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# Wareham Housing Needs Assessment (HNA)

May 2018

## Quality information

**Prepared by**

Lachlan Anderson-Frank  
Guillaume Rey

**Checked by**

Ivan Tennant  
Principal Planner

**Approved by**

Stuart Woodin  
Director

## Revision History

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**Prepared for:**

Wareham Town Council

**Prepared by:**

AECOM  
Aldgate Tower  
2 Leman Street  
London  
E1 8FA  
aecom.com

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

AH	Affordable Housing (NPPF definition)
DC	District Council
MHCLG	Ministry for Housing, Communities and Local Government
DEP17	Dorset Economic Projections 2017: Background Paper - Purbeck
HNA	Housing Needs Assessment
LDS	Purbeck District Local Plan Local Development Scheme, March 2017
LP	Local Plan
LP2012	Purbeck Local Plan Part 1, Adopted November 2012
LPA	Local Planning Authority
LPPRN	Purbeck District Council Local Plan Partial Review Full Note 2017
NDP	Neighbourhood Development Plan
NP	Neighbourhood Plan
NA	Neighbourhood Area
NPPF	National Planning Policy Framework
OANU17	Purbeck OAN Update 2017
OANUR	Purbeck District Council Review Note OAN Update 2017
ONS	Office for National Statistics
PDC	Purbeck District Council
PPG	Planning Practice Guidance
PROC17	Purbeck Partial Review Options Consultation Report, 2017
PRS	Private Rented Sector
SHBP17	Purbeck Local Plan Review Second Homes Background Paper, November 2017
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
SHMA15	Eastern Dorset 2015 Strategic Housing Market Assessment
SHRP17	Restrictive Second Homes Policy Impacts Study
WTC	Wareham Town Council

# 1. Executive Summary

## Headlines

1. There is an assessed need for **small and medium sized housing of 2-3 bedrooms in the future**, which may be provided as terraced houses, in particular to accommodate the **existing trend** towards older people downsizing into appropriately sized homes as they age, and **smaller households** going forward. One bedroom homes may also meet the needs of elderly people, although these are likely to be provided as flats.
2. There are significant **gaps in housing provision** between market and social rented housing, with entry level house prices particularly inaccessible, and many households turning to **the private rented sector**. Given the range of housing affordability issues across all tenures, it is recommended that affordable housing be delivered across **all tenures (i.e. for rent and for shared equity)**.
3. Low rates of turnover in the housing stock overall may be **constraining demand** for specialist housing in Wareham Town, and given the significant ageing population in the last five years and going forward, it is likely this type of provision will need to **increase significantly**. Whilst HLIN recommendations could indicate the need for 135 additional specialist dwellings for the elderly in Wareham Town up to 2031, this HNA recommends a figure of **39 specialist housing units** based on local circumstances.

## Introduction

4. Wareham Town Council (WTC) is designated as a Qualifying Body (QB) for the purposes of preparing a Neighbourhood Plan for the entire Parish area, referred to here as the Neighbourhood Area (NA). The 2011 Localism Act introduced neighbourhood planning, allowing parish and 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 Town Council, based on a robust methodology, local data, and focussing on a number of research questions agreed with the Town Council.
5. 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 developing policies need to be underpinned by robust, objectively assessed housing data.
6. In the words of the national Planning Practice Guidance (PPG), 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.
7. 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.
8. 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 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 local neighbourhood level should be proportionate.
9. Our brief was to advise on data at this more local level to help WTC understand the tenure, type, and size of housing needed to inform neighbourhood plan policies.

## Summary of Methodology

10. 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 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.
11. In the case of Wareham however, **Purbeck District Council's (PDC)** current adopted local plan, 'Planning Purbeck's Future', adopted November 2012, makes provision for 2,520 homes to be built in the district between 2006 and 2027, or 120 dwellings per annum. In 2015, a Strategic Housing Market Assessment was published which suggested that the total housing needed was in fact 238 dwellings per annum (between 2013 and 2033), a

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

significant uplift taking into account positive economic growth prospects for Purbeck. However, an October 2017 update to this was revised this figure back downwards to 3,460 dwellings for the period 2013-2033, or 173 dwellings per annum. Furthermore, the emerging local plan is likely to set a specific housing figure to be met by Wareham Town – with a potential figure of 200 homes suggested in the latest consultation (January 2018). In this context, the task of this HNA is to consider what types, tenures and sizes of housing are needed by the local population living in Wareham Town, rather than the overall level of housing required.

12. 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.
13. In terms of the types of housing needed, there is generally more flexibility on what neighbourhood plans can cover, subject to viability constraints. In order to understand the types of housing needed in Wareham we have gathered a wide range of local evidence and summarised it into policy recommendations designed to inform decisions on housing characteristics.
14. This objective and independent housing needs advice note follows the PPG approach where relevant. This requires our findings to be appropriately evidenced. The PPG 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.
15. Our approach is to provide advice on the housing required, based on evidence of need, and not constrained by possible limitations on supply. This is in line with the PPG, 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.'*
16. For this reason, we advise that the conclusions of this report should be assessed against supply-side considerations (including, for example, factors such as site availability, transport infrastructure, landscape constraints, flood risk and so on) as a separate and follow-on exercise<sup>2</sup>.

### Summary of Conclusions

Factor	Source(s) (see relevant chapters for more details)	Possible impact on housing needed	Conclusions
<b>Type and Size of Housing Needed</b>	SHMA15, Census 2001/2011, MHCLG 2014-based household projections, WTC Housing Needs Study	<p>Whilst Wareham has slightly fewer flats than the district and significantly more terraced homes, the size of housing in Wareham was broadly similar to that across Purbeck. There have been significant increases, of about 34% (2001-11), in the number of larger homes, which is of concern given ongoing demographic shifts towards smaller households.</p> <p>There is a clear trend of older people downsizing in both the affordable and market housing sectors in Purbeck, with those in affordable housing having on average 1.5 bedrooms towards the end of their lives and those in market sector having 2.5 bedrooms on average.</p> <p>This trend across the district is almost exclusively as a result of older people moving into flats, with no apparent trend toward downsizing into other house</p>	<p>There is likely to be a significant need for small and medium sized housing, and our recommendation is for 50% of all new homes to be two bedrooms in Wareham to help to fill an identified market gap and in particular to accommodate the existing trend towards older people downsizing into appropriately sized homes as they move through retirement, and smaller households going forward. One bedroom homes may also meet the needs of elderly people, although developing space standards could help to ensure that these meet the expectations of downsizers.</p> <p>A key question is whether developing other housing types for the elderly other than flats would incentivise more older people to move, or whether flats will continue to meet their needs. Given the downsizing trend identified, it is</p>

<sup>2</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' (DCLG, 4 October 2014, available at <https://www.gov.uk/government/news/councils-must-protect-our-precious-green-belt-land>)

		types as yet. In general however, households in Wareham are more likely to under occupy housing than across the district, with approximately 35% maintaining two extra bedrooms.	reasonable to suggest that one bedroom properties would not be particularly ideal in the market sector in Wareham, unless these encompass specialist housing for the elderly with some form of support, as households choosing additional bedrooms may be doing so to ensure their care, social & family visiting needs are met in later years. Furthermore, smaller new build homes may be less flexible in their design than larger homes according to some research <sup>3</sup> , making downsizing not as attractive.
<b>Tenure of Housing Needed</b>	SHMA15, Census 2001/2011, MHCLG Live Tables, Land Registry PPD, Core Lettings data, ONS Property Affordability Calculator, WTC Housing Needs Study	<p>Affordability ratios suggest that for-sale housing is accessible to less than 50% of the population, whilst entry level rents exclude the bottom 25% of earners. There has been a significant uplift of 35% experienced in the private rental sector in Wareham Town in recent years, suggesting many households earning around the median income have turned to the private rental sector to satisfy their needs.</p> <p>Entry level house prices are particularly inaccessible at £188,750 in 2014, which also explains the growth in the private rental sector. A reduction in the younger working age population is likely to be exacerbated by a lack of suitable housing at suitable prices. The Housing Waiting List data provided by PDC suggests there are 89 households with a local connection to Wareham in need of affordable homes, with more than twice as many considering need in the wider district.</p> <p>Affordability issues will continue to be exacerbated by further increases in house prices in the area, should trends in recent years continue, and may also negatively impact new household formation rates. As a result, there is likely to be a decline in the working age population of the district, particularly those between 25 - 44.</p>	<p>There are significant gaps in housing provision between market and social rented housing. Bringing these households onto the ownership ladder has the potential to liberate rented-dwellings for young and newly forming households looking to remain in the area.</p> <p>Given the range of housing affordability issues across all tenures, it is recommended that affordable housing be delivered across all tenures (social rented housing, affordable rented housing, shared ownership etc.). Current district policies should enable this housing to be delivered as a proportion of market development.</p> <p>Moreover, in order to address demographic trends identified in this report it is appropriate to provide a larger proportion of smaller affordable homes for young forming households and households stuck in the private rental sector and who desire access to ownership. On that basis we would recommend that forms of 'intermediate' affordable housing such as Shared Equity, Discounted Market for Sale Housing (DMSH) as well as rental models such as Affordable Rent should be considered as part of the affordable housing quota within the NA.</p>
<b>Specialist Housing Needed</b>	HLIN, SHMA15, EAC, Census 2011, Land Registry PPD, ONS Housing Summary Measures	As a result of a near doubling of the elderly population projected by the ONS for Purbeck from 2011- 2031, there is likely to be a very significant increase in the number of elderly people in Wareham, which could be up to 450	Whilst demand for specialist dwellings clearly varies across different parts of the planning district, with many older residents remaining in their family homes and not in specialist accommodation, it is for the parish to decide whether it wishes to provide

<sup>3</sup> [https://www.southsomerset.gov.uk/media/862544/somerset\\_final\\_shma\\_oct2016\\_revised.pdf](https://www.southsomerset.gov.uk/media/862544/somerset_final_shma_oct2016_revised.pdf)

	<p>Analysis 2015, MHCLG 2014-based Sub-national population projections, Dementia Services Development Centre</p>	<p>people.</p> <p>Comparatively low rates of turnover in the housing stock across the district may be constraining demand for specialist housing in Wareham.</p> <p>The elderly population of Wareham aged 50+ has relatively higher levels of mobility limitations (approximately 2% greater), than the district average, at current rates this would equate to 16 additional units of specialist housing, whilst County Council and industry body recommendations could indicate need for up to 135 additional specialist dwellings for the elderly up to 2031.</p>	<p>specialist accommodation above the levels currently provided across the local authority area.</p> <p>However, AECOM's recommendation is that a figure of 39 additional specialist dwellings be carried forward by the Wareham Town Neighbourhood Plan, based on a range of estimates and adjusted to take account of local factors such as health and mobility in the local population.</p> <p>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 and how the housing stock can accommodate such care in the future.</p>
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### Policy recommendations

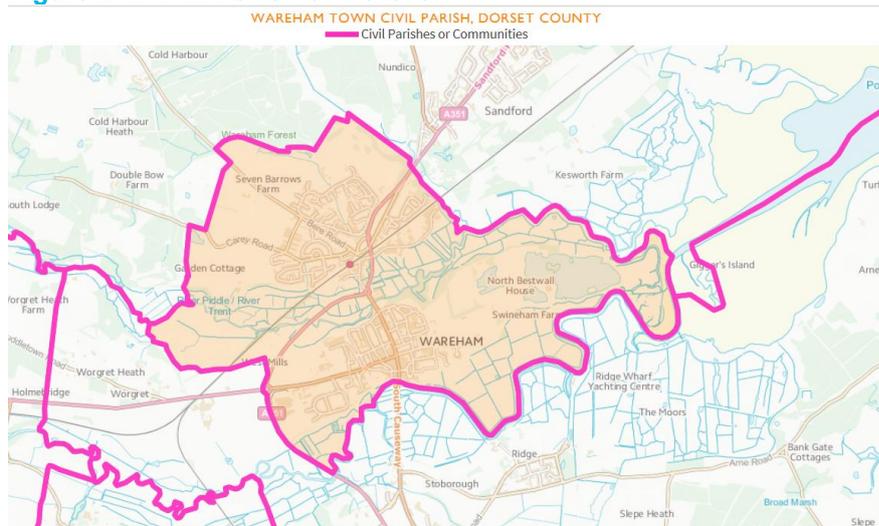
17. This neighbourhood plan housing needs advice has aimed to provide Wareham Town Council with evidence on housing trends from a range of sources. We recommend that the Town Council should, as a next step, discuss the contents and conclusions with PDC.
18. This advice note has been provided in good faith by AECOM consultants on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).
19. It is important under review any implications arising from forthcoming changes which have been published in the new draft NPPF, as well as the implementation of the Housing and Planning Act 2016, which will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
20. 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 District Council or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity with the adopted Local Plan is maintained.
21. At the same time, we recommend the group monitor available data on demographic or other trends over the period in which the neighbourhood plan is being developed to help ensure relevance and credibility of its policies.
22. We have summarised our policy recommendations in more detail in Chapter 7

## 2. Context

### 2.1 Local context

23. The civil parish of Wareham Town encompasses the walled town of Wareham, a thriving historic market town, together with the settlement of Northport and a small amount of the surrounding rural area. The parish forms part of Purbeck district within the county of Dorset in South West England. The town is located eight miles southwest of Poole, and eight miles to the South is the English Channel.
24. The walled town of Wareham is built on a strategic site (low dry islands) between marshy rivers plains, the rivers Piddle to the North and Frome to the South. The area of Northport, which is part of the parish, is situated to the north of the River Piddle.
25. The parish is bounded South-West by the A351 connecting to Swanage, which links to the eastern terminus of the A352, connecting to Dorchester. The southern boundary of the parish is the River Frome which runs into the head of the Wareham Channel of Poole Harbour, a natural harbour (a *ria*) which constitutes the eastern limit of the parish. The northern boundary is a large conifer plantation, Wareham forest, north of Northport. The north-east boundary runs along the Wareham Forest Stream that flows into the River Piddle, and the A351 heads north-east through Sandford connecting to the A35.
26. Note: The sister civil parish of Wareham St. Martin covers much of the rural area to the north of Wareham, including the village of Sandford. Arne Parish covers much of the rural area to the south and west, and includes the village of Stoborough.

**Figure 2-1: Civil Parish of Wareham**

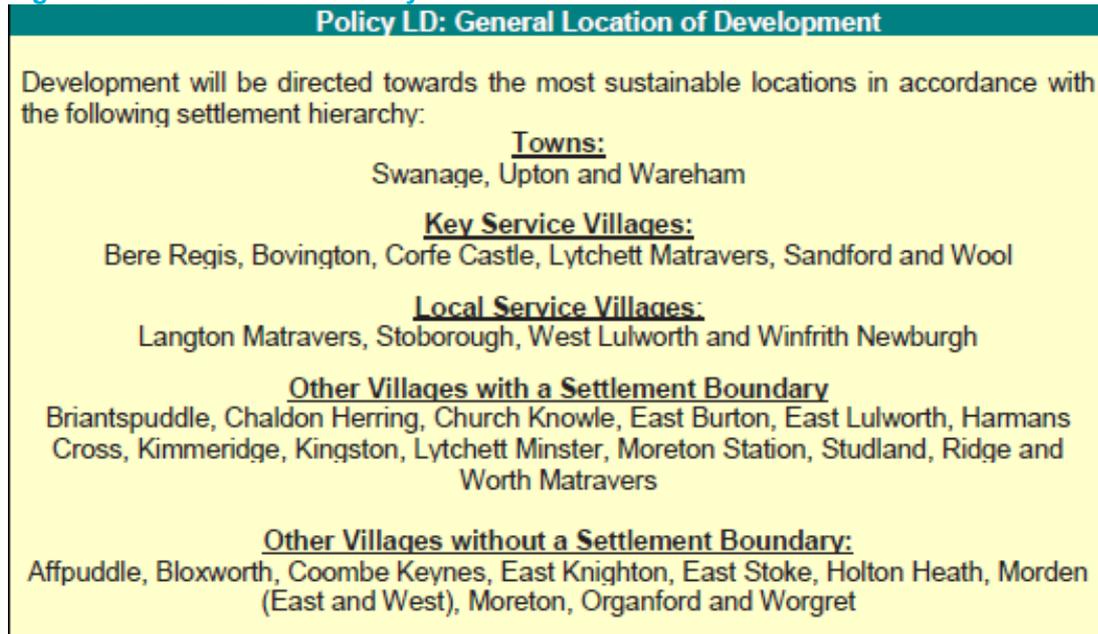


Source: Ordnance Survey

### 2.2 Planning policy context

27. In line with the basic conditions of Neighbourhood Planning, Neighbourhood Development Plans (NDPs) 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.
28. The current local development policy comprises of the Purbeck Local Plan Part 1: Planning Purbeck's Future (PLP1) and adopted in November 2012. As the PLP1 was adopted in 2012, and the Inspector made clear that a review should commence in 2013 with adoption by late 2017, it can now be considered out of date. The Council's February 2018 local development scheme anticipates adopting the new Local Plan in autumn 2019. The emerging Local Plan is still in its consultation phase and is not mature enough to be fully reviewed as part of this HNA. The PLP1 provides the following policies:
29. **Policy HS (Housing Supply)** – sets out a housing target for **2,520 dwellings over the plan period 2006-2027** directed in the most sustainable locations in accordance with **Policy LD (General Location of Development)** shown in the figure below:

Figure 2-2: Settlement Hierarchy



Source: Purbeck Local Plan Part 1

30. The policy also allocates Settlement Extensions that require change to the South East Dorset Green Belt, including one in Wareham (of approximately 200 dwellings on land at Worgret Road)
31. **Policy CEN (Central Purbeck)** – which states that “In Central Purbeck, the settlements of Wareham, Sandford and Stoborough will provide the focus for service provision, where development will be managed through the use of settlement boundaries. Around 475 dwellings are required to meet housing supply needs for the period 2006-2027, of which around 170 dwellings should be affordable for local people.”
32. **Policy AHT (Affordable Housing Tenure)** – which states that the tenure of affordable housing (negotiated on a site-by-site basis to reflect identified local need) is likely to be split between 90% of social rented/affordable rented housing and 10% intermediate housing to rent or purchase.
33. **Policy AH (Affordable Housing)** – which states that all new residential development that result in a net increase of 2 or more dwellings, or are on a site area of 0.05 hectares or more will be required to provide at least 40% of affordable housing contribution. The Council will take account of:
  - Current identified local need in the district;
  - Economic viability of provision;
  - Other overriding planning objectives for the site; and
  - Other considerations deemed relevant to the delivery of affordable housing.
34. The policy also specifies that affordable housing should be provided on site. If not possible, off site provision or the payment of a commuted sum is allowed, providing the applicant provides robust justification. The policy further states that there will be no exceptions to on-site provision of affordable housing in settlement extensions. Moreover, any part units (for example, where six dwellings are proposed in Upton and 40% affordable housing would be required this amounts to 2.4 affordable units.) will be met through a commuted sum.
35. The adoption of an ‘open book’ approach: Economic viability constraints may constitute an exceptional circumstance preventing the provision of affordable housing. However, applicants must provide full justification of exceptional circumstances to the Council’s satisfaction. This justification may include a financial viability appraisal, site suitability appraisal and development mix appraisal, subject to independent verification at the expense of the applicant.
36. **Policy GT (Gypsies, Travellers and Travelling Show People)** – which states that provision of transit and permanent pitches will be addressed in accordance with the Gypsy and Traveller Site Allocations Plan.
37. Policy Guidance also insists on supporting planning for an ageing population and provision of specialist housing (sheltered housing, extra care housing, care homes and nursing homes).

## 3. Approach

### 3.1 Research Questions

38. Below we set out the RQs relevant to this study, as discussed and agreed with WTC.
39. Research Questions, abbreviated to 'RQ;' are arrived at the start of the project through discussion with the Town Council. They serve to direct our research and provide the structure for the HNA.

#### 3.1.1 Quantity

40. The current adopted local plan, Planning Purbeck's Future, adopted November 2012, makes provision for 2,520 homes to be built in the district between 2006 and 2027, or 126 dwellings per annum. In 2015, a Strategic Housing Market Assessment was published which suggested that the total housing needed was in fact 238 dwellings per annum (between 2013 and 2033), a significant uplift taking into account positive economic growth prospects for Purbeck. However, an update to this was published in October 2017 which revised this figure to 3,460 dwellings from 2013-2033, or 173 dwellings per annum. Furthermore, the emerging local plan is likely to set a specific housing figure to be met by Wareham. Given that this plan is already significantly developed, and has been consulted on twice, this HNA will not consider the issue of quantity of housing needed in the Wareham Neighbourhood Plan Area (NA).

#### 3.1.2 Type and Size

41. WTC has indicated that there may be a mismatch between the sizes and types of the existing stock of housing, and what may be needed by the community in future. In this context, neighbourhood plan policies could help to influence the mix of new housing that is built, and any policies will need to be supported by robust evidence relating to local need. It is therefore necessary for this HNA to examine both the type and size of dwellings needed to meet housing need in future years.
42. RQ1. What mix of type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate?

#### 3.1.3 Tenure

43. Community engagement activity and surveys of local agents undertaken by WTC indicate a significant interest in affordable housing of various tenures in Wareham, particularly as much of the available open market stock seems to be bought by older people with significant housing equity moving into the area outside of Dorset. The Town Council is concerned about whether local incomes can support people to actually live locally. As such, an investigation of appropriate tenures of housing would be of value.
44. RQ2. What affordable housing (social housing, affordable rented, shared ownership, intermediate rented) and market tenures should be included in the housing mix?

#### 3.1.4 Housing for Specialist Groups

45. WTC has suggested that the town may be experiencing an ageing population, which may be relatively static in terms of housing choices in spite of changing housing needs. Anecdotal evidence provided to WTC also suggests that the overall level of movements and sales within the housing stock is low, which may be affecting younger people and those with families. In this context, a consideration of specialist housing for the elderly, and how this may be connected to improving housing options, is appropriate.
46. RQ3. What provision should be made for specialist housing for older people within the NA, particularly given that there may be low rates of turnover in the housing market overall?

### 3.2 Study Objectives

47. The objectives of this report can be summarised as:
  - Collation of a range of data with relevance to housing need in Wareham relative to Purbeck as a whole;
  - Analysis of that data to determine patterns of housing need and demand; and

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

48. The following sections of this report are structured around the research questions set out above, while Chapter 7 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

49. The PPG states that neighbourhood plans can refer to existing needs assessment prepared by the local planning authority as a starting point. As Wareham is located within Eastern Dorset Housing Market Area, we therefore turned to the Eastern Dorset Strategic Housing Market Assessment (October 2015, henceforth SHMA15), prepared by GL Hearn, which covers the housing market area and informs emerging housing policies at a local authority level, including affordable housing policy. The sections of this document relevant specifically to Purbeck were summarized in the Purbeck District Summary document published alongside the main report. More recently, there have been two further documents relevant to Purbeck published by Purbeck District Council alone, the Purbeck OAN Update 2017 (OANU17), prepared by GL Hearn, and the Purbeck District Council Review Note OAN Update 2017 (OANUR) prepared by Intelligent Plans and Examinations on 10 October 2017. These represent significant updates to the SHMA, and therefore have been considered alongside the original document as more recent pieces in the evidence hierarchy.
50. These studies draw 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, they contain a number of points of relevance when determining housing need within the NA. They have yet to be tested at examination, but nonetheless provide a useful starting point for policy development that aims to build on and add local specificity to the strategic policies of the Local Planning Authority, by enabling a comparison to be made between the NA data (gathered as part of the preparation of this study) and the district data, given that such an exercise reveals contrasts as well as similarities.

#### 3.3.2 Other relevant data

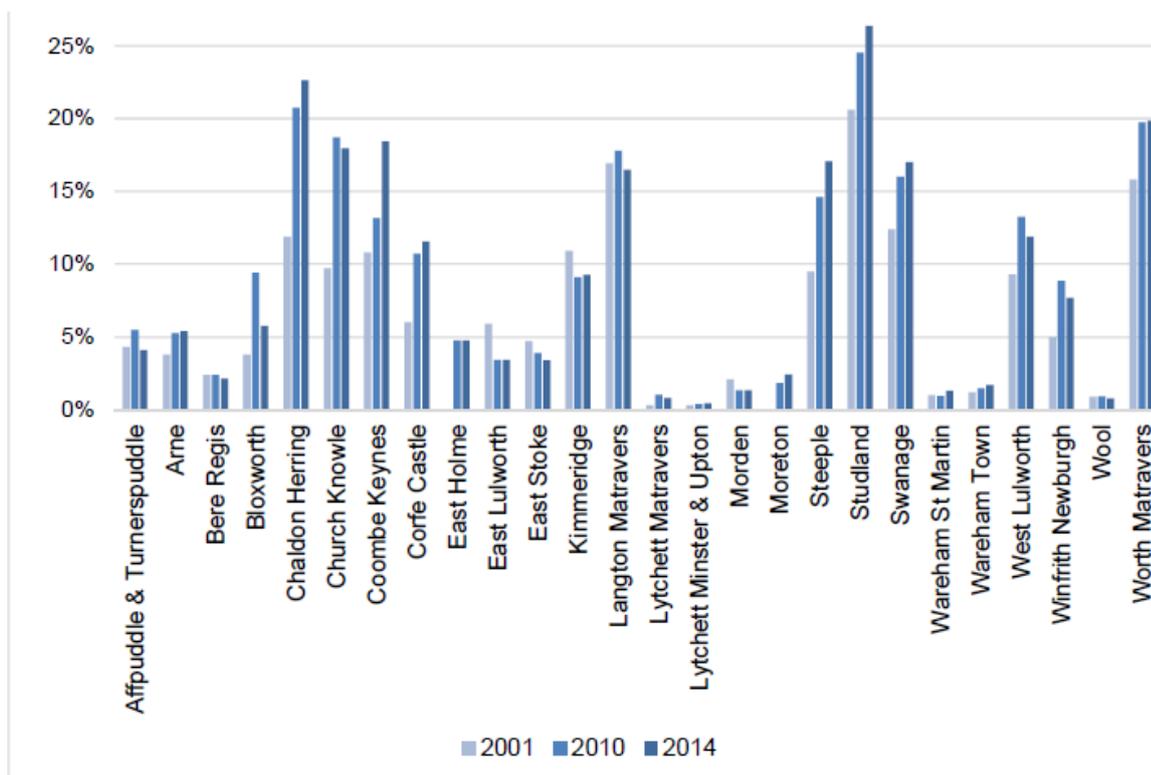
51. As part of its Local Plan Review Process, PDC has published a significant number of individual evidence studies and background notes on a range of topics that are relevant to this HNA, including the issues of second homes (Purbeck Local Plan Review Second Homes Background Paper, November 2017, referred to as SHBP17) as discussed below, economic projections (Dorset Economic Projections 2017: Background Paper – Purbeck, referred to as DEP17), as well as a further background note on the process of the partial review itself, prepared by Intelligent Plans and Examinations on 8 February, 2017 (referred to as LPPRN).
52. Further information was provided by Wareham Town Council, including research undertaken on their behalf by a consultant on the topic of housing that informed a Housing Needs Study (HNS), and information provided to them by PDC from the housing register.

### 3.4 Second Homes

53. In response to local concerns regarding the levels of second home ownership in the district, and whether this might be restricting access to home ownership for local people, in October 2017, Purbeck District Council produced a Background Paper on second homes as part of their Local Plan review. This found high rates of second home ownership across the district, totalling approximately 8% of all homes at the beginning of 2017. These figures were calculated using a range of different techniques, including reviewing council tax records and the electoral role, and sense checking these by consulting local people on levels of second home ownership in the village.
54. The results show how in Purbeck in 2001, out of the total housing stock of 20,625 dwellings, fully 1,821 (8.3%) were not occupied by a resident household. Furthermore, by 2011, out of a housing stock of 22,140 dwellings, fully 2,557 (11.55%) were not occupied by a resident household. So, between 2001 and 2011, the housing stock in Purbeck grew by 7.3% (1,515), but the actual population resident in the area grew by only 1.3% (557), with the number of resident households increasing by 4.1% (779). Overall, the level of unoccupied household spaces rose from 1,821 in 2001 to 2,557 in 2011, an increase of 40.4%.

- 55. However, levels of second home ownership for Wareham were significantly lower than other areas of Purbeck, as shown in the figure below. The study concluded that just 2.11% of homes in Wareham Town were second homes, 20<sup>th</sup> of all 26 parishes in the district (the highest of which was 27.96% in Studland, with the lowest figure 0.56% in Lytchett Minster & Upton. The study also makes clear that the effects of second homes may not be entirely negative, and that it is possible to conflate any such effects with the wider seasonal tourism economy based in this part of England.
- 56. Based on this evidence, and in discussion with WTC, this HNA does not consider further the issue of Second Homes in Wareham.

**Figure 3-1: Data on second homes in Purbeck**



Source: SHBP17

## 4. Type and size

### **RQ1. What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate?**

57. As identified earlier in this study, PPG recommends consideration of the existing housing provision and its suitability to address future as well as current community need, having regard for demographic shifts in age and household composition. For this reason, we start with analysing the type and size of the existing housing stock in Wareham, and then consider factors affecting the size of housing needed, namely the household composition and age structure of the population, and how these are likely to change in future. We then put these in the context of the wider housing market and its dynamics to arrive at recommendations for the types and sizes of housing that will be needed in Wareham.

### 4.1 Background and definitions

58. 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 space (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>4</sup>.
59. 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 would be defined in census terms as 'under occupying' their homes. This is a natural feature of the housing market, and can distort considerations of future housing needs, with market dynamics and signals giving a very different picture than demographics and household type and size projections suggest for future years.
60. 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<sup>5</sup>. In the section that follows, 'dwelling sizes' can be translated as follows, although in practice there may be some minor variation outside of these parameters:
- 1 room = bedsit
  - 2 rooms = flat/house with 1 bedroom and a combined reception room/kitchen
  - 3 rooms = flat/house with 1-2 bedrooms and one reception room and/or kitchen
  - 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
  - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
  - 6 rooms = house with 3-4 bedrooms and 1-2 reception rooms and a kitchen
  - 7+ rooms = house with 4 or more bedrooms
61. It is also useful to clarify somewhat the census terminology around dwellings and households spaces dwellings are classified into two types, unshared and shared. The 2011 Census defines a dwelling as a single self-contained household space (an unshared dwelling) or two or more household spaces at the same address that are not self-contained but combines to form a shared dwelling that is self-contained. A household space is the accommodation that a household occupies, and self-containment means that all rooms can only be used by that household. In most cases, a single household space will be an unshared dwelling.<sup>6</sup>
62. 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>7</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.
63. Whilst it is unlikely that these issues are of particular relevance to Wareham, 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>4</sup>SHMA15, pp.130, para 8.5

<sup>5</sup><https://www.nomisweb.co.uk/census/2011/qs407ew>

<sup>6</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/23928/120301\\_Derivation\\_of\\_Dwelling\\_count\\_from\\_2011\\_Census\\_-\\_separate\\_doc\\_for\\_web\\_publication.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/23928/120301_Derivation_of_Dwelling_count_from_2011_Census_-_separate_doc_for_web_publication.pdf)

<sup>7</sup>Ibid.

## 4.2 Existing types and sizes

64. Below we consider the existing types and sizes of dwellings in Wareham. 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 are captured. Therefore, a small percentage of homes are not accounted for. The table below shows the relative split between types of houses, as defined by the census in Wareham, with data for Purbeck and England for comparison.

**Table 4-1: Types of dwellings, 2011**

Dwelling Type (excluding caravan and other temporary structures)	Wareham Town	Purbeck	England
Whole house or bungalow: Detached	28.9%	38.2%	22.3%
Whole house or bungalow: Semi-detached	27.3%	24.2%	30.7%
Whole house or bungalow: Terraced (including end-terrace)	27.1%	18.7%	24.5%
Flat, maisonette or apartment: Purpose-built block of flats or tenement	10.4%	12.0%	16.7%
Flat, maisonette or apartment: Part of a converted or shared house (including bed-sits)	2.6%	4.0%	4.3%
Flat, maisonette or apartment: In a commercial building	2.3%	1.4%	1.1%

Source: Census 2011

65. This data shows the extent to which the housing stock in Wareham Town differs from that of Purbeck as a whole and indeed across England, most obviously in that there are slightly fewer flats and apartments. The mix of detached, semi-detached and terrace properties and similar, with terraced houses being over-represented compared to the local and national average.
66. It is probable that the higher proportion of terraced properties reflects the main building periods and historical constraints including the town walls.
67. The data below allows us to consider a broad picture of the size of the housing stock in Wareham Town and Purbeck. Again, this 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 4-2: Household spaces by number of rooms, 2011**

Number of Rooms	Wareham Town			Purbeck		
	Count	Percentage	Cumulative	Count	Percentage	Cumulative
1 Room	7	0.3%	cumulative	43	0.2%	cumulative
2 Rooms	46	1.8%	2.1%	327	1.7%	1.9%
3 Rooms	188	7.4%	9.4%	1356	6.9%	8.8%
4 Rooms	495	19.4%	28.8%	3882	19.8%	28.6%
5 Rooms	739	28.9%	57.7%	5023	25.6%	54.3%
6 Rooms	568	22.2%	79.9%	3903	19.9%	74.2%
7 Rooms	271	10.6%	90.5%	2275	11.6%	85.8%
8 Rooms	130	5.1%	95.6%	1387	7.1%	92.9%
9 Rooms or more	113	4.4%	100%	1387	7.1%	100%

Source: Census 2001/2011, AECOM Calculations

68. This data 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 Wareham is quite similar to those across Purbeck. The most notable differences are the slightly smaller proportion of very large homes of 7 rooms or more in Wareham in comparison with the district, approximately 5.7% less, and the slightly higher proportion of 5 and 6 room properties in the town, which together make up approximately 5.5% more. This further reinforces the view that, whilst the size of dwellings is determined more at the broad market level, specific typologies of dwelling are a relatively local phenomenon affected by local preferences and traditions.
69. It is particularly interesting to compare this data with census estimates of the number of bedrooms for each household in Wareham and Purbeck, using data published laterally by the ONS, based on estimates from the 2011

Census. The table below summarises the proportion of households occupying each size of home in terms of number of bedrooms only.

**Table 4-3: Number of bedrooms in household spaces, 2011**

Number of bedrooms	Wareham Town		Purbeck	
Bedsit	0.2%	cumulative	0.1%	cumulative
1 bedroom	8.3%	8.4%	7.8%	7.9%
2 bedrooms	28.3%	36.7%	29.6%	37.5%
3 bedrooms	50.2%	86.9%	42.4%	79.9%
4 bedrooms	10.3%	97.3%	15.4%	95.2%
5 or more bedrooms	2.7%	100.0%	4.8%	100.0%

Source: Census 2011, AECOM Calculations

70. The data shows that 3 bedroom properties are the most common in Wareham, and it is likely that most of the 5 and 6 room properties seen in the data above are in fact 3 bedroom properties, with the difference in rooms overall being accounted for by different numbers of reception rooms, conservatories and other living spaces. It is clear from the data above that, when translated into rooms used as bedrooms; Wareham has relatively more 3 bedroom properties than Purbeck, and less of all other sizes save one bedroom properties. Given the lower number of flats and apartments, yet similar number of 1 bedroom household spaces, it would also seem that the relative lack of flats and apartments may relate to a deficit of larger 2 bedroom apartments.
71. 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 flexibility, and the cumulative 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.
72. On a cautionary note, recent research by the ONS suggests that this data 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 responses may not have been accurate<sup>8</sup>. For this reason, the ONS is 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.
73. Given the relative difficulty in understanding the characteristics of the housing stock from a single census, as well as the fact that bedrooms data is not available for the 2001 census because estimates were not produced in that year, it is useful to consider how the number of rooms occupied by households changed between the 2001 and 2011 censuses.
74. This data is presented on the following page and shows quite clearly that there has been a decrease over the census period in 4 and 5 room homes in Wareham. This broadly mirrors a similar trend in Purbeck, although to a greater extent. This change is not insignificant, with the overall reduction in such dwellings totalling 7.4% of the housing stock.

<sup>8</sup><https://www.ons.gov.uk/census/censustransformationprogramme/progressanddevelopment/questiondevelopment/estimatingthenumberofroomsandbedroomsinthe2021censusinenglandandwalesanalternativeapproachusingvaluationofficeagencydata>

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

Number of Rooms	Wareham Town 2001	Purbeck 2001	Wareham Town 2011	Purbeck 2011	Wareham Town % Change	Purbeck % Change
1 Room	6	63	7	43	16.7%	-31.7%
2 Rooms	45	338	46	327	2.2%	-3.3%
3 Rooms	167	1103	188	1356	12.6%	22.9%
4 Rooms	563	4068	495	3882	-12.1%	-4.6%
5 Rooms	851	5328	739	5023	-13.2%	-5.7%
6 Rooms	527	3543	568	3903	7.8%	10.2%
7 Rooms	211	2003	271	2275	28.4%	13.6%
8 Rooms or more	173	2358	243	2774	40.5%	17.6%
Total	2545	18804	2557	19583	0.5%	4.1%

Source: Census 2001/2011, AECOM Calculations

75. It is crucial to remember however that these changes describe the way that households occupy or modify their dwellings. It would suggest that there may have been a general trend to enlarging properties to 5 or more rooms, with the stock of smaller properties being lost as a result of additions and conservatories being built. In this way the enlarging of properties by one generation has a long term impact on those from another generation seeking homes. However, it is worth recalling the cautionary note above that the way people categorised rooms has been prone to errors and may explain, at least in part, the differences seen above.
76. Even so, it is still potentially significant that the smaller properties (4 and 5 rooms) are the only sizes of homes that declined in Wareham over the period. What is also clear is that the most significant shift over the period has been an increase in very large homes with 6 or more rooms (likely to be 3-4 bedroom homes), as shown in the table below. This is likely as a result of an increase in market demand for such homes.

**Table 4-5: Net change, households by number of rooms**

Number of Rooms	Net Change 2001-2011
1 Room	1
2 Rooms	-1
3 Rooms	21
4 Rooms	-68
5 Rooms	-112
6 Rooms	41
7 Rooms	60
8 Rooms or more	70

Source: Census 2001/2011, AECOM Calculations

77. In summary, Wareham has fewer flats and apartments – particularly with 2 or more bedrooms - in comparison with the district and England, and in contrast a higher number of terraced homes. There also appears to be a trend where smaller properties have been enlarged (either for economic gain or as a more affordable means of attaining the type of home desired).
78. Between the two censuses, households in Wareham occupied fewer mid-sized homes, with a gap widening between smaller and large homes, broadly mirroring similar trends across Purbeck. However, the most significant increase over the period, totalling approximately 34%, was in very large homes of 7 or more rooms.
79. It is helpful then to turn to actual demographic factors affecting housing needs to better understand how the future needs of Wareham'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.
80. Through a consideration of these trends and how they interrelate to each other, it is possible to arrive at recommendations as to how the type and size of housing in Wareham should be influenced through planning policy.

### 4.3 Factors affecting size of housing needed: household composition

81. Household composition is a key factor driving the size of housing that will be needed in Wareham in future. As such, in Table 4-6 below we set out data from the Census that records household composition in Wareham, with data for the district and England for comparison. Data for the parish differs from that of the district in a variety of key areas.

**Table 4-6: Household composition in Wareham, 2011**

Type		Wareham	Purbeck	England
One person household	Total	33.6%	29.1%	30.2%
	Aged 65 and over	20.1%	16.6%	12.4%
	Other	13.6%	12.5%	17.9%
One family only	Total	60.3%	65.7%	61.8%
	All aged 65 and over	13.5%	13.1%	8.1%
	With no children	18.5%	20.5%	17.6%
	With dependent children	19.4%	22.3%	26.5%
	All children Non-Dependent	8.9%	9.8%	9.6%
Other household types	Total	6.0%	5.2%	8.0%
<b>Average Household Size</b>		<b>2.15 people</b>	<b>2.30 people</b>	<b>2.40 people</b>

Source: Census 2011, AECOM calculations

82. Most notable is the higher percentage of one person households in Wareham than Purbeck, and consequently, the lower proportion of dwellings occupied by a single family. This explains the significantly smaller average household size in the town. In practical terms, this implies that, were Wareham to have the same proportion of single person households as the average for Purbeck, there would be 116 fewer single person households in the town ( $33.6\% - 29.1\% = 4.5\%$ ,  $4.5\% * 2557 = 116$ ).
83. The percentage of single person households is also significantly higher than the total for England, and it is clear from the data that this is primarily made up of those aged 65 or over, rather than households of other ages. This provides a picture of Wareham as an attractive place for older people, who are more likely than other household types to live alone.
84. However, it is important to remember that the housing needs of one and two person households are relatively similar, except in the context of specialist housing for the elderly, which is discussed in more detail in Chapter 6.
85. It is thus particularly interesting to note that Wareham does not have a significantly higher proportion of family households, i.e. those containing more than one person, who are aged 65 and above, than Purbeck as a whole, though the rate for both is significantly higher than in England. This suggests a clustering of single person households aged 65 and over in Wareham, which could be a result of multiple factors, not least on the existing availability of specialist elderly housing.
86. Indeed, the table above also shows that Wareham has fewer households with dependent children than Purbeck, but also fewer households with no children. So, the relative deficit in one family households in comparison to Purbeck applies to both families with and without children, but not to those over 65. This appears to align with what has been discussed above about the relative age of the population in Wareham.
87. It is also revealing to consider changes in household composition in Wareham between the 2001 and 2011 census; as the PPG makes clear, changes should be used to determine whether, should such trends continue, future housing needs will be met by the existing housing stock.
88. Table 4-7 on the following page shows this data for Wareham in comparison with the district and England. The single most significant increase over the period was in single person households under 65, although this reflected similar increases in both the district and England and is therefore not of particular local significance. More notable

was the significant decrease in those with non-dependent children, versus increases in both the district and England.

**Table 4-7: Rates of change in household composition in Wareham 2001-2011**

Type		2001	+10yr	Wareham	Purbeck	England
One person household	Total	819	41	5.0%	10.0%	8.4%
	Aged 65 and over	513	0	0.0%	2.7%	-7.3%
	Other	306	41	13.4%	21.6%	22.7%
One family only	Total	1,582	-39	-2.2%	1.7%	5.4%
	All aged 65 and over	353	-8	-2.3%	-1.6%	-2.0%
	With no children	465	9	1.9%	5.2%	7.1%
	With dependent children	504	-7	-1.4%	-4.4%	5.0%
	All children Non-Dependent	260	-33	-12.7%	16.0%	10.6%
Other types	Total	144	10	6.9%	4.1%	28.9%

Source: Census 2001/2011, AECOM calculations

89. This decrease in families with non-dependent children is likely as a result of children becoming adults and leaving the family home, with the lower than average (both nationally and in the district) percentage of households in this category, 8.9% as mentioned above, an indicator of relative ability of such children to leave the family home and form their own households<sup>9</sup>. The data would suggest that at least some of those young adults stayed within the area to set up home – and this can be tested by examining the age structure of the population (see section 4.4).
90. It is helpful then to consider how the population of Wareham is projected to change in the future. Unfortunately, detailed projections of future populations are not available for individual towns or parishes, so it is necessary to turn to projections for Purbeck as a whole and to refine them based on other local data.
91. The Ministry for Housing, Communities and Local Government (MHCLG) publishes bi-annual household projections for all local authorities in England and Wales, broken down by Household Type, and also providing projections of the average household size. It is notable that by 2034, the closest year to the end of the plan period for the Neighbourhood Plan (2033) for which projections are available, the average household size across the district will have dropped to 2.17 people, close to the current average for Wareham. Based on these and current trends therefore, it is likely that the average household size in Wareham will also decline.
92. The projections for Purbeck also consider increases in each type of household up to 2039, as well as a projection of the number of families with one, two and three or more dependent children. Clearly the greatest numerical increases projected for the district are of one person households, with much smaller absolute growth in households with dependent children and couples living with other adults.

**Table 4-8: MHCLG Household Projections for Purbeck by household type**

	One person	Couple and no other adult	Couple and one or more other adult	Households with dependent children	Other
<b>2014</b>	5,808	6,707	1,607	4,793	1,087
<b>2039</b>	6,805	7,542	1,926	5,255	1,354
<b>Change</b>	997	835	319	462	267
<b>% Change</b>	17.2%	12.4%	19.9%	9.6%	24.6%

Source: MHCLG 2014-based household projections

93. Similarly, the household projections show that the main change in households in Purbeck with dependent children will be for those with one dependent child, more than double the increase in those with two dependent children. The number of households with three or more dependent children is expected to decrease. These changes point towards a significant need to prioritise smaller homes in Wareham, and no obvious need for large family homes, to accommodate these changes, which over the 25 year period are likely to be broadly similar given their relative correlation in the years between 2001 and 2011.

<sup>9</sup><https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/articles/householdsandhouseholdcompositioninenglandandwales/2014-05-29>

**Table 4-9: MHCLG Household Projections for Purbeck by number of dependent children**

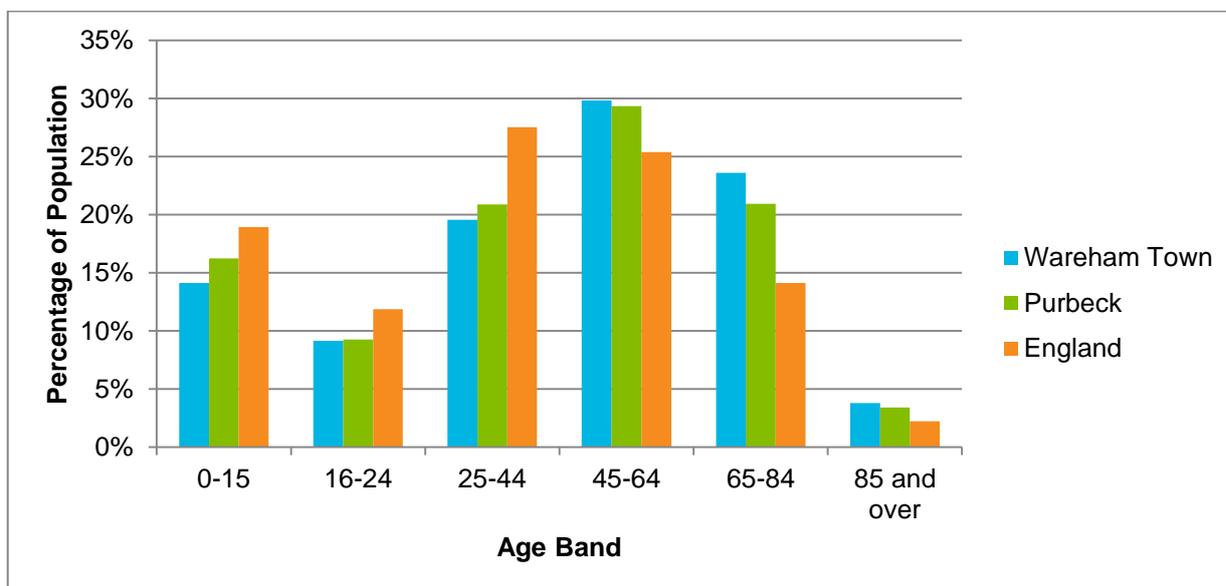
	With no dependent children	With one dependent child	With two dependent children	With three or more dependent children
<b>2014</b>	15,210	2,070	1,983	741
<b>2039</b>	17,626	2,450	2,124	681
<b>Change</b>	2,416	380	141	-60
<b>% Change</b>	15.9%	18.4%	7.1%	-8.1%

Source: MHCLG 2014-based household projections

#### 4.4 Factors affecting size of housing needed: age structure

- 94. Given that the way the census considers household composition is clearly related in part to age and different stages in life, it is also relevant to consider the age structure of the population in Wareham. In this context, it is important to be clear that the PPG states, “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>10</sup>
- 95. That is to say that whilst projections, not least those produced by the ONS itself, will inevitably be based on past demographic trends, policy makers may wish to think strategically about the demographics of the area given that, as the PPG states, “Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns.”<sup>11</sup> Indeed, research undertaken by WTC has already shown that the labour force for some of the employment land in the town primarily comes from larger settlements such as Poole.
- 96. Turning to our analysis of the age structure of Wareham currently, Figure 4-1 below shows clearly that Wareham’s population is relatively older than that of both Purbeck, and much more significantly so than England, focused on those aged 45 and over. Conversely, younger people are underrepresented in comparison with both the district and the country, although rates are broadly similar, particularly for those aged 16-24.

**Figure 4-1: Age Structure in Wareham**



Source: Census 2001/2011, AECOM Calculations

- 97. The most significant difference then between Wareham and Purbeck is in the 65-84 age group, with 143 more people of this age than would be expected than the district average. Clearly there is a correlation between these older people and the larger number of single person households, as well as larger homes, noted above. Indeed,

<sup>10</sup> PPG Paragraph: 021 Reference ID: 2a-021-20160401

<sup>11</sup> Ibid.

the 1504 people in Wareham aged 65+ in 2011 made up a total of 866 households where the head of the household was aged 65 or over (not including those falling into the 'Other' household category, which could include those living in communal facilities and those living in multi-family households).

- 98. Very approximately then, this figure breaks down into 513 households aged 65+ with a single person, and 353 households aged 65+ with more than one person. This implies that there are significantly more elderly households with people living alone than there are living as a couple, translating into approximately 3 elderly people living alone for every 2 households living as a couple, although in practical terms there are more elderly people overall living as a couple (2\*353 couples=706, verses 513 living alone).
- 99. Table 4-10 below provides an understanding of how the age structure has changed between the 2001 and 2011 Census. Wareham Town and Purbeck as a whole saw a decrease in the 0-15 age group, but whereas Purbeck had a corresponding increase in the 16-24 age group, this was mirrored in Wareham where numbers remained broadly static. There was also a significant fall in the 25-44 age groups (greater in Wareham than Purbeck). Indeed, in relation to England, the trend seems to be clearly that any difference in trends between England and Purbeck is even more the case for Wareham, e.g. the increase in all those aged 65+ being greater in Purbeck than England, and being greater in Wareham even than in Purbeck. The increase in the oldest age group was also large, although this was from a relatively small base of 167 people in 2001, making up just 3% of the total population.

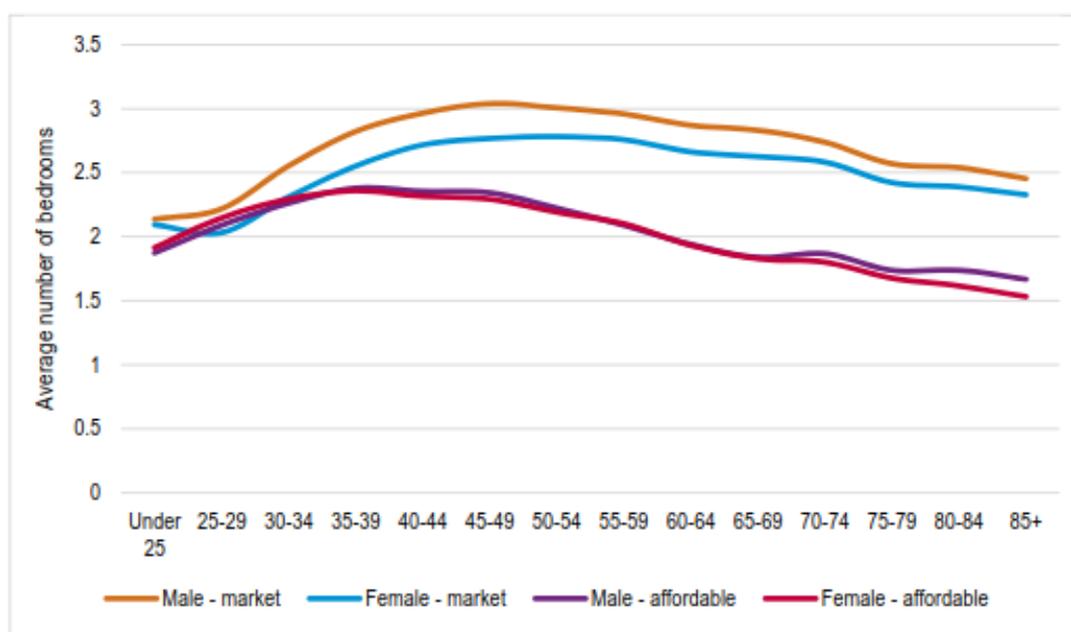
**Table 4-10: Rate of change in the age structure of the population of Wareham, 2001-2011**

Age group	2001	+ 10yr	Wareham Town	Purbeck	England
0-15	872	-97	-11.1%	-10.1%	1.2%
16-24	494	9	1.8%	14.2%	17.2%
25-44	1310	-236	-18.0%	-12.9%	1.4%
45-64	1673	-33	-2.0%	8.0%	15.2%
65-84	1149	147	12.8%	11.6%	9.1%
85 and over	167	41	24.6%	24.0%	23.7%

Source: Census 2011, AECOM Calculations

- 100. The significance of these changes for the housing stock and the extent to which it meets local needs is demonstrated by the figure below, which reproduces Figure 64 from SHMA15, using data for the whole of Purbeck. Due to data protection rules, data of this kind for smaller geographies (e.g. Wareham) is not produced as part of the census. The figure shows clearly how housing of different sizes is occupied by those in different age groups, with households headed by someone in the 45-49 age group occupying the largest homes on average in the market sector, whilst in the affordable sector those in the 35-39 group occupied the largest homes.

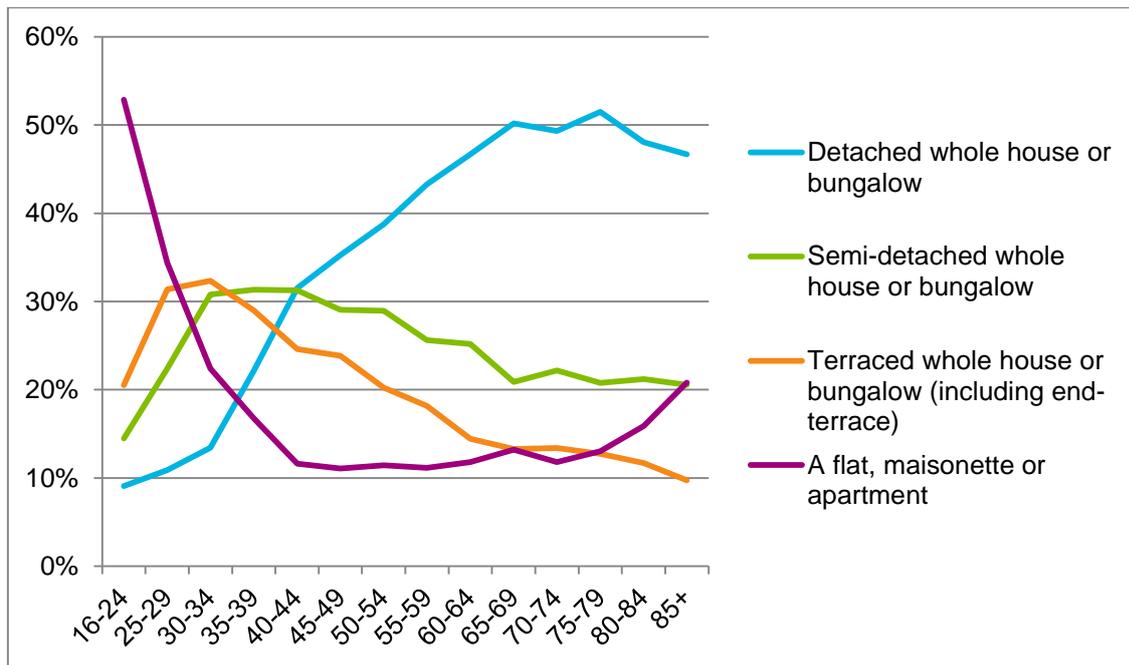
**Figure 4-2: Average Bedrooms by Age, Sex and Tenure**



Source: SHMA15

- 101. Also notable is that homes in the affordable sector are on average smaller, as might be expected, although the average difference between the two sectors amounted to just a single bedroom for most age groups. It is important to note that the data shows only the average number of bedrooms, and as such masks extremes, particularly in the market sector where a significant number of two and three room properties may balance out some of the larger properties.
- 102. Indeed, this data can be supplemented with census data shown in the figure below, of how different age groups occupy different types of homes in Purbeck. Most significant here is the shift, for those aged 70 and over, towards flats, and away from larger housing types, particularly detached homes.
- 103. It is interesting also to note that flats and apartments are particularly popular with younger people, but overtaken by terraced and semi-detached homes by the time these adults reach the 30-34 age group, with detached houses becoming popular for those aged 40 and over right through to old age (with a small resurgence in the desire for flats and apartments for those aged 75+).

**Figure 4-3: Types of homes occupied by different age groups in Purbeck, 2011**



Source: Census 2011, AECOM Calculations

### 4.5 The housing market context

- 104. Given recent shifts in age structure and household composition in Wareham, it is necessary to understand the wider housing market context and how this relates to the future housing needs of the NA.
- 105. SHMA15 puts forward the following mix of homes in the market and affordable sectors for the whole of the HMA. This suggests broadly that affordable dwellings should be focused on smaller housing types, particularly 1 and 2 bed properties, and that market dwellings should be focused on mid-sized housing types, particularly 2 and 3 bed properties. Overall, the most significant focus across both sectors should be 2 bedroom properties.

**Figure 4-4: Recommended Housing Mix for the Eastern Dorset Housing Market Area**

	1-bed	2-bed	3-bed	4+ bed
<b>Market</b>	10%	45%	35%	10%
<b>Affordable</b>	35-40%	30-35%	20-25%	5-10%
<b>All dwellings</b>	20%	40%	30%	10%

Source: SHMA15

- 106. However, looking in more detail at the estimates presented by SHMA15, we can see that the market housing specified for Purbeck alone tends to be somewhat more focused on 3 bedroom properties than for the rest of the

HMA, whilst for affordable dwellings there is slightly less emphasis on 1 bedroom homes and more emphasis on 3 bedroom homes. This reflects differences in housing need at the local authority level.

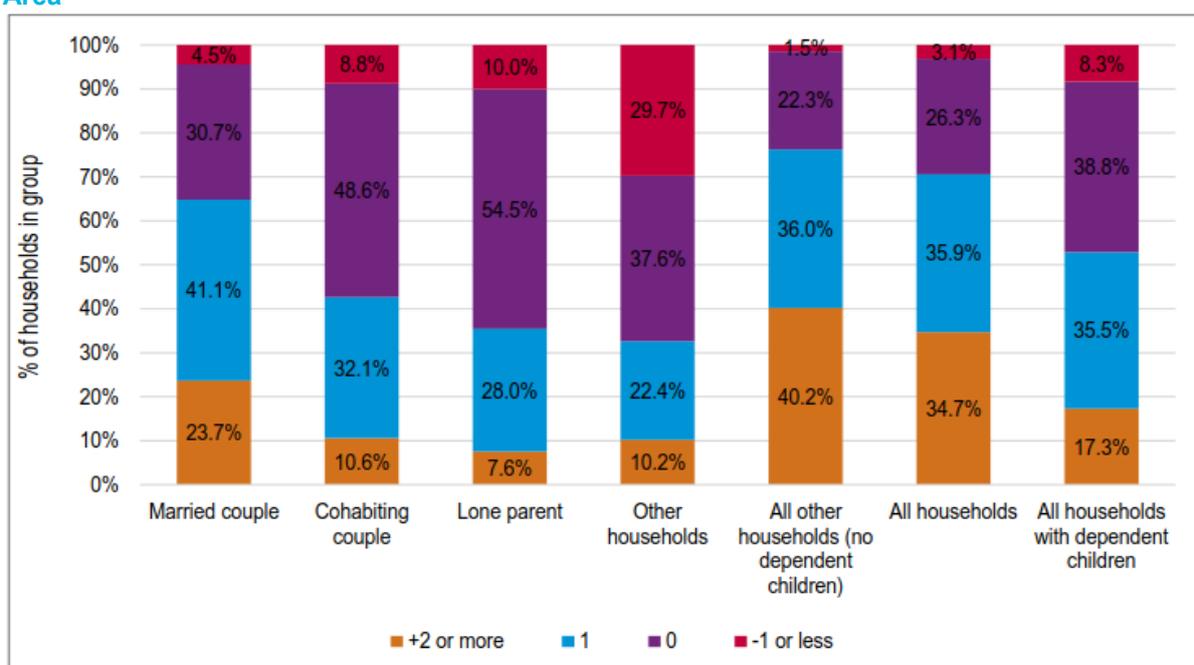
**Figure 4-5: Recommended Housing Mix for Purbeck**

	1-bed	2-bed	3-bed	4+ bed
Market	5%	25%	45%	25%
Affordable	25-30%	30-35%	30-35%	5-10%
All dwellings	15%	30%	40%	15%

Source: SHMA15

- 107. Part of the task of this HNA is to consider whether, based on local data for Wareham, there is clear evidence of how the recommendations put forward for by the SHMA can be refined according to local characteristics, in this case with regards to the type and size of housing that will be needed in future in Wareham. Whilst much of the data used by the SHMA to calculate these estimates is only available down to local authority level and not available at the level of individual parishes, it is certainly possible to consider in broad terms the extent to which these recommendations are appropriate for Wareham.
- 108. Clearly, different types of households can occupy the same housing quite differently, as discussed in the beginning of this chapter. The figure on the following page reproduces Figure 81 from SHMA15, which shows data on different household types and their occupancy rating, that is, the number of rooms per person. The occupancy rating is derived by subtracting the notional number of rooms deemed to be required by a household (according to its age and composition), from the actual number of rooms they occupy.
- 109. This is helpful because it begins to explain the growth in households occupying larger dwellings discussed above, as the figure shows that approximately 36% of all households have an 'extra' bedroom, and a similar percentage, 35%, have 2 or more extra bedrooms. It is important to again emphasize that this is a completely natural feature of the housing market, as people tend to consume as much housing as they can afford and it is clear that people do not 'down-size' simply because their children are no longer dependent and have moved out of the family home.
- 110. It is particularly interesting to note that the percentage of households with one extra bedroom is broadly the same between those households with dependent children and those with no dependent children, with the difference mainly being that there are far more people with no extra bedrooms in households with dependent children, and far more households with two extra bedrooms in those without.

**Figure 4-6: Occupancy rating (bedrooms) for households in the Eastern Dorset Housing Market Area**



Source: SHMA15

Occupancy Rating (extra bedrooms)

111. Census data on occupancy ratings for Wareham itself suggest that 57% of all households have two or more extra bedrooms<sup>12</sup>, a significantly slightly higher level of under-occupancy than across the housing market area. It is interesting to break these down by household type<sup>13</sup>, considering only those with 2+ rooms as shown in the table below.

**Table 4-11: Patterns of Over-Occupancy in Wareham, 2+ occupancy rating (rooms) by household type**

Type of Household	Sub-Category of Household	Percentage of All Households
One person households	Under 65	11%
	Over 65	7%
Couples with children	Dependent	9%
	Non Dependent	4%
Couples with no children living at home		14%
Couples over 65		11%
Other Households		1%
<b>All households under occupying</b>		<b>57%</b>

Source: Census 2011

112. The table confirms that it is couples with *no* children living at home who make up the largest share of households under occupying, followed closely by older person households (one person households under 65 and couples over 65)
113. Clearly such levels of over occupancy do not relate to housing need, but rather to market preferences and economics (for housebuilders and homeowners), and represents the real-world market dynamics that the housing market operates within.

## 4.6 Conclusion: types and sizes of housing needed

114. Bringing together the evidence from our consideration of household composition and age structure in Wareham in comparison to Purbeck, as well as the understanding of the housing market context, our findings suggest there is likely to be a significant need for mid-sized homes of two and three bedrooms. It may be appropriate that a reasonable proportion are provided as apartments or flats, to provide more of this stock type (and lesson the scope for these smaller dwelling types to be extended). Our reasoning is set out below:
115. There are fewer flats and apartments in Wareham than in the district, particularly more spacious two bedroom apartments.
116. There has been a significant increase in larger (8 or more room) homes in Wareham (from 6.8% to 9.5%), and alongside this an actual decrease in the number of mid-sized homes of 4-5 rooms (from 48.3% to 45.5%), which are typically 2-3 bedroom homes within the stock. This is of concern given the demographic shifts described below.
117. The town has fewer households with children than the district and far more one person households, mainly aged 65 and over, such that Wareham's average household is significantly smaller than that of Purbeck. Trends and projections suggest there will be significant increases in such households across the district, alongside possible decreases in households with children overall, particularly those with multiple children, as well as further increases in single person households of all ages.
118. These features are typical of an ageing population, and indeed the elderly population is forecast to increase the most across of any group within the district. However there is also a forecast increase in households without children, which could present challenges in policy terms as such households are more likely to under occupy housing. In general however, there is a clear need for 2-3 bedroom homes appropriate for smaller households, with the average household in the district forecast to fall further in future years.
119. In terms of the housing market across Purbeck, there is a clear trend of older people downsizing, with a greater tendency to choose a flat or apartment, in both the affordable and market housing sectors, with those in affordable housing having on average 1.5 bedrooms towards the end of their lives (implying a ratio of 50/50 1 and 2 bedroom properties) and those in market sector having 2.5 bedrooms on average (implying a ratio of 50/50 2 and 3 bed).

<sup>12</sup> <https://www.nomisweb.co.uk/census/2011/qs412ew>

<sup>13</sup> <https://www.nomisweb.co.uk/census/2011/LC4105EW>

120. It is worth considering whether developing other housing types for the elderly other than flats could incentivise more older people to move, or whether an increased number of flats and apartments, potentially including larger 2 bedroom properties, could meet the needs of a growing older population who may wish to downsize into smaller properties.
121. Given this trend, it is reasonable to suggest that one bedroom properties would not be particularly appropriate in the market sector in Wareham, unless these encompass specialist housing for the elderly with some form of support, as households choosing additional bedrooms may be doing so to ensure their care and social needs are met in later years.
122. As such, reflecting on the recommendations for housing mix put forward by the SHMA15, this HNA would recommend that Wareham may have a greater need for 2 bedroom flats and houses across both tenures than is suggested by the SHMA, given the characteristics of the existing households, housing stock, and market dynamics discussed above, with the exception of specialist dwellings for the elderly, as addressed in Chapter 6. Our recommendation is that 50% of all new dwellings should be 2 bedrooms, versus the 45% suggested across both affordable and market tenures for the SHMA.

## 5. Tenure

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

123. The provision of affordable housing is critical to the continuation of most communities as viable settlements; it needs, however, to be understood in relation to other tenures. The PPG states that HNAs should investigate household tenure in the current stock and recent supply, and make an assessment, based on a reasonable interpretation of the evidence gathered, whether continuation of these trends would meet future needs or 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>14</sup>

### 5.1 Background and definitions

124. It is necessary at this stage of the study to make clear the distinction between affordable homes as a piece of 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 National Planning Policy Framework (NPPF): social, affordable rented and various forms of intermediate housing. To distinguish this from the colloquial definition, we refer to the latter as Affordable Market Housing (AMH).
125. In this paragraph, we briefly review the proposed reforms to the definition of AH set out in the Government's Housing White Paper published in February 2017. These reforms make clear its commitment to home ownership but recognise the important role of affordable rent for those not currently seeking home ownership. The changes proposed would broaden the definition of affordable housing, supporting 'present and future innovation by housing providers in meeting the needs of a wide range of households who are unable to access market housing'. This would include 'products that are analogous to low-cost market housing or intermediate rent, such as discount market sales or innovative rent to buy housing. Some of these products may not be subject to 'in perpetuity' restrictions or have recycled subsidy'.
126. The Housing and Planning Act 2016 made provision for a new simplified definition of affordable housing as 'new dwellings...to be made available for people whose needs are not adequately served by the commercial housing market'<sup>15</sup>. Secondary legislation is required to implement this definition, necessitating further parliamentary debate<sup>16</sup>.
127. The Housing White Paper<sup>17</sup> confirms that a revised definition of AH will be brought forward through changes to the NPPF in early 2018. The draft revised NPPF has now been published (March 2018), proposing a definition as 'housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following criteria<sup>18</sup>:
- **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

<sup>14</sup> PPG Paragraph: 021 Reference ID: 2a-021-20160401

<sup>15</sup> Housing and Planning Act 2016, part 6, section 159 (4)

<sup>16</sup> Section 159(2) of the Act inserts '(3ZB) No regulations may be made under section 106ZB [which contains the updated definition of affordable housing] unless a draft of the instrument containing the regulations has been laid before, and approved by a resolution of, each House of Parliament'

<sup>17</sup> DCLG (2017) Fixing our Broken Housing Market (para A.120)

<sup>18</sup>

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

128. A transition period is proposed to enable a review of local policies, with the policies in the previous framework applying for the purpose of examining plans, where those plans are submitted within six months of the date of the final framework's publication. I. The draft NPPF also includes a requirement for sites of 10 units or more to ensure that at least 10% of all homes are affordable home ownership products, including Starter Homes, shared ownership homes and homes available for discount market sale.

## 5.2 Current tenure profile

129. The PPG states that HNAs should investigate household tenure in the current stock and recent supply, and make an assessment, based on a reasonable interpretation of the evidence gathered, whether continuation of these trends would meet future needs or whether, on account of significant misalignments between supply of housing and local need/demand, policies should support a change to the profile of tenure within the NA's housing stock.<sup>19</sup>

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

Tenure	Wareham Town	Purbeck	England
Owned; total	68.1%	69.5%	63.3%
Shared ownership	0.5%	0.8%	0.8%
Social rented; total	15.9%	12.5%	17.7%
Private rented; total	14.4%	15.3%	16.8%
Living rent free	1.0%	1.8%	1.3%

Source: Census 2011, AECOM Calculations

130. Table 5-1 above presents Census data from 2011 that shows that overall Wareham and Purbeck follow national trends to a certain extent, with the exception of home ownership and social rent. While the proportion of socially rented dwellings in Wareham Town is smaller than national trends (but above district levels), home ownership is prevalent, with 5% more home ownership in Wareham Town than in the rest of the country (and slightly more in Purbeck). This is matched by rates of private renting that are somewhat lower than in the district and the nation. Shared ownership is also significantly lower than in either Purbeck or England, though overall volumes are low in all cases.

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

Tenure	Wareham Town	Purbeck	England
Owned; total	-3.4%	-0.5%	0.4%
Shared ownership	-36.4%	35.2%	30.0%
Social rented; total	10.9%	9.8%	-0.9%
Private rented; total	34.8%	77.0%	106.6%

Source: Census 2001/2011, AECOM Calculations

<sup>19</sup> PPG Paragraph: 021 Reference ID: 2a-021-20160401

Table 5-2 on the previous page and Table 5-3 below allow us to take a longitudinal perspective, identifying how the tenure profile of the NA has changed between the two last Censuses. From this, it is possible to detect a significant trend towards more social housing compared to England as a whole, and a reduction in shared ownership properties not reflected locally or nationally and weaker growth in private rented stock. It should be noted however that this data does not include unoccupied household spaces such as second homes, of which there were approximately 54 in the parish in 2017<sup>20</sup>, as tenure is not reported for these; nor does it include any dwellings completed since 2011.

**Table 5-3: Households by tenure in Wareham Town, 2001-2011**

	2001	2001	2011	2011	2001-2011	2001-2011
	Wareham Town	Purbeck	Wareham Town	Purbeck	Wareham Town	Purbeck
All categories: Tenure	2545	18804	2557	19583	12	779
Owned: Total	1803	13675	1742	13613	-61	-62
Shared ownership (part owned and part rented)	19	122	14	165	-5	43
Social rented: Total	367	2227	407	2446	40	219
Private rented: Total	273	1698	368	3005	95	1307

Source: Census 2001/2011, AECOM Calculations

131. In both the NA and the district, there has been a significant increase (of about 10%) in the number of socially rented tenures between 2001 and 2011, whilst the tenure was decreasing as a share of all dwellings in England as a whole. On the other hand, in Wareham, home ownership has declined, by 3.4%, which is more than the decline observed at regional and national levels. Despite both the increase and decrease described above, home ownership remained the prevalent tenure in Wareham Town in 2011.
132. Shared ownership is a type of tenure that rose nationally and at the district level, although it has plummeted in WT. This decrease of 5 shared ownership-types of tenures could be explained by households becoming full owners after buying the remaining shares needed to own their homes fully.
133. Finally, the rate of change in the private rented sector in WT also differs significantly from the regional and national trend; despite being on the rise in Wareham Town, they grew about 50% less than in the district or England.
134. Bringing the evidence relating to the current tenure profile together, three key trends emerge:
- i. the dominance of owner-occupation;
  - ii. for rented dwellings: the dominance of social rent, with much more growth in the private rental sector during the last 10 years (although less significant than observed in the district and in England); and
  - iii. The relative lack of shared ownership properties in the context of the significant growth in this sector in the district and nationally.
135. We are now in a position to consider evidence relating to the affordability of housing and what this tells us about whether the current trends in tenure profile are likely to satisfy current and future community needs.

### 5.3 Factors affecting affordable housing needs: Affordability

136. Affordability considers the relationship between the price of a good, and the resources available to purchase it. By using different indicators which look at the relationship between income and prices, it is possible to understand the relative affordability of housing in the NA.
137. Whilst local income data is difficult to obtain for small geographical areas such as individual parishes, it is still possible to make an assessment of local needs and how it might be misaligned with the supply of housing, and bring evidence on which to build housing policies. Planning policy can seek to influence tenure of new build homes so as to, over time, bring the NA's housing stock into closer alignment with current and future demands.
138. In assessing affordability, we present two primary indicators, firstly affordability of housing expressed as a multiple of household income, known as the 'Affordability Ratio'. Secondly 'Income Thresholds'. The latter denotes the

<sup>20</sup> SHBP17, pp.32

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.

### 5.3.1 Affordability Ratios

139. To assess the affordability ratio in Wareham, we first consider home ownership (which has been declining slightly in the NA). To do so, and in line with Planning Practice Guidance, we reviewed evidence of affordability by looking specifically at the relationship between lower quartile house prices and incomes, using the Lower Quartile Affordability Ratio (LQAR). This is helpful both as a way of understanding the extent to which those on lower incomes can access entry-level houses for sale and the relative affordability of housing in the NA compared to other places.

140. The SHMA15 calculated both the LQAR and Median Affordability Ratio (MAR) for Purbeck and compared it with other districts in the sub-region in 2013, shown in Figure 5-1. Of the ten areas that appear in the Figure 5-1, Christchurch, East Dorset and Purbeck have the largest LQAR, suggesting those households on lower quartile incomes have greatest difficulty in accessing dwellings suited to their needs in these areas. Purbeck is the third most unaffordable area with house prices 9.87 times lower quartile earnings. The LQAR in the area is higher than the MAR by 1.15 point, which suggests more affordability pressures for the 25% of the population at the lower end of the income scale.

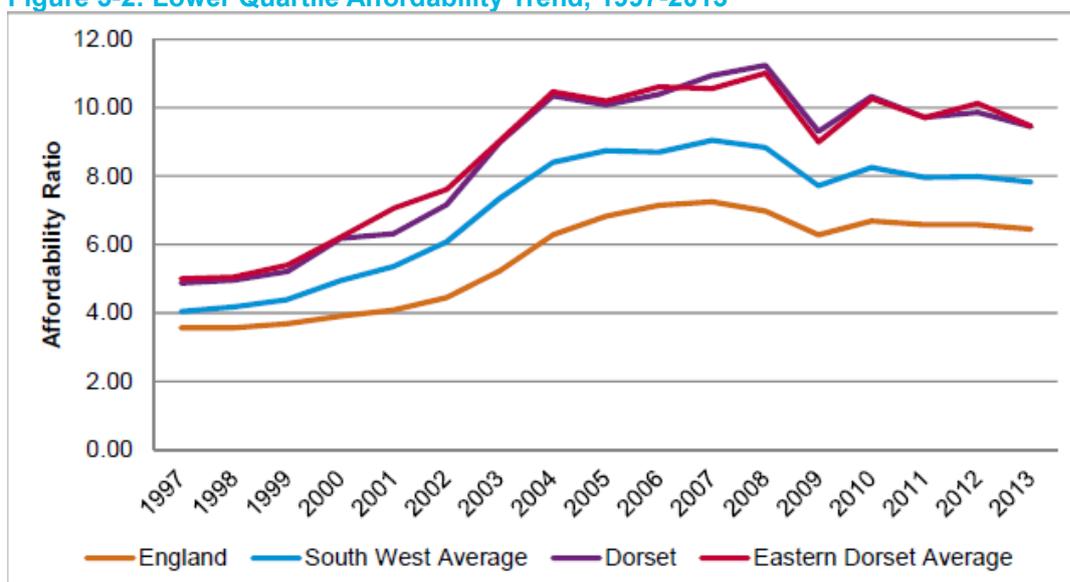
**Figure 5-1: Affordability Ratios, 2013**

	Lower Quartile Ratio	Median Ratio	Difference
Bournemouth	7.64	7.52	-0.12
Poole	9.18	8.36	-0.82
Christchurch	9.89	9.69	-0.20
East Dorset	10.87	10.77	-0.10
North Dorset	9.29	10.15	0.85
Purbeck	9.87	8.72	-1.15
Eastern Dorset	9.46	9.20	-0.26
Dorset	9.44	9.45	0.01
South West	7.82	7.33	-0.49
England	6.45	6.72	0.27

Source: SHMA15, MHCLG Live Tables: Land Registry Data

141. There is evidence in Figure 5-2 to suggest that these affordability ratios have worsened quite markedly over the past 15 years, although they have somewhat stabilised since 2008. Affordability pressures remain acute in Eastern Dorset compared to the South West and even more critical relative to England as a whole.

**Figure 5-2: Lower Quartile Affordability Trend, 1997-2013**



Source: SHMA15, MHCLG Live Tables: Land Registry Data

142. In Table 5-4 below, we have used Land Registry data to calculate the LQAR for Wareham between 2013 and 2015. It must be highlighted that the Lower Quartile Income used to calculate that ratio, used that of Purbeck as a proxy, as the ONS does not publish lower quartile incomes data at the parish-level. The LQAR for Wareham is compared to that of Purbeck, neighbouring districts and England<sup>21</sup>.
143. The evidence suggests that affordability levels in Wareham worsened more rapidly than in Purbeck and the rest of the HMA (with the exception of Christchurch). Affordability pressures are particularly acute in the NA; however, in 2013 and 2014 they did not differ much from that of the district – the gap became more notable in 2015 but this may in part be by the new-build homes released on the market that year, that account for 33 of 131 sales. Indeed, whilst the average price for new-builds in 2015 was actually £312,254, less than the average for existing properties (£327,618), it is interesting to note that the median price was much higher for new builds (£346,000) versus £260,000 for existing homes in 2015, thus somewhat explaining the jump in LQAR seen below.

**Table 5-4: Lower Quartile Affordability Trend**

	Lower Quartile Ratio			Increase
	2013	2014	2015	2013-2015
Bournemouth	7.71	8.52	8.41	9.08%
Poole	9.19	9.55	9.78	6.42%
Christchurch	10.75	10.91	12.65	17.67%
East Dorset	11.63	11.78	12.42	6.79%
North Dorset	9	9.17	9.47	5.22%
Purbeck	10.12	11.22	10.52	3.95%
<b>Wareham</b>	<b>10.01</b>	<b>11.15</b>	<b>11.27</b>	<b>12.59%</b>
England	6.57	6.91	7.11	8.22%

Source: ONS (2017), AECOM Calculations

144. Bringing the evidence together, fewer households are able to become homeowners because of an increasing affordability ratio, i.e. a marked move towards housing being less affordable. This has resulted in a substantial growth in PRS as noted above. Moreover, the SHMA15 states that: “A combination of the deteriorating affordability of market homes, restricted access to mortgage products and a lack of social housing supply over the 2001-11 decade has resulted in fewer households being able to buy and increased pressures on the existing affordable housing stock. This has resulted in strong growth in the private rented sector as households are being forced to rent longer<sup>22</sup>.” Given acute levels of affordability pressures, it could be seen as surprising that this has only resulted in a 34.8% growth in the PRS in Wareham Town compared to 77% in Purbeck. It is not yet clear whether the recent reduction in tax reliefs for the PRS will further subdue growth in this sector in the local area.

### 5.3.2 Income and purchase thresholds

145. The relative decrease in home ownership might be explained by acute affordability pressures, pushing people to move to the PRS. The PRS has therefore grown substantially in the NA but much less so than in the rest of the district. This might be explained by increasing affordability pressures in the PRS as well, and constraints on the supply of stock suitable for rental.
146. To develop an understanding of the affordability of rental properties, the notion of ‘income thresholds’ is used. The notion suggests that only a certain proportion of a household’s income should be spent on accommodation so as to retain enough money for other essential items, as well as for discretionary spending.
147. The SHMA15 comments that “whilst 25% of income is the threshold suggested by 2007 SHMA Guidance, it is recognised that what is considered affordable can vary and that local circumstances may justify an alternative figure.” In the case of the SHMA15, a 30% threshold has been used<sup>23</sup>.

<sup>21</sup> ONS (2017), ‘Ratio of house price to residence-based earnings (lower quartile and median), 2002 to 2016’, [online] available to download via <<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/adhocs/006557ratioofhousepricetoearningslowerquartileandmedianbylocalauthoritydistrictenglandandwales1997to2015>>

<sup>22</sup> SHMA p.116

<sup>23</sup> Ibid.

148. As shown in the previous section, approximately 20% of housing in Wareham is for private or social rent. The figure below shows lower quartile rent for different house sizes. It indicates that Purbeck ranks joint third highest out of six in terms of rents.

**Figure 5-3: Lower quartile private rents (year to March 2014)**

Dwelling size	Bournemouth	Christchurch	East Dorset	North Dorset	Poole	Purbeck
Room only	£303	-	-	£336	£295	-
Studio	£410	£400	£400	£325	£420	-
1 bedroom	£525	£545	£545	£425	£545	£500
2 bedrooms	£650	£675	£675	£550	£650	£625
3 bedrooms	£850	£850	£800	£675	£800	£750
4+ bedrooms	£1,100	£1,095	£1,150	£895	£1,005	£925
All dwellings	£550	£650	£675	£525	£625	£625

Source: SHMA15/Valuation Office Agency

149. Based on these figures and the affordability threshold discussed above, it is possible to calculate the income that would have been required in 2014 to afford such rents, as shown in Table 5-5 below.

150. To establish affordability, we identify an entry level dwelling as a dwelling suited to a newly forming household consisting of 1-3 individuals. Such a home would require 3-4 habitable rooms (a flat or house with two bedrooms). The income needed annually to be able to rent this type of dwelling in the private sector would be £25,000.

**Table 5-5: Income required to afford entry-level rents by number of bedrooms, 2014**

	1 bedroom	2 bedroom	3 bedroom	4 bedroom	All dwellings
Rent/month (£)	500	625	750	925	625
Annual income required based on 30% threshold (£)	20,000	25,000	30,000	37,000	25,000

Source: SHMA2015, AECOM Calculations

151. We then compare the findings of Table 5-5 with lower quarter incomes in 2014 in Purbeck<sup>24</sup>. The lower quartile annual income is £16,931 which is not enough to afford to rent an 'entry level' dwelling.

152. More recent data about monthly rents allows comparison of the evolution in price between different districts. From this, it emerges that Purbeck has experienced the most substantial growth in rates, suggesting that fewer people can afford market housing and illustrates strong demand contributing to driving prices up.

**Table 5-6: Monthly rent growth between 2014 and 2017**

	Purbeck	Bournemouth	Christchurch	East Dorset	North Dorset	Poole
1 bedroom	5.00%	4.76%	5.50%	5.50%	5.88%	5.50%
2 bedrooms	8.00%	7.69%	7.11%	7.41%	4.55%	7.69%
3 bedrooms	6.00%	5.29%	5.88%	12.50%	7.41%	9.38%
4+ bedrooms	6.27%	18.18%	-4.11%	7.65%	4.47%	9.45%
All dwellings	11.20%	7.27%	9.23%	4.44%	9.52%	8.00%

Source: MHCLG Live Tables, AECOM Calculations

153. The same approach can also be applied to understand the relative affordability of level-entry social rents and house prices.

<sup>24</sup> ONS (2017), 'Ratio of house price to residence-based earnings (lower quartile and median), 2002 to 2016', [online] available to download via <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/adhocs/006557ratioofhousepricetoearningslowerquartileandmedianbylocalauthoritydistrictenglandandwales1997to2015>

154. Traditionally the main type of affordable housing available in an area is socially rented housing. The cost of social rented accommodation by dwelling size can be obtained from Continuous Recording (CORE) – a national information source on socially rented lettings.
155. Below we reproduce Table 27 from the SHMA15, as it is not possible to retrieve this data at the NA level. There is a difference of £248 between entry-level rents in the private sector and social rent levels rents.

**Table 5-7: Monthly social rent levels**

Dwelling size	Bourne-mouth	Christ-church	East Dorset	North Dorset	Poole	Purbeck
1 bedroom – average	£364	£371	£361	£385	£354	£354
2 bedrooms – average	£373	£433	£427	£420	£391	£447
3+ bedrooms – average	£485	£500	£472	£483	£423	£429
Lower quartile (all sizes)	£362	£381	£367	£397	£359	£377

Source: SHMA, CoRe (2014)

156. In Table 5-8 below, we have used the data from the SHMA15 to calculate the income required to afford social rents. Households with lower quartile incomes will struggle to afford rent for dwellings bigger than 1-bedroom. It is also worth noting that 2-bedroom flats are more expensive to rent than 3-bedroom flats. As we have seen in Chapter 4, given that the trend in the NA is for smaller and older households, most socially-rented dwellings should be 1 to 2 bedroom dwellings to satisfy the needs.

**Table 5-8: Income required to afford social rents, by number of bedrooms, 2014**

	1 bedroom	2 bedroom	3 bedroom	All dwellings
Rent/month	354	447	429	377
Annual income required based on 30% threshold	14,160	17,880	17,160	15,080

Source: SHMA15, AECOM Calculations

157. The annual cost of home ownership can also be estimated using the 'purchase threshold'. We have reproduced Table 24 from the SHMA15 as Figure 5-4 to understand the position of Purbeck relative to other districts regarding entry-level costs. From looking at the lower quartile across all dwellings types, the analysis shows a figure between £152,000 (Bournemouth) and £225,000 (East Dorset). Purbeck is in between with a lower quartile sale price of £190,000. Terraced house would be the closest proxy to what we have defined as an entry-level dwelling. It shows a figure of between £199,900 (Christchurch) and £142,000 (North Dorset). The price for the second highest lower quartile price of terraced housing is £185,000 for Purbeck, which has the second highest lower quartile price of terraced housing.

**Figure 5-4: Lower quartile sales prices by type, 2014**

Dwelling type	Bourne-mouth	Christ-church	East Dorset	North Dorset	Poole	Purbeck
Flat	£123,500	£131,400	£120,000	£78,500	£135,000	£136,000
Terraced	£172,800	£199,900	£174,500	£142,000	£172,100	£185,000
Semi-detached	£190,000	£224,000	£217,400	£175,500	£190,000	£198,500
Detached	£240,000	£285,100	£288,000	£240,000	£236,400	£271,000
All dwellings	£152,000	£198,000	£225,000	£162,500	£180,000	£190,000

Source: SHMA15, Land Registry PPD

158. We then calculated what would be the lower quartile sale price for Wareham based on 2014 Price Paid Data from the Land Registry to understand how it compared to the district. Overall Wareham has lower entry-level costs, except for terraced types and semi-detached. It is worth-noting that terraced dwellings in Wareham have much higher entry-level costs than in other districts of the South-West, higher even than Christchurch where entry-level prices are the highest of any district in Dorset. Considering that terraced housing is the closest proxy to entry-level dwellings, this illustrates high affordability pressures for households on lower quartile incomes.

**Table 5-9: Lower quartile sales prices by type, 2014**

Dwelling type	Wareham Town	Purbeck
Flat	131,000	136,000
Terraced	205,000	185,000
Semi-detached	205,750	198,500
Detached	268,000	271,000
All dwellings	188,750	190,000

Source: Land Registry PPD, AECOM Calculation

159. Using the ONS' property affordability calculator, an entry level property<sup>25</sup> costed on average £234,000 as of 2018 in Wareham. Assuming a 10% deposit and a lending criterion (how many times income a mortgage provider is prepared to lend you in) of 3.5, the Purchase Threshold for an entry-level property in Wareham is £60,171. Considering the average annual household income was £32,872 (see Figure 5-5) and assuming the median is slightly lower, this might explain growing demand for PRS. Indeed, the shortage of property for local first-time buyers at an affordable price was highlighted in surveys of local estate agents undertaken on behalf of WTC as part of their Housing Needs Study.
160. Intermediate forms of home ownership would, therefore, have the potential to help these median income households accessing home ownership. For example, the purchase threshold for Starter Homes can be calculated. Starter Homes should be offered for sale at a minimum of 20% below its open market value of the property<sup>26</sup>. We have seen that an entry level property costed on average £234,000 as of 2018 in Wareham. Allowing for a 10% deposit would reduce the value of a Lower Quartile property to £210,600. We then apply a further discount of 20% to arrive at the approximate selling price of a Starter Home of £163,800. Dividing this figure by 3.5 produces a threshold of £46,800. This is still above the annual average household income of £32,872, but contributes to lowering the affordability ratio and is within reach of first-time home buyers earning more than the average income.
161. In order to generate an understanding of affordability among newly forming households (NFH) specifically, relying on the Survey of English Homes [SEH], newly forming households have approximately 66% of the average income of all households<sup>27</sup>. If the mean income in Wareham is £32,872, the average income of NFH will therefore be £21,696. This suggests that NFH would be unable to afford Starter Homes.

<sup>25</sup> The term 'entry level' or 'low to mid-priced property' here refers to the lower quartile price paid for residential properties. If all properties sold in a year were ranked from highest to lowest, this would be the value half-way between the bottom and the middle.

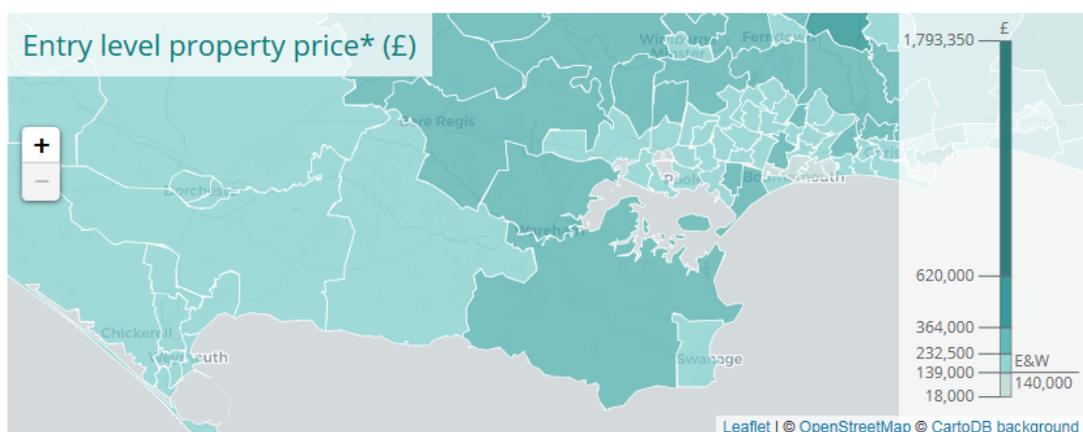
<sup>26</sup> Guidance Starter Homes. Paragraph: 003 Reference ID: 55-003-20150318

<sup>27</sup> SHMA, page91

**Figure 5-5: Property affordability in Wareham**

For an entry level\* property in this **Purbeck** neighbourhood, you will need an annual household income of around:

**£44,200**



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

## 5.4 Other indicators of affordable housing need

### 5.4.1 Housing Waiting List

- 162. So far, we have considered housing need based on a statistical understanding of affordability based on household income. A necessary additional component to quantify the need for affordable housing (AH) in the NA is identifiable demand expressed through entries on the housing needs register.
- 163. A summary of the housing register data (as extracted September 2016 and April 2018) held by Purbeck District Council for households with an interest in locating to Wareham is set out below – the change in the figures is largely due to the change of the policy where the Council no longer operate a Bronze local sustainability banding).

**Figure 5-6: Summary of housing register data (September 2016 and April 2018)**

Purbeck Housing Register	09/2016				04/2018			
	1 bed	2 bed	3 bed	4+ bed	1 bed	2 bed	3 bed	4+ bed
<b>Affordable / Social Rented</b>								
Living in Wareham	40	20	7	1	30	16	6	1
Other connection to Wareham	12	10	2	0	7	3	4	0
No connection	105	34	18	4	44	16	9	6
<b>Affordable intermediate</b>								
Living in Wareham	6	5	2	0	10	3	5	0
Other connection to Wareham	1	2	1	0	1	3	0	0
No connection	10	9	6	1	19	21	7	1

Source: Purbeck District Council – Housing Enabling Officer

- 164. Figure 5-6 above shows that most claimants need access to smaller dwellings that are either affordable or social-rented, with one bedroom dwellings of both tenures seemingly in most demand, particularly considering those already living in Wareham. It is important to remember that housing register may include people who are not strictly in need, and indeed, the change in banding policies shown in the data above. Similarly, some households may be

in housing need but maybe discouraged from registering, not least because they may feel that their application is unlikely to be accepted.

165. The data above also suggests a significant trend over the period, likely as a result of the change in policy: whilst in 2016, approximately 85% of applicants (both considering all those in need and only those with a connection to Wareham) required social rented dwellings, with the remainder in need of intermediate dwellings. However, in 2018, just 75% of those with a local connection required this tenure, versus 67% when taking those without a connection into account. Furthermore, as a result of the change in policy, the overall housing need dropped very significantly from 296 to 212, with those with a local connection dropping from 109 to 89 (for both tenures).
166. This represents about 3.3% of the total number of dwellings in the NA in 2011. The affordable housing stock should increase to accommodate these households, given that the current stock does not accommodate their needs. As, we have seen, Policy AH of the PLP1 seeks a target of 40% affordable housing all new residential development that result in a net increase of 2 or more dwellings. This percentage can be used to estimate whether, assuming Wareham meets its housing target, this policy will be sufficient to meet its needs for Affordable Housing. The viability research informing the Local Plan Review<sup>28</sup> has identified that these levels may not be sustainable without a reduction in the Community Infrastructure Levy, and therefore any conclusions based on the PLP1 targets will need to be kept under review.

#### 5.4.2 Overcrowded households

167. Other indicators are also helpful in gaining a clear understanding of affordable housing need in the NA. These include overcrowded households, those households experiencing a mismatch between the housing needed and the actual dwelling they occupy, and concealed households, that is those households who do not have sole use of basic facilities such as kitchen or bathroom, either living with a host household, often made up of family members, or living with other households, who would prefer to occupy their own home, but cannot do so for reasons of affordability<sup>29</sup>.
168. The 2011 Census showed Wareham as having 20 households experiencing overcrowding defined here as those households with an occupancy rating of more than one person per room. The same data also identified 23 households considered to be concealed, defined by the census as “a multi-family household...such as young couple living with parents”. There is likely to be some overlap between these ‘concealed’ households and those experiencing overcrowding, although this is not necessarily the case. Whilst this data merely presents a snapshot in time from 2011 and is thus somewhat outdated, it still provides a benchmark figure with which to compare the situation in the wider district.
169. Although overall these make up a small proportion of all households in Wareham (1.4%), and that this number has been decreasing, it is important to note that these households represent a growing generation of young people reaching maturity and seeking to leave the family home. If they are unable to access suitable housing within Wareham, they are likely to move elsewhere, most moving within one year. The 20-23 households can, therefore, be seen as the most visible indicator of households who would perhaps prefer to form their own households.
170. A more accurate picture of ‘concealed households’ can be seen in data for households with non-dependent children, i.e. those with children living in the household over the age of 18, and some aged 16-18. For Wareham, at the time of the last Census, 8.9% of all households fell into this type, 227 households, suggesting the phenomenon of adult children living with their parents is not uncommon in the parish. Whilst not all of these children are considered ‘concealed households’ clearly the vast majority have the potential to form their own household, and thus represent a significant source of local housing need in Wareham. Furthermore, these findings should be considered together with a decrease by 18% of the 25-44 age band between 2001 and 2011 and with the higher number of claimants in the social housing register for smaller socially rented dwellings.
171. Furthermore, the SHMA provides a percentage of households in “unsuitable housing” detailed in Figure 5-7 on the following page which can be benchmarked against our findings for overcrowded and concealed households.

<sup>28</sup> <https://www.dorsetforyou.gov.uk/media/214777/viability-assessment/pdf/viability-assessment.pdf>

<sup>29</sup> <http://webarchive.nationalarchives.gov.uk/2016010522237/http://www.ons.gov.uk/ons/rel/census/2011-census-analysis/what-does-the-2011-census-tell-us-about-concealed-families-living-in-multi-family-households-in-england-and-wales-/summary.html>

**Figure 5-7: Estimated Households in Unsuitable Housing**

Area	In unsuitable housing	Total number of households	% in unsuitable housing
Bournemouth	3,864	84,769	4.6%
Christchurch	373	21,754	1.7%
East Dorset	540	38,003	1.4%
North Dorset	587	29,361	2.0%
Poole	1,612	64,506	2.5%
Purbeck	454	19,806	2.3%
Eastern Dorset	7,429	258,199	2.9%

Source: SHMA15

172. The number of households living in unsuitable housing is lower in Purbeck than the county average and represents 2.3% of the population. This number can be compared with the total of 43 households that are either overcrowded or concealed (being aware that there may be overlap between the two groups) in 2011 or 1.7% of the total number of households.

## 5.5 Conclusion: tenures of housing needed

173. The LQAR for Wareham was 11.27 in 2015. This compares with a LQAR was Purbeck of around 10.52, suggesting that entry-level dwellings are slightly less affordable in Wareham compared with the district. Whilst this was not true in the previous two years, the decreasing affordability of Wareham was more pronounced than in Purbeck, with the LQAR having increased by more than 12% in three years. Based on the new ONS property affordability calculator, an entry-level property cost on average £234,000, which requires an annual household income of around £60,171. Considering the average annual household income was £32,872 and assuming the median is slightly lower, more than 50% of households cannot purchase entry-level properties without subsidy. Indeed, the significant uplift experienced by the PRS in Wareham between 2001 and 2011 suggests that many households earning around the median income may in recent years have turned to the PRS to satisfy their needs. Bringing these households onto the ownership ladder has the potential to free-up rented-dwellings for young and newly forming households looking to remain in Wareham, and reduce reliance on the PRS where recent tax relief changes may have subdued growth. On that basis, we would recommend that forms of 'intermediate' AH such as shared Equity, Discounted Market for Sale Housing (DMSH), or Rent-to-Buy housing be considered as part of the AH quota within the NA.
174. As regards access to the private rental market, rents are relatively affordable in Purbeck compared with other districts in the region, and entry-level rents require an average annual income of £25,000. However, this is still beyond the reach of households earning around the lower quartile annual income of £16,931 and newly-forming households earning an average income of £21,696. On that basis we recommend that forms of Affordable Rent should be considered as part of the AH quota within the NA.
175. Affordability issues will be exacerbated by further increases in house prices in the area, should trends in recent years continue, and may dampen household formation. Moreover, in order to address demographic trends that have seen a decline in those aged between 25-44 and the forecast loss of people of working age in the district, it is appropriate for planning policy to support the provision of entry-level dwellings that are more affordable for newly forming households and access to affordable forms of home ownership for households stuck in the PRS and who desire access to ownership.
176. As a final remark, the SHMA15 explains that it is difficult to pin down what proportion of additional affordable homes should be provided though different affordable tenure categories as there is a degree of overlap between different affordable housing tenures.
177. The SHMA15 recommends that 23% of housing should be intermediate with the remaining 77% being either social or affordable rented. Given the evidence above, we recommend a slightly higher level of intermediate products. A more detailed analysis by tenure type is available in Appendix A.

## 6. Specialist Housing

**RQ3. What provision should be made for specialist housing for older people within the NA, particularly given that there may be low rates of turnover in the housing market overall?**

### 6.1 Background and definitions

178. Before considering the data on Wareham 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 B 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>30</sup>
179. 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>31</sup>.
180. Indeed, the same survey found that 76% of those in homes of three or more bedrooms wished to downsize into smaller properties and this rose to 99% of those in homes of five or more bedrooms, with two bedrooms the preferred choice for both<sup>32</sup>.
181. However, in spite of evidence of high demand, currently only 5% of elderly people’s housing is made up of specialist homes<sup>33</sup>, with Demos suggesting that “the chronic undersupply of appropriate housing for older people is the UK’s next housing crisis”<sup>34</sup>, and local authorities often “accused of reluctance to approve development plans for specialist housing....out of fear of increased care costs”.<sup>35</sup>
182. 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 private sector and the rest provided at social rent levels<sup>36</sup>. However, this balance is likely to be as a result of constraints on the supply of private sector retirement housing rather than a lack of demand.
183. Indeed, whilst older people are increasingly healthier for longer than in the past, often staying in their own homes rather than moving into care, it is clear that the supply of specialist housing for the elderly has not responded significantly in the face of increasing demand. For example, the population aged 65 and over in England grew by 11% in England between 2001 and 2011, but the population living in actual residential care homes, those providing comprehensive care out with the sheltered housing sector, grew by just 0.3%, to about 291,000 people<sup>37</sup>.
184. The following sections consider the existing provision of specialist housing for the elderly in Purbeck as a whole, and for Wareham, and make projections of how needs might change in the future based on existing provision rates and demographic projections. These are then compared with rates of provision that have been recommended by the Housing Learning and Improvement Network (HLIN).

### 6.2 Existing provision of elderly housing

185. Data on the existing provision of elderly housing is difficult to obtain at the local level for individual parishes; however the Eastern Dorset SHMA does record the current supply across the Housing Market Area, as shown in the table below. The SHMA also makes clear that such specialist housing figures do not include the provision of registered care homes.

<sup>30</sup> <http://researchbriefings.files.parliament.uk/documents/CBP-7423/CBP-7423.pdf>

<sup>31</sup> <https://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

<sup>32</sup> Ibid.

<sup>33</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>34</sup> <https://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

<sup>35</sup> <http://researchbriefings.files.parliament.uk/documents/CBP-7423/CBP-7423.pdf>

<sup>36</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>37</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/ageing/articles/changesintheolderresidentcarehomepopulationbetween2001and2011/2014-08-01>

**Table 6-1: Current Supply of Specialist Housing for Older People in Eastern Dorset**

Type of housing	Affordable	Market	Total
<b>Sheltered</b>	4,806	3,452	8,258
<b>Enhanced sheltered</b>	84	196	280
<b>Extra Care</b>	441	133	574
<b>Total</b>	5,331	3,781	9,112

Source: HLIN

186. This data is most helpful when broken down into the standard metric of units of specialist housing per 1000 75+ population. This provides a more detailed view of actual specialist housing provision in relation to need within that group, based on 2013 figures, which are also provided by the SHMA showing a population of 67,188 people aged 75+ for the entire HMA.

**Table 6-2: Rates of specialist elderly housing provision in the Eastern Dorset HMA, 2013**

Type of housing	Affordable	Market	Total	Rate per 1000 75+ population
<i>Sheltered</i>	4,806	3,452	8,258	123
<i>Enhanced sheltered</i>	84	196	280	4
<i>Extra Care</i>	441	133	574	9
<i>Total</i>	5,331	3,781	9,112	136

Source: SHMA15

187. However, the SHMA also makes clear that these figures should be treated as indicative, given that they were provided by sector specialists Housing Learning and Improvement Network (HLIN), rather than a statutory body such as the ONS. HLIN is a specialist research hub for knowledge on housing for our ageing population, who have conducted extensive research on the topic for the public and third sectors including Public Health England and the Local Government Association
188. In the absence of official data on the topic of elderly housing provision, we have turned to the Elderly Accommodation Counsel's (EAC) database of specialist housing, to consider levels of provision in Wareham alone. This data, though not necessarily more complete than that provided by HLIN, does allow us to geographically pinpoint specific facilities to Wareham. The data has been collected manually and may not represent the entire specialist housing available in Wareham.

**Table 6-3: Summary of specialist housing available in Wareham Town, 2017**

In Wareham	Type	Provider	No. Units
Church Street, Wyatts Lane	Retirement/sheltered housing	Aster Living	14
Hemsbach Court	Age exclusive	Stonewater	14
Fleur de Lis	Age exclusive	Renaissance Retirement	21
Hillyard Court	Retirement/sheltered housing	FirstPort	22
Mellstock Crescent, Carey Road	Retirement/sheltered housing	Aster Living	18
Moretons Court	Retirement/sheltered housing	Aster Living	74
<b>Total specialist (excl. Care home)</b>			<b>163</b>

Source: EAC

189. This data suggests that residents of Wareham may have access to significant numbers of specialist housing units within the town itself, whilst these facilities must undoubtedly also meet the needs of the surrounding areas where such housing would be less viable, the main population served, and thus the need, derives in the main from Wareham.
190. It is then interesting to consider how this provision of 163 units translated into a rate of provision per 1,000 population aged 75+ (145/1000), and how this compares to provision rates across the wider HMA (136/1000). This is presented in the table below, which uses the ONS' 2016 Mid-Year Population Estimate of 849 people aged 75+ in Wareham (up from 777 in 2011) as the basis for the calculations. Also included is the expected rate of provision provided by the SHMA itself, which is 170 units per 1,000 75+ people. This allows us to understand whether there

are and will be residents in need of specialist housing in Wareham that are either not having their needs met, or are having to meet them outside the area.

**Table 6-4: Actual and projected rates of provision of specialist elderly housing provision in Wareham Town**

	Current rate of provision in Wareham	Expected provision based on 2013 HMA average	Total need based on SHMA proposed rate
Specialist Housing Units	163	$136 \times 849 / 1000 = 115$	$170 \times 849 / 1000 = 144$
Rate Per 1000 Population Aged 75+ (849 in Wareham in 2016)	$163 \times 1000 / 849 = 192$	136	170

Source: EAC, SHMA15

191. This data suggests that Wareham has very high levels of provision for specialist housing for the elderly already, being higher than the district average for Purbeck, and indeed than the national average.
192. Below we consider factors likely to affect need for specialist housing, given that the percentage of Wareham's population over 65 is 27%, which is approximately on par with that of Japan<sup>38</sup>, a country which has long struggled to accommodate its ageing population. Whilst the standard measure of specialist accommodation provision is per 1000 population aged 75+, it is likely that those aged 65 may also have specialist needs, as discussed in more detail below.

### 6.3 Factors affecting older people's housing need: health and mobility

193. As discussed above, the actual proportion of elderly people that can be considered in need of specialist housing is affected both by overall levels of health at the population scale as well as by individual lifestyle choices, given that the vast majority of elderly people currently choose to continue to live in their homes into their old age. The charity Age UK suggests that "inaccessible housing should not force anyone out of their home or local community against their wishes. It's much better to have 'pull factors' that attract older people towards housing alternatives."<sup>39</sup>
194. Still, it is interesting to consider long term rates of limitations to mobility within individual districts in the HMA, which the census records as the extent to which people reported that their day to day activities were limited "because of a health problem or disability which has lasted, or is expected to last, at least 12 months"<sup>40</sup>. The table below, reproducing Table 64 from the SHMA, shows that Purbeck will see higher than average increase in the number of older people with dementia, and a similar increase in those with disability problems.

**Table 6-5: Estimated population change for range of health issues (2013-33)**

	Type of illness/disability	2013	2033	Change	% increase
<b>Bournemouth</b>	Dementia	2,765	4,379	1,614	58.4%
	Mobility problems	6,756	10,280	3,524	52.2%
<b>Christchurch</b>	Dementia	1,203	1,886	684	56.9%
	Mobility problems	2,967	4,388	1,421	47.9%
<b>East Dorset</b>	Dementia	1,977	3,421	1,444	73.0%
	Mobility problems	5,000	7,955	2,955	59.1%
<b>North Dorset</b>	Dementia	1,139	2,147	1,008	88.5%
	Mobility problems	2,964	5,104	2,141	72.2%
<b>Poole</b>	Dementia	2,454	4,288	1,834	74.7%
	Mobility problems	6,177	10,040	3,863	62.5%
<b>Purbeck</b>	Dementia	821	1,417	596	72.7%
	Mobility problems	2,136	3,385	1,249	58.5%
<b>HMA</b>	Dementia	10,359	17,538	7,180	69.3%
	Mobility problems	26,000	41,152	15,153	58.3%

Source: SHMA15

195. It is helpful then to turn to similar data on mobility limitations for Wareham in comparison to Purbeck. The figure below shows this data for the 65+ and 75+ populations of Wareham with Purbeck and England for comparison. It should be noted that as the data is self-reported, some types of illness such as dementia may not be accounted for.

<sup>38</sup> <https://www.economist.com/news/asia/21734405-authorities-are-focusing-keeping-centre-alive-small-japanese-city-shrinks-dignity>

<sup>39</sup> <https://www.ageuk.org.uk/documents/EN-GB/Political/Age%20UK%20ID201813%20Housing%20Later%20Life%20Report%20-%20final.pdf?dtrk=true>

<sup>40</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/disability/articles/disabilityinenglandandwales/2013-01-30>

**Table 6-6: Rates of mobility limitations amongst elderly people in Wareham Town, 2011**

Size of Elderly Population	Wareham Town		Purbeck	
	% population	% with activities limited (as % of all residents)	% population	% with activities limited (as % of all residents)
All aged 65+	27.4%	12.8%	24.3%	11.2%
All aged 75+	14.1%	8.8%	11.8%	7.3%

Source: Census 2011

196. This data shows that even amongst those 75+ in Wareham, residents experience marginally higher levels of disability than those in Purbeck, with approximately 1.5% more people experiencing some limitations to their day to day activities than the district average. This suggests that demand for specialist housing for the elderly may in fact be higher in Wareham than the average for the district, based on the view that such housing may be better able to meet the needs of those with disabilities.
197. It is also relevant to consider mobility limitations among younger age groups to understand how this need might change in future as these cohorts age. This data is presented in the table on the following page, which shows a particularly high rate of mobility limitations in those aged 50-64 in Wareham (9.11%) in comparison to Purbeck (7.23%). This 2.12% difference in practical terms translates into approximately 11 additional residents whose day to day activities are limited a lot than would be expected from the district-wide rate of disability in this age category (2.12%\*1262 people aged 50-64 in 2011=27). Across all age categories the difference against the district average is equivalent to 58 people. This would suggest the need for higher than average provision in Wareham of specialist housing with a range of care options available.

**Figure 6-1: Residents with significant disabilities in Wareham and Purbeck by age group, 2011**

Age Group	Residents with day-to-day activities limited a lot (as % of all residents in that age range)	
	Wareham	Purbeck
Age 0 to 15	0.52%	1.49%
Age 16 to 24	1.79%	2.14%
Age 25 to 34	1.71%	2.17%
Age 35 to 49	4.81%	4.30%
Age 50 to 64	9.11%	7.23%
Age 65 to 74	10.33%	10.30%
Age 75 to 84	23.39%	23.17%
Age 85 and over	51.31%	48.58%

Source: Census 2011

198. Indeed, the SHMA15's figures show that there will be very significant increases in those with both dementia and mobility problems across Purbeck to 2033, with increases of more than 50% in both categories. Given how the data discussed above suggests that levels of mobility limitations in Wareham are higher than the average for Purbeck in all age groups over 35, it is likely that these shifts will affect Wareham disproportionately, thereby further increasing the need for specialist housing for the elderly in future.

**Table 6-7: Estimated Population Change for Range of Health Issues (2013 to 2033)**

	Type of illness/disability	2013	2033	Change	% increase
<b>Purbeck</b>	Dementia	821	1,417	596	72.7%
	Mobility problems	2,136	3,385	1,249	58.5%
<b>Eastern Dorset</b>	Dementia	10,359	17,538	7,180	69.3%
	Mobility problems	26,000	41,152	15,153	58.3%

Source: SHMA15

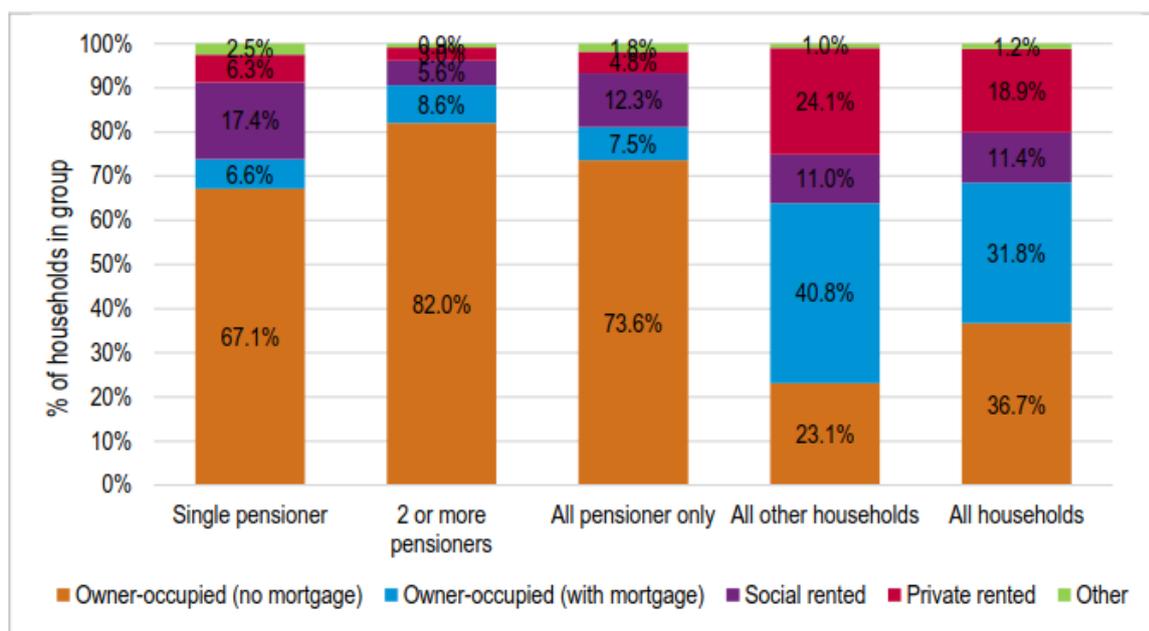
199. Bringing the evidence relating to specialist housing for older people together so far, we have established that the existing provision of elderly housing is good in Wareham in comparison to the district average, it is likely that need in Wareham may continue to be greater than in other parts of the district due to increasing relative levels of mobility

problems in the elderly population of the town. It is helpful then to turn to a consideration of the housing market context, and how it might meet the needs of those with such limitations.

### 6.4 Housing Market Factors: Housing Turnover

- 200. The analysis provided by the SHMA15 suggests there may be a significant gap in housing options for the elderly across Purbeck, and notes that the vast majority of specialist housing is in the social rented sector, in marked contrast to the actual tenure make-up for households in this age group.
- 201. The figure on the following page, which reproduces Figure 68 from the SHMA15, shows housing tenure across different types of households in Purbeck.
- 202. Indeed, while 59% of specialist housing across the HMA was in the Affordable Housing sector, only 26.4% of people in the age group did not own their own home. This is significantly fewer than for other types of households, of whom only 23.1% did own.
- 203. However, when considering all pensioner households, this group were more likely to be in social rented housing than all other households, although this was disproportionately true for single pensioner households, and not at all the case for those with two or more pensioners.

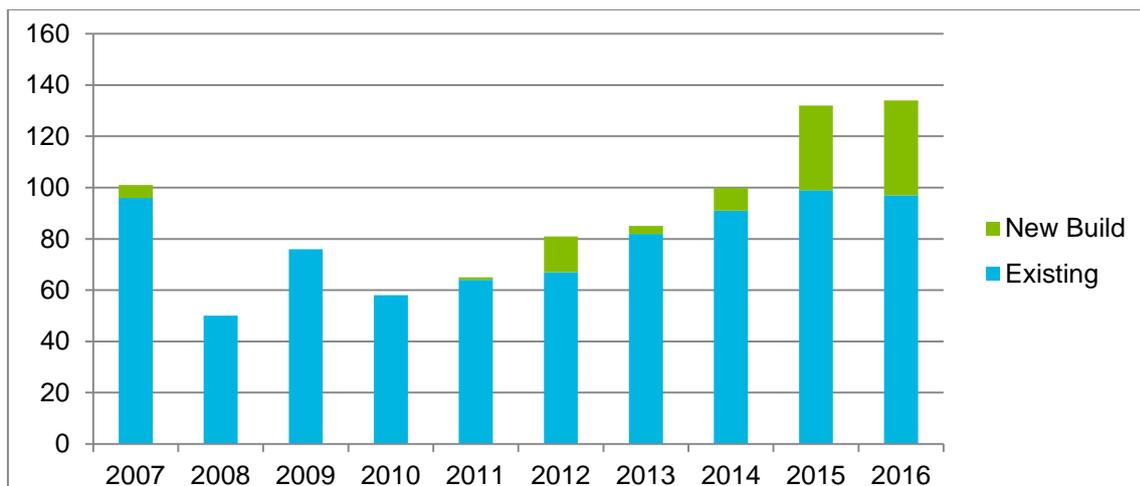
**Figure 6-2: Housing tenure of different types of households in Purbeck**



Source: SHMA15

- 204. This data hints at the contradiction noted above between supply and demand of specialist housing across the country, particularly in the market sector: there are significant proportions of the population ageing, but only relatively small increases in the supply of specialist housing designed specifically to meet their housing needs.
- 205. One explanatory factor could be that low rates of housing turnover, i.e. the frequency with which homes are bought and sold measured as the percentage of the existing stock sold in each calendar year, affects older households disproportionately.
- 206. Data on housing turnover can prove challenging to compile, because although the Land Registry records sales of most dwellings, not all sales are recorded (including auctions), and it is difficult to know what the exact stock of housing was for any given year. Similarly, new build sales are excluded from any count, as these would skew the data in favour of years where more housing was delivered.
- 207. The chart on the following page breaks down all sales of existing homes (802, between January 2007 and December 2016) in Wareham from Land Registry Price Paid Data (PPDC). This makes clear that the vast majority of homes bought and sold are existing, although in more recent years, new build homes have also made a significant contribution. Whilst clearly, rental and other tenures of housing have a significant contribution to make in terms of meeting overall housing demand, here we consider only turnover in housing for sale, as the vast majority of older people, indeed 73% across the district, owned their own home in 2011.

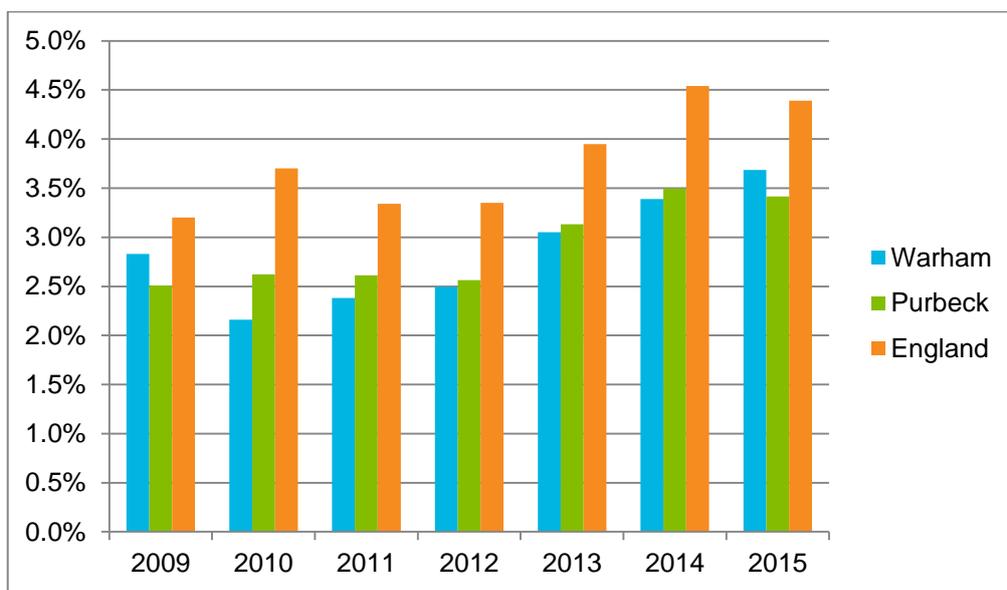
**Figure 6-3: Breakdown of existing and new build property sales in Wareham Town, 2007-2016**



Source: Land Registry PPD

208. It is then interesting to compare levels of housing turnover for Wareham, Purbeck and across England. Given the relative difficulty in determining exactly how many ‘existing dwellings’ there are for any given year (as some dwellings may be bought and immediately resold, but these would no longer be considered new dwellings in Land Registry Data), we have used the total dwelling stock at the 2011 census for both Wareham and Purbeck to produce the figure below. Data at the national level, available from the ONS’ Housing Summary Measure Analysis, was discontinued in 2015.

**Figure 6-4: Rates of housing turnover as a percentage of 2011 stock, Wareham**



Source: Land Registry PPD, ONS Housing Summary Measures Analysis 2015, AECOM Calculations

209. This figure makes clear that rates of housing turnover are relatively low in both Wareham and Purbeck in comparison to England as a whole. In most of the years considered however, Wareham had slightly lower rates of turnover than the whole of Purbeck, except in 2009 and 2015. Indeed, this data reflects the views of local estate agents interviewed as part of work undertaken on behalf of WTC as part of their Housing Needs Study. In the view of agents, this comparatively low turnover has made Wareham an attractive and stable place to live.

210. On this basis, there may be a small, specifically local effect of low housing turnover impacting older people’s moves into specialist housing in Wareham, and across Purbeck. This may have the effect of reducing the need for specialist housing as people stay in their homes for longer than the national average, however the difference between Wareham and Purbeck is negligible. Indeed, agents also noted the desire of older people to move into “accessible ground floor flats/bungalows, ideally with a garden and off street parking”, however these properties are likely to be relatively rare.

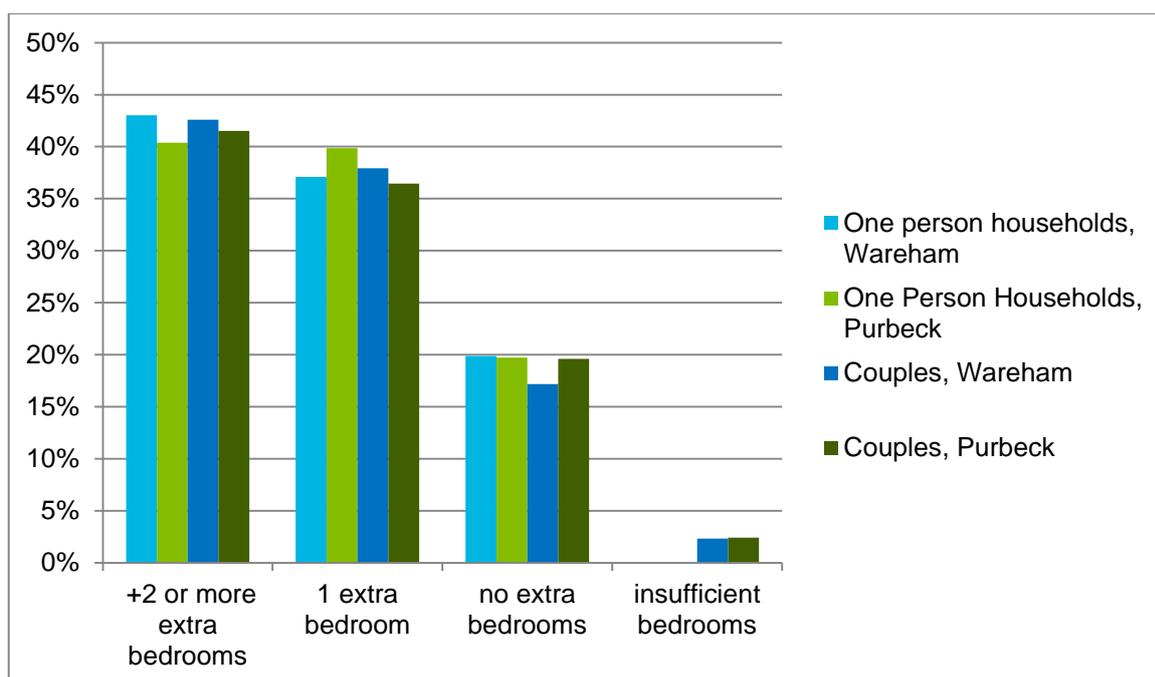
211. The implications of such findings are not clear-cut, particularly for specialist housing, although over the past few decades, housing turnover measured as a proportion of supply has declined significantly, which may have contributed to a notable rise in house prices nationwide<sup>41</sup>.

## 6.5 Housing Market Factors: Rates of Occupation

212. In addition to housing turnover, it is relevant to consider levels of under occupation amongst the elderly population, as this is a factor which may induce older people to choose to downsize into smaller homes, as noted above in research by Demos, particularly for those in homes of four or more bedrooms.

213. As noted above, research shows that those with larger homes are much more likely to wish to move into specialist accommodation for the elderly, given the challenges of maintaining such homes.

**Figure 6-5: Levels of under-occupation in Wareham and Purbeck, households over 65 by type**



Source: Census 2011

214. The figure above shows that slightly more elderly people in Wareham have two or more extra bedrooms than the average across Purbeck. This was true both for those living alone and those in couples. Particularly interesting is the fact that one person households were slightly more likely than couples to have two or more extra bedrooms in Wareham, whereas the reverse was true across Purbeck.

215. Whilst it would be difficult to evidence whether single person households or couples aged 65 or over were more in need of specialist housing, common sense would suggest that single people are more likely to benefit from enhanced social surroundings and care opportunities this might provide.

216. Based on this view, the data suggests that on balance, there may be greater need for properties which are appropriate to downsize into in Wareham than the average for Purbeck.

## 6.6 Conclusions: estimates of future specialist housing need

217. The Government's recent consultation on housing need asked specifically for, "suggestions on how to streamline the process for identifying housing need for individual groups", particularly in reference to older people. This demonstrates the relative difficulty in estimating the housing needs of elderly people, particularly given that there may be significant variations in the existing provision of such housing, not least because it crosses a range of sectors including housing, health and social care, the responsibilities for which are devolved at different geographical scales.

<sup>41</sup> <http://residential.jll.co.uk/new-residential-thinking-home/news/uk-housing-turnover-leading-to-higher-prices>

218. Below, we consider how the impact of the ageing population, i.e. the shift in the balance of the population so that there will be more older people as a proportion of the population (and indeed in terms of overall numbers of people) is likely to change demand for older people's housing.

**Table 6-8: Change in the population of over 75s between 2011 and 2033**

Age band	2011 Population Wareham (Census)	Population Purbeck (Census)	2031 Projected Population Purbeck (ONS SNPP 2014)	Projected Population Wareham (AECOM Calculation)
All ages	5,496 (12.2% of the district total)	44,973	48,700	
75+	777 (14.7% of the district total)	5,299	8,100	1,188 (14.7% of the district total)

Source: MHCLG 2014-based Sub-national population projections, Census 2011

219. The table 6.8 on the previous page shows how the elderly population aged 75+ of Wareham is likely to increase in future from 777 (in 2011) to 1188 (in 2033) based on a simple fair share calculation, i.e. based on Wareham maintaining the current proportion of all elderly people living in the district in the town. As we have already seen, the ONS already estimates that by 2016, the elderly population of Wareham stood at 849, up approximately 9% from 2011.

220. As such, as a result of 52% increase of the elderly population projected by the ONS for Purbeck from 2011- 2031, it is clear that there is likely to be a very significant increase in the number of elderly people in Wareham, although this will be dependent on older people's lifestyle choices which are shaped by a variety of factors.

221. Still, given that Wareham contained 14.7% of older people in the district in 2011, whilst having just 12.2% of the population of the district overall, it is likely that Wareham will continue to be an attractive place for older people to live.

222. It is useful then to consider how this relatively dramatic increase in the population of older people might affect the need for specialist housing. As we have seen however, actual rates of provision for specialist housing can vary widely as a result of supply factors discussed above. As such, the table below considers the implications of a range of different rates of provision on specialist housing need in Wareham based on an increase in the elderly population of 339 from 2016-2031.

**Table 6-9: Potential additional specialist housing units required at differing rates of provision to 2031**

	Current rate of provision in Wareham	Projected need at 2013 HMA average rate of provision	Projected need at SHMA15 proposed rate of provision	Projected need at HLIN recommended rate of provision
Rate Per 1000 Population Aged 75+ (849 in Wareham)	192/1000	136/1000	170/1000	251/1000
Total Additional Housing Units Required to 2031 (based on 339 additional people aged 75+)	65	(no additional need)	39	135

Source: HLIN, AECOM Calculations

223. The evidence assembled above in terms of health and mobility suggests that an uplift on the average rate of provision across the HMA would be justified to take account of local factors specific to Wareham. On this basis, we would recommend that a figure of 39 additional specialist dwellings be taken forward by the neighbourhood planning group to the end of the Plan period.

224. Whilst demand for specialist dwellings clearly varies between different parts of the district, with many older residents remaining in their family homes and not in specialist accommodation, it is for the Town to decide whether it wishes to continue to provide specialist accommodation at the current rate, given the district average, or at a higher rate, given the proposed provision in the SHMA.

225. Relatively lower rates of provision across Purbeck reflect long-held care in the community policies, the importance to elderly people of familiarity and access to occupational therapists to reduce risks within the home – all enabling elderly people to remain at home for as long as possible. However, conversely, preventative interventions in elderly

people's housing, such as adaptations, can help to reduce the likelihood of health crises such as falls, or other events leading to hospital visits. Anecdotal evidence also suggests that elderly people can leave a move into specialist accommodation too late resulting in a higher dependency on nursing and residential homes, disorientation, and an acceleration of dementia.

226. 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 and how the housing stock can accommodate such care in the future.
227. The following section discusses in brief some of the other potential housing options for the elderly, and is included for information only.

## 6.7 Other housing options for the elderly

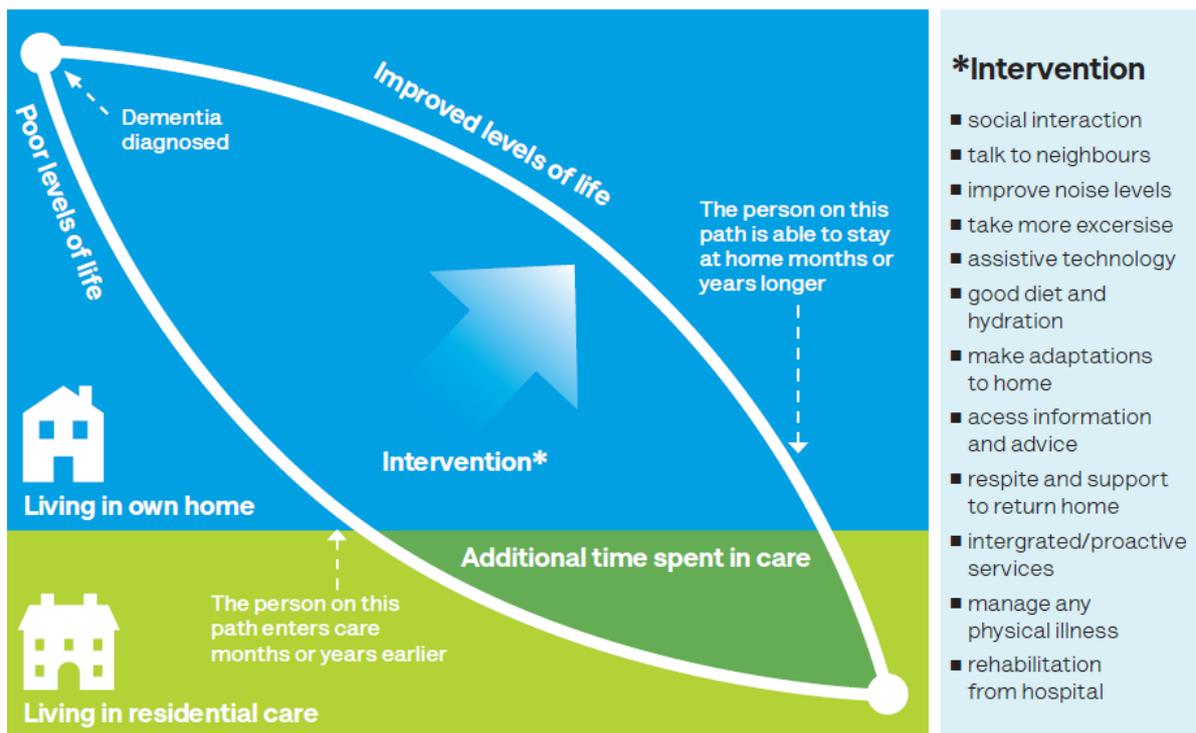
111. **Retirement villages** are developments that involve the delivery of multiple homes satisfy the desire on the part of many older people to live in an environment with people facing similar challenges; retirement villages are often a cost-effective means of delivering sheltered and extra care housing together with the facilities and services these settlements imply. Given the numbers of units that result from the analysis above, it seems unlikely that this would be appropriate for Wareham Town.
112. **Senior co-housing** 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>).
113. **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.
114. **Lifetime homes** are created via LPA policies in Local Plans 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 movement in hallways and through doorways should be as convenient to the widest range of people, including those using mobility aids or wheelchairs, and those moving furniture or other objects.<sup>42</sup>
115. **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>43</sup>
116. **Housing for people with dementia** may consist of specialist housing, but needs, like the housing needs older people, can 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>44</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 6-6 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>42</sup> <http://www.lifetimehomes.org.uk/pages/about-us.html>

<sup>43</sup> Housing LIN, *New Approaches to Housing for Older People*, June 2014, page 6

<sup>44</sup> Alzheimer's Society, *Dementia-friendly housing charter*, page 13

Figure 6-6: Dementia care chart



Source: Dementia Services Development Centre, 2013

117. 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>45</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.

<sup>45</sup> NPPF, para 50

## 7. Conclusion

### 7.1 Overview

Factor	Source(s) (see relevant chapters for more details)	Possible impact on housing needed	Conclusions
<b>Type and Size of Housing Needed</b>	SHMA15, Census 2001/2011, MHCLG 2014-based household projections, WTC Housing Needs Study	<p>Whilst Wareham has slightly fewer flats than the district and significantly more terraced homes, the size of housing in Wareham was broadly similar to that across Purbeck. There have been significant increases, of about 34% (2001-11), in the number of larger homes, which is of concern given ongoing demographic shifts towards smaller households.</p> <p>There is a clear trend of older people downsizing in both the affordable and market housing sectors in Purbeck, with those in affordable housing having on average 1.5 bedrooms towards the end of their lives and those in market sector having 2.5 bedrooms on average.</p> <p>This trend across the district is almost exclusively as a result of older people moving into flats, with no apparent trend toward downsizing into other house types as yet. In general however, households in Wareham are more likely to under occupy housing than across the district, with approximately 35% maintaining two extra bedrooms.</p>	<p>There is likely to be a significant need for small and medium sized housing, and our recommendation is for 50% of all new homes to be two bedrooms in Wareham to help to fill an identified market gap and in particular to accommodate the existing trend towards older people downsizing into appropriately sized homes as they move through retirement, and smaller households going forward. One bedroom homes may also meet the needs of elderly people, although developing space standards could help to ensure that these meet the expectations of downsizers.</p> <p>A key question is whether developing other housing types for the elderly other than flats would incentivise more older people to move, or whether flats will continue to meet their needs. Given the downsizing trend identified, it is reasonable to suggest that one bedroom properties would not be particularly ideal in the market sector in Wareham, unless these encompass specialist housing for the elderly with some form of support, as households choosing additional bedrooms may be doing so to ensure their care, social &amp; family visiting needs are met in later years. Furthermore, smaller new build homes may be less flexible in their design than larger homes according to some research<sup>46</sup>, making downsizing not as attractive.</p>
<b>Tenure of Housing Needed</b>	SHMA15, Census 2001/2011, MHCLG Live Tables, Land Registry PPD, Core Lettings data, ONS Property Affordability Calculator, WTC Housing Needs	<p>Affordability ratios suggest that for-sale housing is accessible to less than 50% of the population, whilst entry level rents exclude the bottom 25% of earners. There has been a significant uplift of 35% experienced in the private rental sector in Wareham Town in recent years, suggesting many households earning around the median income have turned to the private rental sector</p>	<p>There are significant gaps in housing provision between market and social rented housing. Bringing these households onto the ownership ladder has the potential to liberate rented-dwellings for young and newly forming households looking to remain in the area.</p> <p>Given the range of housing affordability issues across all tenures, it is</p>

<sup>46</sup> [https://www.southsomerset.gov.uk/media/862544/somerset\\_final\\_shma\\_oct2016\\_revised.pdf](https://www.southsomerset.gov.uk/media/862544/somerset_final_shma_oct2016_revised.pdf)

	Study	<p>to satisfy their needs.</p> <p>Entry level house prices are particularly inaccessible at £188,750 in 2014, which also explains the growth in the private rental sector. A reduction in the younger working age population are likely to be exacerbated by a lack of suitable housing at suitable prices.</p> <p>The Housing Waiting List data provided by PDC suggests there are 89 households with a local connection to Wareham in need of affordable homes, with more than twice as many considering need in the wider district.</p> <p>Affordability issues will continue to be exacerbated by further increases in house prices in the area, should trends in recent years continue, and may also negatively impact new household formation rates. As a result, there is likely to be a decline in the working age population of the district, particularly those between 25 - 44.</p>	<p>recommended that affordable housing be delivered across all tenures (social rented housing, affordable rented housing, shared ownership etc.). Current district policies should enable this housing to be delivered as a proportion of market development.</p> <p>Moreover, in order to address demographic trends identified in this report it is appropriate to provide a larger proportion of smaller affordable homes for young forming households and households stuck in the private rental sector and who desire access to ownership. On that basis we would recommend that forms of 'intermediate' affordable housing such as Shared Equity, Discounted Market for Sale Housing (DMSH) as well as rental models such as Affordable Rent should be considered as part of the affordable housing quota within the NA.</p>
<b>Specialist Housing Needed</b>	HLIN, SHMA15, EAC, Census 2011, Land Registry PPD, ONS Housing Summary Measures Analysis 2015, MHCLG 2014-based Sub-national population projections, Dementia Services Development Centre	<p>As a result of a near doubling of the elderly population projected by the ONS for Purbeck from 2011- 2031, there is likely to be a very significant increase in the number of elderly people in Wareham, which could be up to 450 people.</p> <p>Comparatively low rates of turnover in the housing stock across the district may be constraining demand for specialist housing in Wareham.</p> <p>The elderly population of Wareham aged 50+ has relatively higher levels of mobility limitations (approximately 2% greater), than the district average, At current rates this would equate to 16 additional units of specialist housing, whilst County Council and industry body recommendations could indicate need for up to 135 additional specialist dwellings for the elderly up to 2031.</p>	<p>Whilst demand for specialist dwellings clearly varies across different parts of the planning district, with many older residents remaining in their family homes and not in specialist accommodation, it is for the parish to decide whether it wishes to provide specialist accommodation above the levels currently provided across the local authority area.</p> <p>However, AECOM's recommendation is that a figure of 39 additional specialist dwellings be carried forward by the Wareham Town Neighbourhood Plan, based on a range of estimates and adjusted to take account of local factors such as health and mobility in the local population.</p> <p>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 and how the housing stock can accommodate such care in the future.</p>

## 7.2 Recommendations for next steps

228. This neighbourhood plan housing needs advice has aimed to provide Wareham Town Council with evidence on housing trends from a range of sources. We recommend that the Town Council should, as a next step, discuss the contents and conclusions with PDC.
229. This advice note has been provided in good faith by AECOM consultants on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).
230. It is important under review any implications arising from forthcoming changes which have been published in the new draft NPPF, as well as the implementation of the Housing and Planning Act 2016, which will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
231. 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 District Council or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity with the adopted Local Plan is maintained.
232. At the same time, we recommend the group monitor available data on demographic or other trends over the period in which the neighbourhood plan is being developed to help ensure relevance and credibility of its policies.
233. Below we summarise our recommendations regarding policies on the specific issues considered as part of this HNA. Such recommendations clearly relate to the future supply, rather than the future need or indeed demand for housing in Wareham.

### Policies on Tenure

234. We have set out recommendations as to the most appropriate tenures of affordable housing in the NA in Appendix A. However requiring developers to provide a set proportion of affordable housing (or indeed any specific tenure of home) will likely be subject to viability considerations at applications stage as enshrined in the current NPPF, Paragraph 173.
235. Indeed, in rural areas, 68% of affordable homes are delivered via Section 106 agreements,<sup>47</sup> although smaller sites, typically those under 10 units, are usually less likely to support the provision of affordable housing on site.
236. Whilst we support ambitious neighbourhood planning groups to set challenging affordable housing policies to meet local need, a degree of pragmatism is also required to ensure that affordable homes are delivered rather than remaining a policy aspiration.
237. In particular, Local Plan policies on affordable housing may already provide for the framework under which contributions towards affordable housing will be negotiated with developers and landowners, with little value added by additional neighbourhood plan policies.
238. On this basis, we would recommend that policies on tenure consider specifically what types and sizes of development they apply to, and ideally which sites they will relate to. This will allow a targeted approach to negotiations with developers regarding affordable housing contributions, whether these are on-site delivery of affordable housing units, or off-site payments.
239. The specific tenures delivered on specific sites is likely to relate as much to the nature of the site and its design and access as to issues of viability and land prices. More detailed advice can be found in the PAS Neighbourhood Planning Advice Note on Housing Needs Assessment for Neighbourhood Plans<sup>48</sup>

### Policies on Type and size

240. This HNA has set out AECOM's recommendations for the types and sizes of housing needed in future. Neighbourhood plan policies can specify types and sizes of homes that should be developed, however the extent to which these specifications will, much like the tenures of homes to be delivered, will be subject to the viability of individual housing schemes.
241. An alternative and often more effective approach than general policies on the type and size of dwelling applying to all development within the NA would be for neighbourhood planners to design specific guidance on the characteristics of housing on specific development sites which are allocated in the plan.
242. These should be developed according to the views of local residents, and also in consultation with other local stakeholders including developers and your local authority.

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<sup>47</sup> HAPPI 4, pp. 41

<sup>48</sup> <https://www.local.gov.uk/sites/default/files/documents/view-advice-note-here-cb3.pdf>

243. Such guidance would ideally be informed by both design code/masterplanning work exploring the impact of the proposals on the overall capacity of the sites, as well as by viability evidence underpinning that the requirements would not place undue burdens on developers seeking to deliver housing.
244. In developing more detailed guidance for specific sites, neighbourhood planners will be able to provide certainty and evidence in discussions with both the public and private sector as to the future of development sites. In addition, emerging Draft Planning Practice Guidance states that “Neighbourhood plan policies on the size or type of housing required should be informed by other local authority evidence as far as possible”.<sup>49</sup>

### Policies on Housing for Specialist Groups

245. Specialist housing for the elderly is typically delivered either by specialist developers (who mainly provide market sale and rented products), and housing associations, who typically provide rented products. This market is still relatively underdeveloped in the UK, with the result being that such providers tend to buy only specific types of land in specific parts of the country.
246. Wareham already has a well-developed market for retirement and elderly people’s housing, with both market and affordable provision. This provides a strong basis for the further development of this market, including to provide greater choice for older people, particularly in terms of different tenures, which may also help to deliver more affordable options for those elderly people in need.
247. In particular, elderly people who do not own their own home outright (i.e. those who continue to have a mortgage), as well as those in the private rented sector, may not be able to access the vast majority of private sector specialist housing, and may need alternative tenures of home should they wish to move.
248. The evidence presented to the All Party Parliamentary Group on Housing and Care for Older People’s inquiry HAPPI4 suggested that a policy link between Rural Exceptions Sites and specialist dwellings for the elderly could be made in Local Plan, and by extension Neighbourhood Plan policy<sup>50</sup>.
249. Similarly the inquiry called for Local Plans to allocate sites for specialist housing for the elderly, and this could undoubtedly also be extended to neighbourhood plans<sup>51</sup>. We would encourage groups to explore the possibilities of such a policy, and whether it would be in conformity with the relevant Local Plan’s Strategic Policies, with your Local Planning Authority.
250. We also note that the revised NPPF suggests that such developments could be exempt from some types of affordable housing requirements, and this may impact both on their viability and their ability to deliver different tenures of specialist accommodation for the elderly<sup>52</sup>.

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<sup>49</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/687239/Draft\\_planning\\_practice\\_guidance.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/687239/Draft_planning_practice_guidance.pdf)

<sup>50</sup> [http://www.housingandcare21.co.uk/files/8515/2508/3531/APPG\\_Rural\\_HAPPI\\_4\\_Housing\\_Care\\_Report...pdf](http://www.housingandcare21.co.uk/files/8515/2508/3531/APPG_Rural_HAPPI_4_Housing_Care_Report...pdf)

<sup>51</sup> Ibid.

<sup>52</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/685289/Draft\\_revised\\_National\\_Planning\\_Policy\\_Framework.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685289/Draft_revised_National_Planning_Policy_Framework.pdf)

## Appendix A: Housing tenure

251. Earlier in this study, we identified the various different tenures that constitute Affordable Housing (AH): social rented housing, affordable rented housing, shared ownership, discounted market sales housing (Starter Homes) and affordable private rent housing.
252. This variety of AH tenures reflects an ambition by the Government to introduce market principles into the provision of subsidised housing. The aim is to divide AH into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer in line with people's ability to pay.
253. A good example is, in 2012, the introduction of affordable rented dwellings, rent for this tenure would be set at up to 80% of market rent, with the additional income being used to help fund the development of new homes. Labelled an 'intermediate' product, this would be suitable for people with an income that precludes them from eligibility for the social rented dwellings, but who cannot afford to access the private market.
254. The overall aim is to reduce the group who are eligible for social rented dwellings to those who have, relatively speaking, very low household income. However, within this segment, market principles also apply given the link between rents and size of dwelling, with a strong financial incentive for households to only occupy a dwelling deemed suited to their composition, based on an 'occupancy rating' formula set by the Government.

### A.1 Social rented housing

255. Rents in socially rented properties reflect a 'formula rent' based on a combination of individual property values and average earnings in each area, maintaining substantial discounts to market rents. As such, it is suitable for the needs of those on low incomes, and is subject to strict eligibility criteria.
256. As we have seen, the majority of households in Wareham are able to afford market dwellings for rent. However, the evidence we have gathered suggests there is a significant minority who experience great difficulty in accessing housing suited to their needs. The evidence comprises of:
- A LQAR higher than the council (11.27%) and which is worsening.
  - Households on lower quartile income can only afford existing social rent levels with housing benefit for dwellings of 2 bedrooms or more.
  - A substantial proportion of households with non-dependent children (8.9% of all households) suggesting the importance of the phenomenon of adult children living with their parents.
  - Data from the 2011 Census identifying 20 households experiencing overcrowding and 23 households considered to be concealed.
  - The 109 households in priority need for affordable homes in the NA (most of them requested smaller dwellings of 1 or 2 beds).
257. The need for social housing will be exacerbated by the reported increase in house prices in the area in recent years and the decline in those aged between 25-44 combined with the forecast loss of people of working age.
258. It is therefore appropriate for social rented housing to form the majority of affordable homes provided, with the number of 77% being either social or affordable rented given by the SHMA being appropriate for the NA.

### A.2 Discounted market housing (starter homes)

259. As we have seen, Housing and Planning Act 2016 (HPA) includes provisions to introduce a general duty on planning authorities in England to promote the supply of 'starter homes,' and a specific duty to require a minimum number or proportion of 'starter homes' on certain residential development sites. The relevant legislative provisions are, however, not yet in force and no specific proportion or minimum has been put forward.
260. The Housing White Paper sheds further light on the government's intentions in this area. It states that, 'in keeping with our approach to deliver a range of affordable homes to buy, rather than a mandatory requirement for 'starter homes,' we intend to amend the NPPF to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units. It will be for local areas to work with developers to agree an appropriate level of delivery of 'starter homes', alongside other affordable home ownership and rented tenures.'
261. This is a substantial watering-down of the 'starter home' requirement as envisaged when policy contained in the Housing and Planning Act was first conceived. In effect, it leaves it to local groups, including neighbourhood plans,

to decide an appropriate level of affordable home ownership products, while taking note of the 10% policy expectation.

262. The decision whether to treat Discounted Market Sale Homes (DMSH) as affordable housing should be determined by whether lowering the asking price of new build homes of a size and type suitable to first time buyers by 20% would bring them within reach of people currently unable to access AMH for purchase.
263. So as to provide a conservative assessment of suitability of DMSH, we consider the value of £234,000 in Wareham for an entry-level dwelling. Allowing for a 10% deposit would reduce the value of a Lower Quartile property to £210,600. We then apply a further discount of 20% to arrive at the approximate selling price of a Starter Home of £163,800. Dividing this figure by 3.5 produces a threshold of £46,800. This is still above the annual average household income of £32,872, but contributes to lowering the affordability ratio for first-time buyers whose income is around the median. This type of tenure is therefore most appropriate for first-time buyers who earn slightly above the median and can therefore afford 80% of the market price for entry-level dwellings.
264. This evidence must be considered together with the high number of adult children living with their parents and the decrease by 18% of the 25-44 age bands between 2001 and 2011. This suggests that many newly-forming households cannot afford entry-level dwellings for sale. As they result they will either be 'displaced' of the area, live with their parents, or choose the PRS.
265. On the basis of the evidence we have gathered, we would therefore recommend DMSH form part of the AH quota within the NA.

### A.3 Shared ownership

266. As we have seen, there are very few shared ownership dwellings in Wareham (0.5% at the time of the last Census). Nevertheless, it is worth considering its future role in the town. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable.
267. The share owned by the leaseholder can be varied by 'stair-casing'. Generally, stair-casing will be upward, thereby increasing the share owned. In exceptional circumstances (as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own.
268. Shared equity constitutes a form of AH, targeting those on incomes around the mean; as such, it is termed 'intermediate' and is available to both first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose household income does not exceed £60,000. Given these conditions, on the basis of the affordability analysis discussed above, it should form part of the AH mix in the NA. Provided its total annual cost is lower than that of Starter Homes, it could help NFH to become homeowners.

### A.4 Affordable rent

269. Commentators have repeatedly raised concerns about affordable rent not constituting a realistic form of AH given that in many areas this reduces rent to levels that are still beyond the means of the target group: those on incomes substantially below the mean.
270. Affordable rent is controlled at no more than 80% of the local market rent; as we have seen the annual rent for a two bedroom dwelling in Purbeck is £7500. This remains beyond the reach of those whose income falls into the lower quartile but is within the reach of those whose income are around the mean, explaining the growth in the PRS. In the event of an 20% reduction in rent, the Income Threshold would come down to £20,000, potentially bringing rents within reach of newly formed households with an average income of £21,696 and almost that of households with a lower quartile income of £16,931. We therefore recommend that the affordable rented tenure form a component within AH.

### A.5 Market housing

271. Given the limited quantity of AH in the NA, the needs of the great majority of the people will be served by the market. People on higher incomes will be able to access a variety of market dwellings; their choices will be driven principally by how much they can afford to spend, the extent to which old age is driving their choice of home as well as personal taste.

272. The operation of the market is the best means of addressing the demand for different types of housing for sale. It is important planning policy does not place unnecessary burdens on the market preventing its ability to respond to demand; this is after all the principal way equilibrium is achieved in the housing market and house price growth kept in check. In this way the notion of viability is essential. It is important not to deter development in the context of clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of resources for infrastructure improvements.

## A.6 Built to rent

273. As we have seen, there is strong evidence of growing demand for private rent accommodation in the NA. On-going changes to the benefit system, in particular 'Universal Credit',<sup>53</sup> and the way social housing is allocated, for example restrictions imposed by eligibility criteria, are likely to increase demand on the private rented sector, especially at the lower-cost end of the market. Given the very substantial increases in PRS revealed by Census data, this trend is one shared by Wareham.

274. The reason for the strength of this demand is that, for those households unable to access market housing to buy, and who do not qualify for affordable housing, private rented housing is the only remaining option. Given the trends identified in this HNA, Wareham should seek build to rent (BTR) development, a percentage of which may be 'intermediate rented housing' so as to address the need to affordable market housing for younger age groups.

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<sup>53</sup> Reforms to the benefits system are likely to see payments made directly into recipients' bank accounts rather than housing benefit paid to landlords thus granting the individual greater choice in the nature of their housing arrangements.

## Appendix B Definitions of Specialist Housing

### B.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)

### B.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)

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