overall, particularly in comparison with England.
173. This is likely to continue to be the case in future, with a distinct trend towards smaller household types which would suggest the need for smaller homes.

## 6.4 Factors affecting housing need: age structure

174. The relative age of the population is a key underlying indicator of the size of housing needed, as age also affects household types and incomes. In general, older people tend to have larger homes, broadly reflecting household growth in later life as families grow. So too, many households choose to downsize into smaller homes towards the end of their life, with most areas of the country showing at least some decline in the average number of bedrooms occupied by a household towards the end of their life, particularly as a result of the number of older single person households.
175. The following figure shows how the relative proportions of the population in Puddletown fall into different age groups, and allows for comparison with West Dorset and England. In general, Puddletown is quite different from West Dorset, with more children, more people aged 25-44 and fewer people aged 45-64. However, there were also similar levels of 65-84 and 85+ year olds in Puddletown and West Dorset. It is notable that for those aged 16-24, Puddletown had a lower proportion than either West Dorset or England.
176. In general then, Puddletown has an ageing population in comparison with the national average, although this is less true than for the rest of West Dorset, i.e. the population is relatively younger than in the rest of the District.

**Figure 6-1: Age structure**



Source: Census 2011

177. In Table 6-8 below we present how the age structure of the population has shifted during the inter-censal period. Here, Puddletown is relatively similar in terms of trends to West Dorset, with lower growth or decreases in children and those aged 25-44, and growth across all other age groups. The single largest percentage increase was in the 85 and over age group, reflecting the aging of the population. This increase was much more pronounced in Puddletown than either in West Dorset or in England.

**Table 6-8: Rate of change in the age structure of the population of Puddletown, 2001-2011**

Age group	Puddletown	West Dorset	England
0-15	7.6%	-3.8%	1.2%
16-24	44.8%	24.5%	17.2%
25-44	-6.8%	-11.7%	1.4%
45-64	31.5%	18.5%	15.2%
65-84	26.8%	13.3%	9.1%
85 and over	65.4%	35.4%	23.7%

Source: Census 2001/2011 AECOM calculations

178. The fall in the proportion of those aged between 25-44 is particularly striking. In terms of numbers, those in this age group fell from 365 to 340 individuals. In contrast, the number of those aged 65 and above grew from 254 to 332, meaning that these two age groups were roughly on par with one another.

179. Needless to say, this shift will have had a significant impact on the community. The Planning Practice Guidance specifically notes the difficulties in planning terms where the share of the population that is working age is declining.<sup>36</sup> Whilst many people are working longer into their old age than in the past, and the state pension age is planned to increase to 66 by 2020, and to 67 over the next decade,<sup>37</sup> the shifts shown above, particularly in the population aged 85+, are significant.
180. Bringing together the evidence related to age structure, Puddletown shows strong evidence of an ageing population. These trends raise questions as to the long term viability of services typically used by younger age groups such as schools. Indirectly it also impacts on a wider range of businesses, given the implicit reduction in the working age population. With this in mind, it is worth considering the employment profile of the population.
181. However, this must be put within the context of higher rates of economic activity in Puddletown than in West Dorset as a whole, as shown in the table below. Indeed, close to 5% more people are economically active in Puddletown than are in West Dorset as a whole, despite the relative age of the population.
182. Clearly this is a sign of relative affluence, but it does show that, at least in 2011, Puddletown's economy was not significantly affected by the proportion of elderly people living there. However, there is no guarantee that this situation will continue into the future, and there may come a time when the balance of those older people not working significantly outweighs the balance of all those working.

**Table 6-9: Economic activity in Puddletown, 2011**

Economic category		Puddletown	West Dorset	England
Economically active	Total	73.2%	67.6%	69.9%
	Employee: Full-time	39.7%	32.9%	13.7%
	Employee: Part-time	13.6%	15.5%	38.6%
	Self-employed	16.3%	14.6%	9.8%
	Unemployed	1.6%	2.3%	4.4%
	Full-time student	1.9%	2.3%	3.4%
Economically inactive	Total	26.8%	32.4%	30.1%
	Retired	18.9%	21.2%	13.7%
	Student	2.2%	3.4%	5.8%
	Looking after home or family	3.4%	3.4%	4.4%
	Long-term sick or disabled	1.0%	2.9%	4.1%
	Other	1.3%	1.5%	2.2%

Source: Census 2011, AECOM Calculations

183. Indeed, it is also relevant to consider how the age profile of the population is likely to change in Puddletown in the future. As with population projections for different household types, this data is only available down to the local authority level; and when broken into individual age groups is merely an estimate. It is also important to recognise that forward population projections are based on past trends.

**Table 6-10: Population change by age group, West Dorset, 2031**

Age Group	Change to 2031
0-19	700
20-29	-1200
30-39	500
40-49	-1900
50-59	-2000
60-75	4000
75+	8400

Source: ONS 2014-based subnational population projections

184. These projections show how generational gaps within the population in localised geographic areas such as Districts or boroughs can have significant impacts on the overall make-up of the population. The table above clearly shows how

<sup>36</sup> Planning Practice Guidance Paragraph: 021 Reference ID: 2a-021-20160401

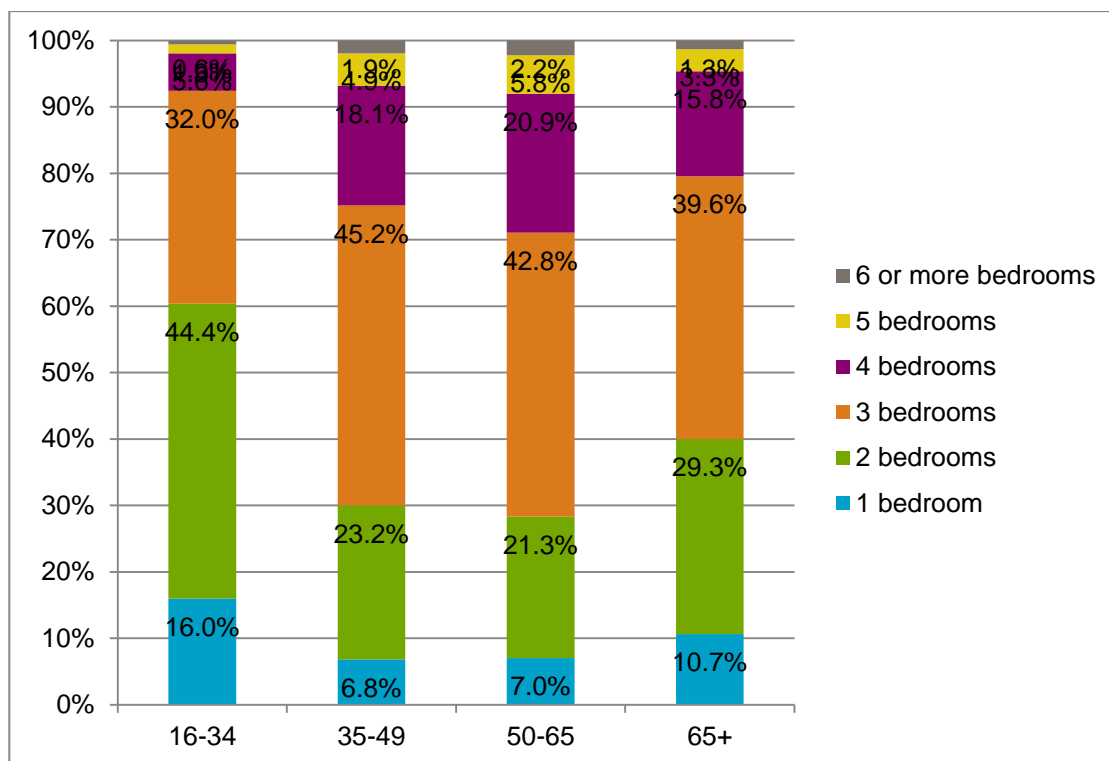
<sup>37</sup> <https://www.ageuk.org.uk/information-advice/money-legal/pensions/changes-to-state-pension-age/>

certain groups, such as those aged 0-19 and those aged 30-39, will increase in the District, whilst others, such as those aged 20-29, 40-49 and 50-59 will decrease. Most notable is the very significant increase in the number of people aged 75+. This increase outweighs all other population groups, in terms of both increases and decreases, with the overall population aged 60+ changing by more than 12,000 people.

## 6.5 Conclusion

185. Whilst many older people will choose to stay in their existing homes for the entirety of their lives, as discussed in more detail in the following chapter, the figure below depicts how households in different age groups actually occupied the housing stock at the 2011 Census.
186. This demonstrates clearly the statistical reality of older people downsizing in West Dorset, with only those aged 16-34 having smaller homes than those aged 65+. In this context, there is likely to be significant demand for smaller homes in West Dorset, with approximately 40% of people aged 65+ already living in such homes in 2011.

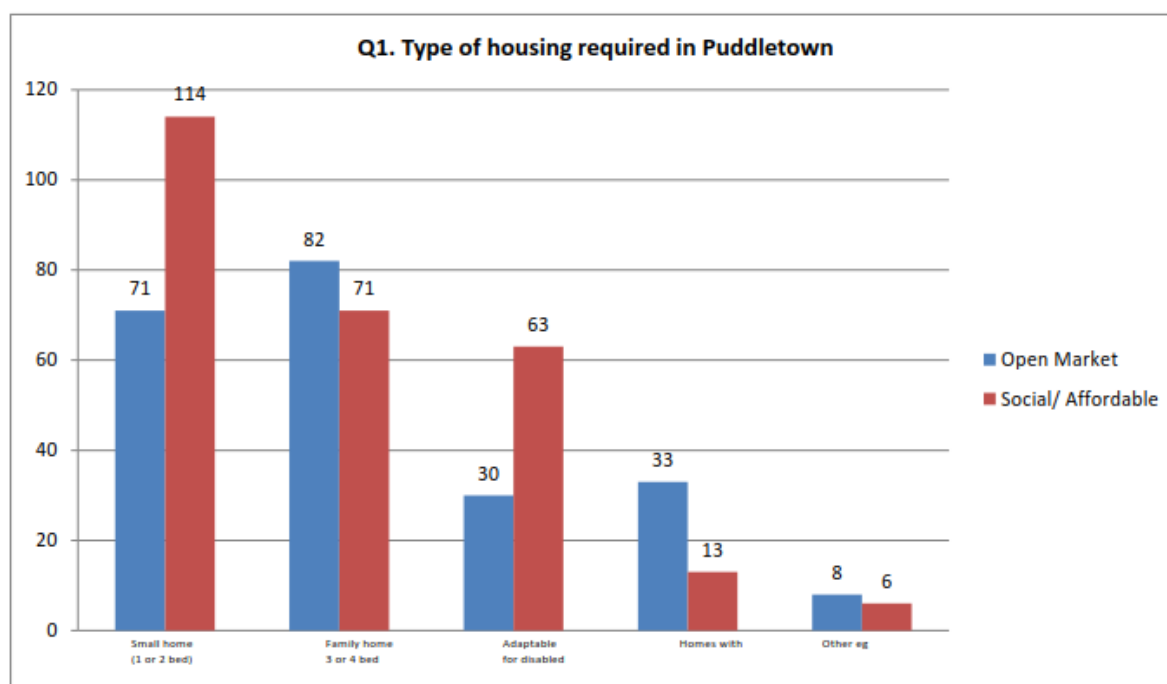
**Figure 6-2: Number of bedrooms by age of Household Reference Person, West Dorset, 2011**



Source: Census 2011

187. Bringing together the data relating to type and size, household composition and age structure within the NA, it is clear that there are already a disproportionate number of small households and older people in Puddletown, although less so than in the rest of Dorset. We have considered the existing types and sizes and found that houses in Puddletown are on average slightly larger than across West Dorset, although this masks some variety in actual home sizes, with, for example, slightly more 2 bedroom homes than the District average, and less 4 bedroom homes. There are also significantly fewer one bedroom homes in the village than across the District. The trend has been towards quite noticeable increases in relatively large homes from 2001-2011, with decreases in mid-sized homes of 2-3 bedrooms.
188. This is of significant concern given that both household and demographic factors point to an ageing population who on average, tend to downsize into smaller homes as they age on average. To accommodate this clear trend, it is likely that smaller homes of 2-3 bedrooms will be most appropriate for Puddletown, and it is likely that some proportion of one bedroom properties will be necessary, given that these have not increased whatsoever over the inter-censal period. Indeed, residents of Puddletown have expressed a clear view that the type of housing most required is social and affordable homes of 1-2 bedrooms. This is demonstrated in the following figure, drawn from the Puddletown Neighbourhood Plan 2016 Survey Report, which gathered the responses of 156 respondents (13% of the population) across a range of different age groups.

**Figure 6-3: Type of housing required in Puddletown**



Source: Puddletown Neighbourhood Plan Survey 2016

189. Given the very significant trends pointing towards an increase in the elderly population, the following chapter considers in more detail the need for specialist housing in the NA, and how provision for the elderly can be achieved.
190. Furthermore, given the potential for older people to downsize into appropriately sized homes, and the possibility that this might free up housing for young people and families within the NA, we also consider housing that might be suitable for these groups.
191. In terms of the types of housing to be provided, housing need tends to be focused more on size than on specific typologies, particularly as these are often a result of local circumstances, traditions and constraints. However, based on the sizes of homes recommended above, it is likely that the most appropriate type of housing for Puddletown will be flats, given the relative difficulty of providing one and two bedroom detached and semi-detached homes.
192. Terraced homes may also be able to play a role in meeting local needs, although it is generally accepted in development circles that their financial viability can prove challenging. Conversely, in terms of specialist housing for the elderly, such housing could be provided as some form of flats with communal areas, given the need to provide additional services such as care in this context, or as bungalows, which may offer those with mobility limitations the best kind of home to meet their needs. Both of these housing types come with their own challenges in terms of deliverability.

## 7. Specialist housing

### RQ4. What provision should be made for specialist housing for the elderly and for young people within the NA?

#### 7.1 Background and definitions

193. Before considering the data on Puddletown specifically in more detail, it is useful to understand the national context for specialist housing for the elderly across England (e.g. sheltered and extra care, see Appendix A for definitions). Between 1974 and 2015, the population aged 65 and over in England grew 47% and the population aged 75 and over grew by 89%.<sup>38</sup> 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.<sup>39</sup>
194. Indeed, 76% of those in homes of three or more bedrooms wished to downsize, and this rose to 99% of those in homes of five or more bedrooms, with two bedrooms the preferred choice for both.<sup>40</sup> However, in spite of evidence of high demand, currently only 5% of elderly people’s housing is made up of specialist homes<sup>41</sup>, with Demos suggesting that “the chronic undersupply of appropriate housing for older people is the UK’s next housing crisis”<sup>42</sup>, and pointing out that local authorities are often “accused of reluctance to approve development plans for specialist housing....out of fear of increased care costs”.<sup>43</sup>
195. In 2014 there were approximately 450,000 units of sheltered social rented and private sector retirement housing in the England, with approximately one quarter of these in the private sector and the rest provided at social rent levels.<sup>44</sup> However, this is likely to be a result of constraints on the supply of private sector retirement housing rather than a lack of demand. Indeed, whilst older people are increasingly healthier for longer than in the past, the supply of specialist housing for the elderly could be considered to be somewhat constrained. For example, the population aged 65 and over in England grew by 11% in between 2001 and 2011, but the population living in actual residential care homes, those providing comprehensive care outside of the sheltered housing sector, grew by just 0.3%, to about 291,000 people.<sup>45</sup>
196. As seen earlier in 6.3, one of the defining features of the Puddletown NA is the growth in age categories over 60, with a decline in the number of 25-44 year olds. The single largest increase was in the 85 and over age group and was more pronounced in Puddletown than either in West Dorset or England. As a consequence, adequate provision must be made across the District.

#### 7.2 Projected need for specialist housing for the elderly

197. As we have seen, given the significant forecast increases in people aged 75+, it is appropriate for policy to provide support for a substantial quantum of sheltered and extra care housing as part of the delivery of new dwellings. Table 7-1 below identifies the growth in the population of over 75s between 2011 and 2031.

**Table 7-1: Change in the population of over 75s between 2011 and 2031**

Age band		2011	2031 Projection	
	Population (Puddletown)	Population (West Dorset)	Population (West Dorset)	Population (Puddletown)
All ages	1,405 (1.42% of West Dorset 2011 total)	99,264	108,957	1,547 (1.42% of West Dorset 2031 total)
75+	332 (23.63% of Puddletown 2011 total)	13,177 (13.27% of West Dorset 2011 total)	22,207 (20.38% of West Dorset 2031 total)	476 (30.74% of Puddletown 2031 total)

Source: 2014-based Sub-national population projections, MHCLG and Census 2011 (ONS) AECOM calculations

<sup>38</sup> <http://researchbriefings.files.parliament.uk/documents/CBP-7423/CBP-7423.pdf>

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

<sup>40</sup> Ibid.

<sup>41</sup> [https://www.housinglin.org.uk/\\_assets/Resources/Housing/OtherOrganisation/for-future-living\\_Oct2014.pdf](https://www.housinglin.org.uk/_assets/Resources/Housing/OtherOrganisation/for-future-living_Oct2014.pdf)

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

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

<sup>44</sup> [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](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)

<sup>45</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/ageing/articles/changesintheolderresidentcarehomepopulationbetween2001and2011/2014-08-01>

198. In arriving at an appropriate level of housing for older people of different types, we have applied the Housing Learning and Improvement Network's suggested numbers per 1,000 of the 75+ population.<sup>46</sup> This is particularly useful in the absence of specialist housing need calculations being included in the SHMA, as is the case for West Dorset, Weymouth and Portland.
199. The table on the previous page shows an estimate of the increase in the numbers of older people aged 75+ of **144** (476-332).
200. The method we use to arrive to this number can only be an estimate given that MHCLG population projections do not provide data at the Parish level. AECOM uses a four step method to arrive at the estimate:
- Using MHCLG population projections, we take the % of people aged 75+ at the end of the Plan Period for the LPA (**20.38%**). We use this to arrive at an estimate of change in the numbers of people aged 75+ in the Parish as described below;
  - The population size for West Dorset together with the number of those aged 75+ is taken, and a calculation made as to their % of the total (**13.27%**);
  - We arrive at an estimate of the size of the total population in Puddletown at end of Plan Period by assuming it is the same proportion of the West Dorset population as in 2011 (**1.42%**); and
  - To arrive at an estimate of the 75+ population in Puddletown at the end of the Plan Period, we assume the % of 75+ in the NA is the same as it is in West Dorset (**20.38%**).
201. As the % of those aged 75+ projected for West Dorset at the end of the Plan Period (**20.38%**) is lower than the percentage of those aged 75+ in Puddletown in 2011 (**23.63%**), we have used a slightly different approach. We have taken the increase in the percentage of those aged 75+ in West Dorset between 2011 and 2031 (20.38%-13.27%=**7.11%**), and have added it to the percentage of those aged 75+ in Puddletown in 2011 (**23.63%**). This gives an increase of **30.74%** (23.63%+7.11%). Using this approach, there will be **476** residents aged 75+ in the Parish in 2031, an increase of **144** (476-332).
202. An alternative assumption would be that the proportion remains the same as in 2011 (23.63%); this would give a population of 75+ of **366** in Puddletown in 2031, or an increase of **34** (366-332).
203. Our preferred method, the housing LIN approach, results over the Plan Period in Puddletown, in a need for:
- additional conventional sheltered housing units =  $144 \times (60/1000) = \mathbf{9}$  (rounded)
  - additional leasehold sheltered housing units =  $144 \times (120/1000) = \mathbf{17}$  (rounded)
  - additional 'enhanced' sheltered units, split 50:50 between those for rent and those for sale =  $144 \times (20/1000) = \mathbf{3}$  (rounded)
  - additional extra care housing units for rent =  $144 \times (15/1000) = \mathbf{2}$  (rounded)
  - additional extra care housing units for sale =  $144 \times (30/1000) = \mathbf{4}$  (rounded)
  - additional specialist dementia care beds =  $144 \times (6/1000) = \mathbf{1}$  (rounded)

## 7.3 Conclusions on housing for elderly people

204. Note that there is no obligation for these all to be provided within the Parish itself and clearly, in some cases, such as providing a single specialist dementia care bed, it would not be economically feasible to do so. As such, these 34 specialist housing units need not be thought of as all needing to be provided within the neighbourhood plan housing target; rather, there will be some overlap between these dwellings and the target, depending on the number that could be provided within the Parish itself.
205. This specialist dwelling need is likely therefore to be split between the Parish and the rest of the District, which will enable the elderly to live either within or as close to the Parish as possible, taking account of the fact that Puddletown is unlikely to be able to provide many of the specialist housing types needed within its own boundaries - although there could be the potential for these to be provided at, for example, Dorchester, taking account of its higher levels of accessibility to services and facilities, which will help in the recruitment and retention of specialist care staff and

<sup>46</sup> Housing LIN (2011) Strategic Housing for Older People: Planning, designing and delivering housing that older people want, available online at: [http://www.housinglin.org.uk/\\_library/Resources/Housing/SHOP/SHOPResourcePack.pdf](http://www.housinglin.org.uk/_library/Resources/Housing/SHOP/SHOPResourcePack.pdf)

enable economies of scale (e.g. a centralised dementia care unit or enhanced sheltered development serving a widely dispersed rural population from a single location).

206. The following section discusses in brief some of the other potential housing options for the elderly, and is included for information only.

## 7.4 Other housing options for the elderly

207. **Retirement villages** are developments that involve the delivery of multiple homes to satisfy the desire on the part of many older people to live in an environment with people facing similar challenges; retirement villages are often a cost-effective means of delivering sheltered and extra care housing together with the facilities and services these developments imply. Given the numbers of units that result from the analysis above, it would be appropriate to consider this approach to the delivery of housing for the elderly in Puddletown.
208. **Senior co-housing**<sup>47</sup> has been identified as being particularly suited to the needs of older residents. It offers a way for a group of people with similar interests and needs to come together to create an environment suited specifically to their requirements. Moreover, it can be designed to help address one of the most important issues for older people: isolation and loneliness. A number of successful case studies exist of projects developed specifically with the needs of older people in mind; including the creation of public areas that encourage social interaction between members of the community (see <https://cohousing.org.uk>).
209. **Multi-generational homes** have been identified as a possible solution not only for older people, but all generations where it makes financial sense to share accommodation, particularly younger people who are struggling to set up their own households. This gives rise not only to designs for new homes, but conversions to existing dwellings, introducing internal subdivisions and peripheral extensions to create internal layouts that balance the private needs of different generations with the benefits of over-lapping, shared communal spaces.
210. **Lifetime homes** are created via LPA policies in Local Plans that stipulate that a proportion of new homes should be built according to 'lifetime homes' principles; these are ordinary homes incorporating a number of design criteria that can be universally applied to new homes at minimal cost, for example parking that makes getting in and out of the car as simple and convenient as possible and ensuring that movement in hallways and through doorways should be as convenient as possible to the widest range of people, including those using mobility aids or wheelchairs, and those moving furniture or other objects.<sup>48</sup>
211. **Right sized dwellings** are dwellings that may be specifically built for older people in mind, but are not necessarily marketed as such. It is important to note, this does not necessarily imply moving to a smaller home. Many older people have the wealth (and the choice that comes with it) to create a home suited to having visitors and accommodating care staff, who may need to make over-night stays. For this reason, it is important to recognise that different ages have different needs, thus in the provision of housing, choice is critical, catering for those with relatively modest requirements, to those who are more dependent on help. The provision of choice that responds to need is part of creating a smoothly operating local housing market in which older people are able move out of family homes when they wish, thus freeing up these properties for others.<sup>49</sup>
212. **Housing for people with dementia** may consist of specialist housing, like other older people, such needs may also be met within their own home. Enabling people with dementia to live in their own homes for longer is critical to their quality of life as a result of the familiarity of surroundings and the help with retaining memories this facilitates.<sup>50</sup> The challenge with this is two-fold; firstly the lack of appropriate adaptations in properties and, secondly, the support required to ensure a home is safe and suitable. In Figure 7-1 on the following page we reproduce a chart showing the impact that early and appropriate intervention can have on the prospect of people with dementia remaining in their own home for longer.

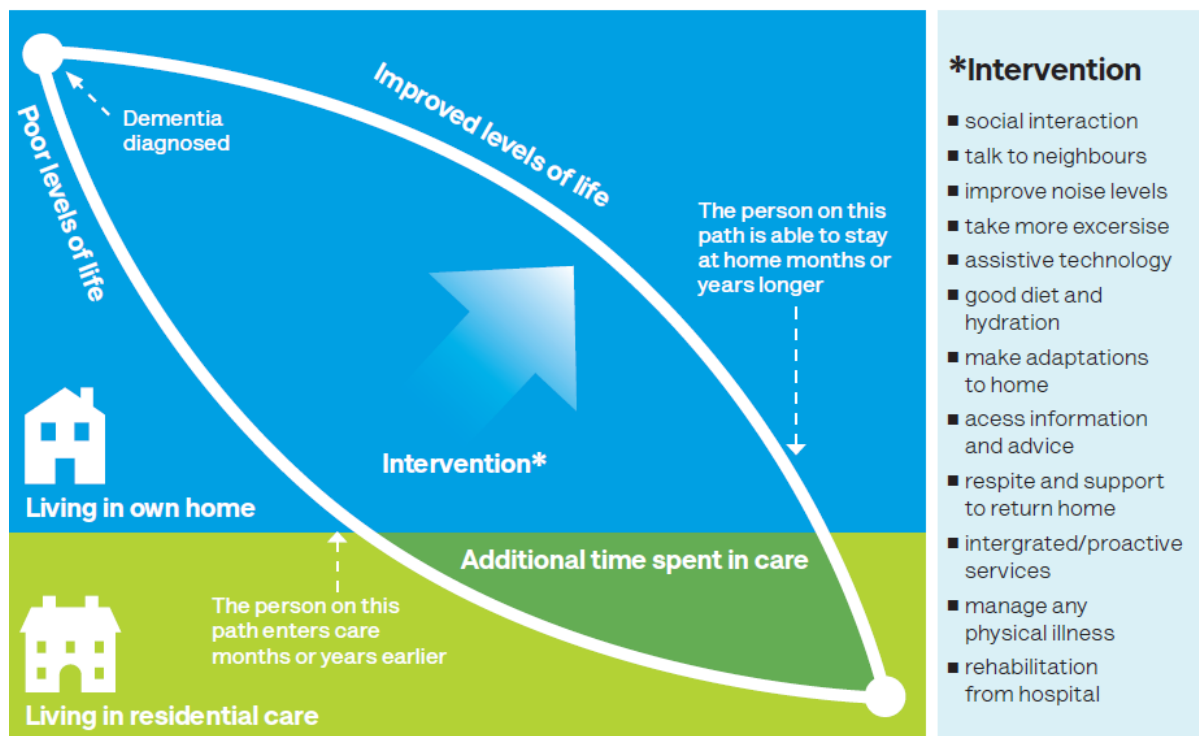
<sup>47</sup> <https://www.jrf.org.uk/sites/default/files/jrf/migrated/files/senior-cohousing-communities-full.pdf>

<sup>48</sup> <http://www.lifetimehomes.org.uk/pages/about-us.html>

<sup>49</sup> Housing LIN, New Approaches to Housing for Older People, June 2014, page 6

<sup>50</sup> Alzheimer's Society, Dementia-friendly housing charter, page 13

Figure 7-1: Dementia care chart



Source: Dementia Services Development Centre, 2013

213. As suggested above, it is appropriate for the neighbourhood group to work closely with the LPA and other bodies to develop policy and approaches to addressing the need for housing for elderly people in the area. The LPA is under an obligation through national policy to address the needs of older people,<sup>51</sup> it is therefore appropriate they should play the strategic role in co-ordinating new efforts by housing providers, adult care services, primary care and health trusts, private and third sector organisations to meet the housing needs of older people across the District.

## 7.5 Housing for young people

214. Young people, like previous generations, are likely to wish to access housing for sale at some point in their lives, and to join in with the majority of households who own their own home. According to the English Housing Survey, 60% of private renters, the dominant tenure amongst younger age groups, expect to buy at some point in the future.<sup>52</sup>
215. As such, many young people are considered potential first time buyers, i.e. those who have not owned their own housing before. First time buyers are a significant focus in government policy, in part due to widely-held public perceptions of the difficulty young people face entering the owner-occupied housing market. This is in the context of wider declines in home-ownership throughout the country, and the fact that in 2016 just one in five people aged 25 owned their own property, versus 46% in 1997.<sup>53</sup>
216. The issue is particularly acute because renting is frequently more expensive than servicing a mortgage, thus making it more difficult for households in this sector to meet their housing needs adequately.
217. Furthermore, many communities are dominated by owner occupied homes, meaning that an inability to access home ownership can have spatial consequences, forcing young people to move to where other tenures of housing are more readily available.
218. It is also helpful to consider some basic facts with regards to first time buyers, drawn from the English Housing Survey and other sources. In 1995-96, there were 922,000 first time buyer households. However, this dropped to an all-time low of just 192,300 in 2008.<sup>54</sup> This increased to 654,000 households in 2015/16.<sup>55</sup>

<sup>51</sup> NPPF, para 50

<sup>52</sup> EHS 2016-17 Headline Report, pp.3

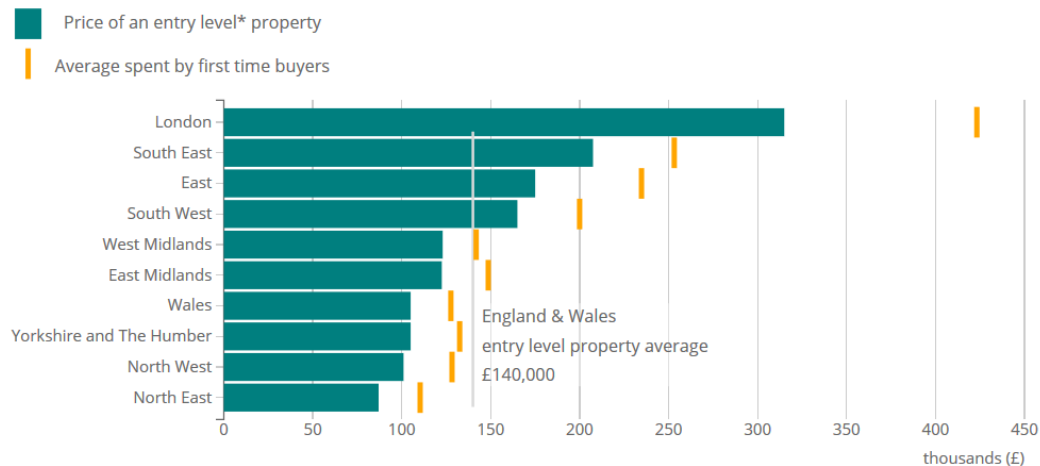
<sup>53</sup> <http://www.bbc.co.uk/news/business-38378745>

<sup>54</sup> <http://www.telegraph.co.uk/finance/property/buying-selling-moving/11013501/First-time-buyers-property-guide.html>

<sup>55</sup> English Housing Survey 2015/16

219. Such households on average spend £50,000 on a deposit, with 29% of buyers receiving help from friends or family to do so.<sup>56</sup> Furthermore, 33% of first time buyers were in the highest income quintile where they lived, verses just 5% in the lowest income quintile.<sup>57</sup>
220. Whilst the Planning Practice Guidance suggests that entry level property prices are equivalent to lower quartile house prices (i.e. the price below which 25% of properties can be bought in a given area<sup>58</sup>), ONS data suggests that in fact the vast majority of first time buyers are paying more than lower quartile price.

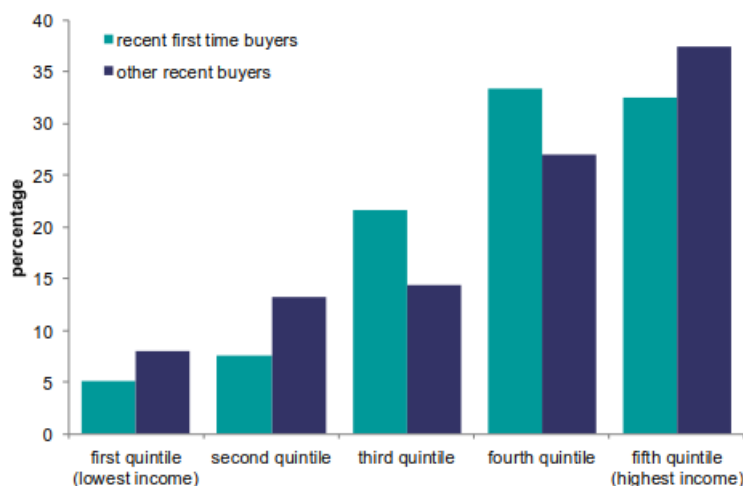
**Figure 7-2: Price of an entry level property (lower quartile) in English regions and Wales compared with what was actually spent by first time buyers, year ending 2016**



Source: ONS House Price Statistics for Small Areas, UKHPI

221. The data above suggests actual first-time buyers today are able to buy more expensive properties than at least 25% of other buyers (i.e. those buying under the lower quartile price for a given area). The implication is that first time buyers on lower incomes find it challenging to enter the market, and are not able to access mortgage finance, and so those who do buy are able to afford on average more expensive homes. Indeed, the English Housing Survey shows that the vast majority of first time buyers across the country are in the fourth and fifth income quintile for all households (i.e. they earn more than 60% of all households), further demonstrating the difficulty that those on lower or arguably average incomes face in accessing mortgage finance.

**Figure 7-3: Income of recent first time buyers and other recent buyers, 2015-16**



Base: all owner occupiers resident for less than 3 years

Note: underlying data are presented in Annex Table 2.2

Source: English Housing Survey, full household sample

Source: EHS15/16

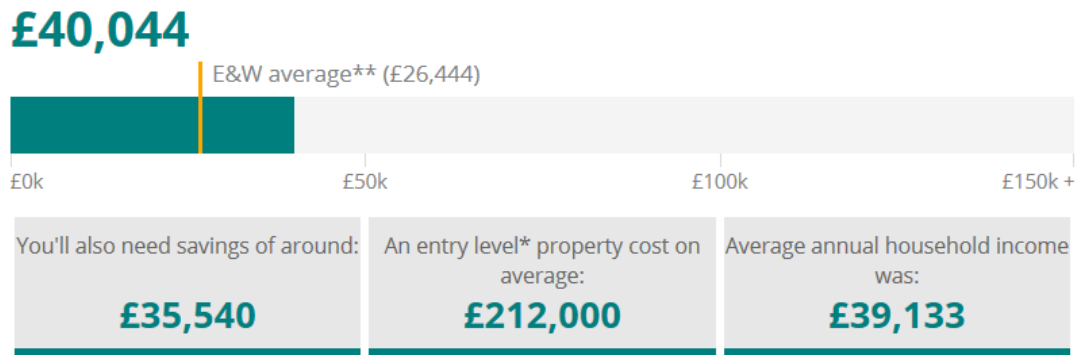
<sup>56</sup> Ibid.

<sup>57</sup> Ibid.

<sup>58</sup> Planning Practice Guidance Paragraph: 025 Reference ID: 2a-025-20140306

222. It is helpful to consider a worked example, to understand what the relatively inability to access mortgage finance means in practice. The figure below is drawn from the ONS' affordability calculator for Puddletown. The data suggests that an income of around £40,000 would be required to purchase an entry level property, which was close to the average annual household income in the area.

**Figure 7-4: ONS Housing Affordability Calculator**



Source: <https://visual.ons.gov.uk/prospective-homeowners-struggling-to-get-onto-the-property-ladder/#calculator>

223. However, Land Registry data shows that in November 2017, the average price paid by a first time buyer in Puddletown was in fact £245,837. This is because the reality of the mortgage market is such that the income and savings shown above would not be sufficient for a household to access a first-time mortgage, without additional income or savings or both, hence why first time buyers on average have access to greater savings and income, and thus buy more expensive properties. It is also possible that government assistance for first-time buyers, including the Help to Buy scheme, has actually had the effect of bolstering prices in this market segment.
224. It is also relevant to consider here the extent to which affordable home ownership products, such as Starter Homes, or other discounted-for sale housing, would actually be affordable for those on median incomes in Puddletown using the same income threshold approach used in the tenure chapter. We have already seen that the Lower Quartile price in Puddletown was £248,000 in 2016. Discounting this by 20% would provide a price of £198,400.
225. Allowing for a 10% deposit would mean a mortgage of £178,560 would be required, and based on a typical mortgage to income ratio of 3.5, as above, would still require an income of £51,017 per annum, higher than even the Upper Quartile household income in 2014 (below which 75% of the population were earning). As such, discounted market sale housing is unlikely to provide access to homeownership to young people, who are likely to be on lower incomes, or indeed to the vast majority of the population given local incomes.

## 7.6 Conclusions on housing for young people

226. It is useful to understand this financial context for first time buyers because it demonstrates the extent to which the issue of suitable homes for first time buyers is not exclusively a land-use planning matter. This is why many of the Government's programmes for first time buyers are primarily on the basis of financial support systems (e.g. the Help to Buy ISA<sup>59</sup> and Help to Buy equity loan<sup>60</sup>) rather than planning policies delivered through the NPPF and Planning Practice Guidance.
227. Indeed, the Government's primary housing delivery programme for first time buyers, the Starter Homes initiative (announced in December 2014, and incorporated into the Housing and Planning Act 2016), would see such homes exempt from certain planning requirements. However, the programme had yet to deliver any homes as of November 2017.<sup>61</sup>
228. On this basis, it is prudent for neighbourhood planning groups to consider in more practical terms how they can widen access to home ownership for younger people on lower incomes currently unable to access mortgage finance. New affordable housing models including affordable home ownership schemes, affordable rented properties, and properties developed under community land trust models to provide affordable rents in perpetuity may be appropriate to widen access to homeownership. However restricting these to first time buyers only, may prove legally challenging and socially untenable.

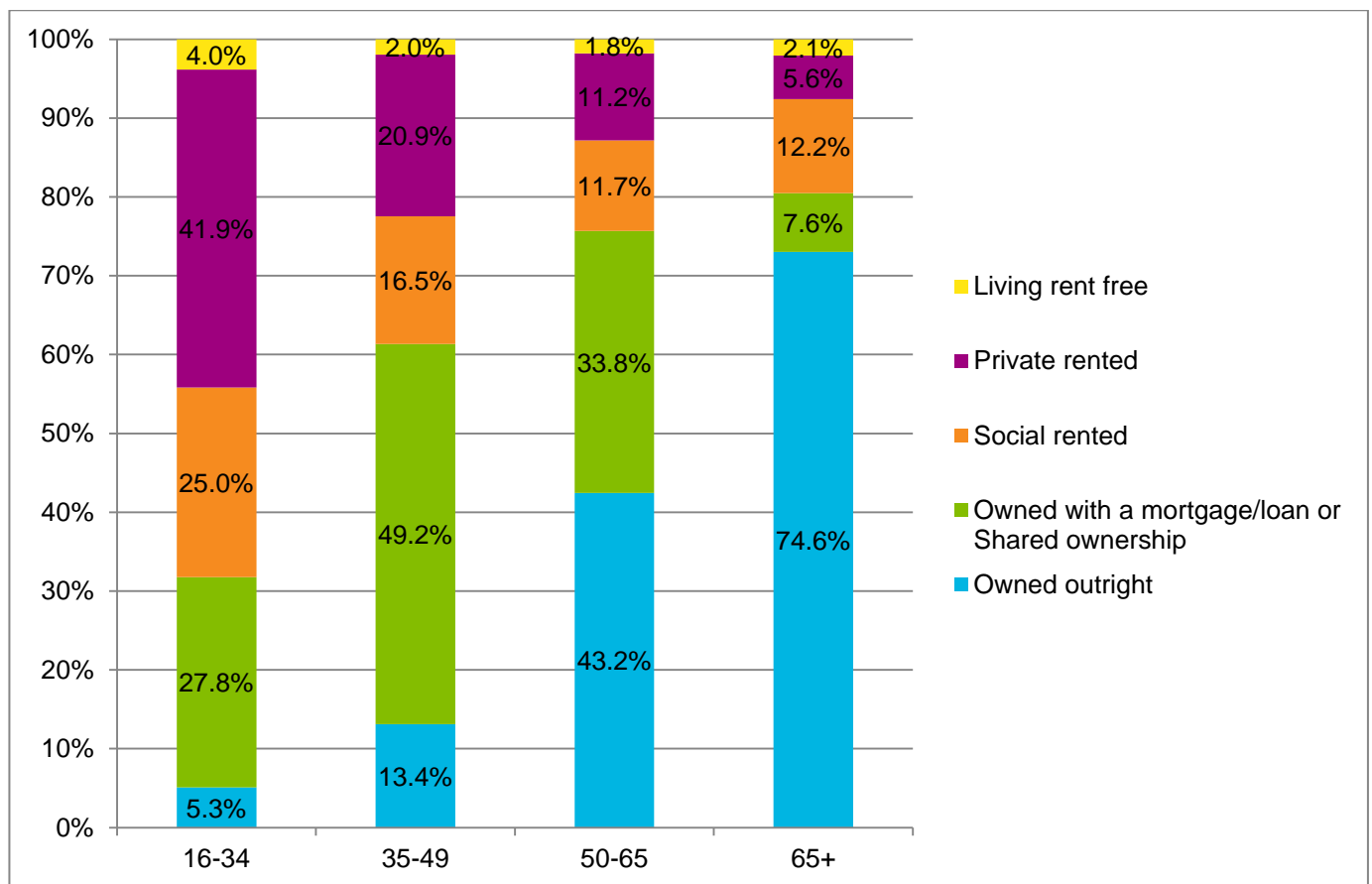
<sup>59</sup> <https://www.gov.uk/affordable-home-ownership-schemes/help-to-buy-isa>

<sup>60</sup> <https://www.gov.uk/affordable-home-ownership-schemes/help-to-buy-equity-loan>

<sup>61</sup> <http://www.independent.co.uk/news/uk/politics/housing-starter-homes-budget-philip-hammond-a8066571.html>

229. Similarly, it is relevant to consider whether housing built to rent, either in the market or in the affordable sector would be viable to deliver in Puddletown, given the difficulties that young people face in accessing mortgage finance and thus home ownership, as well as the relatively high house prices in the area.
230. The figure below demonstrates clearly the extent to which younger people across West Dorset rely both on social rented housing, and in particular on private rented housing, disproportionately so compared to other age groups. This data is not available down to the level of individual parishes, but still presents a clear picture across the district. In this context, PAPC should consider whether providing dwellings in these tenures would be the most appropriate way to allow young people to stay in the area.
231. Indeed, the Planning Practice Guidance supports such decision making by plan makers, including neighbourhood planners, and suggests that “When considering future need for different types of housing, plan makers will need to consider whether they plan to attract a different age profile e.g. increasing the number of working age people.”<sup>62</sup>

**Figure 7-5: Tenure by age of household reference person (HRP), West Dorset, 2011**



Source: Census 2011, AECOM Calculations

<sup>62</sup> Planning Practice Guidance Paragraph: 022 Reference ID: 2a-022-20140306

## 8. Market Signals

232. The Planning Practice Guidance highlights the importance of taking market signals into account when assessing housing need, given that they provide an indication of the balance between demand and supply. This is particularly important to consider given the significant and well-documented changes in the housing market over recent years, which were exacerbated by the economic downturn and subsequent issues in obtaining mortgage finance.

233. The Planning Practice Guidance states:

*“The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings. Prices rising faster than the national/local average may well indicate particular market undersupply relative to demand.”<sup>63</sup>*

234. These market signals relate to trends discernible within the housing market, and broader economic trends that have an impact on the housing market.

235. The Planning Practice Guidance goes on to assert that where there is evidence of an imbalance in supply and demand, an uplift in planned housing numbers – compared to those derived solely from household projections – is required in order to increase the supply of housing to meet demand and tackle affordability issues:

*“This includes comparison with longer term trends (both in absolute levels and rates of change) in the: housing market area; similar demographic and economic areas; and nationally. A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.*

*In areas where an upward adjustment is required, plan makers should set this adjustment at a level that is reasonable. The more significant the affordability constraints (as reflected in rising prices and rents, and worsening affordability ratio) and the stronger other indicators of high demand (e.g. the differential between land prices), the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be.”<sup>64</sup>*

236. In discussions with PAPC and West Dorset District Council as to the appropriate level of market dwellings in the NA it will be necessary to consider factors that suggest either an uplift or reduction. This chapter considers the following market signals, in addition to affordability as discussed in Chapter 5:

- Employment and commuting trends;
- Migration;
- Housing market (prices);
- Housing market (volume);
- Overcrowding and concealment; and
- Rate of development.

### 8.1 Employment and commuting

237. Local employment trends can greatly influence housing needs as employment opportunities can stimulate demand in the NA. It is therefore important to establish the employment sphere of influence experienced by the residents of Puddletown.

238. Table 8-1 on the following page presents an overview of the employment situation in Puddletown, West Dorset and England. It shows that of all residents in Puddletown 73.2% were economically active, whilst 67.6% were in West Dorset and 69.9% in England. It also shows that in Puddletown 18.9% of residents were retired, whilst 21.2% were retired in West Dorset and 13.7% in England. The data suggest that a higher number of residents in Puddletown are economically active than in West Dorset and England. It also indicates that in both Puddletown and West Dorset, there is a significantly higher proportion of retired residents than in England.

<sup>63</sup> Planning Practice Guidance Paragraph: 019 Reference ID: 2a-019-20140306

<sup>64</sup> Planning Practice Guidance Paragraph: 020 Reference ID: 2a-020-20140306

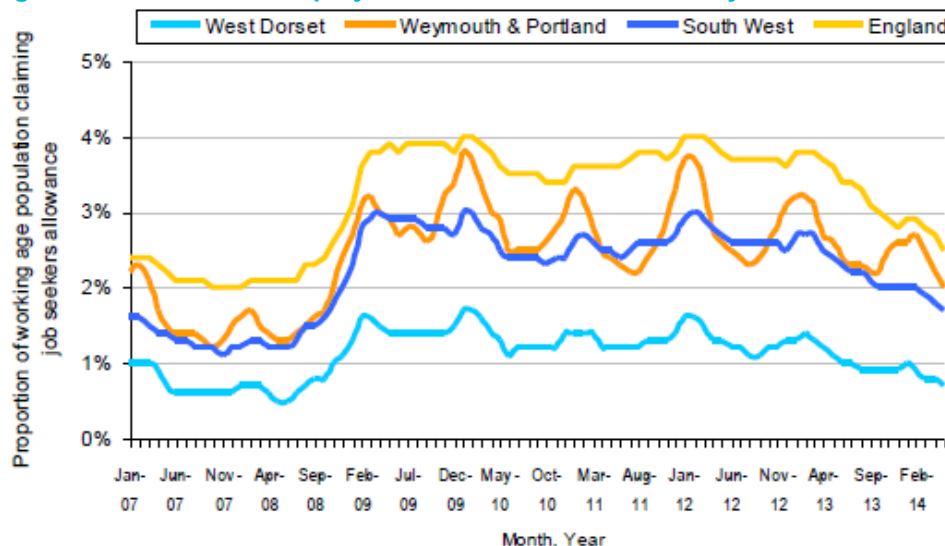
**Table 8-1: Economic activity in Puddletown, 2011**

Economic category		Puddletown	West Dorset	England
Economically active	Total	73.2%	67.6%	69.9%
	Employee: Full-time	39.7%	32.9%	13.7%
	Employee: Part-time	13.6%	15.5%	38.6%
	Self-employed	16.3%	14.6%	9.8%
	Unemployed	1.6%	2.3%	4.4%
	Full-time student	1.9%	2.3%	3.4%
Economically inactive	Total	26.8%	32.4%	30.1%
	Retired	<b>18.9%</b>	<b>21.2%</b>	<b>13.7%</b>
	Student	2.2%	3.4%	5.8%
	Looking after home or family	3.4%	3.4%	4.4%
	Long-term sick or disabled	1.0%	2.9%	4.1%
	Other	1.3%	1.5%	2.2%

Source: ONS 2011, AECOM Calculations

239. Furthermore, the levels of unemployment in Puddletown and West Dorset are lower than the national average (4.4%). Figure 8-1 below shows the change in the proportion of the working age population claiming Job Seekers Allowance in West Dorset and Weymouth & Portland since January 2007. This figure indicates that the West Dorset unemployment level has been consistently lower than the level for the South West region and England.

240. More recent information from the Issue and Options consultation confirms this trend. It states that unemployment has decreased during the past five years from 1.7% in 2009 to 0.7% in 2015 and remains below the South West and national averages.

**Figure 8-1: Level of unemployment in West Dorset and Weymouth & Portland (2007-2012)**

Source: SHMA2014 (p.18), ONS Claimant count

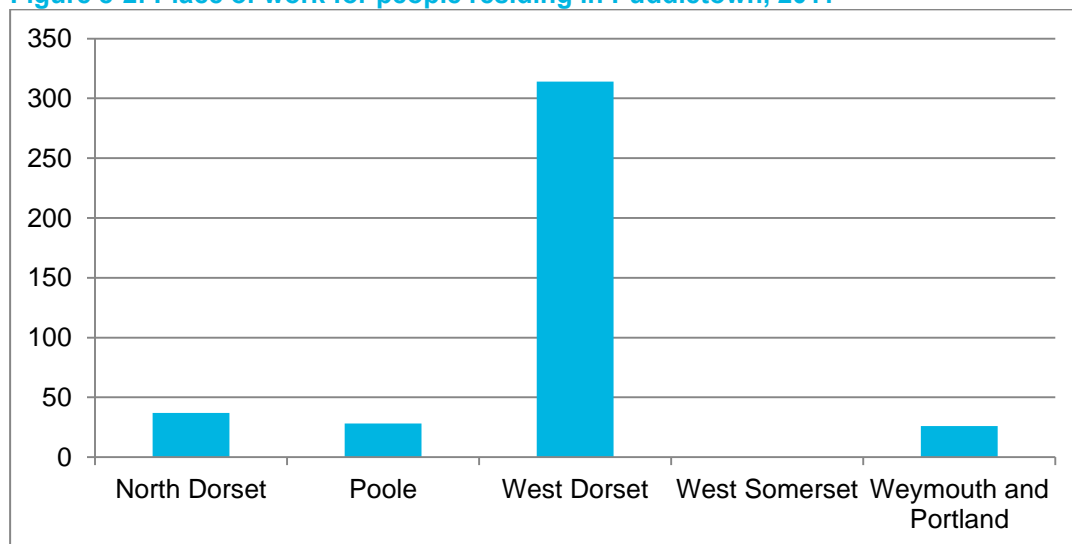
241. Table 8-2 on the following page presents an overview of commuting distances in Puddletown, West Dorset and England. It shows that of all residents in Puddletown, 40.7% travel less than 10km to work, against 42.2% in West Dorset and 52.3% in England. Overall, commuting distances in Puddletown are in line with those of West Dorset, although the proportion of residents commuting between 10km to less than 30km is higher in Puddletown. In both areas, there are a higher proportion of residents working from home than observed in England, although that percentage is slightly higher in Puddletown. Given that the average distance travelled to work is 19km (excluding those working at home), Puddletown will be influenced by growth in Dorset, (mainly in a 20km radius including Dorchester, Weymouth and Blandford Forum) and has the potential to house some of the workers needed.

**Table 8-2: Distance to work, 2011**

Location of work	Puddletown	West Dorset	England
Less than 10km	40.7%	43.3%	52.3%
10km to less than 30km	<b>23.1%</b>	20.4%	21.0%
30km and over	8.4%	9.4%	8.0%
Work mainly at or from home	<b>19.1%</b>	17.9%	10.3%
Other	8.6%	9.0%	8.5%
Average distance travelled to work	19.1km	18km	14.9km

Source: ONS 2011, AECOM Calculations

242. Figure 8-2 below presents places of work across Dorset for people residing in Puddletown in 2011. The data shows that an overwhelming majority of the residents work in West Dorset.

**Figure 8-2: Place of work for people residing in Puddletown, 2011**

Source: ONS 2011, AECOM Calculations

243. Looking further into the data, it was evidenced that amongst the 314 people working in West Dorset; most of them either work locally or in Dorchester. Indeed, as there are clear and easy means of commuting from Puddletown to Dorchester (15 min by car, 20 min by bus and 40 min by bike), the NA is likely to be mainly influenced by Dorchester in terms of employment. This is also reflected in the relatively high proportion of residents commuting less than 10 km (40.7%). Furthermore, residents would have to go to Dorchester to commute by train to other towns in the region. However, it should be noted that Puddletown has an advantageous location on the A35, making the commute by car to Poole (26 minutes away), Blandford Forum (20 minutes away) and Bournemouth (40 minutes away) easier than from Dorchester.
244. Finally, we note that amongst the NA residents working in West Dorset, 15% work in Puddletown, 11% in the Poundbury Industrial Estate (Dorchester) and 9% in Dorset County Hospital (Dorchester). The remainder of the residents are spread across the District.
245. Moving on to projections for growth, data from both the SHMA2014 and the Dorset LEP suggest a “buoyant” economy which is expected to grow, resulting in the creation of new jobs. The number of enterprises in 2013 in West Dorset was at its highest level recorded.<sup>65</sup> The Dorset LEP<sup>66</sup>, *Transforming Dorset*, the Strategic Economic Plan outline for economic development to 2021 states that the region has amongst the top growth forecasts in the south of England. It is also experiencing some of the most significant infrastructure investment proposals in the south of England such as the extension at Bournemouth Airport which has the potential to generate up to 16,000 jobs. Other projects, such as the Jurassic Coast Studies Centre, could bring significant economic benefits to the local economy in West Dorset.

<sup>65</sup> SHMA14.2 p.16

<sup>66</sup> [https://www.dorsetforyou.gov.uk/media/199502/CD-ECON-5-Strategic-Economic-Plan/pdf/CD\\_ECON\\_5\\_-\\_Strategic\\_Economic\\_Plan.pdf](https://www.dorsetforyou.gov.uk/media/199502/CD-ECON-5-Strategic-Economic-Plan/pdf/CD_ECON_5_-_Strategic_Economic_Plan.pdf)

246. Given the distance, the impact of this growth on Puddletown should be qualified. The NA is more likely to benefit from initiatives such as the 'Western Growth Hub' identified in the joint West Dorset, Weymouth & Portland Local Plan. This hub will be based on assets and competitive strengths of the two distinct but complementary towns of Dorchester and Weymouth.<sup>67</sup> Some of the developments expected to bring growth and employment include the completion of the Poundbury and Brewery Square mixed-use developments (where a significant proportion of Puddletown's residents already work) and the Charles Street retail development.

## 8.2 Migration

247. Table 8-3 below presents an overview of countries of birth and length of residence in Puddletown, West Dorset and England. The Census reveals that in both Puddletown and West Dorset, a lower number of residents were born outside the UK compared to the national average, with an even lower number for Puddletown (3.6%). The overwhelming majority of these residents have been residing in the UK for more than ten years (2.6%). Therefore, international migration is likely to play a limited role in the demand for housing in the area.

**Table 8-3: Country of birth and length of residence, Puddletown 2011**

Place of birth	Population breakdown		Puddletown	West Dorset	England
Born in the UK	Total		96.4%	94.4%	86.2%
Born outside the UK	Total		3.6%	5.6%	13.1%
	EU		1.5%	2.2%	3.7%
	Other		2.1%	3.4%	9.4%
	Length of residence of those born outside of the UK				
		Less than 2 years	6%	11%	13%
		2-5 years	0%	0.5%	9%
		5-10 years	25%	0.7%	13%
		10 years or more	72%	3.8%	68%

Source: ONS 2011, AECOM Calculations

## 8.3 Housing market (prices)

248. The Planning Practice Guidance advises that house prices should be used as an indication of the strength of demand for housing, and the adequacy of supply to meet demand.<sup>68</sup> It makes clear that house prices can be used to provide a 'market-base' enabling: *"the identification of areas which have clearly different price levels compared to surrounding areas. The findings provide information about differences across the area in terms of the price people pay for similar housing, market 'hotspots', low demand areas and volatility."* This is then used as a signal to increase demographically based housing projections in response to the conditions of the actual housing market.

249. The table on the following page presents house price data for the fourth quarter of 2013 (so as to be comparable to data in the SHMA14.2) for the two Local Authorities of West Dorset and Weymouth & Portland, the County of Dorset and England as a whole<sup>69</sup>, as well as house price data in 2013 for the Puddletown NA. It shows that the mean house price in West Dorset in the fourth quarter of 2013 was £266,001 whilst the mean house price in Puddletown in 2013 was £269,293. The mean average price of dwellings in both areas was also noticeably higher than the national average.

250. The trend can also be observed when comparing the cost of the different house types, but the average cost of flats in West Dorset and Puddletown is lower than the national figure. The average cost of terraced dwellings is the only house type that is cheaper in the NA than in the District.

<sup>67</sup> Ibid.

<sup>68</sup> Planning Practice Guidance Paragraph: 010 Reference ID: 2a-010-20140306

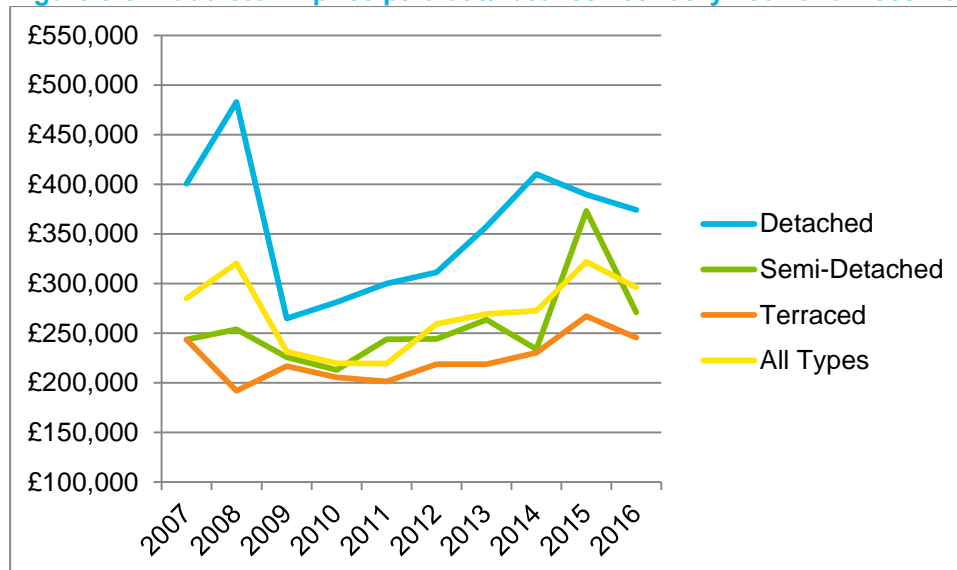
<sup>69</sup> SHMA14.2, Table 3.1, p.31

**Table 8-4: Average property prices by type, quarter 4, 2013**

Accommodation type	West Dorset	Weymouth & Portland	Dorset	Puddletown	England
Detached	£351,086	£283,999	£348,353	£357,500	£329,552
Semi-Detached	£258,648	£208,141	£237,537	£263,400	£203,925
Terraced	£221,618	£172,303	£205,484	£218,800	£202,847
Flats	£170,250	£154,674	£167,042	£183,750	£250,107
Overall average	£266,001	£203,185	£264,066	£269,293	£242,374

Source: SHMA 14.2, Land Registry, AECOM Calculations

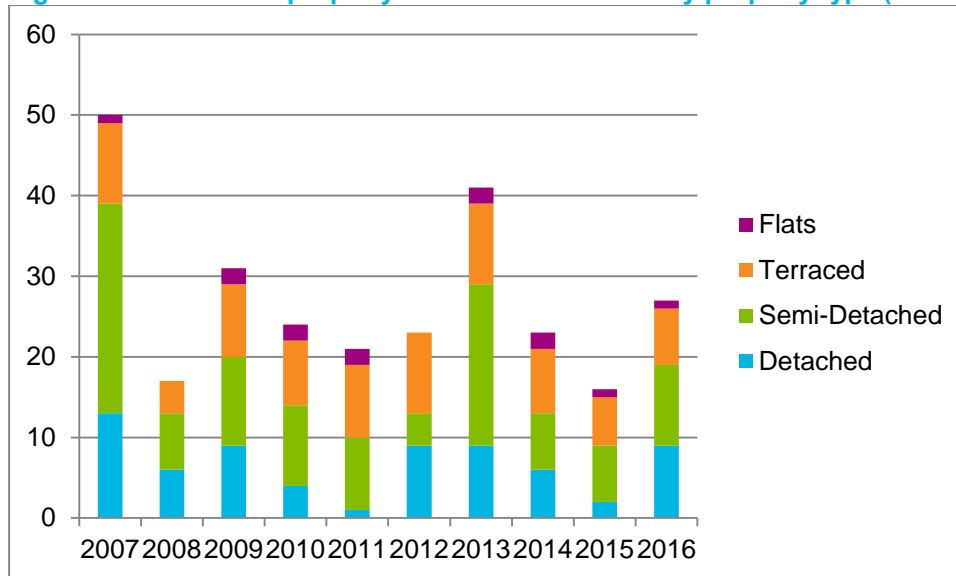
251. To assess recent movements in the housing market in Puddletown we have analysed data from the Land Registry. Data was then downloaded for the NA for the period January 2007 to December 2016 (totalling 274 transactions), and is presented below in Figure 8-3, divided by type of home and showing average price for each year. The graphs shows significant fluctuation across price paid data for detached, semi-detached, terraced dwellings and flats.
252. Whilst semi-detached and terraced homes have higher rates in 2016 compared with 2007, detached houses and flats have not been able to recover their pre-recession levels. Overall, prices have been moderately increasing for semi-detached (11%) and terraced types (1%), while they have been plummeting for detached dwellings (-55%) and flats (-27%) Detached houses have particularly suffered from the recession.

**Figure 8-3: Puddletown price paid data between January 2007 and December 2016**

Source: Land Registry, AECOM Calculations

## 8.4 Housing market (transactions)

253. Assessing housing sales over time is an important indicator in assessing demand for different types of housing. Figure 8-4 on the following page presents Land Registry data for housing sales for different dwelling types in the Puddletown NA. The data suggests that, despite fluctuations in the volume of property sales between 2007 and 2016, sales level are lower now than they were before the economic downturn. Sales have also decreased in West Dorset, by 20% between 2006 and 2013 according to the SHMA14.2.
254. The data also shows that semi-detached dwellings formed the majority of total sales with 111 total sales between 2007 and 2016, and terraced dwellings in second position with 81 total sales. Only 13 flats were sold in Puddletown during the 9 year period. This is reflected in prices; the two most commonly sold types - semi-detached and terraced dwellings - are also those types for which prices increased overall between 2007 and 2016.

**Figure 8-4: Volume of property sales in Puddletown by property type (2007 – 2016)**

Source: Land Registry, AECOM Calculations

255. Another approach to benchmarking whether sales volumes represent a clear market signal indicating inflated or depressed demand across different housing types is to compare the proportion of sales of each type of housing (excluding any new builds, which would introduce supply side factors) with the proportion of the existing housing stock that falls into each category. This allows conclusions to be drawn about whether the sale of homes of each type is occurring proportional to their availability, or whether there is unmet demand.
256. This comparison is presented in Table 8-5 below, with figures for the housing stock in West Dorset as a whole added alongside for reference. The table shows little discrepancy between sales and stock. The percentage of sales and stock are roughly the same for all housing types, although the percentage, compared with the other types, of terraced houses being sold is higher than their proportion in the existing stock. This suggests that there is an increased demand for terraced housing relative to supply, versus a slightly decreased demand for flats and detached houses.

**Table 8-5: Sales volumes versus stock of different housing types in Puddletown and West Dorset**

	Sales (PPD) Puddletown	Stock (ONS) Puddletown	Stock (ONS) West Dorset
Detached	25%	27%	37%
Semi-Detached	41%	40%	24%
Terraced	30%	26%	23%
Flats	5%	8%	15%

Source: Land Registry, AECOM Calculations

257. Table 8-5 above can be compared against **Error! Reference source not found.** below to contrast the relative demand or unmet demand in the District. In West Dorset more terraced houses and flats are being sold than their proportion in the existing stock. In contrast, less detached houses and semi-detached houses were sold than their proportion in the existing stock. This suggests that there is an increased demand for smaller dwelling types in the District than in the NA.

**Table 8-6: Profile of sales, quarter 4, 2013**

Accommodation type	West Dorset	Weymouth & Portland	Dorset	England
Detached house	35.8%	23.9%	40.9%	24.1%
Semi-detached house	19.3%	20.7%	19.0%	27.6%
Terraced house	27.2%	37.2%	24.7%	29.9%
Flat/Maisonette	17.7%	18.2%	15.4%	18.4%
Total	100.0%	100.0%	100.0%	100.0%

Source: SHMA14.2, Table 3.2, p.31, Land Registry

## 8.5 Overcrowding and concealment<sup>70</sup>

258. The Planning Practice Guidance suggests that another indicator of demand in the housing market is the prevalence of overcrowding in the NA. This is because demand for housing in the area can manifest itself in the over-occupation of housing stock.
259. One of the most reliable indicators of overcrowding is the 'persons per room' data collected at the household level during the Census. The relative proportion of households occupying different amounts of space in the NA and the District is shown in Table 8-7 below. The data indicates that overcrowding is close to non-existent in the NA, whilst it has grown in the District.

**Table 8-7: Trends in number of persons per room in Puddletown, 2001-2011**

Persons per room	Puddletown	West Dorset	England
Up to 0.5 persons per room	11.6%	11.1%	7.9%
Over 0.5 and up to 1.0 persons per room	15.8%	3.5%	7.0%
Over 1.0 and up to 1.5 persons per room	-33.3%	12.4%	27.3%
Over 1.5 persons per room	0.0%	1.6%	2.5%

Source: ONS 2011, AECOM Calculations

260. A further indicator of increased housing demand is the presence of concealed families in the NA. Table 8-8 below presents the number of concealed families in Puddletown, West Dorset and England. A concealed family is a self-identified household living within another household and represented by a separate household reference person. The data shows that there are 5 concealed families in Puddletown and 326 in West Dorset. The small number of concealed families in Puddletown would suggest that it is not a significant problem and does not carry any implication for increased demand for housing.

**Table 8-8: Concealed families in Puddletown, 2011**

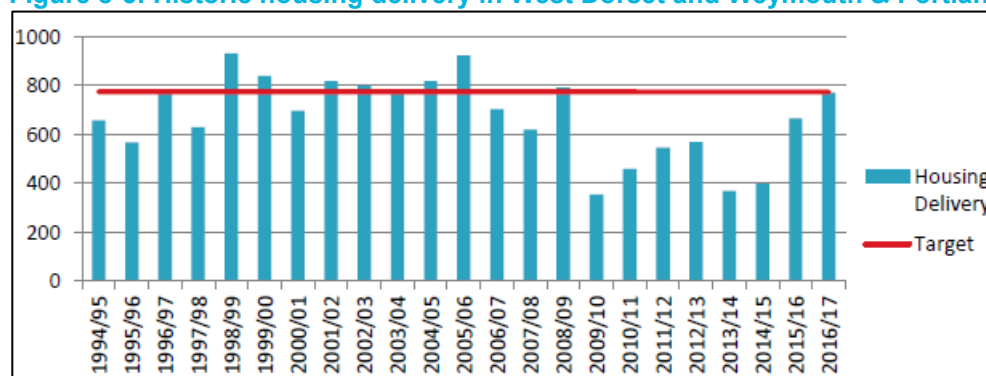
Concealed families	Puddletown	West Dorset	England
All families: total	436	29,761	14885145
Concealed families: total	5	326	275954
Concealed families as % of total	1.1%	1.1%	1.9%

Source: ONS 2011, AECOM Calculations

## 8.6 Rate of development

261. Planning Practice Guidance suggests that "If the historic rate of development shows that actual supply falls below planned supply, future supply should be increased to reflect the likelihood of under-delivery of a plan".<sup>71</sup>
262. Figure 8-5 presents housing supply and delivery data in comparison to the West Dorset and Weymouth & Portland target.

**Figure 8-5: Historic housing delivery in West Dorset and Weymouth & Portland**



Source: Annual Monitoring Report 2016-17, p.38, Figure A3

<sup>70</sup> Concealed families are those living with other families in a multi-family household, such as a young couple living with parents: <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/articles/2011censusanalysis/2014-02-06>

<sup>71</sup> Planning Practice Guidance Paragraph: 019 Reference ID: 2a-019-20140306

263. The data suggests that housing supply has fallen short of the overall target with an under-provision of 324 dwellings, calculated in Table 8-9 below.

**Table 8-9: Annual Housing Completions in West Dorset and Weymouth & Portland**

	2012/13	2013/14	2014/15	2015/16	2016/16	Average	Total		I
West Dorset	364	258	251	465	603	388	1941	<b>Annual Target (Local Plan)</b>	<b>Average Annual Shortfal</b>
Weymouth and Portland	205	112	148	201	169	167	835		
TOTAL	569	370	399	666	772	555	2776	775	324

Source: Annual Monitoring Report 2016-17, p.48, Adapted from Figure B14, AECOM Calculations,


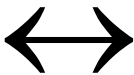

264. The data indicate that there is an unmet demand for housing across the District, including in Puddletown. Providing more homes at a rate that meets District-wide targets would help address the issue. West Dorset had 1941 completions between 2012 and 2016, approximately 388 per year. A “fair share” of that for Puddletown would be 5. Between the 1st April 2011 and the 31<sup>st</sup> March 2017, 14 new dwellings were completed.<sup>72</sup> That number equates to an annual rate of delivery of 2 homes (14 divided by 6, the number of years elapsed). In that sense, there was an under-delivery of houses in the NA compared to the District, which was itself already under-target.

<sup>72</sup> Email from West Dorset District Council, 25/01/2018

## 9. Conclusions

### 9.1 Overview




**Table 9-1: Summary of factors specific to Puddletown with a potential impact on neighbourhood plan housing quantity**

Factor	Source(s) (detailed in Chapter 8)	Possible impact on future housing need	Rationale for judgement
<b>Employment and commuting</b>	ONS Census Data, SHMA14.2, Dorset LEP, Joint Local Plan Review for West Dorset, Weymouth and Portland Initial Issues and Options Consultation - February 2017		<p>The evidence suggests that West Dorset's economy is both stable and growing. Levels of unemployment are low in West Dorset, and even lower within the NA, with a higher number of residents who are economically active. The average distance to work in Puddletown is also higher, demonstrating that economic growth in Dorset has the potential to affect residents in Puddletown.</p> <p>Based on the relative ease of access to the eastern and northern parts of the region which are expected to grow significantly, and based on the 'Western Growth Hub' which is expected to bring growth to Dorchester and Weymouth, an evaluation of one up arrow has been deemed appropriate.</p> <p>It should also be noted that the NA has a significantly high proportion of retired residents which is projected to increase. This will create a shortage in the labour force needed to sustain the growth expected in Dorset. Consequently, we would highlight the necessity to not only provide for an ageing population but also, and in line with the Local Plan, to provide "<i>sufficient market and affordable housing to encourage young people to stay in the area and to attract people to provide local businesses with the workforce they need to deliver economic growth</i>".<sup>73</sup></p>
<b>Migration</b>	ONS, SHMA14.2, West Dorset, Weymouth & Portland Local Plan - October 2015		There is little indication that the migration rate for the Puddletown NA differs from the trends in West Dorset shown within the SHMA.
<b>Housing sales (prices)</b>	Land Registry Price Paid Data for 2007-2016, SHMA14.2		<p>The price for terraced dwellings has experienced an uplift of 1% between 2007 and 2016. It is the only housing type cheaper in the NA than in the District. Semi-detached has experienced the most significant uplift in price since 2007 (11%).</p> <p>Although average house prices are slightly higher in the NA than in the District, both are</p>

<sup>73</sup> West Dorset, Weymouth & Portland Local Plan - October 2015

noticeably higher than the national average, and there is little indication that the trends in the Puddletown NA differ from those in West Dorset. In both areas, flats are the only housing type where prices are lower than the national average.

Consequently, an assessment of a 'neutral' arrow has been deemed appropriate as trends in the NA and the District are relatively similar.

<b>Housing sales (volume)</b>	Land Registry Price Paid Data for 2007-2016, Census 2001/2011 data, SHMA14.2		Regarding quantity, the sale volumes across the NA have fluctuated over time, but sales have not recovered their pre-recession levels, hence the 'neutral arrow'.
			However, concerning the profile of sales, increased demand has been shown for terraced dwellings (and semi-detached to a lesser extent). This translated into an increase in price for both types. The price for terraced dwellings has experienced an uplift of 1% between 2007 and 2016. Its relative affordability (the only type which is cheaper in the NA than in the District) might be one of the factors explaining a demand for terraced dwellings. There is a risk of this type of housing becoming less affordable if the gap between sales and stock was to grow wider.
			In contrast, semi-detached is the most popular house type (41% of sales) in the NA and has experienced the most significant uplift in price since 2007 (11%). The gap between sales and stock is not as wide as it is for terraced dwellings.
			In conclusion, sales are slowly recovering, driven by a demand for mid-size dwellings types such as semi-detached and terraced housing. Yet, the increasing cost for semi-detached and terraced houses might end up choking off demand. That, combined with a deflated demand for other types, creates risks for the housing market.
<b>Overcrowding and concealment</b>	Census 2001/2011		There is very little evidence of concealment and overcrowding in the NA, with concealed families accounting for only 1.1% of all families and overcrowded households being almost non-existent. As a result, an assessment of one down arrow has been deemed appropriate.
<b>Rate of development</b>	Land Registry Data/AECOM calculations		The rate of development seen in West Dorset is slightly under planned targets, with a shortfall of 324 dwellings. The rate of development in Puddletown in recent years has been low, with approximately two houses built per year. This suggests an under-delivery of homes in Puddletown. Two up arrows have been deemed appropriate to compensate for the under-supply.

**Table 9-2: Summary of local factors specific to Puddletown with a potential impact on housing characteristics**

Factor	Sources (see individual chapters)	Possible impact on housing needed	Conclusion
<b>Affordable housing<sup>74</sup></b>	Census 2001/2011, Land Registry PPD, SHMA14.2, DCC	We have considered the cost and affordability of housing in Puddletown, and found that average prices have remained up to 11% higher than in West Dorset, around the region of £300,000, in spite of significant drops in sales volumes both in Puddletown and across the District. Indeed, entry level properties are in very short supply, with just four sold in Puddletown in 2016, and still require very high incomes of up to £40,000 per annum to be affordable, with affordability ratios worsening for all market sale housing and up to two thirds of earners unable to afford to buy a home on typical mortgage terms. So too, rents have increased significantly, and the supply of rental properties is relatively constrained.	<p>Given the scale of need, and the fact that the housing register only records a relatively small percentage (20%) of households in need of low-cost ownership properties, it is recommended that the vast majority of Affordable Homes be provided for social rent, i.e. approximately 80%. These recommendations fall broadly into line with the recommendations put forward by the SHMA for the whole of West Dorset. Our calculations also show that the vast majority of the population may not be able to access discounted market sale housing given local incomes.</p> <p>However, there is certainly potential for intermediate housing products such as new affordable rented to fill housing market gaps between the social rented, private rented, and owner occupied sectors. Similarly, housing Built to Rent could help to provide more affordable forms of housing for younger households</p>
<b>Demand/ need for smaller dwellings</b>	Census 2001/2011, PNPS16, SHMA14.2	Census data suggests that there is already a significant trend towards older people choosing to downsize, with those aged 65+ more likely to occupy 1-2 bedroom properties than any other age group save those aged 16-34, and 40% choosing to do so.	To accommodate this clear trend, it is likely that smaller homes of 2-3 bedrooms are most appropriate for Puddletown, and it is likely that some degree of one bedroom properties will be necessary, given that these have not increased whatsoever over the inter-censal period. Indeed, residents of Puddletown have expressed a clear view that the type of housing most required is social rented and affordable homes of 1-2 bedrooms, and these are likely to be suitable for attracting younger people as well.
<b>Demographic change</b>	Census 2001/2011	With a significant ageing population, which could increase the number of people aged 75+ by up to 40% to the end of the Plan Period, the change in the population could begin to affect the viability of local services and businesses in Puddletown. Indeed, Census data suggests that Puddletown currently has a significantly higher proportion of older people than the District average.	Demographic change is likely to have a significant impact on Puddletown, particularly given regional and national trends. See following sections on housing for older and younger people for more detailed considerations.
<b>Dwelling type</b>	Census	Puddletown has fewer detached homes	Based on the sizes of homes

<sup>74</sup> The term 'Affordable Housing' denotes the planning definition set out on page 50 of the National Planning Policy Framework, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/60777/2116950.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/60777/2116950.pdf)

Factor	Sources (see individual chapters)	Possible impact on housing needed	Conclusion
	2001/2011	and more semi-detached homes and terraces than the District average, although homes tend to be slightly larger.	recommended above, it is likely that the most appropriate type of housing for Puddletown will be flats, given the relative difficulty of providing one and two bedroom detached and semi-detached homes. Terraced homes may also be able to play a role in meeting local needs, although their financial viability may make this difficult to achieve. Specialist housing could be provided either as flats with some form of communal areas, given the need for additional services such as care, or as bungalows, which might offer those with mobility limitations the best kind of home to meet their needs.
<b>Family-sized housing</b>	Census 2001/2011, PNPS16	There have been quite significant increases in the amount of family housing available in the NA over the inter-censal period, totalling 69 additional homes of 6 rooms or more, in spite of there being approximately the same number of families in Puddletown with no children at all as there are with dependent children.	Population projections suggest that that the number of families in the NA is not likely to increase as significantly as other, smaller household types. However, local people expressed the view when surveyed that family housing is needed in the NA, and such housing, where affordable, could help to attract younger and working age people to the village. In this context, 2-3 bedroom homes are likely to be appropriate to meet family housing needs.
<b>Housing for independent living for older people</b>	Census 2001/2011, HLIN, 2014 SNPP	The population of elderly people aged 75+ is likely to increase by up to 144 people (24%) to the end of the Plan Period. Such people are on average likely to live in smaller homes (with less than 20% of those aged 65+ having four or more bedrooms), and many wishing to downsize. However, the vast majority of elderly people currently choose to continue to live in their homes.	Dorset County Council currently runs a pioneering programme called Dorset Early Help/POPP, a partnership between the council and the local NHS body, the Dorset Clinical Commissioning Group (CCG), alongside the third sector. It would be prudent to work together with such a body and local providers to consider the trajectory of care requirements and how the housing stock can best reflect this in the future.  It is worth considering however whether, in future, some of the 34 additional specialist dwellings that may be needed in Puddletown to the end of the Plan Period could be met within the Parish boundaries, thereby allowing members of the community who have lived in the village up to the time they become elderly to remain in the Parish even when they choose to enter more specialist accommodation.
<b>Specialist housing for young</b>	UKHPI, EHS, ONS House Price Statistics	Data from the Land Registry for Puddletown and from the English Housing Survey suggests that young people may be struggling to access	Whilst it is not possible to address mortgage finance issues through land use planning, it is likely that, given the high proportions of young people aged 16-24

Factor	Sources (see individual chapters)	Possible impact on housing needed	Conclusion
<b>people</b>	for Small Areas	mortgage finance, with 42% living in the private rented sector across West Dorset as a result. Land registry data also suggests that the average first time buyer can afford a relatively expensive home.	<p>who choose to rent privately, and the relatively high number of young people living in social rented housing, increases in homes of these tenures are likely to help meet the needs of young people in Puddletown and to attract more young people to the area to off-set the ageing population.</p> <p>In spite of the focus of government policy on aiding first time buyers through various equity schemes, housing for young people developed through planning policies has yet to bear fruit, and these may not be genuinely affordable for the vast majority of the population. Similarly, there may be legal difficulties with restricting certain types of housing to young people, particularly where this is affordable.</p>
<b>Tenure of housing</b>	SHMA14.2, PNPS16	We have considered the tenure profile of households in Puddletown, which demonstrates the dominance of owner occupation, broadly in line with levels in the District. Owner occupation has also grown in Puddletown in recent years, in contrast to much smaller growth across the District, and decline across England.	In terms of market housing, it is recommended that some form of purpose-built rented housing be provided, to accommodate the relative increase in this tenure seen across the District and the country. However, planning policy cannot be used to control the specific tenure of market housing, and therefore these recommendations can only be carried forward as aspirations for the Puddletown Neighbourhood Plan. Affordable and intermediate housing for rent would be appropriate for Puddletown, particularly given the relative shortage of both social rented and private rented properties.

## 9.2 Recommendations for next steps

265. This neighbourhood plan housing needs advice has aimed to provide PAPC with evidence on housing trends from a range of sources. We recommend that the Parish should, as a next step, discuss the contents and conclusions with West Dorset District Council with a view to agreeing and formulating draft housing policies, in particular the appropriate approach to identifying the level of need for new housing in the NP area, bearing the following in mind:

- Neighbourhood Planning Basic Condition A, that it 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 adopted strategic development plan;
- the views of West Dorset District Council – in particular in relation to the housing need figure that should be adopted;
- the views of local residents;
- the views of other relevant local stakeholders, including housing developers;
- the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the West Dorset District Council, including but not limited to the SHLAA;

- the findings and recommendations of this study; and
- The impact of the new Government proposed standard methodology on calculating housing need on the District and its neighbourhoods.

266. Recent changes to the planning system, forthcoming changes to the NPPF, as well as the implementation of the Housing and Planning Act 2016, will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.

267. This advice note has been provided in good faith by AECOM on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).

268. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by the West Dorset District Council or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.

269. At the same time, monitoring on-going demographic or other trends over the period in which the neighbourhood plan is being developed would help ensure relevance and credibility of its policies.

## Appendix A : Definitions of Specialist Housing

### A.1 Sheltered Housing

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. Source: <http://www.housingcare.org/jargon-sheltered-housing.aspx> (accessed 11/11/17)

### A.2 Extra Care Housing

New forms of sheltered housing and retirement housing have been pioneered in recent years, to cater for older people who are becoming more frail and less able to do everything for themselves. Extra Care Housing is housing designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. Extra Care Housing is also known as very or enhanced sheltered housing, assisted living, or simply as 'housing with care'. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in sheltered housing (residents' lounge, guest suite, laundry), Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff. Properties can be rented, owned or part owned/part rented. There is a limited (though increasing) amount of Extra Care Housing in most areas and most providers set eligibility criteria which prospective residents have to meet. <http://www.housingcare.org/jargon-extra-care-housing.aspx> (accessed 11/11/17)

